



Request for Proposal

For Audit Services

For the Year Ending: August 31, 2024

Inquiries and proposals should be directed to:

Beatriz Hanson, Executive Director  
Coastal Bend Food Bank  
5442 Bear Lane  
Corpus Christi, TX 78405  
(361) 887-6291

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## General Information

### A. Purpose

This Request for Proposal (RFP) is to contract for a consolidated financial and compliance audit for the year ending August 31, 2024, as well as any additional services that will benefit our organization such as updating clients throughout the year of financial statement reporting changes. The RFP includes the preparation of IRS Tax Form 990 and the Indirect Cost Rate Proposal. The proposal includes options for four additional years.

### B. Who May Respond

Only licensed Certified Public Accountants may respond to this RFP.

### C. Instructions on Proposal Submission

1. Closing Submission Date: Proposals must be submitted no later than 4:30 p.m. on July 30, 2024.
2. Inquiries: Inquiries concerning this RFP should be directed to Beatriz Hanson, Executive Director by phone at (361) 887-6291 or via email at [bhanson@coastalbendfoodbank.org](mailto:bhanson@coastalbendfoodbank.org). Offers may direct questions via email, or a phone or virtual meeting.
3. Conditions of Proposal: All costs incurred in the preparation of a proposal responding to this RFP will be the responsibility of the Offeror and **will not be reimbursed** by *Coastal Bend Food Bank*.
4. Instructions to Prospective Contractors:

Your hard copy proposal should be addressed as follows:

Name/Title: Beatriz Hanson, Executive Director  
Entity: Coastal Bend Food Bank  
Address: 5442 Bear Lane  
Corpus Christi, TX 78405

It is important that the Offeror's hard copy proposal be submitted in a sealed envelope clearly marked in the lower left-hand corner with the following information:

Request for Proposal  
4:30 p.m. – July 30, 2024  
Sealed Proposal  
For Audit Services

**Late proposals will not be considered.**

5. Electronic or hard copy submissions: Proposals can be submitted electronically to the following email address: [bhanson@coastalbendfoodbank.org](mailto:bhanson@coastalbendfoodbank.org) by the closing submission date noted above. Enter in the subject field of email "Request for Proposal 4:30 pm – July 30, 2024. Sealed Proposal for Audit Services".

Proposals may also be submitted as hard copy submissions to the address as specified above no later than the date and time noted above. Three copies of the proposal must be submitted. Failure to do so may result in premature disclosure of your proposal.

It is the responsibility of the Offeror to ensure that the proposal is received by the *Coastal Bend Food Bank* by the date and time specified above.

Late proposals will not be considered.

6. Right to Reject: *Coastal Bend Food Bank, hereinafter*, reserves the right to reject any and all proposals received in response to this RFP. A contract for the accepted proposal will be based upon the factors described in this RFP.
7. Small and/or Minority-Owned Businesses: Efforts will be made by *Coastal Bend Food Bank* to utilize small businesses and minority-owned businesses. An Offeror qualifies as a small business firm if it meets the definition of "small business" as established by the Small Business Administration (13 CFR 121.201).
8. Notification of Award:
  - a. It is expected that a decision selecting the successful audit firm will be made within 5 days of the closing date for the receipt of proposals.
  - b. Upon conclusion of final negotiations with the successful audit firm, all Offerors submitting proposals in response to this Request for Proposal will be informed, in writing, of the name of the successful audit firm.
  - c. It is expected that the contract shall be a one-year, fixed-price contract with options for four additional one-year periods.

#### **D. Description of Entity and Records to Be Audited**

The *Coastal Bend Food Bank*, is a nonprofit corporation and has been determined to be exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. It is governed by an 18-member volunteer board of directors. The *CBFB Holdings, inc.*, is a nonprofit corporation and has been determined to be exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. It is governed by a 5-member volunteer board of directors. The Administrative offices and all records are located at 5442 Bear Lane, Corpus Christi, TX 78405.

*Coastal Bend Food Bank's* annual budget totals approximately \$3.2 million per year. *Coastal Bend Food Bank* employs approximately 46 employees with an annual payroll of approximately \$1,588,000. All employees are paid on a weekly basis and all participate in direct deposit. The financial records are maintained on an accrual basis using an automated network system. *Coastal Bend Food Bank* utilizes Sage accounting software.

*Coastal Bend Food Bank* maintains three bank accounts and three investment accounts, the primary bank account process approximately 80 to 100 disbursement checks, 25 electronic payments, four to five payroll direct deposits, 55 to 80 deposits, and 25 to 30 electronic deposits monthly.

*Coastal Bend Food Bank* receives 14 million pounds of food, through donations, USDA, and purchasing. Distributes 13.5 million pounds of food through 145 agency partnership sites, 31 mobile pantry sites, 35 non- agency sites, 19 senior sites, and 114 kid backpack sites.

*CBFB Holdings, Inc.*'s annual budget totals approximately \$3.3 million per year. *CBFB Holdings, Inc.* employs approximately 0 employees with an annual payroll of approximately \$0. The financial records are maintained on an accrual basis using an automated network system. *CBFB Holdings, Inc.* utilizes Sage accounting software.

*CBFB Holdings, Inc.* maintains six bank accounts, the primary bank account process approximately 3 disbursement checks, 10 electronic payments quarterly.

## **E. Options**

At the discretion of *Coastal Bend Food Bank*, this audit contract can be extended for four additional one-year periods. The cost for the option periods will be agreed upon by *Coastal Bend Food Bank* and the Offeror. It is anticipated that the cost for the optional years will be based on the same approximate cost per thousand dollars of audited expenditures as the contract for the initial year.

## Specification Schedule

### A. Scope of a Consolidated Financial and Compliance Audit

The purpose of this RFP is to obtain the services of a public accounting firm, whose principal officers are independent certified public accountants, certified or licensed by a regulatory authority of a state or other political subdivision of the United States, hereinafter referred to as the "Offeror," to perform a consolidated financial and compliance audit of *Coastal Bend Food Bank and CBFB Holdings, Inc.* The RFP includes services for the preparation of IRS Tax Form 990.

In addition to our consolidated financial and compliance audit, *Coastal Bend Food Bank* is also requesting additional services to support our organization. These services include the preparation of an Indirect Cost Rate Proposal.

### B. Description of Programs/Contracts/Grants

The following list provides information on the grants that were administered by Coastal Bend Food Bank during the year ending August 31, 2024:

<b><u>Federal Grantor/ Pass-Through Grantor/ Program Title</u></b>	<b><u>Budget Year</u></b>
U.S. Department of Agriculture	FYE 8/31/24
U.S. Department of Housing and Urban Development	FYE 8/31/2024
U.S. Department of Homeland Security	FYE 8/31/2024
Inventory	FYE 8/31/2024
New Markets Tax Credit Notes Payable	FYE 8/31/2024

### C. Performance

*Coastal Bend Food Bank's* records should be audited through September 1, 2023 to August 31, 2024.

The Offeror is required to prepare audit reports in accordance with *Government Auditing Standards* and *CFR Part 200 Uniform Administrative Requirements*.

### D. Delivery Schedule

Offeror is to transmit one copy of the draft audit report to *Coastal Bend Food Bank's* Executive Director and Director of Finance no later than March 30, 2025.

The Offeror shall deliver one final electronic report to *Coastal Bend Food Bank's* Executive Director and Director of Finance and one final electronic report and one final printed Form 990 to *Coastal Bend Food Bank's* Board of Directors no later than April 30, 2025.

The Offeror shall deliver one final electronic report and two final bound reports of the Indirect Cost Rate Proposal to *Coastal Bend Food Bank's* Executive Director and Director of Finance no later than April 30, 2025.

Reports may be submitted earlier than the schedule above. However, if the Offeror fails to make delivery of the audit reports within the time schedule specified herein, or if the Offeror delivers audit reports that do not conform to all of the provisions of this contract, *Coastal Bend Food Bank* may, by written notice of default to the Offeror, terminate the whole or any part of this contract. Under certain extenuating circumstances, the contracting agent may extend this schedule upon written request of the Offeror with sufficient justification.

#### **E. Price**

**The Offeror's proposed price should be submitted separately.** Specifically, include a not-to-exceed total fee and include information indicating how the price was determined. For example, the Offeror should indicate the estimated number of hours by staff level, hourly rates, and total cost by staff level. Any out-of-pocket expenses should also be indicated. The pricing should include a separate line for the cost of preparing IRS Tax Form 990 and a separate line for the cost of preparing the Indirect Cost Rate Proposal. The pricing information should be in a separate, sealed envelope. Electronic submissions should have a separate file with pricing information.

#### **F. Payment**

Payment will be made when *Coastal Bend Food Bank* has determined that the total work effort has been satisfactorily completed. Should *Coastal Bend Food Bank* reject a report, *Coastal Bend Food Bank's* authorized representative will notify the Offeror in writing of such rejection, giving the reason(s). The right to reject a report shall extend throughout the term of this contract and for 30 days after the Offeror submits the final invoice for payment.

Progress payments will be allowed to the extent that *Coastal Bend Food Bank* can determine that satisfactory progress is being made.

Upon delivery of the electronic copy and the final reports of the consolidated financial and compliance audit, one electronic copy and one printed copy of the final Form 990, and one electronic and two bound copies of the final Indirect Cost Rate Proposal reports to *Coastal Bend Food Bank* and their acceptance and approval of each, the Offeror may submit a bill for the balance due on the contract for the audit and additional services.

#### **G. Audit Review**

All audit reports prepared under this contract will be reviewed by *Coastal Bend Food Bank* and its funding sources to ensure compliance with the General Accounting Office's (GAO) *Government Auditing Standards* and other appropriate audit guides.

#### **H. Exit Conference**

An exit conference with *Coastal Bend Food Bank's* representatives and the Offeror's representatives will be held at the conclusion of the field work. Observations and recommendations must be summarized in writing and discussed with *Coastal Bend Food*



*Bank*. It should include internal control and program compliance observations and recommendations.

## **I. Workpapers**

1. Upon request, the Offeror will provide a copy of the workpapers pertaining to any questioned costs determined in the audit. The workpapers must be concise and provide the basis for the questioned costs as well as an analysis of the problem.
2. The workpapers will be retained for at least three years from the end of the audit period.
3. The workpapers will be available for examination by authorized representatives of the cognizant federal or state audit agency, the GAO, and *Coastal Bend Food Bank*.

## **J. Confidentiality**

The Offeror agrees to keep the information related to all contracts in strict confidence. Other than the reports submitted to *Coastal Bend Food Bank*, the Offeror agrees not to publish, reproduce, or otherwise divulge such information in whole or in part, in any manner or form, or authorize or permit others to do so, taking such reasonable measures as are necessary to restrict access to the information, while in the Offeror's possession, to those employees on the Offeror's staff who must have the information on a "need to know" basis.

The Offeror agrees to immediately notify, in writing, *Coastal Bend Food Bank's* authorized representative in the event the Offeror determines or has reason to suspect a breach of this requirement.

## **K. AICPA Professional Standards**

The AICPA Professional Standards state:

Ethics Interpretation 501-3 - Failure to follow standards and/or procedures or other requirements in governmental audits.

Engagements for audits of government grants, government units or other recipients of government monies typically require that such audits be in compliance with government auditing standards, guides procedures, statutes, rules and regulations, in addition to generally accepted auditing standards. If a member has accepted such an engagement, and undertakes an obligation to follow specified government auditing standards, guides, procedures, statutes, rules and regulations, in addition to generally accepted auditing standards, he is obligated to follow such requirements.

Failure to do so is an act discreditable to the profession in violation of Rule 501, unless the member discloses in his report the fact that such requirements were not followed and the reasons therefore.

## Technical Qualifications

The Offeror, in its proposal, shall, as a minimum, include the following:

### A. Prior Experience

The Offeror should describe its understanding of our industry by providing specific industry knowledge and expertise as well as prior auditing experience, IRS Tax Form 990 tax preparation, and Indirect Cost Rate Proposal preparation, including the names, addresses, contact persons, and telephone numbers of prior organizations audited. Experience should include the following categories:

1. Prior experience auditing Coastal Bend Food Bank and similar programs operated by *Coastal Bend Food Bank*.
2. Prior experience auditing nonprofit organizations.
3. Prior experience auditing grant-funded organizations similar to Coastal Bend Food Bank.
4. Experience in preparing IRS Tax Form 990.
5. Experience in preparing Indirect Cost Rate Proposals.

### B. Additional Value Beyond the Audit

The Offeror should include an explanation of other services that can be provided to nonprofits, specifically including value-added items. Value-added services provide efficiencies and improved compliance that contributes to the continued success of *Coastal Bend Food Bank*. Value-added items can include consulting services, training services, availability to meet with client for questions throughout the year, keeping clients up to date with changes and updates to financial statements and updates to accounting policy changes through letters, memos, etc.

### C. Organization, Size, and Structure

The Offeror should describe its organization, size (in relation to audits to be performed), and structure. The description should include:

1. Size of the Offeror, including the number of employees and physical site locations.
2. Explanation of independence.
3. Any conflicts of interest that exist.
4. Results of peer review.
5. Explanation if the Offeror is a small or minority-owned business, women's business enterprise, or labor surplus firm.

### D. Staff Qualifications

The Offeror should describe the qualifications of staff to be assigned to the audits. Descriptions should include:

1. Audit team makeup.
2. Overall supervision to be exercised.

3. Prior experience of the individual audit team members. Include the résumés of only the staff to be assigned to the audits. Include education, position in the firm, and years and types of industry-specific experience.

#### **F. Understanding of Work to Be Performed and Audit approach to the engagement**

The Offeror should describe its understanding of the work to be performed, including audit procedures, estimated hours, and other pertinent information.

The Offeror should describe its approach to the work to be performed.

#### **G. Certifications**

The Offeror must sign and include, as an attachment to its proposal, the Certifications enclosed with this RFP. The publications listed in the Certifications will not be provided to potential Offerors by *Coastal Bend Food Bank* because *Coastal Bend Food Bank* desires to contract only with an Offeror who is already familiar with these publications.

# Proposal Evaluation

## A. Submission of Proposals

All proposals shall include three copies of the Offeror's technical qualifications, three copies of the pricing information (in a separate, sealed envelope), and three copies of the signed Certifications. These documents will become part of the contract.

## B. Nonresponsive Proposals

Proposals may be judged non-responsive and removed from further consideration if any of the following occur:

1. The proposal is not received in a timely manner in accordance with the terms of this RFP.
2. The proposal does not follow the specified format.
3. The proposal does not include the Certifications.
4. The proposal is not adequate to form a judgment by the reviewers that the proposed undertaking would comply with the *Government Auditing Standards* of the U.S. Comptroller General.

## C. Proposal Evaluation

Evaluation of each proposal will be scored on the following six factors.

1. Prior audit experience	Point Range
a. Prior experience auditing <i>Coastal Bend Food Bank</i>	0 – 8
b. Prior experience auditing grant-funded organizations similar to Coastal Bend Food Bank	0 – 8
c. Prior experience auditing nonprofit organizations	0 – 5
d. Prior experience in preparing IRS Tax Form 990	0 – 5
e. Prior experience in preparing Indirect Cost Rate Proposals	0 – 2

*Coastal Bend Food Bank* will contact prior organizations to verify the experience provided by the Offeror.

2. Other services and added value services	0 – 7
3. Organization, size, and structure of Offeror's firm (consider size in relation to audits to be performed)	
a. Adequate size of the firm	0 – 2

b. Proper independence	0 – 2
c. No conflicts of interest	0 – 2
d. Results of peer review	0 – 2
e. Minority-owned/small business	0 – 2
5. Qualifications of staff to be assigned to the audits to be performed. This will be determined from résumés submitted. Include education, position in firm, and years and types of experience.	
a. Prior experience of the individual audit team members	0 – 15
b. Overall supervision to be exercised	0 – 5
6. Offeror’s understanding of the work to be performed	
a. Adequate coverage	0 – 10
b. Realistic time estimates of each audit step	0 – 5
7. Price	0 – 20
Maximum Points	100

**D. Review Process**

*Coastal Bend Food Bank* may, at its discretion, request presentations by or meetings with any or all Offerors to clarify or negotiate modifications to the Offerors’ proposals.

However, *Coastal Bend Food Bank* reserves the right to make an award without further discussion of the proposals submitted. Therefore, proposals should be submitted initially on the most favorable terms, from both technical and price standpoints, that the Offeror can propose.

*Coastal Bend Food Bank* contemplates award of the contract to the responsible Offeror with the highest total points.

## Certifications

On behalf of the Offeror:

1. The individual signing certifies that he/she is authorized to contract on behalf of the Offeror.
2. The individual signing certifies that the Offeror is not involved in any agreement to pay money or other consideration for the execution of this agreement, other than to an employee of the Offeror.
3. The individual signing certifies that the prices in this proposal have been arrived at independently, without consultation, communication, or agreement, for the purpose of restricting competition.
4. The individual signing certifies that the prices quoted in this proposal have not been knowingly disclosed by the Offeror prior to an award to any other Offeror or potential Offeror.
5. The individual signing certifies that there has been no attempt by the Offeror to discourage any potential Offeror from submitting a proposal.
6. The individual signing certifies that the Offeror is a properly licensed certified public accountant or a public accountant licensed on or before (provide date of licensing).
7. The individual signing certifies that the Offeror meets the independence standards of the *Government Auditing Standards*.
8. The individual signing certifies that he/she is aware of and will comply with the GAO's continuing education requirement of 80 hours of continuing education every two years and that 24 hours of the 80 hours of education will be in subjects directly related to the government environment and to government auditing for individuals.
9. The individual signing certifies that he/she is aware of and will comply with the GAO requirement of an external quality control (peer) review at least once every three years.
10. The individual signing certifies that he/she has read and understands the following publications relative to the proposed audits:
  - a. *Government Auditing Standards* (Yellow Book)
  - b. *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance")
  - c. *Audits of Not-for-Profit Entities* (AICPA Audit Guide)
  - d. *Audits of State and Local Governments* (AICPA Audit Guide)

11. The individual signing certifies that he/she has read and understands all of the information in this Request for Proposal, including the information on the programs/grants/contracts to be audited.
12. The individual signing certifies that the Offeror, and any individuals to be assigned to the audit, does not have a record of substandard audit work and has not been debarred or suspended from doing work with any federal, state, or local government. (If the Offeror or any individual to be assigned to the audits has been found in violation of any state or AICPA professional standards, this information must be disclosed.)

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
(Offeror's Firm Name)

\_\_\_\_\_  
(Signature of Offeror's Representative)

\_\_\_\_\_  
(Printed Name and Title of Individual Signing)