



## **HARRIS COUNTY HOUSING AUTHORITY**

8410 Lantern Point  
Houston, Texas 77054  
Tel: 713-578-2100 Fax: 713-578-2200

### **REQUEST FOR PROPOSALS RFP NO. 07-02**

The HARRIS COUNTY HOUSING AUTHORITY ("HCHA") hereby solicits proposals for independent audit services as specified in this Request for Proposals ("RFP"). This RFP contains submission requirements, scope of services, period of services, terms and conditions and other pertinent information for submitting a proper and responsive proposal.

Prospective offerors desiring any explanation or interpretation of the solicitation must request it in writing. The request must be addressed: to David Gunter, Chief Financial Officer, at the address stated below. Any information given to a prospective offeror about this solicitation will be furnished to all other prospective offerors as a written amendment to the solicitation.

The RFP must be enclosed in a sealed envelope and labeled as follows:

#### **Independent Auditing Firm, RFP No. 07-02**

Harris County Housing Authority  
David Gunter, Chief Administrative Officer  
8410 Lantern Point  
Houston, Texas 77054  
Due Date and Time: **August 29, 2008, 4:00 P.M. (CST).**

Proposals must reach the HCHA no later than 4:00 p.m., (CST) on Friday August 29, 2008. Late submissions will be handled in accordance with the provisions in Form HUD-5369-B title "Late Submissions, Modifications, and Withdrawal of Offers". Proposals will be held in confidence and not released in any manner until after the contract award.

Proposals will be evaluated on the criteria stated in the RFP. Negotiations may be conducted with contractors who have a reasonable chance of being selected for the award. After evaluation of the proposal revisions, if any, the contract will be awarded to the responsible firm(s) whose qualifications, price, and other factors considered are the most advantageous to the HCHA.

The HCHA reserves the right to reject any and all proposals.

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## ATTACHMENTS

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- Attachment A: Form of Non-Collusive Affidavit (HCHA)
- Attachment B: M/WBE Participation Form (HCHA)
- Attachment C: Instructions to Offerors Non-Construction (Form HUD-5369-B)  
[http://www.hudclips.org/sub\\_nonhud/html/pdfforms/5369-b.pdf](http://www.hudclips.org/sub_nonhud/html/pdfforms/5369-b.pdf)
- Attachment D: Certifications and Representations of Offerors (Form HUD 5369-C)  
[http://www.hudclips.org/sub\\_nonhud/html/pdfforms/5369-c.pdf](http://www.hudclips.org/sub_nonhud/html/pdfforms/5369-c.pdf)
- Attachment E: General Contract Conditions (Form HUD 5370-C).  
[http://www.hudclips.org/sub\\_nonhud/html/pdfforms/5370-c.pdf](http://www.hudclips.org/sub_nonhud/html/pdfforms/5370-c.pdf)

## **1.0 PROFILE OF THE HARRIS COUNTY HOUSING AUTHORITY**

The HCHA is governed by the Housing Authorities Law, codified in the Texas Local Government Code. It is a unit of government and its functions are essential governmental functions. It operates and manages its housing developments to provide decent, safe, sanitary and affordable housing to low-income families, the elderly, and the disabled, and implements various programs designed and funded by the U.S. Department of Housing and Urban Development (HUD).

The property of the HCHA is used for essential public and governmental purposes. The HCHA and its property are exempt from all taxes, including sales tax on all its purchases of supplies and services.

The HCHA enters into and executes contracts and other instruments that are necessary and convenient to the exercise of its powers.

The HCHA maintains contractual arrangements with HUD to administer the Section 8 Housing Choice Voucher, Disaster Voucher Program, Disaster Housing Assistance Program and Section 8 Moderate Rehabilitation Programs. The HCHA programs are federally funded. The HCHA revenue is received from federal funds, administrative fees, development grants, and rental income.

The HCHA currently administers rental assistance for 2,006 privately owned rental units through the Section 8 programs. Total HCHA Operating and Affordable Housing budget for the fiscal year 2009 is approximately \$70 million.

## **2.0 INTRODUCTION**

The HCHA by virtue of receiving more than \$500,000 annually in federal assistance is required to have an audit conducted in accordance with the Single Audit Act of 1984. Therefore, the HCHA is requesting proposals from independent public accountants licensed to practice in the State of Texas to perform the services outlined in this proposal.

The selected firm offering its service (hereinafter referred to as the "Professional") shall be required to perform an organization-wide audit of operations with the objectives of: (1) expressing an opinion on the financial statements; (2) testing and evaluating internal control procedures; and (3) ascertaining compliance with laws and regulations applicable to all federal assistance programs.

This request for proposals is intended to encompass all of the assets and programs of the HCHA, including those assets and programs HCHA has contracted to managed by private firms.

This audit is to be performed in accordance with the provisions outlined in:

- A. Generally Accepted Government Auditing Standards;
- B. *Single Audit Act of 1984, P.L. 98-502, and the Single Audit Act Amendments as specified by Office of Management and Budget (OMB) Circular A-133 - Audits of States, Local Governments, and Non-Profit organizations;*
- C. Circular A-133 Compliance Supplement dated June 27, 2003 and any future amendments thereto;
- D. HUD Real Estate Assessment Center publications - Guidelines for Public Housing Authorities and Independent Auditors under Uniform Financial Reporting Standards for Public Housing Authorities, issued during 2001 through 2008.

All proposals must conform to requirements outlined herein. The HCHA reserves the option to require oral presentation of proposals or to request additional information from selected candidates.

Your proposal must list the names, agency(s), contact person, telephone numbers, email addresses, resumes and profile of expected participants in the development of the proposal. Your proposal must provide a detailed plan, including schedules with events of how and when the services will be implemented. There may be subsequent instructions, if any, issued to the selected professional(s) in connection with the final process.

All questions shall be submitted in writing to David Gunter, 8410 Lantern Point, Houston, Texas 77054, fax number (713) 578-2200, no later than August 18, 2008. Your response to the RFP must be submitted no later than **4:00 p.m. CDT on August 29, 2008.**

### **Procurement Schedule**

The anticipated procurement schedule for the RFP is as follows:

<b>SCHEDULE</b>	
Advertised	July 28, 2008
Deadline for Proposals	August 29, 2008

**3.0 STATEMENT OF WORK**

**ACTIVITY 1: COMPREHENSIVE AUDIT OF ALL PROGRAMS**

The Professional shall employ the organization-wide single audit concept, as defined in OMB Circular A-133, to conduct two (2) consecutive annual financial and compliance audits and prepare required reports, beginning with the fiscal year ending March 31, 2009, of all programs managed by the HCHA, in accordance with the following:

- A. Generally Accepted Government Auditing Standards;
- B. Single Audit Act of 1984, P.L. 98-502, and the Single Audit Act Amendments thereto, as specified by Office of Management and Budget (OMB) Circular A-133 - Audits of States, Local Governments, and Non-Profit organizations;
- C. Circular A-133 Compliance Supplement dated March 2003 and any future amendments;
- D. HUD Real Estate Assessment Center (REAC) publication - Guidelines for Public Housing Authorities and Independent Auditors under Uniform Financial Reporting Standards for Public Housing Authorities.

HCHA may require the professional to make an assessment of the internal controls as it applies to the current central computer system, as well as an evaluation of system performance.

As of March 31, 2008, the HCHA maintained the following programs (subject to change):

<b><u>Type of Programs</u></b>	<b><u>Budget</u></b> (In Thousands)
Housing Choice Voucher	16,000
Disaster Voucher Program	6,000
Section 8 Moderate Rehabilitation	54
HOME Funds for Low Income Housing Tax Credit Developments	5,000
Disaster Housing Assistance Program	31,000

The notes to the HCHA’s financial statement will include information relating to the following topics:

- A. Summary of Significant Accounting Policies and Organization
- B. Cash and Investments
- C. Land Structures and Equipment
- D. Pension Plan

- E. Capital Lease
- F. Loan Payable
- G. Other Non-current Liabilities
- H. Contingencies
- I. Annual Contributions by Federal Agencies

**DELIVERABLE UNDER ACTIVITY 1**

A. **Review of Internal Controls:**

The Single Audit Act requires that the Professional determine and report on whether the HCHA has adequate internal control systems to provide reasonable assurance that it is managing Federal Assistance programs in compliance with applicable laws and regulations. In order to provide this assurance, the Professional must make a study and evaluation of internal control systems. The study and evaluation must be made whether or not the Professional intends to place reliance on such systems. As part of this review, the Professional shall test whether these internal control systems are functioning in accordance with prescribed procedures.

B. **Compliance Review:**

The Single Audit Act also requires the Professional to determine whether the HCHA has complied with laws and regulations, which may have a material effect on each major Federal Assistance program. The HCHA in conformance with the Single Audit Act, considers any funding received over \$500,000 in any one fiscal year to be designated a major Federal Assistance program. Major program which must be tested for compliance is as follows:

1. Section 8 Housing Choice Voucher Program

The review for compliance must include the selection and testing of a representative number of charges from each major federal assistance program. The selection should be based upon the Professional's judgment considering such factors as the amount of expenditures from the program and the individual grant amounts; the length of program operation or changes in its method of operation; prior experience with the program, particularly as revealed in prior audits and other evaluations (e.g., inspections or program reviews); the extent to which the program contracts out for goods and services; the level to which the program is subject to program reviews or other forms of independent oversight, the adequacy of the controls for ensuring compliance; the expectation of adherence or lack of adherence to applicable laws and regulations; and the potential impact of adverse findings. Through tests of transactions, the Professional shall make the following determinations:

- a. Whether the amounts reported as expenditures were for allowable goods or services; and
  - b. *Whether the records show that those who received services or benefits were eligible to receive them.*

The principal compliance requirements of the largest federal assistance programs may be ascertained by referring to the Office of Management and Budget - Audits of States, Local Governments, and Non-profit Organizations; Circular A-133 Compliance Supplement dated March 2003. For those programs not covered in the Compliance Supplement, the Professional may ascertain compliance requirements by researching the statutes, regulations, and agreements governing individual programs. Transactions related to other federal assistance programs that are selected in connection with the examination of financial statements and evaluations of internal controls shall be tested for compliance with federal laws and regulations that apply to such transactions.

The Professional's comments must disclose, in detail, any condition of the HCHA's system of internal accounting control that results in more than a relatively low risk that errors or irregularities may occur and not be detected within a timely period. In this section of the report the Professional should describe the material weaknesses, state whether it result from the absence of control procedures or lack of compliance with them, and describe the specific nature of potential errors or irregularities that may occur as a result of such weaknesses.

The Professional will be required to develop findings for deviations that occur as a result of non-compliance with applicable federal laws and regulations. With respect to reporting both internal control and compliance review exceptions, the Professional will be required to present findings using the Audit Finding Format:

**Statement:**

Provide a clear and concise statement of the control or compliance deficiency. When appropriate, a determination of how the deficiency might have occurred and a statement of the impact that the adverse condition has on control objectives must be noted by the Professional.

**Recommendation:**

Recommend a reasonable plan of action necessary to eliminate the adverse condition.

**Classification:**

Classify the materiality of the deficiency into one of two categories:

1. Major Deficiency: One that prevents the HCHA from achieving a significant control objective.
2. Minor Deficiency: One that requires corrective action, but cannot be considered as preventing the accomplishment of a significant control objective.

**Response:**

The HCHA's comments regarding any actions proposed to rectify the finding and/or comments that may describe HCHA's reasons for having a general disagreement with the finding.

C. **Annual Audited Financial Statements**

In conjunction with the Finance Department, the Professional will be required to prepare all annual financial statements and schedules. The Professional will manage the process to assure that all tasks are properly and timely executed. By May 15<sup>th</sup> of each year, the Finance Department will be ready to submit the preliminary Financial Data Schedule (FDS) electronically to HUD-REAC based on un-audited financial Statements. Adjusted post-closing trial balances, account analyses and supplementary and statistical data sufficient for the preparation of the Audited financial reports will be available for review by the Professional. The Professional shall, by August 31<sup>st</sup> of each year, furnish all services and materials necessary to prepare the audited financial reports including the financial records maintained by the HCHA's management agents. Prior to submission of the completed and audited financial reports, the Professional will be required to review a draft of the proposed report with the HCHA's Executive Director, Deputy Director, and Controller. Upon agreement of the final version of the report, the Professional will print, bind and deliver to the HCHA 25 copies of the financial report.

**The following GASB 34 requirements must be included in the financial report:**

Independent Auditor's Report  
Management Discussion and Analysis  
Basic Financial Statements:  
Statement of Net Assets (Entity Wide)  
Statement of Revenues, Expenses and Changes in Net Assets (Entity Wide)  
Statement of Cash Flows (Entity Wide)  
Statement of Revenues, Expenses and Changes in Net Assets (Major programs with Non-major Aggregated)  
Statement of Cash Flows (Major programs with Non-major Aggregated)  
Notes to Basic Financial Statements  
Combining Statement of Net Assets  
Combining Statement of Revenues, Expenses and Changes in Net Assets  
Financial Data Schedule  
Single Audit Reports, Schedules of Expenditures of Federal Awards and Findings

The Complete Financial Report shall also be submitted electronically to the HCHA for submission to REAC. The Professional will prepare and submit to the HCHA, Form SF-SAC-Data Collection Form for Reporting on Audits of States,

Local Governments, and Non-Profit Organizations, for submission to Federal Audit Clearinghouse.

D. **Adjusting Journal Entries:**

Prior to review of the financial report draft, the Professional will submit to the Chief Financial Officer all proposed audit adjustments. The entries will be structured for adjusting the HCHA's books for the year following the audit period. All proposed entries must be typed and fully documented in sufficient detail to enable the HCHA Finance Department staff to journalize the entries.

E. **Management Letter:**

Upon submittal of the financial report draft to the HCHA, a letter identifying various areas of operation where improvement can be accomplished will be required (if necessary and appropriate) as a separate document. These comments on administrative and/or operational matters will not be regarded as findings, such as, identified weaknesses in internal control or regulatory non-compliance issues, but rather, suggestions designed to improve overall operations.

F. **Permanent File:**

The file containing permanent work papers will be deemed property of the HCHA and will be submitted to the Chief Financial Officer along with the draft audit report.

**ACTIVITY 2: AGREED-UPON PROCEDURE COMPARING THE ELECTRONIC SUBMISSION**

The Professional will perform the agreed-upon procedure of comparing the electronic submission of the audit report with the "hard copy" of the audit report and will indicate agreement or non-agreement of electronically submitted information and hard copy documents.

**ACTIVITY 3: SPECIAL SERVICES**

The Professional will not be required under the terms of the proposed contract to provide any special services, nor shall the HCHA be responsible for payment for any special services unless such services are requested by the HCHA in writing. Where applicable, any request for additional services shall be first approved by the Executive Director, and executed via an addendum to the auditing services contract between the HCHA and the Professional.

**NOTE:** In reference to any of the Basic Services outlined under Activities 1 & 2, the Professional will be available to make a presentation to the Board of Commissioners

of the HCHA and to meet with officials of the appropriate audit agency in order to resolve any questions or disputes arising directly from this engagement.

#### **ASSISTANCE AVAILABLE TO OFFEROR**

- A. The Finance Department currently has (2) staff persons, including the Chief financial Officer, who will be available to render all possible assistance. The staff will respond promptly to structured requests for information, provide all necessary books and records, detailed trial balances, supporting schedules, account reconciliations, and account analyses.
- B. The Chief Financial Officer will be responsible for coordinating audit activities, locating information, preparing work papers and schedules, and monitoring the progress of the audit.

#### **4.0 GENERAL REQUIREMENTS**

*All proposals must conform to requirements outlined herein. The HCHA reserves the option to require oral presentation of proposals or to request additional information from selected candidates.*

The HCHA reserves the right to select the contractor(s) determined to be the most responsive and responsible, and in the judgment of the HCHA, that best meets its needs for the specified services. The HCHA further reserves the right to negotiate all terms of the contract(s) including price.

Proposals must list the name, agency, contact person, telephone numbers, resumes and the profile of expected participants in the implementation of the services. Proposals must provide a detailed plan, including schedules of events related to how and when the services will be implemented. There may be subsequent instructions, if any, issued to the selected professional(s) in connection with the final process.

Offerors shall state that personnel essential to the continuity of the engagement must be available throughout the contract period.

The Professional will be expected to abide by the fee payment schedule as outlined in the contract, which shall provide for a lump sum fee payment of one-half of the contract amount to be paid upon receipt of the required copies of the final audit reports and the remaining payment to be paid after approval of the audit report by the reviewing agency (U.S. Department of Housing and Urban Development).

The Chief Financial Officer will be responsible for monitoring the day-to-day activities of the Professional through daily contact, meetings and informal progress reports. The Professional shall promptly report to the Chief Financial Officer any conditions, transactions, situations or circumstances encountered by the Professional which would impede or impair the normal progress of the audit or which would seem to warrant an investigative report beyond the scope of services outlined in the RFP.

The Professional shall maintain all work papers for a minimum of three (3) years following the issuance of the related audit report unless the Professional is notified in writing by HUD or the Regional Inspector General to extend the retention period. Work papers will be made available upon request for examination by authorized representatives of the HCHA, The U S Department of Housing and Urban Development and the Regional Inspector General's Office. The Professional will provide the Chief Financial Officer with copies of all work papers, flow charts, narrative descriptions of the HCHA's financial accounting systems, worksheets and schedules.

Proposals must be open and not subject to unilateral withdrawal or modification for ninety (90) days after the proposal due date.

## **5.0 TERM OF CONTRACT**

The period of performance under this RFP shall be for two (2) successive fiscal years, commencing with the fiscal year ending March 31, 2009, with the HCHA retaining an option to renew for a third and fourth year upon HUD approval. The maximum period of performance under this contract shall not exceed audit coverage for four consecutive fiscal years.

## **6.0 DELIVERABLES**

### **Proposal Due Date/Time**

One (1) unbound original and six (6) copies of the typewritten proposal, including all required information, must be executed and submitted in a sealed envelope or package. Offers must be submitted on or before **4:00 p.m. CST on August 29, 2008** in a bound and sealed envelope.

The face of the enveloped or package must contain, in addition to the address below, the **RFP No. 07-02**, title **“INDEPENDENT AUDIT SERVICES”**, **4:00 PM, CST, Friday, August 29, 2008**. Offers must be submitted to: HARRIS COUNTY HOUSING AUTHORITY, Attn: David Gunter, Chief Administrative Officer, 8410 Lantern Point, Houston, Texas 77054.

Offers by telegram, telephone, facsimile, e-mail, and handwritten proposals will not be accepted by HCHA.

Offerors are solely responsible for ensuring that their proposals are actually received by the time and date stated. Receipt at the HCHA after the due date and time specified will be cause for rejection.

Unnecessary and elaborate brochures or other presentations beyond those sufficient to present a complete and informative proposal are not desired.

Please limit the proposal to twenty-five (25) 8 ½" X 11" pages or less.

### **Modifications or Withdrawals**

Proposals may not be changed, modified, or withdrawn after the time and date specified for proposal submission. All requests to change, modify or withdraw a proposal prior to the proposal due date must be in writing and bear the same contractor name appearing on the proposal already submitted.

### **7.0 CORRESPONDENCE**

An amendment may be issued prior to the opening of proposals for the purpose of changing or clarifying the intent of this RFP. All amendments shall be binding in the same way as if originally written in this RFP.

Any interpretation affecting all contractors made prior to the proposal due date will be issued in the form of an amendment. The HCHA will not be bound by or responsible for any other explanations or interpretations of this RFP package other than those given in writing as set forth in this paragraph. Oral instructions, interpretations, or representations will not be binding upon the HCHA or HCHA representatives.

Subcontractor(s) and others who have been requested by the contractor to assist in preparing a proposal shall obtain necessary information from the contractor. They shall not directly contact the HCHA or HCHA representatives for this information.

Proposals will not be publicly opened and read.

Contracts for these programs and services may be awarded to one or more contractors whose proposals were judged to be the most advantageous to the HCHA. In the event services are initiated prior to the processing of a fully executed contract, such services would be provided without guarantee of compensation.

### **8.0 DOCUMENT REQUIREMENTS**

The following is a description of the minimum information, which must be supplied by the Professional(s) in their proposals. It is open to all Professionals to give such supplementary facts or materials that they consider may be of assistance in the evaluation of the proposal submitted. Proposals that omit critical elements may be considered non-responsive. Each proposal shall

include a Table of Contents listing the proposal contents. The critical elements of this proposal include the following information:

**I. Letter of Transmittal**

Signed by the person authorized to commit the organization to perform the services in the proposal.

**II. Table of Contents**

**III. Executive Summary**

(Please limit to one or two pages)

Briefly state the Professional's understanding of the work to be performed, and provide positive assurance that the work can be performed within the required time frame.

State for each of the two fiscal years covered by this RFP, and in TOTAL - the proposed CONTRACT PERIOD FEE ESTIMATE (see VIII of this Section) for the work specifically requested in Section II: BASIC SERVICES (Activities 1 through 3).

Identify the persons who will be responsible for representing the Professional and include their names, titles, addresses, telephone numbers, and e-mail addresses.

State that the partner signing the transmittal letter is authorized legally to bind the Offeror, and that the Offeror can and will comply with the requirements listed in this RFP.

**IV. Profile of the Offeror**

- A. Indicate whether the firm is local, regional, national or international.
- B. Identify the location of the office which will perform the audit and specify the number of partners, managers, supervisors, seniors and other professional staff employed at that office.
- C. Describe, in general terms, the supporting office's capability for performing an audit of the HCHA including the number and classifications of personnel skilled in governmental accounting who will work on the audit.

**V. Mandatory Criteria**

Offeror must include the following criteria:

- A. The Offeror must furnish a "Certificate of Registration" to conduct business in the State of Texas.
- B. A statement that affirms that the Offeror meets the independence standards set forth in the GAO publication Standards for Audit of Governmental Organizations, Programs, Activities and Functions.
- C. A statement that affirms that the Offeror will assign a partner-in-charge directly to the engagement along with at least one audit manager who has managed HUD audits for state or local governmental entities and public housing authorities having requirements comparable to those of the HCHA. Indicate that the partner-in-charge or at least one of the assigned audit managers has understanding of the requirements of the Single Audit Act as specified in OMB Circular A-133. Please indicate any engagements that the Offeror's local office has performed in accordance with OMB Circular A-133 and, in each instance, identify the cognizant agency. For each engagement include the names of the partner(s) or manager(s) assigned the audits, the governmental entities involved and representatives from the governmental units who can be contacted for references. Special consideration will be given to firms with housing authority audit experience.

In addition, the Offeror must indicate any engagements that the Offeror's supporting office has performed in accordance with OMB Circular A-102. For each engagement offeror must provide the names of the partner(s) and manager(s) assigned, the governmental entities involved and representatives from the governmental units who can be contacted for references.

- D. A statement that affirms that the audit manager assigned by the Offeror has managed audit engagements that had control environments similar to those of the HCHA in risk and exposure.
- E. A statement that affirms that the Offeror has given careful attention to OMB Circular A-128, regarding sub-contracting with small and minority audit firms. Please indicate if the Offeror intends to sub-contract with small minority owned audit firms and audit firms controlled by socially and economically disadvantaged individuals. Identify any firms that have been contacted for the purpose and include the name and address of the firm; the firm's principals and, if known, list the personnel of the sub-contracted firm that will be engaged in the audit proposed in this RFP. The utilization of such firms will be considered favorably in the award criteria.

## VI. Summary of Offeror's Qualifications

- A. The Offeror must identify the audit management team (partner, managers, seniors and consultants) that will work on the audit, including any audit management staff

from other than the local office. Resumes shall include relevant experience, continuing education, participation in organizations such as AICPA, GFOA, and governmental organizations for each member of the audit management team.

- B. The Offeror must describe the local and regional offices' ability to support the assigned audit team.

## VII. Offeror's Approach to the Examination

- A. Work Plan:

The Offeror must submit a work plan that clearly describes the audit philosophy, approach, and sampling techniques that will be utilized to perform the audit requirements outlined in this proposal. Please include in the work plan the time segments of the work and the level of staff to be assigned. Include the names of audit management staff and the names of any specialists anticipated for participation in this audit. Do not include detailed audit programs.

- B. Required Assertions:

1. The Offeror must state whether the examination will be made in accordance with Generally Accepted Auditing Standards.
2. The Offeror must state that the primary purpose of the examination will be to express an opinion on the financial statements as a whole and that such an examination is subject to the inherent risk that errors or irregularities may not be detected. Indicate that if any other circumstances are encountered which require additional services, the Offeror will give prompt notice to management officials above the level of involvement.

- C. Compliance Audits:

The offeror must state that in accordance with the auditing standards of the cognizant Federal or State agency or in accordance with other applicable standards, the offeror will select the necessary procedures to test compliance and to disclose non-compliance with specified laws, regulations and contracts.

- D. Evaluation of Internal Accounting Control:

The examination of the HCHA's system of internal control shall be conducted in accordance with generally accepted auditing standards, and in accordance with procedures deemed necessary to determine compliance with contractual terms, regulations and policies prescribed by HUD and the governing Board of the HCHA.

**VIII. Compensation for Services Rendered and Accepted:**

**A. Term and Termination of Proposed Contract:**

The period of performance under this RFP shall be for two (2) successive fiscal years, commencing with the fiscal year ending March 31, 2009, with the HCHA retaining an option to renew for a third and fourth year upon HUD approval.

**B. Hours and Hourly Billing Rate:**

The Offeror must state separately for each of the four fiscal years, by staff level classification, the total hours and hourly billing rate that will be used in determining the CONTRACT PERIOD FEE for which the work specifically requested in the Scope of Work (Activity 1 and 2).

**C. Total Basic Services Fee:**

The Offeror must state that the CONTRACT PERIOD FEE shall be determined by the following:

1. The aggregate charges based on total hours per staff level classification, times the applicable billing rate specified in VIII B, above, for the set of two successive annual audits specified in this RFP.
2. State in the Letter of Transmittal (see Section 8, Document Requirements) for each of the two fiscal years covered by this RFP and in total, the proposed CONTRACT PERIOD FEE for which the work specifically requested will be done.

**IX. Minority Business Enterprise Participation.**

Describe and provide evidence of the Offeror's plans to make a good faith effort to maximize the utilization of minority business enterprise (MBE) and/or women business enterprise (WBE) firms. In addition, all proposals shall include a completed minority business enterprise form, attached as Attachment B.

**X. Certifications and Affidavits**

Offerors shall submit the following certifications and affidavit as attached:

**Attachment A:** Form of Non-Collusive Affidavit

**Attachment D:** Certifications and Representations of Offerors for Non-Construction Contracts (Form HUD 5369-C)

**Insurance:** Evidence of all appropriate and applicable insurance coverage carried by the firm, including policy coverage periods. Offerors shall furnish HCHA with certificates of insurance showing that the insurance defined below is in force and will insure all operations under this RFP and will name HCHA as an additional insured.

**Workers' compensation** in accordance with the State of Texas rules and regulations.

**General liability insurance** with a single limit for bodily injury of \$1,000,000 per occurrence and property damage limit of no less than \$1,000,000 per occurrence. The insurance may have a combined aggregate of coverage amounting to no less than \$1,000,000. Such insurance shall protect offeror against claims of bodily injury or death and property damage to others. If offeror has a "claims made policy," then the following additional requirements apply: The policy must provide a "retroactive date" which must be on or before the execution date of the Agreement and the extended reporting period may not be less than five years following the completion date of the Agreement.

**Automobile liability** on owned and non-owned motor vehicles used on the site(s) or in connection herewith for a combined single limit of bodily injury and property damage of not less than \$1,000,000 per occurrence.

**Professional Liability Insurance - \$1,000,000**  
\$1,000,000 Combined Single Limit per occurrence

**9.0 PROPOSAL EVALUATION CRITERIA**

Selection of the successful offeror will be at the sole discretion of the HCHA. If a contract is awarded, it will be awarded to the responsible contractor whose qualifications; price and other factors are deemed most advantageous to the HCHA. Additionally, the HCHA shall have the right to reject any and all proposals at its discretion.

The evaluation will be based on the following criteria:

<b>Evaluation Criteria</b>		<b>Maximum Points</b>
<b>1.</b>	<b>Qualifications and Experience including government audits</b>	<b>30</b>
<b>2.</b>	<b>Familiarity with FDS, REAC &amp; SEMAP</b>	<b>10</b>
<b>3.</b>	<b>Time Commitment and Resources</b>	<b>15</b>
<b>4.</b>	<b>Completeness of Proposal</b>	<b>10</b>
<b>5.</b>	<b>Clarity and Responsiveness</b>	<b>10</b>
<b>6.</b>	<b>Compensation – Hours and Rates per Hour</b>	<b>10</b>
<b>7.</b>	<b>Compensation – Total Fee</b>	<b>10</b>
<b>8.</b>	<b>Anticipated completion by June 15</b>	<b>5</b>
<b>Total Points Possible</b>		<b>100</b>

During proposal evaluation, the HCHA reserves the right to call for supplementary information from offerors and to meet with all or any one of them to clarify points of uncertainty or ambiguity. Offerors agree to cooperate fully and promptly in providing such supplementary information or meeting requests.

Proposals will be evaluated and ranked according to the points received. After the initial scoring of proposals the top ranked offerors may at HCHA's option, be asked for a telephone or personal interview to clarify issues and, if necessary, following the interview, to submit "best and final" offers.

At the interview offerors should be prepared to discuss the proposed scope of work, including availability of staffing, accounting and payment procedures, schedules, qualification of subcontractors proposed for portions of the work, and such other items as are directly related to the proposal.

After interviews and the receipt of best and final offers, each of those top ranked offerors will be re-evaluated and rescored using the original evaluation factors. HCHA reserves the right to conduct negotiations with more than one of finalist offerors. One or more offerors with the highest overall scores, whose proposals are most advantageous to HCHA considering price and other factors, as specified in this RFP, will be selected as the successful offeror(s).

#### **10.0 TRAVEL AND REIMBURSABLES**

All travel, postage, telephone, living and miscellaneous expenses will be borne by the successful firm(s) and included in the total fixed contract price as per final negotiated contract. There is no provision for reimbursable expenses, except for those resulting from contract modification, which will be defined in the final negotiated contract.

#### **11.0 AVAILABILITY OF RECORDS**

The U. S. Department of Housing and Urban Development, the Inspector General of the United States, the HCHA, and any duly authorized representatives of each shall have access to and the right to examine any and all pertinent books, records, documents, invoices, papers, and the like of the firm(s) office or firm, that shall relate to the performance of the services to be provided.

#### **12.0 STANDARDS OF CONDUCT**

The successful offeror shall be responsible for maintaining satisfactory standards of employees' competency, conduct, courtesy, appearance, honesty, integrity, and shall be responsible for taking such disciplinary action with respect to any employee, as may be necessary.

### **13.0 CONFLICT OF INTEREST**

No employee, officer or agent of the HCHA shall participate directly or indirectly in the selection or in the award of any contract if a conflict, real or apparent, would be involved. Such conflict would arise when a financial or other interest in an agency selected for award is held by:

- an employee, officer or agent involved in making the award; or
- his/her relative including father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, domestic partner, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, or half sister; or
- his/her business or professional partner; or
- an organization which employs, is negotiating to employ, or has an arrangement concerning prospective employment of any of the above.

### **14.0 CANCELLATION**

Irrespective of any default hereunder, the HCHA may at any time at its discretion cancel the contract in whole or in part, and in such event the contractor shall be entitled to receive equitable compensation for all work completed and accepted, prior to such termination or cancellation.

### **15.0 REMOVAL OF EMPLOYEES**

The HCHA may request the successful contractor(s) to immediately remove from assignment to the HCHA contract or to dismiss any employee found unfit to perform duties due to one or more of the following reasons:

- Neglect of duty.
- Disorderly conduct, use of abusive or offensive language, quarreling or fighting.
- Theft, vandalism, immoral conduct or any other criminal activity.
- Selling, consuming, possession, or being under the influence of intoxicants, including alcohol, or illegal substances while on assignment at the HCHA.

**16.0 M/WBE PARTICIPATION:**

The Contractor agrees to make its best efforts to subcontract with minority business enterprises and women business enterprises (herein called M/WBE) certified as such or recognized by HCHA as a certified M/WBE. Contractor shall attempt to make its best efforts to subcontract a sufficient dollar amount with M/WBE enterprises to meet the HCHA goal of expending a minimum of 30 percent of the final contract dollars on one or more M/WBEs. All adjustments that cause the contract price to increase will also increase the total amount that Contractor must make a good faith effort to expend on M/WBEs.

**USING BEST EFFORTS TO FULFILL M/WBE REQUIREMENTS:** In the event HCHA has a reasonable belief that Contractor will not use his/her its best efforts to meet the 30 percent M/WBE participation goal, HCHA reserves the right to pull work from the contract. Best efforts may be established by a showing that Contractor has contacted and solicited bids/quotes from subcontractors and worked with the Housing Authority to seek assistance in identifying MBE/WBEs.

**17.0 PERTINENT FEDERAL REGULATIONS WITH REGARD TO NONDISCRIMINATION AND EQUAL OPPORTUNITY**

The requirements of Title VIII of the Civil Rights Act of 1968 and Title VI of the Civil Rights Act of 1964, relating to prohibitions against discrimination in housing and the benefits of federally funded programs because of race, color, religion, sex or national origin must be met by the offeror.

The offeror must adhere to federal regulations prohibiting discrimination on the basis of age under the Age Discrimination Act of 1975, and prohibit discrimination against handicapped individuals under Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1989.

The requirements of Executive Order 11246, relating to equal employment opportunity in connection with federally funded programs must be met by the offeror.

The offeror must also meet the requirements of Section 3 of the Housing and Urban Development Act of 1968, relating to the training and employment of individuals, and contracting for business opportunities in metropolitan areas in which federally funded programs are being operated.

The offeror must meet the requirements of Executive Orders 11625, 12432, and 12138 relating to the use of minority and women's business enterprises in connection with federally funded programs.

**ATTACHMENT A**

**FORM OF NON-COLLUSIVE AFFIDAVIT**

STATE OF TEXAS

COUNTY OF HARRIS

\_\_\_\_\_, being first duly sworn, deposes and says that he is

\_\_\_\_\_  
(a partner or officer of the firm of, etc.)

the party making the foregoing proposal or bid, that such proposal or bid is genuine and not collusive or sham; that said bidder has not colluded, conspired, connived or agreed, directly or indirectly, with any manner, directly or indirectly, sought by agreement or collusion, or communication or conference with any person to fix the bid price or affiant or of any other bidder, or to fix any overhead, profit, or cost element of said bid price, or of that of any other bidder, or to secure any advantage against

THE HARRIS COUNTY HOUSING AUTHORITY

of any person interested in the proposed Contract; and that all statements in said proposal or bid are true.

\_\_\_\_\_  
Signature of Bidder, if Bidder is an Individual

\_\_\_\_\_  
Signature of Bidder, if Bidder is a Partnership

\_\_\_\_\_  
Signature of Officer, if Bidder is a Corporation

Subscribed and sworn to before me this \_\_\_\_ day of \_\_\_\_\_, 2008

\_\_\_\_\_  
**Notary Public**

My Commission expires \_\_\_\_\_

**ATTACHMENT B**

**M/WBE PARTICIPATION**

**M/WBE PARTICIPATION: The contractor agrees to make its best efforts to subcontract with minority business enterprises and/or women business enterprises (herein called M/WBE) certified as such or recognized by HCHA as a certified M/WBE. Contractor shall make its best efforts to subcontract a sufficient dollar amount with M/WBEs to ensure that a minimum of 30 percent of the final contract dollars are expended on one or more M/WBEs. All adjustments that cause the contract price to increase will also increase the total amount that Contractor must make its best efforts to expend on M/WBEs.**

**USING BEST EFFORTS TO FULFILL M/WBE REQUIREMENT: In the event HCHA has a reasonable belief that Contractor will not use his/her/its best efforts to meet the 30 percent M/WBE participation goal, HCHA reserves the right to pull work from the contract. Best efforts may be established by showing that Contractor has contacted and solicited bids/quotes from subcontractors and worked with the Housing Authority to seek assistance in identifying M/WBEs.**

**NOTIFICATION OF M/WBE PARTICIPATION: Contractor agrees to promptly complete and return all M/WBE Confirmation of Participation and M/WBE Confirmation of Payment forms utilized by HCHA to confirm M/WBE subcontractor by submitting copies of checks made payable to the respective M/WBE subcontractor signed by the Contractor.**

\_\_\_\_\_  
CONTRACTOR

\_\_\_\_\_  
DATE

**Note: This form must bear a signature.**



**SAMPLE FORMAT FOR RECORDKEEPING  
ESTIMATED PROJECT WORK FORCE BREAKDOWN**

**M/WBE PARTICIPATION**

<b>JOB CATEGORY</b>	<b>TOTAL ESTIMATED POSITIONS NEEDED FOR PROJECT</b>	<b>NO. POSITIONS OCCUPIED BY PERMANENT EMPLOYEES</b>	<b>NUMBER OF POSITIONS NOT OCCUPIED</b>	<b>NUMBER OF POSITIONS TO BE FILLED WITH M/WBE</b>
<b>OFFICER/SUPERVISOR</b>				
<b>PROFESSIONAL</b>				
<b>TECHNICAL</b>				
<b>OFFICE/CLERICAL</b>				
<b>SERVICE WORKERS</b>				
<b>TRAINEES</b>				
<b>CONTRACTS:</b>				
<b>OTHERS</b>				

\_\_\_\_\_  
**Company**

\_\_\_\_\_  
**Project Name**

\_\_\_\_\_  
**Person Completing Form**

\_\_\_\_\_  
**Date**