



JHC-2023-R
Request for Proposals

Independent Audit & Tax Services

Issue Date: August 15, 2023

Jackson Housing Commission
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Part I. Solicitation Information

A. Description of Services

The Jackson Housing Commission (JHC) is requesting proposals from Certified Public Accountants (CPA) for Independent Auditing Services (Audit). The scope detailed below is for multiple-year audits. This engagement requires the Audit Proposer to perform initial procedures on-site at the JHC location to establish audit preparation and fieldwork processes that will allow for the timely and accurate provision of information for annual audits.

The term of engagement shall be for 2 years with 3 one-year options to renew. The contract term is at the sole discretion of the Commission provided that delivered services have been acceptably performed for the initial term and a reasonable price has been established herein.

B. Important Due Dates/ Locations/ Time

Schedule	
Event	Date
RFP Publication	Tues., August 15, 2023
RFP Published Locations	<ol style="list-style-type: none"> 1. Housing Agency Marketplace- ha.internationalprocurement.com 2. JacksonHousing-MI.org 3. Jackson Citizen Patriot
Pre- proposal Conference	Wed., September 6, 2023, at 2:00 PM, EST Via Zoom
Questions Due	Mon., September 11, 2023, at 2:00 PM, EST – through Housing Agency Marketplace – ha.internationalprocurement.com
Proposal Submittal Deadline	Thurs., September 21, 2023, at 2:00 PM, EST – through Housing Agency Marketplace – ha.internationalprocurement.com

If your company is not a member of the Housing Agency Marketplace, you can sign up to gain access to solicitations from one Agency only without paying a fee. Sign up as a vendor and select Jackson Housing Commission as your Agency.

All questions concerning this RFP must be submitted in writing no later than September 11, 2023, at 2:00 pm. All questions must be submitted through Housing Agency Marketplace- ha.internationalprocurement.com.

Once the question period has ended, all responses to questions will be posted as an addendum on Housing Agency Marketplace- ha.internationalprocurement.com. All Addenda must be acknowledged with a signature and timely submitted as part of this solicitation. Bids may be rejected if the addendum is not timely submitted as stated.

C. Preparation of Submission:

Electronic Submission: Submit electronically via PDF file containing the entire bid. The proposal should be uploaded to Housing Agency Marketplace - ha.internationalprocurement.com.

The Cover of the Bid should have the following information:

Company Name

Company Address

RFP/ Solicitation Number and Name Date and time Proposals are due

Caution: Late Proposal submission will be handled in accordance with the provisions contained in HUD Form HUD 5369-B Titled “LATE SUBMISSIONS, MODIFICATIONS, AND WITHDRAWALS OF OFFERS”.

Part II. Reservation of Rights

1. The JHC reserves the right to reject any or all bids/proposals to waive informalities in the bidding/proposal process, and to terminate the bidding process at any time, if deemed to be in the the best interest of the JHC.
2. The JHC reserves the right to terminate any contract awarded pursuant to this bid/RFP process, at any time for the convenience of the JHC upon five (5) days written notice to the successful bidder/responder.
3. The JHC reserves the right to determine the days, hours, and locations that the successful bidder/responder shall provide the services detailed by this bid/RFP process.
4. The JHC reserves the right to hold all bids/proposals without award and not permit the withdrawal of said bids/proposals for a period of sixty (60) days from the bid/ proposal opening date.
5. The JHC reserves the right to negotiate the proposed bid/proposal prices with the three (3) lowest, most responsible bidders/responders.
6. The JHC reserves the right to issue multiple contracts as a result of this offering.
7. The JHC reserves the right to reject any bid or proposal that it deems to be non-responsive or the bid/proposal from any bidder/response deemed to be non-responsible.
8. The JHC shall not be under any obligation to compensate any bidder/responder for any cost incurred in responding to this bid/RFP document.

Part III. Contract Conditions

Upon completion of the Proposal Evaluation Process, the JHC evaluation panel will forward its conclusions and recommendation to the JHC Executive Director. The Executive Director will submit the panel's conclusion and recommendation for approval of the award, if required by the JHC Procurement Policy, to the JHC Board of Commissioners at a regularly scheduled or special Board meeting. If the recommendation is approved, the successful firm will receive a Notice of Award

The following provisions are required in all contracts issued by the Jackson Housing Commission

a. Assignment of Personnel:

The JHC retains the right to demand the replacement or renewal of any personnel assigned to this project if the JHC believes that such a change would be in the best interest of the JHC and the successful completion of the contracted work.

b. Contract Period

The performance period of this Contract shall be twenty-four (24) months from the start of the JHC's Notice to Proceed and may be extended for an additional three (3) periods of twelve (12) months each for a total of sixty (60) months, based on satisfactory performance and mutual consent.

c. Contract Service Standards

All work performed under this "Request for Proposal" or any subsequent Contract shall conform and comply with all applicable local, state, and federal laws and regulations.

d. Non-Discrimination Clause

A contract for work under this RFP will obligate the Contractor not to discriminate in employment practices. JHC encourages minority-owned businesses to participate.

e. Bill/Payment

The firm shall submit an invoice to the JHC for work completed. The firm shall include his or her Company Name, address, and telephone number; an invoice number referencing this Contract, and the detailed itemized statement of services provided. The JHC shall pay all invoices net thirty (30) days.

Part IV. Index of Documents

The INDEX OF DOCUMENTS shown below is provided to assist all Offerors in correctly preparing and submitting a responsive RFP to JHC in accordance with the requirements of the above RFP. The Index contains a listing of all documents and those that are required submittal items.

Please review this index and submit all documents that are checked “**REQUIRED SUBMITTAL**” with your proposal. Documents that are checked “**SIGNATURE REQUIRED**” must be properly executed. Documents that are checked “**NOTARY/CORPORATE SEAL REQUIRED**” must be notarized and/or have the Bidder’s corporate seal affixed.

DOCUMENT	REQUIRED SUBMITTAL	SIGNATURE REQUIRED	FOR YOUR REVIEW
Documents as outline in Part VI. Submission Requirements	X	X	
Acknowledgements, Certifications and Required Documents as listed below:			
<i>Cover Sheet- Attached</i>	X		
<i>Cost Proposal Sheet- Attached</i>	X		
<i>HUD FORM (HUD-5369-B) Instructions to Offerors- Non-Construction- JHC Website</i>			X
<i>HUD 5369-C Certifications and Representations of Offers- Non-Construction- JHC Website</i>	X		
<i>HUD 5370 C- HUD General Conditions-Non-Construction Section I and II- JHC Website</i>			X
<i>Section 3 Compliance- JHC Website</i>	X	X	
<i>Bidders Statement- JHC Website</i>	X	X	
<i>Reference and past performance form- Attached</i>	X		
<i>Acknowledgement of addenda form- Attached</i>	X	X	
<i>Jackson Housing Commission 2019, 2020, 2021, 2022 Audited Financial Statement – Attached</i>			X

Part V. Scope of Services

The JHC organizational structure as it relates to the audits:

- JHC Executive Director
- JHC Assistant Director
- JHC Accounts Receivable Specialist
- JHC Accounts Payable Specialist
- S8 Director
- HR Director
- Property Managers
- 3rd Party – Fee Accountant

For FY2019 and prior, JHC had the same Fee Accountant and Audit firm for many years. In these years, JHC received qualified audit opinions for the unavailable Pension and Other Post-Employment Benefits reporting. For FY2020, JHC procured a new auditor and received a qualified opinion for the unavailable Pension and Other Postemployment Benefits reporting along with other matters. For FY2021 and FY2022, JHC received Disclaimer audit opinions for both years. JHC desires to have the FY2021 and FY2022 years re-audited, along with establishing processes to minimize accounting and audit issues in the future.

Under the two-year term of this contract, a Single Audit for the JHC is desired for FYE March 31, 2021, 2022, 2023, and 2024. The projected deadline to complete the 2021, 2022, and 2023 Audits is December 31, 2023, unless an extension can be granted by HUD. The 2024 Audit deadline is December 31, 2024.

1. Single Audit

- I. The Audit shall include all required and necessary reviews, research, tests, and worksheets needed to determine and report on both the financial condition and program compliance of the Jackson Housing Commission under the program of the Department of Housing and Urban Development (HUD) that it administers. The audit is to be conducted in compliance with the Controller General of the United States Single Audit Act Amendments of 1996 and in accordance with Code of Federal Regulations §200.514- 520, its most recent Compliance Supplement, and together with HUD regulations promulgated at 24 CFR Parts 5 and 902.
- II. The Audit shall include all necessary and required submissions and/or electronic transmissions to the:
 - State of Michigan Department of Treasury, within six months of the end of the fiscal year audited – Additionally, an extension must be requested for the current year audit.
 - HUD’s Real Estate Assessment Center (REAC) through its Financial Assessment Subsystem (FASS), unaudited within 2 months and audited within 9 months of the end of the fiscal year audited
 - Federal Audit Clearinghouse on or about the date the REAC system is complete
 - HUD Field Office on or about the date the REAC system is complete

III. Special attention is made to the requirements of 24 CFR Parts 902 detailing the Public Housing Assessment System (PHAS), the standard by which financial condition and program compliance of Public Housing Agencies is measured by HUD. Audit professionals are directed to 24 CFR 902 Subpart C, Financial Condition, as well as to related requirements of 24 CFR 5 Subpart H, Uniform Financial Reporting Standards, for a complete enumeration of the requirements for GAAP reporting and audit submission deadlines there under.

IV. Internal Control Structure

1. One (1) central office - the principal location for two (2) Program offices (S8 and LIPH)
2. JHC has an Executive Director, fourteen (14) administrative staff, and twelve (12) maintenance staff. A defined benefit pension plan is provided to all full-time staff.
3. JHC retains a Fee Accountant that will provide information to the Auditor.
4. Audit Fieldwork will be done on-site at the JHC Offices for the initial audit period.

2. RAD Related

JHC is planning on moving public housing units out of the public housing program via the RAD process. As such, the scope of services for this area is for JHC and possible newly created affiliates. Some affiliates will have a direct legal ownership relationship with JHC or another JHC legal entity such as a direct instrumentality. Under this scope, the successful respondent would:

- Perform year-end audits for JHC Affiliates, in compliance with professional standards where required, and issue audit reports complying with professional standards and the pertinent government requirement such as Michigan State Housing Development Authority (MSHDA) required reporting.
- Prepare and electronically submit (where allowed) the necessary Federal and State tax returns where required.
- Perform and prepare Cost Certifications, 50% tests, and 10% Test Reports where required,
- Assist with the completion of the IRS Form 8609 where required.
- Perform agreed-upon procedures as needed for JHC and/or JHC Affiliates, eg. Preparation of Project proformas, and review of development project budgets.
- Provide accounting-related advice as needed for JHC and/or JHC Affiliates.
- Perform other such tasks as needed that are allowed to be performed by an Independent Certified Public Accountant for JHC and/or JHC Affiliates.
- Services will be required as needed for all legal entities that exist during the term of the contract – legal entities may be dissolved; legal entities may be created.
- Other types of activities can include assistance with the possible selection of new financial software or financial forecasting/capital planning tools for JHC and affiliates.
- Provide Advisory Services and conduct activities consistent with the scope of services that can be provided by CPA firms for affiliates of JHC. In addition, JHC is requesting Advisory Services and the performance of activities consistent with the scope of services that can be performed by CPA firms for business transactions, including transactions with their related parties.

MINIMUM QUALIFICATIONS

1. The respondent must be a Certified Public Accountant (CPA) licensed in the State of Michigan with 10+ years of experience with Public Housing Authorities, Affiliates of Public

Housing Authorities, and Tax Credit organizations. Knowledge of various legal structures; not-for-profits, LLCs, LPs, Foundations, etc is required.

2. The respondent must have experience representing affiliates of Housing Authorities and an understanding of HUD-funded programs and related federal regulations and State of Michigan-funded programs and regulations, including Low-Income Housing Tax Credits (LIHTCs), New Market Credits, Historic Credits, Bonds, Private Market Loans, other types of funding and equity sources, and Budgeting for Real Estate transactions and other transactions as needed.
3. The respondent must be able to perform year-end audits, prepare Tax Returns and electronically submit them, perform agreed-upon procedures as needed, and be available for Advisory services.

Part VI. Submission Requirements

Proposal Preparation and Submission

Offerors' proposals must be prepared and submitted in such a manner that they address, at a minimum, the requirements of Sections B through L below in appropriate detail. Other preparation and submission requirements may be required by documents contained within Part V (Scope of Services). It is the Offeror's responsibility to ensure that their proposal submittals properly address all requirements requested by the RFP.

a. Letter of Interest

At the beginning of each proposal, the Offeror must provide a letter of interest listing the Offeror's members and identifying the primary contact person. The letter must be signed by an authorized principal of the Offeror's firm and include a statement that the proposal will remain valid for not less than sixty (60) days from the due date.

b. Firms Qualifications

Briefly provide a brief description of no more than four (4) pages:

1. Firm's History
2. Firm's experience with Public Housing industry audits and timely filings
3. Experience with Tax Credit Projects and the HUD RAD Program
4. Staffing
 - a. Partner in charge
 - b. All personnel expected to be assigned to fieldwork
 - c. Record of filing HA audits timely to US HUD
5. The manner in which the privacy of records, in particular residents' records, will be maintained
6. The ability of the firm to deal with the customary aspects of JHC
7. Copy of license to practice in the State of Michigan (not included in 4-page count)
8. Results of Peer and External Quality Control Reviews

c. Offeror's Approach To Providing Required Services

Provide a brief description of no more than three (3) pages describing your organization's understanding of each of the separate tasks required under Part V. (Scope of Services) and the methodology that will be utilized to provide all required services.

d. Project Schedule/Ability To Perform In A Timely Manner

Briefly state your general procedures and sequence of activities in no more than four (4) pages.

e. Reliance upon the Authority Staff

List documents, schedules, and reconciliations in no more than two (2) pages, which you normally expect a PHA staff to prepare beyond usual financial records, account reconciliations, and their source documents.

f. Sample Of Relevant Material

In no more than fifteen (15) pages submit samples of any/all charts, documents, forms, etc. that your organization will utilize to perform the required services contained herein.

g. Relevant And Past Experience

Offeror(s) must complete three (3) JHC Reference and Past Performance Forms.

h. Other Documentation

Any other documentation that your organization desires to highlight to JHC as it relates to the scope of this RFP.

i. Required Certifications

All certifications and other required documents shown on the “Index of Submittal Documents Required for RFPs” must be prepared and submitted with Offeror’s proposal for the proposal to be considered responsive to the JHC Request for Proposals (RFP)/Solicitation requirements. The minimum amount of time that the Offeror’s proposal must remain valid is SIXTY (60) calendar days from the proposal submittal date.

j. Cost Proposal

Enclose in a separate sealed envelope using the attached cost proposal form.

- i. Provide an estimate of staff levels to be utilized, man-days expected at each level, and hourly rate for the 2021 and 2022 re-audits.
- ii. Provide an estimate of all costs of travel, meals, lodging, and other out-of-pocket expenses.
- iii. Provide an estimate of any other costs associated with the audit.
- iv. Provide total lump-sum fees for the engagement for each of the 2023 and 2024 audits.
- v. Provide Hourly rates by staff level for possible RAD-related work.

Part VII. Evaluation Criteria And Selection Procedures

1. *Proposal Evaluation/Contract Award*

Evaluation of the responses to this RFP may be evaluated using a two-step process. Step 1 may be used to determine which Offerors' proposals are acceptable or potentially within the acceptable range. During Step 1, a committee will be appointed to evaluate technical proposals in accordance with the evaluation criteria stated in the RFP. The technical evaluation panel or committee reviews all technical proposals using the RFP's evaluation criteria.

To conduct negotiations, proposals will be initially classified as acceptable, potentially acceptable, or unacceptable. The competitive range decision will take into account the evaluation of both technical and cost/price proposals. Proposals the Contracting Officer determines to be acceptable or potentially acceptable and that have a reasonable chance of award shall be included in the competitive range.

As part of the evaluation process, proposals classified as acceptable and potentially acceptable may be requested to present their proposal and demonstrate the system before the evaluation committee. Any information gained during the presentation(s) may be used in the evaluation of the proposal. Failure to honor this request will be grounds for rejection of the respondent's proposal with no further consideration given.

2. *Evaluation Criteria*

The evaluation criteria to which each Offeror's submitted proposal will be reviewed, ranked, and scored are as follows. Each proposal has a maximum total possible score of 100 points.

1. **Organizational Capacity**

Demonstration of the CPA's ability to perform the work, as evidenced by the profiles of the principals' professional and technical competence and experience as well as the identification of the actual audit team members to be assigned to the engagement, together with their resumes of education/experience, a description/location of the CPA's offices and if work will be performed remotely, a description of how the privacy of records, in particular resident records, will be maintained. Respondents must demonstrate the ability to comply with HUD electronic submission requirements. The respondent **must state that they can perform work on-site at the request of JHC.** (Maximum of 30 points)

2. **Relevant Experience and Past Performance**

Demonstrated knowledge of the Auditing Standards for HUD programs, as evidenced through a comprehensive citation of reference standards and testing protocol to be used in the audit. (Maximum of 15 points)

Demonstrated knowledge of LIHTC actions that can be performed by independent CPAs. (Maximum of 10 points)

3. **Respondent's Approach/Response to Scope of Service**

Demonstrated capability to provide professional services in a timely manner as evidenced through an analysis of the CPA's current workload vs. staffing and past performance in terms of quality of work and compliance with review criteria as evidenced through the provision of a minimum of three references (PHA name, contact person, address & telephone number, with a description of services provided) for similar public housing agencies within the last three years. **(Maximum of 25 points)**

4. **Section 3/MWBE**

Respondent is an SBE/ MBE/WBE / DBE ownership status and/or Section 3 qualified business enterprise **(Maximum of 10 points)**

5. **Cost Proposal**

Provide a fixed fee for current year accounting activity and future projected accounting activity. Provide hourly rate breakdown of all key staff that would be assigned to the project for accounting activities required to bring JHC accounting up to date and to participate in any possible years to be re-audited. Include any subcontracting arrangements and identify any reimbursable expenses. **(Maximum of 10 points)**

Proposals will be reviewed by an Evaluation Committee and in accordance with JHC Procurement Procedures.

To conduct negotiations, proposals will be initially classed as:

- Acceptable (within the range of 70-100 points),
- Potentially acceptable (within the range of 60-69 points) or
- Unacceptable (within the range of 0-50 points).

All responses received within the prescribed time shall be evaluated and ranked in accordance with the rating system described above. After evaluation, the contract shall be awarded to the responsible firm or individual whose qualifications, price, and other factors considered are the most advantageous to the Commission. The Jackson Housing Commission reserves the right to seek, through subsequent negotiations, clarification about responses and advise respondents of the deficiencies in both the technical and price aspects of their proposals to assure full understanding of and conformance to the solicitation requirements. No respondent shall be provided information about any other respondent's proposal, and no respondents shall be assisted or directed in bringing its proposal up to the level of any other proposal.

JHC reserves the right to proceed directly to award if there is a clear winner after the initial evaluation of proposals and there is no need to negotiate or obtain further clarification of information from the offeror.

All Offeror(s) must disclose any conflicts of interest, e.g., family member on JHC staff or a resident of public housing or Section 8 (Housing Choice Voucher).

**Jackson Housing Commission RFP:
JHC- 2023-3R**

Attachments



Request for Proposals

**JHC-2023-3R
Independent Audit and Tax Services**

Proposal Cover Sheet

Company Name: _____

Address: _____

City, State & Zip Code: _____

Telephone: _____

Fax Number: _____

Contact Person Name: _____

Email Address: _____

Date Submitted: _____

Debra Davis, Interim Executive Director

*Cost Proposal - JHC 2023-3R
 Independent Audit and Tax Services*

Proposer _____

1. Year End Audit – Yearend March 31, 2021, and Yearend March 31, 2022 – Hourly Rates

Staffing Level	Projected Hours per audit per year	Hourly Rate	Extended Cost
Projected Fee			\$

Estimated Travel Costs	Estimated Meals	Estimated Lodging	Estimated Other Out-of-Pocket	Extended Cost

Type of Other Costs	Amount of Other Costs	Extended Cost

2. Year End Audits – Yearend March 31, 2023 – Flat Fee - \$_____

3. Year End Audits – Yearend March 31, 2024 – Flat Fee - \$_____

Jackson Housing Commission

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RAD Related

Staffing Level	Hourly Rate
Tax Returns/State Filings	Estimated Per Tax Return Cost
Non-Profit Audit:	Estimated Fee: \$
LLC/LLP Audits:	Estimated Fee: \$

Reference And Past Performance Form
(NOTE: Reproduce Additional Sheets As Required)

List previous work/services rendered by your company which are 1) **DIRECTLY** related to the scope of work/services required by JHC, Request for Proposals, Request for Qualifications or Invitation For Bid, and 2) equal to or greater than the dollar magnitude applicable to the scope of work/services quoted in your proposal.

NOTE: A Minimum of three (3) reference sheets is required. A questionnaire will be emailed to each reference. If a questionnaire is not returned by a reference, the offeror receives a zero (0) score for that reference. Offerors are encouraged to work closely with their references to ensure the questionnaires are returned on time.

1. Name of Reference Company for which services were rendered:

2. Location of work (address) where services were performed:

3. Scope of work that was performed:

- Year of completion: _____

4. Contact Person: _____
Phone No: _____
Email Address: _____

5. Cost of Project: _____

Acknowledgment Of Addenda Form

Bidder has received the following Addenda, the receipt of which is hereby acknowledged:

Addendum Number: _____ Date Received: _____

Addendum Number: _____ Date Received: _____

Addendum Number: _____ Date Received: _____

Addendum Number: _____ Date Received: _____

Addendum Number: _____ Date Received: _____

(Company Name)

(Signature)

(Printed or Typed Name)

Jackson Housing Commission
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