Request for Proposal
for
Audit Services

RFP Number: 2022-01-AUD-01
Issue Date: 01/11/22
Response Date: 02/04/22
Issuing Officer: Kim Burky
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Section 1: General RFP Overview and Instructions

1.1 Organization Overview

The Pennsylvania Housing Finance Agency (“PHFA” or “the Agency”) was established by the legislature in 1972. PHFA works to provide affordable homeownership and rental apartment options for older adults, low- and moderate-income families, and people with special housing needs. Through its carefully managed mortgage programs and investments in multifamily housing developments, as well as funding provided for community development projects, PHFA also promotes economic development across the state. Additional information about PHFA can be found on our website: www.phfa.org.

1.2 RFP Overview

As a state-affiliated agency, PHFA complies with the Commonwealth Procurement Code, Act 57 of 1998, as amended (the “Procurement Code”). This RFP is being issued as part of a competitive bidding process for products and services and will take into consideration the technical merit based on the evaluation criteria described as well as cost based on consistently applied weighting criteria. This RFP contains instructions governing the proposals to be submitted and the material to be included therein; a description of the services to be provided; requirements which must be eligible for consideration; general evaluation criteria; and other requirements to be met by each proposal. It is important for suppliers to review the instructions provided and submit in accordance with those instructions to avoid being deemed non-responsive to the submission requirements.

1.3 Type of Contract and Contract Terms

It is proposed that, if a contract is entered into as a result of successful negotiations, the selected supplier will be required to sign a standard Commonwealth of Pennsylvania contract. This agreement will contain the provisions shown in contract Terms and Conditions found in Appendix A of this request for proposal. Proposal/contract negotiations may be undertaken with suppliers whose proposals show them to be qualified, responsible, and capable of performing the work. The “Work Statement” as negotiated, will be incorporated into the standard contract.

The supplier will be deemed to have accepted the standard terms and conditions, except as are expressly disputed in the Supplier’s proposal. If exceptions are expressly disputed, the Supplier must submit a “redlined” version of the terms or conditional showing all modifications proposed and an explanation as to why the modification is required. In addition, Suppliers must submit any additional contract terms, order forms or additional documents for which the Supplier requires signature from the Agency. The supplier’s willingness to accept the Appendix A Terms and Conditions,
with minor clarifications, shall be an affirmative factor in the evaluation of the Supplier's proposal.

There are some terms that are not negotiable as they are required to do business with the Commonwealth of Pennsylvania. Prohibited contract clauses include assignment clauses, law of the contract, attorney's fees, court costs, entry of judgment, indemnity and hold-harmless clauses, arbitration clauses, payment in advance and payment of insurance. These clauses may not be redlined.

1.4 Rejection of Proposals
The Agency reserves the right to reject any or all proposals as a result of this request or to negotiate separately with competing Suppliers.

1.5 Incurring Costs
The Agency is not liable for any cost incurred by the Supplier prior to issuance of a contract.

1.6 Amendment to the RFP
If it becomes necessary to revise any part of this RFP, an amendment will be issued and posted with the original RFP posting on the PHFA website. It is the responsibility of the Supplier to look for potential amendments. If a Supplier registers their intent to bid with the Issuing Officer via email, they will receive an email notification if an amendment is posted.

1.7 Economy of Preparation
Proposals should be prepared simply and economically, providing a straightforward, concise description of the Supplier’s ability to meet the requirements of the RFP. Suppliers should not include extraneous marketing materials or promotional items.

1.8 Oral Presentation, Demonstration and Sample Work Products
Suppliers who submit proposals may be required to make an oral presentation of their proposal to the Agency to provide an opportunity for the Supplier to clarify their proposal to ensure mutual understanding. For certain types of products and services, demonstrations of the product (such as software) or sample work products may be requested. These requirements will be outlined in Section 3.

1.9 Disclosure of Proposal Contents
Cost and price information provided in proposals will be held in confidence and will not be revealed or discussed with competitors, except to the extent required by law. All other material submitted becomes the property of the Agency and may be returned only at the Agency's option. PHFA has the right to use any or all ideas presented in any reply to the RFP. Selection or rejection of the proposal does not affect this right. Where confidential or proprietary information is required, or should the Supplier deem it necessary to submit such matter, Supplier's should mark each page/section in large bold
type (PROPRIETARY INFORMATION). Please be advised that effective January 1, 2009, all responses to this procurement opportunity are subject to the Pennsylvania Right-to-Know Law, 65 P.S. 67.101, et seq. (or any successor applicable law). The Right-to-Know law permits any requestor to inspect and/or copy any record prepared and maintained or received in the course of the operation of a public office or agency that is not subject to the enumerated exceptions under the law. **If your response to the procurement opportunity contains a trade secret or confidential proprietary information, you should document a summary of such information in a cover letter (Appendix E) and include it with your response.** Should your response become the subject of a Pennsylvania Right-to-Know request, you will be notified by the issuing office and a determination will be made whether the claimed trade secret or proprietary information is subject to disclosure. Additional information on the Right to Know Law Policy is located here: [https://www.phfa.org/about/righttoknow.aspx](https://www.phfa.org/about/righttoknow.aspx)

1.10 New Releases
New releases pertaining to any awards or work performed will not be made without prior Agency approval, and then only in coordination with the Issuing Office.

1.11 Contractor Responsibility Program
Suppliers must certify that they are not currently under suspension or debarment by the Commonwealth of Pennsylvania, any other state, or the federal government to the best of their knowledge. Additionally, Suppliers must certify that they are not tax delinquent with either the Pennsylvania Department of Revenue or the Pennsylvania Department of Labor and Industry to the best of their knowledge. Suppliers that do not complete that certification will be deemed non-responsive and their proposal will not be accepted or considered. Reference Appendix D.

1.12 Cost Data
All cost data for the proposal shall be submitted as a separate document (Appendix C) apart from the Technical Proposal (Appendix B). **Absolutely no pricing can appear anywhere in the Technical Proposal. Failure to meet this requirement will result in automatic disqualification of the proposal.**

1.13 Debriefing Conferences
Suppliers whose proposals are not selected will be notified of the name of the selected supplier and will be given the opportunity to be debriefed. The Issuing Office will schedule the time and location of the debriefing.

1.14 Supplier Diversity
PHFA is an equal opportunity employer and is committed to ensuring contracting opportunities for minority owned businesses (MBE), women owned businesses (WBE) and other small disadvantaged businesses (DBE). PHFA encourages diversity in all contracting and supplier relationships. Suppliers should provide information regarding diversity in their staff resources and in their partnerships in their technical response as part of section
3.9 Resources. Special consideration will be given to those suppliers that demonstrate a commitment to diversity and inclusion.

1.15 COVID-19 Workplace Safety
PHFA is closely monitoring the evolving COVID-19 situation and taking proactive measures to preserve the health and safety of our employees, their families, our business partners and the communities we serve. If you are a supplier that has a requirement to perform services on-site, the following measures must be followed:

- Any supplier resources working on-site must be fully vaccinated
- On-site visitation must be scheduled in advance and the supplier must have a PHFA contact meet them inside the entrance to the building for the screening process
- Follow social distancing practices
- All on-site resources must wear a mask

These measures will be updated accordingly based on state and federal guidelines.
Section 2: Request for Proposal Instructions and Work Statement

2.1 Purpose
This request for proposal (RFP) provides interested suppliers with sufficient information to enable them to prepare and submit proposals for consideration by PHFA to conduct an annual financial audit and a federal Single Audit beginning with the fiscal year ending June 30, 2022 and for the following four fiscal years. See Section 2.8 for additional information on the scope of the services requested.

2.2 Issuing Office
This RFP is issued by the following Issuing Officer. This officer is the sole point of contact for this RFP.

Name: Kim Burky
Title: Transformation Project Manager
Address: 211 N. Front Street
Harrisburg, PA 17101
Phone: 717-780-3802
Email: kburky@phfa.org

2.3 Questions
Questions or requests for clarification regarding this RFP must be submitted via email by 12:00PM EST, January 21st, 2022. Responses to questions will be posted to the PHFA website to ensure all bidders receive the same information.

From the issue date of this RFP until a determination is made regarding the selection of a Supplier, all contacts regarding this RFP must be made through the issuing office. Only information supplied by issuing office, including responses to questions regarding the RFP, should be used in preparing proposals. All other contacts or information received regarding the subject prior to the release of this RFP should be disregarded in preparing responses. Any violation of this condition is cause for the Agency to reject a Supplier’s proposal. If it is later discovered that any violations have occurred, the Agency will reject the proposal.

2.4 RFP Summary Description and Background
PHFA is seeking a certified public accounting firm licensed to practice in the Commonwealth of Pennsylvania to conduct an annual audit of the Agency’s financial statements and other supplemental information for the fiscal years indicated. The selected firm must deliver a final audit report on or before September 30 of each engagement year. The Commonwealth of Pennsylvania may mandate earlier delivery dates during the term of the engagement. The Agency also requires a Single Audit of its federal programs delivered by March 31 of each engagement year.
The Agency intends to contract for the indicated services on a fixed price basis for each of the fiscal years covered.

2.5 Contract Length
The Agency desires to enter into a five (5) year contract. The total proposed term of the contract is not to exceed five years.

2.6 Pre-Proposal Conference
Choose one
☒ A pre-proposal conference is not necessary for this solicitation
☐ A pre-proposal conference will be held on the date and time. Although this is a virtual conference, it is requested to limit representation to no more than 2 attendees per Supplier. The purpose of this conference is to clarify any points in the RFP which may not have been clearly understood. Questions should be forwarded to the Issuing Office prior to the meeting to ensure that sufficient analysis can be made before an answer is supplied. The preproposal conference is for information only. Answers furnished during the conference will not be official until verified in writing by the issuing office.

2.7 Product Demonstration/Proposal Presentation
Choose one
☐ A product demonstration or presentation is not required for this solicitation
☒ Suppliers that achieve a minimum qualifying score will be asked to provide a proposal presentation. Further instructions will be provided upon down-selection and an outline will be provided in advance to ensure consistency in what is presented and evaluated.
☐ This solicitation will require a demonstration of ________ (ex. Software) for suppliers that achieve a minimum qualifying score. Further instructions will be provided upon down-selection and a script will be provided in advance to ensure consistency in what is presented and evaluated.

2.8 Nature and Scope of the Project
The services to be provided include, but are not limited to:
1. an audit of the PHFA's financial statements including supplemental schedules prepared in accordance with generally accepted accounting principles promulgated by the Government Accounting Standards Board (GASB)
   a. provide an in relation to opinion on the supplemental schedules prepared in accordance with U.S. Department of Housing and Urban Development (HUD) guidelines
2. an audit in accordance with Government Auditing Standards (GAS)
3. the performance of a federal Single Audit in accordance with the Office of Management and Budget (OMB) Uniform Guidance

The selected firm will have the responsibility to conduct the audit of the financial statements in accordance with auditing standards generally accepted in the United States
of America and the standards for financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, with the objective of expressing an opinion as to whether the presentation of the financial statements that have been prepared by management with the oversight of those charged with governance, conforms with U.S. generally accepted accounting principles.

The selected firm will also perform audit procedures with respect to PHFA’s major federal programs in accordance with Title 2 U.S. Code of Federal Regulations Part 200 (2CFR 200), Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (“the Uniform Guidance”). The Uniform Guidance includes specific audit requirements, mainly in the areas of internal control and compliance with federal statutes, regulations, and the terms and conditions of the federal awards that may have a direct and material effect on each of PHFA’s major federal programs that exceed those required by Government Auditing Standards.

The selected firm will prepare a single audit report which provides an opinion on PHFA’s compliance with federal statutes, regulations and the terms and conditions of federal awards that may have a direct and material effect on each of its major federal programs and communications their consideration of internal control over major federal programs.

Communications and Presentations
The selected firm will be required to present their audit plan to the Audit Committee prior to each engagement year. The selected firm will be required to report to the Audit Committee and Members of the Board with required communications at the conclusion of each engagement year. The selected firm may be responsible to provide supplemental information to the Audit Committee or Members of the Board throughout the year.

Professional Guidance
The selected firm will provide prompt professional guidance with accounting matters and new accounting pronouncement implementation throughout each engagement year, as requested. The selected firm will also be asked to provide professional literature including financial statement and GAAP checklists applicable for local governments, GASB statement copies and copies of other authoritative guidance or pronouncements.

Type of Engagement
The engagement will be a services contract prepared by the Agency. The term of the engagement will be a five-year term. The Agency reserves the right not to renew (in its discretion) and may elect to terminate the engagement for services in the event deadlines or professional standards set forth in the engagement for services are not met or significant changes in the professional qualifications of the engagement team occur. The selected firm will be required to assume responsibility for all services offered in the submitted proposal.

Agency Participation
The Agency will prepare the basic financial statements, notes and supplemental information. All supporting information requested by the selected firm will be made available at the
Harrisburg headquarters. Individuals will be available to substantiate the operations of their specific work areas, answer questions and prepare reports as requested.

**Deliverable Formats**
The engagement for service will require that all audit deliverables be provided to the Agency in both bound hard copy and electronic formats.

**The Agency’s Accounting System**
The Agency’s accounting system is maintained on the mainframe computer located in Harrisburg, PA and serviced by a team of Information Technology professionals.

**Access to Work Papers**
Authorized personnel from the Pennsylvania Auditor General, Governor’s Office of Budget, Bureau of Financial Management and other Commonwealth or federal agencies may require access to examine work papers.

**Revisions to Audit Work**
If the selected firm fails to meet the standards and conditions in the engagement for services, because it did not meet auditing standards generally accepted in the United States, standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States or any other auditing standard, the firm may, at the request of the Agency, be required to perform re-audit work at its own expense and resubmit revised audit reports.

**Additional Work**
As part of primary deliverables, the firm will perform such follow-up and additional formatting, reporting and analysis that may result from the engagement that may be necessary to satisfy Commonwealth and federal reporting requirements.

**Communication with Internal Audit**
The selected firm agrees to notify Internal Audit immediately of any deficient internal control matters, proposed adjusting journal entries and other concerns about the operation of the Agency.

**Communications with the Commonwealth**
The selected firm agrees to provide the Commonwealth with any preliminary requests for information to facilitate completion of their Comprehensive Annual Financial Report.

**Ownership of Audited Basic Financial Statements**
Pursuant to auditing standards generally accepted in the United States of America, the independent auditor is presumed not to be associated with financial statements included in an offering statement (AICPA audit and accounting guide, State and Local Governments, 16.06.) The Agency extends this policy, per GFOA recommendation, to our website and annual reports.
**Legal Representation**
Legal staff, located at our Harrisburg, PA headquarters, affiliated with the Governor’s Office of General Counsel, represent the Agency.

2.9 Project Timeline
The following dates are approximate:
- RFP Issued: Tuesday, January 11th, 2022
- Proposals Due: Friday, February 4th, 2022
- Qualified Supplier Presentations: February 21st-23rd, 2022
- Supplier(s) Selected: February 28th, 2022
- Contract issued: No later than March 11th, 2022

2.10 RFP Response Date
All proposals are due via email to the Issuing Officer **no later than February 4th, 2022, 12:00 PM EST**. Electronic files are encouraged. Please notify the issuing officer if you are unable to submit the files via email.
Section 3: Technical Information required from the supplier

Supplier proposals must be submitted in the format outlined below. To be considered, the proposal must respond to all requirements in this part of the RFP. Reference Appendix B. As a reminder, no cost information should be included in the Technical Proposal Document. Appendix B (Technical) and Appendix C (Cost) must be separate documents.

3.1 Organization Background and Capabilities
Provide background information, including a brief background on your company and your understanding of the Agency needs and specific issues to be addressed. Describe your organization, size (in relation to audits to be performed) and structure. Indicate, if appropriate, whether the firm is a small or minority-owned business. Supplier will need to include a copy of the most recent Peer Review, if the Supplier has had a Peer Review. If the Supplier has not had a Peer Review/Quality Review, then provide a statement as to why this has not been completed.

3.2 Professional Personnel
Describe the staff positions that will comprise the Audit Team and specifically describe governmental/financial services and single audit experience. Provide the qualifications of staff to be assigned to the audits. This includes education, position in firm, years, and types of experience, continuing professional education, and state(s) in which licensed as a CPA.

3.3 Timeline for Execution
Summarize a representative timeline of project related events from start to finish. Include all important dates related to the project, broken down by date and duration. Items can include project milestones, installation schedules, meetings, reviews, or reports.

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<td>Project End</td>
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3.4 Prior Experience and References
Describe prior auditing experience and include three references for organizations the Supplier has audited to include reference organization name, organization address, contact name, contact phone, contact email, and brief description of services and accomplishments. Must include experience with financial services and governmental entities adhering to GASB.

Section 4: Cost Information required from the supplier
Complete the cost proposal spreadsheet. If the project/services will involve costs over more than one year, show fiscal year breakdown (July-June). As a reminder, no cost information should be included in the Technical Proposal Document. Appendix B (Technical) and Appendix C (Cost) must be separate documents.
Section 5: Criteria for Selection

All proposals received from Suppliers will be reviewed and evaluated by a committee of qualified Agency personnel. This committee will recommend for selection the proposal which most closely meets the requirements of the RFP.

The following areas of consideration will be used in making the selection:

5.1 Understanding the Work to be Performed
This refers to the Supplier’s understanding of the Agency needs that generated the RFP, the objectives in asking for the services and the nature and scope of the work involved.

5.2 Supplier Qualifications and Prior Experience
This refers to the ability of the supplier to meet the terms of the RFP, especially time deadlines, quality, relevancy, financial ability to undertake the size of the project, etc.

5.3 Professional Personnel
This refers to the competence of the personnel who would be assigned to the tasks by the Supplier. Qualifications include experience, education and work with similar clients. This evaluation will include emphasis placed on the qualifications of the Supplier project manager.

5.4 Soundness of Approach
Emphasis includes the techniques for collecting and analyzing data, sequence and relationship of major steps, and methods for managing delivery and achieving timelines. Includes determination of whether the approach is responsive to the requirements and appears to meet the Agency objectives.

5.5 Terms and Conditions
Ability of the supplier to accept the stated Terms and Conditions as outlined in Appendix A.

5.6 Cost
While this area will be weighted heavily, it is not the only deciding factor in the selection process. Cost information will be provided in Appendix C. Absolutely no pricing can appear anywhere in the Technical Proposal. Failure to meet this requirement will result in disqualification of the proposal.
Section 6: Request for Proposal Submission Instructions
All proposals are due via email to the Issuing Officer no later than Friday, February 4th 2022, 12:00 PM EST. Electronic files are encouraged. Please notify the issuing officer if you are unable to submit the files via email.

Email to: procurement@phfa.org
Each Appendix should be a separate attachment in the email.

Each submission should include the following attached documents:
1. Appendix A: Acknowledgement of review of Standard Terms and Conditions, and any potential redlines. Also attach any additional forms or documents that may require PHFA signature as part of the contract so they can be reviewed in advance.
2. Appendix B: Technical Proposal
3. Appendix C: Cost Proposal
   ** IMPORTANT NOTE: The Cost proposal must be attached as a separate document from the Technical Proposal in the email.
4. Appendix D: Contractor Responsibility Certification
5. Appendix E: Cover letter to declare any proprietary information (reference section 1.9)