



REQUEST FOR PROPOSALS INDEPENDENT AUDITING (IA) SERVICES

A. SCOPE

The Bay City Housing Commission is requesting proposals from qualified Public Accountants for Independent Auditing Services (Audit).

The term of the initial engagement shall be for two (2) years, beginning with the audit services for FYE 9/30/2021 and continuing thereafter for the FYE 9/30/2022. An optional 3rd year (FYE 9/30/2023) may be added at the sole discretion of the Housing Commission provided that delivered services have been acceptably performed for the initial term and a reasonable price has been established herein for the option year.

Audit shall include all required and necessary single audits, reviews, research, tests, submissions and worksheets needed to determine and report on both the financial condition and program compliance of the Bay City Housing Commission under the various programs of the U.S. Dept. of Housing and Urban Development (HUD) that it administers. A presentation to the Housing Commission of the results of the audit shall be presented no later than the January 26, 2022 Commissioners' Meeting at 315 14th St, Bay City, MI 48708.

Additionally, the Audit shall include all necessary and required submissions and/or electronic transmissions to the State of Michigan Department of Treasury (within 6 months of the end of the fiscal year audited), local HUD Field Office, the HUD Real Estate Assessment Center (REAC through its Financial Assessment Subsystem, PHA FASPHA & Multifamily Housing FASSUB, within 9 and 3 months respectively, of the end of the fiscal year audited), and the Federal Audit Clearinghouse. Penalty, up to cancellation of the audit engagement and/or withholding of fees, shall be assessed for late submissions not otherwise beyond the control of the Audit professional.

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

Requirements for the FASS – Multifamily Housing can be found and reviewed at https://www.hud.gov/program_offices/public_indian_housing/reac/products/fass/fassmf_guide It should be noted that the multifamily properties owned by the Bay City Housing Commission are only subject to an owner certified submission by virtue of the Housing Commission's status as a PHA.



B. BACKGROUND

The Bay City Housing Commission currently owns and administers the following programs subject to audit under this RFP:

- Three HAP only RAD converted PBRA High Rises (113, 115, 142 units).
- Conventional Low Income Public Housing, Scattered Site Family, 193 Units
- Capital Fund Program (CFP) projects for FFY 2021, which will include minimal activity as the Public Housing component of the Organization's portfolio represents a "Small Agency" under 24 CFR Parts 902, 903 and 985. As a result, the majority of any Capital Funding received is realized as Operating Fund.

In addition, the Bay City Housing Commission manages a 158 multifamily tax credit project for the Bay City Maplewood Manor LDHA, LLC, of which it is the majority owner of the managing member, the Bay City Maplewood Manor, LLC. The Housing Commission provides both financial and property management on a fee for service basis to the Bay City Maplewood Manor, LDHA, LLC.

The Bay City Housing Commission conducts business as a Public Body Corporate under authority of Michigan Public Act 18 (MCL 125.651-709e) and administers affordable housing programs with assistance from HUD with combined total operating budgets of over \$4 million. All financial records are maintained in compliance with Generally Accepted Accounting Standards (GAAP). The Commission has twenty-six (26) full-time employees and is responsible for all personnel-related activities, including payroll, benefits administration and collective bargaining activities with its one (1) labor union representing maintenance employees. The Commission's general ledger and tenant management systems are automated, utilizing the *RealPage/OneSite suite of software solutions*. Tenants' rents are collected on location, the administrative offices of the Commission, and through elective automatic electronic funds transfers (ACH).

Questions regarding any of the above information may be directed to Mr. John Neeb, Chief Financial Officer, at the administrative offices of the Commission. Pertinent documents may be examined at the Commission's administrative offices by appointment.

C. SELECTION CRITERIA

Selection of the Independent Auditor (IA) shall be based upon an evaluation of the responses received addressing the following criteria, listed together with their relative weight of importance:

- (1) Demonstration of the IA'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 individual resumes of education/experience and a description/location of the IA's offices. *Respondents must demonstrate ability to comply with HUD electronic submission requirements via FASS, 30%.*
- (2) Demonstrated capability to provide the professional services in a timely manner as evidenced through an analysis of the IA's current workload vs. staffing and through past performance in terms of quality of work and compliance with review criteria as evidenced through the provision of a minimum of **three (3)** client references (Name, contact person, address & telephone number, with a description of services provided) for similar *public housing* agencies within the last three (3) years, **20%**.
- (3) Evidence that the IA Firm or individual is currently licensed, registered and otherwise legally authorized to do business in the State of Michigan, **5%**.
- (4) 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, **10%**.
- (5) Certified statement that the IA is not debarred, suspended nor otherwise prohibited from professional practice by any Federal, State or local agency, certification that the IA will comply with the provisions of Section 3 of the HUD Act of 1968 as amended, and certification that the IA has not colluded with nor arranged with any other party whom may have any interest herein to determine its price, **5%**.
- (6) Evidence of certified minority or woman ownership status (51% or more owned, operated and controlled by a minority individual or female), **5%**, and Section 3 ownership preference, if applicable, **5%**.
- (7) Price, in the form of separate lump-sum fixed fee amounts for each year of the initial two-year term and the optional third year, (payable separately upon delivery of the final audit report for each of the periods), inclusive of all services enumerated above in this RFP, and listing those reimbursable expenses and rates normally associated with these services not included in the fixed-fee amount, **20%**.
- (8) Proximity within 35 miles of the Housing Commission's main address, **5%**

D. RESPONSE SUBMITTALS

Proposals shall be submitted in three (3) copies. 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 Bay City Housing Commission reserves the right to seek, through subsequent negotiations, clarification with regard to responses and advise respondents of the deficiencies in both the technical and price aspects of their proposals so as 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.

The Bay City Housing Commission reserves the right to reject any or all proposals received or to waive any irregularities in the solicitation process.

Interested Firms or individuals shall respond to this RFP **BY THE CLOSE OF BUSINESS (4:00 P.M. EDT) ON FRIDAY, August 10, 2021**, to the following address:

BAY CITY HOUSING COMMISSION
"INDEPENDENT AUDITING SERVICES"
315 14th St
BAY CITY, MICHIGAN 48708

For information relative to the RFP or to schedule visits to review pertinent documentation relative to the work, interested parties may contact Mr. John Neeb, Chief Financial Officer, Bay City Housing Commission, at the administrative office listed above, during public business hours of 9:00 a.m. to 4:00 p.m.

By:
Bay City Housing Commission
John C Neeb III, CPA, CMA, Chief Financial Officer