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Requests for Proposals

AUDITING SERVICES

Proposal Number: C16015

Due Date: 11:00 a.m. (Eastern Standard Time) on January 8, 2016

Check KCDC's web page for addenda and changes before submitting your proposal.

Pre-Proposal Meeting: None-submit questions to purchasinginfo@kcdc.org

Deliver Proposals to: Knoxville's Community Development Corporation
Purchasing Division
901 Broadway N.E.
Knoxville, Tennessee 37917

Faxed/Emailed Responses are acceptable: **Yes** **No**

Award Results: KCDC posts both a summary of the proposals received and the award decision to its web page at:

<http://www.kcdc.org/en/DoingBusiness/SolicitationResults.aspx>

Electronic Copies: Vendors are encouraged to use the MS Word version of this document. If you need an electronic copy, send an email requesting it to purchasinginfo@kcdc.org.

1. BACKGROUND AND INTENT

- a. Knoxville's Community Development Corporation (KCDC) is the public housing and redevelopment agency for the City of Knoxville and for the County of Knox in Tennessee. KCDC's public housing property portfolio includes seventeen housing properties with approximately 3,500 dwelling units. KCDC also administers approximately 3,800 vouchers through our Section 8 department and has three tax credit properties.
- b. KCDC is seeking proposals from qualified Certified Public Accounting firms to provide an independent public audit for the fiscal year ending June 30, 2016.
- c. KCDC is contracting for a single agency audit in accordance with Office of Management and Budget (OMB) Uniform Guidance 2 CFR 200.
- d. KCDC is a public body corporate and politic pursuant to the laws of the State of Tennessee which was organized to provide low rent housing for qualified individuals in accordance with the rules and regulations prescribed by the United States Department of Housing and Urban Development (HUD) and other federal agencies. The primary purpose of KCDC is to provide safe, decent, sanitary and affordable housing to low income, elderly and handicapped families in Knoxville and in Knox County, Tennessee.
- e. The governing body of KCDC is its Board of Commissioners, which is composed of seven members appointed by the Mayor of the City of Knoxville. The Board appoints a Chief Executive Officer to administer the business of KCDC. KCDC is not considered a component unit of the City of Knoxville, as the Board independently oversees KCDC's operations.
- f. KCDC has the following blended component units:
 - **Passport Development Corporation** is a Section 115 Corporation acting as KCDC's general partner to the limited partnerships formed in conjunction with low-income tax credits.
 - **Knoxville's Housing Development Corporation** is a Section 115 Corporation established to acquire affordable housing projects in the Knoxville area for KCDC.
 - **Family Investment Foundation, Inc.** is a 501(c) (3) Corporation established for charitable, social, vocational, recreational and health purposes and related business ventures.
 - **Greater Tennessee Housing Assistance Corporation** is a Section 115 Corporation established to fund the construction of six Section 8 New Construction housing projects. All debts are paid and all projects sold. The corporation is now dormant.

- **Five Points I Corporation** is a Section 115 Corporation that is an instrumentality of KCDC. The purpose of the corporation is to be the general partner in a limited partnership formed in conjunction with anticipated future low-income housing tax credits for the development of the Five Points Senior Building.
- **Townview Towers Affordable Housing Development Corporation** is a Section 115 Corporation that is an instrumentality of KCDC. The purpose of the corporation is to facilitate the renovation of Townview Towers Apartments. The corporation owns a 40% ownership interest in TVT GP, LLC, General Partner to TVT, LP established to finance transactions related to the rehabilitation of Townview Towers Apartments.

These blended component units are reported in the aggregate in the Combining Schedule of Net Assets and Combining Schedule of Revenues, Expenses and Changes in Net Position.

g. The main programs of KCDC are as follows:

- **Low Rent Public Housing** under Annual Contributions Contract A-2571. This type of housing consists of apartments and single-family dwellings owned and operated by KCDC. Funding is provided by tenant rent payments and subsidies provided by HUD.
- **Section 8 Housing Assistance Payment Programs** under Annual Contributions Contract A-3159 (Housing Choice Vouchers and Moderate Rehabilitation Programs). These are housing programs wherein low rent tenants lease housing directly from private landlords rather than through KCDC. KCDC contracts with these private landlords to make assistance payments for the difference between the approved contract rent and the actual rent paid by the low rent tenants.
- **Redevelopment Program** administers CDBG and other projects for the City of Knoxville and Knox County.
- **Public Housing Capital Fund Cluster of Programs** are programs for the modernization, demolition and redevelopment of public housing, which include Capital Fund Programs.
- **The Manor** is a program whereby KCDC provides meals, laundry service and has a twenty-four hour staff available for the special needs of the more dependent elderly tenants. This service is provided to those tenants for a fee.
- **Entrepreneurial Activities** is a program, which provides technical assistance to other PHAs and local governments.
- **Central Office Cost Center** is a business unit with KCDC that earns income from fees and/or by overseeing other business activity.
- **Other Programs** administered by KCDC are designed to give assistance to residents in a manner, which encourages independence and upward mobility, and provide professional services to other agencies as needed.

- h. KCDC has 10 employees on staff in its Accounting Division to perform its financial work with various education and experience levels.
- i. Accounting Division Experience:

| Position | Years at KCDC |
|---|------------------|
| Accounting Administrator-PH/CF/Other | 3 |
| Accounting Technician II-Payroll | 1 |
| Accounting Technicians II (2)- Accounts Payable/Other | 12-13 |
| Accounting Technicians II (4)-Deposits and AR | Less than 1 - 15 |
| CFO | 30 |
| Senior Accountant -Section 8/Other | 13 |
| Senior Accountant -Subsidiary Corps/Redevelopment | 25 |
| Senior Accountant -Tax Credit Properties/PH | less than 1 |

- j. Other related personnel experience:

| Position | Years at KCDC |
|--|---------------------------------------|
| CEO | Less than 1 as CEO 38 as COO/other |
| Human Resources Director | 18 |
| Legal Counsel | Less than 1 |
| Purchasing Director | 10 |
| Purchasing Technician | 26 |
| Regulatory and Compliance Director | 18 |
| Section 8 Director | 24 |
| Senior Vice President of Housing | 2 |
| Supportive Maintenance Manager | 36 |
| Vice President of Strategic Planning & Development | 26 |

- k. Please check our web page at www.kcdc.org for additional information.

2. **CHANGES AFTER AWARD**

It is possible that after award KCDC will need to revise the service needs or requirements specified in this document. KCDC reserves the right to make such changes after consultation with the vendor. Should additional costs arise, KCDC reserves the right to accept these charges provided the vendor can document the increased costs.

3. **CONTRACT APPROVAL**

The resulting contract is subject to the approval and review of KCDC’s Board, HUD and the State of Tennessee Comptroller’s Office.



4. **CONTRACT FORM**

KCDC is required to use the State of Tennessee’s form of contract. The State of Tennessee has an on-line electronic filing system (CARS). The authority initiates the contract with the State of Tennessee’s Comptroller’s Office. The form is filled out on-line and sent through their approval system. A sample contract is posted on KCDC’s webpage. However, KCDC would entertain executing a vendor engagement letter as well.

5. **CONTACT POLICY**

The vendor may not contact anyone other than the KCDC’s Purchasing Division from the issuance of this solicitation until award about matters pertaining to this solicitation. Information obtained from an unauthorized officer, agent, or employee of KCDC will not affect the risks or obligations assumed by the vendor or relieve the vendor from fulfilling any of the conditions of the resulting award for the purpose of this project. Additionally, such contact can disqualify the vendor from participation in the solicitation process.

6. **ERRORS AND DEFICIENCIES**

The successful firm will be required to revise any material prepared under an agreement resulting from this RFP without additional compensation if it is determined that the firm is responsible for errors or deficiencies.

7. **EVALUATION:**

- a. KCDC's evaluation team will evaluate each proposal based upon a weighted evaluation system. KCDC may require an oral presentation of the proposal or for the clarification of the proposal. The categories and points assigned for each category on the proposal form are:

| Category | Maximum Score |
|--|----------------------|
| Professional and Technical Competence and Experience | 50 |
| Professional Staff to be assigned | 25 |
| Capability to Provide Timely Services | 25 |
| Maximum Score | 100 |

However, should it be in KCDC’s best interest, the evaluation team will initially simply “rank” the proposals. This means that each evaluator will read the proposals and simply rank them with a “1” indicating the best proposal, a “2” indicating the second best proposal and so on. Under this scenario, KCDC will then proceed with detailed scoring of only the top ranked firms.

b. Procedures

1. KCDC will convene an evaluation team to evaluate responsive proposals using the evaluation criteria listed herein. Evaluation team members will independently review and score each proposal. Such scores are submitted to the KCDC Purchasing Director for a master tabulation.

2. The evaluation team will then meet to review the composite scores. Evaluation team members may then discuss scores, strengths and weaknesses of proposals. Evaluation team members may adjust their scores if they choose to do so. If so, they will update their scoring sheets and turn those into the Purchasing Director for changing the composite score.
3. At this point, the evaluation team will decide whether to award to the highest scoring vendor or to determine a “shortlist” of vendors for oral presentations. If the evaluation team elects to forego the oral presentation, the process is over and cost negotiations with the successful vendor will commence. The starting point for the negotiations is the vendor’s cost proposal in the second sealed envelope.
4. If oral presentations are required, the Purchasing Director will arrange structured oral presentations by each vendor on the shortlist. The oral presentation will consist of the vendor:
 - Answering written questions that KCDC provides to clarify their response.
 - Answering oral questions that arise during the presentation.

At the conclusion of the oral presentations, the evaluation team members will rank (i.e. “1,” “2,” or “3”) the vendors that presented. The vendor receiving the most votes as “1” is the top scorer. KCDC will then commence negotiations with that vendor.

5. KCDC reserves the right to request additional information from any vendor after the submission deadline. KCDC also reserves the right to reject any and all, or part(s) of any and all proposals, to select one or more vendors, or to award no contract and re-advertise this RFP; postpone or cancel the RFP process at any time, and to waive any irregularities in this RFP or in proposals received as a result of this RFP.

8. **FRAUD**

There has been no significant fraud during the past five years.

9. **FUTURE SIGNIFICANT TRANSACTIONS**

KCDC is currently in development and rehabilitation of several capital projects and it is possible that additional projects with debt issuance could occur between now and the end of this fiscal year. KCDC is also in the process of converting a significant number of units in the housing portfolio from the Public Housing Program to the Multi-Family Housing Program through a Rental Assistance Demonstration project (RAD conversion).

10. **GENERAL INSTRUCTIONS**

KCDC no longer inserts “General Instructions to Vendors” in the solicitation document. Instead, these instructions are at www.kcdc.org. Click on “Doing Business With KCDC” where you will find a link to the instructions. By submitting a response to this solicitation, the vendor accepts the responsibility for downloading, reading and abiding by the terms and conditions set forth in KCDC’s “General Instructions to Vendors.” Vendors may wish to review certain applicable HUD instructions on KCDC’s webpage.

11. **INSURANCE**

Upon award, Certificates of Insurance must be provided to KCDC indicating that the vendor carries at least the following minimum levels of insurance. Vendor shall at its sole expense obtain and maintain in full force and effect for the duration of the resulting contract and any extension hereof at least the following types and amounts of insurance for claims which may arise from or in connection with this resulting contract. All insurance must be underwritten by insurers with an A.M. Best rating of A-VIII or better.

- a. *General Liability Insurance:* \$2,000,000
- b. *Worker’s Compensation:* In accordance with the statutes of the State of Tennessee.
- c. *Professional Liability:* The contract shall maintain Professional Liability/Errors & Omissions insurance of \$1,000,000.
- d. Insurance shall have a 30-day cancelation notice provision.

12. **INTERNAL FINANCIAL STATEMENTS**

Internal financial statements are prepared monthly. Managers review and comment on the statement for their areas of responsibility each month. The statements are prepared on a hybrid method.

13. **INVESTIGATIONS**

There are no known current or pending HUD investigations/audits that would have an impact on the engagement.

14. **LENGTH OF AWARD**

The initial award is for 12 months. The award has four one-year optional renewals that KCDC can exercise upon the vendor’s concurrence.

15. **LICENSING**

- a. Properly licensure by the State of Tennessee and all other authorities having jurisdiction is required. Throughout the term of this contract, the vendor shall maintain the required current licenses.

- b. All vendors must meet independence standards which include the IPA’s technical qualification requirements set forth by Government Auditing Standards (GAS) and Generally Accepted Auditing Standards (GAAS) including the qualifications of the staff assigned to the engagement.

16. **OPERATIONS MANUAL**

Upon award, KCDC will provide the successful vendor with a copy of its Board approved “Operations Manual.” This manual details the approved policies and procedures in such areas as:

- a. Accounting in areas such as budgeting, reporting, cash, investments, write-offs, debt, and fraud
- b. Property Accountability and Disposition
- c. Procurement
- d. Human Resources

17. **PREVIOUS AUDITS**

KCDC has posted the last two audits to its webpage for potential vendors to review.

18. **PRICE STRUCTURE**

- a. At the end of the award term, the successful vendor may request a price increase. Proof of increased cost to the successful vendor must accompany price increase requests. KCDC may, at its option:
 - 1. Accept the proposed price increase.
 - 2. Reject the proposed price increase.
 - 3. Suggest an alternative price increase.
- b. If KCDC rejects a proposed price the successful vendor may:
 - 1. Continue with the existing pricing.
 - 2. Suggest an alternative price increase.
 - 3. End the award.
- c. Price decreases are allowed at any time with or without notice.

19. **PROPOSAL FORMS**

Proposal documents are to be prepared in **two parts**.

- a. **Part One** consists of the vendor completed Solicitation Documents A through G.
- b. **Part Two** consists of the vendor completed Solicitation Document H.

- ✓ Part One must be sealed in an envelope marked “Technical” on the outside.
- ✓ Part Two must be sealed in an envelope marked “Cost” on the outside.
- ✓ Both sealed envelopes containing Part One and Part Two must be placed in an outer envelope. The outer envelope shall show the firm name, what the proposal is for, the date and time the proposal is due.

20. **PROPOSER REPRESENTATION**

The vendor represents and warrants:

- a. That the firm is financially solvent and that it is experienced in and competent to perform the type of work; and
- b. That the firm is familiar with all federal, state, municipal and county laws, ordinances and regulations, which may in any way affect the work of those employed therein, including but not limited to any special acts relating to the work or to the project of which it is a part.

21. **QUESTIONS**

Submit questions via email with “Questions about Auditing Services” in the subject line, at least five days prior to the due date to purchasinginfo@KCDC.org .

Scope of Work

1. **CONTRACT LIAISON**

KCDC and the vendor shall each designate a primary authorized representative for administering the resulting agreement. The liaison shall be named after award.

Traditionally KCDC staff and the vendor meet throughout the audit period via status meetings, conference calls, et cetera. This works well for both the auditors and KCDC.

2. **DELIVERABLES**

The successful applicant is responsible for delivering a Report on the Audit of Financial Statements and Supplemental Information for fiscal year 2016 at a mutually agreed upon date prior to State of Tennessee deadline of 12/31/2016. The successful applicant is responsible for agreed upon procedures related to the audited submission in HUD’s Real Estate Assessment Center (REAC) online database system prior to the deadline of 03/31/17.

3. **LEDGER SYSTEM AS OF JULY 1, 2015 (FY16)**

| FUND | DESCRIPTION | FY 2015 PGM FILED IN FDS (REAC) | CLOSE OUT FY2016 | NEW FOR FY2016 |
|----------|--|--|---------------------|---------------------------|
| 1 | Central Office Cost Center | Central Office Cost Center | | |
| 12 | Public Housing | Low Rent Public Housing Program– Operating (25 properties with 17 reportable AMPs) | | |
| 34 | Entrepreneurial Activities | Other Business Activities | | |
| 58 | Mainstream Voucher 5 year program | Mainstream Voucher Program | | |
| 57 59 | Section 8 Housing Choice Vouchers and VASH | Section 8 Housing Choice Voucher Program | | |
| 57 59 | FSS | FSS | | |
| 60 | Section 8 Moderate Rehabilitation I | Moderate Rehabilitation Program | | |
| 61 | Section 8 Moderate Rehabilitation II | Moderate Rehabilitation Program | | |
| 62 | Section 8 Moderate Rehabilitation III | Moderate Rehabilitation Program | | |
| 63 | Section 8 Moderate Rehabilitation IV | Moderate Rehabilitation Program | | |
| 71 | Redevelopment | State and Local Programs | | |
| 74 | Five Points II Corporation | Blended Component Units | | Yes |
| 75 | Five Points I Corporation | Blended Component Units | | |
| | Townview Towers Affordable Housing Corporation | Blended Component Units | Dormant | |
| 77 | KHDC | Blended Component Units | | |
| 78 | Passport Development Corporation (PDC) | Blended Component Units | | |
| 79 | Greater TN Housing Assistance Corporation (GTHAC) | Blended Component Units | Dormant | |
| 86 | Family Investment Foundation (FIF) | Blended Component Units | | |
| 88 | The Manor | Other Business Activities | | |
| 702 | Replacement Housing Funds | Public Housing-Capital Fund columns by AMP | | Five Points Phase I |
| 724 | Capital Funds 724 (2012) | Public Housing-Capital Fund Columns by AMP | Yes | |
| 725 | Capital Funds 725 (2013) | Public Housing-Capital Fund Columns by AMP | | |
| 726 | Capital Funds 726 (2014) | Public Housing-Capital Fund Columns by AMP | | |

| FUND | DESCRIPTION | FY 2015 PGM FILED IN FDS (REAC) | CLOSE OUT FY2016 | NEW FOR FY2016 |
|------|--------------------------|---|---------------------|-------------------|
| 727 | Capital Funds 727 (2015) | Public Housing-Capital Fund Columns by AMP | | |

4. **NATURE OF AUDIT ADJUSTMENTS**

2014: Three adjustments: two of which were for REAC reporting purposes only related to CFFP debt service and one related to the mark down of assets held for sale to FMV.

2015: Two adjustments: one related to a GASB change to expense versus amortize loan costs and one related to the removal of restricted CFFP investments in the Net Investment in Capital Assets calculation.

5. **OTHER ASSISTANCE**

The successful vendor will prepare a portion of the notes and the financial statements included in the audit report from the financial information provided by staff. The agency staff handles and prepares various schedules and notes to the financial statements including the schedule of expenditure of federal awards (SEFA).

6. **PRESENTATION**

Currently KCDC requires an entrance conference at the beginning of onsite fieldwork, informal updates throughout the process and an exit conference at completion of the fieldwork or when the final audit report is completed. This conference is conducted with the Executive Management Team. Board presentation is optional as determined by KCDC's needs.

7. **PREVIOUS AUDIT**

The FY2015 audit was awarded to Malcolm Johnson Company of DeBary, Florida.

8. **RULES AND STANDARDS**

The vendor agrees to comply with relevant and applicable laws and regulations.

- a. KCDC prepares financial statements in accordance with Generally Accepted Accounting Principles (GAAP) per HUD's Uniform Financial Reporting Standards published September 1, 1998.
- b. KCDC is required to comply with applicable housing requirements and other federal and state requirements applicable to Public Housing and Section 8 Units and/or the Property or Project, including, without limitation, the following: (a) The Fair Housing Act, (b) Titles VI and VIII of the Civil Rights Act of 1964 (c) Age Discrimination Act of 1975 (d) Section 504 of the Rehabilitation Act of 1973 (e) Section 3 of the Housing and Urban Development Act of 1968 (f) Wage Rates under the Davis-Bacon Act (g) Section 42 and related provisions of the Internal Revenue Code of 1986, as amended and (h) any other applicable state, county, city laws and requirements.
- c. The audit must be conducted in accordance with Office of Management and Budget (OMB) Uniform Guidance 2 CFR 200.

- d. **General Responsibility:** The audit of financial statements shall be conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS) and/or Government Auditing Standards (GAS). The audit shall cover the entire operations of the auditee.
- e. **Financial Statements:** The auditor shall determine whether the auditee's financial statements are fairly presented in all material respects in conformity with generally accepted accounting principles (GAAP). The auditor shall also determine whether the schedule of expenditure of Federal awards is presented fairly in all material respects in relation to the auditee's financial statements taken as a whole. The audited financial statements should reflect entity-wide operations, including component units and joint venture activities in compliance with GASB 14 and GAAP.
- f. **Internal Control:** The auditor shall perform procedures to obtain an understanding of the auditee's internal control systems and perform tests as appropriate for the purpose of expressing an opinion on the financial statements
- g. **Compliance:** The auditor shall determine whether the auditee has complied with laws, regulations, and terms and conditions of federal awards that may have a direct and material effect on its federal programs and financial statement amounts.
- h. **Audit Follow-up:** The auditor shall follow-up on prior audit findings; perform procedures to assess the reasonableness of the summary of schedule of prior audit findings prepared by the auditee.
- i. **Data Collection Form:** The auditor shall complete and sign specified sections of the data collection form.
- j. **Audit Reporting:** The auditor's report shall include:
 - 1. An opinion (or disclaimer) as to whether financial statements are presented fairly in all material respects in conformity with the stated accounting principles and an opinion (or disclaimer) as to whether the schedule of expenditures of Federal awards is presented fairly in all material respects in relation to the financial statements taken as a whole.
 - 2. A report on internal control over financial reporting and on compliance with laws, regulations and provisions of contracts and award agreements; noncompliance with which could have a material effect on the financial statements and other matters based upon the audit of the financial statements. The report shall describe the scope of testing of internal control and compliance and the results of the tests.
 - 3. A report on compliance and internal control over compliance applicable to each major program. This report shall describe the scope of testing of internal control over compliance and compliance to include an opinion (or disclaimer) as to whether auditee complied with laws, regulations terms and conditions of Federal awards which could have a direct and material effect on each major program.

4. A schedule of findings and questioned costs presented and appropriately documented to provide clear and sufficient context and perspective.
- k. Audit Working Papers.
1. Retention of Working Papers: The auditor shall retain working papers for a minimum of three years after the date of issuance of the auditor's report to the auditee unless notified by cognizant agency to extend the retention period.
 2. Access to Working Papers: Audit working papers shall be made available upon request to the cognizant or oversight agency for audit or its designee at completion of audit, as part of a quality review to resolve audit findings or carry out oversight responsibilities.
 3. Access to working papers includes the right of federal agencies to obtain copies of working papers, as is reasonable and necessary.
- l. Determine the Housing Authority's (HA's) major federal programs per a risk-based approach.
- m. Prepare the Audit Engagement Letter as applicable in accordance with AICPA standards. This letter is a formal contract between the auditor and the auditee. It confirms the auditor's acceptance of the appointment and documents the agree-upon scope and terms of the engagement.
- o. HUD Handbook 2000, 04 REV-2, *Consolidated Audit Guide for Audits of HUD Programs*.
- p. The Single Audit Act of 1984 and the Single Audit Act Amendments of 1996.
- q. *Government Auditing Standards* (the "Yellow Book") promulgated by the Comptroller General of the United States General Accounting Office.
- r. The General Accounting Office publication *Assessing Compliance With Applicable Laws and Regulations*.
- s. The American Institute of Certified Public Accountants issued the audit and accounting guide entitled *Audits of State and Local Governmental Units*.
- t. The Financial Accounting Foundation determines Generally Accepted Auditing Standards (GAAS) as published by the American Institute of Certified Public Accountants in their Statements on Auditing Standards.
- u. The HUD publication "24 CFR Part 5, et al. *Uniform Financial Reporting Standards for HUD Housing Programs; Final Rule*.

9. **SCHEMATIC**

KCDC's FY2016 Ledger System

Schedule of Expenditures of Federal Awards (un-audited) for the year ended June 30, 2016

- KCDC Fiscal and Accounting; Procurement and Property Procedures
- The Federal Register dated Tuesday, September 1, 1998 - Housing and Urban Development
- 24 CFR Part 5, et al. - Uniform Financial Reporting Standards for HUD Housing Programs
- OMB Uniform Guidance 2 CFR 200 is located at <https://federalregister.gov/a/2013-30465>

10. **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

See Appendix A.

11. **TIMELINES**

- a. All or a majority of requested work papers should be available on the first day of fieldwork and should be ready around the first of October. This is dependent upon both the fieldwork start date and the date the request is received.
- b. The audit is due to the State Comptroller's office by December 31st.
- c. The audited financial submission to HUD-REAC is due March 31st.

12. **VENDOR STAFFING**

Typically, the auditors' work takes two to three weeks on site each year with three to four auditors working on KCDC's audit.











Submittal Instructions

Follow these steps and guidelines when preparing your proposal.

1. Submit your qualifications statement in the order and format indicated on the following pages. **Solicitation Document A is to be the first page of your submittal**, followed by Solicitation Document B and so on.
2. Place your company's name on each page.
3. Number all pages consecutively. Indicate on all pages the section that you are responding to as shown on the following pages.
4. Be thorough yet succinct in responding to this document. The use of tables in presenting information, where appropriate, will facilitate the evaluation team's review.
5. Submit one original (with all pages marked "original") and one electronic copy (email or flash drive /CD) of your submittal.
6. Fancy brochures and advertisements are not necessary.
7. **Do not** use phrases such as "See the attached" or "Will be provided upon award."
8. If you have attachments, mark them (on the cover) with the vendor's name.
9. Bind proposals simply since KCDC ultimately scans documents into electronic format. Acceptable binding methods include paper clips, staples and three ring binders.
10. This document is available in MS WORD format and **vendors are encouraged** to use the Word version for their responses. If you are interested in obtaining the Word document, please email purchasinginfo@kcdc.org. Note that KCDC's Adobe copy of the document will remain the "official" version of the document. The Word version will not have some forms which are only available in Adobe format.

THIS AND THE PREVIOUS PAGES DO NOT NEED TO BE RETURNED

General Information about the Vendor

| | |
|--|--|
| Sign Your Name to the Right of the Arrow  Your signature indicates that you have read and agree to "KCDC's General Instructions to Vendors" on www.kcdc.org . | |
| Printed Name and Title  | |
| Company Name  | |
| Street Address  | |
| City/State/Zip  | |
| Contact Person (Please Print Clearly)  | |
| Telephone Number  | |
| Fax Number  | |
| Cell Number  | |
| Vendor's e-mail address (Please Print Clearly)  | |

Addenda

Addenda are posted at www.kcdc.org. Click on "Doing Business With KCDC" and then on "Open Solicitations" to find addenda. Please check for addenda prior to submitting a quote.

Acknowledge addenda have been issued by checking below as appropriate:

| | | | | | |
|-------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| None <input type="checkbox"/> | Addendum 1 <input type="checkbox"/> | Addendum 2 <input type="checkbox"/> | Addendum 3 <input type="checkbox"/> | Addendum 4 <input type="checkbox"/> | Addendum 5 <input type="checkbox"/> |
|-------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|

Statistical Information

This business is owned & operated by persons at least 51% of the following ethnic background:

| | | | | | |
|--|--------------------------------|--------------------------------------|-----------------------------------|---|--------------------------------|
| Asian/Pacific <input type="checkbox"/> | Black <input type="checkbox"/> | Hasidic Jew <input type="checkbox"/> | Hispanic <input type="checkbox"/> | Native <input type="checkbox"/> Americans | White <input type="checkbox"/> |
|--|--------------------------------|--------------------------------------|-----------------------------------|---|--------------------------------|

As defined on KCDC's webpage (see the "General Instructions to Vendors"), this business qualifies as being:

| | | |
|------------------------------------|---|--------------------------------------|
| Section 3 <input type="checkbox"/> | Small Business <input type="checkbox"/> | Woman Owned <input type="checkbox"/> |
|------------------------------------|---|--------------------------------------|

Vendor: _____

1. Vendor fully understands the preparation and contents of the attached offer and of all pertinent circumstances respecting such offer;
2. Such offer is genuine and is not a collusive or sham offer;
3. Neither the said vendor nor any of its officers, partners, owners, agents, representatives, employees or parties interest, including this affiant, has in any way colluded conspired, connived or agreed, directly or indirectly, with any other responder, firm, or person to submit a collusive or sham offer in connection with the award or agreement for which the attached offer has been submitted or to refrain from making an offer in connection with such award or agreement, or collusion or communication or conference with any other firm, or, to fix any overhead, profit, or cost element of the offer price or the offer price of any other firm, or to secure through any collusion, conspiracy, connivance, or unlawful agreement any advantage against KCDC or any person interested in the proposed award or agreement; and
4. The price or prices quoted in the attached offer are fair, proper and not tainted by any collusion, conspiracy, connivance, or unlawful agreement on the part of the firm or any of its agents, representatives, owners, employees, or parties in interest, including this affiant.
5. The vendor is not ineligible for employment on public contracts because of a conviction or guilty plea or a plea of nolo contendere to violations of the Sherman Anti-Trust Act, mail fraud or state criminal violations with an award let by the State of Tennessee or any political subdivision thereof.
6. No commissioner or officer of KCDC or other person whose duty it is to vote for, let out, overlook or in any manner superintend any of the work for KCDC has a direct interest in the responder.
7. No employee, officer or agent of the grantee or subgrantee will participate in selection, or in the award or administration of an award supported by Federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when the employee, officer or agent, any member of his immediate family, his or her partner, or an organization, which employs, or is about to employ, any of the above, has a financial or other interest in the firm selected for award.
8. The grantee's or sub-grantee's officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from vendors, potential vendors, or parties to sub-agreements.
9. By submission of this form, the vendor is certifying that no conflicts of interest exist.

The undersigned hereby acknowledges receipt of the above applicable laws and verifies that the proposal submitted in response to this solicitation is in full compliance with the listed requirements.

| | |
|--|--|
| Signed by _____ | |
| Printed Name _____ | |
| Title _____ | |
| Subscribed and sworn to before me this date | |
| By (Notary Public) _____ | |
| My Commission Expires on _____ | |



Certifications and Representations of Offerors

Non-Construction Contract

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

Public reporting burden for this collection of information is estimated to average 5 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

This form includes clauses required by OMB's common rule on bidding/offering procedures, implemented by HUD in 24 CFR 85.36, and those requirements set forth in Executive Order 11625 for small, minority, women-owned businesses, and certifications for independent price determination, and conflict of interest. The form is required for nonconstruction contracts awarded by Housing Agencies (HAs). The form is used by bidders/offers to certify to the HA's Contracting Officer for contract compliance. If the form were not used, HAs would be unable to enforce their contracts. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality.

1. Contingent Fee Representation and Agreement

(a) The bidder/offeror represents and certifies as part of its bid/offer that, except for full-time bona fide employees working solely for the bidder/offeror, the bidder/offeror:

(1) has, has not employed or retained any person or company to solicit or obtain this contract; and

(2) has, has not paid or agreed to pay to any person or company employed or retained to solicit or obtain this contract any commission, percentage, brokerage, or other fee contingent upon or resulting from the award of this contract.

(b) If the answer to either (a)(1) or (a) (2) above is affirmative, the bidder/offeror shall make an immediate and full written disclosure to the PHA Contracting Officer.

(c) Any misrepresentation by the bidder/offeror shall give the PHA the right to (1) terminate the resultant contract; (2) at its discretion, to deduct from contract payments the amount of any commission, percentage, brokerage, or other contingent fee; or (3) take other remedy pursuant to the contract.

2. Small, Minority, Women-Owned Business Concern Representation

The bidder/offeror represents and certifies as part of its bid/offer that it:

(a) is, is not a *small business concern*. "Small business concern," as used in this provision, means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding, and qualified as a small business under the criteria and size standards in 13 CFR 121.

(b) is, is not a *women-owned small business concern*. "Women-owned," as used in this provision, means a small business that is at least 51 percent owned by a woman or women who are U.S. citizens and who also control and operate the business.

(c) is, is not a *minority enterprise* which, pursuant to Executive Order 11625, is defined as a business which is at least 51 percent owned by one or more minority group members or, in the case of a publicly owned business, at least 51 percent of its voting stock is owned by one or more minority group members, and whose management and daily operations are controlled by one or more such individuals.

For the purpose of this definition, minority group members are:

(Check the block applicable to you)

Black Americans Asian Pacific Americans

Hispanic Americans Asian Indian Americans

Native Americans Hasidic Jewish Americans

3. Certificate of Independent Price Determination

(a) The bidder/offeror certifies that—

(1) The prices in this bid/offer have been arrived at independently, without, for the purpose of restricting competition, any consultation, communication, or agreement with any other bidder/offeror or competitor relating to (i) those prices, (ii) the intention to submit a bid/offer, or (iii) the methods or factors used to calculate the prices offered;

(2) The prices in this bid/offer have not been and will not be knowingly disclosed by the bidder/offeror, directly or indirectly, to any other bidder/offeror or competitor before bid opening (in the case of a sealed bid solicitation) or contract award (in the case of a negotiated solicitation) unless otherwise required by law; and

(3) No attempt has been made or will be made by the bidder/offeror to induce any other concern to submit or not to submit a bid/offer for the purpose of restricting competition.

(b) Each signature on the bid/offer is considered to be a certification by the signatory that the signatory:

(1) Is the person in the bidder/offeror's organization responsible for determining the prices being offered in this bid or proposal, and that the signatory has not participated and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) above; or

(2) (i) Has been authorized, in writing, to act as agent for the following principals in certifying that those principals have not participated, and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) above (insert full name of person(s) in the bidder/offeror's organization responsible for determining the prices offered in this bid or proposal, and the title of his or her position in the bidder/offeror's organization);

(ii) As an authorized agent, does certify that the principals named in subdivision (b)(2)(i) above have not participated, and will not participate, in any action contrary to subparagraphs (a)(1) through (a)(3) above; and

(iii) As an agent, has not personally participated, and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) above.

(c) If the bidder/offeror deletes or modifies subparagraph (a)2 above, the bidder/offeror must furnish with its bid/offer a signed statement setting forth in detail the circumstances of the disclosure.

4. Organizational Conflicts of Interest Certification

(a) The Contractor warrants that to the best of its knowledge and belief and except as otherwise disclosed, it does not have any organizational conflict of interest which is defined as a situation in which the nature of work under a proposed contract and a prospective contractor's organizational, financial, contractual or other interest are such that:

- (i) Award of the contract may result in an unfair competitive advantage;
- (ii) The Contractor's objectivity in performing the contract work may be impaired; or
- (iii) That the Contractor has disclosed all relevant information and requested the HA to make a determination with respect to this Contract.

(b) The Contractor agrees that if after award he or she discovers an organizational conflict of interest with respect to this contract, he or she shall make an immediate and full disclosure in writing to the HA which shall include a description of the action which the Contractor has taken or intends to eliminate or neutralize the conflict. The HA may, however, terminate the Contract for the convenience of HA if it would be in the best interest of HA.

(c) In the event the Contractor was aware of an organizational conflict of interest before the award of this Contract and intentionally did not disclose the conflict to the HA, the HA may terminate the Contract for default.

(d) The Contractor shall require a disclosure or representation from subcontractors and consultants who may be in a position to influence the advice or assistance rendered to the HA and shall include any necessary provisions to eliminate or neutralize conflicts of interest in consultant agreements or subcontracts involving performance or work under this Contract.

5. Authorized Negotiators (RFPs only)

The offeror represents that the following persons are authorized to negotiate on its behalf with the PHA in connection with this request for proposals: (list names, titles, and telephone numbers of the authorized negotiators):

6. Conflict of Interest

In the absence of any actual or apparent conflict, the offeror, by submission of a proposal, hereby warrants that to the best of its knowledge and belief, no actual or apparent conflict of interest exists with regard to my possible performance of this procurement, as described in the clause in this solicitation titled "Organizational Conflict of Interest."

7. Offeror's Signature

The offeror hereby certifies that the information contained in these certifications and representations is accurate, complete, and current.

Signature & Date:

Typed or Printed Name:

Title:



Vendor: _____

Vendors are to provide the information requested below so that KCDC can determine their capacity to perform the required work. Vendors may provide additional relevant information as they desire.

1. Describe the proposed scope of the audit.
2. Provide a summary of your proposed approach to the audit.
3. Detail the level of assistance the auditor would require of KCDC's staff to conduct the audit.
4. Provide a brief narrative description of the organization submitting the proposal including:
 - o Organization Size
 - o Organizational structure
 - o Financial stability
 - o Years in business
 - o Mergers and/or acquisitions within the last five years
 - o Pending litigation detail
 - o Legal status (corporation or partnership, et cetera)
5. Identify the individual(s) in your firm responsible for managing and overseeing this type project to assure that due diligence has been exercised and compliance with the requirements is met.
6. Describe any unique approaches or techniques developed and used by the firm that would give it an advantage in this specific type of project.
7. Specify the total number of employees of the firm.
8. Specify the total number of CPA's of the firm.
9. Evidence that independence standards are met (technical qualification requirements set forth by Generally Accepted Auditing Standards (GAAS) and/or Generally Accepted Government Auditing Standards (GAGAS).
10. A detailed approach or plan of action, which shows how the vendor plans to meet the objectives of KCDC in issuing this request for proposals.
11. Data on the number of PHA audits conducted.
12. Data on the PIH/REAC rejection rate of audits from your firm.
13. Has your firm had a Quality Assurance audit done by PIH/REAC QASS division? If so, provide a recent copy.
14. Information concerning the status of any disciplinary action taken against the firm.

Vendor: _____

Provide information on the personnel who will be handling this project listing pertinent experience and technical qualifications. Include for each individual the capacity they would serve on this project. The format of individual resumes for key personnel is as follows.

- Name
- Position title
- Total years' experience with current firm
- Total years in this field with special emphasis on HUD and governmental auditing experiences
- Education (degree, major, institution, year)
- Summary of relevant experience and qualifications
- Satisfactory peer review (non PIH/REAC QASS review) of principals or associates
- Complete the chart below in order to explain the role each person will play on this project

| Name | Title/Skill Set | Role on this Project | Hours on this Project |
|-------------|------------------------|-----------------------------|------------------------------|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

Vendor: _____

1. Provide the number of days expected to complete the necessary fieldwork.
2. Provide the number of days expected to complete the entire audit and the accompanying schedules.
3. Provide a detailed description of the work plan, approach, methodology and timeline that you propose using to meet the objectives, including phasing and staffing.
4. Provide the deadline for KCDC staff to provide the necessary information to complete the audit per the deadlines in this RFP.
5. Provide details of any additional information that your firm will require KCDC staff provide.
6. Current and future projects contemplated which are anticipated to coincide with this engagement and relate the impact of such work on the schedule anticipated for this job.
7. A suggested time frame for the work (which should include the number of days expected to complete the necessary fieldwork and the number of days expected to complete the entire audit) which is limited only by the time frame established in the contract for completion of the project. Include information on how the audit will be conducted in a single year.

The auditor's report should be completed and submitted to KCDC prior to six months following the end of the fiscal period to be audited (June 30th) in compliance with State of Tennessee's regulations. If a state extension is required due to unforeseen circumstances, the auditor's report should be received no later than seven to eight months following the end of the fiscal period to be audited.

As a part of the services provided, we are requesting the auditor to provide data entry services and attestation to the Real Estate Assessment Center (REAC) upon audit completion. HUD requires electronic submission of audited financial data to PIH/REAC nine (9) months after its fiscal year end date in compliance with the requirements of 24CFR, Part 4, et al. The desirable time frame for completion of fieldwork is four months after the end of the fiscal year (October) in order to meet the audit report deadline of six months after the end of the fiscal period to be audited.

8. The procedures necessary to determine if additional audit work is needed and the fee basis for such work.
9. The average amount of time spent on fieldwork on each PHA audit of similar size you have completed.

Vendor: _____

Vendors are to provide the information requested below so that KCDC can determine their capacity to perform the required work in a timely manner. Vendors may provide additional relevant information.

1. Provide **three** client references as similar as possible to this work.
2. A company should only be listed as a reference once even if you have done multiple jobs for them.
3. KCDC reserves the right to contact and interview the listed references via electronic survey means.

One

| | |
|---|----|
| Name of the business that was serviced | |
| Contact person | |
| Contact person title | |
| Contact person's telephone number | |
| Contact person's email address | |
| Description of the service provided (effort and complexity) | |
| Identify contract issues and explain how they were addressed and resolved | |
| Award began | |
| Award ended | |
| Approximate amount audited | \$ |

Vendor: _____

Complete this form and submit it in a **second sealed envelope** as detailed earlier in this document.

Cost of Audit

The vendor shall submit with the proposal a cost break out showing but not limited to the following:

| Key Persons | Hours | Rate | Total |
|--------------------|--------------|-------------|--------------|
| Partners | | \$ | \$ |
| Managers | | \$ | \$ |
| Supervisory Staff | | \$ | \$ |
| Staff | | \$ | \$ |
| Other (specify) | | \$ | \$ |
| | | \$ | \$ |
| Subtotal | | \$ | \$ |

| | |
|-------------------|----|
| Meals and Lodging | \$ |
| Transportation | \$ |
| Consultants | \$ |
| Other (Specify) | \$ |

TOTAL ALL INCLUSIVE PRICE FOR FY2016 \$ _____

Vendor will provide cost and/or percentage (%) increase of optional years. Vendor will allocate all audit costs to all programs. The successful vendor will work with KCDC in order to arrive at a final breakdown of the percentages/costs for future audits.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
Knoxville, Tennessee

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

Federal Grantor:

| CFDA Number | Program Title | Pass Through Entity | Federal Expenditures |
|---|---|------------------------|-------------------------|
| U.S. Department of Housing and Urban Development | | | |
| 14.850 | Low Rent Public Housing | NA | \$ 14,484,440 |
| 14.872 | Capital Fund Program | NA | 4,094,207 |
| | Housing Voucher Cluster | | |
| 14.871 | Housing Choice Voucher Program | NA | 21,572,667 |
| 14.879 | Mainstream Voucher Program | NA | 526,865 |
| | Total Housing Voucher Cluster | | 22,099,532 |
| 14.896 | PIH Family Self-Sufficiency Program | | 90,677 |
| 14.856 | Section 8 Housing Assistance Payments - Moderate Rehabilitation | NA | 515,448 |
| 14.218 | Community Development Block Grant | County of Knox | 174,400 |
| | Total U.S. Department of HUD | | 41,458,704 |
| | Total Federal Awards Expenditures | | \$ 41,458,704 |