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Request for Proposals

Solicitation Name and Number	Auditing Services Q2001
Responses Must Arrive No Later Than	11:00 a.m. on November 6, 2020 (as KCDC's clocks indicate)
Deliver Responses to	purchasinginfo@kcdc.org
Electronic Copies	Use the MS Word version posted on KCDC's website (or other electronic means) to provide a typed response. The final proposal is to be submitted in Adobe format.
Solicitation Meeting	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Solicitation Meeting is Mandatory	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Applicable
Solicitation Meeting Date and Time	October 22, 2020 at 2:00 p.m.
Solicitation Meeting Connection	Email KCDC at purchasinginfo@kcdc.org for the web link.
Questions About This Solicitation	Submit questions to purchasinginfo@kcdc.org by 4:00 p.m. on November 1, 2020. KCDC will not accept questions via telephone.
Award Results	KCDC posts the award decision to its web page at: http://www.kcdc.org/procurement/
Open Records/Public Access to Documents	All document provided to KCDC are subject to the Tennessee Open Meetings Act (TCA 8-44-101) and open records requirements.
Check KCDC's webpage (https://www.kcdc.org/procurement/) for addenda and changes before submitting your response	



General Information

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 Knox County in Tennessee. KCDC's housing property portfolio includes 17 properties with approximately 3,500 dwelling units. KCDC also administers approximately 3,958 Section 8 Vouchers and 82 Moderate Rehabilitation units. Other activities of KCDC include management of 9 LIHTC properties, administration of development and redevelopment projects for local governments and several related business activities.
- b. KCDC uses "supplier" as inclusive of various words describing interested parties often called "vendor," "bidders," "contractors" and "suppliers."
- c. KCDC is seeking proposals from qualified Certified Public Accounting firms to conduct an independent audit for the fiscal year ending June 30, 2021.
- d. KCDC is contracting for a single agency audit in accordance with Office of Management and Budget (OMB) Uniform Guidance 2 CFR 200, which includes other agreed-upon procedures regarding Uniform Financial Reporting Standards (UFRS).
- e. 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.
- f. 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.
- g. KCDC's financial statements are comprised of the following funds and programs:
 - Central Office Cost Center
 - Low Income Public Housing under HUD ACC – Two AMPs consisting of 440 and 277 units
 - Capital Fund in relation to LIPH properties
 - Section 8 Programs under HUD ACC
 - Housing Choice Vouchers
 - Mainstream Vouchers
 - Section 8 Moderate Rehabilitation – 3 projects
 - Family Self-Sufficiency
 - Multi-Family Housing – 11 developments averaging 110 units each
 - Section 8 PBV consisting of 75units
 - Wholly owned Subsidiary Corporations as follows:

- **Passport Development Corporation (PDC)** is a Section 115 Corporation which has served as KCDC's general partner (GP) to limited partnerships formed in conjunction with low-income tax credits. Currently PDC is the GP for Eastport Development LP., owner of The Residences at Eastport Phase 2.
- **Knoxville's Housing Development Corporation** is a Section 115 Corporation established to acquire, rehab or develop affordable housing projects in the Knoxville area for KCDC. KHDC is the owner of Passport Homes and Clifton Road Apartments.
- **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 for the purpose of funding the construction of six Section 8 New Construction housing projects. All debts have been paid and all projects have been sold. The corporation is now dormant.
- **Five Points 1 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 low-income housing tax credits for the development of the Five Points Senior Building.
- **Five Points 2 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 low-income housing tax credits for the development of Five Points Phase 2 Apartments which will consist of 84 family and elderly units.
- **Five Points 3 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 low-income housing tax credits for the development of the Five Points Phase 3 Apartments which consist of 80 family and elderly units.
- **Five Points 4 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 low-income housing tax credits for the development of the Five Points Phase 4 Apartments which will consist of 82 units.
- **Passport Housing 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 low-income housing tax credits for the rehabilitation and operation of apartment units at Residences at Lonsdale, North Ridge Crossing, and The Vista at Summit Hill.
- **Townview Towers Affordable Housing 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 holds 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.
- **Montgomery Village Housing Corporation** is a Section 115 Corporation that is a wholly owned instrumentality of KCDC. The purpose of the corporation is to own and facilitate the renovation of Montgomery Village Apartments. These apartments, consisting of 384 units, are a part of KCDC's multi-family portfolio, but have a federal loan guarantee, which necessitates the Corporation.

- **Hollywood GP Corporation** is a Section 115 Corporation wholly owned by KCDC, created for ownership and financing activities related to 817 Hollywood Road, Knoxville, Tennessee, and for similar properties and activities as determined beneficial.
- **Young High GP Corporation** is a Section 115 Corporation wholly owned by KCDC, created for ownership and financing activities related to Young High, Knoxville, Tennessee, and for similar properties and activities as determined beneficial.
- **Moss Grove GP Corporation** is a Section 115 Corporation wholly owned by KCDC, created for ownership and financing activities related to Moss Grove, Knoxville, Tennessee, and for similar properties and activities as determined beneficial.
- **Bell Street Corporation (BSC)** is a Section 115 Corporation wholly owned by KCDC. BSC is to be the general partner in a limited partnership formed in conjunction with low-income housing tax credits for the development of affordable housing units through RAD initiatives.
- **Bell Street 2 Corporation** is (BS2) is a Section 115 Corporation wholly owned by KCDC. BS2 is to be the general partner in a limited partnership formed in conjunction with low-income housing tax credits for the development of affordable housing units through RAD initiatives.
- **Bell Street 3 Corporation** is (BS3) is a Section 115 Corporation wholly owned by KCDC. BS3 is to be the general partner in a limited partnership formed in conjunction with low-income housing tax credits for the development of affordable housing units through RAD initiatives.
- **Cagle Terrace Corporation** is a Section 115 Corporation that is a wholly owned instrumentality of KCDC. The purpose of the corporation is to own and facilitate the renovation of Cagle Terrace through RAD initiatives. These apartments, consisting of 274 units, are a part of KCDC's multi-family portfolio, but have a federal loan guarantee, which necessitates the Corporation.

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.

- h. Other KCDC Programs:
- **Redevelopment Program** administers CDBG and other projects for the City of Knoxville and Knox County.
 - **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.
 - **Other Business Activities:** KCDC is the management agent for nine limited partnership entities.

These LPs, each with a December 31 fiscal year end, are audited by other auditors. They are presented collectively as discrete component units in KCDC's financial statements.

- i. KCDC has 10 employees on its accounting staff with various education and experience levels.
- j. The accounting staff consists of the following employees:

Title	Years with KCDC	Years in the Industry
Chief Financial Officer	30+	30+
Deputy Director of Finance & Administration	3	30
Accounting Administrator	5	10
Senior Accountant 1	20+	20+
Senior Accountant 2	20+	20+
Senior Accountant 3	New	5
Accountant 1	5	5
Accountant 2	New	1
Accounting Technicians II	20+	20+
Accounting Technician II	20+	20+
Accounting Technician 1	1	1

k. Other staff information

- Two of the staff are CPAs and most others possess degrees in accounting.
- Most other management personnel throughout the agency have also been with KCDC more than 15 years.

l. There has been no known fraud during the past ten years.

m. KCDC is currently in development and rehabilitation of several capital projects, and it is possible that the addition of other projects with debt service could occur between now and the end of this fiscal year. KCDC has two remaining LIPH properties which are scheduled to be converted to HUD Multi-family properties through RAD within the next two years.

n. Internal financial statements are prepared monthly. Executive Management and Directors review these statements. Property Managers review and comment on the statements within their areas of responsibility. The monthly statements are prepared on a hybrid method. Year-end statements are converted to full accrual under GAAP.

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

p. Prior audit reports and operating budgets are available on KCDC's website. Check our web page at www.kcdc.org for additional significant information covering several years of financial history and agency 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 supplier. Should additional costs arise, the supplier must document increased costs. KCDC reserves the right to accept and negotiate these charges.

3. Contact Policy

Contact only KCDC’s Procurement Division about this solicitation from the issuance of this RFP until its award. Information obtained from any other person will not affect the risks or obligations assumed by the supplier or relieve the supplier from fulfilling any of the conditions of the resulting award. Such contact can disqualify the supplier from the solicitation process.

4. Contract Approval

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

5. 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). KCDC 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 an engagement letter as well.

6. Errors and Deficiencies

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

7. Evaluation

- a. KCDC alone determines (using NIGP’s definition and other relevant sources as appropriate) the supplier’s “responsive” and “responsible” status prior to award. Responsible means a business with the financial and technical capacity to perform the requirements of the solicitation and subsequent contract. A responsive proposal is one that fully conforms in all material respects to the solicitation document and all of its requirements, including all form and substance.
- b. KCDC reserves the right to request additional information to assist in the evaluation process.
- c. KCDC will review all proposals and reserves the right to request necessary modifications, waive minor technicalities, reject all proposals, reject any proposal that does not meet mandatory requirement(s) or cancel this RFP, according to KCDC’s best interests. KCDC further reserves the right to adjust its evaluation scenario if this is in KCDC’s best interest and consistent with good business practices.
- d. KCDC may require oral presentations as part of the evaluation process.
- e. KCDC plans to award to the best overall proposal on the following evaluation scale:

Factors	Maximum Points
Professional and Technical Competence and Experience	35
Professional Staff to be assigned	20
Capability to Provide Timely Services	20
Cost	25
Total	100

8. **General Instructions**

KCDC does not insert "General Instructions to Suppliers" in solicitation documents. These instructions are at www.kcdc.org. Click on "Procurement" and then follow the link to the instructions. The supplier's submittal means acceptance of the terms and conditions set forth in KCDC's "General Instructions to Suppliers." Paragraphs in the "General Instructions" document that ***do not*** apply to this solicitation: None

9. **Insurance**

The supplier agrees to maintain at its sole expense during the term of this agreement insurance coverages and limits in accordance with the supplier's standard business practices and acceptable to KCDC. Coverage must include **Professional Liability or Errors and Omissions Liability** with a minimum policy limit of \$1,000,000. Supplier shall provide KCDC with Certificates of Insurance evidencing such insurance prior to contract execution and upon each policy term renewal. If you or your insurance agent have concerns or believe that some coverages are not necessary, email procurementinfo@kcdc.org detailing any requested changes before this solicitation's due date.

10. **Length of Award**

The length of the contract will be twelve months with four optional annual renewals that KCDC may exercise at its discretion.

11. **Licenses**

- a. Proper licensure by the State of Tennessee and all other authorities having jurisdiction is required. Throughout the term of this contract, the supplier shall maintain the required current licenses.
- b. All suppliers 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.

12. **Price Structure**

At the end of each twelve-month period, the awarded supplier(s) may request a change to the agreed to price as detailed in proposal pricing section.

13. **Section 3 of the HUD Act of 1968**

Section 3 is a provision of the Housing and Urban Development Act of 1968 which requires that programs of direct financial assistance administered by the U.S. Department of Housing and Urban Development (HUD) provide, to the greatest extent feasible, opportunities for job training and employment to lower income residents in connection with projects in their neighborhoods. Further, to the greatest extent feasible, contracts in connection with these projects are to be awarded to local businesses. Section 3 is a tool for fostering local economic development, neighborhood economic improvement and individual self-sufficiency.

- a. Recipients and suppliers must make a good faith effort to utilize Section 3 area residents as trainees and employees in connection with the project. Targeted recruitment and the selection of Section 3 area residents for available positions are two examples of good faith efforts to meet this requirement.

- b. Recipients and supplier must make a good faith effort to award contracts to Section 3 business concerns for work in connection with the project. An example of a good faith effort to meet this requirement is the implementation of an affirmative action plan, which includes targets for the number and dollar value for awarding contracts to Section 3 business concerns.
- c. Recipients and supplier must keep records and submit reports to HUD documenting the good faith efforts taken and the results of these actions. Examples of such documentation include letters to community organizations, employment development and business development centers, copies of solicitations for bids or proposals, and copies of affirmative action plans.
- d. How can businesses find Section 3 residents to work for them? This can be accomplished by recruiting in the neighborhood and public housing developments to tell about available training and job opportunities. Distributing flyers, posting signs, placing ads, and contacting resident organizations and local community development and employment agencies to find potential workers are a few effective ways of getting jobs and people together.
- e. All contracts awarded are subject to Section 3 requirements. Supplier shall seek to fill all positions that are unfilled with KCDC residents. For additional information, go to <http://www.hud.gov/offices/fheo/section3/Section3.pdf>. The successful supplier will give KCDC job announcements for any position that must be filled as a result of the award of KCDC work. Additionally the successful supplier will supply the same job announcement to the Knoxville-Knox County Committee Action Committee's Workforce Connections group. These can be faxed to 865-544-5269.
- f. A Section 3 resident is one who lives within a public housing authority's site. It is also people who live in an area with a HUD assisted program and whose income is below HUD's low income requirements.
- g. A Section 3 business is one that:
 - 1. Is at least 51% owned by a Section 3 resident; or
 - 2. Employs Section 3 residents for at least 30% of its employee base; or
 - 3. Makes a commitment to sub contract at least 25% of the project's dollars to a Section 3 business.
- h. Upon award, the successful supplier will supply two documents to KCDC:
 - 1. A Section 3 Business determination provided one is not already on file.
 - 2. A Section 3 Business plan for this work.

14. Smoking Policy

KCDC's Smoke Free policy is applicable to you, your employees and subcontractors.

- a. The policy mandates:
 - No smoking on owner's property
 - No e-vape or similar usage on owner's property
 - The Smoke Free policy applies in personal or corporate vehicles on owner's property
- b. Applicable definitions include:

- “Smoking” means inhaling, exhaling, burning or carrying any lighted or heated cigar, cigarette or pipe, or any other lighted or heated tobacco or plant product intended for inhalation, including hookahs and marijuana, whether natural or synthetic, in any manner or in any form. “Smoking” also includes the use of an electronic smoking device which creates an aerosol or vapor, in any manner or in any form.
- “Electronic Smoking Device” means any product containing or delivering nicotine or any other substance intended for human consumption that can be used by a person in any manner for the purpose of inhaling vapor or aerosol from the product. The term includes any such device, whether manufactured, distributed, marketed or sold as an e-cigarette, e-cigar, e-pipe, e-hookah or vape pen or under any other product name or descriptor.
- Property means all buildings, parking lots, streets, structures and land. Should supplier staff be observed violating these requirements, KCDC’s Procurement Division will notify the supplier about the problem. Should there be recurrences, KCDC may ask the supplier to not send the employee to KCDC’s property. Repeated offenses may result in forfeiture of your awarded “contract.”

15. Submittal Instructions

Submit your information in the order indicated below:

Document Number	Title
Solicitation Document A	General Information about the Supplier
Solicitation Document B	Affidavits
Solicitation Document C	HUD Form 5369A
Solicitation Document D	Suppliers’ Professional & Technical Competence and Experience
Solicitation Document E	Staff Assigned to KCDC’s Project
Solicitation Document F	Ability to meet KCDC’s Timelines
Solicitation Document G	References
Solicitation Document H	Cost Proposal (in a separate file/envelope)
Solicitation Document I	Sample Contract for KCDC to consider

- Place your company’s name on each page and number all pages consecutively
- The use of tables in presenting information facilitates the evaluation team’s review.
- Do not use phrases such as “See the attached” or “Will be provided upon award.”

16. **Contract Liaison**

KCDC and the supplier shall each designate a primary authorized representative for administering the resulting agreement. The liaison shall be named after award. Traditionally KCDC staff and the supplier meet throughout the audit period via status meetings, conference calls, Zoom, et cetera. This works well for both the auditors and KCDC.

17. **Deliverables**

The successful supplier is responsible for complete fulfillment of the terms of the engagement by December 31, 2021. This includes but is not limited to completion of all audit and attestation processes, submission of 30 bound copies of the audit report to KCDC, provision of electronic copies of the audit report as necessary, satisfaction of the UFRS requirements to HUD REAC and the Federal Clearing House and submission of the audit to the State of Tennessee.

The successful supplier is responsible for agreed upon procedures related to the audited submission in HUD's Real Estate Assessment Center (REAC) online database before issuance of the audit report.

18. **KCDC currently utilizes the following computer software**

- Emphasys Elite for procurement, financial accounting and housing operations.
- Vista is utilized for payroll and human resources.
- Excel spreadsheets are used extensively by staff.
- Docstar Eclipse is utilized for various workflows and electronic document storage and retrieval.
- Auditors will be granted appropriate levels of access to these systems and data.

19. **Audit History**

- KCDC has always received unmodified opinions on both the financial statements and compliance.
- Malcolm Johnson Company, DeBary, Florida, has served as KCDC auditors for several cycles.

20. **Other Assistance**

As a matter of convenience to KCDC staff, and to enhance efficiency, the successful supplier will assist in preparation of the top-level financial statements, the related note disclosures, the supplemental information and the Schedule of Expenditure of Federal Awards. KCDC staff will prepare necessary schedules. KCDC staff will review these documents, make necessary amendments to them and accept full responsibility for them before issuance.

21. **Fieldwork**

KCDC requires an entrance conference at the beginning of onsite fieldwork, informal updates throughout the audit process as well as a preliminary exit conference at the conclusion of fieldwork. An Exit Conference is also required prior to report issuance. The entrance and exit conferences may be conducted with the Executive Management Team and other staff members as may be prudent. Presentation of the audit to the Board of Commissioners is optional as determined by KCDC's needs. Zoom or similar technology may be used to facilitate meetings as determined to be most beneficial to all parties.

22. Auditor/Auditee Responsibilities:

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

- a. KCDC prepares financial statements in accordance with Generally Accepted Accounting Principles (GAAP).
- 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. 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 opine as to 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 all elements which may be required by Governmental Auditing Standards, including the following:

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 after the date of final issuance for the greater of the minimum period required by governmental auditing standards and the cognizant federal agency (HUD).
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. The auditor shall 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 agreed-upon scope and terms of the engagement.

n. Conduct the audit in accordance with all applicable guidance, to include, but not limited to, the following:

1. HUD Handbook 2000, 04 REV-2, *Consolidated Audit Guide for Audits of HUD Programs*.
2. *Government Auditing Standards* (the "Yellow Book") promulgated by the Comptroller General of the United States General Accounting Office.

3. The General Accounting Office publication *Assessing Compliance With Applicable Laws and Regulations*.
4. The American Institute of Certified Public Accountants guidance for audits of state and local governments.
5. The HUD publication “24 CRF Part 5, et al. *Uniform Financial Reporting Standards for HUD Housing Programs; Final Rule*.”

23. Schedule of Expenditures of Federal Awards

See Appendix A.

24. Timelines

- a. All or a majority of requested work papers should be available on the first day of fieldwork and should be ready in the month of October. This is dependent upon both the fieldwork start date and the date the request is received.
- b. The audit shall be completed, all workpaper matters finalized, all auditors’ requests satisfied, all reports issued (KCDC, HUD, REAC, Audit Clearing House, State of Tennessee, etc.) and any related attestations completed by December 31st.

[This and the Previous Pages Do Not Need to be Returned](#)

Conflict of Interest

1. 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 award or the supplier providing goods or services.
2. No employee, officer or agent of the grantee or sub-grantee 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 supplier selected for award.
3. The grantee's or sub-grantee's officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from suppliers, potential suppliers or parties to sub-agreements.
4. By submission of this form, the supplier is certifying that no conflicts of interest exist.

Drug Free Workplace Requirements

5. Private employers with five or more employees desiring to contract for construction services attest that they have a drug free workplace program in effect in accordance with TCA 50-9-112.

Eligibility

6. The supplier is eligible for employment on public contracts because no convictions or guilty pleas or pleas of nolo contendere to violations of the Sherman Anti-Trust Act, mail fraud or state criminal violations with an award from the State of Tennessee or any political subdivision thereof have occurred.

General

7. Supplier fully understands the preparation and contents of the attached offer and of all pertinent circumstances respecting such offer.
8. Such offer is genuine and is not a sham offer.

Iran Divestment Act

9. Concerning the Iran Divestment Act (TCA 12-12-101 et seq.), by submission of this bid/quote/proposal, each supplier and each person signing on behalf of any supplier certifies, and in the case of a joint bid/quote/proposal, each party thereto certifies as to its own organization, under penalty of perjury, that to the best of its knowledge and belief that each supplier is not on the list created pursuant to § 12-12-106.

Accuracy of Electronic Copies

10. If the supplier provides electronic copies of the bid/proposal/quote to KCDC, the supplier certifies that the information provided on paper and in the electronic format is identical unless specifically noted otherwise.

Non-Collusion

- 11. Neither the said supplier 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, supplier, 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 supplier, or, to fix any overhead, profit, or cost element of the offer price or the offer price of any other supplier, 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.
- 12. 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 supplier or any of its agents, representatives, owners, employees, or parties in interest, including this affiant.

No Contact/No Advocacy Affidavit

- 13. After this solicitation is issued, any contact initiated by any supplier with any KCDC representative concerning this proposal is strictly prohibited-except for communication with the Procurement Division. My signature signifies that no unauthorized contact occurred.
- 14. To ensure the integrity of the review and evaluation process, respondents to this solicitation nor any firm representing them, may not lobby or advocate to KCDC staff or Board members. My signature signifies that no unauthorized advocacy occurred.

The undersigned hereby acknowledges receipt of these affidavits and certifies that the submittal 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 _____	
Notary Stamp	

Representations, Certifications, and Other Statements of Bidders
Public and Indian Housing Programs

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1. Certificate of Independent Price Determination

(a) The bidder certifies that--

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

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

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

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

(1) Is the person in the bidder'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's organization responsible for determining the prices offered in this bid or proposal, and the title of his or her position in the bidder'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 deletes or modifies subparagraph (a)2 above, the bidder must furnish with its bid a signed statement setting forth in detail the circumstances of the disclosure.

[Contracting Officer check if following paragraph is applicable]

(d) Non-collusive affidavit. (applicable to contracts for construction and equipment exceeding \$50,000) in Solicitation Document B attached

(1) Each bidder shall execute, in the form provided by the PHA/IHA, an affidavit to the effect that he/she has not colluded with any other person, firm or corporation in regard to any bid submitted in response to this solicitation. If the successful bidder did not submit the affidavit with his/her bid, he/she must submit it within three (3) working days of bid opening. Failure to submit the affidavit by that date may render the bid nonresponsive. No contract award will be made without a properly executed affidavit.

(2) A fully executed "Non-collusive Affidavit" [] is, [] is not included with the bid.

2. Contingent Fee Representation and Agreement

(a) Definitions. As used in this provision:

"Bona fide employee" means a person, employed by a bidder and subject to the bidder's supervision and control as to time, place, and manner of performance, who neither exerts, nor proposes to exert improper influence to solicit or obtain contracts nor holds out as being able to obtain any contract(s) through improper influence.

"Improper influence" means any influence that induces or tends to induce a PHA/IHA employee or officer to give consideration or to act regarding a PHA/IHA contract on any basis other than the merits of the matter.

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

(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.

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

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

3. Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions (applicable to contracts exceeding \$100,000)

(a) The definitions and prohibitions contained in Section 1352 of title 31, United States Code, are hereby incorporated by reference in paragraph (b) of this certification.

(b) The bidder, by signing its bid, hereby certifies to the best of his or her knowledge and belief as of December 23, 1989 that:

(1) No Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress on his or her behalf in connection with the awarding of a contract resulting from this solicitation;

(2) If any funds other than Federal appropriated funds (including profit or fee received under a covered Federal transaction) have been paid, or will be paid, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress on his or her behalf in connection with this solicitation, the bidder shall complete and submit, with its bid, OMB standard form LLL, "Disclosure of Lobbying Activities;" and

(3) He or she will include the language of this certification in all subcontracts at any tier and require that all recipients of subcontract awards in excess of \$100,000 shall certify and disclose accordingly.

(c) Submission of this certification and disclosure is a prerequisite for making or entering into this contract imposed by section 1352, title 31, United States Code. Any person who makes an expenditure prohibited under this provision or who fails to file or amend the disclosure form to be filed or amended by this provision, shall be subject to a civil penalty of not less than \$10,000, and not more than \$100,000, for each such failure.

(d) Indian tribes (except those chartered by States) and Indian organizations as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450B) are exempt from the requirements of this provision.

4. Organizational Conflicts of Interest Certification

The bidder certifies that to the best of its knowledge and belief and except as otherwise disclosed, he or she does not have any organizational conflict of interest which is defined as a situation in which the nature of work to be performed under this proposed contract and the bidder's organizational, financial, contractual, or other interests may, without some restriction on future activities:

- (a) Result in an unfair competitive advantage to the bidder; or,
- (b) Impair the bidder's objectivity in performing the contract work.

In the absence of any actual or apparent conflict, I hereby certify that to the best of my knowledge and belief, no actual or apparent conflict of interest exists with regard to my possible performance of this procurement.

5. Bidder's Certification of Eligibility

(a) By the submission of this bid, the bidder certifies that to the best of its knowledge and belief, neither it, nor any person or firm which has an interest in the bidder's firm, nor any of the bidder's subcontractors, is ineligible to:

- (1) Be awarded contracts by any agency of the United States Government, HUD, or the State in which this contract is to be performed; or,
- (2) Participate in HUD programs pursuant to 24 CFR Part 24.

(b) The certification in paragraph (a) above is a material representation of fact upon which reliance was placed when making award. If it is later determined that the bidder knowingly rendered an erroneous certification, the contract may be terminated for default, and the bidder may be debarred or suspended from participation in HUD programs and other Federal contract programs.

6. Minimum Bid Acceptance Period

(a) "Acceptance period," as used in this provision, means the number of calendar days available to the PHA/IHA for awarding a contract from the date specified in this solicitation for receipt of bids.

(b) This provision supersedes any language pertaining to the acceptance period that may appear elsewhere in this solicitation.

(c) The PHA/IHA requires a minimum acceptance period of 90 calendar days.

(d) In the space provided immediately below, bidders may specify a longer acceptance period than the PHA's/IHA's minimum requirement. The bidder allows the following acceptance period: calendar days.

(e) A bid allowing less than the PHA's/IHA's minimum acceptance period will be rejected.

(f) The bidder agrees to execute all that it has undertaken to do, in compliance with its bid, if that bid is accepted in writing within (1) the acceptance period stated in paragraph (c) above or (2) any longer acceptance period stated in paragraph (d) above.

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

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

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.

is, is not a women-owned business enterprise. "Women-owned business enterprise," as used in this provision, means a 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.

is, is not a minority business enterprise. "Minority business enterprise," as used in this provision, means a business which is at least 51 percent owned or controlled 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)

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

9. Certification of Eligibility Under the Davis-Bacon Act

Act (applicable to construction contracts exceeding \$2,000)

(a) By the submission of this bid, the bidder certifies that neither it nor any person or firm who has an interest in the bidder's firm is a person or firm ineligible to be awarded contracts by the United States Government by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

(b) No part of the contract resulting from this solicitation shall be subcontracted to any person or firm ineligible to be awarded contracts by the United States Government by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

(c) The penalty for making false statements is prescribed in the U. S. Criminal Code, 18 U.S.C. 1001.

10. Certification of Nonsegregated Facilities (applicable to contracts exceeding \$10,000)

(a) The bidder's attention is called to the clause entitled **Equal Employment Opportunity** of the General Conditions of the Contract for Construction.

(b) "Segregated facilities," as used in this provision, means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees, that are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, or national origin because of habit, local custom, or otherwise.

(c) By the submission of this bid, the bidder certifies that it does not and will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not and will not permit its employees to perform their services at any location under its control where segregated facilities are maintained. The bidder agrees that a breach of this certification is a violation of the Equal Employment Opportunity clause in the contract.

(d) The bidder further agrees that (except where it has obtained identical certifications from proposed subcontractors for specific time periods) prior to entering into subcontracts which exceed \$10,000 and are not exempt from the requirements of the Equal Employment Opportunity clause, it will:

- (1) Obtain identical certifications from the proposed subcontractors;
- (2) Retain the certifications in its files; and
- (3) Forward the following notice to the proposed subcontractors (except if the proposed subcontractors have submitted identical certifications for specific time periods):

Notice to Prospective Subcontractors of Requirement for Certifications of Nonsegregated Facilities

A Certification of Nonsegregated Facilities must be submitted before the award of a subcontract exceeding \$10,000 which is not exempt from the provisions of the Equal Employment Opportunity clause of the prime contract. The certification may be submitted either for each subcontract or for all subcontracts during a period (i.e., quarterly, semiannually, or annually).

Note: The penalty for making false statements in bids is prescribed in 18 U.S.C. 1001.

11. Clean Air and Water Certification (applicable to contracts exceeding \$100,000)

The bidder certifies that:

(a) Any facility to be used in the performance of this contract [] is, [] is not listed on the Environmental Protection Agency List of Violating Facilities:

(b) The bidder will immediately notify the PHA/IHA Contracting Officer, before award, of the receipt of any communication from the Administrator, or a designee, of the Environmental Protection Agency, indicating that any facility that the bidder proposes to use for the performance of the contract is under consideration to be listed on the EPA List of Violating Facilities; and,

(c) The bidder will include a certification substantially the same as this certification, including this paragraph (c), in every nonexempt subcontract.

12. Bidder's Signature

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

(Signature and Date) _____

(Typed or Printed Name) _____

(Title) _____

(Company Name) _____

(Company Address) _____

Solicitation Document D: Professional and Technical Competence and Experience

Provide the information requested below so that KCDC can determine your capacity to perform the required work. You may provide additional relevant information as desired.

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:
 - Organization Size
 - Organizational structure
 - Financial stability
 - Years in business
 - Mergers and/or acquisitions within the last five years
 - Pending litigation detail
 - Legal status (corporation or partnership, et cetera)
5. Identify the individual(s) in your firm responsible for managing and overseeing the audit engagement.
6. Describe any unique approaches or techniques developed and used by the firm that would give it an advantage in this specific type of audit.
7. Specify the total number of employees in the firm with significant experience in conducting audits of public housing authorities.
8. Specify the total number of CPA's in the firm who are involved with audit engagements of this type.
9. Provide 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. Provide a detailed approach or plan of action, which shows how the auditor would plan to meet the objectives of this engagement.
11. Provide data regarding PHA audit experience of your firm over the past five years. Annotate specific engagements which included RAD conversions.
12. Provide 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 the most recent results letter.
14. Provide information concerning the status of any disciplinary action taken against the firm.

Solicitation Document E: Staff Assigned to KCDC's Project

1. Provide brief resumes of the personnel who will be handling this audit, listing pertinent experience and technical qualifications. The format for 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

2. Complete the summary chart below

Name	Title/Skill Set	Role on this Project	Hours on this Project On-site/Remote

Solicitation Document F: Ability to Meet KCDC's Timelines

1. Provide the number of business 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.
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 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) 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.

Solicitation Document G: References

Provide the information requested below so that KCDC can determine your capacity to perform the required work in a timely manner. You may provide additional relevant information.

1. Provide three client references as similar as possible to this work.
2. While you may have performed numerous services and/or may have had numerous contracts with an entity, each entity can only be one references. Thus, if you serviced Knox County 10 times, it is one reference.
3. KCDC reserves the right to contact and interview the listed references via electronic survey means.
4. Advise the listed references that KCDC may contact them via email or SurveyMonkey.

Use this format for each reference

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 total revenue audited	\$

Solicitation Document I: Supplier Proposed Contract

Use this section to provide KCDC with your proposed contract for review.

Appendix A: Schedule of Expenditures of Federal Awards

**Schedule of Expenditures of Federal Awards
Year ended June 30, 2020
Unaudited**

CFDA Number	Program Name	Expenditures of Federal Awards
14.871	Housing Choice Vouchers Section 8 Housing Assistance Payments Program- Special	\$ 24,097,205
14.195	Allocations	5,989,631
14.275	Housing Trust Fund Lower Income Housing Assistance Program - Section 8 Mod	773,750
14.856	Rehab IV	544,741
14.879	Mainstream Voucher Program	759,453
14.896	PIH Family Self-Sufficiency Program	44,143
97.042	Emergency Management Performance Grant	35,721
14.850	Low Rent Public Housing	6,948,142
14.872	Public Housing Capital Fund	11,392,324
	Total Direct Federal Awards	<u>50,585,110</u>
14.155	Federally Guaranteed Loans	<u>10,917,455</u>
		<u>\$ 61,502,565</u>