



*Philadelphia Youth Network*

A-133 Request for Proposal  
For Audit and Tax Services

For the period

*July 1, 2015 to June 30, 2016*

Inquiries and proposals should be directed to:

Name: Karin MacBride

Title: Vice President of Finance and Administration

Entity: Philadelphia Youth Network

Address: 400 Market Street, Suite 200, Philadelphia, PA

Phone: (267) 502-3703

# Table of Contents

## **General Information**

- A. Purpose
- B. Who May Respond
- C. Bidder's Conference
- D. Instructions on Proposal Submission
- E. Description of Entity and Records to Be Audited
- F. Options

## **Specification Schedule**

- A. Scope of a Financial and Compliance Audit
- B. Performance
- C. Price
- D. Audit Review
- E. Exit Conference

## **Technical Qualifications**

- A. Prior Auditing Experience
- B. Value-Added Services Beyond the Audit
- C. Organization, Size, and Structure
- D. Staff Qualifications
- E. Audit Approach to the Engagement
- F. Certifications

## **Proposal Evaluation**

- A. Submission of Proposals
- B. Nonresponsive Proposals
- C. Proposal Evaluation

## **Certifications**

---

## General Information

### A. Purpose

This Request for Proposal (RFP) is to contract for a financial and compliance audit for the year ending June 30, 2016. The proposal includes options for two additional years.

### B. Who May Respond

Only licensed certified public accountants in the Commonwealth of Pennsylvania may respond to this RFP.

### C. Bidder's Conference

No formal bidder's conference will be held. However, if there are questions, a list of questions with answers will be compiled and sent to all Offeror's.

### D. Instructions on Proposal Submission

1. Closing Submission Date: Proposals must be submitted no later than 5:00 p.m. on April 15, 2016 and must not be no more than 10 pages.
2. Inquiries: Inquiries concerning this RFP should be directed in writing via e-mail to

Karin MacBride  
VP Finance and Administration  
Philadelphia Youth Network  
[kmacbride@pyninc.org](mailto:kmacbride@pyninc.org)

3. Conditions of Proposal: All costs incurred in the preparation of a proposal responding to this RFP will be the responsibility of the Offeror and will not be reimbursed by Philadelphia Youth Network.
4. Instructions to Prospective Contractors:

Your proposal should be addressed as follows:

Name: Karin MacBride

Title: Vice President of Finance and Administration

Entity: Philadelphia Youth Network

Address: 400 Market Street, Suite 200, Philadelphia, PA 19106

5. Electronic Submissions are requested: Proposals must be submitted electronically to the following e-mail address: [kmacbride@pyninc.org](mailto:kmacbride@pyninc.org) by 5pm on April 15, 2016.
-

It is the responsibility of the Offeror to ensure that the proposal is received by Philadelphia Youth Network by the date and time specified above.

Late proposals will not be considered.

6. **Right to Reject:** Philadelphia Youth Network reserves the right to reject any and all proposals received in response to this RFP. A contract for the accepted proposal will be based on the factors described in this RFP.
7. **Small and/or Minority-Owned Businesses:** Efforts will be made by Philadelphia Youth Network to utilize small businesses and minority-owned businesses. An Offeror qualifies as a small business firm if it meets the definition of "small business" as established by the Small Business Administration (13 CFR 121.201).
8. **Presentations:** At the discretion of Philadelphia Youth Network, Offerors' submitting proposals may be requested to make oral presentations as part of the evaluation process. Presentations may be delivered in person or via teleconference. Reasonable advance notice will be provided to selected Offerors'. Not all Offerors' submitting a proposal will be asked to participate in oral presentations.
9. **Notification of Award:**
  - a. It is expected that a decision about selection of the successful audit firm will be made within 30 days of the closing date from the receipt of proposals.
  - b. Upon conclusion of final negotiations with the successful audit firm, all Offerors submitting proposals in response to this Request for Proposal will be informed, in writing, of the name of the successful audit firm.

## **E. Description of Entity and Records to Be Audited**

Philadelphia Youth Network is a nonprofit organization that serves as an intermediary organization for public and private investment targeted toward improving the educational and workforce development outcomes of Philadelphia's youth. PYN has been determined to be exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. It is governed by a ten-member volunteer board of directors. Administrative offices and all records are located at 400 Market Street, Philadelphia, PA 19106.

PYN's FY 2015 operating budget was \$24 million. PYN received restricted and unrestricted federal grant funds, state grant funds, local funds from taxing districts and local governments, and private funds for numerous programs.

### **Philadelphia Youth Network's Responsibilities**

1. Philadelphia Youth Network shall make all files and records accessible to Offeror, on site.
  2. Philadelphia Youth Network shall provide assistance to Offeror, namely, gathering supporting documentation from the files and preparing schedules.
  3. Philadelphia Youth Network shall make appropriate personnel available for interviews and information-gathering purposes.
-

4. Philadelphia Youth Network shall designate a liaison to coordinate activities between Philadelphia Youth Network and Offeror.
5. Philadelphia Youth Network's Finance Committee will discuss the draft audit report with Offeror and shall provide Offeror a written response to the draft report.
6. Philadelphia Youth Network's Finance Committee shall review and provide written acceptance of the final audit report.

#### Offeror's Responsibilities

1. Offeror shall designate an engagement partner who shall be the primary contact with Philadelphia Youth Network. The engagement partner shall oversee all activities for Offeror in relation to this audit.
2. Offeror shall be responsible for personnel, supplies, and equipment.
3. Offeror shall have general professional liability insurance or specific professional liability insurance for this engagement and provide proof of said coverage in its technical proposal.
4. Offeror shall communicate no less than weekly with the liaison designated by engagement partner and agreed upon by the Philadelphia Youth Network.
5. Offeror shall provide a draft copy of the audit report to the Finance Committee and VP of Finance and Administration by October 15, 2016 and discuss its contents with the VP of Finance and Administration
6. Upon completion of field work and after providing a draft copy of the audit report to VP of Finance, Offeror shall conduct an exit conference with Finance Committee.
7. Upon request, Offeror shall provide copies of working papers to Philadelphia Youth Network
8. Upon written approval by Philadelphia Youth Network, Offeror shall deliver ten bound copies of the final audit report to Philadelphia Youth Network

#### **F. Options**

At the discretion of Philadelphia Youth Network, this audit contract can be extended for two additional one-year periods. The cost for the option periods will be agreed on by Philadelphia Youth Network and the Offeror.

---

## Specification Schedule

### **A. Scope of a Financial and Compliance Audit**

The purpose of this RFP is to obtain the services of a public accounting firm, whose principal officers are independent certified public accountants, certified or licensed by a regulatory authority of a state or other political subdivision of the United States, hereinafter referred to as the "Offeror," to perform a single audit of *Philadelphia Youth Network*.

### **B. Performance**

*Philadelphia Youth Network's* records should be audited through June 30.

### **Objectives of the Audit**

The objectives of the audit are to determine whether:

- PYN's financial statements are fairly presented in all material respects in accordance with the required basis of accounting,
- The schedule of expenditures of federal awards is presented fairly in all material respects in relation to the financial statements taken as a whole,
- PYN has internal controls over material compliance requirements of each major federal program,
- PYN has complied with material compliance requirements of each major federal program

### **Specific Audit Services to Be Performed**

Offeror shall perform an OMB Circular A-133 audit to determine whether the financial statements of PYN present fairly the financial position and results of operations in accordance with the appropriate basis of accounting and in compliance with federal and state laws and regulations.

### **C. Price**

The Offeror's proposed price should include a not-to-exceed total fee, a fee per service (audit services, tax services, etc.), and hourly billing rates by position. Any out-of-pocket expenses should also be indicated.

### **D. Audit Review**

All audit reports prepared under this contract will be reviewed by Philadelphia Youth Network and its funding sources to ensure compliance with the General Accounting Office's (GAO) Government Auditing Standards and other appropriate audit guides.

### **E. Exit Conference**

An exit conference with Philadelphia Youth Network's representatives and the Offeror's representatives will be held at the conclusion of the fieldwork. Observations and recommendations must be summarized in writing and discussed with Philadelphia Youth Network's VP of Finance and Administration. It should include internal control and program compliance observations and recommendations.

---

## Technical Qualifications

The Offeror, in its proposal, shall, as a minimum, include the following:

### **A. Prior Auditing Experience**

The Offeror should describe its prior auditing experience, including the names, addresses, contact persons, and telephone numbers of prior organizations audited. Experience should include the following categories:

1. Prior experience auditing an entity of similar size
2. Prior experience auditing similar programs funded by federal and state funds
3. Prior experience auditing nonprofit organizations

### **B. Value-Added Services Beyond the Audit**

The Offeror should include an explanation of other services that can and have been provided to organizations similar to Philadelphia Youth Network. Value-added services provide efficiencies and improved compliance that contribute to the continued success of Philadelphia Youth Network. Value-added services can include consulting and training services as well as industry-specific products.

### **C. Organization, Size, and Structure**

The Offeror should describe its organization, size (in relation to audits to be performed), and structure. Description should include:

1. Size of the Offer, including number of employees and physical site locations.
2. Explanation of independence.
3. Any conflicts of interest that exist.
4. Results of peer review.
5. Explanation if the Offer is a small or minority-owned business or women's business enterprise.

### **D. Staff Qualifications**

The Offeror should describe the qualifications of staff to be assigned to the audits. Descriptions should include:

1. Audit team makeup.
2. Overall supervision to be exercised.
3. Prior experience of the individual audit team members. Include résumés of only the key staff to be assigned to the audit. Include education, position in firm, years with the firm, and industry-specific experience applicable to this engagement.

### **E. Audit Approach to the Engagement**

The Offeror should describe its approach of the work to be performed, including audit procedures, estimated hours, and other pertinent information.

---

**F. Certifications**

The Offeror must sign and include, as an attachment to its proposal, the Certifications enclosed with this RFP. The publications listed in the Certifications will not be provided to potential Offerors by Philadelphia Youth Network, because Philadelphia Youth Network desires to contract only with an Offeror who is already familiar with these publications.

---

# Proposal Evaluation

## **A. Submission of Proposals**

All proposals will become part of the contract.

## **B. Nonresponsive Proposals**

Proposals may be judged nonresponsive and removed from further consideration if any of the following occur:

1. The proposal is not received in a timely manner in accordance with the terms of this RFP.
2. The proposal does not follow the specified format.
3. The proposal does not include the Certifications.
4. The proposal is not adequate to form a judgment by the reviewers that the proposed undertaking would comply with the *Government Auditing Standards* of the U.S. Comptroller General.

## **C. Proposal Evaluation**

Evaluation of each proposal will be scored on the following six factors.

1. Prior audit experience

Philadelphia Youth Network will contact prior audited organizations to verify the experience provided by the Offeror.

2. Value-Added Services Beyond the Audit
  3. Organization, size, and structure of Offeror's firm (consider size in relation to audits to be performed)
  4. Qualifications of staff to be assigned to the audits to be performed.
  5. Offeror's audit approach to the engagement
  6. Price
-

## Certifications

On behalf of the Offeror:

1. The individual signing certifies that he/she is authorized to contract on behalf of the Offeror.
  2. The individual signing certifies that the Offeror is not involved in any agreement to pay money or other consideration for the execution of this agreement, other than to an employee of the Offeror.
  3. The individual signing certifies that the prices in this proposal have been arrived at independently, without consultation, communication, or agreement, for the purpose of restricting competition.
  4. The individual signing certifies that the prices quoted in this proposal have not been knowingly disclosed by the Offeror prior to an award to any other Offeror or potential Offeror.
  5. The individual signing certifies that there has been no attempt by the Offeror to discourage any potential Offeror from submitting a proposal.
  6. The individual signing certifies that the Offeror is a properly licensed certified public accountant or a public accountant licensed on or before *(date of licensing)*.
  7. The individual signing certifies that the Offeror meets the independence standards of the *Government Auditing Standards*.
  8. The individual signing certifies that he/she is aware of and will comply with the GAO's continuing education requirement of 80 hours of continuing education every two years and that 24 hours of the 80 hours of education will be in subjects directly related to the government environment and to government auditing for individuals.
  9. The individual signing certifies that he/she is aware of and will comply with the GAO requirement of an external quality control (peer) review at least once every three years.
  10. The individual signing certifies that he/she has read and understands the following publications relative to the proposed audits:
    - a. *Government Auditing Standards* (Yellow Book)
    - b. OMB Circular A-133, *Audits of Institutions of Higher Education and Other Nonprofit Institutions*
    - c. *OMB Circular A-133 – Compliance Supplement*
    - d. *Government Auditing Standards and Circular A-133 Audits (AICPA Audit Guide)*
    - e. OMB Circular A-110, *Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations*
    - f. OMB Circular A-122, *Cost Principles for Nonprofit Organizations*
    - g. *Audits of Not-for-Profit Entities* (AICPA Audit Guide)
-

- h. OMB Circular A-102, *Uniform Administrative Requirements for Grants-In-Aid to State and Local Governments*, including the Common Rule (Note: A-102 should be listed if funding source contracts require compliance with A-102/Common Rule.)
- i. *Audits of State and Local Governments* (AICPA Audit Guide)
- j. *Uniform Guidance 2 CFR Part 200* (“*Super Circular*”)

11. The individual signing certifies that he/she has read and understands all of the information in this Request for Proposal, including the information on the programs/grants/contracts to be audited.

12. The individual signing certifies that the Offeror, and any individuals to be assigned to the audit, does not have a record of substandard audit work and has not been debarred or suspended from doing work with any federal, state, or local government. (If the Offeror or any individual to be assigned to the audits has been found in violation of any state or AICPA professional standards, this information must be disclosed.)

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
(Offeror’s Firm Name)

\_\_\_\_\_  
(Signature of Offeror’s Representative)

\_\_\_\_\_  
(Printed Name and Title of Individual Signing)

\_\_\_\_\_