



CSW
Corporation for a
Skilled Workforce

Good Jobs. Thriving Communities.

Request for Proposal External Audit Services for Corporation for a Skilled Workforce's Financial Statements

**Corporation for a Skilled Workforce
Ann Arbor, MI**

RFP Release Date: May 7, 2019

Questions Due: May 31, 2019

Answers to Questions Posted: June 7, 2019

Proposals Due: June 14, 2019

Evaluation of Proposals: July 2019

Interviews With Prospective Candidates: August 2019

Approval/Vote from the Board of Directors: October 31, 2019

Notification of Auditor Selection: By November 15, 2019

Contact:

Joe Reed, Treasurer
josree715@gmail.com

Sherri Cavanaugh, Finance Director & Assistant Treasurer
scavanaugh@skilledwork.org

Corporation for a Skilled Workforce
1100 Victors Way, Suite 10
Ann Arbor, MI 48108
(734) 769-2900
www.skilledwork.org
TIN: 38-2991143

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1. Introduction

1.1 Purpose of Proposal

Corporation for a Skilled Workforce (CSW) is seeking responsible vendors to submit Proposals as an external auditor in order to audit CSW's financial statements. The audit is required to be conducted in accordance with Government Auditing Standards and result in an Independent Auditor's Report, Report on Internal Controls and Compliance, and other requests per the scope of work. This Request for Proposals (RFP) represents CSW's good faith and effort to detail our specifications and requirements for the External Audit Services that will best meet CSW's needs. The RFP provides vendors a means to present their qualifications and abilities for an objective review. After careful review and associated due diligence performed by the Finance & Audit Committee of CSW's Board of Directors, CSW will select one firm to perform the described External Audit Services.

Any firm interested in providing the External Audit Services requested in this RFP must respond to this RFP.

1.2 CSW Background

CSW is a 501(c)(3) non-profit organization, founded in 1991, that partners with foundations, government, business, and community leaders to increase economic opportunity and sustainable prosperity by helping them to reimagine everything about work and learning. CSW serves as a catalyst for transformative change across economic, workforce, education, and community development research, policy, and practice.

Over the past several years, CSW has focused significant time and effort on working in-depth in several communities across the country to build collective agendas for shared prosperity. This work has included a wide range of stakeholder engagement, research, leadership development, convening, capacity building, policy advocacy, and evaluation – all aimed at reimagining everything about work and learning as a means to increase economic opportunity and sustainable prosperity for vulnerable people, companies, and communities. CSW's work is nationwide (including projects that have spanned all 50 states, hundreds of communities, and national scale work). CSW's current work includes a strategy concentration in Detroit, Michigan.

CSW's current size is 14 full-time staff, 1 part-time staff, and 1 AmeriCorps VISTA Member with a 2019 budget of \$2.9 million. A 2-member full-time finance team monitors the timely delivery of contract or grant objectives and performance, as well as regularly reviews the recording of hourly staff time and expenses in a leading project-based enterprise resource planning accounting system, Deltek Vision. CSW's finance team consists of: Sherri Cavanaugh, Finance Director and Tricia Napolitano, Accounting Associate.

CSW typically maintains a suitable line of credit to enable it to effectively fulfill its project obligations and to manage cash flow.

CSW is based in Ann Arbor, Michigan, with many staff working out of home offices across the country. CSW is governed by a 13-member Board of Directors that includes executives from community colleges, universities, community-based organizations, foundations, and government. CSW's board is comprised of three committees: Governance, Finance & Audit (FAC) and Strategy. CSW is led by President & CEO Ryan Davis who is based in Seattle, Washington. CSW's project teams are supported by a communications and a three-person administrative team, which includes finance and operations management.

CSW operates on a calendar fiscal year. All of its audits have been clean and without exception, a copy of the last two audits (which contain three complete fiscal years) is attached. CSW has never filed for bankruptcy over its 27 years in operation. CSW, or its employees, has never been debarred, suspended, or otherwise excluded by any public or private entity.

In order to ensure high quality fiscal controls, CSW utilizes generally accepted accounting principles. CSW has an established accounting system with internal controls adequate to safeguard assets, ensure funds are accounted for by cost categories, check the accuracy and reliability of fiscal data, promote operating efficiency, and permit compliance with contract, foundation grant and Government requirements and accounting procedures. CSW has extensive experience managing both grants and fee for service contracts. Our accounting systems are designed to meet contract, foundation and federal grant cost principles and requirements.

1.3 Scope of Services

The selected firm shall deliver an audit of CSW's financial statements commencing for the year ending December 31, 2019. The selected firm will provide financial statements, the related statements of activities and cash flows, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting and auditing principles generally accepted in the United States of America (U.S. GAAP).

The selected firm will:

- Plan effective auditing processes.
- Audit financial statements and assess accounts for accuracy and regulatory compliance.
- Inspect internal systems and controls.
- Perform audits of non-financial areas impacting the financial statement, like health & safety and IT.
- Report systematic errors or fraud indicators.
- Investigate specific issues regulatory bodies bring forward (i.e. any new applicable accounting announcements).
- Prepare audited financial statements, independent auditor's report and report on Internal controls and compliance along with audit findings and recommend solutions.
- Prepare/complete Form 990.
- Prepare Michigan Renewal Solicitation Form.
- Preparation of DOL Forms 5500 (2).

1.4 Contract Term and Termination

The period of performance under this contract will be for an initial three (3) year term with two (2) optional one (1) year extensions. Additional year extensions may occur depending on assessment, quality and delivery of initial audit and by mutual agreement to continue.

If a contract is awarded as a result of this RFP and is terminated or cancelled within the first year of the contract period, CSW may elect to negotiate and award a new contract to the next ranked contractor or to issue a new RFP, whichever is determined to be in the best interest of the CSW.

Either party may cancel the contract with thirty (30) days advanced written notice. However, at CSW's sole option, a termination for cause or convenience by CSW may be effective immediately.

2. Preparation of Proposals

2.1 Cost of Preparation

CSW will not pay respondent costs associated with preparing or presenting any response to this RFP.

2.2 Applicable Dates

The RFP process will proceed according to the following anticipated schedule:

Date	Process
May 8, 2019	RFP released on CSW's website (www.skilledwork.org)
May 31, 2019	Written questions due to both Joe Reed and Sherri Cavanaugh via email
June 7, 2019	Answers to Questions Posted on CSW's website (www.skilledwork.org)
June 14, 2019	Proposals due to both Joe Reed and Sherri Cavanaugh via email by 3pm
July 2019	Evaluation of proposals
August 2019	Interviews with prospective candidates
October 31, 2019	Approval/vote from the Board of Directors
November 15, 2019	Notification of award of contract

2.3 Questions

Should any respondent be in doubt as to the meaning of the scope of work, or should any discrepancy or omission be found, he/she shall submit all questions and requests for clarification in writing via email to both josree715@gmail.com and scavanaugh@skillework.org on or before **May 31, 2019**. No oral questions will be answered.

All respondents will be required to view responses to questions by means of CSW's website: www.skilledwork.org.

2.4 Submission Instructions

Proposals shall be submitted and received by Joe Reed, CSW's Treasurer, and Sherri Cavanaugh, CSW's Finance Director, via electronic submission in an Adobe pdf file at josree715@gmail.com and scavanaugh@skilledwork.org by **5:00pm** local time on **June 14, 2019**. Proposals received after this date and time will not be accepted.

All Proposals are considered final after the date and time for receipt of Proposals. Final Proposals may not be altered, withdrawn, or canceled, without prior notification to CSW for a period of 120 days after the time and date designated for receipt of final Proposals.

CSW reserves the right to contact any and all firms to verify information included in their Proposal and to clarify any questions regarding the information submitted in the Proposal, in order to ascertain whether the Proposal received is both responsive and responsible. CSW also reserves the right to waive any formalities, informalities and technicalities in evaluation of the Proposals as are deemed appropriate, necessary and in CSW's best interest.

IMPORTANT: Your response may be considered Not Responsible or Non-Responsive if any portion of these instructions is not complete. No proposal will be accepted after the date and time stated above.

2.5 Organization of Proposal (in the following order)

- A. Title Page and/or Letter from Respondent
- B. Firm's Qualifications,

- C. Staff Qualifications
- D. Scope of Work
- E. Timeline for Scope of Work
- F. Cost of services
- G. Previous Experience Examples
- H. References
- I. Certifications
- J. A sample of a typical audit report

Failure to include all the documents may render the proposal non-responsive and the offer may be rejected.

A. Title Page and/or Cover Letter (Maximum of 2 pages if including both)

At a minimum, the title page shall be on company letterhead and shall include the name and working address of the firm submitting a Proposal, the name and telephone number of the primary company representative to be contacted with reference to the Proposal, email address for said contact and the date of submission. In addition, the page should contain the following statement: “RFP – External Auditor Services for CSW”.

B. Firm’s Qualifications (Maximum of 2 pages)

Describe your organization and organizational structure. Specify the number of years the firm has been in business, history of the firm, and capabilities. Please note experience and knowledge performing audits for other organizations similar to CSW (industry, non-profit organizations). Demonstrate capacity in building objective, independent and transparent working relationships with clients. Provide examples of how the firm accomplished high quality projects with challenging schedules.

C. Staff Qualifications (Maximum of 2 pages)

1. Designate who will be the primary liaison with CSW including name, contact information and position with the firm.
2. Include a description of the qualifications and experience of the lead auditor and any other staff on the team. Information shall include position with the firm, educational background, certifications, and work experience. Provide a description of the role each individual will play in this project.
3. The auditors should clearly demonstrate experience comparable to that required to successfully execute the work described in this solicitation and for a non-profit organization.
4. Describe the availability and size of partners and other staff for inquiries and meetings to meet CSW needs including availability and involvement of experts on specific subject matters.
5. Describe your firms staff continuity, i.e. staff turnover.
6. Include resumes as an attachment.

D. Scope of Work (Maximum of 3 pages)

Include a scope of work and work plan which addresses these elements, but not limited to:

- Description of the methodology to be used by the auditor.
- Areas that will receive primary emphasis and the audit approach in those areas.

- Comprehensive work plan to ensure adequate coverage.
- Innovative ideas such as use of technology, etc.

E. Timeline

Include a timeline for your planning activities and scope of services. This can be included in the section above.

F. Cost of Services

Provide cost of services broken down into various fees on a separate page. Include hours to be allocated to each type and level of qualified resource/staff. Explain efficiency, effectiveness, use of experts, site visits, etc. Various fees to include:

- ◆ Audit & Financial Statements, independent auditor’s report, report on Internal controls and compliance along with audit findings and recommend solutions.
- ◆ Preparation/completion of 990.
- ◆ Michigan Renewal Solicitation Form.
- ◆ Preparation of DOL Forms 5500 (2).

G. Previous Experience Examples (Maximum of 2 pages)

Describe experience the respondent has in providing similar audit services that also demonstrates respondent’s knowledge of similar services. Experience should contain information that describes the experience respondent has working with nonprofit organizations. Information should include the range of experience, areas of particular expertise, and relevance of types of audits performed.

Also describe how the audit process and outcomes were perceived from clients, to the best of your knowledge.

Proposal should contain information on respondent’s ability to successfully complete the audit services (per the scope of work) on time and within budget.

Detail any information that would give the respondent an advantage in completing this scope of work.

H. References

Provide information about the organizations for which you have provided similar services.

- Provide contact name, title, company, address, phone number and email address for three (3) references with whom the firm has done business with in the last three (3) years.
- References will be questioned about such items as the firm’s overall performance, organization, cooperation, timeliness, and quality. The firm shall ensure that contact information is current.

I. Warranty, Guarantee, Certifications

1. Financial Stability: a) clearly demonstrate qualifications, financial responsibility, and performance capability of the firm; b) disclose if the firm has ever filed for bankruptcy, and if applicable, provide information as to the date of the filing, the type of filing, and the resolution.
2. Describe if firm is an equal opportunity employer and maintains a drug free workplace.
3. By submitting a response to this solicitation, the firm shall be deemed to represent that it is not in arrears in the payment of any obligation due and owing any state within the United States of America, including the payment of taxes and employee benefits and that it shall not become so in arrears during the term of the contract if selected for contract award.

4. Describe any other relevant warranties, guarantees, and certifications.

J. Sample Audit Report

Please provide a copy of a sample audit report. Confidential information to be removed.

2.6 Format

- The proposal shall be no more than 14 pages
- The proposal shall be typed in Calibri, 11-point font
- Final proposal must be in an Adobe pdf file

3. Evaluation Criteria

- CSW will specifically evaluate proposals to determine the most responsive proposal and responsible firm, as determined by the following criteria:
 - ◆ 10% - Demonstrated understanding of the Scope of Work
 - ◆ 30% - Demonstrated experience and qualifications
 - ◆ 30% - Past performance of the firm, including timely completion of projects, compliance with the scope of work performed within budgetary limitations, and user satisfaction
 - ◆ 10% - Composition of the staff assigned to the performance of these services and their qualifications and experience with relevant services such as that being proposed; Adequacy of personnel to accomplish the proposed scope of work within the schedule indicated.
 - ◆ 15% - Cost
 - ◆ 5% - References, both provided and discovered.

CSW acknowledges that selecting best value providers primarily requires a balanced combination of (1) reasonable rates and the availability of flat fees, blended rates and caps on fees, and (2) strong experience and demonstrated expertise in providing Audit Services.

- CSW, specifically the FAC, will utilize information submitted to evaluate Proposals. Each submission will be reviewed for responsiveness. Qualified proposals shall be evaluated in accordance with the specifications and evaluation criteria contained herein by the FAC. Respondents whose proposals are classified by the Screening Committee as non-responsible shall be notified.
- CSW may make such investigations as are deemed necessary to determine the ability of a firm to provide the work as specified herein.
- CSW reserves the right to clarify or request additional information, presentations and/or demonstrations for clarification in order to understand the respondent's proposal.
- Award shall be recommended for the firm which is judged to be best qualified and provide the best value to render the services.
- Firms shall furnish CSW all such information and data necessary for the CSW to determine if the Proposal is responsible and responsive to the CSW's requirements as stated herein.
- CSW reserves the right to solicit best and final offers only from a short list of respondents receiving the highest evaluated scores. If short listing occurs, best and final offers shall be solicited from not less than two of the highest evaluated scores.
- CSW reserves the right to negotiate or modify any element of the proposal to ensure that the best possible arrangement for achieving the stated purpose is obtained.

- Interviews will be conducted with either the whole FAC or a portion of, including the president & CEO and finance director.
- If the firm, to whom an award is made, shall fail to execute the contract as specified, the award may be annulled and the contract awarded to the second most responsive and responsible firm, and such firm shall fulfill every stipulation included herein, as if the firm were the original party to whom the award was made, or again, CSW may at that point reject any and/or all of the Proposals as its best interest may require.

4. Confidentiality

The firm acknowledges that during the engagement he or she may have access to and become acquainted with various trade secrets, inventions, innovations, processes, information, records and specifications owned or licensed by CSW and/or used by CSW in connection with the operation of its business including, without limitation, CSW's financial information, business and processes, methods, customer lists, accounts and procedures. The contractor agrees that he or she will not disclose any of the aforesaid, directly or indirectly, or use any of them in any manner, either during the term of this agreement or at any time thereafter, except as required in the course of this engagement with CSW. Upon the expiration or earlier termination of the agreement, or whenever requested by CSW, the contractor shall immediately deliver to CSW all such files, records, documents, specifications, information, or other items in his or her possession or under his or her control. The contractor further agrees that he or she will not disclose his or her retention as an independent contractor or the terms of the agreement to any person without the prior written consent of CSW and shall at all times preserve the confidential nature of his or her relationship to CSW and of the services hereunder.

5. Property

All files, records, documents, specifications, information, letters, notes, media lists, original work, notebooks and similar items relating to the business of CSW, whether prepared by the contractor or otherwise coming into his or her possession, shall remain the exclusive property of CSW. The contractor shall not retain any copies of the foregoing without CSW's prior written permission.