

# **GST Michigan Works!**

## **Request for Quote (RFQ) for Audit Services**

For the Period

July 1, 2022 to June 30, 2023

### **QUOTES SHOULD BE MAILED TO:**

Kelly Cook, CFO  
GST Michigan Works!  
3270 Wilson Street  
Marlette, MI 48453  
Phone: (989) 635-3561

### **OR SUBMITTED BY EMAIL TO:**

[kcook@gstmiworks.org](mailto:kcook@gstmiworks.org)

Quotes must be received no later than 4:00 p.m. on **Friday, May 26, 2023.**

**I. General Information**

**A. Purpose**

This Request for Quote (RFQ) is to contract for a financial and compliance audit. The quote includes options for two (2) additional years. This RFQ will be available on our RFP/RFQ/Public Notice page at [www.gstmiworks.org](http://www.gstmiworks.org).

Any updates or corrections to this RFQ will be posted on our website ([www.gstmiworks.org](http://www.gstmiworks.org)).

GST Michigan Works! (GSTMW) is an EOE/Program. Auxiliary aids and services are available upon request to individuals with disabilities.

**B. Who May Respond**

Only licensed Certified Public Accountants may respond to this RFQ, herein referred as “Respondent”.

**C. Respondent’s Conference**

It is not the intent of GSTMW to hold a Respondent’s conference. However, please watch our website for any changes or additional information.

**D. Instructions on Quote Submission**

1. Closing Submission Date

Quote must be submitted no later than 4:00 p.m. on **Friday, May 26, 2023. Quotes and modifications received after that date will not be considered.**

2. Inquires

Inquires and/or questions concerning the RFQ should be emailed to Kelly Cook at [kcook@gstmiworks.org](mailto:kcook@gstmiworks.org) by May 15, 2023.

3. Conditions of Quote

This request does not commit GST Michigan Works! to award or pay any costs incurred in preparation of a quote in response to this request. GSTMW reserves the right to accept or reject any or all bids received as a result of this request without negotiations; to negotiate with qualified sources; or to cancel in part or in its entirety this request for quotes if it is in the best interest of GSTMW.

GSTMW may require a Respondent to enter into an agreement based upon their quote without further discussion or may require the Respondent to enter negotiations. GSTMW reserves the right to request any additional data or discussion/presentation in support of the written quote at any time, prior to the execution of a contract. Respondent may be required to submit cost, technical or other revisions of their quote that may result from such negotiation. All materials submitted in response to this RFQ become the property of GSTMW.

4. Instructions to Prospective Respondents

Your quote should be addressed as follows:

Kelly Cook, CFO  
GST Michigan Works!  
3270 Wilson Street  
Marlette, MI 48453

Or submitted via email to: [kcook@gstmiworks.org](mailto:kcook@gstmiworks.org)

It is the responsibility of the Respondent to ensure the quote is received by GSTMW by the date and time specified on the cover sheet.

5. Right to Reject

GSTMW reserves the right to reject any and all quotes received in response to this RFQ. A contract for the accepted quote will be based upon the factors described in this RFQ.

6. Small, Veteran Owned and/or Minority-Owned Businesses and Women's Business Enterprises

Efforts will be made by GSTMW to utilize small businesses, minority-owned businesses and women's business enterprises. A Respondent qualifies as a small business firm, if it meets the definition of "Small Business" as established by the Small Business Administration (2 CFR Part 200.321 (b) (1)) by having average annual receipts for the last three fiscal years of less than six million dollars. Please identify your status in the application.

7. Notification of Award

It is **expected** that a decision selecting the successful audit firm will be made by June 12, 2023.

It is expected that the contract shall be a one (1) year fixed price contract with options for two (2) additional one-year periods.

**E. Description of Entity and Records to be Audited**

GSTMW is a local specialized unit of county government and is exempt from federal income tax. The counties represented by GSTMW are: Genesee, Huron, Lapeer, Tuscola, Sanilac and Shiawassee. Grants total approximately \$15-20 million annually. GSTMW predominately operates under the federal Workforce Innovation and Opportunities Act (WIOA), Trade Act, TANF PATH, State funded PATH and Wagner Peyser funds. The organization is charged with providing meaningful employment and training services to eligible citizens and businesses in our six-county area. Program services include, but are not limited to, On-The-Job training (OJT), Employer Incumbent Worker Training, Individual Training Accounts (ITA), Work Experience (WE), job search activities, and employer services. There are eight major subcontractors. The contractors receive anywhere from \$85,000 to \$9,000,000. GSTMW processes some participant payments for the adult, out-of-school, welfare reform and other programs.

GSTMW is located at 3270 Wilson Street, Marlette, MI 48453. All financial records to be audited are located at this address. GSTMW has an approximately fifty-six (56) staff members that are paid bi-weekly. Staff are responsible for the support of the Workforce Development and Governing Boards. The records to be audited include financial statements produced from an automated accounting system (Abila MIP) with General Ledger, Accounts Payable, Payroll and Cash Receipts journals. We have four bank accounts (Operating account, 2 unrestricted accounts, and participant payment account) with approximately 5,000 checks issued per year.

Cash receipts received from funding authorities are received from the State of Michigan via electronic funds transfer. There are several rent checks and other miscellaneous receipts received directly for deposit.

Respondent may view records during normal business hours prior to quote submission.

**F. Options**

At the discretion of GSTMW, this audit contract can be extended for two (2) additional one-year periods. GSTMW is requesting the Respondent to provide quotes for the first year and two additional years if contract were extended.

**II. Specification Schedule**

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

The purpose of the RFQ 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 the state or other political subdivision of the United States to perform a financial and compliance audit of GSTMW.

Government Audit Standards:

Financial statement audits determine (1) whether the financial statements of an audited entity present fairly the financial position, results of operations, and cash flows or changes in financial position in accordance with generally accepted accounting principles, and (2) whether the entity has complied with laws and regulations for those transactions and events that may have a material effect on the financial statements.

**B. Description of Programs/Contracts/Grants**

GSTMW receives contracts from the State of Michigan for WIOA, Title 1 Adult, Dislocated Worker, Youth, Trade Act, Temporary Assistance for Needy Families, State Administrative Grants for SNAP, Wagner-Peyser, State funded PATH Programs and other employment and training grants. Additional funding from other funding sources for programs such as Jobs for Michigan Graduates, H1-B Job Training, Apprenticeship is also received.

**C. Performance**

GSTMW's records should be audited for the period of **July 1, 2022 to June 30, 2023**.

The Respondent is required to prepare audit reports in accordance with the 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (superseding *Government Auditing Standards*; OMB Circular A-133, *Audits of States, Local Governments and Nonprofit Organization*; and Single Audit Act of 1984); Workforce Investment Act

Regulations, Section 667.200(b)(2)(ii); and Workforce Innovation and Opportunity Act.

**D. GSTMW Furnished Materials**

GSTMW shall make the copier and a phone available for use during the audit period. In addition, GSTMW shall make available all copies of Grant Action Notices (GANs), financial statements including Schedule of Expenditures of Federal Awards, reconciling worksheets, board minutes, and financial reports submitted to funding authorities.

**E. Delivery Schedule**

Respondent is to transmit one copy of the draft audit report to GSTMW's CEO. The draft audit report is due on **December 8, 2023**.

The Respondent shall deliver five (5) copies and a PDF version of the final audit reports to GSTMW's CEO no later than **January 15, 2024**. Respondent also agrees to make a board presentation of the audit at a meeting to be determined between January and March 2024, if requested.

Reports may be submitted earlier than the above schedule. However, if the Respondent fails to make the delivery of the audit reports within the time schedule specified herein, or if the Respondent delivers audit reports that do not conform to all the provisions of the contract, GSTMW may, by written notice of default to the Respondent, terminate the whole or any part of this contract. Under certain extenuating circumstances, the contracting agent may extend this schedule upon written request of the Respondent with sufficient justification.

**F. Price**

The Respondent shall provide, in consideration for performing all the requirements contained herein, the total bid price for the financial and compliance audit. The bid price should include all expenses for labor, communication, travel and miscellaneous expenses during year one (1) of the contract.

Additionally, the Respondent shall estimate for total annual costs for years two (2) and three (3).

In the event GSTMW would need additional auditing/consulting services, such work may be negotiated on an hourly basis. The Respondent shall indicate its hourly rate for the first year of the contract for such additional work, with the acknowledgement that it may be renegotiated during subsequent years.

## **G. Payment**

Payment will be made when GSTMW has determined that the total work effort has been satisfactorily completed. Should GSTMW reject a report, a GSTMW authorized representative will notify the Respondent in writing of such rejection giving the reason(s). The right to reject a report shall extend throughout the term of this contract and for ninety (90) days after the Respondent submits the final invoice for payment.

Progress payments will be allowed to the extent that GSTMW can determine that satisfactory progress is being made.

Upon delivery of the five (5) copies of the final reports to GSTMW and their acceptance and approval, the Respondent may submit a bill for the balance due on the contract for the audit.

## **H. Audit Review**

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

## **I. Exit Conference and Work Papers**

An exit conference with GSTMW representatives and the Respondent's representatives will be held at the conclusion of the fieldwork. Observations and recommendations will be discussed with GSTMW representatives. The Respondent will provide a copy of the work papers pertaining to any questioned cost(s) determined in the audit. The work papers must be concise and provide the basis for the questioned cost(s) as well as an analysis of the program.

The work papers will be retained for at least three years from the end of the audit period.

The work papers will be available for examination by authorized representatives of the cognizant federal or state audit agency, the General Accounting Office and GSTMW.

## **J. Confidentiality**

The Respondent agrees to keep the information related to all contracts in strict confidence. Other than the reports submitted to GSTMW, the Respondent agrees not to publish, reproduce or otherwise divulge such information in whole or in part, in any manner or form or authorize or permit others to do so, taking such reasonable measures as are necessary to restrict access to the information while in the Respondent's possession, to these employees on the Respondent's staff who

must have the information on a “need-to-know” basis. The Respondent agrees to immediately notify, in writing, GSTMW’s authorized representative in the event the Respondent determines or has reason to suspect a breach of this requirement.

All participant names in the audit report must be suppressed. Therefore, the auditor will, when necessary to refer to particular participants, refer them as participant A, participant B, etc. The Respondent must then provide GSTMW with a key which will identify the participant by name and contract or MIS number/code.

**K. AICPA Professional Standards**

The AICPA Professional Standards state:

Ethics Interpretation 501-3 – Failure to follow standards and/or procedures or other requirements in governmental audits.

Engagements for audits of government grants, government units or other recipients of government monies typically require that such audits be in compliance with government standards, guides procedures, statutes, rules and regulations, in addition to generally accepted auditing standards. If member has accepted such an engagement, and undertakes an obligation to follow specified government audit standards, guides, procedures, statutes, rules and regulations, in addition to generally accepted auditing standards, he/she is obligated to follow such requirements. Failure to do so is an act discreditable to the profession in violation of Rule 501, unless the member discloses in his/her report the fact that such requirements were not followed and the reasons therefore.

**L. Auditor Independence**

The Michigan Workforce Development Agency requires auditor independence. Auditor independence must be thought of as freedom from persuasion, influence, or control by a client or anyone having an interest in an audit.

**III. Respondent’s Technical Qualifications**

The Respondent, in its quote, shall, as a minimum, include the following:

**A. Prior Auditing Experience**

The Respondent 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:

- a. Prior experience auditing programs financed by the Federal Government.
- b. Prior experience auditing similar programs funded by the State of Michigan.
- c. Prior experience auditing programs of similar scope and size.

**B. Organization, Size and Structure**

The Respondent should describe its organization, size (in relation to audits to be performed) and structure. Indicate, if appropriate, if the firm is a small business, minority-owned business or women's business enterprise. Respondent should include a copy of the most recent Peer Review.

**C. Staff Qualifications**

The Respondent should describe the qualifications of staff to be assigned to the audits. Description should include:

1. Audit team makeup.
2. Overall supervision to be exercised.
3. Prior experience of the individual audit team members.

Only include resumes of staff to be assigned to the audits. Consideration will be given for education, position in firm, years and types of experience, continuing professional education, state(s) in which licensed as a CPA, etc.

**D. Understanding of Work to be Performed**

The Respondent should describe its understanding of work to be performed; including audit procedures, estimated hours, and other pertinent information.

**E. Certifications**

The Respondent must sign and include as an attachment to its quote the Certifications enclosed with this RFQ. The publications listed in the Certifications will not be provided to potential Respondents by GSTMW because GSTMW desires to contract only with an Respondent who is already familiar with these publications.

**IV. Quote Evaluation**

**A. Submission of Quotes**

All quotes shall include one original (1) and three (3) copies of the Respondent's technical qualifications, pricing information and the signed certifications. These documents will become part of the contract.

**B. Non-responsive Quotes**

Quotes may be judged non-responsive and removed from further consideration if any of the following occur:

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

**C. Evaluation**

Evaluation of each quote will be based on the following criteria:

Factors	Point Range
1. Prior Auditing Experience	
a. Prior experience auditing programs financed by the Federal Government	0-5
b. Prior experience auditing similar programs funded by the State of Michigan	0-5
c. Prior experience auditing programs of similar scope and size	0-15

2. Organization, size, and structure of Respondent's firm. (Consideration of size of the organization in relation to audits to be performed.)
  - a. Adequate size of firm 0-5
  - b. Minority/small business/women's business enterprise 0-5
3. Qualifications of staff to be assigned to the audits to be performed. This will be determined from resumes submitted. Education, position in firm, years and types of experience, continuing education, and state(s) in which licensed as a CPA, etc. will be considered.
  - a. Audit team makeup 0-10
  - b. Overall supervision to be exercised 0-5
  - c. Prior experience of the individual audit team members 0-10
4. Respondent's understanding of work to be performed.
  - a. Adequate coverage 0-10
  - b. Realistic time estimates of each audit step 0-5
5. Price 0-25

**MAXIMUM POINTS: 100**

**D. Review Process**

GSTMW may, at its discretion, request presentations by or meetings with any or all Respondents to clarify or negotiate modifications to the Respondent's quotes.

However, GSTMW reserves the right to make an award without further discussion of the quotes submitted. Therefore, quotes should be submitted initially on the most favorable terms, from both technical and price standpoints, which the Respondent can propose.

GSTMW contemplates award of the contract to the responsible Respondent with the highest total points.

**E. Audit Commencement**

**The audit may not start without prior written approval by GSTMW.** Costs incurred for audit services performed prior to receipt of written approval will not be approved for payment.

Following approval, the selected auditor and GSTMW shall agree upon a start date for the audit. The auditor shall confirm this to GSTMW in writing, with a specific engagement letter outlining the audit period, scope, time and date of the entrance conference and contracts to be audited.

## **V. Certifications**

On behalf of the Respondent:

- A. The individual signing certifies that he/she is authorized to contract on behalf of the Respondent.
- B. The individual signing certifies that that Respondent 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 Respondent.
- C. The individual signing certifies that the prices in this quote have been arrived at independently, without consultation, communication, or agreement, for the purposes of restricting competition.
- D. The individual signing certifies that the prices provided in this quote have not been knowingly disclosed by the Respondent prior to an award to any other Respondent or potential Respondent.
- E. The individual signing certifies that there has been no attempt by the Respondent to discourage any potential Respondent from submitting a quote.
- F. The individual signing certifies that the Respondent is a properly licensed certified public accountant, or public accountant licensed on or before July 1, 2020.
- G. The individual signing certifies that the Respondent meets the independence standards of the Government Auditing Standards.
- H. The individual signing certifies that he/she is aware of and will comply with GAO Continuing Education Requirements of 80 hours of continuing education every two years; and that 24 hours of the 80 hours education will be in subjects directly related to the government environment and to government auditing for individuals.
- I. The individual signing certifies that he/she is aware of and will comply with GAO requirement of an external quality control (peer) review at least once every three (3) years.

- J. The individual signing certifies that he/she has read and understands the following publications relative to the proposed audits;
1. Government Auditing Standards (Yellow Book)
  2. OMB Circular A-133 – Audit of States, Local Governments, and Non-Profit Organizations
  3. OMB Circular A-133 – Compliance Supplement
  4. 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
- K. The individual signing certifies that he/she has read and understands all the information in the Request for Quote, including the information on the programs/grants/contracts to be audited and will comply with all the terms and conditions set forth in the Request for Quote.
- L. The individual signing certifies that the Respondent, and any individuals to be assigned to the audits, 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 Respondent 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.)
- M. **RESPONDENT CERTIFICATION SIGNATURES (Please sign statement on next page)**

**RESPONDENT CERTIFICATION SIGNATURES**

Respondent's Firm Name \_\_\_\_\_

I, \_\_\_\_\_ certify that I am the \_\_\_\_\_ of the  
(corporation) (committee) (commission) (partnership) (association) (proprietorship) named as respondent  
herein; that \_\_\_\_\_ who signed this contract on behalf of the respondent is  
the \_\_\_\_\_ for the said (corporation) (committee) (commission) (partnership)  
(association) (proprietorship); that said bid was duly submitted for and in behalf of said  
organization by authority of its governing body and is within the scope of its (corporation) (committee)  
(commission) (partnership) (association) (proprietorship) powers.

\_\_\_\_\_  
**Signature of Respondent**

\_\_\_\_\_  
**Print Name and Title**

\_\_\_\_\_  
**Signature of Respondent's Representative**

\_\_\_\_\_  
**Print Name and Title**

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 202

When the respondent is an individual owner, the signature shall be witnessed by two other persons.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Witness

## VI. Quote Evaluation

Respondent: \_\_\_\_\_

Reviewer Name and Title: \_\_\_\_\_

Reviewer's Signature: \_\_\_\_\_

Date: \_\_\_\_\_

### A. NON-RESPONSIVE QUOTES

Quotes may be judged non-responsive and removed from further consideration if any of the following occur:

1. Was the quote received timely in accordance with the terms of this RFQ?  
Yes \_\_\_\_\_ No \_\_\_\_\_
2. Does the quote follow the specified format?  
Yes \_\_\_\_\_ No \_\_\_\_\_
3. Does the quote include the certifications?  
Yes \_\_\_\_\_ No \_\_\_\_\_
4. In your judgment, is the quote adequate to form that the proposed undertaking would comply with Government Audit Standards of the U.S. Comptroller General.  
Yes \_\_\_\_\_ No \_\_\_\_\_

Comments:

**B. EVALUATION**

Evaluation of each quote will be based on the following criteria:

<u>Factors</u>	<u>Point Range</u>	<u>Score</u>
<b>1. Prior Auditing Experience</b>		
a. Prior experience auditing programs financed by the Federal Government	0-5	_____
b. Prior experience auditing similar programs funded by the State of Michigan	0-5	_____
c. Prior experience auditing programs of similar scope and size	0-15	_____
<b>2. Organization, size, and structure of Respondent's firm. (Consideration of size of organization in relation to audits to be performed.)</b>		
a. Adequate size of firm	0-5	_____
b. Minority/small business/women's business enterprise	0-5	_____
<b>3. Qualifications of staff to be assigned to the audits to be performed. This will be determined from resumes submitted. Education, position in firm, years and types of experience, continuing education, and state(s) in which licensed as a CPA, etc. will be considered.</b>		
a. Audit team makeup	0-10	_____
b. Overall supervision to be exercised	0-5	_____
c. Prior experience of the individual audit team members	0-10	_____
<b>4. Respondent's understanding of work to be performed.</b>		
a. Adequate coverage	0-10	_____
b. Realistic time estimates of each audit step	0-5	_____
<b>5. Price</b>	0-25	_____
<b>MAXIMUM POINTS:</b>		<b>100</b>

Comments:

Total \_\_\_\_\_