



Maine State Housing Authority

Requests for Proposals Auditing Services

SCHEDULE

Issued: October 23, 2017

Deadline for Questions: November 10, 2017

Deadline for Submitting Proposals: December 22, 2017 5:00 p.m. ET

MaineHousing Contact Person: Darren Brown, Director of Finance

E-mail: dbrown@mainehousing.org

MaineHousing does not discriminate on the basis of race, color, religion, sex, sexual orientation, gender identity or expression, national origin, ancestry, physical or mental disability, age, familial status, or receipt of public assistance in the admission or access to or treatment in its programs and activities. In employment, MaineHousing does not discriminate on the basis of race, color, religion, sex, sexual orientation, gender identity or expression, national origin, ancestry, age, physical or mental disability, or genetic information. MaineHousing will provide appropriate communication auxiliary aids and services upon sufficient notice. MaineHousing will also provide this document in alternative formats upon sufficient notice. MaineHousing has designated the following person responsible for coordinating compliance with applicable federal and state nondiscrimination requirements and addressing grievances: Louise Patenaude, Maine State Housing Authority, 353 Water Street, Augusta, Maine 04330-4633, Telephone Number 1-800-452-4668 (voice in state only), (207) 626-4600 (voice), or Maine Relay 711.

Maine State Housing Authority, 353 Water Street, Augusta, Maine 04330

FIRM INFORMATION SHEET
for
Maine State Housing Authority
Requests for Proposals – Auditing Services

Provide the following information and include this completed and signed Firm Information Sheet at the front of proposal.

General Information

Company Name

Street Address

City, State, Zip Code

General Phone Number

Toll-free Number (if any)

Contact Person for Questions

Name and Title

Address

E-mail address

Phone

Name, Title and Signature of Individual with Authority to Bind Firm

Name

Title

Signature

Date



Maine State Housing Authority Requests for Proposals – Auditing Services

SECTION ONE INTRODUCTION

- A. Maine State Housing Authority ("MaineHousing") is soliciting proposals from qualified certified public accounting firms ("firm") to provide auditing services as generally described in Section 3 of this Requests for Proposals (RFP) for five calendar years beginning with the calendar year ending December 31, 2018. MaineHousing intends to award a single contract to a firm that will provide all of the auditing services specified in this RFP.
- B. MaineHousing is an independent state agency that was created by the Maine Legislature. It is a public body corporate and politic and instrumentality of the State. It is a discretely presented major component unit of the State of Maine for financial reporting purposes.
- C. MaineHousing issues bonds, allocates federal low-income housing tax credits, and provides financing under federal and state funded programs to finance single family and multifamily affordable housing in the state of Maine. It also administers various housing and energy related state and federal programs and collects and disburses federal rent subsidies for low income housing. Bonds issued by MaineHousing are payable solely from the assets of the various programs which are pledged under the resolutions authorizing the particular issues.
- D. MaineHousing is governed by a Director and nine other Commissioners. The Director and eight other Commissioners are appointed by the Governor and confirmed by the Legislature. The tenth Commissioner is the Treasurer of the State who serves ex officio.
- E. Additional information concerning MaineHousing, including MaineHousing's historical financial statements, can be found at www.mainehousing.org.

SECTION TWO GENERAL TERMS AND CONDITIONS

- A. The Issuing Officer, identified below, is the sole point of contact regarding this RFP from the date of issuance until selection of the successful firm.

Darren R. Brown
Director of Finance
Maine State Housing Authority
353 Water Street
Augusta, Maine 04330
dbrown@mainehousing.org

- B. From the issue date of this RFP until announcement of the successful firm, firms may contact only the Issuing Officer via email. Verbal communications, facsimile transmission, and hard copy documents will not be accepted.
- C. Firms may be disqualified should they contact any MaineHousing Board Commissioner or employee other than the Issuing Officer regarding this RFP.
- D. All questions, including requests for clarification, must be submitted by e-mail to Darren Brown, Director of Finance, at dbrown@mainehousing.org no later than November 10, 2017. MaineHousing will respond to questions that MaineHousing deems relevant and material to this RFP by providing a list of such questions and MaineHousing's responses no later than December 1, 2017. Any responses provided by MaineHousing to questions will become part of this RFP.
- E. All proposals submitted and received by MaineHousing will be treated as offers to contract. A proposal must remain open from the time of receipt of the proposal by MaineHousing and continuing for a minimum of 180 days and may not be unilaterally modified during that period. Alterations, modifications or variations of a proposal after the submission deadline will not be considered by MaineHousing unless authorized by an amendment or addendum to this RFP issued by MaineHousing. In the case of any award pursuant to this RFP, the awarded firm must keep in effect all proposal terms, including pricing, throughout any contract negotiations.
- F. The term of any contract awarded pursuant to this RFP will be up to a maximum of five (5) years from the date the contract is executed subject to satisfactory annual reviews at the sole discretion of MaineHousing. The auditors must be prepared to perform required services beginning with the year ending December 31, 2018.
- G. All proposals submitted, including all items and materials submitted as part of the proposals, become the property of MaineHousing, whether or not selected. Proposal materials may be appended by MaineHousing to any contract between MaineHousing and the firm providing such materials
- H. Firms may be required to make a presentation of their proposal. The presentation, if necessary, will occur at MaineHousing's offices. The determination as to the need for presentations, and the order and schedule of the presentations, is at the sole discretion of MaineHousing.
- I. The costs of preparation and delivery of the proposal are solely the responsibility of the submitting firm.

**SECTION THREE
SCOPE OF SERVICES**

Services to be provided for each calendar year shall include, but are not limited to, the following:

- A. Conduct an annual audit of MaineHousing's financial statements with the objective of providing an Independent Auditors' Report and expressing an opinion on the financial statements prepared by MaineHousing and satisfying the audit requirements imposed by the *Single Audit Act*, Subpart F of Title 2 Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Audits are to be performed in accordance with auditing standards generally accepted in the United States of America (GAAS); *Government Auditing Standards* issued by the Comptroller General of the United States (GAS); the provisions of the *Single Audit Act*, Subpart F of Title 2 CFR Part 200 of the Uniform Guidance; and the U.S. Office of Management and Budget's (OMB) Compliance Supplement for the applicable year.

- B. The audited financial statements and Independent Auditors' Report must be completed and issued by March 31 for each of the five years ended December 31, beginning with the calendar year ending December 31, 2018.
- C. Appear before MaineHousing's Board of Commissioners to make oral presentations of the written audit reports and as otherwise may be requested by MaineHousing.
- D. In addition to the Independent Auditors' Report on MaineHousing's financial statements, the following types of reports must be issued:
 - 1. A report on the fairness of the presentation of MaineHousing's schedule of expenditures of federal awards.
 - 2. Reports on internal control related to the financial statements and major programs. Reports shall describe the scope of testing of internal controls and the test results.
 - 3. Reports on compliance with laws, regulations, and the provisions of contracts or grant agreements. Reports shall include any noncompliance which could have a material effect on the financial statements and any noncompliance which could have a direct and material effect, as defined by Subpart F of Title 2 CFR Part 200 of the Uniform Guidance on each major program.
 - 4. A schedule of findings, responses, and questioned costs.
 - 5. A report on additional information that is referred to as the "Financial Data Schedule" as required by the U.S. Department of Housing and Urban Development (HUD).
 - 6. A "Data Collection Form for Reporting on Audits of States, Local Governments, and Non-Profit Organizations" (Form SF-SAC) in accordance with single audit requirements.
 - 7. An electronic file of the audited basic financial statements and supplemental information and Single Audit Act reports that can be used to publish such statements on MaineHousing's website.
- E. MaineHousing periodically prepares official statements in connection with the sale of bonds. The official statements contain audited financial statements and the auditor's report thereon as well as unaudited quarterly financial information. The auditor will be required to perform down-to-date procedures and issue an agreed upon procedures report relative to each bond sale where such procedures are required pursuant to the underwriting agreement.
- F. The financial statements of MaineHousing are included as a component unit of the financial statements of the State of Maine. The auditor will be required to issue a representation letter to the State of Maine Department of Audit.
- G. MaineHousing is required to prepare annually an analysis of savings from and benefits of its tax-exempt financing pursuant to 10 MRSA Sec. 363. The auditor will perform and issue a report on agreed upon procedures as prescribed by MaineHousing and the State's Joint Standing Committee for Labor, Commerce, Research and Economic Development.

- H. MaineHousing is required to electronically submit the annual financial statements and other required supplemental financial and compliance information to HUD through the Real Estate Assessment Center (REAC) Financial Assessment Subsystem (FASS-PH). The auditor will be required to review the submission and complete the associated auditor's requirements.
- I. Provide information and guidance when needed relating to proper financial treatment of financial transactions that are new or unusual to MaineHousing.
- J. The auditor will retain all work papers in accordance with industry standards and make its work papers available as requested by MaineHousing.

**SECTION FOUR
INFORMATION TO BE PROVIDED IN RESPONSE**

The proposal should demonstrate the qualifications, competence and capacity of the firm to effectively and efficiently audit MaineHousing in conformity with the requirements of this RFP. In providing the following information, restate each item and sub-item with its letter and number. Responses to each item must be included immediately after the restated item without reference to any appendix or attachment. While additional information may be presented, the following items must be included:

A. GENERAL INFORMATION

- 1. Provide a description of the firm with at least the following information:
 - a. The year the firm was organized.
 - b. The total number of audit staff employees.
 - c. The location of the office that will work on the audit engagement.
 - d. The size of the firm's governmental and financial institution client base.
- 2. Provide the name, title, address, telephone number(s), fax number and e-mail address of a primary contact person that will be responsible for day-to-day contact with MaineHousing and any backup personnel that will be accessible if the primary contact cannot be reached.
- 3. Provide evidence of certification from the State of Maine that the firm is qualified and has a current license to do business in the State of Maine. Also, provide an affirmative statement that all assigned key professional staff are properly registered or licensed to practice in the State of Maine.
- 4. Indicate if the firm is a Maine Business. For the purpose of this RFP, a Maine Business is one that currently meets each of the following criteria:
 - a. Physical office location within the borders of Maine;
 - b. Employment of at least one Maine resident; and
 - c. Subject to State of Maine taxes such as: Business Income or Corporate Income, property, employment unemployment, worker's compensation)
- 5. Provide documentation of the ability to meet the following mandatory professional qualifications. These mandatory qualifications must be met for a proposal to be further evaluated under the evaluation criteria included in Section Five of this RFP.
 - a. Must be a certified public accounting firm licensed to practice in the state of Maine

- b. Must be independent in accordance with applicable standards in the American Certified Public Accountants and Government Auditing Standards
- c. Must have audit experience with state housing finance agencies
- d. Must have performed audits of a state government, local government, and/or affordable housing finance entity with assets over \$500 million within the last three (3) years.
- e. Must have experience with mortgage and commercial banks with assets exceeding \$1 billion that have substantial activity in the origination of mortgage loans within the last three (3) years.

B. FIRM EXPERIENCE AND CAPABILITY

1. Describe the firm's audit experience with state housing finance agencies. Describe how this experience demonstrates the ability to provide the services outlined for the respective activities in Section Three of this RFP. Include prior experience with MaineHousing, if any.
2. Describe in detail the firm's audit experience with a state government, a local government, and/or an affordable housing entity with assets over \$500 million that supports the qualifications requirements set forth in the General Information section. Describe how this experience demonstrates the ability to provide the services outlined for the respective activities in Section Three.
3. Describe in detail the firm's audit experience with mortgage and commercial banks with assets over \$1 billion that have substantial activity in the origination of mortgage loans and supports the qualifications requirements set forth in the General Information section. Describe how this experience demonstrates the ability to provide the services outlined for the respective activities in Section Three.
4. Provide information on experience in the areas of bond sales and arbitrage tax matters. Provide listing of all bond issuing entity clients, including state housing finance agencies, for which the firm provided professional services within the last three (3) years.
5. Provide a copy of the most recent external quality control peer review, with a statement whether that quality control review included a review of specific government and financial institution engagements.
6. Provide information on the results of any federal or state desk reviews or field reviews for the past three (3) years. In addition, provide information on the circumstances and status of any disciplinary action taken, pending or threatened against the firm during the past three (3) years with state regulatory bodies or professional organizations.

C. ENGAGEMENT TEAM QUALIFICATION AND EXPERIENCE

1. Identify the principal supervisory and management staff, including the engagement partners, managers, other supervisors and specialists who would be assigned to the engagement. Provide information on the government and financial institution auditing experience of each person, including information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit.

2. Describe how the quality of staff over the term of the agreement will be assured. Indicate how much time will be required of MaineHousing staff for familiarizing the auditing staff with MaineHousing and applicable laws, programs, and accounting practices.

D. AUDIT APPROACH

1. Describe the audit approach for the engagement. The approach should demonstrate the understanding of the audit requirements and the audit tests and procedures to be applied in completing the audit engagement and should include, but not be limited to, the following:
 - a. Proposed segmentation of the engagement.
 - b. Level of staff and number of hours to be assigned to each proposed segment of the engagement.
 - c. Use of computer audit and/or other specialists.
 - d. Approach to be taken to gain and document an understanding of MaineHousing's programs, laws, regulations, account structure and internal controls.
 - e. The types and formats of client schedules and any other information to be provided by MaineHousing.
 - f. The plan for transitioning from the predecessor auditing firm, if necessary.
2. Describe the approach to keeping clients informed of new or revised accounting pronouncements, standards guidelines, accounting changes, audit procedure additions or changes and changes in markets or in regulations, especially related to state housing finance agencies.

E. FEE PROPOSAL

1. Provide a total fixed fee amount to perform the audit work described in Section Three Parts A through D for each of the five calendar years beginning with the calendar year ending December 31, 2018. The total fixed fee amount must contain all direct and indirect costs, including all out-of-pocket expenses.
2. Provide an itemized schedule of fees for each area identified in Section Three Parts E through I.
3. Specify the circumstances for which there will be additional charges for any service beyond the audit engagement outlined or other areas specifically identified in this proposal. Indicate whether the time associated with answering questions throughout the year regarding various accounting issues, such as accounting for new programs or implementing new accounting pronouncements will warrant additional costs to MaineHousing and how those costs will be determined.

SECTION FIVE EVALUATION CRITERIA

Firms meeting the mandatory professional qualifications under Section Four A. 4 will have their proposals evaluated based on the criteria described in Parts A, B, C and D of this Section Five. Proposals submitted by firms that do not meet the mandatory qualifications under Section Four A. 4 will not be evaluated.

- A. The firm's experience, capacity and approach to deliver the services described in Section Three of this RFP.

- B. The firm's responsiveness and adherence to the instructions in this RFP.
- C. The total fees of the firm's proposal, including the fees for the audit and the fees for the other services outlined in this RFP, in accordance with the criteria of Section Four E above.
- D. Preference will be given to firms that are a Maine Business as defined in Section Four A. 4.

**SECTION SIX
SUBMISSION REQUIREMENTS**

- A. All proposals must be submitted by e-mail in PDF format or by printed hard copy and must be received by MaineHousing no later than 5:00 p.m. ET on December 22, 2017.
- B. If submitted by e-mail, the proposal must be sent to Darren Brown at dbrown@mainehousing.org and the subject line must state "RESPONSE TO REQUESTS FOR PROPOSALS AUDITING SERVICES".
- C. Proposals submitted as a hard copy must include one (1) original and three (3) copies. The envelope containing the proposal must be visibly labeled "RESPONSE TO REQUESTS FOR PROPOSALS AUDITING SERVICES" and be addressed to the attention of:

Darren Brown, Director of Finance
Finance Department
Maine State Housing Authority
353 Water Street
Augusta, Maine 04330

- D. Proposals that do not arrive by 5:00 p.m. ET on December 22, 2017 **will not be accepted**. It is the responsibility of each firm to ensure timely receipt of its proposal by MaineHousing. MaineHousing is not responsible for any late delivery of a proposal for any reason.
- E. Facsimile or telephone proposals **will not be considered**.
- F. As part of the proposal, firms must respond to the following Conflict of Interest Disclosure question: Does the firm, any principal or affiliate of the vendor, or anyone who will be paid for work on the contract have business ties, familial relationships, or other close personal relationships with a current MaineHousing employee or commissioner or anyone who was a MaineHousing employee or commissioner within the past two years? If yes, describe. In addition, firms must complete and submit the Firm Certification Form attached to this RFP as Appendix A.
- G. Proposals must be presented in a format that corresponds and refers to the section numbers and headings used in this RFP and must be presented in the same order. Pages must be numbered consecutively.
- H. All information requested by this RFP must be submitted as part of the proposal. **Only information that is received in response to this RFP will be evaluated**. References to information submitted to MaineHousing outside this RFP process or references to Internet website addresses will be deemed non-responsive and will not be considered by MaineHousing.

- I. All proposals must include the completed and signed Firm Information Sheet included in this RFP. Include the completed and signed Firm Information Sheet at the front of your proposal.

**SECTION SEVEN
OTHER TERMS AND CONDITIONS**

- A. In addition to the rights reserved by MaineHousing elsewhere in this Invitation, MaineHousing reserves the right:
1. To adjust the timetable for this RFP as deemed necessary.
 2. To waive informalities and minor irregularities in proposals received.
 3. To reject and not consider any or all firms who do not meet the requirements of this RFP, including but not limited to incomplete responses and/or non-responsive proposals.
 4. To reject any or all proposals received and not to award a contract pursuant to this RFP, or to cancel or terminate this RFP process at any time, whether before or after any proposals have been submitted or received, if deemed by MaineHousing to be in its best interest.
 5. To negotiate price or other factors included in any proposal submitted to MaineHousing, and in the event MaineHousing is unable to negotiate a mutually satisfactory contract with the successful firm under this RFP, MaineHousing may, in its sole discretion, negotiate with another firm or cancel this RFP and not award a contract to any firm.
 6. To reject the firm selected pursuant to this RFP and to offer a contract to another firm in the event the selected firm does not enter into the required contract to provide the services described in this RFP.
 7. To negotiate directly with one firm if the responses to this RFP demonstrate a lack of competition.
 8. To correct or amend this RFP. In no case will this RFP be amended within seven (7) days of the proposal submission deadline unless the amendment includes an extension of time. MaineHousing will not be liable for any costs incurred as a result of changes to this RFP.
- B. Firm shall maintain in trust and confidence and shall not disclose to any third party, except as such disclosure may be authorized in writing in advance by MaineHousing, and shall not use for any unauthorized purpose, any and all information, documents and data received or obtained from or on behalf of MaineHousing. Firm may use such information, documents and data only to the extent required for the purposes described in this RFP. Firm shall adhere to all security, confidentiality and nondisclosure policies and procedures required by MaineHousing for the protection of such information and data from unauthorized use and disclosure and from loss.
- C. Information submitted by a firm in any proposal becomes public information, and is subject to disclosure in accordance with the requirements of law, including without limitation the Maine Freedom of Access Act, 1 M.R.S.A. Section 400 et seq. ("FOAA"), except as provided therein. Firm acknowledges that MaineHousing is required to comply with FOAA.

- D. Protests of any award made pursuant to this RFP must be submitted in writing to MaineHousing at the address given on the cover page of this RFP, to the attention of: Deputy Director. To be considered, protests must be received by MaineHousing within fifteen (15) calendar days from the date of notification of the contract award and provide specific reasons and any supporting documentation for the protest.

APPENDIX A
FIRM CERTIFICATION FORM

Firm Name

Firm Address

The undersigned Firm represents and certifies as follows:

1. The prices in this proposal have been arrived at independently and without consultation, communication, agreement or disclosure with or to any other Firm or potential Firm.
2. No attempt has been made at any time to induce any firm or person to submit any intentionally high or noncompetitive proposal or to otherwise submit or refrain from submitting a proposal for the purpose of restricting competition.
3. Firm has not given, and will not give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to any employee or representative of MaineHousing in connection with this RFP.
4. Firm acknowledges that MaineHousing will determine whether a conflict of interest exists and that MaineHousing reserves the right to disqualify any Firm on the grounds of actual or apparent conflict of interest.
5. Firm has not employed or retained any person or entity to solicit or obtain any contract resulting from this RFP and has not paid or agreed to pay to any person or entity any commission, percentage, brokerage, or other fee contingent upon or resulting from the award of any such contract.
6. Firm understands and acknowledges that the representations in its proposal are material and important and will be relied on by MaineHousing in evaluating the proposal. Firm certifies that, to the best of its knowledge, all of the information contained in its proposal is true, correct and complete and acknowledges that any intentional misrepresentation by Firm will disqualify Firm from further consideration in connection with this RFP.
7. The undersigned individual is legally authorized to sign this Firm Certification Form for and on behalf of Firm and to bind Firm to the statements made herein.

Name, Title and Signature of Individual with Authority to Bind Firm

Name

Title

Signature

Date