



# WESTSIDE REGIONAL CENTER

## REQUEST FOR PROPOSAL (RFP)

### For a CPA to Serve WRC

Dated March 9, 2022

#### **A. Overview of RFP:**

Westside Regional Center (“WRC”) Board of Trustees is seeking Certified Public Accountant (“CPA”) firms to perform annual audit and assurances; perform annual tax preparation services; and provide management consulting services for a five (5) year period, beginning with fiscal year ending 2021-2022 (July 1, 2021 through June 30, 2022) through fiscal year ending 2025-2026 (July 1, 2025 through June 2026).

WRC invites CPA firms, meeting the qualifications described below, to submit a proposal to WRC for consideration.

#### **B. RFP Submission Period: March 9, 2022 through June 3, 2022**

WRC will accept written proposals from CPA firms between the dates of March 9, 2022 through, and including June 3, 2022. No Proposals will be accepted after the deadline of midnight (12:00am) on June 3, 2022.

#### **C. Background of WRC:**

WRC is a private, nonprofit corporation, which contracts with the State of California’s Department of Developmental Services (“DDS”), to provide services and supports to persons with developmental disabilities and their families in West Los Angeles County. The Internal Revenue Services (IRS) has established WRC as a 501(c)(3) corporation.

WRC serves developmentally disabled consumers from infants to adults. Currently, WRC serves over 10,000 consumers in its catchment area.

Services and supports provided by WRC to our consumers include diagnostic, evaluation, case management, and early intervention services. In addition, WRC purchases services from over 1,000 entities in the community. The purchased services include, but are not limited to, out-of-home residential services, community-based day programs, transportation, independent living services, supported living services, Early Start services for children under the age of 3 years, family supports, such as day or respite, and behavioral intervention services.

WRC's funding for both the operations of the regional center and the services purchased for consumers comes from the DDS. WRC's budget for fiscal year 2021-2022 is \$362,340,557 (\$26,816,320 regional center operations and \$335,524,237 for purchase of services). WRC anticipates similar and/or increased funding from DDS over the next five (5) years.

More information regarding WRC and the services provided by WRC can be found on WRC's website at [www.westsiderc.org](http://www.westsiderc.org).

**D. Relationship with previous CPA Firm:**

Effective March 24, 2011, the State of California's legislature enacted new statute, Welfare and Institutions Code ("WIC"), section 4639, which states that regional centers shall not use the same accounting firm more than five times in every ten year period.

WRC is required to change audit firms beginning with its 2011-2012 fiscal year (July 1, 2011 through June 30, 2012) in order to be in compliance with statute, and thereafter, WRC must change its audit accounting firm every five (5) years. Further, WRC's Board of Trustee policy requires a RFP process to select a new audit accounting firm at least every five (5) years to comply with WIC, section 4639. The previous five (5) year term with our CPA firm ended with WRC's fiscal year ending June 30, 2021.

**E. Qualifications of CPA Firms**

WRC is seeking a CPA firm who provides a full range of capabilities and specialized expertise, including, but not limited to, audit and assurance, tax and accounting services, business advisory services, training services, and has a long standing reputation of integrity, independence, and professional excellence. The CPA firm shall be committed to providing quality audit and assurance and tax preparation services and shall demonstrate that all engagements are conducted in accordance with standards set by the American Institute of Certified Public Accountants ("AICPA") with a philosophy based on integrity, independence, and objectivity. The CPA firm shall be registered with the Public Company Accounting Oversight Board ("PCAOB") and be members of the American Institute of CPA's ("AICPA"). The CPA firm should demonstrate sound quality control systems comprised of internal inspections, peer reviews, and regular audits by the PCAOB. Audit partners and managers shall demonstrate expertise and experience in audits, reviews and compilations of financial statements, as well as tax returns for corporate clients, including exempt organizations. The CPA firm shall demonstrate that audit partners and managers have professional affiliations/membership with the AICPA and the California Society of Certified Public Accountants ("CalCPA"). Additionally, audit partners and managers shall have an "active" license status with the California Board of Accountancy. The CPA firm shall demonstrate ongoing investment in recruiting and retention of their staff and the CPA firm shall demonstrate ongoing technical training, coaching, mentoring, and professional development programs for its staff to ensure that the services are provided by the most qualified and competent professionals.

**F. Services Required of CPA Firm:**

WRC is seeking a CPA firm that has experience working with nonprofit organizations. Since WRC also receives federal awards, the CPA firm should also have significant experience with Government Auditing Standards and Office and Management Budget (OMB) Circular A-133.

1. The following services are required of the audit firm:
  - a. Annual audit and assurances
  - b. Reports required under government auditing standards and OMB Circular A-133
  - c. Tax preparation services
  - d. Management consulting services
  - e. Annual Presentation of Financial Statements for WRC's Board of Trustees
2. At the conclusion of the audit, the following published reports or information returns are required:
  - a. Independent auditors' report
  - b. Financial statements and footnotes
  - c. Schedule of expenditures and federal awards
  - d. Independent auditors' report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with government auditing standards
  - e. Independent auditors' report on compliance with requirements that could have a direct and material effect on each major program and on internal control over compliance in accordance with OMB Circular A-133
  - f. Schedule of findings and questioned costs
  - g. Schedule of prior year recommendations
  - h. Internal Revenue Service Form 990 and related schedules
  - i. California Exempt Organization Annual Information Return, Form 199
  - j. California Registry of Charitable Trusts Form RRF-1
3. The desired audit schedule for the fiscal year ending June 2022 (July 1, 2021 through June 30, 2022), and in the subsequent four (4) fiscal years thereafter, is as follows:
  - a. Books closed and trial balances ready by July 31st
  - b. Fieldwork during October/November
  - c. Draft financial statements and audit reports presented to WRC's Finance Committee (Audit Committee) on the last Wednesday during the month of February
  - d. Final financial statements and audit reports presented to the Center's Board of Trustees on the first Wednesday during the month of March
    - a. Final financial statements and audit reports provided to DDS no later than April 1st, pursuant to WIC, section 4639(a)
  - e. Annual Financial Statement training to the Board of Trustees on the second Wednesday during the month of March
  - f. Draft Tax Returns presented to the Center's Administrative Affairs Committee on the last Wednesday during the month of March
  - g. Final Tax Returns presented to the Center's Board of Trustees on the second Wednesday during the month of April

**G. Information to include in Proposal (See Attachment C):**

1. Statement of the CPA firm's understanding of the services to be provided to WRC
2. The CPA firm's experience and qualifications in working with nonprofit organizations similar to WRC
3. CPA firm's organization and qualifications and experience of audit partners, managers, and staff who would be responsible for this engagement
4. Peer review and registration information
5. Description of the CPA firm's approach to the audit, including a proposed time schedule
6. Fees for the audited financial statements, tax returns, and Board of Trustee financial statement training for each year of the five-year period. The proposal should contain the maximum fees to be charged for services during each fiscal year.

**H. Proposal Preparation**

The following information is provided to assist the CPA firm in preparing their proposal:

1. Attachment A: Proposal Writing Guidelines
2. Attachment B: Proposal Title Page
3. Attachment C: Table of Contents & Proposal Requirements
4. Attachment D: WRC's Audited Financial Statements for the Fiscal Year Ended June 30, 2020 (July 1, 2020 through June 30, 2021)
5. Attachment E: Management Letter
6. Attachment F: Reports Issued for WRC as Required by Government Auditing Standards and OMB A-133 for the Fiscal Year Ended June 30, 2021 (July 1, 2020 through June 30, 2021)
7. Attachment G: WRC's Tax Returns for the Year Ended 2020
8. Attachment H: WIC, Section 4639

## **I. Submission of Proposals**

1. The applicant must submit the completed proposal to WRC by the deadline established by WRC in Section B.
2. Proposals must be emailed or mailed to WRC as follows:

Westside Regional Center  
5901 Green Valley Circle, Suite 320  
Culver City, CA 90230  
Attention: Danny Franco, Director of Finance  
Email: dannyf@westsiderc.org

## **J. Evaluation Criteria**

Each proposal shall be organized into the following five (5) sections, which are described in Attachment C, Table of Contents and Proposal Requirements. Each section will receive a maximum score as follows:

<b>Proposal Section</b>	<b>Maximum Score</b>
CPA firm experience & qualifications in working with nonprofit organizations	20
Organizational chart and qualifications and experience of audit partners and managers and audit staff	20
Peer review and registration information	20
Description of CPA firms approach to audits, including a proposed time schedule	20
Fees for the audited financial statements, tax preparation, and presentation of financial statements for the Board of Trustees.	20
<b>Total Maximum Points</b>	<b>100</b>

The Selection Committee will use the above criteria to rate proposals submitted by CPA firms.

## **K. Eligible Applicants**

Technical assistance is limited to information on the requirements for preparation of the application packet. Applicants are expected to prepare the documentation themselves or retain someone to provide such assistance. If an applicant chooses to retain assistance from another party, the applicant must be able to thoroughly address all sections of the proposal during the interview process.

## **L. Selection Procedures**

All proposals received by the deadline will be reviewed and scored by the Selection Committee appointed by WRC's Board of Trustees. Proposals will be reviewed for timeliness, completeness, experience, qualifications, fiscal stability of applicant, reasonableness of costs, and the ability of applicant to provide the identified services required by WRC.

## **M. Reservation of Rights**

WRC reserves the right to request or negotiated changes in a proposal, to accept all or part of a proposal, or to reject any or all proposals. WRC may, at its sole and absolute discretion, select no CPA firm for these services, if, in its determination, no applicant sufficiently meets the service need. WRC reserves the right to withdraw this Request for Proposal ("RFP") and/or any item within the RFP at any time without notice. WRC reserves the right to disqualify any proposal which does not adhere to the RFP guidelines. This RFP is being offered at the discretion of WRC. It does not commit the Regional Center to award this service.

## **N. Costs for Proposal Submission**

Applicants responding to the RFP shall bear all costs associated with the development and submission of a proposal.

## **O. Inquiries/Request for Assistance**

All additional inquiries regarding the application or requesting technical assistance should be directed to either Danny Franco, Director of Finance, at 310-258-4228

All CPA firms meeting the qualifications as identified in the RFP are eligible to apply. Applicants, including members of the applicants governing board, must be in good standing with the California Board of Accountancy. Employees of Regional Centers are not eligible to apply. The CPA firm WRC utilized during the 5-year period of July 1, 2017 through June 30, 2021 is not eligible to apply pursuant to WIC section 4639 and DDS implementation guidelines published on June 16, 2011. Applicants that seek to hire or plan to hire the former CPA's audit team to conduct WRC's financial audits will be disqualified. Applicants must disclose any potential conflicts of interest.

# **ATTACHMENT A**

## **WRC Request for Proposal (RFP) Writing Guidelines**

A proposal may be disqualified from consideration for failure to: 1) follow instructions; 2) complete documents; 3) provide required documents; or 4) meet the submission deadline. All proposals submitted to WRC must adhere to the following requirements:

- Use standard size (8 ½ x 11) paper except for special charts, brochures, or schedules that require different size paper.
- Every page of the proposal must be numbered consecutively.
- The proposal title page (see Attachment B) must be the first page of the proposal.
- The proposal must include an executive summary
- The proposal must include a table of contents that corresponds to the proposal requirements (see Attachment C).
- All sections of the table of contents/proposal requirements must be clearly labeled and addressed in the proposal (see Attachment C).
- As applicable, include appendices for documents, such as resumes, certificates, schedules, letters of recommendation, peer review, etc.

# ATTACHMENT B

## Proposal Title Page

TO: SELECTION COMMITTEE  
Danny Franco, Director of Finance  
5901 Green Valley Circle, Suite 320  
Culver City, CA 90230  
Email: dannyf@westsiderc.org

RE: Submission of Proposal in Response to RFP for a CPA Firm

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NAME OF APPLICANT or ENTITY/ORGANIZATION SUBMITTING PROPOSAL *(please print)*

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ADDRESS

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CITY	STATE	ZIP
CODE		

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TELEPHONE NUMBER	FAX NUMBER
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Email address	Website address
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CONTACT PERSON FOR PROPOSAL *(please print)*

I affirm that the information presented in this application and proposal is true and that this proposal was developed and authored by authorized individuals of the CPA firm. I understand that any falsification of information; or failure to disclose any information regarding complaints leveled by the State Board of Accountancy or other regulatory authority; or failure to report a Conflict of Interest, will be cause for immediate disqualification. I also understand that failure to meet minimum qualifications as stated in the RFP, late proposal submissions, and incomplete proposals will also be cause for immediate disqualification. I further understand that, in the event that this proposal is selected by WRC, the proposal itself is not approved conclusively.

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Applicant Signature

Date

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Printed Name of Applicant



# **ATTACHMENT C**

## **Table of Contents & Proposal Requirements**

### **1. Proposal Title Page**

- a. See Attachment A.
- b. Provide the name, address, and contact information of the applicant.
- c. If the applicant is a corporation, list the principle members of the corporation and include verification of incorporation in California.

### **2. Executive Summary**

- a. Provide an overview CPA of the CPA firm's understanding of the services to be provided to WRC.

### **3. CPA Firm's Experience & Qualifications in working with Nonprofit Organizations**

- a. Provide an overview of the applicant's business, including an overview of services provided, business philosophy, business location(s), business hours, number of staff, mission statement, business history, etc.
- b. Detail your firm's experience in providing audit and assurance, tax and accounting services, and business advisory services with private, nonprofit organizations, as well as associations of a comparable size to WRC's organization.
  - i. If serving or served other regional centers, please list each regional center served
- c. Discuss the firm's independence with respect to WRC.
- d. Provide at least three (3) references from other similarly sized clients or from clients similar to WRC's organization of the partner and manager that will be assigned to WRC for reference purposes. Include address, telephone numbers, contact information, and a statement from the references permitting that references may be verified by WRC. Applicants should be aware the Selection Committee will contact references or other sources to corroborate any information provided in the proposal.
- e. Identify the three (3) largest clients your firm has lost in the past three years and the reasons.
- f. Describe how and why your firm is different from other firms being considered and why WRC's selection of your firm as our independent accountants is the best decision WRC could make.

### **4. Firm's Organization and Qualifications and Experience of Audit Partners and Managers and Staff**

- a. Attach an organizational chart that reports the supervisory hierarchy at your firm. The chart must include the names of any governing board members and advisory boards.
- b. Identify the partner, manager, and in-charge accountant who will be assigned to WRC if your firm is successful in your bid.
- c. Provide the number of staff that your firm employs
- d. Provide biographies, licenses, job descriptions, and qualifications for the primary audit partners, managers, and in-charge accountant positions. Provide information regarding any complaints filed against them that have been leveled by the State Board of Accountancy or other regulatory authority, if any. Indicate any corrective actions that have been taken by the firm with respect to these individuals, if any.
- e. Provide your process to recruit, train, and retain quality staff. Discuss commitments you will make to ensure staff continuity, including your staff turnover experience in the last three years.
- f. Provide information on continuing education and training provided to your staff.
- g. Provide information that demonstrates the audit partners and managers have professional affiliations/membership with the American Institute of Certified Public Accountants (“AICPA”) and/or the California Society of Certified Public Accountants (“CalCPA”).

**5. Peer Review Information and Registration Information**

- a. Attach a copy of your most recent peer review report, the related letter of comments, and the firm’s response to the letter of comments.
- b. Attach information that demonstrates that your firm is registered with the Public Company Accounting Oversight Board (“PCAOB”)

**6. Attachment F: Description of CPA Firm’s Approach to Audits, Including a Proposed Time Schedule**

- a. Describe how your firm will approach the audit of WRC, including the use of any association or affiliate member firm personnel and the areas that will receive primary emphasis.
- b. Discuss the firm’s use of technology in the audit.
- c. Discuss the communication process used by the firm to discuss issues with WRC's management, Finance Committee, and WRC's Board of Trustees.
- d. Discuss how the firm would work with WRC to resolve an auditing or accounting matter.
- e. Provide a sample of audited financial reports and tax returns completed for other clients.
- f. Provide a sample of the audit protocols typically utilized to ensure compliance with AICPA and GAAP

- g. Provide a sample audit schedule to ensure that the timelines are met for completing WRC's audited financial statements and tax returns consistent with the timeline reported under Section F(3).

**7. Attachment G: Fees for the Audited Financial Statements and Tax Preparation**

- a. Provide your fee proposal for fiscal year 2022 through fiscal year 2026 assurance and audited financial statements, to include guarantees that can be provided regarding fee increases in future years.
- b. Provide your fee proposal for tax preparation for the tax years 2021 through 2025, to include guarantees that can be provided regarding fee increases in future years.
- c. Furnish standard billing rates for classes of professional services.
- d. Provide your fee proposal for annual Training on Financial Statements for WRC's Board of Trustees, to include guarantees that can be provided regarding fee increases in future years.

## **ATTACHMENT D**

**WRC's Audited Financial Statements for the Fiscal Year ended  
June 30, 2021 (July 1, 2020 thru June 30, 2021)**

## **ATTACHMENT E**

**Management Letter issued to WRC for the Fiscal Year ended  
June 30, 2021 (July 1, 2020 thru June 30, 2021)**

## **ATTACHMENT F**

**Reports issued for WRC as required by Government Auditing Standards  
and OMB A-133 for the Fiscal Year ended June 30, 2021  
(July 1, 2020 thru June 30, 2021)**

# **ATTACHMENT G**

**WRC's Tax Returns for Year 2020**  
**(Fiscal Year July 1, 2020 thru June 30, 2021)**

# **ATTACHMENT H**

## **Welfare and Institutions Code, Section 4639**

Welfare and Institutions Code, Section 4639, Attached

Article III: Fiscal Provision, Section 8. Independent Financial Audit, of WRC's Agreement, number HD199003, with the Department of Developmental Services states the following:

*Both parties to this contract recognize the specific requirements under the law as stated in WIC 4639 and the Single Audit Act of 1984, 31 U.S.C. 7501, et seq., and applicable Office of Management and Budget Circulars (A-122 and A-133 or as revised).*

The Department of Developmental Services letter, dated June 16, 2011, to Regional Center Directors and Board Presidents, entitled "March 2011 Trailer Bill Language Affecting Regional Centers", page seven, states the following:

*TBL Section 9: Section 4639 was amended to specify that, beginning in Fiscal Year (FY) 2011-12, the independent fiscal audit conducted pursuant to this section of law can not be completed by the same accounting firm more than five times in every 10 years.*

*Implementation: For the FY2011-12 audit, the regional center may not use an independent accounting firm that has been used five or more times in the previous ten years.*