

PROTEUS, INC.

Request for proposal for audit services
for the period
July 1, 2024 to June 30, 2025

Inquiries and proposals should be directed to:

Patty Mullally
Chief Finance Director

Proteus Inc.
1830 N. Dinuba Blvd.
Visalia, CA 93291
(559) 733-5423

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General Information

A. **Purpose:** This Request for Proposal (RFP) is to contract for a financial and compliance audit for the fiscal year ending June 30, 2025. The proposal includes options for two additional years.

B. **Who may Respond:** Only licensed certified public accountants may respond to this RFP.

C. Instructions on Proposal Submission

1. Closing submission date: Proposals must be submitted no later than 4:30 p.m. **on August 18, 2025**

2. Inquiries: Inquiries concerning this RFP should be directed to Patty Mullally or Michelle Engel-Silva at (559) 733-5423.

3. Conditions of proposal: All costs incurred in the preparation of a proposal responding to this RFP will be the responsibility of the Offeror and will not be reimbursed by Proteus, Inc.

4. Instructions to prospective contractors:

Your proposal should be submitted electronically to the following website _____ by the due date. Failure to do so may result in premature disclosure of your proposal. It is the responsibility of the Offeror to ensure that the proposal is received by Proteus, Inc. by the date specified above. Late proposals will not be considered.

5. Right to reject: Proteus, Inc. reserves the right to reject any and all proposals received in response to this RFP. A contract for the accepted proposal will be based upon the factors described in this RFP.

6. Small and/or Minority- Owned Businesses: Efforts will be made by Proteus, Inc. to utilize small businesses and minority-owned businesses. An Offeror qualifies as a small business firm if it meets the definition of "small business" as established by the Small Business Administration.

7. Notification of award: It is expected that a decision about selecting the successful audit firm will be made within three (3) weeks of the closing date for the receipt of proposals.

Upon conclusion of final negotiations with the successful audit firm, all Offerors submitting proposals in response to this Request for Proposal will be informed, in writing, of the name of the successful audit firm.

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

D. **Description of Entity and Records to be Audited:** Proteus, Inc. is a nonprofit organization which serves 4 counties in California. Proteus, Inc. is a private, nonprofit corporation and has been determined to be exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. It is governed by a 9-member volunteer Board of Directors. Administrative offices and all records are located at 1830 N. Dinuba Blvd. Visalia, CA 93291. Other offices are located in Fresno, Kings, Kern and Tulare County.

Proteus, Inc. 's books are maintained on an automated system called Accufund Accounting Suite: General Ledger module, Payroll Module, Electronic PR/PO system, Accounts Payable, and Accounts

Receivable modules. There are seventeen individual bank accounts with two major ones, the general operating account and the payroll fund account. Proteus, Inc. also outsources its payroll.

- E. **Options:** At the discretion of Proteus, Inc., this audit contract can be extended for two additional two-year periods. The cost for the option periods will be agreed on by Proteus, Inc. and the Offeror. It is anticipated that the cost for the optional years will be based upon the same approximate cost per thousand dollars of audited expenditures as the contract for the initial year.

Specification Schedule

A. Scope of Financial and Compliance Audit

The purpose of this RFP is to obtain the services of a public accounting firm, whose principal officers are independent certified public accountants, certified or licensed by a regulatory authority of a state or other political subdivision of the United States, hereinafter referred to as the "Offeror," to perform a general financial and compliance audit of Proteus, Inc. and an audit of the Proteus 403B plan.

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: Please see Attached Proteus, Inc. 's Schedule of Funds

C. Performance: The Proteus, Inc. 's records should be audited through June 30, 2025. The Offeror is required to prepare audit reports in accordance with the Government Audit Standards, and (include any other pertinent requirements that the Offeror must comply with, such as specific audit guides or specific state funding source requirements).

D. Delivery schedule: Offeror is to transmit one copy of the draft audit report to Proteus, Inc.'s Audit Committee of the Board of Directors. The draft audit report is due on February 1, 2026.

The Offeror shall deliver final audit reports to Proteus, Inc. 's Audit Committee of the Board of Directors no later than March 31, 2026.

Reports may be submitted earlier than the schedule above. However, if the Offeror fails to make delivery of the audit reports within the time schedule specified herein, or if the Offeror delivers audit reports that do not conform to all of the provisions of this contract, Proteus, Inc. may, by written notice of default to the Offeror, 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 Offeror with sufficient justification.

E. Price: The Offeror's proposed price should be submitted separately. Include information indicating how the price was determined. For example, the Offeror should indicate the estimated number of hours by staff level, hourly rates, and total cost by staff level. Any out-of-pocket expenses should also be indicated.

F. Payment: Payment will be made when Proteus, Inc. has determined that the total work effort has been satisfactorily completed. Should Proteus, Inc. reject a report, Proteus, Inc.'s authorized representative will notify the Offeror 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 90 days after the Offeror submits the final invoice for payment.

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

Upon delivery of the copies of the final reports to Proteus, Inc. and their acceptance and approval, the Offeror may submit a bill for the balance due on the contract for the audit.

- G. **Audit review:** All audit reports prepared under this contract will be reviewed by Proteus, Inc.'s Board of Directors and its funding sources to ensure compliance with General Accounting Office's Government Audit Standards and other appropriate audit guides.
- H. **Exit conference:** An exit conference with Proteus, Inc.'s representatives and the Offeror's representatives will be held at the conclusion of the fieldwork. Observations and recommendations must be summarized in writing and discussed with Proteus, Inc. It should include internal control and program compliance observations and recommendations.
- I. **Workpapers**
- Upon request, the Offeror will provide a copy of the workpapers pertaining to any questioned costs determined in the audit. The workpapers must be concise and provide the basis for the questioned costs as well as an analysis of the problem.
 - The workpapers will be retained for at least three years from the end of the audit period.

- The workpapers will be available for examination by authorized representatives of the Cognizant federal or state audit agency, the General Accounting Office, and Proteus, Inc.

J. **Confidentiality:** The Offeror agrees to keep the information related to all contracts in strict confidence. Other than the reports submitted to Proteus, Inc., the Offeror 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 Offeror's possession, to those employees on the Offeror's staff who must have the information on a "need to know" basis.

The Offeror agrees to immediately notify, in writing, Proteus, Inc. 's authorized representative in the event the Offeror determines or has reason to suspect a breach of this requirement.

K. **AICPA Professional Standards**

The AICPA Professional Standards state:

- Ethics Interpretation 501(c) (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 audit standards, guides procedures, statutes, rules and regulations, in addition to generally accepted auditing standards. If a 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 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 report the fact that such requirements were not followed and the reasons therefore.

Technical Qualifications

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

A. Prior Auditing Experience

1. The Offeror should describe its prior auditing experience including the names, addresses, contact persons, and telephone numbers of prior organizations audited. Experience should include the following categories:
2. Prior experience auditing similar programs funded by (state).
3. Prior experience auditing programs financed by the Federal Government.
4. Prior experience auditing similar county or local government activities.
5. Prior experience auditing nonprofit organizations
6. Prior experience auditing
7. Prior experience designing and/or installing accounting systems in (type of entity).
8. Peer reviews

- B. **Organization, size, and structure:** The Offeror should describe its organization, size (in relation to audits to be performed) and structure. Indicate, if appropriate, if the firm is a small or minority-owned business. Offeror should include a copy of the most recent Peer Review, if the Offeror has had a Peer Review.

C. Staff Qualifications

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

1. Audit team makeup
2. Overall supervision to be exercised
3. Prior experience of the individual audit team members: Only include resumes of staff to be assigned to the audits. Education, position in firm, years and types of experience, continuing professional education, state(s) in which licensed as a CPA, etc. will be considered.

- D. **Understanding of Work to be performed:** The Offeror should describe its understanding of work to be performed, including audit procedures, estimated hours, and other pertinent information.
- E. **Certifications:** The Offeror must sign and include as an attachment to its proposal the Certifications enclosed with this RFP. The publications listed in the Certifications will not be provided to potential Offerors by Proteus, Inc., because Proteus, Inc. desires to contract only with an Offeror who is already familiar with these publications.

Proposal Evaluation

A. Submission of Proposals: All proposals shall include two copies of the Offeror's technical qualifications, two copies of the pricing information (in a separately sealed envelope), and two copies of the signed Certifications. These documents will become part of the contract.

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

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

C. Evaluation

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

1. Prior experience auditing and/or designing and installing Accounting System	Point Range
a. Prior experience auditing Nonprofit organizations	0-7
b. Prior experience auditing similar programs funded by State of California	0-5
c. Prior experience auditing similar programs funded by U.S. Federal Government	0-5
d. Prior experience auditing similar county or local Government activities	0-5
e. Prior experience auditing private foundations	0-5
f. Prior experience designing and/or installing Accounting System for non-profits	0-3
Proteus, Inc. will contact prior audited organizations to verify the experience provided by the Offerors	
2. Organization, size, and structure of the Offeror's firm. (Considering size in relation to audits to be performed)	
a. Adequate size of the firm	0-7
b. Minority/small business	0-3
3. Qualifications of staff to be assigned to the audits to be performed. This will be determined from résumés submitted. Include education, position in firm, and years and types of experience, continuing professional 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	0-5
4. Offeror'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

Proteus, Inc. may, at its discretion, request presentations by or meetings with any or all Offerors to clarify or negotiate modifications to the Offerors' proposals.

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

Proteus, Inc. Contemplates award of the contract to the responsible offeror with the highest total points.

CERTIFICATIONS

On behalf of the Offeror:

1. The individual signing certifies that he/she is authorized to contract on behalf of the Offeror.
2. The individual signing certifies that the Offeror is not involved in any agreement to pay money or other consideration for the execution of this agreement, other than to an employee of the Offeror.
3. The individual signing certifies that the prices in this proposal have been arrived at independently, without consultation, communication, or agreement, for the purpose of restricting competition.
4. The individual signing certifies that the prices quoted in this proposal have not been knowingly disclosed by the Offeror prior to an award to any other Offeror or potential Offeror.
5. The individual signing certifies that there has been no attempt by the Offeror to discourage any potential Offeror from submitting a proposal.
6. The individual signing certifies that the Offeror is a properly licensed certified public accountant, or a public accountant licensed on or before (date of licensing).
7. The individual signing certifies that the Offeror meets the independence standards of the Government Auditing Standards.
8. The individual signing certifies that he/she is aware of and will comply with the GAO Continuing Education Requirement 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.
9. The individual signing certifies that he/she is aware of and will comply with the GAO requirement of an external quality control (peer) review at least once every three years.
10. The individual signing certifies that he/she has read and understands the following publications relative to the proposed audits:
 - Government Auditing Standards (Yellow Book)
 - Uniform Guidance (2 CFR Part 200)
 - A Guide for Nonprofit Organizations: Cost Principles and Procedures for Establishing Indirect Cost and other Rates for Grants and Contract with the Department of Health and Human Services
 - Audits of Voluntary Health and Welfare Organizations (AICPA Audit Guide)
 - Audits of Certain Nonprofit Organizations (AICPA Audit Guide) (Note: if the entity is a unit of government, replace 4 — 8 above with the following:)
 - CFR Part 200, Uniform Administrative Requirements for Grants-in-Aid to State and Local Governments, including the Common Rule
 - Cost Principles for State and Local Governments

- Audits of State and Local Units of Government (Note: The RFP should also list any regulations, publications, for audit guides that are relevant to specific programs to be audited. For example, if a Department of Energy weatherization program is to be audited, the Offeror should be familiar with 10 CFR 600, DOE's administrative requirements, and 10 CFR Part 400, DOE's weatherization program requirements.)
11. The individual signing certifies that he/she has read and understands all of the information in this Request for Proposal, including the information on the programs/grants/contracts to be audited.
 12. The individual signing certifies that the Offeror and any individuals to be assigned to the audits do not have a record of substantiated audit work and has not been debarred or suspended from doing work with any federal, state, or local government. (If the Offeror or any individual to be assigned to the audits has been found in violation of any state or AICPA professional standards, this information must be disclosed.)

Dated this _____ day of _____ 20

(Offeror's Firm Name)

(Signature of Offeror's Representative)

(Printed Name and Title of Individual Signing)

