

BIDDERS COMPANY NAME

REQUEST FOR PROPOSAL

#6075

For The Annual Financial Audit

And Single Audit of

Washtenaw Community Health Organization

Prepared By:

Washtenaw County Purchasing
Administration Building
P.O. Box 8645
220 N. Main B-35
Ann Arbor, MI 48107

Robert G. Devault, C.P.M.
Purchasing Manager
(734) 222-6760





WASHTENAW COUNTY

Finance Department

Purchasing Division

P.O. Box 8645, 220 N. Main, Ann Arbor, MI 48107-8645
Phone (734) 222-6760, Fax (734) 222-6764

REQUEST FOR PROPOSAL #6075

Washtenaw County Purchasing Division on behalf of the Washtenaw Community Health Organization is issuing a Sealed Request for Proposal (RFP) #6075 for The Annual Financial Audit And Single Audit Of Washtenaw Community Health Organization.

Preproposal Conference: A conference, not required, for firms interested in submitting proposals will be held on Friday, August 1st at 3:00 pm at the Human Services Center Room 107, 555 Towner, Ypsilanti, MI. Both verbal and written questions will be accepted during the conference.

Sealed Proposals: Vendor will deliver one (1) original and five (4) copies to the following address:

Washtenaw County
Administration Building
Purchasing Division
220 N. Main St. Room B-35
P.O. Box 8645
Ann Arbor, MI. 48107

by **2:00 p.m. on Friday August 22, 2003.**

This submission shall include the entire Request For Proposal document and any amendments if issued.

Proposals received after the above cited time will be considered a late quote and are not acceptable unless waived by the Purchasing Manager.

- Please use the attached self-addressed label or the envelope must be clearly marked "SEALED RFP # 6075".
- Please direct purchasing and procedural questions regarding this RFP to Robert Devault at (734) 222-6760
- Please direct specific technical questions regarding this RFP to Linda Brown at (734) 544-6814

Thank you for your interest.

The Annual Financial Audit and Single Audit of Washtenaw Community Health
Organization, Michigan.
RFP 6075

WCHO Committee reviews RFP	7/02/2003
Full WCHO Board reviews proposal	7/15/2003
Bid is advertised and printed	7/27/2003
Letters go out to potential bidders	7/18/2003 (Approx.)
Bid Available to potential bidders	7/28/2003
Optional Bidder's Conference (Human Services Center)	8/01/2003 (3:00pm)
Proposal due dates	8/22/2003 (2:00pm)
Bid Opening	8/22/2003 (2:00pm)
Recommendations ready for Board packet	9/22/2003
Recommendation for full Board	10/21/2003
Contract Starts	12/01/2003

Request For Proposal #6075
For The Annual Audit and Single Audit of the
Washtenaw Community Health Organization (WCHO)

TABLE OF CONTENTS

I. NATURE OF SERVICES REQUIRED

- A. General
- B. Scope of Work to be Performed
- C. Auditing and Other Fiscal Standards to be Followed
- D. Preparing of the Reports / Reports to be Issued
- E. Due Dates for Reports to be Issued
- F. Fiscal Year End Considerations
- G. Reporting to the WCHO Finance Department
- H. Working Paper Retention and Access to Working Papers

II. DESCRIPTION OF THE GOVERNMENTAL ENTITY

- A. Name of Contact Person, Certain Key Personnel
- B. Background Information
- C. Fund Structure
- D. Budgetary Basis of Accounting
- E. Federal Financial Assistance
- F. Pension Plans and Other Post Employment Benefits
- G. Component Units
- H. Description of Financial Operations
- I. Computer Systems
- J. Availability of Prior Audit Reports and Working Papers

III. TIME REQUIREMENTS

- A. Proposal Calendar
- B. Audit Calendar
 - 1. Entrance Conference
 - 2. Progress Conferences
 - 3. Exit Conference

IV. ASSISTANCE TO BE PROVIDED TO THE AUDITOR & REPORT PREPARATION

- A. Statements and Schedules to be Prepared by WCHO Fiscal Staff
- B. Information and Technology Services (ITS) Assistance
- C. Work Area, Telephone, Photocopying and FAX Machines

V. PROPOSAL REQUIREMENTS

- A. General Requirements
 - 1. Preproposal Conference
 - 2. Inquiries
 - 3. Costs of Preparing the Proposals
- B. Submission of Proposal
- C. Technical Portion of Proposal
 - 1. General Requirements
 - 2. Independence

3. License to Practice in Michigan
 4. Firm Qualifications and Experience
 5. Partner, Supervisory and Staff Qualifications and Experience
 6. Prior Engagements with Washtenaw Community Health Organization
 7. Similar Engagements with Other Governmental Entities
 8. Specific Audit Approach
 9. Identification of Anticipated Potential Audit Problems
 10. Report Format
- D. Cost Portion of Proposal (Appendix A)
1. Total All-Inclusive Maximum Price per Year
 2. Rates for Additional Fees for Preparing the Annual Audit
 3. Rates for Additional Professional Services
 4. Manner of Payment

VI. EVALUATION PROCESS

- A. Review of Proposals
- B. Evaluation Criteria
 1. Mandatory Elements
 2. Technical Quality
 3. Price
- C. Oral Presentations
- D. Final Selection
- E. Right to Reject Proposals

APPENDIX

- A. Schedule of Maximum Estimated Hours, Schedules of Maximum and Additional Total Fees, and Schedule of Hourly Rates

Available upon request from the WCHO

1. Comprehensive Annual Financial Report for the WCHO
2. Single Audit for the WCHO
3. Management Letter for the WCHO

I. NATURE OF SERVICES REQUIRED

A. General

Washtenaw Community Health Organization is requesting proposals from qualified firms of certified public accountants to perform: 1.) the annual financial audit and Single Audit of the WCHO; and 2.) professional consulting services as requested. A three year contract commitment is contemplated, (one initial year with two renewal periods), subject to the annual review and recommendation of WCHO Administration, the satisfactory negotiation of terms (including a price acceptable), the concurrence of the WCHO Board and the annual availability of an appropriation.

B. Scope of Work to be Performed

The WCHO desires a firm to complete the scope of work to be performed in each of the two areas: 1.) to express an opinion on the fair presentation of its financial

statements in conformity with generally accepted accounting principles; and 2.) to perform professional consulting services as requested.

C. Auditing and Other Fiscal Standards To Be Followed

To meet the requirements of this request for proposals, the accounting duties and audit shall be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, the standards for financial audits set forth in the U.S. General Accounting Office's Government Auditing Standards and the provisions of U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the generally accepted auditing standards prescribed by the State of Michigan Department of Treasury and any applicable Michigan Public Acts.

D. Preparing of the Reports / Reports to be Issued

Please provide a price for preparing the Annual Financial Report and providing 40 copies of the final report.

The auditor shall be responsible for preparing the Audit, including the following:

1. Opinion letter for use in the Annual Financial Report
2. Single Audit and Data Collection Form
3. Management Letter (if needed)
4. Review of Cash and personnel costs that are managed by Washtenaw County.

The auditor shall also submit two copies of the final audit to the State Department of Treasury within the 90-day required time frame.

Management Letter - The auditor shall communicate in the management letter to WCHO Administration and the WCHO Board any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Recommendations that are not of a significant deficiency may be included in a Consultation Letter to WCHO Administration.

Irregularities, fraud and illegal acts. Auditors shall be required to make an immediate, written report of all irregularities, fraud and illegal acts or indications of illegal acts of which they become aware to the WCHO Director and WCHO's Counsel.

Single Audit - The Schedule of Expenditures of Federal Awards and related auditor's report, as well as the reports on the internal controls and compliance are not to be included in the comprehensive annual financial report, but are to be issued separately. The WCHO will prepare a detailed listing of appropriate federal expenditures prior to the start of the audit to assist the auditors in planning for the audit. The auditors will be responsible for preparing the Schedule of Expenditures of Federal Awards.

E. Due Dates for Reports to be Issued

The Annual Financial Report is to be issued no later than 80 days after the WCHO's year end. This deadline will allow the report to be submitted to the state within the required 90-days.

F. Fiscal Year End Considerations

The WCHO's fiscal year runs from October 1 through September 30.

G. Reporting to the Finance Department

Primary auditing, accounting and consulting oversight will be performed in the WCHO Finance Department. Auditors shall assure themselves that the Finance Department is informed of each of the following:

1. The auditor's responsibility under generally accepted auditing standards.
2. Significant accounting policies.
3. Management judgments and accounting estimates.
4. Significant audit adjustments.
5. Other information in documents containing audited financial statements.
6. Disagreements with management.
7. Management consultation with other accountants.
8. Major issues discussed with management prior to retention.
9. Difficulties encountered in performing the audit.

H. Working Paper Retention and Access to Working Papers

All working papers and reports must be retained, at the auditor's expense, for a minimum of ten years, unless the firm is notified in writing by the WCHO of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the following parties or their designees:

Washtenaw Community Health Organization
Parties designated by the federal or state governments or by the WCHO as part of an audit or quality review process.

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

II. DESCRIPTION OF THE GOVERNMENT

A. Name of Contact Person/ Certain Key Personnel

The auditor's principal contact with the WCHO will be Linda L. Brown, Finance Director for the WCHO (734) 544-6814, or a designated representative, who will coordinate the assistance to be provided by the WCHO. A list of certain key personnel for the audit is included below:

WCHO Administration
Kathleen M. Reynolds, WCHO Director
Marci Scalera, Chief Operating Officer

Finance Department
Linda L. Brown, Finance Director
Marie Irwin, Accounting Manager

Washtenaw County Treasurer's Office
Catherine McClary, WCHO Treasurer
Kirsten Osborn, Chief Deputy Treasurer

Washtenaw County Finance Department (for electronic downloads)
Ed Riske, Washtenaw County Finance

WCHO Counsel
Jerold Lax at Bodman, Longley & Dahling

B. Background Information

Washtenaw Community Health Organization is located in the southeast region of Michigan's lower peninsula, approximately 40 miles west of Detroit. Washtenaw County has a population of 322,895 (based on the 2000 census). Its major cities are Ann Arbor, with a population of approximately 114,000, and Ypsilanti with a population of approximately 22,000.

The WCHO has a total annual payroll of approximately \$3,400,000. Staffing consists of approximately 59 full time equivalents. The staffing is provided through an Employee Leasing Agreement with Washtenaw County. The employees retain all benefits under the County, including non-union and union membership, fringe benefits, and retirement benefits.

The accounting and financial reporting functions of the WCHO are the responsibility of the WCHO Finance Department. Cash and fiduciary responsibilities, however, are contracted out to the Washtenaw Treasurer's Office. The Accounts Payable function is completed by WCHO staff but the issuance of checks is through the County. All documentation supporting the payments is maintained by the WCHO.

C. Budgetary Basis of Accounting

The WCHO prepares its budgets on a basis consistent with generally accepted accounting principles. The fund accounting is processed under the modified accrual basis.

D. Pension Plans and Other Post Employment Benefits

The WCHO leases staff from Washtenaw County. The county participates in a single-employer defined benefit pension plan, a single-employer defined contribution plan, a single-employer defined benefit post employment healthcare plan, and a multi-employer defined benefit plan (MERS). Actuarial services for the defined benefit plan and the health portion of the defined contribution plan are provided by Gabriel, Roeder and Smith.

E. Component Units

The management of the WCHO has identified component units for inclusion in the WCHO's financial statements. Please refer to the available audit for more detailed information regarding component units.

F. Description of Financial Operations

The Finance Department is headed by Linda L. Brown, Finance Director, and consists of 8 employees. The principal functions performed and the number of employees assigned to each are as follows:

<u>Function</u>	<u>Number of Employees</u>
Administration/Budgeting	3
Accounting	2
Accounts Payable	1
Claims Processing	2

Because the size of this department is small, duties may overlap; however, separation of duties for control purposes is maintained.

The Treasurer's Office is headed by Catherine McClary, Washtenaw County Treasurer, and includes 5 employees under her oversight that are relevant to their Fiduciary responsibilities with WCHO.

<u>Function</u>	<u>Number of Employees</u>
Revenue and Cash	5

G. Computer Systems

Hardware

<u>Type of Equipment</u>	<u>Number</u>	<u>Make of Equipment</u>	<u>Networked</u>
PCs	60	Various	Yes

Significant Applications

<u>Make</u>	<u>Vendor</u>	<u>Major Applications</u>
OneWorld XE	J. D. Edwards	General Ledger, Accounts Payable, Accounts Receivable
Microsoft Office Pro	Microsoft	Purchasing, Payroll and Human Resources Operating System
		Software for spreadsheets (Excel), word processing (Word), data base (Access), presentation(PowerPoint), email and calendaring (OutLook)

H. Availability of Prior Audit Reports and Working Papers

Interested proposers who wish to review prior years' audit reports should contact Linda L. Brown (734) 544-6814. The WCHO will use its best efforts to make

prior audit reports and supporting working papers available to proposers to aid their response to this request for proposals.

III. TIME REQUIREMENTS

A. Proposal Calendar

The following is a list of key dates up to and including the date proposals are due to be submitted:

Optional Bidder's Conference	8/01/2003
Proposal due dates	8/22/2003
Bid Opening	8/22/2003
Recommendation for full Board	10/21/2003
Contractor Notified of bid award	10/27/03
Contract Starts	12/01/03

B. Audit Calendar

An audit calendar shall be developed annually by the WCHO and the auditor, cooperatively

1. Entrance Conference

The date of the entrance conference will be determined by the Finance Director and representatives of the audit firm no later than two months before fiscal year end.

The entrance conference will be held with the appropriate WCHO fiscal personnel. The purpose of this meeting will be to discuss and set the audit calendar, which will include the following:

- a. Date the WCHO will have its books and records ready for the audit.
- b. Date the auditors interim work will be completed.
- c. Date the auditors detailed audit plan will be available.
- d. Date the WCHO prepared schedules will be available.
- e. Date the auditors will complete all field work.
- f. Dates progress reports are due from the auditors.
- g. Date the auditor shall have drafts of the audit reports and recommendations to management.
- h. Date of Exit Conference.
- i. Discuss prior audit problems, interim work to be performed, establish overall liaison for the audit and to make arrangements for the needs of the auditor.

2. Progress Conferences

Progress conferences will be held as needed.

3. Exit Conference

The exit conference will be held with the appropriate WCHO fiscal personnel. The purpose of this meeting will be to summarize the results of the audit and review any significant findings.

IV. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION

A. Statements and Schedules to be Prepared by WCHO Fiscal Staff

The fiscal staff from the WCHO Finance Department, Washtenaw County Treasurer's Office, and the County Finance Department will prepare schedules for the auditors as determined at the entrance conference. The preparation of cash and investment confirmations will be the responsibility of the Washtenaw County Treasurer's Office. The audit approach currently employed has involved the use of grant tie-out spreadsheets, balanced sheet reconciliations and IBNR reports prepared by the WCHO Finance staff. The fiscal staff and responsible management personnel from the above departments will be available during the audit to assist the firm by providing information, documentation and explanations.

B. Washtenaw County Information and Technology Services (ITS) Assistance

The Manager of Washtenaw County ITS will be available to assist the auditor while performing the audit. ITS personnel will also be available to provide systems documentation and explanations.

C. Work Area, Personal Computer and access to J D Edwards, Telephone, Photocopying and FAX Machines

The WCHO will provide the auditor with work space, tables and chairs. The auditor will also be provided with access to a telephone, PC with access to OneWorld Xe, photocopying facilities and FAX machines as needed to complete the audit.

V. PROPOSAL REQUIREMENTS

A. General Requirements

1. Preproposal Conference A conference, not required, for firms interested in submitting proposals will be held at 3:00 pm at 555 Towner, Ypsilanti. Both verbal and written questions will be accepted during the conference
2. Costs of Preparing the Proposal
The WCHO will not be responsible for expenses incurred in preparing and submitting the proposal. Such costs should not be included in the proposal.

B. Submission of Proposal

The WCHO reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal

submitted and confirmed in the contract between the WCHO and the firm selected.

The proposal is required to be received by 2:00 pm on 8/22/03 for a proposing firm to be considered. The outside of the proposal envelope should be marked:

**PROPOSAL RFP #6075
FOR ANNUAL FINANCIAL AUDIT AND SINGLE AUDIT
OF THE
WASHTENAW COMMUNITY HEALTH ORGANIZATION**

A master copy (so marked) and five copies of the proposal to include the following:

1. Title Page
Title page showing the request for proposals subject; the firm's name; the name, address and telephone number of the contact person; and the date of the proposal.
2. Table of Contents
3. Transmittal Letter
A signed letter of transmittal shall be included briefly stating:
 - i. the proposer's understanding of the work to be done,
 - ii. the commitment to perform the work within the time period,
 - iii. a statement why the firm believes itself to be best qualified to perform the engagement,
 - iv. a statement that the proposal is a firm and irrevocable offer for 90 days,
 - v. certification that the person signing the proposal is entitled to represent the firm, empowered to submit the bid, and authorized to sign a contract with the WCHO.
4. Detailed Proposal
The detailed proposal should follow the order set forth in Section 5 C of this request for proposals.

Proposers should send or deliver the completed proposal envelope to:

**Mr. Robert Devault C.P.M., Purchasing Manager
Room B-35
WCHO Administration Building
220 N. Main Street, P. O. Box 8645
Ann Arbor, Michigan 48107-8645**

C. Technical Portion of Proposal

1. General Requirements

The purpose of the technical portion of the proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake:
1.) an independent audit of the WCHO; and 2.) professional consulting

services as requested in conformity with the requirements of this request for proposal. As such, the substance of proposals will carry more weight than their form or manner of presentation. The technical portion of the proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the request for proposals requirements.

The technical portion of the proposal should address all the points outlined in the request for proposals. The Proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the request for proposals. While additional data may be presented, the following subjects, items Nos. 2 through 10, must be included. They represent the criteria by which the proposal will be evaluated.

2. Independence

The firm should provide an affirmative statement that it is independent of the WCHO and all of its component units as defined by generally accepted auditing standards issued by the Comptroller General of the United States.

The firm should also list and describe the firm's professional relationships involving the WCHO or any of its component units for the past five years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

In addition, the firm shall give the WCHO written notice of any professional relationships entered into during the period of this agreement.

3. License to Practice in Michigan

An affirmative statement should be included that the firm and all assigned key professional staff are properly licensed to practice in Michigan.

4. Firm Qualifications and Experience

The proposer should state the size of the firm, the size of the firm's governmental auditing, accounting and consulting staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis.

The firm is also required to submit a copy of the report on its most recent external quality control review, with a statement whether that quality control review included a review of specific government engagements.

The firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three years.

In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three years with state regulatory bodies or professional organizations.

5. Partner, Supervisory and Staff Qualifications and Experience

Identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement. Indicate whether each such person is registered or licensed to practice as a certified public accountant in Michigan. Provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past three years and membership in professional organizations relevant to the performance of this audit.

Provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. Indicate how the quality of staff over the term of the agreement will be assured.

Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of the WCHO. However, in either case, the WCHO retains the right to approve or reject replacements.

Consultants and firm specialists mentioned in response to this request for proposal can only be changed with the express prior written permission of the WCHO, which retains the right to approve or reject replacements.

Other audit personnel may be changed at the discretion of the proposer provided that replacements have substantially the same or better qualifications or experience.

6. Prior Engagements with Washtenaw Community Health Organization

List separately all engagements within the last five years, ranked on the basis of total staff hours, for the WCHO by type of engagement (i.e., audit, management advisory services, other). Indicate the scope of work, date, and the name and telephone number of the principal client contact.

7. Similar Engagements With Other Government Entities

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements performed in the last five years that are similar to the engagement described in this request for proposal.

These engagements should be ranked on the basis of total staff hours. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

8. Specific Audit Approach

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section I of this request for proposal. In developing the work plan, reference should be made to such sources of information as the WCHO's

Comprehensive Annual Financial Report, organizational charts, and financial and other management information systems.

Proposers will be required to provide the following information on their audit approach:

- 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. Sample size and the extent to which statistical sampling is to be used in the engagement
- d. Extent of use of ITS software in the engagement
- e. Type and extent of analytical procedures to be used in the engagement
- f. Approach to be taken to gain and document an understanding of the WCHO's internal control structure
- g. Approach to be taken in determining laws and regulations that will be subject to audit test work
- h. Approach to be taken in drawing audit samples for purposes of tests of compliance

9. Identification of Anticipated Potential Audit Problems

The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from the WCHO.

10. Report Format

The proposal should include sample formats for the Single Audit reports and Management Letter if they are to be in a different format than the current ones.

D. Cost Portion of Proposal (Appendix A)

1. Total All-Inclusive Maximum Price per Year

This section of the proposal should contain the total maximum pricing information relative to performing the auditing, accounting, and consulting engagements as described in this request for proposal. The total all-inclusive maximum price per year to be bid is to contain all direct and indirect costs including all out-of-pocket expenses.

2. Rates for Additional Fees for Preparing the Audit

As previously stated, the WCHO is currently responsible for preparing the Annual Financial Report. Please provide a price for preparing the entire

Audit and providing 40 copies of the final report. The WCHO would supply a download of financial information (year end balances) that the auditor would have to work with in order to produce the Audit.

3. Rates for Additional Professional Services

If it should become necessary for the WCHO to request the auditor to render any additional services to either supplement the services requested in this RFP or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the agreement between WCHO and the firm. Any such additional work agreed to between WCHO and the firm shall be performed at the same rates set forth in the proposal amounts described above.

4. Manner of Payment

One advance payment will be made at the time the audit starts. Upon full completion and receipt of the 50 copies of the Audit, the remaining amount due will be issued.

VI. EVALUATION PROCESS

A. Review of Proposals

Proposals submitted will be evaluated by the WCHO.

During the proposal evaluation process, the WCHO reserves the right to request additional information or clarifications from proposers, or to allow corrections of errors or omissions

B. Evaluation Criteria

Proposals will be evaluated using three sets of criteria. Firms meeting the mandatory criteria will have their proposals evaluated and scored for both technical qualifications and price. The following represent the principal selection criteria which will be considered during the evaluation process.

1. Mandatory Elements

- a. The audit firm is independent and licensed to practice in Michigan.
- b. The firm has no conflict of interest with regard to any other work performed by the firm for the WCHO.
- c. The firm adheres to the instructions in this request for proposal on preparing and submitting the proposal.
- d. The firm submits a copy of its last external quality control review report and the firm has a record of quality audit work.

2. Technical Quality: (Maximum Points - 75)

- a. **Expertise and Experience (Maximum Points - 55)**
 - (1) The firm's past experience and performance on comparable Community Mental Health and Substance Abuse agencies (Maximum Points - 30)

- (2) The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation (Maximum Points - 15)
- (3) Firm's involvement in developing government accounting and auditing policies/standards (Maximum Points - 5)
- (4) Firm's size and structure (Maximum Points - 5)

b. **Audit Approach** (Maximum Points - 20)

- (1) Adequacy of proposed staffing plan for various segments of the engagement (Maximum Points - 10)
- (2) Adequacy of sampling techniques (Maximum Points - 5)
- (3) Adequacy of analytical procedures (Maximum Points - 5)

3. **Price: (Maximum Points - 25)**

The maximum score for price will be assigned to the firm offering the lowest total all-inclusive maximum price. Appropriate fractional scores will be assigned to other proposers. Cost will not be the primary factor in the selection of an audit firm.

C. Oral Presentations

During the evaluation process, the Request for Proposal Review Committee may, at its discretion, request any one or all firms to make oral presentations. Such presentations will provide firms with an opportunity to answer any questions the Committee may have on a firm's proposal. Not all firms may be asked to make such oral presentations. Oral presentations **must** be attended by the partner, manager and senior staff member assigned to the audit.

D. Final Selection

The WCHO reserves the right to award this contract to more than one vendor for the different areas of work at the WCHO's discretion. The WCHO reserves the right to add additional vendors at any time to ensure adequate services.

The WCHO Board will make the final decision on contract awards.

E. Right to Reject Proposals

Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposal unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the WCHO and the firm selected. The WCHO reserves the right without prejudice to reject any or all proposals.

Appendix A (Page 1 of 2)

**SCHEDULE OF MAXIMUM ESTIMATED HOURS
TOTAL AND ADDITIONAL FEES**

**FOR THE ANNUAL AUDIT AND SINGLE AUDIT OF WASHTENAW
COMMUNITY HEALTH ORGANIZATION**

List the MAXIMUM ESTIMATED HOURS by professional classification for each of the years below:

<u>Year Ended</u>	<u>Partners</u>	<u>Managers</u>	<u>Supervisory Staff</u>	<u>Staff</u>	<u>Maximum Estimated Hours</u>
2003	_____	_____	_____	_____	_____
2004	_____	_____	_____	_____	_____
2005	_____	_____	_____	_____	_____
2006	_____	_____	_____	_____	_____
2007	_____	_____	_____	_____	_____
2008 (optional)	_____	_____	_____	_____	_____
2009 (optional)	_____	_____	_____	_____	_____

List the TOTAL ALL-INCLUSIVE MAXIMUM FEE for each year below:

<u>Year Ended</u>	<u>Total All-Inclusive Maximum Fee</u>	<u>Additional Fee for Preparing the CAFR and Providing 200 Copies</u>
2003	_____	_____
2004	_____	_____
2005	_____	_____
2006	_____	_____
2007	_____	_____
2008 (optional)	_____	_____
2009 (optional)	_____	_____

Appendix A (Page 2 of 2)

SCHEDULE OF HOURLY RATES

**FOR PROFESSIONAL INDEPENDENT CONSULTING SERVICES AS
REQUESTED FOR WASHTENAW COMMUNITY HEALTH ORGANIZATION**

List the HOURLY RATE by professional classification for each of the years below:

<u>Year Ended</u>	<u>Partners</u>	<u>Managers</u>	<u>Supervisory Staff</u>	<u>Staff</u>
2003	_____	_____	_____	_____
2004	_____	_____	_____	_____
2005	_____	_____	_____	_____
2006	_____	_____	_____	_____
2007	_____	_____	_____	_____
2008 (optional)	_____	_____	_____	_____
2009 (optional)	_____	_____	_____	_____