

**RFQ 2008 / 02  
Audit Services**



<b>Contract Amount:</b>	Up to \$30,000 per year, renewable to FY 2011/12
<b>Anticipated Contract Period:</b>	July 1, 2008 – June 30, 2009; renewable annually up to FY 2011/12
<b>Non-Mandatory Bidders Conference:</b>	April 23, 2008
<b>Proposal Due Date:</b>	May 9, 2008
<b>Contact Person:</b> Tamara Foster, Fiscal Officer, 415-437-4662	

**Proposal due date for the submission of application is May 9, 2008 at 5:00 p.m.**

All applications received after 5:00 p.m. will be considered late and will **not** be accepted. No electronic or faxed submissions will be accepted.

**Applicants are responsible for checking for updates, corrections, clarifications and other changes to this RFQ at [www.first5sf.org](http://www.first5sf.org).**

**Mail or Hand-deliver one (1) original and five (5) copies of the application to:**

**RFQ 2008 / 02 Audit Services**

First 5 San Francisco  
1390 Market Street, Suite 318  
San Francisco, CA 94102  
Attn: Tamara Foster

<b>ESTIMATED TIMELINE</b>	
RFQ Issued	March 26, 2008
Bidders Conference	April 23, 2008
Proposals Due	May 9, 2008
Anticipated Notice of Recommendation for Funding	June 11, 2008
Tentative Fiscal Committee Approval	June 18, 2008
Anticipated Contract Start	July 1, 2008

## **Purpose of this RFQ**

The purpose of this solicitation is to secure audit services to complete First 5 San Francisco's annual fiscal audit. The successful bidder will enter into negotiations for a one-year Professional Services Contract (PSC) with three annual renewals at the discretion of First 5 San Francisco.

## **Background**

In November 1998, California voters passed Proposition 10, the California Children and Families Act, to help make sure that our youngest children receive the best possible start. The proposition increased the tax on tobacco products to fund local health care and early care and education programs that promote early child development, targeting children-from prenatal to age five-and their families. First 5 San Francisco is the public entity responsible for receiving and disbursing San Francisco's Proposition 10 funds. Currently, First 5 San Francisco receives approximately \$9.0 million per year in Proposition 10 revenues, with which it makes grants to both public and private entities. Funds are intended to promote, support and improve early childhood development, health and parental support through coordinated resources and programs.

First 5 San Francisco is also responsible for developing and implementing the Preschool for All (PFA) program, funded by Proposition H funds from the City and County of San Francisco. This program provides free half-day preschool for all San Francisco's four-year-olds, regardless of income. Funding for the Preschool for All program will be \$15 million in 2008-2009 and \$20 million per year from 2009-2010 to 2014-2015.

The Commission's total 2007-2008 budget is \$21 million, with \$10.5 million each in Prop 10 and Prop H funds. Nearly 90% of the Commission's funds are disbursed through grants to community-based organizations and large educational institutions. The remaining 10% is spent on administration and evaluation.

First 5 San Francisco has a staff of fifteen and is governed by a nine-member Commission, which includes experts in the fields of health, children's services and early care and education, some of whom represent city agencies and the Board of Supervisors. Additional information can be found on our website: [www.first5sf.org](http://www.first5sf.org)

## **Project Objectives**

The overall objective of this RFQ is to identify an agency to complete the fiscal year 2007-2008 financial statement audit, expanded audit and fiscal portion of the annual report. As a Prop 10 county commission, First 5 San Francisco is required to complete an annual financial statement audit by October 15<sup>th</sup>, 2008. State legislation passed in 2005, SB35 and AB109, also requires each county commission to complete an annual expanded audit in conjunction with the financial statement audit. The expanded audit, due on November 1<sup>st</sup> of each year, is a review of commission policies on conflict of

interest, salaries and benefits, administrative costs and other areas. The Commission's first expanded audit was completed along with the 2006-2007 financial statement audit. Once the financial statement audit and expanded audit are complete, the auditor will prepare the fiscal portion of the annual report, also due on November 1st. This is a four-page summary of the Commission's financial results, following a format created by First 5 California.

### **Funding**

First 5 San Francisco has allocated up to \$30,000 per year starting FY 2008/09 for completion of the audit work. The contract is renewable annually for three additional years through FY 2011/12. Contract renewal and award amounts are subject to First 5 San Francisco staff review, annual negotiation of contract award and scope of work and continued availability of funds.

First 5 San Francisco reserves the right to negotiate the terms and conditions of the award, including the amount of the contract award. The initial contract period will be twelve months from the date of award.

### **Scope of Services**

As a county commission of First 5 California, First 5 San Francisco has three annual fiscal requirements to complete in the fall of each year: a financial statement audit, an expanded audit and the fiscal portion of the annual report. The organization chosen through the RFP process will complete all three of these requirements.

The bidder shall have necessary systems and staff in place to complete the financial statement audit before October 15, 2008. The expanded audit and fiscal portion of the annual report must be completed by November 1, 2008.

### **Minimum Qualifications**

Bidders must demonstrate the capacity and capability to complete a fiscal audit, and should be CPA firms with a proven track record of performing audits for First 5 county commissions and departments of the City and County of San Francisco.

- Describe credentials and certifications for personnel on the audit team.
- Describe the agency's ability, organizational capacity, and track record to complete fiscal audits, with special emphasis on prior audits completed for departments of the City and County of San Francisco and First 5 county commissions. Identify the primary contact person with whom First 5 San Francisco will communicate. Provide the qualifications of the primary contact person and other key staff members. We anticipate that at a minimum, the primary contact person or key staff will have an extensive background and experience in providing audit services. Include resumes for key personnel and a

list of references for current audit clients (optional).

- The applicant will assure compliance with applicable county ordinances.
- The applicant will follow all applicable federal, state legislation and regulations.

**Non – Mandatory BIDDERS’ CONFERENCE**

A Non Mandatory bidders’ conference will be held on April 23, 2008 at 10:00 a.m., at the First 5 San Francisco office, 1390 Market Street, Suite 318, San Francisco. The purpose of the bidders’ conference is to answer any questions about the RFQ process and the proposed scope of audit services. The meeting will give participants the opportunity to seek clarification from Commission staff. Applicants are strongly encouraged to attend.

**Review of Proposals**

The proposals will be scored using the following scale:

Qualifications & Experience	60 points
Budget & Budget Narrative	30 points
Overall Quality of Proposal	10 points

The staff funding recommendation to the Commission is final.

If a Professional Services Contract (PSC) acceptable to both parties cannot be negotiated with the recommended applicant, First 5 San Francisco may recommend funding an alternate proposal.

## **PROPOSAL CONTENTS & INSTRUCTIONS**

### **Proposal Content**

Interested parties should submit one (1) original and five (5) copies of the proposal. The proposal must include the following components in the order outlined below:

#### **1. Coversheet**

Use Attachment 1 to create a coversheet,

Complete the information requested in the coversheet. The contact information provided will be used by the Commission to communicate with applicants.

#### **2. Qualifications and Experience (no more than 2 pages)**

Describe the qualifications, expertise and experience that will contribute to your successful completion of audit services. You may wish to reference specific past audit projects to demonstrate your qualifications, particularly those involving First 5 county commissions and departments of the City and County of San Francisco. If key personnel have been identified to perform project activities, note their project responsibilities, qualifications and contributions to past projects.

#### **3. Budget & Budget Narrative (no more than 2 pages)**

Use Attachment 2 to create a line item budget.

Provide a budget and budget narrative. Create a line item project budget showing the amount and purpose of requested funds. Provide a narrative for any item in the budget whose purpose may not be obvious or immediately clear. Attach the budget narrative after the budget form. A final budget will be negotiated with the selected partner.

#### **4. Attachments**

- A. Resumes/Position Descriptions – Include resumes of key staff who will be involved in the audit, if available. These documents should provide sufficient detail to permit the Commission to assess how their experience will contribute to the project's objectives.
- B. References from current audit clients.

## **Submission Instructions**

### **Proposal Format**

All proposals must:

- Be typed, with a minimum of one-inch margins on each page;
- Use no less than 12-point font;
- Be double spaced;
- Have the page number and program name listed at the bottom of each page; and
- Be within the stated page limits for each section.

Staple or clasp each copy of the proposal set (narrative plus attachments) in the upper left-hand corner. It is not necessary to bind or use or a 3-ring binder.

Proposals can be mailed or hand delivered but regardless of the postmark date must be received by the Commission by **5:00 p.m., on May 9, 2008.**

Mail or hand-deliver one (1) original and five (5) copies of the proposal to:

#### **RFQ - 2008 / 02 Audit Services**

First 5 San Francisco  
1390 Market Street, Suite 318  
San Francisco, CA 94102  
Attn: Tamara Foster

## **MISCELLANEOUS INFORMATION**

**Failure to meet the following requirements will eliminate the applicant from consideration:**

- If awarded a grant, the applicant must be certified as a City-approved vendor and compliant with the City's insurance requirements within 45 days of award notice or First 5 San Francisco reserves the right to revoke the grant award.
- Applicant must follow all guidelines (formatting, page limitations, required attachments, etc.) detailed in the **Proposal Contents and Instructions section of this RFQ.**

## **Other Requirements**

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Below is a partial list of significant requirements that will be part of each funded contractor's contract.

1. Contractor must be a City-approved vendor.
2. Contractor must comply with the monitoring and evaluation requirements. These requirements will be detailed in the contracting process.
3. Contractor must have current insurance coverage (workers compensation, general liability, fidelity bond and automobile, if applicable).

Applicants that are not yet City-approved vendors should begin the certification process as soon as possible, in order to ensure that they are able to meet this requirement if awarded a grant. The City's Office of Contract Administration offers all of the necessary forms on its website, which can be found at [www.sfgov.org/oca/purchasing/forms.htm](http://www.sfgov.org/oca/purchasing/forms.htm). Subcontractors are not required to be City-approved vendors; only the lead organization must be.

The City and County of San Francisco requires all agencies receiving grant funding to comply with a number of regulatory and legal requirements. Some of these requirements are described below.

### **Criminal Screening Requirement**

The City and County of San Francisco requires that all contractors and subcontractors comply with California Penal Code section 11105.3 and request from the Department of Justice records of all convictions or any arrest pending adjudication involving the offenses specified in Welfare and Institution Code section 15660(a) for any person who applies for a paid or volunteer position with the organization, or any subcontractor, in which the individual would have supervisory or disciplinary authority over a minor under his or her care.

If the contractor, or any subcontractor, is providing services at a City park, playground, recreational center or beach (separately and collectively known as "Recreational Site"), the organization shall not hire, and shall prevent its subcontractors from hiring, any person for employment or a volunteer position if that person has been convicted of any offense that was listed in former Penal Code section 11105.3 (h)(1) or 11105.3(h)(3).

If the organization, or any of its subcontractor, hires an employee or volunteer to provide services to minors at any location other than a Recreational Site, and that employee or volunteer has been convicted of an offense specified in Penal Code section 11105.3(c), then the contractor or its subcontractor must comply with that section and provide written notice to the parents or guardians of any minor who will be supervised or disciplined by the employee or volunteer not less than ten (10) days prior to the day the employee or volunteer begins his or her duties or tasks. The contractor shall provide, or

make its subcontractors provide, First 5 San Francisco with a copy of any such notice at the same time that it provides notice to any parent or guardian.

The contractor must expressly require all of its subcontractors with supervisory or disciplinary authority over a minor to comply with this requirement as a condition of its contract with the subcontractor.

Other requirements of agencies receiving grant funds include:

- The contractor must comply with the Domestic Partners or Equal Benefits Ordinance. For further information regarding compliance, respondents are encouraged to consult the Human Rights Commission at (415) 252-2500.
- The contractor must comply with the first source hiring program including developing agreements with the City to consider hiring economically disadvantaged individuals for entry-level positions.
- The contractor must comply with the Sunshine Ordinance. In accordance with San Francisco Administrative Code section 67.24(e), contracts, contractors' bids, responses to requests for proposals and all other records of communications between City and persons or firms seeking contracts, shall be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person's or organizations net worth or other proprietary financial data submitted for qualification for a contract or other benefit until and unless that person or organization is awarded the contract or benefit. Information provided that is covered by this paragraph will be made available to the public upon request.
- The contractor must comply with a provision of the Sunshine Ordinance that affects non-profits with at least \$250,000 in City funding and at least one applicable contract. The ordinance requires the non-profit to hold at least 2 open board meetings, to allow public access to financial records, and to promote community representation on their Board of Directors or equivalent, and to describe in its RFP response all complaints regarding compliance with the Sunshine Ordinance in the last two years, and the resolutions of these complaints.
- The contractor must comply with the San Francisco Children and Families Commission Tobacco-Free Policy – Attachment 3.

### **Reservations of Rights by First 5 San Francisco**

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- Issuance of this RFQ does not constitute a commitment by First 5 San Francisco to award a contract. First 5 San Francisco reserves the right to reject any or all

proposals received in response to this RFQ, or to cancel this RFQ if it is in the best interest of the funding agencies to do so.

- Actual award of funding is dependent on a successful contract negotiation. During the negotiation, First 5 San Francisco may seek modifications to the proposed activities and budget. If a contract agreement cannot be completed within a reasonable time frame, determined by First 5 San Francisco, First 5 San Francisco may terminate negotiations and pursue an agreement with a different applicant.
- Applicants submitting a proposal agree that by submitting a proposal they authorize First 5 San Francisco to verify any or all information contained in the proposal.
- First 5 San Francisco reserves the right, after contract award, to amend the resulting contract as needed throughout the term of the contract to best meet the needs of all parties.
- The applicant will comply with all requirements of the City and County of San Francisco and the Funding Agencies.

### **Allowable Costs**

First 5 San Francisco awards are cost reimbursement contracts for expenditures described in pre-approved budgets. Except for advances of funds, agencies must incur expenses in pursuit of agreed upon activities prior to reimbursement by First 5 San Francisco. Requested funding must be used to implement the types of activities described in the Scope of Work.

### **Unallowable Costs**

- Funds cannot be used for activities outside the Scope of Work.
- Funds cannot be used for capital expenditures.

**PROPOSAL COVER SHEET**

Please use this form for your front cover.

***SAN FRANCISCO CHILDREN AND FAMILIES COMMISSION***

**RFQ 2008 / 02  
Audit Services**

**FY 2008/2009**

Complete the Proposal Cover Sheet  
This will serve as the front cover of your proposal.  
An official authorized to bind the entity must sign it.

Name of Organization	
Address	Telephone Number
Contact Person/Title	Telephone Number
Alternate Contact Person/Title	Telephone Number
	Fax Number
Amount of Application Request:	\$
Name of Organization Director	
Signature of Organization Director	

Application Deadline:  
**May 9, 2008, 5:00 p.m.**

First 5 San Francisco  
San Francisco Children and Families Commission  
1390 Market Street, Suite 318  
San Francisco, CA 94102

**Attachment 2 – BUDGET INSTRUCTIONS and BUDGET REQUEST FORM**

Use Attachment 2 to create a line item budget for audit services.

**A. Personnel:** List the position titles and number of full-time equivalents for all personnel assigned to the audit. If applicable, list the hourly rate for all hourly personnel next to the position title in the Personnel column. Listing the hourly pay rate is particularly important as all funded programs should be in compliance with San Francisco's Minimum Compensation Ordinance. The text of the Minimum Compensation Ordinance can be found online at <http://www.sfgov.org/oca/lwh.htm>.

**B. Fringe Benefits/Taxes:** It is not necessary to show calculations for fringe benefits and taxes related to each employee on the budget form. Showing the total benefits percentage and corresponding total benefits amount for all employees is sufficient.

**C. Project/Operating Expenses:** Examples of Project/Operating Costs would be staff travel or office supplies.



**Attachment 3**

**SAN FRANCISCO CHILDREN AND FAMILIES COMMISSION  
TOBACCO – FREE POLICY**

**Section 1. Definitions.**

As used in this Policy the term:

“City” shall mean the City and County of San Francisco.

“Commission” shall mean the San Francisco Children and Families Commission.

“Contract” shall mean an agreement for grants to be provided, or for goods or services to be purchased out of the San Francisco Children and Families Trust Fund under the control of the Commission and does not include property grants, agreements entered into pursuant to settlement of legal proceedings, or contracts for a cumulative amount of \$5,000 or less per vendor in each fiscal year.

“Contractor” means any person or persons, firm, partnership, corporation, or combination thereof, who enters into a contract all or part of the funding of which comes from the San Francisco Children and Families Trust Fund.

“Director” shall mean the Executive Director of the San Francisco Children and Families Commission.

“Subcontract” shall mean an agreement to provide goods and/or services, including construction, labor, materials or equipment, to a contractor, if such goods or services are procured or used in the fulfillment of the contractor's obligations arising from a contract subject to this Policy.

“Subcontractor” means any person or persons, firm, partnership, corporation or any combination thereof, who enters into a subcontract with a contractor. Such term shall include any person or entity who enters into an agreement with any subcontractor for the performance of 10 percent or more of any subcontract.

**Section 3. Tobacco-Free Policy**

**(a) Policy:** Every contract awarded by the Commission shall incorporate by reference and require contractor to comply with the provisions of this section. In addition, all contractors must include or incorporate by reference in all subcontracts and require subcontractors to comply with the requirements of this Policy; failure to do so shall constitute a material breach of contract.

In the performance of a contract, the contractor or subcontractor shall agree as follows:

**(1) Smoke-Free Workplaces**

The Contractor shall prohibit smoking in its offices, automobiles or at Contractor-sponsored events located in the City and County of San Francisco.

**(2) Tobacco Hazards Education and Smoking Cessation Referrals**

The Contractor shall make available to clients, employees and community members educational materials, provided by the Commission, on the health hazards of tobacco.

The Contractor shall make available to clients, employees and community members, at the Contractor's offices and service delivery and event sites, information provided by the Commission, regarding smoking cessation services.

**(3) Divestment**

The Contractor shall divest from any investment in companies that, at the time the Contractor responds to a solicitation of bids from the Commission, derive more than 15 percent of their revenues from tobacco products.

**(4) Disclosure of Tobacco Industry Funding**

The Contractor shall report annually to the Commission the receipt of any moneys from a person, persons, firm, partnership, corporation, or combination thereof that derives more than 15 percent of its revenue from the production or sales of tobacco products. The report shall include the name of the entity, the amount received, the percentage of the agency's total budget the amount represents, the purpose of the contribution, and any efforts made to obtain alternative funding.

**(b) Penalties:** Whenever the Director determines that a person or entity under contract with the Commission has violated any provision of the Tobacco-Free Policy described in section, the Director shall have the authority to impose such sanctions or take such other actions as are designed to ensure compliance with the provisions of this Policy which shall include, but are not limited to:

(A) Suspension or termination of a contract;

(B) Ordering the withholding of funds due the contractor under any contract with the Commission;

(C) Disqualification of a bidder or contractor from eligibility for providing commodities or services to the Commission for a period not to exceed five years,

with a right to review and reconsideration by the Commission after two years upon a showing of corrective action indicating violations are not likely to reoccur.

All contracts shall provide that in the event any contractor fails to comply in good faith with any of the provisions of this Article the contractor shall be liable for liquidated damages in an amount up to five percent of the contractor's net profit under the contract, or ten percent of the total amount of the contract dollars whichever is greater. All contracts shall also contain a provision whereby the contractor acknowledges and agrees that the liquidated damages assessed shall be payable to the Commission upon demand and may be set off against any monies due to the contractor from any contract with the Commission.

#### **Section Four. Waivers and Exceptions**

##### **(a) Sole source.**

The Director may waive the requirements of this Policy whenever the Director finds that the needed goods or services are available only from a sole source and the prospective contractor is not otherwise currently disqualified from doing business with the City, or from doing business with any governmental agency based on any contract compliance requirements.

##### **(b) No qualified bidders who comply and service/project is essential to City/residents.**

After taking all reasonable measures to find an entity that complies with the Policy, the Director may waive any or all of the requirements of this Policy for any contract or bid package advertised and made available to the public, or any competitive or sealed bids received by the Commission as of the date of the enactment of this Policy where the Director determines that there are no qualified responsive bidders or prospective contractors who could be certified by the Commission as being in compliance with the requirements of this Policy and that the contract is for goods, a service or a project that is essential to the City or City residents.

##### **(c) Bulk purchasing arrangements through federal, state, regional or City entities.**

The Director may waive the requirements of this Policy where the Director determines that transactions entered into pursuant to bulk purchasing arrangements through federal, State, regional or City entities that actually reduce the Commission's purchasing costs would be in the best interest of the Commission.

##### **(d) Contract serves public benefit.**

The Director may waive the requirements of this Policy where the Director

determines that the benefit of the contract to the public and the Commission's ability to carry out its charge pursuant to state and local law outweigh the harm in the contractor's noncompliance with the Policy.

**(e) Contractor is a public entity.**

This Policy shall not apply where the prospective contractor is a public entity or City Commission and the Director finds that the proposed contract is necessary to serve a substantial public interest.

**(f) Requirements violate public agency grant and good faith attempt has been made to change conditions of grant.**

This Policy shall not apply where the Director finds that the requirements of this Policy would violate or be inconsistent with the terms or conditions of a grant, subvention or agreement with a public agency or the instructions of an authorized representative of any such agency with respect to any such grant, subvention or agreement, provided that the Director has made a good faith attempt to change the terms or conditions of any such grant, subvention or agreement to authorize application of this Policy.

**(g) Retirement and Pension Plans**

This Policy shall not apply to a contractor or subcontractor's investment of funds where the funds are held in trust for the benefit of employees or third parties.

**(h) Federal or State law**

This Policy shall be construed and applied so as not to conflict with applicable federal or State laws, rules or regulations.

**Section Five. Effective Date**

This policy shall apply to all contracts entered into on or after July 1, 2001.