

Request for Proposal (RFP)
Certified Public Accounting Firm for Auditing Services
Requested by the Shoalwater Bay Indian Tribe

The Shoalwater Bay Indian Tribe is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal years ending September 30, 2022, 2023, and 2024.

Proposals that reflect experience working with Native American tribes with proven abilities in the areas of certified public accounting will be the most competitive.

The Shoalwater Bay Indian Tribe reserves the right to waive any informality in the proposal process and will award the contract(s) based upon the qualifications and experience of a certified public accounting firm that best meets the type of work necessary and that are deemed to be in the best interest of the tribe.

Proposal Due Date: March 31, 2022 by 4:30 p.m. Pacific Time

Instructions for Submitting Proposals:

1. Submissions by email must be submitted to:

solicitations@shoalwaterbay-nsn.gov

Subject line: SBIT Audit Services 2022 Proposal

2. Submissions of proposals must be mailed to the following address:

Procurement
Shoalwater Bay Indian Tribe
P.O. Box 130
Tokeland, WA 98590

Proposals shall be clearly marked stating- "SBIT Audit Services 2022 Proposal – Do Not Open"

3. For any questions on the bid and requirements, please contact solicitations@shoalwaterbay-nsn.gov by email only. All questions will be placed on and answered on the Tribe's website. Questions will be accepted until 3/17.

Closing/Opening Date and Time and Method of Solicitation:

1. Proposals will be accepted by email up to 4:30 pm Pacific time on March, 31, 2022, late submissions will not be considered. All timely responses to this RFP will be considered. The Shoalwater Bay Indian Tribe reserves the right to reject any and all proposals including those proposals received after the closing date and time.

2. This RFP has been published through the Shoalwater Bay Indian Tribe website as well as local and national media.

Disputes: Protest must be in writing, within 14 days after the Request for Proposal has been awarded and the submitters notified, the protest must be on valid grounds, and the Tribal Administrator or an assignee will review the protest and make a determination, which will be final and cannot be appealed. To start the deadline for the protest claims, all submitters will be informed by certified mail their bid was not accepted.

Introduction

The audits are 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 *Government Auditing Standards*, issue by the Comptroller General of the United States.

There is no expressed or implied obligation for the Tribe to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

The Shoalwater Bay Indian Tribe reserves the right to reject any or all proposals submitted. Proposals must be submitted and evaluated by the Tribal Council and a selection should be made by April 30, 2022.

If subcontractors are to be used, that fact, and the name of the proposed subcontracting firms, must be clearly identified in the proposal. Following the award of the audit contract, no additional subcontracting will be allowed without the express written consent of the Tribe.

Shoalwater Bay Indian Tribe

The Shoalwater Bay Indian Tribe is a federally recognized Indian Tribe that was incorporated in 1971. The reservation was established by Executive Order in 1866 and is located in one square mile in Tokeland, WA. The Tribe has just over 450 members and is governed by a five member Tribal Council. Tribal Council will be selecting the future auditors.

Services that the government supplies its members include a state of the art Medical Center, a permanent police force, Housing, Elder Pensions, various social, educational and cultural programs, Water Utilities, a Library, a Public Relations newsletter, Tribal Gaming Authority, a Courthouse and Court system, Emergency Management services, a Gymnasium, Environmental services and Administrative services. The Tribal government employs just over 95 people in multiple buildings at its tribal center.

The Tribe's component unit is Willapa Bay Enterprises (WBE). WBE has a Casino, a gas station/c-store, a liquor store, an oyster business and a hotel. WBE employs over 100 people in its four locations.

The Tribe's 2022 revenue budget is \$23.6 million, of which, \$6.9 is from machine leases, \$1.1 is from taxes, \$1.9 is from the Medical Center, \$6.3 is from Self Governance Compacts, and \$5.9 is from Grants.

The Tribe's 2022 expenditure budget is \$26.1 million, of which \$6.75 is for a land and timber purchase, \$2.9 is for administration, \$4.9 is for medical, \$1.2 is for social services, \$0.8 if for

education and youth, \$0.8 is for environmental, \$1.0 is for housing, \$4.2 is for other services and \$3.4 is the indirect pool.

WBE's annual revenue and expenses are about \$17.0 million.

Audits for the Tribe, Casino and WBE for fiscal year ended September 30, 2021 were prepared by Moss Adams. The request for proposal is being issue to comply with the Tribe's fiscal policies of periodic review. Moss Adams will be allowed to bid on this proposal. There will be no restrictions placed on communications between prior and succeeding auditors. A PDF copy of the FY 2021 audit is available upon request at lkerns@shoalwaterbay-nsn.gov. The information in this request and in the FY 2021 audit are to be treated as confidential.

Nature of Services Required

The Shoalwater Bay Indian Tribe requires the auditor to express an opinion on the fair presentation of its Basic Financial Statements in conformity with generally accepted accounting principles.

For the Tribe, the auditor is to provide reports on the Statement of Position, Statement of Activities, Fund Financial Statements and other schedules based on the auditing procedures applied during the audit of the Basic Financial Statements. The individual funds include:

1. General Fund – comprised of the Tribal Fund and the Indirect Cost Pool
2. Special Revenue Fund – comprised of Federal, State and Other funding sources numbering over 30.
3. Other Funds – comprised of one Trust Fund and one Employee Pension Fund

There are no exclusions from this contract. All awards administered by the Shoalwater Bay Indian Tribe will be included in this engagement.

Following the completion of the audit of the fiscal years' financial statements, the auditor shall see:

1. An opinion on the financial statements and on the supplementary schedule of expenditures of federal awards.
2. A report on compliance and on the internal control over financial reporting based on an audit of the financial statements performed in accordance with *Government Auditing Standards*.
3. A report on compliance with requirements applicable to each major program and on the internal control over compliance in accordance with U.S. Office of Management and Budget (OMB) *Super Circular*.
4. A separate opinion on the financial statements, a MICS report (which is Agreed Upon Procedures) and a report on the internal control over financial reporting based on an audit of financial statements of the Shoalwater Bay Casino.

5. A separate opinion on the financial statements and a report on the internal control over financial reporting based on an audit of the financial statements of WBE.
6. A separate report to the State of Washington on the Tribe's compliance with the Cigarette Tax Compact.
7. A separate report to the State of Washington on the Tribe's compliance with the Gas Tax Compact.

In the required reports on internal controls, the auditor shall communicate any reportable conditions found during the audit. Reportable conditions that are also material weakness shall be identified as such in the report. Non-reportable conditions discovered by the auditors shall be reported in a separate letter to management, which shall be referred to in the report on internal controls.

A draft of the auditor's report for the Tribe, the Casino and WBE are to be submitted to the Chief Financial Officer, Comptroller and Treasurer, respectively, for approval prior to issuing the final report. It is anticipated that such submission will occur before February 1.

The reports on compliance shall include all instances of noncompliance as required in the Uniform Guidance.

Auditors shall assure themselves that the Tribe's Tribal Council, Tribal Gaming Authority or WBE's Board of Directors are 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
9. Difficulties encountered in performing audit

The Tribe has determined that the U.S. Department of Interior will function as cognizant or oversight agency in accordance with the provisions of the Uniform Guidance.

All working papers and reports must be retained, at the auditor's expense, for a minimum of five (5) years. The auditor will be required to make working papers available, upon request, to the following parties or their designees:

U.S. Department of the Interior

U.S. Department of Health and Human Services

U.S. General Accounting Office (GAO)

The Tribe's, Casino's and WBE's accounting department staff and responsible management personnel will be available to provide clerical support such as typing, making copies and pulling invoices as well as making available suitable space on site for computer use and reasonable telecommunications. The audit may also be conducted remotely if need dictates.

WBE's activities include a Casino that includes a deli, gift shop and liquor and smoke shop. The Casino was a Class III facility until March 31, 2017, at which time it closed for one month to remodel and on May 1 reopened as a 300 machine Class II facility only. Annual revenue for the Casino is about \$12,000,000.

WBE also operates a gas station convenience store. Annual revenue is about \$5,000,000. WBE also operates an 18 room hotel. Annual revenue for this facility is included in the Casino's operations. WBE also operates a liquor store with annual revenue of about \$1,000,000.

There will be separate billing fees for the government and for WBE.

Guidelines on Proposal Content

Firms interested must submit technical proposal that demonstrates the qualifications, competence and capacity of the firm seeking to undertake an independent audit of the Shoalwater Bay Indian Tribe in conformity with the requirements of this request for proposal.

The proposal should address all of the following points:

1. Independence with respect to Shoalwater Bay Indian Tribe and its component units
2. Firm qualifications and experience –
 - a. The proposal should state the size of the firm, the size of the firm's governmental 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 int his engagement.
 - b. The firm is required to submit a copy of the report on its most recent external quality control peer review, with a statement whether that quality control peer review included a review of specific government engagements.
 - c. The firm should also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) 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 (3) years with state regulatory bodies or professional organizations.
 - d. Identify the five largest clients the firm has lost in the past three years and the reasons. Also discuss, in instances where loss of the client was due to an

unresolved auditing or accounting matter, the process of attempting to resolve the issue(s).

3. Partners and staff qualification and experience. Indicate any complaints against them that have been levied 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 people.

4. Audit approach

5. Fee for each of the three years broken down by entity

6. Insurance and indemnification

7. Commitment to staff continuity, including expected staff turnover in the next three years

8. Provide the names and contact information for other similar clients of the partner and manager that will be assigned to our organization for reference purposes

9. Describe how and why your firm is different from other firms and why our selection of your firm is the best decision we could make.

Interim work on compliance and internal controls may begin anytime after selection. The Tribe, Casino and WBE will have financial statements and workpaper schedules prepared for the auditors no later than an agreed upon date. The reports specified in this request shall be submitted to the Tribe, Casino and WBE no later than an agreed upon date of the year immediately following the fiscal year end.

Evaluation of Proposals

The Shoalwater Bay Indian Tribe will evaluate proposals on a qualitative basis. This includes our review of the firm's peer review report and related materials, interviews with senior engagement personnel to be assigned to our organization, results of discussion with other clients and the firm's completeness and timeliness in its response to us.

Shoalwater Bay Indian Tribe's Qualified Tribal and/or MBE, WBE, DBE Preference

The entity or individual qualifies for Tribal and/or MBE, WBE, DBE preference if the following conditions are met:

If Native owned:

- The company must be at least fifty-one (51) percent Native owned;
- Native ownership is only established by a Member(s) of a US Federally recognized Native American Tribe, nation or band, which includes Members of Federally recognized Alaskan Native villages, communities, and corporations;

- The qualifying Member(s) must be an active participant(s) in the company (not just a figure head(s));
- The company must have appropriate business license(s) and company and/or staff must have appropriate certifications for specific field(s); and
- The company must have the requisite experience and staff expertise to complete the contract.

If MBE/WBE/DBE owned:

- Minority group members are United States citizens who are Asian-Indian, Asian-Pacific, Black, Hispanic and Native American. Ownership by minority individuals means the business is at least 51% owned by such individuals or, in the case of a publicly owned business, at least 51% of the stock is owned by one or more such individuals (i.e. the management and daily operations are controlled by those minority group members.)
- A Woman-Owned Business Enterprise (WBE) is defined as one that is at least 51% owned, operated and controlled on a daily basis by one or more female American citizens.
- DBEs are for-profit small business concerns where socially and economically disadvantaged individuals own at least a 51% interest and also control management and daily business operations.

Applicants seeking Tribal/and or MBE, WBE, DBE preference shall submit the following applicable documents during the procurement/bidding process:

- Documentation of membership by a US Federally recognized Native American Tribe,
- Nation or band, including member of federally recognized Alaskan Native villages, communities, and corporations and proof of at least 51 percent Native ownership
- Business license certifications, business structure documents (sole proprietor, partnership, incorporations, LLC), insurance and bonding capabilities.
- Tribe shall require all other necessary licensing documentation specific for the service provided
- (Industry Standard) Portfolios that include proof of the experiences and staff expertise in the specific field listed, resume of jobs completed, and references.
- Business plan that includes proof of the experience and staff expertise in the specific field, projected financials and references.
- Any other documentation or pertinent information required by the Tribe. The Tribe shall have sole discretion in determining other requirements under this policy.
- For compliance and enforcement purposes each entity seeking Tribal preference is required to maintain a separate UBI and Federal EIN number.
- Documentation certifying MBE, WBE, and/or DBE status.

Provisions

1. The selected consultant will be required to submit to and satisfactorily pass a background investigation.
2. The selected consultant will be required to provide professional indemnity insurance or a performance bond for coverage of 100% of the contract price.
4. If required, all parties must submit with their proposals a statement detailing their employment and training opportunities and their plan for providing preference to Indians. All contractors must observe the Shoalwater Bay Indian Tribe's preference policy.
5. The Shoalwater Bay Indian Tribe shall conduct all procurement transactions in a manner that provides fair, full and open competition.
6. The Shoalwater Bay Indian Tribe shall provide fair and equitable treatment for all persons or firms who are in the business of supplying goods and services.
7. The Shoalwater Bay Indian Tribe wishes to assure that supplies, services, and construction are procured efficiently, effectively, and at the most favorable prices available.
8. The Shoalwater Bay Indian Tribe shall take reasonable affirmative steps to assure that DBE's, WBE's and MBE's are used when possible but without infringing on Indian preference where Indian preference is applicable.
9. The Shoalwater Bay Indian Tribe shall not use federal grantor funds to do business with any entity who is disbarred in accordance with the Federal Government Disbarment list.
10. Request for Proposals may be terminated by The Shoalwater Bay Indian Tribe at any time for cause.
11. Each party submitting a proposal is certifying that he/she has not colluded with any other person, firm or corporation in regard to securing the services being solicited.
12. No employee, Officer, or agent of the Shoalwater Bay Indian Tribe may solicit or accept gratuities, favors, or anything of monetary value from contractors, potential contractors, or parties to subcontractors.
13. Negotiation: Provisions not addressed by this solicitation will be negotiated with the professional once a selection has been made.
14. Agreement: The selected professional will enter into an enforceable agreement that fully conforms to the contracting provisions pursuant to OMB 2 CFR 200. Copies of these requirements are online at <https://www.gpo.gov/fdsys/granule/CFR-2014-title2-vol1/CFR-2014-title2-vol1-sec200-320>