

BID NO. 20-12-2394LE

**Navajo Nation
Office of the Auditor General**

REQUEST FOR PROPOSALS

**Follow-up Review
of the
Navajo Housing Authority
Corrective Action Plan Implementation**

December 2020

OFFICE OF THE AUDITOR GENERAL REQUEST FOR PROPOSALS

The Navajo Nation Office of the Auditor General is requesting proposals from public accounting/auditing firms to perform a follow-up review of the Navajo Housing Authority's implementation of its corrective action plan to ensure the audit findings have been addressed.

I. BACKGROUND

The Navajo Housing Authority (NHA) is a tribal enterprise of the Navajo Nation and is the largest Indian housing authority in the country. Since 1963, NHA has been providing public housing for the Navajo Nation and in 2003, the Navajo Nation Council formally designated NHA as the Tribally Designated Housing Entity (TDHE) for the Navajo Nation. As the TDHE, NHA is responsible for the housing needs of the Navajo Nation that spans over 27,000 square miles. The overall primary beneficiary of the Indian Housing Block Grants (IHBG) is the Navajo people. Therefore, the Navajo Nation is responsible for monitoring NHA's administration of IHBG resources as stipulated by the Native American Housing Assistance and Self-Determination Act (NAHASDA). NHA receives \$80 to \$90 million a year from NAHASDA.

NHA manages over 8,500 housing units including an additional 2,000 units NHA funded through sub-recipients. NHA offers public housing assistance under the Homeownership program and the Public Rental program. NHA is managed under the direction of its Chief Executive Officer, with support from key management staff and with oversight by its five-member Board of Commissioners.

In 2018, the Navajo Nation Office of the Auditor General, in conjunction with an external audit firm, conducted a forensic audit. This audit was requested by the Office of the President/Vice-President to address various concerns regarding the use of NHA's Non-Program funds. The audit was to determine whether NHA adhered to its policies, procedures and processes for the period of January 1, 2014 to December 31, 2016.

In response to the audit report, NHA developed a corrective action plan that outlined the corrective actions that the organization would implement to address the audit findings reported in the report. The corrective action plan was approved by the Navajo Nation Budget and Finance Committee on June 26, 2019.

II. PURPOSE AND SCOPE OF WORK

The purpose of the request for proposal is to obtain the services of professional auditors/audit firms to perform a follow-up review of the Navajo Housing Authority corrective action plan implementation to determine whether corrective measures have been implemented to address the audit findings. The scope of the review will focus

specifically on the implementation of corrective measures by the Navajo Housing Authority pertaining to the forensic audit.

The follow-up review procedures shall include but not limited to the following:

- A. Inquiries with NHA management, key staff and the Board of Commissioners.
- B. Inquiries with applicable Navajo Nation stakeholders such as the Office of the President/Vice President, Navajo Nation Council, etc.
- C. Review of NHA policies and procedures including applicable amendments.
- D. Review of applicable federal, state and Navajo Nation laws and regulations.
- E. Evaluation of the NHA financial management system.
- F. Review of applicable funding or other contractual agreements.
- G. Review and evaluate other concerns/issues that have arose within the Navajo Housing Authority since the audit.
- H. Perform a risk assessment to determine audit samples and to determine whether additional concerns/issues warrant further evaluation as part of the follow-up review.
- I. Perform procedures necessary to verify the implementation of the corrective measures outlined in the corrective action plan.
- J. Draft a report on the results of the follow-up review of the corrective action plan implementation using a report format provided by the Navajo Nation Office of the Auditor General.
- K. The follow-up report shall include the following:
 - a) A table that summarizes the number of corrective measures that are: 1) Implemented, 2) Not implemented or 3) No longer applicable.
 - b) Narrative explanations on the status of the corrective measures.
 - c) An overall conclusion on whether the Navajo Housing Authority resolved prior audit findings and made improvements through the implementation of its corrective action plan.
 - d) The recommended action to be taken based on the implementation results as required by 12 Navajo Nation Code Section 9.
- L. Provide the draft report to the Auditor General and the Navajo Housing Authority for review and comment.
- M. Finalize the report and present the final results to the Navajo Housing Authority management, its Board of Commissioners and Navajo Nation stakeholders.
- N. Present the final report to the oversight committee and the Budget and Finance Committee, and address applicable questions/comments.

III. TERMS OF THE ENGAGEMENT

The audit scope will be from July 1, 2019 to December 31, 2020 (18 months). However, the scope could vary depending on the corrective measure(s) and what will be needed to verify its implementation.

The Office of the Auditor General anticipates the audit services completed by **February 28, 2021**.

The Navajo Nation Office of the Auditor General will provide the following information to the successful proposer:

- A. Copy of the 2018 Navajo Housing Authority forensic audit report.
- B. Copy of the corrective action plan developed by Navajo Housing Authority in response to the audit.
- C. Copy of the Budget and Finance Committee resolution approving the corrective action plan.
- D. Navajo Nation Code Title 12 which outlines the authority of the Auditor General in conducting corrective action plan follow-up reviews.
- E. Applicable NHA records (i.e., plan of operation, organizational chart, internal policies and procedures, operating budgets, performance measures, etc.).
- F. Access to in-house contact for the Navajo Housing Authority, to discuss procedures, policies, problems and concerns, and to provide a liaison between NHA and consultant.

IV. GENERAL REQUIREMENTS

This procurement will be conducted in accordance with the Navajo Nation procurement laws and the Navajo Business Opportunity Act.

- A. Acceptance of Conditions Governing the Procurement
Offerors must indicate their acceptance of the conditions governing this procurement in the letter of transmittal.
- B. Incurring Cost
Any cost incurred by the offeror in preparation, transmittal, presentation or modification of any proposal or material submitted in response to this RFP shall be incurred solely by the offeror.
- C. Amended Proposals
An offeror may submit an amended proposal before the deadline for receipt of proposals. Such amended proposals must be complete replacements for a previously submitted proposal and must be clearly identified as such in the transmittal letter.
- D. Offerors' Right to Withdraw Proposal
Offerors will be allowed to withdraw their proposals at any time prior to the deadline for receipt of proposals. The offeror must submit a written withdrawal request addressed to the project manager as identified in Section VIII.
- E. Questions

Any inquiries or requests regarding this procurement should be submitted in writing to the project manager for official responses. The offeror may contact the project manager verbally, however, verbal responses will be considered unofficial. The offeror may contact only the project manager or her designee for this project. Any inquiries and requests made to other employees of the Navajo Nation will not be considered for this procurement. Questions regarding this procurement will be accepted until 5:00 p.m. the day (24 hours) prior to the proposal deadline.

F. No Obligation

This procurement in no manner obligates the Navajo Nation or any of its agencies to the eventual rental, lease, purchase, etc., of any equipment, software or services offered until a valid purchase order is approved by the Navajo Nation Purchasing Director.

G. Termination

This RFP may be canceled at any time, and any and all proposals may be rejected in whole or in part when the Office of the Auditor General determines that such action is in the best interest of the Navajo Nation.

H. Sufficient Appropriation

Any contract awarded as a result of this RFP is contingent upon the appropriation of funds by the Navajo Nation Council. A contract award may be terminated or reduced in scope if sufficient appropriations or authorization do not exist. Such terminations will be effected with written notice to the contractor. The Office of the Auditor General's decision as to whether sufficient appropriation and authorizations are available will be accepted by the contractor as final.

I. Legal Review

The Office of the Auditor General requires that all offerors agree to be bound by the general requirements contained in this RFP. Any offeror concerns must be promptly brought to the attention of the project manager.

J. Governing Law

This procurement and any agreement with offerors that may result shall be governed by the laws of the Navajo Nation.

K. Choice of Forum

The courts of the Navajo Nation will have jurisdiction over any dispute that may rise out of this procurement and any agreement with the offeror.

L. Terms and Conditions

The contents of the successful offeror's proposal will become contractual obligations if a purchase order is awarded. Failure of the successful offeror to accept these obligations may result in cancellation of the award. However, the Navajo Nation Office of the Auditor General reserves the right to negotiate with the successful

offeror any additional provisions to those contained in this RFP.

M. Right to Waive Minor Irregularities

The Office of the Auditor General reserves the right to waive minor irregularities. This right is at the sole discretion of the project manager.

N. Ownership of Proposals

All documents submitted in response to this RFP shall become the property of the Navajo Nation and will not be returned to the offeror.

V. RESPONSIVE FORMAT AND ORGANIZATION

This section describes the format and organization of each response to the RFP. Failure to comply with these guidelines may result in the disqualification of the Proposal.

A. Number of responses. Firms are to Submit only one (1) Proposal.

B. Number of Copies. Offerors shall provide five (5) identical copies of their proposal to the project manager. The proposals are to be bound and sealed. Proposals must be received no later than **December 23, 2020 at 5:00 p.m.**

C. Proposal Format. All proposals must be typewritten on standard 8 ½ x 11 paper (larger paper is permissible for charts, spreadsheets, etc.) and placed within a binder with tabs delineating each section. The proposal shall not exceed 15 pages, 12-point font with one-inch margin.

D. Cost Proposal. The Cost Proposal must be in a SEALED ENVELOPE separate from the Technical Proposal marked "COST PROPOSAL-DO NOT OPEN". Only one (1) original sealed Cost Proposal is required. The cost proposal must consist of a complete and detail list of professional fees/rates, and reimbursable expenses applicable to professional services. The 6% Navajo Sales Tax will be applied to all invoices for services rendered. The Cost Proposal should contain the following:

1. Professional Fees (Hourly Rates)
2. Reimbursable travel expenses (meals, lodging, mileage or car rental)
3. Total cost

E. Proposal Organization. The Proposal must be organized and indexed in the following format and must contain, at a minimum all listed items in sequence indicated:

1. Letter of Transmittal
2. Statement of Qualifications
3. Proposed Approach
4. Project Approach and Completion Date

- F. Proposal Non-conformance. Proposal deemed Non-Conforming by the selection committee in regard to format may be considered Non-Responsive and may result in disqualification of the Proposal.

VI. LETTER OF TRANSMITTAL

Each proposal must be accompanied by a letter of transmittal. The letter of transmittal MUST:

- A. Identify the submitting organization.
- B. Identify the name and title of the person authorized to contractually obligate the organization.
- C. Identify the name, title and telephone numbers of person authorized to negotiate on behalf of the organization.
- D. Identify the names, titles, and telephone numbers of persons to be contacted for clarification.
- E. Explicitly indicate acceptance of the conditions governing this procurement.
- F. Be signed by the person authorized to contractually obligate the organization and acknowledge receipt of any and all amendments to the Proposal.

VII. PROPOSAL CONTENT

A. Technical Component:

To describe clearly that the accounting/auditing firm or other professional organization understands the work to be done, the proposer will:

1. Explain its approach to conducting a follow-up review of the Navajo Housing Authority corrective action plan implementation, including the methodology, nature, timing and extent of procedures to be performed.
2. Make a statement concerning the independence of the proposer, including direct and indirect financial interest, and the relationship of the proposed audit team to employees of the Office of the Auditor General and the Navajo Housing Authority.

B. Management Component:

The proposer will furnish satisfactory evidence of capability to provide in a professional and a timely manner the services to meet this requirement:

1. Provide the name of the external quality control review organization of which the proposer is a member and the proposer's length of membership.
2. State whether the firm has received a peer review, if applicable, and whether, in the most recent review, an unqualified report was issued.
3. State whether the proposer is a national, regional or local public accounting/auditing firm or professional services firm.
4. Provide evidence that the proposer has experience in performing audits of tribal housing authorities, tribal housing organizations or similar programs within state/local/tribal governments. List current and past clients along with the names and telephone numbers of contact persons and number of years of related professional services were provided.
5. Describe the proposed evaluation team, in terms of position in the firm.
6. List the names of staff member(s) who will direct the overall evaluation throughout the duration of the engagement as well as those staff members who will be responsible for planning, directing, and conducting substantial portions of the fieldwork or reporting on this engagement. Include the educational background of all staff members named and professional licenses held.
7. Describe the level of assistance that will be expected from the Navajo Nation Office of the Auditor General.

C. Task/Activity Plan

The proposer will specify budgeted hours, time lines and sequence of evaluation procedures, and names of staff to be assigned.

VIII. PROCEDURES FOR SUBMITTING PROPOSALS

A. PROJECT MANAGER:

The project manager is responsible to execute this procurement. All proposals will be submitted to the project manager at one of the following addresses. Please reference the project name on the mailing label.

Mail: Helen Brown, CFE, Delegated Auditor General
Navajo Nation Office of the Auditor General
P.O. Box 708
Window Rock, Arizona 86515
Telephone: (928) 871-6303
Fax: (928) 871-6054

Physical: Helen Brown, CFE, Delegated Auditor General

Navajo Nation Office of the Auditor General
#7498 SW Morgan Blvd.
Window Rock, Arizona 86515

- B. Proposals must be received by no later than **December 23, 2020 at 5:00 p.m.**

IX. ASSISTANCE TO PROPOSERS

Any person wishing to obtain additional information about the request for proposals may contact Ms. Rosita Yazzie, Administrative Assistant at (928) 871-6303/6304.

X. STATEMENT OF REQUIREMENTS

- A. The preliminary draft of the report will be presented to the Navajo Nation Office of the Auditor General and Navajo Housing Authority prior to finalizing the follow-up report.
- B. The successful firm will provide 10 copies of the written final report. Reports will be disseminated to the Navajo Housing Authority, the NHA Board of Commissioners, Office of the Speaker, the Navajo Nation Council and the Office of the President/Vice President.
- C. Upon request, the successful firm will provide a formal presentation of the final report to the Navajo Housing Authority Board of Commissioners, the Navajo Nation Council Resources and Development Committee as the oversight committee of the Navajo Housing Authority and the Budget and Finance Committee.