

SVRC Industries, Inc.

REQUEST FOR PROPOSAL (RFP)

I. INTRODUCTION

A. General Information

SVRC Industries, Inc., hereafter known as SVRC Industries, is requesting proposals from qualified firms of certified public accountants to audit its consolidated financial statements, which include SVRC Industries, Inc., its subsidiaries SVRC Industries Inc. Foundation and Westlund Guidance Clinic, and its wholly owned limited liability company, SVRC Marketplace LLC, as well as its 401(k) Retirement Plan for calendar years ending December 31, 2026, 2027, and 2028. These audits are to be performed in accordance with auditing standards generally accepted in the United States, Government Auditing Standards, and Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, as well as the laws and standards prescribed by the State of Michigan and its Treasurer.

B. Term of Engagement

A three (3)-year contract is contemplated. Each year shall be subject to the annual review and recommendation of SVRC Industries, Inc.'s Audit Committee.

C. Subcontracting

Firms submitting proposals are to disclose subcontracting of any portion of the engagement to other audit firms and identify the firms in the proposal. If this is to be done, 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 expressed prior written consent of SVRC Industries, Inc.

II. DESCRIPTION OF SVRC Industries, Inc.

SVRC Industries, Inc. was incorporated in 1962 as a 501(c) (3) private not-for-profit corporation. Over the years, the agency has grown significantly in both revenue base (current annual budget of \$11,000,000) and its community-based services, partnerships, and other collaborations with human service organizations. Please visit the SVRC website at www.svrcindustries.com for several of the agency highlights and program descriptions that should prove helpful in getting a general awareness for the mission of the agency. A copy of the December 31, 2025, Consolidated Financial Statements and Single Audit Act Compliance Report is available upon request to Denise Berry, dberry@svrcindustries.com for the bidder to clearly see the cost center structure, principles of consolidation, and nature of federal grants that give rise to the Single Audit requirements.

Basis of Accounting

SVRC Industries prepares its financial statements on the accrual basis in accordance with accounting principles generally accepted in the United States. SVRC Industries, Inc. Foundation and Westlund Guidance Clinic are subsidiaries of SVRC Industries, and their operations are reported on a consolidated basis with those of SVRC Industries. SVRC Marketplace LLC is wholly owned by SVRC Industries the financial activity of SVRC Marketplace LLC is included in the financial statements of SVRC Industries. In August 2017, SVRC Industries assumed ownership of the Joan Manley Wolfe Apartments, a project associated with the U.S. Department of Housing and Urban Development (HUD).

Magnitude of Finance Operations

The Accounting Department is headed by Jayne Roth, Controller, under the leadership of the CEO, Denise Berry, and consists of five employees.

Financial and Data Processing Systems

The accounting transactions are recorded on an accrual basis.

SVRC Industries, Inc. utilizes Sage Intacct software for the overall accounting/budgeting functions (general ledger, accounts receivable, accounts payable, fixed assets, and inventory management). Cost allocations and other various supporting schedules and reconciliations are maintained in Microsoft Excel. Client time recordkeeping and billing to Saginaw County Community Mental Health Authority is processed through Sentri (web-based platform). Client mental health service billings are processed at Westlund Guidance Clinic utilizing InSync (web-based scheduling, medical charting, and billing platform). Client and employee payroll is processed by Paychex. SVRC contracts with KMG Prestige for property management and accounting services for the Joan Manley Wolfe Apartments.

III. NATURE OF SERVICES REQUIRED

Scope of Work to be Performed

SVRC Industries desires the audit firm to express an opinion on the fair presentation of its consolidated financial statements in conformity with accounting principles generally accepted in the United States. In addition, the engagement will include preparation of Form 990s for SVRC Industries, Inc., the SVRC Industries Inc. Foundation, and the Westlund Guidance Clinic. Separate financial statements and audit report, along with necessary filing(s) for HUD will be included in the engagement as well.

Auditing Standards to be Followed

To meet the requirements of this request for proposals, the audit shall be performed in accordance with auditing standards generally accepted in the United States, *Government Auditing Standards*, and *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

Working Paper Retention and Access to Working Papers

All working papers and reports must be retained, at the auditing firm's expense, for a minimum of seven (7) years, unless the firm is notified in writing by SVRC Industries, Inc. of the need to extend the retention period. The audit firm will be required to make working papers available upon request by SVRC Industries, Inc. Reports, documents, and working papers will only be released with specific written permission and direction from SVRC Industries, Inc.

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

IV. TIME REQUIREMENTS

The following is the calendar of events related to this RFP:

<u>EVENT</u>		<u>FIRM DATES</u>
Issue Request for Proposals (RFP)		8/12/2026
<u>Deadline</u> for sending. 'Confirmation of Interest' email Attn: Denise Berry dberry@svrcindustries.com receipt of the email will be sent.	4:30 p.m.	9/4/2026
<u>Deadline</u> for Written Questions. Email the written questions to Attn: Denise Berry dberry@svrcindustries.com receipt of email will be sent.	4:30 p.m.	9/18/2026
<u>Deadline</u> for submission of Proposals to SVRC Industries, Inc. (One sealed original and one (1) copy)	4:30 p.m.	10/15/2026
Evaluation of Proposals	12:00 p.m.	10/20/2026
Final Selection Made	by 4:30 p.m.	10/21/2026
Firm Notified	by 4:30 p.m.	10/23/2026

Date Preliminary Audit Work May Commence

SVRC Industries, Inc. will have records ready and all management personnel available to meet with the firm's personnel for preliminary work as of Friday, February 12, 2027. It is anticipated that SVRC Industries, Inc., SVRC Industries, Inc. Foundation, and the Westlund Guidance Clinic will have their year-end general ledgers closed and be ready with reasonably adjusted trial balances by March 26, 2027. However, the year-end general ledgers for Joan Manley Wolfe Apartments will be closed by February 19, 2027 and the applicable audits, tax filings, and HUD reports/filings will need to be submitted within 90 days of year-end.

Audit Schedule

A schedule for the audit must be submitted with the firm's proposal and must contain the following milestones:

1. Interim work plan
2. Detailed audit plan
3. Fieldwork
4. Draft reports

Report Due Dates

A draft audit report shall be delivered to Denise Berry, President/CEO by April 5, 2027. Two weeks should be allowed for proper review of the draft by all applicable individuals and/or committees. It is the goal that the final report would be ready for presentation to the Finance Committee and/or Board of Directors at the April 21, 2027, board meeting.

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

Financial Staff and Clerical Assistance

The SVRC Industries, Inc. Accounting staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation, and explanations. The preparation of any confirmations will be the responsibility of SVRC Industries, Inc.

Information Systems Assistance

Information Systems personnel will be available to provide systems documentation and explanations. The firm will be provided with reasonable computer time and the use of SVRC Industries, Inc. computer hardware and software.

Statements and Schedules to be Prepared by the Staff of SVRC Industries, Inc.

The Accounting staff will prepare statements and schedules for the firm wherever possible and appropriate.

Work Area, Internet Connection and Photocopying

SVRC Industries, Inc. will provide the firm with reasonable workspace, desks, and chairs. The firm will also be provided with reasonable access to the internet, telephone lines, photocopying facilities, and FAX machines.

Report Preparation

Report preparation, editing and printing shall be the responsibility of the selected firm.

SVRC Industries, Inc. In-Kind Services

Other than the items listed above, the firm's proposal shall contain any in-kind services which may be necessary for the successful completion of the contract.

VI. PROPOSAL PREPARATION AND SUBMISSION PROCEDURES

Submission of Proposals

There is no expressed or implied obligation for SVRC Industries, Inc. to reimburse firms for any expense incurred in preparing proposals in response to this RFP. Submission of a proposal indicates acceptance by the firm of the conditions contained in this RFP unless clearly and specifically noted in the submitted proposal and is confirmed in the written contract between SVRC Industries, Inc., and the selected firm.

To be considered, a Confirmation of Interest Statement must be sent by email by 4:30 p.m. on 9/4/2026 to dberry@svrcindustries.com. Any questions regarding this RFP must also be emailed to dberry@svrcindustries.com. **One sealed original and one (1) copy of a proposal must be submitted by 4:30p.m. on 10/15/2026 to Denise Berry.** Proposals received after the prescribed deadline may be rejected and not considered. An Audit RFP Evaluation Review Committee has been selected to evaluate proposals and make a recommendation to the SVRC Industries, Inc. Board. During the evaluation process, the Audit RFP Evaluation Review Committee and SVRC Industries, Inc. reserve the right, where it may serve SVRC Industries, Inc.'s best interest, to request additional information or clarifications from proposers, or to allow correction of errors or omissions. At the discretion of SVRC Industries, Inc. or the Audit RFP Evaluation Review Committee, firms submitting proposals may be requested to make an oral presentation as part of the evaluation process. The actual dates and times of an oral presentation appointment will be arranged with a firm if deemed necessary. **Not all firms may be asked to make oral presentations.**

SVRC Industries, Inc. 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 proposal, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between SVRC Industries, Inc., and the selected firm.

VII. CONTENT OF PROPOSALS

The purpose of the proposals is to demonstrate the qualifications, competence, experience, and capability of the firm seeking to undertake this request for proposal. As such, the substance of the proposals will carry more weight than their form or manner of presentation. The proposal should demonstrate the capabilities of the firm and should specifically identify the audit approach that will be used to meet the RFP requirements.

Detailed Proposal

The proposal should address all points outlined in the RFP. The proposal should be prepared simply and economically, providing a straightforward, concise description of the firm's capabilities to satisfy the requirements of the RFP. While additional data may be presented, the following subjects, item numbers 1 through 10, must be included. They represent the criteria against which the proposal will be evaluated.

1. Independence

- The firm should provide an affirmative statement that it is independent of SVRC Industries, Inc. and its subsidiaries in accordance with the independence requirements contained in Government Auditing Standards issued by the U.S. Government Accountability Office (GAO).
- The audit firm should also provide an affirmative statement that it is independent of all of the contracted service providers of SVRC Industries, Inc. as defined by those same standards.
- The firm should also list and describe the firm's professional relationships involving SVRC Industries, Inc., or any of its contracted service providers for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

2. License to Practice in Michigan

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

3. Federal and State Eligibility and Exclusion Disclosure

Each firm must disclose whether the firm, its owners, principals, or key personnel are currently excluded, debarred, suspended, or otherwise prohibited or ineligible to participate in federal or state government programs, contracts, or transactions, including exclusion by the U.S. Department of Health and Human Services Office of Inspector General (OIG). Each firm must affirmatively indicate if no such exclusions, debarments, suspensions, or other restrictions exist. Any current or pending restriction that may affect the firm's eligibility to perform services for SVRC Industries must be fully disclosed as part of the proposal.

4. Firm Demographics

The proposal should state the size of the firm, size of the firm's non-profit/governmental audit staff, location of the office from which work on this engagement is to be performed, the number and nature of professional staff to be employed in this engagement on a full-time basis and the number and nature of staff to be employed on a part-time basis.

If the proposer is a joint venture or consortium, the demographics of each firm comprising the joint venture or consortium should be separately identified and the firm that is to serve as the principal auditor should be noted, if applicable. 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 non-profit/government engagements.

The audit 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 (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.

5. Partner Supervisory and Staff Qualifications and Experience

The audit firm should identify the principal supervisory and management staff, including engagement partners, managers, other supervisors, and specialists, who would be assigned to the engagement and indicate whether each such person is licensed to practice as a certified public accountant in Michigan. The firm should also provide information on the non-profit auditing experience of each person.

The firm should 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. The firm also should indicate how the quality of staff over the term of the agreement would 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 SVRC Industries, Inc. However, in either case SVRC Industries, Inc. retains the right to approve or reject replacements.

Consultants and firm specialists mentioned in response to this RFP can only be changed with the express prior written permission of SVRC Industries, Inc., which retains the right to approve or reject replacements.

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

6. Engagement Expertise

For the firm's office that will be assigned responsibility for the audit, list at least **three** engagements performed in the last five years that are similar to the engagement described in this RFP. 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. In addition, as noted above, SVRC Industries, Inc. is unique as a non-profit in that it engages in light manufacturing and carries inventory. Therefore, the firm should also include a description of at least **three other** engagements that involve the audit of manufacturing activity and inventory.

7. Specific Audit Approach

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed. The work plan should also describe how the firm will achieve audit and tax form preparation efficiency through risk-based auditing and through the application of technology to the engagement.

8. 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 SVRC Industries, Inc.

9. Total All-inclusive Maximum Price

The proposal should contain all pricing information relative to performing the engagement as described in this RFP. The total all-inclusive maximum price is to contain all direct and indirect costs including all out-of-pocket expenses.

The proposal shall provide a total all-inclusive maximum price for each of the three contract years (2026, 2027, and 2028) and shall separately identify the fees associated with the consolidated financial statement audit, Single Audit, 401(k) Retirement Plan audit, HUD audit and related filings, and Form 990 preparation. Any other anticipated fees or charges must be separately identified.

10. Conflict of Interest

The firm must indicate any potential conflict of interest that exists in regard to their ability to respond to this RFP. This includes a description of the firm's relationship with SVRC Industries, Inc., its subsidiaries, affiliated entities, contracted service providers, or oversight agencies, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the services outlined in the proposal. To avoid any real or perceived conflict, all bids and contracts shall, to the extent possible, identify any relative of the contractor or the contractor's employees who are presently employed by SVRC Industries, Inc.

VIII. EVALUATION PROCEDURES

The proposals submitted will be evaluated by an Audit Review Committee of the SVRC Industries, Inc. Board of Directors. The purpose of the proposal is to demonstrate the qualifications, competence, capacity, and capability of the vendor seeking to undertake this request for proposal. As such, the substance of the proposals will carry more weight than their form or manner of presentation. The proposal should demonstrate the qualifications of the vendor and should specify the approach that will be used to meet the request for proposal requirements. The committee members will evaluate the proposals submitted by the deadline, using SVRC's internal procurement evaluation checklist, based upon the following:

1. Past experience and performance on comparable projects. (30 points)
2. The capacity of the organization to provide the service level specifications outlined in the RFP within the periods specified. (20 points)
3. Properly addressing the ten (10) criteria spelled out in Section VII. (10 points)
4. The proposed total cost for services. (30 points)
5. Any other information deemed relevant by the committee. (10 points)

The proposal should address all the requirements outlined in the request for proposal. The proposal should be prepared simply and economically, providing a straightforward concise description of the firm's capabilities to satisfy the requirements of the request for proposal.

During the evaluation process, SVRC Industries, Inc. reserves the right, where it may serve SVRC Industries, Inc.'s best interest, to request additional information or clarification from vendors, or to allow correction of errors or omissions. At the discretion of SVRC Industries, Inc., vendors submitting proposals may be requested to make oral presentations as part of the evaluation process. Reasonable advance notice will be provided to selected vendors. **Not all vendors submitting a**

proposal will be asked to participate in oral presentations.

It is anticipated that a firm will be selected by 10/21/2026 with notification to the selected firm by 10/23/2026. Following notification of the firm/individual, it is expected a contract will be executed between the parties.

SVRC Industries, Inc. reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether or not that proposal is selected. SVRC Industries, Inc. also reserves the right to reject any and all proposals, awarding the contract to other than the lowest priced vendor, and to waive irregularities and/or formalities. In addition, SVRC Industries, Inc., has the right to accept any proposal which in its judgment best serves SVRC Industries, Inc.' s interest.

Submission of a proposal indicates acceptance by the vendor of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and contained in the contract between SVRC Industries, Inc., and the selected vendor.

IX. FIRM ASSURANCES

In that the selected firm will be required to assume responsibility for all services offered in their proposal; SVRC Industries, Inc. will consider the selected firm to be the sole point of contact regarding any subcontractors. In connection with the performance of work under a contract with SVRC Industries, Inc., the contractor must agree not to discriminate against employees or applicants for employment on the basis of race, religion, color, sex, national origin, age, or disability. The aforesaid provision shall include but not be limited to the following: recruitment or recruitment advertising; employment, upgrading, demotion, or transfer; layoff and selection or training, including apprenticeship, in accordance with rules and regulations promulgated by various Federal agencies.

X. FREEDOM OF INFORMATION ACT

Firms are hereby notified that all information contained in their proposal is subject to the provisions of the Michigan Freedom of Information Act.