



**STATE OF LOUISIANA
LOUISIANA ECONOMIC DEVELOPMENT**

REQUEST FOR QUALIFICATIONS (“RFQ”)

TO PARTICIPATE IN VERIFICATION REPORT ENGAGEMENTS

October 22, 2018

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1 GENERAL INFORMATION

1.1 Purpose

This Request for Qualifications (RFQ) is issued by LOUISIANA ECONOMIC DEVELOPMENT (LED) for the purpose of obtaining information to assist LED in selecting accounting and law firms to provide verification reports required for certain LED-administered incentive programs. These services will be obtained through professional services contracts, which are not required to be competitively awarded through public bid or request for proposal procedures; this is an informal informational procedure. LED will select multiple contractors from firms providing sufficient information for LED to determine them to be capable of performing the required services within the required time frames and budget.

1.2 Scope of Services

LED is seeking professional accounting services needed in connection with the following incentive programs: *Motion Picture Investor, Digital Media, Live Performance, Sound Recording, Research and Development.*

LED shall contract with accounting and law firms on a per report, as needed, as requested basis, for the production of a Verification Report*, in conformity with applicable program requirements, at a cost not to exceed the maximum allowed fee per project, based upon an hourly rate not to exceed \$225 per hour.

For informational purposes only, current program auditing guidelines, and agreed upon procedures may be referred to as an example of the nature and scope of work to be performed, and are available on the LED website (link). Such guidelines and procedures are subject to change.

Even if a firm is selected by LED, there is no guarantee of the amount of assigned work. However, from January 1, 2016, to today (October 2018), for all programs, LED has assigned a total of 430 projects requiring an expenditure verification report. Broken down by program: Film - 259; Digital Media -133; Live Performance - 28; Sound - 10. Further specifications for each program are as follows:

Program Name	Statute	Expenditures	Maximum Fee	Comments
Motion Picture (Film)	R.S. 47:6007	≤ \$25 million	\$15,000	
		> \$25 million	\$25,000	
Digital Interactive Media & Software (DM)	R.S. 47:6022	≤ \$1 million	\$15,000	
		> \$1 million	\$25,000	
Musical & Theatrical Production (Live)	R.S. 47:6034	> \$50,000	\$15,000	
Sound Recording (Sound)	R.S. 47:6023	\$5,000- \$50,000	\$ 5,000*	Projects under \$15,000 may be subject to a lower fee of \$1500, as agreed to between the parties on a case by case basis
		> \$50,000	\$15,000	
Research & Development (R&D)	R.S. 47:6015	≤ \$1 million	\$15,000	
		> \$1 million	\$25,000	

1.3 Nature of Services – Verification Report*

The accounting firm shall: a) perform procedures to obtain reasonable assurance about whether financial statements are free of material misstatement caused by error, fraud or illegal acts, b) examine sufficient evidential matter to support any opinions or comments expressed.

The law firm shall: a) prepare a verification report on the taxpayer's claimed qualified research expenditures based upon LED procedures and guidelines, b) examine sufficient evidential matter to support any opinions or comments expressed.

The term "verification report" may include any agreed upon procedure, tax opinion, attestation, audit, or other report, as required by statute or LED rule.

1.4 Required Qualifications – General

The participant, if a CPA or CPA firm, must demonstrate they possess an active unrestricted original certified public account license; maintains a current Louisiana certified public account firm permit; actively participates in a Peer Review Program approved by the State Board of Certified Public Accountants of Louisiana; completes eight hours of continuing professional education in an approved LED tax credit attestation course per reporting cycle*; is capable of conducting two levels of review within the CPA firm or, if not within the firm, then through a cooperative endeavor with another CPA for the review of a verification report prior to its issuance.

*For purposes of this RFQ submission, LED-approved CPE courses *shall include, but not be limited to*, the following: *Entertainment and R&D Tax Credit Symposium* hosted by LED and LACPA 1/13/14; CPE courses related to Auditing, Fraud or the Research and Development Credit CPE series.

1.5 Required Qualifications – Research & Development Program

If interested in performing verification reports for the R&D program, the participant, if a tax attorney, must demonstrate they possess a Masters of Law in Taxation or Tax Law from an ABA-accredited law school, or is Board Certified as a Tax Law Specialist by the Louisiana Board of Legal Specialization; admitted to the practice of law in Louisiana; practices in a law firm with an office in Louisiana; completes six hours of continuing legal education in the federal research and development tax credit under Section 41 of the Internal Revenue Code per reporting cycle.

1.6 Independence

- a. Conflict check required on a per project basis. CPA may contract with LED for general accounting services, but will be expected to perform a conflicts check prior to acceptance of any requested assignment, report the results of the conflicts check to LED, and LED may not select a CPA to perform a verification report if a CPA has performed (or whose CPA firm or an affiliate of the CPA or the CPA firm has performed) any other services for the applicant company, including all attest and

non-attestation services, (e.g., identification and quantification analysis, quantified benefits projection, application preparation).

- b. In order to avoid any real or perceived conflicts of interest, CPA shall not represent any other party in any other matter relating to LED's incentive programs; *Motion Picture Investor, Digital Media, Live Performance, Sound Recording, Research and Development*, unless LED consents to any such representation in writing.
- c. While not an exhaustive listing, LED would consider the following examples to be a conflict of interest: i) valuation of any tax credits already issued in the form of a final tax credit certification letter, ii) valuation of tax credits potentially to be issued by LED, iii) evaluation of the sufficiency or quality of work product of any CPA firm under contract with LED to provide expenditure verification reports for the above named incentive programs, iv) providing business consulting services for companies participating in the above named LED incentive programs.

2 RFQ INFORMATION

In order to consider your firm, we ask that your RFQ include all of the following information:

2.1 Company Information

Interested parties should submit: physical and mailing address, telephone and fax numbers, e-mail address and website. Indicate whether your firm is local, regional, or national. Will you use third parties for any of the services provided under this Contract? If yes, whom?

2.2 Experience and Qualifications of Proposed Staff and Executive Summary

Participant should submit sufficient information to satisfy evaluators that the participant has the appropriate experience and qualifications to perform the scope of services as described herein:

- 1) The written RFQ must specify key individuals who will be on the attestation engagement and indicate their necessary skills and experience. An emphasis will be placed on the qualifications/certifications of the participant's staff and the availability of the staff to handle the numerous engagements. The RFQ should include education, certifications (CPA, CFF, CFE, CIA), CPE and recent experience of key individuals, with particular reference to their ability to analyze complex transactions and qualifying activities.
 - a. The participant, if a CPA or CPA firm, must demonstrate they possess an active, unrestricted original certified public account license; maintains a current Louisiana certified public account firm permit; actively participates in a Peer Review Program approved by the State Board of Certified Public Accountants of Louisiana; completes eight hours of continuing professional education in approved LED tax credit attestation courses per reporting cycle; is capable of conducting two levels of review within the CPA firm or, if not within the firm, then

through a cooperative endeavor with another CPA for the review of a verification report prior to its issuance.

- b. The participant, if a tax attorney, must demonstrate they possess a Masters of Law in Taxation or Tax Law from an ABA-accredited law school, or is Board Certified as a Tax Law Specialist by the Louisiana Board of Legal Specialization; admitted to the practice of law in Louisiana; practices in a law firm with an office in Louisiana; completes six hours of continuing legal education in the federal research and development tax credit under Section 41 of the Internal Revenue Code per reporting cycle.
- 2) The participant should clearly document specific examples where the firm has provided attestation engagements or services as prescribed involving the designated incentive programs.
 - 3) Brief statement (no more than 200 words) of why the participant feels it should be considered and should summarize the unique value their proposed firm would add to the engagement.

2.3 LED Program Selection

The RFQ must include a list of the LED programs that the CPA or CPA firm is willing to provide the verification report services requested under this RFQ.

2.4 Cost Information

The RFQ must include an hourly rate schedule-one hourly rate for partner/manager and one hourly rate for support for each staff role, as well as a blended rate not to exceed \$225 per hour.

2.5 Billing and Payment

Contractor's hourly rates will be inclusive of all work performed for services and related costs, including all overhead, costs of doing business, use of Contractor equipment and in-house resources. No Contractor charges above the hourly rate or statutory maximum fee per service rendered will be accepted.

3 ADMINISTRATIVE INFORMATION

3.1 Term of Contract

The term of any contract resulting from this RFQ is tentatively scheduled to begin 1/1/2019 for an initial one-year term, with an LED option to extend the term two additional years.

3.2 RFQ Coordinator

This RFQ is available in PDF form at www.louisianaeconomicdevelopment.com/RFQ. All questions regarding the RFQ process must be directed to the RFQ Coordinator:

Christina Ocmand, Contract/Grant Reviewer
Louisiana Economic Development
Office of the Secretary, Legal Division

Mailing Address:

P.O. Box 94185
Baton Rouge, LA 70804-9185

Physical Address:

LaSalle Building, 11th Floor
617 North 3rd Street
Baton Rouge, LA 70802

Telephone: 225.342.4071

E-mail: christina.ocmand@la.gov

3.3 RFQ Inquiries

LED will consider written inquiries and requests for clarification regarding the Scope of Services and other substantive matters relating to this RFQ, submitted to the RFQ Coordinator, by 4:00 p.m., CST, on 11/09/2018.

Responses and clarifications that may be of value to other participants will be posted at www.opportunitylouisiana.com/RFQ

LED reserves the right to modify the RFQ should a need for change be identified. Requests for email notification of such modifications may be made through the RFQ Coordinator.

To be considered by LED, responses to this RFQ must be received by 4:00 p.m., CST, 11/16/2018.

3.4 RFQ Submission

Interested parties shall submit ONE copy of the completed RFQ, signed by an authorized representative of the firm, via e-mail to the RFQ Coordinator: christina.ocmand@la.gov

3.5 RFQ Consideration

LED reserves the right to reject any and all submitted proposals and to request additional information from any and all proposers.

3.6 RFQ Award

The name(s) of successful proposal(s) will be posted on LED's website.