



CONCRETE MASONRY  
CHECKOFF

## REQUEST FOR PROPOSAL FOR YEAR-END MEMBER VERIFICATION REVIEW

**RFP Release Date:** Dec. 1, 2023

**Proposal Submission Deadline:** Dec. 29, 2023, 5 p.m. eastern time

### DESCRIPTION OF THE CONCRETE MASONRY CHECKOFF BOARD

The Concrete Masonry Checkoff Board ("CMCB" or the "Board") is a quasi-governmental organization (Section 501(c)(l) of the Internal Revenue Code) created by Congress for the advancement of the concrete masonry industry. It is a result of the vision of concrete block producers who wanted a way to drive demand and increase market for block. The CMCB was first established with the approval of the Concrete Products Research, Education and Promotion Act (the "Act") by Congress on October 5, 2018. The CMCB was created under the auspices of the US Department of Commerce. The Board has responsibility for the implementation of the Act and Department of Commerce Order 2020-17515 Concrete Masonry Products Research, Education and Promotion Order O.pdf (commerce.gov) (the "Order") which guides the Checkoff program.

The Board, consisting of 15 voting members and 6 Alternate members, was appointed by the Secretary of the US Department of Commerce, on August 30, 2022. The Board held its first meeting on November 16, 2022. At that meeting, the Board established April 1, 2023 as the date for commencement of assessments on masonry units, at the rate of 1 cent per block. Assessments are paid in arrears within 60 days following the end of a calendar quarter. First assessments will be collected in July and August 2023. It is estimated that the current market for block is between 1 billion and 1.5 billion units. This should generate annual assessment revenues between \$10 Million and \$15 Million (\$2,500,000 to \$3,750,000 per quarter).

The Board envisions engaging a qualified firm or individuals to implement a compliance program relating to the verification of assessment reporting and payments by block producers.

### VERIFICATION REVIEW

The Board will engage for a service to verify remittance reports from individual producers. The verification service is intended to assure that:

- Each producer is remitting assessments for all appropriate products manufactured by the producer
- Each producer is not remitting assessments for products not covered by the assessment
- The volume of covered products sold by each producer during a particular quarter is reported accurately
- The product offering diversity is captured accurately

The initial verification program will have a goal of validating every producer at least once every 5 years. The exact number of producers that will be remitting assessment report forms is estimated to be approximately 260. They range in size from small business having one plant to large internationally owned businesses having many plants. Producers have the option of remitting payments by plant or by combining multiple plants. Until first assessments are paid, we will not know how many assessment forms to expect, but the number is probably between 200 and 250. Producers to be verified will be randomly chosen. Verification results will be subject to the following confidentiality safeguards:

- The verification results will be subject to the Board's Policy Regarding Proprietary Information and the auditor/verification company will agree to be bound by that Policy. (A copy is attached to this RFP)
- Verification results will be disclosed to the CEO or the CEO's designee only. If a finding determines that the producer has a deficiency, all documents related to the verification shall be disclosed to the CEO. If the producer refuses cooperation relating to verification, a Board member will be assigned to be the Board's primary point of contact for coordinating all communications with the producer and collating required documentation. The verifier will document all communication with the producer, including individual discussions with the producer (virtual or in-person). If the discrepancy remains unresolved the Board will refer the matter including documentation of all contact and the Board's recommendation to the Secretary of the Department of Commerce for review.. The determination of the Secretary shall be final and conclusive.

The Order allows for the verification and inspection of the financial records of manufacturers and requires that financial records be retained for at least 7 years beyond the fiscal period of their applicability. Verification records shall be maintained for a period of seven years and then disposed of in a manner that maintains their confidentiality.

- Verification results will be reported to the CEO of the Board. If verification results determine that an amount is due to the Board or a credit is due to a producer, upon request by the Board CEO, the audit verification company will inform the producer of the results and if payment is due the Board, the process for making payment. If a credit is due to the producer, the Board will initiate a reimbursement or credit to the producer account.

## **SCOPE OF WORK**

The National Concrete Masonry Checkoff Board (CMCB) is soliciting proposals from qualified financial firms or individuals to provide independent verification services for the 2024-2026 fiscal years ending December 31, 2026. CMCB reserves the right to initiate a request for a proposal prior to the end of the three years and to select a different financial resource to provide these services.

The Board is seeking an independent verification review to obtain reasonable assurance about whether our producer members are paying appropriate amounts of assessments to the Board. This request for proposal (RFP) represents a competitive process for services to verify assessment payments. This RFP allows CMCB to select qualified firms or individuals based on demonstrated competence to perform the services described herein and the flexibility to negotiate a fair and reasonable price for those services.

## **Concrete Masonry Checkoff Board (CMCB)**

<https://concretemasonrycheckoff.org/>