

CITY OF LOWELL

REQUEST FOR PROPOSAL FOR AUDITING SERVICES

The City of Lowell, Massachusetts invites qualified, independent public accountants licensed to practice in the Commonwealth of Massachusetts to submit proposals to conduct an audit of its financial accounts and records for a three-year period in accordance with the specifications listed below.

The City of Lowell reserves the right to consider all proposals, and further reserves the right to reject any or all proposals; in whole or in part, or to accept the proposal deemed most advantageous for the City of Lowell. The City also reserves the right to make the award to other than the proposed offering if such award is found to be more advantageous for the City of Lowell.

I. INFORMATION FURNISHED TO THE PROPOSER

A. GENERAL INFORMATION

The City of Lowell has a population of almost 109 thousand residents and a total budget for Fiscal Year 2015 of about \$334 million.

The annual audit for fiscal year 2015 is to be completed within five (5) months after the end of the subject fiscal year. At the sole option of the City, the contract for the annual audit may be extended for the annual audits for fiscal year 2016 and 2017, at the same prices given in the proposal.

Interested parties are advised that the successful proposer will be required to prepare a draft engagement contract for review and approval of the City. The engagement contract will describe the nature of the services to be provided, the responsibilities of the City during the audit period, the schedule for completion of the audit within the period required by the City, and the fees to be charged for the services rendered.

INCURRING COSTS

Lowell shall not be liable for any costs incurred by proposers in preparing, submitting or presenting proposals, or in satisfying any demonstration or other requirements.

Lowell shall not reimburse any costs incurred by proposers in anticipation of being awarded the contract under this RFP.

Lowell shall not accept billings for additional costs except as may be otherwise specified in this RFP or the Agreement pursuant hereto.

PROPOSALS CONSIDERED "FIRM"

All proposals received by Lowell in response to this RFP shall be considered "firm" and may only be withdrawn as provided herein. Any proposer wishing to withdraw proposal may do so prior to the date and time stated in this RFP for submission by sending a letter by certified mail, return receipt requested, to the Chief Procurement Officer.

FIRM PRICE

Prices offered by the proposer shall be firm and not subject to increase during the term of any contractual agreement arising between Lowell and the successful proposer as a result of this RFP, except as may be otherwise provided in this RFP or the contract pursuant to it with the successful vendor.

AVAILABILITY OF FUNDS

If the City of Lowell should not, for any reason at any time, appropriate or otherwise make available funds to support continuation of performance in any fiscal year succeeding the first year, the City's Chief Procurement Officer shall cancel any contract pursuant to this RFP without penalty upon thirty (30) days' notice to the successful proposer.

LIABILITY AND INSURANCE

Proposers shall save and keep Lowell harmless from any and all legal liability which may be established on behalf of any person or persons or corporation, whomsoever for, growing out of the normal use of these services.

The successful proposer shall take out and maintain during the life of the contract pursuant to the RFP such Public Liability, Property Damage, Workers Compensation and Professional Liability Insurances as shall protect him and any subcontractor performing work covered by this contract from claims for damages for injury, including accidental death, as well as for claims for property damage which may arise from operations by himself or by his subcontractor(s) or by anyone directly or indirectly employed by either of them. The successful proposer shall also take out and maintain for the term of the contract all coverages required by statute or regulation.

The contract between the City of Lowell and the successful proposer shall have the proposer hold the City harmless and indemnify the City for damages arising from proposer's actions. No exception to this part of the contract will be accepted.

THE CITY OF LOWELL SHALL ACCEPT NO EXCEPTIONS TO THIS SECTION

CONFIDENTIALITY

Under the Massachusetts General Laws, The City of Lowell cannot assure the confidentiality of any material or information which may be submitted by a proposer in response to this RFP. Thus, proposers who choose to submit confidential material or information do so at their own risk.

B. DESCRIPTION OF RECORDS

1. The City maintains its general ledger in accordance with the municipal finance statutes of the Commonwealth of Massachusetts.
2. The records of the City are computerized, except for some small departmental receivable accounts. A description of the hardware or software is available upon request.
3. Inter-departmental and cash reconciliations will be made by the City at year end.

C. NATURE OF SERVICES REQUIRED

1. Required services consist of examination of the City's financial records of all activities and departments, including the Lowell Public Schools and presentation of the financial statements in accordance with the financial reporting model described in GASB statement No. 34 and all subsequent relative statements.
2. This examination is to be performed in accordance with the Generally Accepted Government Auditing Standards as produced by the United States General Accounting Office.

**This financial audit shall cover the fiscal year ending
June 30, 2015, and may be extended for the fiscal years
ending June 2016, and June 2017.**

3. In addition to the financial audit, the proposer is to conduct an audit in accordance with the following requirements: The Single Audit Act Amendments of 1996 and O.M.B. Circular A-133 and other relevant compliant supplements.

**This compliance audit shall cover the fiscal year ending
June 30, 2015, and may be extended for the fiscal years
ending June 2016, and June 2017.**

D. REPORT REQUIREMENTS

1. The following auditor's reports are required at the completion of the audit.
 - a. Report on Examination of Basic Financial Statements. Included in this report will be auditor's opinion whether the general purposes financial statements fairly present the financial position of the City and the results of its financial operations in accordance with generally accepted accounting principles.
 - b. Reports on Federal Award Programs. Included in this should be an auditor's statement whether an internal control system exists to provide reasonable assurance that the federal funds are managed in compliance with applicable laws and regulations. Further, the auditor's report must identify the City's significant internal accounting controls designed to provide compliance. The auditor shall report the controls that were evaluated, the controls that were not evaluated, and the material weaknesses identified as a result of the evaluation. Additionally, an auditor's statement on compliance with grant requirements should be included. The statement shall include:

- Statement of positive assurances with respect to those items tested for compliance, including compliance with law and regulations pertaining to financial reports and claims for advances and reimbursements;
- Negative assurance on those items not tested;
- A summary of all instances of non-compliance, and
- Identification of total amounts questioned, if any, for each federal assistance award, as a result of non-compliance.

c. A Management Letter of finding, comments and recommendations addressed to the Mayor and City Councilors.

2. The accounting firm will print, bind and submit 20 copies of the aforementioned reports to the City Auditor and two copies shall be submitted to the Director of the Bureau of Accounts for approval and must be approved. An additional number of copies shall be submitted to applicable federal agencies.

II. INFORMATION TO BE REQUIRED FROM PROPOSER

In order to simplify the evaluation process and provide the maximum basis of comparison, the City is requiring prospective auditors to submit proposals in the format and manner prescribed by this section. Firms are cautioned that any deviation from this format may result in disqualification of their proposals.

A. TITLE PAGE

1. Project title.
2. Name of proposer firm.
3. Address and telephone number of proposer firm.
4. Name of contact person.
5. Date of submission.

B. LETTER OF TRANSMITTAL

1. Briefly state the proposer's understanding of the work to be done and make a positive commitment to perform the work within the required time frame.

2. This letter should be signed by the individual authorized to negotiate for and contractually bind the firm.

C. TABLE OF CONTENTS

Include a clear identification of the material by section and page number. Such sections will be those identified below.

D. PROFESSIONAL EXPERIENCE

1. Describe the local and/or regional office's audit experience with local governments in the last five years, including a list of all Massachusetts municipalities for which the party has provided auditing services.

2. Identify the supervisors (e.g. partner, manager, auditor-in-charge) and the staff who are expected to work on the audit. Provide resumes (which may be included as appendices) showing relevant past experience, especially as related to education, training, etc.

3. Describe the firm's participation, if any, in professionally sponsored quality control review or comparable programs.

4. List the names, addresses and telephone numbers of client officials for three engagements previously listed who may be contacted.

E. PROPOSER'S APPROACH TO THE AUDIT

1. State the proposer's understanding of the services to be performed and the products to be provided as defined in Section I-C "Nature of Services Required" and I-D, "Report Requirements" of this RFP.

2. Submit an outline of a work plan to accomplish the scope of services (within the required time frame). The work plan should include time estimates by staff level for each of the significant segments of the work and the staff assigned to each segment. Include a brief discussion of the audit procedures to be used in the audit process for each segment.

F. COMPENSATION

Using the form attached to this Request for Proposal, state the total fee per fiscal year. This fee shall include all costs which the firm expects to bill for, including staff, travel, clerical assistance, printing, copying and any other direct and indirect costs.

G. ADDITIONAL INFORMATION

Give any additional information not specifically requested previously, considered necessary for fair evaluation of the proposal.

III. MINIMUM SELECTION CRITERIA

1. A minimum of seven (7) years offering auditing services to organizations.
2. A minimum of five (5) years auditing services to municipalities in Massachusetts and provide list of all.
3. The Audit Manager must be a CPA who has a minimum of 5-7 years of experience auditing municipalities in Massachusetts.

CITY OF LOWELL

In accordance with the Specifications, and under the terms and conditions mentioned above, I (We) hereby offer to furnish and deliver to departments described above the following materials which shall in all respects meet the attached specifications, as required during the terms mentioned above for the following prices:

INCLUDE THIS PAGE IN A SEPARATE ENVELOPE MARKED:

“Price Proposal RFP 15-66 Auditing Services”

Fiscal Year 2016 \$ _____
And two additional options years at same price

The City of Lowell reserves the sole right to exercise these two 1 year options at the same price of FY16, for FY17 and FY18. Options will be exercised in May 2016 for FY17 and May 2017 for FY18.

Signature of Bidder _____

Print Name and Title _____

Company Name and Address _____

Telephone Number _____

COMPARATIVE CRITERIA

| | Highly Advantageous | Advantageous | Not Advantageous |
|--|---|---|--|
| I. General Qualifications A proven track record Auditing Massachusetts City and Towns | Has outstanding experience, with a proven track record, providing same scope of services to MA Municipalities. | Has adequate experience, with a proven track record, providing same scope of services to MA Municipalities. | Has limited experience, with a proven track record, providing same scope of services to MA Municipalities. |
| II. MUNIS Experience | Highly Experienced | Limited Experience | Inexperienced |
| III. Internal Control Knowledge | Highly Experienced | Limited Experience | Inexperienced |
| IV. Project Team An experienced and capable project team and project manager. Audit Manager is a CPA | Has a superior project team and an experienced project manager, both with significant expertise relevant to the project | Experienced project manager, but project team has limited experience | Inexperienced project manager, and project team |
| VI. GASB Familiarity Firm has demonstrated the ability to provide the services and with GASB statements and requirements | Has experience/ resources that indicate a strong likelihood of success | Has experience/ resources that indicate a moderate chance of success | Has experience/ resources that indicate the potential of success |
| VI I. References Strength and credibility of client references | The proposal indicates five or more strong and credible client references | The proposal indicates three or more strong and credible client references | The proposal indicates less than three strong and credible client references |

CONFLICT OF INTEREST CERTIFICATION

The undersigned hereby certifies that the Bidder shall comply with Massachusetts Conflict of Interest Laws, G.L. c. 268A and with the City's Conflict of Interest terms stated in Article 33 of these Contract Documents.

BIDDER'S NAME: _____

AUTHORIZED SIGNATURE: _____

TITLE: _____

DATE: _____

ACKNOWLEDGEMENT OF ADDENDA

The Bidder acknowledges all addenda.

ADDENDA NUMBER

DATE ISSUED

AFFIDAVIT OF NON-COLLUSION

It shall be understood that any bid submitted to the City is made without collusion with any other bidder submitting a bid on the same commodity/service, and is in all respects fair and without fraud.

STATE OF: _____ Date: _____

COUNTY OF: _____ S.S.: _____

The undersigned being duly sworn, deposes and says that he/she is the

(Sole Owner; Partner, President, Treasurer,
or Other Duty Authorized Official of a Corporation)

of _____

(Name of Firm as Appearing in Submitted Proposal)

and works in _____

(City/Town)

and certifies under penalties of perjury that this proposal is in all respects bona fide, fair and made without collusion or fraud with any other person. As used in this paragraph the word "person" shall mean any natural person, joint venture, partnership, corporation or other business or legal entity.

(Signature and Title of Person Making Affidavit)

Sworn to before me this _____ day of _____, 20 ____

Notary Public: _____ My commission expires: _____

IN WITNESS WHEREOF, the undersigned certifies, under the pains and penalties of perjury that:

1. It is in compliance with all of the provisions, and shall remain in compliance with the provisions for the life of any Contract resulting from this solicitation. That the bidder is qualified to perform any such Contract and possess, or shall obtain, all requisite licenses and permits to complete performance; shall maintain all unemployment, workers' compensation, professional and personal liability insurance policies sufficient to cover its performance under any such Contract; and shall comply with relevant prevailing wage rates and unemployment laws.
2. To the best of its knowledge and belief has paid all local taxes, tax titles, utilities, motor vehicle excise taxes, water and wastewater bills to the City of Lowell as required by law.
3. To the best of its knowledge and belief has filed all State tax returns and paid all State taxes required by law, and has complied with reporting of employees and contractors, and withholding and remitting of child support (MGL c.62C, s.49A).
4. Pursuant to MGL c.30B s.10 (or c.30 s.39M), this bid or proposal has been made in good faith and without collusion or fraud with any other person. As used in this paragraph, "person" shall mean any natural person, business, partnership, corporation, union, committee, club or other organization, entity or group of individuals.

Signature of Person Signing Bid or Proposal

BY: Corporate Officer (Type/Print)

Corporate Name (Full Business Name)

BY: Corporate Officer (Sign)

Social Security or Federal Tax ID#
Business (DBA)

State of Incorporation/City of
Registration

Approval of a contract, or other agreement, will not be granted unless the applicant signs this certification form. You're Social Security number or Federal Tax Identification number will be furnished to the Massachusetts Department of Revenue (DOR) to determine weather you have met tax filing or tax payment obligations. The City of Lowell is required to furnish a list to the DOR at the end of its fiscal year, showing the vendors to whom more than \$5,000 is paid during the twelve months, ending June 30. Providers who fail to correct their non-filing or delinquency, will not have a contract or other agreement issued or extended. This request is made under the authority of Massachusetts General Laws, c.62C, s.49A.

CERTIFICATE OF AUTHORITY

At a duly authorized meeting of the Board of Directors of (insert name of corporation)

Held _____ at which all the Directors

Were _____

Present or waived notice, it was voted that _____ (name)
_____ Of this corporation, be it he or she, hereby is (corp. office)

authorized to execute bid documents, contracts and bonds in the name and on (corp. office)

behalf of said corporation, and affix its Corporate Seal thereto, and such execution of any bid

document or contract or obligation in this corporation's name on its behalf under seal of the

corporation, shall be valid and binding upon this corporation.

ATTEST: _____
(Clerk or secretary)

Place of Business: _____

I hereby certify that I am the clerk/secretary of the _____
(Name of Corporation)

And that _____
(Name)

is the duly elected _____ of said corporation,

and _____
(Corp. office)

that the above vote has not been amended or rescinded and remains in full force and effect as of
the date set forth below.

ATTEST _____
(Clerk or secretary)

Date:*

* This date must be on or before the date of the Contract