

Borough of Camp Hill

REQUEST FOR PROPOSALS

FOR

AUDITING SERVICES

**DUE September 25, 2017
4:00 P.M.**

**BOROUGH MANAGER'S OFFICE
2145 Walnut Street
Camp Hill, PA
717-737-3456**

1. **INTRODUCTION**

The Borough of Camp Hill (Borough) is seeking proposals from qualified firms or for professional auditing services by certified public accountants. The Borough is a municipal government with a Council-Manager form of government, located in Cumberland County, in central Pennsylvania. The Borough has an elected Council of seven members. The Borough has a land mass of 2.5 square miles and a population of 8,981. The Borough provides a full range of services to its residents, including various general government services, road paving/construction, parks maintenance, and public safety.

In addition to its General Fund, the Borough also maintains Capital, Highway Aid, Sewer, Fire, Pool and two Pension Trust Funds. The enclosed 2016 Audit further describe the Borough's funds and accounting policies. The Borough is currently full accrual accounting. The Borough would like bids to modified/cash basis accounting.

2. **SCOPE OF SERVICES**

Conduct audits with the objective of issuing the following reports for the calendar years of 2017:

- Independent auditor's report on the general purpose financial statements of the Borough prepared on a basis consistent with prior years. The prior year's audit report is included as an attachment. The due date for this report is April 1st of the following year.
- Independent auditor's report on the annual DCED financial reports of the Borough due to the Commonwealth of Pennsylvania. The due date for this report is March 31st of the following year.
- Management Letter of recommendations to Borough Council.
- Communications to Borough Council as required by professional standards.

All relevant auditing and accounting standards should be considered as a part of the engagement including all Governmental Accounting Standard Board statements up to and including GASB Statement #71.

The Borough does not anticipate a Single Audit will be necessary during the contract period. Any Single Audits required for grant projects would be contracted for separate from the annual audit.

3. **AUDIT ENVIRONMENT**

The Borough will provide working space for, and access to, all financial and compliance files. Working space will include desks and chairs; reasonable use of office equipment such as telephones, copiers and fax machines; and network/Internet connectivity where deemed appropriate by the Borough. The Firm is expected to provide its own personal computers. Any necessary minutes of meetings, organizational data, contracts, policies and financial records will be available for review. Audit fieldwork will be conducted on-site and records will not be allowed to be removed from the Borough building.

Working Paper Retention and Access to Working Papers. All working papers and reports must be retained, at the auditor's expense, for a minimum of three (3) years, unless the firm is notified in writing by the Borough of the need to extend the retention period. The auditor will be required to make working papers available, upon request by the Borough. In accordance with the requirements of Government Auditing Standards, the auditor is required to provide access to the working papers and photocopies thereof to a federal agency or the Comptroller General of the United States upon their request for their regulatory oversight purposes. If such a request is made, the auditor will inform the Borough prior to providing such access.

4. INFORMATION REQUIRED TO BE SUBMITTED

All offerors are required to submit an original and three(3) copies of their proposal to the Borough on or before 4:00 PM, prevailing time, Friday, September 25, 2017, located at 2145 Walnut Street, Camp Hill, PA 17055. The proposals must be enclosed in a sealed envelope marked on the outside "PROPOSAL FOR AUDITING SERVICES." Proposals may be hand-delivered, mailed or sent via private delivery service to the above address. Facsimile or email copies will not be accepted. Any proposal received after the due date and time will not be opened nor accepted.

The proposal shall contain the following format and respond to the following information requested.

To ensure a uniform review process and to maximize comparability, all proposals must include the following content and be organized in the format below. Proposals must be for auditing the entire package.

- a. Title page. Indicate "Proposal for Independent Auditing Services," with the date, name of firm, physical and mailing address(es), telephone number(s), and principal contact person.
- b. Table of contents. Identify the proposal content by section and page number.
- c. Transmittal letter. Address the letter to "Borough of Camp Hill", and in no more than two pages:
 - i. Briefly summarize your firm's understanding of the services to be performed.

- ii. Indicate your level of commitment to supervising, staffing and completing the work within the required time periods.
 - iii. Give the names, titles, postal and e-mail addresses, and telephone numbers of the persons authorized to represent your firm in regard to the proposal.
- d. Business profile. Describe your firm in regard to:
- i. Organizational size, structure, length of time in business, locations of main and any branch offices.
 - ii. Location of the office from which the work is to be done, and number and type of professional staff employed there.
 - iii. Range of activities – auditing, accounting, management, consulting, etc. – available from the office that would perform the proposed services.
 - iv. General experience in auditing government, non-profit and commercial entities.
 - v. Independence. The firm should provide an affirmative statement that it is independent of the Borough as defined by generally accepted accounting standards and the U.S. Comptroller General's Government Auditing Standards. The firm should also list and describe the firm's professional relationships involving the Borough or any of its agencies 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. In addition, the firm shall give the Borough written notice of any professional relationships entered into during the period of this agreement.
 - vi. License to Practice in Pennsylvania. An affirmative statement should be included indicating that the firm and all key professional staff are properly qualified to practice in Pennsylvania.
 - vii. Firm Qualifications and Experience. The proposer should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis. The firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the last 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. 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 government engagements.

viii. Any other factors relevant to evaluation of the proposal.

5. MEMBERSHIP IN PEER/QUALITY REVIEW

Provide certification that the firm holds membership in a qualified peer and/or quality review program. Include a copy of your firm's latest peer/quality review report as well as any related letter of comments.

6. STAFF ASSIGNMENTS AND QUALIFICATIONS

Include the following information:

- a. Names and titles of all individuals (partner, manager and in-charge) who will participate in the audits. If you anticipate needing additional staff for this contract, indicate so and explain your plan for recruiting and deploying them.
- b. Description of each individual's assigned role in the contract performance and estimated amount of time committed to the audit supervision and/or fieldwork as applicable.
- c. Biographical summaries presenting the individual qualifications of the audit team (partner, manager and in-charge), including their education, training, position in the firm, relevant certifications and professional memberships, total years and type of experience, and approximately how many current governmental clients each team member serves on an annual basis.
- d. Partner, Supervisory and Staff Qualifications and Experience. The firm should identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement. Indicate whether each such person is licensed to practice as a certified public accountant in Pennsylvania. Provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit. 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. Indicate how the quality of the staff over the term of the agreement will be assured.

7. WORK PLAN AND TIMETABLE

Provide the following:

- a. A full statement of your understanding of the work to be performed under this contract.

- b. A description of how your firm would plan to implement each audit at the supervisory and field levels, and assure quality of staffing and work during the contract. The description should include an overview of the audit methodology your firm would use including detail of your use of technology. Also, describe how the firm typically communicates with the client on an engagement of this size.
- c. An annual estimate of the total hours, by staffing level, that are anticipated to be spent on each year of the engagement.
- d. An annual timetable that identifies each major segment of work, projects a completion date for each activity, and ensures delivery of the reports in compliance with deadlines.

8. **PRICING**

A. Term of Engagement Contract Period - The agreement shall be become effective immediately upon execution by all parties with implementation of all specified services to take place for the audit of fiscal year ending 2017. The agreement may be extended at the discretion of the Borough.

Submit your proposed pricing for both the initial one year contract period and the potential two additional years of contract extensions. Pricing shall represent all-inclusive fees, covering the services of any personnel assigned to the audit. No reimbursements will be paid for out-of-pocket expense such as for travel, lodging and subsistence.

In addition, submit an hourly rate for any ancillary services that the Borough may have occasion to request from time to time. Ancillary services would be technical assistance outside of the scope of the audit. The hourly rate shall be all-inclusive as well, taking in to account any level of personnel required for the technical assistance.

B. Compensation – Compensation for services shall be a fixed price for each year of the agreement. The fixed fee shall include a minimum number of hours to be allocated to the partner-in-charge, supervising manager, and field staff. Upon request the firm will provide the Borough with a statement of chargeable hours to substantiate billings. Any annual optional extensions shall be performed at prices to be negotiated before the option is exercised.

C. Termination of Contract – Following implementation, should the Borough find that the firm has failed in any material respect to perform its obligations under the agreement; the Borough may cancel the agreement. The firm shall be liable for damages from such breach including reasonably foreseeable incidental and consequential damages. Should the Borough find that the provision of auditing services under the terms of the agreement precludes the Borough from administering its duties in an effective and efficient manner; the Borough may cancel the agreement upon 180 days written notice to

the firm. In such event the Borough shall compensate the firm at the pro rata hourly rate for services performed through the effective date of the cancellation which shall be in full and complete satisfaction of the firm's claims. The firm shall promptly return all workpapers and work in progress to the Borough. The firm shall provide the Borough at least 180 days prior written notice of its intent to terminate any agreement.

9. REFERENCES

List at least five municipal references. They should be recent or current clients of yours, preferably in the public sector and of a size not unlike the Borough of Mechanicsburg. Identify each reference by organizational name; location; types of auditing services provided; and a contact person, title and telephone number(s).

10. AUTHORIZED SIGNATURE

Have your proposal signed only by an individual authorized to bind the firm to its offer and to the terms, conditions, requirements and specifications of this RFP.

11. SEALED DOLLAR COST PROPOSAL

A. Total All-Inclusive Maximum Price The dollar cost proposal should contain all pricing information relative to performing the audit engagement as described in this request for proposals. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs including all out-of-pocket expenses. The Borough will not be responsible for expenses incurred in preparing and submitting the technical proposal or the dollar cost proposal. Such costs should not be included in the proposal.

B. Fixed Fees by Category The dollar cost proposal should include a schedule of professional fees and expenses, presented in the format provided in the attachment (Appendix A), that supports the total all-inclusive price.

C. The dollar cost that would be charged to create the Government-wide Statements using the information provided. The total all-inclusive maximum price to be proposed is to contain all direct and indirect costs including all out-of-pocket expenses.

D. Rates for Additional Professional Services If it should become necessary for the Borough to request the auditor to render any additional services requested in this request for proposals or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between the Borough and the firm.

Any such additional work agreed to between the Borough and the firm shall be performed at the same rates set forth in the schedule of fees and expenses included in the dollar cost proposal

Manner of Payment Progress. Payments to the firm by the Borough will be made on the basis of hours of work completed during the course of the engagement in accordance with the firm's dollar cost proposal. Interim billings shall cover a period of not less than a calendar month. The Borough reserves the right to withhold ten percent (10%) from each billing pending delivery of the firm's final reports.

11. SELECTION PROCESS

Any contract award shall go to the Firm with the proposal that, in the Borough's opinion, is the most advantageous based on the above criteria. The Borough reserves the right not to award a contract on price alone. In determining the most advantageous proposal on a multi-criteria basis, the Borough will seek the services that best meets its interests.

The Borough reserves the right without prejudice to reject any or all proposals or parts thereof for any reason, to negotiate changes to proposal terms and to waive minor inconsistencies with the request for proposal.

It is anticipated the selection of a firm will be completed no later than December 20, 2016. Following the notification of the selected firm, it is expected that an engagement letter will be executed between both parties within 30 days of approval.

12. ADDITIONAL INFORMATION

Any requests for additional information should be directed to Patrick Dennis, 717-737-3456 or pdennis@camphillborough.com. Email correspondence is preferred.

APPENDIX A

PROPOSAL FOR AUDITING SERVICES

Name of firm _____

Location of office staffing the audit _____

Professional audit staff assigned to Borough (Number) _____

Certified professional audit staff assigned to Borough (Number) _____

Pennsylvania municipal audit clients: 1. _____

List fiscal year 2015 engagements

for municipalities with population 2. _____

of 10,000 or less.

3. _____

Audit Fees :

Borough general audit \$ _____

Hourly rate in excess of fixed fee allowance or for
audit services outside the scope of the annual audit \$ _____

Hours provided for in above stated fees:

Partner-in-charge and review partner _____

Supervising manager _____

Audit Staff _____

(Firm)

(Authorized Signature) (Title)

(Telephone)

(Date)