

REQUEST FOR PROPOSAL  
INDEPENDENT AUDIT SERVICES

The Borough of Bellefonte is seeking proposals from a qualified CPA or firm of CPA's for an independent audit of the Borough and certain related operations for the years ending December 31, 2019, 2020, 2021, 2022 and 2023.

All proposals in response to this RFP must be received by the Borough in writing; three (3) copies of the proposal must be submitted.

Sealed proposals must be submitted by Wednesday, October 18, 2019, 4:00 PM, to:

Bellefonte Borough  
236 W. Lamb St  
Bellefonte, PA 16823

Clearly mark envelopes "**Audit Services**".

All questions concerning this RFP should be directed to:

Lori McGowan  
Finance Director  
236 W Lamb St  
Bellefonte, PA 16823  
[walker@bellefontepa.gov](mailto:walker@bellefontepa.gov)  
814-355-1501 ext. 212

Proposals will be opened and turned over to the Finance Committee for review at the Bellefonte Borough Council meeting held Monday, October 21, 2019, beginning at 7:30 PM. The meeting will be held at the Municipal Building, 2<sup>nd</sup> floor Council Chambers, 236 W. Lamb Street, Bellefonte, PA.

The contract award is anticipated to be made at the November 18, 2019 Council meeting.

Proposals received prior to the submittal deadline will be treated as confidential up to the proposal submittal deadline. Proposals received after the deadline will not be considered in the evaluation process.

If the Bidder takes exception to any statements or requests herein, it must be clearly stated in the proposal.

The Borough reserves the right to request additional information or clarifications from any Bidder as reasonably required, or the right to request and conduct interviews.

The Borough reserves the right to retain all proposals submitted. Submission of a proposal indicates acceptance by the firm of the conditions contained in the RFP, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the Borough and the firm selected.

Following engagement, should the Borough find that the firm 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. The

firm shall promptly return all work papers and work in progress to the Borough. The firm shall provide the Borough with at least 120 days prior written notice of its intent to terminate any agreement.

The Borough will not be liable for any costs incurred by any Bidder in connection with this RFP or any proposal by any Bidder. The expenses incurred by Bidders in preparation, submission, or presentation are the sole responsibility of Bidder.

The Borough shall not be liable for any costs not included in the proposal nor contracted for subsequently.

Bidders are reminded that the specifications stated in this RFP are the minimum level required and that bids submitted must be for services that meet or exceed the minimum level of all features specifically listed. Proposals offering less than the minimums specified are not responsive.

Interested Bidders are encouraged to provide any additional information not otherwise requested that may aid the Borough in awarding this bid.

It is the responsibility of all Bidders to examine the entire RFP and seek clarification of any requirement that may not be clear and to check all responses for accuracy before submitting a proposal. Negligence in preparing a bid confers no right of withdrawal after the submission deadline. Bidders are strongly encouraged to: (i) consider applicable laws and/or economic conditions that may affect cost, progress, and performance; (ii) correlate Bidder's knowledge and observations with the RFP document and other related data; (iii) promptly notify the Borough of all conflicts, errors, ambiguities, or discrepancies which a Bidder has discovered in or between this RFP and such other related documents.

The Borough reserves the right to waive any immaterial technicalities, defects or informalities, reject any and/or all bids or portions thereof, re-advertise, and the right at its sole discretion to accept the proposal most favorable to its interest.

Separate annual financial audits are to be conducted for Bellefonte Borough, Bellefonte Borough Authority, and Bellefonte Borough Industrial Development Authority. There is also an agreed-upon procedures report for the Bellefonte Borough Real Estate Tax Collector.

The audits will be performed in accordance with generally accepted auditing standards. If applicable, single audit work will be performed in accordance with generally accepted governmental auditing standards and must meet all federal audit requirements.

The audit reports for the Borough will express an opinion on the financial position of the governmental activities, the blended component units, each major fund, and the aggregate remaining fund information of the Borough. All such financial statements will be prepared in accordance with accounting principles generally accepted in the United States of America.

The state (DCED) financial report will be prepared by the auditor for the Borough and the Authority. The auditor will also be responsible for preparing the required opinion and filing of the report by the DCED deadlines.

All typing and proofreading of the reports will be performed by the firm. A draft copy of the report will be submitted to the Bellefonte Borough Finance Director for examination. The Finance Director will also prepare the Management Discussion and Analysis (MD&A) section.

Preliminary field work may begin in December. The earliest date regular field work may begin is the fourth week of January.

The auditor will be required to lead and assist in the annual conversion of the standard and appropriate financial statement presentation pursuant to GASB 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*.

The audit firm will assist, as necessary, in the implementation of new GASB standards applicable during the term of the audit services.

The Borough expects that, should matters come to the attention of the auditor, a management letter will be issued, which includes recommendations. Any significant management letter comments must be reviewed with the Finance Director and/or Assistant Borough Manager and/or Borough Manager before the issuance of the letter.

It is expected that the auditor retained be available throughout the year for consultation on financial matters as appropriate.

Working papers must be maintained for a minimum of three (3) years after the completion of the services and any/all other pending matters are closed, and must be made available for examination at the request of the Borough. After the three (3) year’s retention period, the Borough shall have the option to take possession of the work papers whenever the successful Bidder decides to dispose of them.

All reports, information, data, etc. furnished by the Borough to the successful Bidder shall remain confidential and shall not be released by the successful Bidder to any individual or organization without the prior written approval of the Borough.

Any specialized grant requirements beyond the scope of this RFP will be negotiated separately, as will any special consultation projects.

The proposal must describe the professional qualifications of the firm. At a minimum, the following points must be addressed in the proposal:

- Affirmation that the Bidder is a CPA or firm of CPA’s and meets the independence standards of the GAO Standards for Audit.
- Affirmation that an independent quality review (or peer review) under the auspices of the AICPA or PICPA has been completed within the last two years and received an unqualified report without a letter of comments. A copy of this report may be requested by the Borough.
- Description of any record of adversely resolved regulatory enforcement actions, or evidence of recent substandard audit work, including, but not limited to, any incidence of restatement of financial statements by successor auditors for corrections of errors on financial statements on which the proposer has previously opined.
- Description of local firm, including size, organization, activities performed, and appropriate contact information.
- The auditor must possess all valid certifications and/or licenses required by applicable law related to the operation of the business or performing auditing services at the time of submission deadline.
- The proposal should include a list of government clients, and should indicate current clients.
- Each Bidder is required to state if it has ever been debarred, fined, or had a contract terminated by any federal, state, or local government, or private entity. If any of the previous has occurred, please provide details on each such matter with the proposal.

Fees for audit services are to be proposed for each of the five (5) years individually. Audit services should be proposed in the following format:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Municipal Audit (not a single audit)	\$	\$	\$	\$	\$
Bellefonte Borough Authority					
Real Estate Tax Collector					
Total	\$	\$	\$	\$	\$
Single Audit	\$	\$	\$	\$	\$

Separate audit contracts will not be made for each of the above; the fee breakdown is required only for internal billing purposes.

In addition, an estimate of any expected out-of-pocket costs should be made if additional costs will be incurred by the Borough for these costs.

The fees proposed for the audits are considered to be firm for the entire five (5) year term.

As previously stated, the Borough may not require a Single Audit performed each year. Therefore, additional audit fees to be incurred in the event of a Single Audit is required and must be detailed separately for each of the five (5) years.

In addition to the requested information stated above, proposals will be evaluated according the following criteria and a weighted score. Please make sure to provide all of the information requested herein. Proposals will be evaluated according to the following weighted scale:

<u>CRITERIA</u>	<u>WEIGHT</u>
1. Individual auditors from the office which will be servicing the account and whom will perform the audit	
Experience auditing similar size Borough's	15%
Experience auditing similar size Water & Sewer Authorities	15%
Experience auditing Industrial Development Authorities	15%
2. Results of most recent Peer Review	10%
3. Membership in the AICPA Governmental Audit Quality Center	10%
4. Licensed in PA and Independent with respect to Bellefonte Borough	5%
5. Disciplinary actions from any Regulator or other Party against individual auditors to be involved or the Firm	5%
6. Minority Owned Business/Woman Owned Business	5%
7. Fee	<u>20%</u>
TOTAL	100%

If necessary, oral interviews will only be required after the evaluation is completed.

The Borough is not required to accept the lowest cost proposal.