

CITY OF WALTHAM MASSACHUSETTS

REQUEST FOR PROPOSAL

ANNUAL INDEPENDENT AUDIT SERVICES

**FOR THE FISCAL YEARS ENDING
JUNE 30, 2012, 2013 & 2014**

RFP Response due: Tuesday April 17, 2012 at 10:00 am

**CITY OF WALTHAM
REQUEST FOR PROPOSAL
ANNUAL INDEPENDENT AUDIT SERVICES**

The City of Waltham, Massachusetts invites qualified independent certified public accountants, licensed to practice in the Commonwealth of Massachusetts to submit proposals to conduct an annual audit of its financial accounts and records in accordance with the specifications listed below.

I. Information Furnished to Proposer

A. General Information

1. The City of Waltham encompasses approximately 12.7 square miles and, according to the 2010 federal census, had a population of approximately 60,632. The total budget for the fiscal year 2012 is \$208,041,184 and the current work force of the city is 1,473.

A fifteen member City Council, who are elected for two-year terms, makes local legislative decisions. A Mayor, who is elected for a four-year term on an at-large basis, generally administers the affairs of the City.

As chief executive officer, the Mayor appoints, subject to approval of the City Council, all the other principal executive officers of the City. The Mayor is responsible for the administration of the fiscal and other affairs of the City with the exception of local school affairs, which are administered by the School Committee.

The City Council annually elects its own President, who presides at all council meetings and appoints all standing committees of the Council. Actions of the Council are generally subject to veto by the Mayor, but such action may be overridden by a two-thirds vote of the members.

The School Committee, whose members are also elected for four-year terms, has exclusive jurisdiction over the City's public school system and appoints a Superintendent to administer the day-to-day affairs of the system.

Powers & Sullivan, CPA's performed the most recent annual audit of the City in 2011 for the fiscal year ended June 30, 2011. A copy of the audit report is available upon request from the City Auditor at Waltham City Hall.

Principal Executive Officers

<u>Office</u>	<u>Name</u>	<u>Manner of Selection of Term</u>
Mayor	Jeannette A. McCarthy	Elected for a four-year term ending in 2016
City Treasurer/ Collector	Thomas J. Magno	Appointed by the Mayor and City Council for a three-year term ending in 2006. Prior to his appointment in 1997, Mr. Magno had served as Department of Public Works, Business Manager since 1996.
City Auditor	Paul G Centofanti	Appointed by the Mayor and the City Council for a five-year term ending in 2016. Prior to his appointment in 2011, Mr. Centofanti had been the Assistant City Auditor since 1992.

City Clerk

Rosario Malone

Appointed by the City Council for a three year term ending in 2013. Prior to his appointment in 2001, Mr. Malone was a local businessman and city councillor.

B. Description of Records

1. The city maintains its general records in accordance with the Revised Uniform Municipal Account System established by the Bureau of Accounts on a modified accrual basis.
2. The records of the City are computerized. The City uses Softright software for its financial systems. A description of the hardware or software is available on request.
3. Interdepartmental and cash reconciliations will be made by the City at year-end.

C. Nature of Services Required

1. Required services consist of an examination of the City's financial records of all activities including assurance of compliance of relevant state statutes and city ordinances.

This examination is to be performed in accordance with the Standards for Audit of Governmental Organizations, Programs, Activities, and Functions, 1981 revision issued by the United States General Accounting Office.

This annual financial audit shall cover the fiscal years ending June 30, 2012, June 30, 2013 and June 30, 2014.

2. In addition to the annual financial audit, the proposer is to conduct an audit in accordance with the following requirements:

The Single Audit Act of 1984 as codified in Chapter 75 of Title 31 of the United States Code and the regulations established to implement this law by the Director of the Office of Management and Budget OMB Circular A-133 Revision dated 6/24/97

This annual compliance audit shall cover the fiscal years ending June 30, 2012, June 30, 2013 and June 30, 2014.

3. In addition to completing the annual audit, the accounting firm shall be available during normal business hours throughout the contract period to provide the City with advice and guidance on financial accounting and reporting issues. The accounting firm will also be expected to keep the City abreast of the working requirements of all new accounting and financial pronouncements of the Governmental Accounting Standards Board, the United States Office of Management and Budget; and the Commonwealth of Massachusetts.
4. At the conclusion of each annual audit, a representative of the accounting firm will be expected to appear before the Mayor and City Council to discuss the findings resulting from the audit.

D. Report Requirements

1. The following auditor's reports are required at the completion of each annual audit:
 - a. An auditor's opinion whether the general-purpose financial statements fairly present the financial position of the City and the results of its financial operation in accordance with generally accepted accounting principles. In addition, the audit must contain an auditor's opinion whether the supplemental statements of federal assistance presents fairly the actual grant data in relation to the general-purpose financial statements. The supplemental statement of federal assistance must show the total expenditures for each federal assistance program.
 - b. An auditor's statement whether an internal control system exists to provide reasonable assurance that 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 for compliance. The auditor shall report the controls that were evaluated, the controls that were not evaluated, and the material weakness identified as a result of the evaluation.
 - c. An auditor's opinion whether the financial data at the close of the fiscal year, as reported by the school system to the Department of Education is accurate. This audit will be conducted, at a minimum, in accordance with the compliance supplement for Massachusetts school districts issued by the Department of Education.
 - d. An auditor's statement on compliance with grants requirements. The statement shall include:
 - A statement of positive assurance 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
 - An identification of total amounts questioned, if any, for each federal assistance award, as a result of noncompliance.
 - A management letter of comments and recommendations
2. The annual audit services shall consist of printing and binding of (30) copies of the audited general purpose financial statements and related footnotes; required opinions; supporting schedules (including combining level statements and any other requirements of the state and federal governments); schedule of federal financial assistance; and a separately bound management letter. The auditor shall also be responsible for filing copies of the completed audit report(s) with required state and federal agencies. The CAFR of the City of Waltham has been awarded a Certificate of Achievement for Excellence in Financial Reporting from the GFOA for the past eight (8) years. It is expected that this be continued.
3. The accounting firm will hold an exit conference with the City Auditor to review draft copies of the aforementioned reports before such reports are issued.

E. Timing Considerations

1. Qualified public accounting firms wishing to present the City of Waltham with formal proposal for providing independent audit services for the next (3) fiscal years should forward (4) copies of their proposal to:

Mr. Joseph Pedulla, Purchasing Agent
City of Waltham
610 Main Street
Waltham, Massachusetts 02452

Not later than **10:00 am (Eastern Standard Time) on Tuesday April 17, 2012**

All proposals must be in a sealed envelope and clearly marked City of Waltham Audit Services Proposal.

If you desire additional information please contact the City's Purchasing Agent VIA E-MAIL ONLY:

Mr. Joseph Pedulla, CPO
Jpedulla@City.waltham.ma.us

2. The audit contract award is scheduled on or about April 27, 2012 but is subject to change.
3. The anticipated date for which preliminary work may commence is May 15. No work is to commence prior to the full execution of the contract.
4. The draft reports will be reviewed with the City Auditor at an exit conference to be held no later than December 15.
5. The final annual audit reports will be completed and the CAFR filed with the GFOA by December 31 and a presentation of such reports will be made to the City Council at a mutually agreed upon time.

F. City Assistance Available to Auditor During the Audit

The City's assistance to the accounting firm will be specifically limited to:

1. Preparation of a working trial balance
2. Location of appropriate records (the pulling and filing of specific documents will be the responsibility of the accounting firm who will be required to file these documents in an orderly manner)
3. Preparation of all year-end schedules.
4. Photocopying of documents
5. Meetings and conferences (by appointment, if necessary)

G. Billings

Progress payments may be billed monthly for actual services rendered to date. The City will not pay more than 2/3 of the annual contract value until the final report is delivered and the final presentation has been made to the City Council.

H. Other Proposal Information

1. If it becomes necessary to revise any part of this RFP or otherwise provide additional information, an addendum will be issued by the city and furnished to all firms that have received copies of the original RFP.
2. All proposals become the property of the City and are subject to disclosures required by Massachusetts General Laws and city by-laws.
3. The City is not liable for any cost incurred by the prospective auditors in replying to the RFP.
4. Audit fees of prior years are available on request.

II. Information to be Required from Proposer

In order to simplify the evaluation process and obtain the maximum degree 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. RFP project title
2. Name of proposing firm
3. Address and telephone number of proposing firm
4. Name of contact person
5. Date of submission

B. Letter of Transmittal – (limit to one or two pages)

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. State the all-inclusive fee for which the work will be done and state that the offer is effective for at least sixty (60) days.
3. This letter should be signed by the individual authorized to negotiate for and contractually bind the firm.

C. Table of Contents

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

D. Professional Experience

1. Describe the local and/or regional offices audit experience with local governments in the last five years.
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, 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 several 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 work products to be provided as defined in Sections I-C, "Nature of Services Required" and I-D "Report Requirements" of this RFP.
2. Submit 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

1. State the total hours and hourly rate required by staff classification for each type of service requested in Section I-C and the resulting all inclusive maximum fee by year. This fee shall include all costs, which the firm expects to bill the city for, including staff travel, clerical, and any other indirect costs.

G. Additional Information

1. Give any additional information, not specifically requested previously, considered necessary for fair evaluation of the proposal.
2. The City reserves the right to reject any and all bid proposals if it is determined to be in the best interest of the City of Waltham.
3. A meeting will be held between the successful Audit firm and the Mayor to discuss her concerns and identify areas where an increase in the scope of the Audit may be required.

4. The successful bidder will sign a non-interest disclosure for any and all, actual and perceived, conflicts with the City; it's agents or employees under pains and penalties of perjury.

CONTRACT PERIOD

The contract period shall be for the completion of three (3) fiscal year audits commencing upon execution of a contract.

PRICE PROPOSAL REQUIREMENTS

The price proposal is to be submitted in a separate marked envelope in accordance with directions given under the heading PROPOSAL SUBMISSION:

Interested parties should submit their price proposal on an annual basis for each year.

1. Prices quoted shall include the cost of all labor, materials, insurance, and all other necessary expenses to fulfill the conditions of the contract. All travel costs to be incurred by the contractor shall be paid by the contractor. The City of Waltham will not pay for travel time or any travel related expenses.

TECHNICAL PROPOSAL REQUIREMENTS

The technical proposal is to be submitted in a separate marked envelope in accordance with directions given under the heading PROPOSAL SUBMISSION.

A complete technical proposal shall consist of all of the following:

1. A synopsis of similar projects undertaken by the proposing firm of cities of comparable size and budget as the City of Waltham
2. Resumes of key personnel who will be interacting with the City including a statement of specific professional experience, qualifications and education together with a report of experience related to the scope of work.
3. A list with the name, address, telephone number, date of service and contact person's name for a minimum of three (3) accounts to which the proposer is providing or has provided similar municipal audits.
4. The number of consecutive years the proposer has been engaged in the field of Massachusetts Municipal Audits.
5. A listing of GFOA award-winning CAFR's filed by the firm in the past five years.
6. A completed PROPOSAL SIGNATURE FORM.

Note: Responses to items one (1) through six (6) will be used to evaluate proposals on a comparative basis. Proposers should provide complete responses in the format specified.

- **MINIMUM EVALUATION CRITERIA**

Each technical proposal shall first be reviewed to ascertain whether or not the following minimum criteria has been met:

ME-1 The proposal includes all of the items for a complete proposal.

ME-2 Proposers must be in the field of providing municipal audit services and have at least five (5) years of consecutive experience in such field.

ME-3 Proposers must have successful experience providing Municipal Audit services to at least three (3) Massachusetts governmental units.

- **COMPARATIVE EVALUATION CRITERIA**

Each technical proposal meeting the Minimum Evaluation Criteria shall be rated according to the following Comparative Evaluation Criteria:

CE-1 Quality of proposal and quality of experience

Highly Advantageous

The proposal must demonstrate an in-depth ability of an experienced audit staff to examine the financial records of a City the size of Waltham in accordance with Standards for Audit of Governmental Organizations. The proposal must exhibit a thorough working knowledge of the requirements of all existing and new accounting and financial pronouncements of the Governmental Standards Board, the United States Office of Management and Budget and the Commonwealth of Massachusetts. The proposal must demonstrate an in-depth ability to examine the general-purpose financial statements of the City of Waltham and present an opinion on the compliance of the City to Federal assistance program/grant regulations. The proposal must demonstrate an in-depth ability to successfully honor deadline requirements. The proposal must show an in-depth ability to examine and evaluate the internal control system– and clearing state these and all other findings in an auditor’s opinion letter.

Advantageous

The proposal must demonstrate a good ability of an experienced audit staff to examine the financial records of a City the size of Waltham in accordance with Standards for Audit of Governmental Organizations. The proposal must exhibit a working knowledge of the requirements of all existing and new accounting and financial pronouncements of the Governmental Standards Board, the United States Office of Management and Budget and the Commonwealth of Massachusetts. The proposal must demonstrate a good ability to examine the general-purpose financial statements of the City of Waltham and present an opinion on the compliance of the City to Federal assistance program/grant regulations. The proposal must demonstrate an ability to successfully honor deadline requirements. The proposal must show an ability to examine and evaluate the internal control system– and clearing state these and all other findings in an auditor’s opinion letter.

Not Advantageous

The proposal does not demonstrate an ability of an experienced audit staff to examine the financial records of a City the size of Waltham in accordance with Standards for Audit of Governmental Organizations. The proposal does not exhibit a working knowledge of the requirements of all existing and new accounting and financial pronouncements of the Governmental Standards Board, the United States

Office of Management and Budget and the Commonwealth of Massachusetts. The proposal does not demonstrate an ability to examine the general-purpose financial statements of the City of Waltham and present an opinion on the compliance of the City to Federal assistance program/grant regulations. The proposal does not demonstrate an ability to successfully honor deadline requirements. The proposal does not show an ability to examine and evaluate the internal control system– and clearing state these and all other findings in an auditor’s opinion letter.

Unacceptable

Proposal does not meet the minimum evaluation criteria above.

• **INTERVIEWS**

After review of the technical proposal, the City may, at its discretion, schedule interviews with any or all of the proposers for the purpose of further evaluation of the proposer’s qualifications and ability to provide the required service. Interviewees will be ranked based on their presentation.

**CITY OF WALTHAM, MASSACHUSETTS
REQUEST FOR PROPOSALS
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Procedures under this invitation require a separate and confidential submission of pricing and a separate submission of a technical proposal. The Office of the Mayor will evaluate technical proposals without knowledge of prices. The Purchasing Agent will determine the most advantageous proposal after taking into consideration the evaluation of technical proposals made by the Office of the Mayor together with a consideration of prices.

Proposals may be held open for a period of sixty (60) days from the proposal submission date unless award is made sooner or the time for award is extended by the consent of all parties concerned.

The City reserves the right to accept or reject any or all proposals submitted and waive informalities and technicalities.

Award of a contract is subject to approval of the Mayor of the City of Waltham.

Award, payment and performance obligations shall depend on the availability and appropriation of funds.

Any questions pertaining to this Request for Proposal are to be directed to Joseph Pedulla, Purchasing Agent, 610 Main Street, Waltham, Massachusetts 02452, and telephone (781) 314-3244.

PROPOSAL SUBMISSION

Proposals will be received at the City of Waltham, MA Purchasing Office until 10:00 am Tuesday April 17, 2012

Proposals must be submitted in two (2) packages. The City intends to consider responses in the technical proposal before considering costs. Price proposals must be kept entirely separate from the technical proposals. Failure to follow this instruction will result in rejection of the proposal.

Four (4) of each proposal shall be submitted as follows:

Price proposal shall be submitted on the form furnished and sealed in an envelope marked:

**Proposal Envelope A
Price Proposal
Annual Independent Audit Services**

Reference # 2012 Audit

Bidder's Name _____

Technical proposal shall be submitted on the form furnished and sealed in an envelope marked:

**Proposal Envelope B
Technical Proposal
Annual Independent Audit Services**

Reference # 2012 Audit

Bidder's Name _____

**City of Waltham, Massachusetts
Purchasing Office
610 Main Street
Waltham, MA 02452**

PRICE PROPOSAL

To Be Submitted In **Envelope A**

Marked as Follows:

PRICE PROPOSAL – ANNUAL INDEPENDENT AUDIT SERVICES

Reference # 2012 Audit

Company's Name

Authorized Signature

Print Name

Date

The prices quoted below include the cost of all labor, materials, insurance, and all other necessary expenses to fulfill the conditions of the contract. All travel costs to be incurred by the contractor shall be paid by the contractor. The City of Waltham will not pay for travel time or any travel related expenses.

We herewith propose to provide Municipal Audit Services in accordance with our technical proposal and otherwise as noted below.

PRICE

YEAR 1. \$_____ per year, Fixed and guaranteed not-to exceed.

YEAR 2. \$_____ per year. Fixed and guaranteed not-to exceed.

YEAR 3. \$_____ per year. Fixed and guaranteed not-to exceed.

NOTE: FOUR (4) COPIES OF PROPOSAL ARE TO BE SUBMITTED.

**City of Waltham, Massachusetts
Purchasing Office
610 Main Street
Waltham, MA 02452**

**THE FOLLOWING FORMS MUST BE COMPLETED AND INCLUDED IN THE NON-PRICE
ENVELOPED (ENVELOPE B)**

TECHNICAL PROPOSAL

To Be Submitted In **Envelope B**

Marked as Follows:

**TECHNICAL PROPOSAL – ANNUAL INDEPENDENT AUDIT SERVICES
Reference # 2012 Audit**

Company's Name

Authorized Signature

Print Name

Date

The following are to be attached to this proposal form. (Responses should be detailed in accordance with the previous specific requests for information under "TECHNICAL PROPOSAL REQUIREMENTS" in the RFP document)

1. A synopsis of similar projects undertaken by the proposing firm.
2. Resumes of key personnel who will be interacting with the City including a statement of specific professional experience, qualifications and education together with a report of experience related to the scope of work.
3. A list with the name, address, telephone number, date of service and contact person's name for a minimum of three (3) accounts to which the proposer is providing or has provided similar municipal audit services.
4. The number of consecutive years the proposer has been engaged in the field of Massachusetts Municipal Audits.
5. A listing of GFOA award-winning CAFR's filed by the firm in the past five years.
6. A completed PROPOSAL SIGNATURE FORM.

NOTE: FOUR (4) COPIES OF PROPOSAL ARE TO BE SUBMITTED.

**City of Waltham, Massachusetts
Purchasing Office
610 Main Street
Waltham, MA 02452**

NON-COLLUSION FORM AND TAX COMPLIANCE FORM

CERTIFICATE OF NON-COLLUSION

The undersigned certifies under penalties of perjury that this bid or proposal has been made and submitted in good faith and without collusion or fraud with any other person. As used in this certification, the word "person" shall mean any natural person, business, partnership, corporation, union, committee, club, or other organization, entity or group of individuals. The undersigned certifies that no representations made by any City officials, employees, entity, or group of individuals other than the Purchasing Agent of the City of Waltham was relied upon in the making of this bid

_____, _____
(Signature of person signing bid or proposal) Date

(Name of business)

TAX COMPLIANCE CERTIFICATION

Pursuant to M.G.L. c. 62C, & 49A, I certify under the penalties of perjury that, to the best of my knowledge and belief, I am in compliance with all laws of the Commonwealth relating to taxes, reporting of employees and contractors, and withholding and remitting child support.

_____, _____
Signature of person submitting bid or proposal Date

Name of business

NOTE

Failure to submit any of the required documents, in this or in other sections, with your bid response package may cause the disqualification of your proposal.

CERTIFICATE OF VOTE OF AUTHORIZATION

Date:

I _____, Clerk of _____ hereby certify that at a meeting of the Board of Directors of said Corporation duly held on the _____ day of _____ at which time a quorum was present and voting throughout, the following vote was duly passed and is now in full force and effect:

VOTED: That _____ (*name*) is hereby authorized, directed and empowered for the name and on behalf of this Corporation to sign, seal with the corporate seal, execute, acknowledge and deliver all contracts and other obligations of this Corporation; the execution of any such contract to be valid and binding upon this Corporation for all purposes, and that this vote shall remain in full force and effect unless and until the same has been altered, amended or revoked by a subsequent vote of such directors and a certificate of such later vote attested by the Clerk of this Corporation.

I further certify that _____ is duly elected/appointed _____ of said corporation

SIGNED:

(Corporate Seal)

Clerk of the Corporation:

Print Name: _____

COMMONWEALTH OF MASSACHUSETTS

County of _____

Date:

Then personally appeared the above named and acknowledged the foregoing instrument to be their free act and deed before me, _____

Notary Public;

My Commission expires: _____

CORPORATION IDENTIFICATION

The bidder for the information of the Awarding Authority furnishes the following information.

If a Corporation:

Incorporated in what state _____
President _____
Treasurer _____
Secretary _____
Federal ID Number _____

If a foreign (out of State) Corporation – Are you registered to do business in Massachusetts?

Yes _____, No _____

If you are selected for this work you are required under M.G.L.ch. 30S, 39L to obtain from the Secretary of State, Foreign Corp. Section, State House, Boston, a certificate stating that you Corporation is registered, and furnish said certificate to the Awarding Authority prior to the award.

If a Partnership: (Name all partners)

Name of partner _____
Residence _____
Name of partner _____
Residence _____

If an Individual:

Name _____
Residence _____

If an Individual doing business under a firm's name:

Name of Firm _____
Name of Individual _____
Business Address _____
Residence _____
Date _____
Name of Bidder _____
By _____

Signature _____

Title _____

Business Address _____ (POST OFFICE BOX NUMBER NOT ACCEPTABLE)

City State Telephone Number Today's Date

DEBARMENT CERTIFICATION

In connection with this bid and all procurement transactions, by signature thereon, the respondent certifies that neither the company nor its principals are suspended, debarred, proposed for debarment, declared ineligible, or voluntarily excluded from the award of contracts, procurement or non procurement programs from the Commonwealth of Massachusetts, the US Federal Government and /or the City of Waltham. "Principals" means officers, directors, owners, partners and persons having primary interest, management or supervisory responsibilities with the business entity. Vendors shall provide immediate written notification to the Purchasing Agent of the City of Waltham at any time during the period of the contract of prior to the contract award if the vendor learns of any changed condition with regards to the debarment of the company or its officers. This certification is a material representation of fact upon which reliance will be placed when making the business award. If at any time it is determined that the vendor knowingly misrepresented this certification, in addition to other legal remedies available to the city of Waltham, the contract will be cancelled and the award revoked.

Company Name

Address

City _____, State _____, Zip Code _____

Phone Number (____) _____

E-Mail Address

Signed by Authorized Company Representative:

_____ Print name. Date _____