

COUNTY OF BARNSTABLE
PURCHASING
DEPARTMENT OF FINANCE

Elaine Davis
Chief Procurement Officer

SUPERIOR COURT HOUSE
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REQUEST FOR PROPOSALS

The County of Barnstable, Massachusetts requests qualified independent certified public accountants (hereinafter call the "Auditor"), licensed to practice in the Commonwealth of Massachusetts, and having sufficient governmental accounting and auditing experience in performing an audit in accordance with the specifications outlined in this Request for Proposal (RFP), to submit a proposal.

Proposals will be received at the Superior Court House, Office of the County Commissioners, Purchasing Department, 3195 Main Street, P.O. Box 427, Barnstable, MA 02630, on or before, but no later than January 27th, 2017 at 10:00 AM. **No exceptions will be allowed.**

Specifications may be obtained from the Barnstable County Purchasing Department, Superior Court House, P.O. Box 427, Barnstable, Massachusetts 02630.

NOTE: One original and five (5) of each proposal shall be submitted. NO faxed submissions will be accepted.

Sealed envelopes containing proposals shall be clearly marked "**Audit Services - FY 16**"

The County of Barnstable reserves the right to accept or reject any or all proposals, to waive any informality contained therein, and to award the contract as decided to be in the best interest of the County.

The County of Barnstable fully complies with federal, state, and local laws and directives governing equal opportunity, affirmative action and non-discrimination in all county activities and actively solicits bids/proposals from MBE/WBE businesses in accordance with County policy.

Dated at Barnstable, Massachusetts, this 15th day of January Two Thousand and Seventeen.

Elaine Davis
Chief Procurement Officer

County of Barnstable
Request for Proposals - Auditing Services

The County of Barnstable, Massachusetts requests qualified independent certified public accountants (hereinafter call the "Auditor"), licensed to practice in the Commonwealth of Massachusetts, and having sufficient governmental accounting and auditing experience in performing an audit in accordance with the specifications outlined in this Request for Proposal (RFP), to submit a proposal.

The County intends to continue the relationship with the selected Auditor for a period of three (3) consecutive years beginning with the fiscal year ending June 30, 2016 and ending with the fiscal year June 30, 2018.

Renewals: One (1) three-year renewal; thereafter, if mutually agreed.

I. INFORMATION FURNISHED TO PROPOSER

A. Background and General Information

The County of Barnstable is a regional government of the Commonwealth of Massachusetts. The County serves an area of approximately 396 square miles and a population of approximately 216,000 inhabitants.

The County is governed by an elected executive branch known as the Board of County Commissioners, an elected legislative branch known as the Assembly of Delegates, and day-to-day administration is conducted through the offices of an appointed County Administrator.

The County Commissioners are responsible for managing and advocating for the regional activities of Barnstable County. They prepare budgets and financial reports for submittal to the Barnstable County Assembly of Delegates, supervise revenue collections and fund disbursements, care for County properties, and appoint and remove County employees. The County Commissioners also propose measures of regional significance requiring action by the Assembly of Delegates, and they have the power to veto County ordinances.

The Assembly of Delegates has a primary role in approving budgets, regional policy and activities of the County. On all matters, the Assembly receives public input through open meetings, and interaction with municipal boards to understand areas of concern to Cape Cod citizens and officials.

A copy of the County's June 30, 2015 auditors' reports and management letter are included with this request for proposals.

B. Description of Records

The County maintains its general records in accordance with the County form of government prescribed by Massachusetts General Laws. The County uses Tyler Technologies "MUNIS" financial software for the General Ledger, Budget Process, Payroll, Purchasing and Accounts Payable. Capital asset accounting is done in Microsoft Excel.

C. Objective and Scope of Work to be Performed

1. The audit will encompass a financial and compliance examination of the County's basic financial statements, supplementary information and compliance reports. The financial and compliance audit will cover federal, state and local funding sources in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*; issued by the Comptroller General of the United States; the Single Audit Act of 1984; the Single Audit Act Amendments of 1996; the provisions of the U.S. Office of Management and Budget OMB Circular No. A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and all other applicable laws and regulations.
2. The auditor shall perform the audit and prepare all reports pertaining to the Single Audit Act of 1984 and all amendments thereto, if required. The Auditor is not required to audit the schedule of federal financial assistance. The Auditor is to provide an "in-relation-to" report on that schedule based on the auditing procedures applied during the audit of the financial statements.
3. In planning and performing the audit, the Auditor shall consider the County's system on internal control over financial reporting as a basis for designing auditing procedures and for the purpose of expressing an opinion on the financial statements. The Auditor shall communicate in a written report titled *Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Audit Standards* any material weaknesses in internal controls found during the audit. A material weakness shall be defined as a significant deficiency in internal controls, or combination of significant deficiencies that results in more than a remote likelihood that a misstatement of the County's financial statements will not be prevented or detected by the County. Said report shall include written responses by government officials to the Auditor's comments and recommendations.
4. Non-material conditions and/or other matters that come to the attention of the auditor related to opportunities for strengthening internal controls and operating efficiencies shall be reported in a management letter. The management letter shall include written responses by government officials to the auditor's comments and recommendations.
5. The Auditor will be ultimately responsible for the preparation, and printing of the basic financial statements, supplementary information and compliance reports. The Finance Department will be actively involved in preparing the MD&A, other schedules section and supplementary information. The Auditor will submit a draft of the financial statements to be reviewed in detail by the Finance Department. This draft shall be submitted to the County in time to allow ample review.
6. The audit shall result in the preparation of financial statements from the audited records of the County with the Auditor's Opinion thereon. The Auditor's opinion shall be expressed in the report and include reasons for qualifying the opinion, disclaiming the opinion, or rendering an adverse opinion.
7. The auditor should also be familiar with and prepared to advise County staff on how to best implement both current and proposed GASB Statements. In addition, the auditor is also expected to provide informal advice and consultation throughout the year on matters relating to accounting and financial reporting. This would not necessarily include any task that entails significant research or a formal report.

8. The Auditor shall be required to make an immediate written report of irregularities and illegal acts, or indications of illegal acts of which they become aware to the County Administrator and the Finance Director.
9. As guided by AICPA Auditing Standards Board Statement on Auditing Standard No. 68, the Auditor should exercise due professional care in understanding the type of engagement and requiring that if during the audit the Auditor becomes aware that the County is subject to audit requirements which may not be encompassed in the terms of the engagement he or she should communicate to management that the audit may not satisfy the requirements.

D. Report Requirements

Following the completion of the audit of the fiscal year's financial statements, the Auditor shall issue the following:

1. A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles for the County and its component units. The financial audit opinion will cover the basic financial statements. The audit shall lead to the expression of an unqualified opinion on the financial statements unless the auditor justifies to the County, in advance and in writing, the reasons for an opinion that is other than unqualified. Certain combining and individual financial statements and schedules, and related information are not necessary for a fair presentation, but will be presented as additional analytical data. This supplementary information will be subjected to the tests and other auditing procedures applied in the audit of the basic financial statements, and an opinion will be given as to whether the supplemental information is fairly stated in all material respects in relation to the financial statements taken as a whole.
2. A report on compliance and on the internal control over financial reporting based on an audit of financial statements performed in accordance with Government Auditing Standards (Single Audit).
3. A report on compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133 (Single Audit).
4. A schedule of findings and questioned costs (Single Audit).
5. The Data Collection Form SF-SAC for Reporting on Audits of States, Local Governments and Non-Profit Organizations.
6. Management letter.
7. A report on a schedule of indirect cost rate applicable to the Massachusetts Department of Transportation contracts.

E. Assistance to be Provided to the Auditor

The audit engagement will be coordinated through the County Finance Director. As appropriate, responsibilities will be assigned to assure the audit is conducted without delay and will include as follows:

- a. Primary contact for questions, securing information, and other pending issues between the Auditor and the County on items related to the financial statements.
 - b. Receiving initial draft copies and re-draft copies of the financial statements, management letter and internal control letter from the Auditor.
 - c. Coordinating meetings with Auditor and the Finance Department, governing boards and others for discussion of financial statements.
 - d. Monitoring and reviewing the progress reports from the Auditor.
 - e. Helping to resolve issues with the Auditor not related directly to financial statements.
 - f. Oversight of "Representation Letter" by management to Auditor.
2. The County will render all feasible assistance to the auditor and shall respond to requests within reason for information; provide all necessary books and records; provide account analysis worksheets, computer reports on all activity on requested accounts, and provide physical facilities required by the auditors for the expeditious conduct of this engagement.
 3. A trial balance with budgeted amounts will be made available electronically (or hard copy, e-mail, etc.). The County represents that the books of account will be fully balanced, all subsidiary ledgers reconciled to control accounts, and all bank account reconciliations for each month will be completed.
 4. The Finance Department will prepare the following information on forms acceptable to the Auditor:
 - a. General
 - i. A working trial balance of each fund
 - ii. Certain year-end accrual journal entries
 - iii. A copy of the original budget, amendments, and a final revised budget schedule of the County's general fund and applicable special funds for the audit period
 - iv. A copy of the operating and capital lease schedules as well as access to the lease files maintained in the office
 - v. A copy of the County policies, including travel and investment policies
 - vi. A schedule of insurances in force during the year and the insurance expense for the year
 - vii. Management's discussion and analysis
 - viii. Required supplementary information
 - b. Cash and Investments
 - i. Schedule of all bank accounts and contact information for confirmations
 - ii. All bank reconciliations for each month
 - iii. List of outstanding checks by account, showing check number, date and amount
 - iv. Schedule of all investments for all funds at the audit date, showing book value and estimated market value

- c. Receivables
 - i. Listing of outstanding receivables by account for each receivable type and fund as of the fiscal year end
 - ii. Schedule of miscellaneous receivables booked as of the fiscal year end
- d. Other Assets
 - i. List of all prepaid expenses as of the fiscal year end
 - ii. Schedule of insurance coverage
- e. Capital Assets
 - i. Schedule of capital assets including beginning balance, additions, dispositions, depreciation, and ending balance
 - ii. Capital asset listing by asset and classification
 - iii. Printout of all capital asset acquisitions made during the year
 - iv. Printout of all capital asset dispositions made during the audit year
 - v. Access to printout containing calculations used in balancing the capital asset subsystem to the government-wide statements
 - vi. Printout of depreciation expense by function/department posted for the audit year
- f. Current Liabilities
 - i. Schedule of warrants payable including batch printouts
 - ii. Schedule of accrued payroll
- g. Long-term obligations
 - i. Computation of vested compensated absences (sick, vacation and accrued compensation time) as of the audit date
 - ii. Debt schedules for each debt issue and related payments
- h. Grants
 - i. The following will be compiled for each federal grant:
 - Grant agreement
 - Budget
 - All financial reports
 - Correspondence with the grantor agency, including monitoring reports
 - Pass-through Grantor
 - CFDA# and/or pass-through grant #
- i. Other
 - i. Such reasonable additional schedules may be requested by the Auditor

F. Timing Requirements

1. The Auditor will attend a preplanning conference with the County Finance Director prior to the interim field work; periodic conferences during the audit; as well as an exit conference prior to the completion of field work.
2. The County Finance Director will expect a listing of requested information needed for the audit at the preplanning conference.
3. The County prefers interim field work to be performed and completed in the 4th quarter of the fiscal year being audited.
4. A preliminary draft of the audit and required journal entries shall be submitted to the County preferably within eight months of year end for proofing and reconciliation to the County's records.
5. The audit shall be completed and reports rendered within nine months following the fiscal year end of the County unless mutually agreed upon.
6. The Auditor shall provide twenty-five (25) bound copies of each audit report, management letter, and other applicable reports within the time frame cited above. In addition, the Auditor shall provide one copy of the original audit reports, management letter and other applicable reports in electronic format.
7. The Auditor shall attend one meeting with the County Commissioners and/or the Finance Committee of the Assembly of Delegates, at which the audit report will be discussed.
8. Progress reports are to be submitted with billings. These reports are to measure results against the Auditor's work plan. The Auditor shall promptly report to the County Finance Director and the County Administrator any conditions which impede the proper conduct or planned timetable of the audit.

II. PROPOSAL PREPARATION AND SUBMISSION REQUIREMENTS

A. General Requirements

1. Sealed proposals will be received until 10:00AM on January 27, 2017.
2. All inquiries for information must be submitted in writing, be received no later than January 20, 2017, and should be directed to:

Elaine Davis, Chief Procurement Officer
Barnstable County
P.O. Box 427
Barnstable, MA 02630
edavis@barnstablecounty.org
FAX: (508) 362-4136
3. All responses to inquiries will be answered in addendums and will be sent to all bidders of record.
4. The proposal should be mailed or delivered directly to:

Elaine Davis, Chief Procurement Officer
Barnstable County
Finance Department
P.O. Box 427
Barnstable, MA 02630

5. Proposals should be submitted in two separate, sealed envelopes. One envelope should include *Technical Proposal* material and the other envelope should include *Cost Proposal* material. The *Technical Proposal* will be comprised of the Auditor's experience and qualifications of its personnel in performing governmental audits. There should be no dollar units or total costs included in the *Technical Proposal*. The Auditor Selection Committee will evaluate the Auditor on education and technical qualifications. The *Cost Proposal* will consist of the Auditor's cost proposal.
6. Five (5) copies of each of the Technical and Cost proposals should be submitted.
7. The County requests that no County officials (other than the Chief Procurement Officer) be contacted during the process.
8. The County reserves the right to reject any or all proposals if there is good cause; to cancel the solicitation, waive technicalities; request clarification or additional information and be the sole judge of suitability of the services for its intended use and further specifically reserves the right to make the award and negotiate the final contract in the best interest of the County considering cost effectiveness. Failure to respond to any requirements outlined in the RFP, or failure to enclose copies of the required documents, may disqualify the bid. The County reserves the right to retain all submitted proposals.
9. In order to standardize the review process, the Auditor's Technical and Cost proposals must be presented in the following format and include the designated information. Auditors are cautioned that any deviation from this format may result in the disqualification of their submission.

B. Technical Proposal

1. Title Page
 - a. Project title
 - b. Name of submitter firm
 - c. Address and telephone number of submitter firm
 - d. Name of contact person
 - e. Date of submission
2. A Letter of Transmittal (limit to one or two pages)
 - a. Briefly state the submitter's understanding of the work to be done and make a positive commitment to perform the work within the required time frame.
 - b. This letter should be signed by the individual authorized to negotiate for and contractually bind the firm.
3. Table of Contents

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

4. Professional Experience and Qualifications

- a. Indicate the location of the office and the number of people, by level that will handle the audit.
- b. Indicate whether or not the firm is licensed to practice in the Commonwealth of Massachusetts.
- c. Provide a list of the office's most significant engagements (maximum of 5) performed in the last three years that are similar to the engagement described in the RFP. Indicate the type(s) of services performed and the number of years served for each. For each engagement listed, provide names, addresses, and telephone numbers of personnel of current and prior governmental audit clients who may be contacted by the County for reference.
- d. Indicate the experience of the local office in providing additional services to the government clients by listing the name of each government, the type(s) of services performed, and the number of years of engagement.
- e. Describe your audit organization's participation in AICPA-sponsored or comparable quality control programs (peer review). Provide a copy of the firm's current peer review including management letter and responses, if any. Indicate whether review included government engagements.
- f. Describe the professional experience in governmental audits of each senior and higher-level person assigned to the audit, including years on each job and his/her position while on each audit. Indicate the percentages of time each senior and higher-level person will be on site during the County's audit.
- g. Describe the firm's policy on notification of changes in key personnel on audit engagements. The County's philosophy is as follows: Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm. Those personnel may also be changed for other reasons with the express prior written permission of the County. However, in either case, the County retains the right to approve or reject replacements.
- h. Identify proposed sub-contractors, if any, and the portion(s) of the engagement for which they will be used.
- i. Provide a resume for each individual who may be assigned to the audit which describes his/her professional qualifications, licenses, (e.g. CPA) and experience in auditing relevant government organizations, programs, activities, or functions. Additional information should include any specialized skills, training, or background in public finance. This may include participation in State or national professional organizations, speaker or instructor roles in conferences or seminars, or authorship of articles or books.
- j. Describe how the firm meets professional independence standards.

5. Approach to the Audit

Describe the firm’s specific audit approach in the form of a work plan. The work plan should include an explanation of the audit methods to be used.

a.

6. Other Information

- a. Describe liability insurance coverage arrangements to assure that it is sufficient to cover claims.
- b. Describe any regulatory action taken by any oversight body against the proposing audit firm or local office, if any.
- c. Identify any potential audit difficulties, along with the firm’s proposed resolution and any additional assistance expected from County staff.
- d. Provide any other information you believe relevant to the decision of selection of the best auditing firm for the County.

C. Cost Proposal

The Cost Proposal should address the requested information below

- 1. Describe the organization of the audit team and the approximate percentage of time spent on the audit by each member.
- 2. Comment specifically on the timeline and how the County can assist in expediting the audit. Describe assistance expected from the County staff, if other than outlined in RFP.
- 3. Identify a tentative schedule for completing the audit within the specified deadlines.
- 4. Using a format similar to the one shown below, separately specify costs for audit services for the three (3) consecutive years beginning with the fiscal year ending June 30, 2016 and ending with the fiscal year June 30, 2018.
- 5. Include a signed “Authorized Signatures and Attestation” form (Exhibit A).
- 6. Identify and describe any other important cost-based information.

SUMMARY OF ALL INCLUSIVE AUDIT COSTS

	2016	2017	2018
Financial Statement Audit (including Management Letter and Indirect Cost Report)	\$ _____	\$ _____	\$ _____
Financial Statement Preparation	\$ _____	\$ _____	\$ _____

Single Audit	\$ _____	\$ _____	\$ _____
Extra Audit Services \$ _____ per hour	\$ _____	\$ _____	\$ _____
Other (explain)	\$ _____	\$ _____	\$ _____
TOTAL	\$ _____	\$ _____	\$ _____

Selection Process

1. The Auditor Selection Committee will evaluate the proposals. The Auditor Selection Committee may include County staff, the Assistant County Administrator a member of the Finance Committee of the Assembly of Delegates.
2. The County reserves the right to retain all proposals submitted and use any idea in a proposal regardless of whether the proposal is selected.
3. Proposals will be evaluated using three (3) sets of criteria. Firms meeting the mandatory criteria will have their proposals evaluated for both technical qualifications and price. The following represents the principal criteria, which will be considered during the evaluation process.
 - a. Mandatory Elements
 - i. The Auditor is independent and licensed to practice in Massachusetts.
 - ii. The Auditor has no conflict of interest with regard to any other work performed by the Auditor for the County and other entities.
 - iii. The Auditor adheres to the instructions in this request for proposal on preparing and submitting the proposal.
 - iv. The Auditor submits a copy of its last quality control review report and the Auditor has a record of quality audit work.
 - b. Technical Qualifications
 - i. Expertise and Experience
 1. The Auditor’s past experience and performance on comparable government engagements.
 2. The quality of the Auditor’s professional personnel to be assigned to the engagement and the quality of the Auditor’s management support personnel to be available for technical consultation.
 - ii. Audit Approach
 1. Adequacy of proposal staffing plan for various segments of the engagement.
 2. Adequacy of sampling techniques
 3. Adequacy of analytical procedures
 - c. Price
 - i. While an important factor, cost will not be the primary determining factor.

AUTHORIZED SIGNATURE AND ATTESTATION

I, the undersigned, an authorized representative of _____, whose address is _____, have read and thoroughly understand the specifications, instructions and all other conditions of the RFP for Auditing Services issued by the County of Barnstable for auditing services for the fiscal years ended June 30, 2016, June 30, 2017 and June 30, 2018.

Acting on behalf of my accounting firm, which is listed above, I do attest that the services offered by us meet the County of Barnstable specifications in every respect (check one) _____without exception/ _____with exception.

We therefore, offer and make this bid to furnish the County of Barnstable the Audit Services detailed in this proposal, at the prices indicated.

Date: _____

Signature: _____

Printed Name: _____

Title: _____

CERTIFICATE of NON-COLLUSION AND TAX COMPLIANCE

Pursuant to MGL Chapter 62C, Section 49A, I certify under the penalties of perjury that I, to the best of my knowledge and belief, have complied with all laws of the Commonwealth of Massachusetts relating to taxes, reporting of employees and contractors, and withholding and remitting child support.

I certify under the penalties of perjury that this bid/proposal has been made and submitted in good faith and without collusion or fraud with any other person. As used in this certificate, the word "person" shall mean any natural person, business, partnership, corporation, union, committee, club or other legal organization, entity or group of individuals.

Company: _____

Address: _____

Signature of Individual Signing

Bid, or Corporate Officer: _____

Telephone Number: _____

Social Security Number

Or Federal Identification Number: _____

Date: _____

**Any person or corporation which fails to execute this document
will be considered a non-responsive bidder
and will be rejected.**

SAMPLE AGREEMENT

This agreement made the **XXXX** by and between **XXXXXXXXXXXX** hereinafter called the "CONTRACTOR" and the County of Barnstable hereinafter called the "COUNTY".

WITNESSETH, that the Contractor and the County for the consideration hereinafter named agree as follows:

ARTICLE 1. SCOPE OF WORK

The Contractor shall furnish all of the materials/services called for in the specifications for:

“XXXXXX XXXXXXXX.”

ARTICLE 2. TIME PERIOD

- A. This contract is for the period of **XXXXXXX**.
- B. The work to be done under this contract shall be completed: **see “A”**.

ARTICLE 3. THE CONTRACT SUM

The County shall pay the contractor:

- A. **XXXXX**
- B. See “A”

ARTICLE 4. TIME OF PAYMENT

The County shall pay the Contractor on original invoices only.

ARTICLE 5. THE CONTRACT DOCUMENTS

The Bid together with this Agreement, form the Contract, and they are as fully a part of the Contract as attached and incorporated herein by reference.

ARTICLE 6. TERMINATION FOR CAUSE

The County may terminate this Agreement, for cause, at any time upon written notice to the other party designating the reason for said termination. Termination shall be effective immediately.

IN WITNESS WHEREOF the parties hereto have executed the Agreement, the day and year first above written.

By: _____

COUNTY OF BARNSTABLE

BARNSTABLE COUNTY COMMISSIONERS