

CITY OF TROY, NEW YORK

REQUEST FOR PROPOSALS
FOR
PROFESSIONAL ACCOUNTING AND CONSULTING SERVICES

FEBRUARY 16, 2016

Troy City Council
Troy, New York

REQUEST FOR PROPOSALS
FOR
PROFESSIONAL AUDITING AND ACCOUNTING SERVICES
CITY OF TROY, NEW YORK
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I. INTRODUCTION

A. Background

The City of Troy (City) is located in Rensselaer County (County) and has approximately 50,130 residents. The nine-member City Council (Council) is the City's legislative branch, which consists of the President and eight other elected members. The Mayor is the chief executive officer and is responsible for the administration of all City affairs. The City Comptroller (Comptroller) is the chief fiscal officer and is responsible for the oversight and accountability of all of the City's financial activity. The City Charter (Charter) governs City operations and outlines the powers and duties of the Council, Mayor and Comptroller.

General Information

The City of Troy, New York is requesting proposals from qualified certified public accountants firms to assist the City Council in developing a corrective action plan based on a recent audit report issued by the New York State Office of the State Comptroller (OSC) and provide independent audit assistance in reviewing a prior OSC report on the City's 2015 operating budget as well as an independent review of the functions of the City's internal audit position.

There is no expressed or implied obligation for the City of Troy, New York to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

An appointment and on-site inspection may be scheduled by any firm interested in submitting a proposal to answer questions about the engagement. Any inquiries concerning the request for proposals should be addressed to the President of the City Council, Ms. Carmella Mantello.

To be considered, THREE copies of a proposal must be received by the City Council at 433 River Street, Troy, New York 12180 by 4:30 p.m. February 24, 2016. The City reserves the right to reject any or all proposals submitted.

During the evaluation process, the City reserves the right, where it may serve the City's best interest, to request additional information or clarifications from proposers, or to allow corrections of errors or omissions. At the discretion of the City, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

The City reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected.

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I. INTRODUCTION (CONTINUED)

A. General Information (Continued)

Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City and the firm selected.

It is anticipated the selection of a firm will be completed by _____, _____. Following notification of the selected firm it is expected a contract will be executed between both parties by _____.

B. Term of Engagement

A one-year contract is contemplated.

C. Subcontracting

No subcontracting will be allowed without the express prior written consent of the City.

II. NATURE OF SERVICES REQUIRED

A. General

The City is soliciting the services of qualified certified public accountants firms to perform independent accounting and consulting procedures, and these procedures are to be performed in accordance with the provisions contained in this request for proposal.

B. Scope of Work to be Performed

The City received a report from NYS OSC dated November 10, 2015 which expressed concerns with the development of the proposed City budget for 2016. This report indicated findings which should be reviewed by the Mayor and City Council and indicated that City Officials should take prompt action concerning their recommendations. The City requests that an independent auditing firm assist the City Council in reviewing these findings and developing a correction action plan as needed.

In addition, OSC performed a follow up examination of the City of Troy, New York's financial condition for the period from January 1, 2012 to May 31, 2015 which expressed additional concerns with the City's deteriorating financial condition. OSC has requested that the City Council develop a corrective action plan and the City Council requests an independent auditing firm assist the City Council in this process.

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II. NATURE OF SERVICES REQUIRED (CONTINUED)

B. Scope of Work to be Performed (Continued)

The City has previously employed an individual as the Acting City's auditor. The City Council requests an independent auditing firm review the policies and procedures of the Bureau of Auditor to determine the procedures performed by this department and make an independent assessment of the work performed and related costs.

C. Auditing Standards to be Followed

To meet the requirements of this request for proposals, the audit shall be performed in accordance with:

Generally accepted auditing and attest standards as set forth by the American Institute of Certified Public Accountants and generally accepted government auditing standards set forth in the U.S. General Accounting Office's *Government Auditing Standards*.

D. 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 City of Troy, New York of the need to extend the retention period. The auditor is required to make working papers available, upon request, to the following parties or their designees:

City of Troy, New York

U.S. General Accounting Office

NYS OSC

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

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III. TIME REQUIREMENTS

A. Proposal Calendar

The following is a list of key dates up to and including the date proposals are due to be submitted:

Request for proposals issued	February 16, 2016
Due date for notification of interest	February 24, 2016
Due date for proposals	February 24, 2016 4:30 P.M.

B. Notification and Contract Dates

Selected firm notified	_____ , _____
Contract date	_____ , _____

C. Date Final Report is Due

The final report and ten signed copies should be delivered to the City Council.

IV. PROPOSAL REQUIREMENTS

A. General Requirements

1. Submission of Notification of Interest

Firms interested in submitting a proposal must submit, verbally or written, by (February 24, 2016, their “Notification of Interest” in the format attached to the letter transmitting this Request for Proposals. Failure to do so will disqualify firms from submitting a proposal.

2. On-site Inspections

An on-site inspection of the City may be arranged for firms interested in submitting proposals.

3. Inquiries

Inquiries concerning the Request for Proposals and the subject of the Requests for Proposals must be made to:

Ms. Carmella Mantello, President
City Council of the
City of Troy, New York
(518) 279-7317

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IV. PROPOSAL REQUIREMENTS (CONTINUED)

A. General Requirements (Continued)

4. Submission of Proposals

The following material is required to be received by (February 24, 2016, for a proposing firm to be considered.

- a. A master copy (so marked) of a Technical Proposal and TWO copies to include the following:

i. Title Page

Title Page showing the request for proposals subject; the firm's name; the name, address and telephone number of the contact person; and the date of the proposal.

ii. Table of Contents

iii. Transmittal Letter

A signed letter of transmittal briefly stating the responder's understanding of the work to be done, the commitment to perform the work within the time period, a statement why the firm believes itself to be best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer.

iv. Detailed Proposal

The detailed proposal should follow the order set forth in Section IV B of this Request for Proposals.

- b. The proposal shall submit an original and TWO copies of a dollar cost bid in a separate envelope marked as follows:

SEALED DOLLAR COST BID PROPOSALS
FOR
CITY OF TROY, NEW YORK
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IV. PROPOSAL REQUIREMENTS (CONTINUED)

A. General Requirements (Continued)

4. Submission of Proposals (Continued)

- c. Proposers should send the completed proposal consisting of the two separate envelopes to the following address:

City Council
433 River Street
Troy, New York 12180
Attn: Ms. Carmella Mantello

B. Technical Proposal

- General Requirements

The purpose of the Technical Proposal is to demonstrate the qualifications, competence, and capacity of the firms seeking to undertake an independent audit and accounting engagement of the City of Troy, New York in conformity with the requirements of this Request for Proposals. As such, the substance of proposals will carry more weight than their form or manner of presentation. The Technical Proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the Request for Proposals requirement.

THERE SHOULD BE NO DOLLAR UNITS OR TOTAL COSTS INCLUDED IN THE TECHNICAL PROPOSAL DOCUMENT.

The Technical Proposal should address all the points outlined in the Request for Proposals (excluding any cost information which should only be included in the sealed dollar cost bid). The proposal should be prepared simply and economically, providing a straight forward, concise description of the proposer's capabilities to satisfy the requirements of the Request for Proposals. While additional data may be presented, the following subjects must be included. They represent the criteria against which the proposal will be evaluated.

- Independence

The firm should provide an affirmative statement that it is independent of the City of Troy, New York as defined by generally accepted auditing standards and the U.S. General Accounting Office's Government Auditing Standards.

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IV. PROPOSAL REQUIREMENTS (CONTINUED)

B. Technical Proposal (Continued)

- Prior Government Audit and Consulting Experience

The firm should include prior or current engagements pursuant to municipalities.

- 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 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.

The firm shall also provide information on the results of any federal or state desk review or field reviews of its audits during the past 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 the state regulatory bodies or professional organizations.

- Partner, Supervisory and Staff Qualifications and Experience

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 registered or licensed to practice as a certified public accountant in New York State. 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 staff over the term of the agreement will be assured.

Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. These personnel may also be changed for other reasons with the express

prior written permission of the City. However, in either case, the City retains the right to approve or reject replacements.

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IV. PROPOSAL REQUIREMENTS (CONTINUED)

B. Technical Proposal (Continued)

- Partner, Supervisory and Staff Qualifications and Experience (Continued)

Consultants and firm specialists mentioned in response to this Request for Proposals can only be changed with the express prior written permission of the City, which retains the right to approve or reject replacements.

Other personnel may be changed at the discretion of the Proposer provided that replacements have substantially the same or better qualifications or experience.

- Similar Engagements with Other Municipalities

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum-5) performed in the last five years that are similar to the engagement described in the Request for Proposals.

Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

- Specific Approach

The proposal should set forth a work plan, including an explanation of the methodology to be followed, to perform the services required in Section II of this request for Proposals. In developing the work plan, reference should be made to such sources of information as the City's budget and related materials, organizational chart, programs, and financial and other management information systems.

Proposers will be required to provide the following information on their audit approach:

- a. Proposed segmentation of the engagement.
- b. Level of staff and number of hours to be assigned to each proposed segment of the engagement.

NO DOLLARS SHOULD BE INCLUDED IN THE TECHNICAL PROPOSAL

- Identification of Anticipated Potential Audit Problems

The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from the City.

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IV. PROPOSAL REQUIREMENTS (CONTINUED)

C. Sealed Dollar Cost Bid

1. Total All-Inclusive Maximum Price

The sealed dollar cost bid should contain all pricing information relative to performing the audit and accounting engagement as described in this Request for Proposals. The total-inclusive maximum price to be bid is to contain all direct and indirect costs including all out-of-pocket expenses.

The City will not be responsible for expenses incurred in preparing and submitting the technical proposal or the sealed dollar cost bid. Such costs should not be included in the proposal.

The first page of the sealed dollar cost bid should include the following information:

- a. Name of firm
 - b. Certification that the person signing the proposal is entitled to represent the firm, empowered to submit the bid, and authorize to sign a contract with the City.
 - c. A total All-Inclusive Maximum Price for the project.
2. Rates by Partner, Specialist, Supervisory and Staff Level Times Hours Anticipated for Each.
 3. Rates for Additional Professional Services Should the Project be Expanded by Mutual Agreement.
 4. Manner of Payment

Progress payments will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the firm's dollar cost bid proposal. It is anticipated that ten percent (10%) will be withheld from each billing pending delivery of the firm's final reports.

V. FINAL SELECTION

- A. City Council will approve a firm based upon the recommendation of the City Council President.
- B. It is anticipated that a firm will be selected by _____, _____. Following notification of the firm selected, it is expected a contract will be executed between both parties by _____, _____.

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V. FINAL SELECTION (CONTINUED)

- C. Right to Reject Proposals

Submission of a proposal indicates acceptance by the firm of the conditions contained in the Request for Proposals unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City and the firm selected.

The City reserves the right without prejudice to reject any or all proposals.

APPENDIX A

PROPOSER GUARANTEES

- I. The Proposer certifies it can and will provide and make available, at a minimum, all services set forth in Nature of Services Required.

- II. The Proposer agrees to be bound by the contractual requirements delineated in Appendix.

Signature of Official: _____

Name (typed): _____

Title: _____

Firm: _____

Date: _____

APPENDIX B

PROPOSER WARRANTIES

- I. The Proposer warrants that it is willing and able to obtain any errors and omissions insurance policy providing a prudent amount of coverage for the willful or negligent acts, or omissions of any officers, employees or agents thereof.
- II. The Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the prior written permission of the City of Troy, New York.
- III. The Proposer warrants that all information provided by it in connection with this proposal is true and accurate.

Signature of Official: _____

Name (typed): _____

Title: _____

Firm: _____

Date: _____

APPENDIX C

SCHEDULE OF AUDIT QUOTATIONS

<u>PROPOSED</u>	<u>AS</u>
Corrective action plan for OSC November 10, 2015 budget findings	\$ _____
Corrective action plan for OSC's examination of the City's financial condition	_____
Evaluation of the Bureau of Audit Position	_____
TOTAL ALL-INCLUSIVE MAXIMUM PRICE	\$ _____

APPENDIX D

**SCHEDULE OF FEES FOR ADDITIONAL SERVICES AND AUDITS
IF REQUESTED BY CITY OF TROY, NEW YORK**

HOURLY RATES

PARTNERS

MANAGERS

SUPERVISORY STAFF

STAFF

OTHER (SPECIFY)
