

WESTMORELAND COUNTY LAND BANK

# REQUEST FOR PROPOSALS

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Certified Public Accountant Auditors

# REQUEST FOR PROPOSALS

## WESTMORELAND COUNTY LAND BANK

### I. INTRODUCTION

#### A. General Information:

The Westmoreland County Land Bank (LB) is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal years of 2021, 2022 and 2023. This audit is to be performed in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and (if applicable) the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). A single audit has not been necessary to date and is not expected to be required during 2021.

There is no expressed or implied obligation for the LB to reimburse responding firms for any expense incurred in preparing proposals in response to this request.

**To be considered, one (1) copy of a proposal must be received by the Westmoreland County Land Bank, Fifth Floor, Suite 520, 40 North Pennsylvania Avenue, Greensburg, PA 15601 by 4:00 PM (Prevailing Time), on October 19, 2021. The LB reserves the right to reject any or all proposals submitted.**

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

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

It is anticipated the selection of a firm will be completed on or around November 1, 2021. Following the notification of the selected firm it is expected a contract will be executed between both parties by the end of November.

#### B. Term of Engagement:

A three (3) year contract is contemplated for calendar years 2021, 2022 and 2023 with a possible extension, for another 3 years if year 2023 rates are held for subsequent years.

#### C. Subcontracting:

Firms submitting proposals are encouraged to consider subcontracting portions of the engagement to small audit firms or minority or women owned firms. If this is to be done, that fact, and the name of the proposed subcontracting firms, must be clearly identified in the proposal. Following the award of the audit contract, no additional subcontracting will be allowed without the express prior written consent of the LB.

## II. NATURE OF SERVICES REQUIRED

### A. General:

The LB is soliciting the services of qualified firms of certified public accounts to audit its financial statements for the calendar years 2021, 2022 and 2023. These audits are to be performed in accordance with the provisions contained in this Request for Proposals.

### B. Scope of Work to be Performed:

The LB desires the auditor to express an opinion of the fair presentation of its basic purpose financial statements in conformity with generally accepted accounting principles and the supplemental statement of land bank activities. The auditor shall also be responsible for performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board in accordance with generally accepted in the United States of America. The auditor is not required to audit the schedule of federal financial assistance, if a single audit is necessary. However, 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.

### C. Auditing Standards to be Followed:

To meet the requirements of this request for proposals, the audit shall be performed in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and (if applicable) the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). A single audit has not been necessary to date and is not expected to be required during 2021.

### D. Reports to be Issued:

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

1. A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles.
2. A 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 Auditing Standards.
3. An "in-relation-to" report on the schedule of federal financial assistance, if applicable.
4. A report on compliance for each major program and on internal control over compliance by the Uniform Guidance, if applicable.

In the required report(s) on internal controls, the audit shall communicate any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency which could adversely affect the organization's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

Reportable conditions that are also material weaknesses shall be identified as such in the report. Non-reportable conditions discovered by the auditors shall be reported in a separate letter to management, which shall be referred to in the report(s) on internal control.

The reports on compliance shall include all material instances of non-compliance.

5. Schedule of findings and questioned costs. Auditors shall be required to make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the LB. Auditor shall assure themselves that the LB is informed of each of the following:

- 1) The auditor's responsibility under generally accepted auditing standards.
- 2) Significant account policies.
- 3) Management judgements and accounting estimates.
- 4) Significant audit adjustments.
- 5) Other information in documents containing audited financial statements.
- 6) Disagreements with management.
- 7) Management consultation with other accountants.
- 8) Major issues discussed with management prior to retention.
- 9) Difficulties encountered in performing the audit.

E. Special Considerations:

1. **The LB shall annually, within 120 days after the end of the fiscal year, submit an audit of income and expenditures, together with a report of its activities for the preceding year, to the Department of Community and Economic Development. This report is submitted via PDF.**
2. **A duplicate of the audit and the report must be filed with the governing body of the County of Westmoreland and each political subdivision which opted to participate in the land bank pursuant to an intergovernmental agreement. The number of duplicate copies needed will from year to year. We received a total of 51 copies of the audit for the year ended December 31, 2020 for submission to necessary recipients.**

F. 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 five (5) years, unless the firm is notified in writing by the LB of the need to extend the retention period. The auditor will be required to make working papers available upon request, to the following parties or their designees with prior notification given to LB:

- Redevelopment Authority of the County of Westmoreland (RACW)
- Department of Community & Economic Development (DCED)
- Commonwealth of Pennsylvania Office of the Budget

-- Parties designated by the Federal or State governments or by the LB as part of an audit quality review process

-- Auditors of entities of which the LB is a subrecipient of grant funds with prior notification given to LB

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

### III. DESCRIPTION OF GOVERNMENT

#### A. Name, Telephone Number of Contact Person:

The auditor's principal contact for the LB will be James Scherich, Finance Manager, Fifth Floor, Suite 520, 40 North Pennsylvania Avenue, Greensburg, PA 15601, 724-830-3652.

### IV. TIME REQUIREMENTS

#### A. Each of the following shall be completed by the auditor no later than the date indicated:

1. DETAILED AUDIT PLAN - The auditor shall provide the LB by February 28, 2022 both a detailed audit plan and a list of all schedules to be prepared by LB.

2. DRAFT REPORTS - The auditor shall have drafts of the audit report (two [2]) and recommendations to LB management for review by March 31, 2022.

#### B. Entrance Conference, Progress Reporting and Exit Conference:

At a minimum, the following conferences should be held by future negotiated dates:

ENTRANCE CONFERENCE WITH LB EXECUTIVE DIRECTOR: The purpose of this meeting will be to discuss prior audit problems and the interim work to be performed. This meeting will also be used to establish overall liaison for the audit and to make arrangements for work space and other needs of the auditor.

EXIT CONFERENCE WITH LB EXECUTIVE DIRECTOR: The purpose of this meeting will be to summarize the results of the work and to review significant findings.

#### C. Date Final Report is Due:

The final report and Fifty-one (51) signed copies should be delivered to Brian Lawrence, Executive Director, Fifth Floor, Suite 520, 40 North Pennsylvania Avenue, Greensburg, PA 15601 by April 22, 2022.

In the event of a Single Audit, the audit report(s) should also be submitted to the Single Audit Clearing House along with the Data Collection Form.

### V. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION

#### A. Finance Department and Clerical Assistance:

The finance department staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation and explanations. The preparation of confirmations will be the responsibility of the auditor. In addition, clerical support will be made available to the auditor for the preparation of routine letters and memorandums.

B. Work Area, Telephone, Photocopying and Fax Machines:

LB will provide the auditor with reasonable work space, desks and chairs. The auditor will also be provided with access to telephone lines and photocopying facilities.

C. Report Preparation:

Report preparation, editing and printing shall be the responsibility of the auditor.

**VI. PROPOSAL REQUIREMENTS**

\* Inquiries - Inquiries concerning the request for proposals and the subject of the request for proposals must be made to Michael Strong, Fiscal Coordinator, Fifth Floor, Suite 520, 40 North Pennsylvania Avenue, Greensburg, PA 15601.

\* Submission of Proposals - For a proposing firm to be considered, the following material is required to be received by **4:00 pm October 19, 2021** in a sealed envelope with the following:

BID PROPOSAL FOR WESTMORELAND COUNTY LAND BANK PROFESSIONAL AUDITING SERVICES

A. Proposal Specifications:

1. Title Page - Title page showing the request for proposals subject, the firm's name, the name, address and telephone number of contact person and the date of the proposal.
2. Table of Contents
3. Transmittal Letter - A signed letter of transmittal briefly stating the proposer's understanding of 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 for sixty (60) days.

B. Technical Proposal:

1. General Requirements - The purpose of the technical portion is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit of the LB 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 proposal requirements.

The proposal should be prepared simply and economically, providing a straightforward, 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, Items No. 2 through 7 must be included. They represent the criteria against which the proposal will be evaluated.

2. Independence - The firm should provide an affirmative statement that it is independent of LB as defined by generally accepted auditing standards / the U.S. General Accounting Office's Government Auditing Standards (1988).

The firm should also list and describe the firm's (or proposed subcontractors) professional relationships involving LB or any of (its agencies/agencies or component units/agencies, component units or oversight unit) 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 LB written notice of any professional relationships entered into during the period of this Agreement.

3. License to Practice in Pennsylvania - An affirmative statement should be included indicating that the firm and all assigned key professional staff are properly registered/licensed in Pennsylvania.
4. Firm Qualifications and Experience - The proposal should state 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.

If the proposer is a joint venture or consortium, the qualifications of each firm comprising the joint venture or consortium should be separately identified and the firm that is to serve as the principal auditor should be noted, if applicable.

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 the information on the results of any Federal or State desk reviews or field reviews of its audits during the past three (3) years. In addition, the firm shall provide information of 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.

5. Partner, Supervisory and Staff Qualifications and Experience - The firm should identify the principal supervisory and management staff, including engagement partners, anagers, other supervisors and specialists, who would be assigned to the engagement and indicate whether each such person is registered / licensed to practice as a certified public accountant in Pennsylvania. The firm also should 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.

The firm should 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. The firm also should indicate how the quality of staff over the term of the Agreement will be assured.

The proposer should identify the extent to which staff to be assigned to the audit reflect the LB's commitment to Affirmative Action.

Engagement partners, managers, other supervisory staff and specialist may be changed if those personnel leave the firm, are promoted or are assigned to another office. Those personnel may also be changed for reasons with the express prior written permission of the LB, which retains the right to approve or reject replacements.

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

6. **Prior Engagements** - The firm should list separately all engagements within the last five (5) years ranked on the basis of total staff hours, for the LB by type of engagement (i.e., audit, management, advisory services, other). For each engagement, the firm should indicate the scope of work, date, engagement partners, total hours, the location of the firm's office from which the engagement was performed, and the name and telephone number of the principal client contact.
7. **Similar Engagements with other Government Entities** - For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum of five [5]) performed in the last two (2) years that are similar to the engagement described in this Request for Proposals.

C. Bid Proposal:

1. **Total All-Inclusive Maximum Price** - The dollar cost bid 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 first page of the cost proposal 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 authority to sign a contract with the LB.**
  - c. **A Total All-Inclusive Maximum Price for each year of engagement.**
2. **Rates by Partner Specialist and Staff Level Time Hours Anticipated for Each** - The second page of the cost bid should include schedule of professional fees and expenses, presented in the format provided in the attachments that supports the total all-inclusive maximum price for each year. (See Appendix A)
  3. **Rates for Additional Professional Services** - If it should become necessary for the LB to request the auditor to render any additional services, to either supplement the 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 LB and the firm. Any such additional work agreed to between the LB and the firm shall be performed at the same rates set forth in the schedule of fees and expenses included in the cost bid proposal.
  4. **Manner of Payment** - Payment shall be made upon receipt and acceptance of the audit report by the LB.



## VII. EVALUATION PROCEDURES

### A. Review of Proposals:

Review of Proposals - Proposals submitted will be evaluated by the LB. The LB will use a point formula during the review process to score proposals. The LB will first score each technical proposal by each of the criteria described in Section VII (B) below. After the composite technical score for each firm has been established, the cost bid will be reviewed and additional points will be added to the technical score based on the price proposal. The maximum score for price will be assigned to the firm offering the lowest all-inclusive maximum price. Appropriate fractional scores will be assigned to other proposers.

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

### B. Evaluation Criteria:

Proposals will be evaluated using three (3) sets of criteria. Firms meeting the mandatory criteria will have their proposals evaluated and scored for both technical qualifications and price.

The following represent the principal selection criteria which will be considered during the evaluation process:

#### 1. Mandatory Elements

- a. The audit firm is independent and licensed to practice in Pennsylvania.
- b. The audit firm's professional personnel have received adequate continuing professional education within the preceding two (2) years.
- c. The firm has no conflict of interest with regard to any other work performed by the firm for the LB.
- d. The firm submits a copy of its most recent external quality control report and the firm has a record of quality unit work.
- e. The firm adheres to the instructions in the Request for Proposals on preparing and submitting the proposals.

#### 2. Technical Qualifications: (Maximum Points - 100)

##### a. Technical Qualifications: (Maximum Points - 40)

- 1) The firm's past experience and performance on comparable government engagements.
- 2) The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation.

##### b. Audit Approach: (Maximum Points - 55)

- 1) Adequacy of proposed staffing plan for various segments of the engagement and ability to work with predetermined timeline.
- 2) Adequacy of sampling techniques.

- 3) Adequacy of analytical procedures.
- 4) Price

COST WILL NOT BE THE PRIMARY FACTOR  
IN THE SELECTION OF AN AUDIT FIRM

c. Disadvantaged, Minority-owned, and/or Women-owned Business Enterprise Participation (Maximum Points - 5)

- 1) If applicable, provide documentation that qualifies the firm as a Disadvantaged Business Enterprise (DBE), Minority-owned Business Enterprise (MBE), and /or Women-owned Business Enterprise (WBE). A certified firm will receive a maximum of 5 points if eligible under one or more categories.

C. Oral Presentations:

During the evaluation process, the LB may, at its discretion, request any one or all firms to make oral presentations. Such presentations will provide firms with an opportunity to answer any questions the LB may have on a firm's proposal. Not all firms may be asked to make such oral presentations.

D. Final Selection:

It is anticipated that a firm will be selected on or around November 1, 2021. Following notification of the firm selected it is expected a contract will be executed between both parties by the end of November.

E. Right to Reject Proposals:

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 LB and the firm selected. The LB reserves the right without prejudice to reject any or all proposals.

APPENDIX A

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES  
FOR AUDIT OF THE 2021 FINANCIAL STATEMENTS

	HOURS	STANDARD HOURLY RATES	QUOTED HOURLY RATE	TOTAL
PARTNERS	\$ _____	\$ _____	\$ _____	\$
MANAGERS				
SUPERVISORY STAFF				
STAFF				
OTHER (SPECIFY) :				
SUBTOTAL				\$
OUT-OF-POCKET EXPENSES :				
GASB-34				\$
TOTAL ALL-INCLUSIVE MAXIMUM PRICE FOR 2014 AUDIT				\$

NOTE: THE RATE QUOTED SHOULD NOT BE PRESENTED AS A GENERAL PERCENTAGE OF THE STANDARD HOURLY RATE OR AS A GROSS DEDUCTION FORM THE TOTAL ALL-INCLUSIVE MAXIMUM PRICE.