

CITY OF WORCESTER, MASSACHUSETTS  
INDEPENDENT AUDIT SERVICES  
REQUEST FOR PROPOSAL

PROPOSAL OVERVIEW

The City of Worcester, Massachusetts is requesting proposals from qualified firms of certified public accountants licensed to practice in the Commonwealth of Massachusetts to submit written fixed fee proposals to conduct an audit of the financial records of the DCU Center (Center) for the fiscal years ended June 30, 2012, 2013 and 2014.

The audits are to be performed in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Audit Standards, issued by the Comptroller General of the United States.

The Center consists of a 14,800 seat civic arena and a convention center that share common areas. The building is owned by the city but it is leased and managed by SMG Management Group (SMG).

The audit is to be confined to the portion of the Center's activities that are attributable to the transactions of the Center as maintained by SMG. An audit will be conducted of the Center's schedule of management fee paid to SMG and is to be included in the financial report that is issued.

Also as part of the agreement a Management Letter is to be issued.

SMG uses a Microsoft Dynamics SL computer system to process their financial transactions.

A three-year contract is contemplated, subject to an annual review by the City Auditor and the annual availability of an appropriation. The City reserves the right to renew this contract for a maximum of two additional years based on satisfactory past performance and proposed fees the City considers appropriate.

Two copies of the proposal clearly marked Audit Proposal in sealed envelopes shall be received by James DelSignore, CPA City Auditor, City Hall, 455 Main Street Room 102, Worcester, MA 01608 no later than 5:00 P.M. March 9, 2012.

Interested parties may make inquiries up to March 2, 2012 to James DelSignore, CPA City Auditor at (508) 799-1053 [delsignorej@worcesterma.gov](mailto:delsignorej@worcesterma.gov).

## PROPOSAL REQUIREMENTS

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.

The proposals should contain at a minimum the following:

1. A table of contents with all-important information listed by page number.
2. A short letter of transmittal containing the following:
  - a. A statement of your understanding of the work and a description of the audit approach.
  - b. The approximate date the audits will begin and end as well as a positive commitment that financial statements will be furnished within the dates outlined in the Request for Proposal.
  - c. The names, titles and telephone numbers of all persons authorized to speak for the proposer.
  - d. Not to exceed fees for performing financial audits for each year.
3. Profile of the Proposer stating:
  - a. Location of the office or offices from which the work will be managed and controlled.
  - b. The number of staff, by classification, assigned to that office.
  - c. Types of services (i.e. audit, management consulting, tax) performed by that office.
  - d. The identity and relevant experience of the staff (down to the level of on-site supervisors) to be assigned to the audit.
  - e. A description of the firm's experience with this type of audit.
  - f. Assurance that the firm is managed by and that all key assigned professional staff is properly licensed to practice in Massachusetts.
  - g. A description of the firm's formal training program and training requirements for all partners and staff. State that all staff assigned to the engagement has met the minimum requirements for continuing professional education.

- h. Assurance that the firm has met the three year peer review requirement of the AICPA for firms in public practice, and that a copy of the reviewer's report is available for inspection.
- i. Names, addresses and telephone numbers of persons who may be contacted for reference.
- j. A detailed audit approach for the audit, and the level of staff to be assigned.
- k. Estimated hours to complete the engagement by level of staff (i.e. partner, manager, staff accountants and hourly billing rates for each.
- l. Arrangements for progress meetings, consulting and draft report reviews.
- m. Billing cycle and payment terms.

In order to able to review and compare the proposals it is requested that the responses to the above profile questions be in a form that inserts the response after the actual printed question.

This Request for Proposal and the selected firm's proposal will by reference become a part of any formal agreement between the Contractor and the City resulting from this solicitation.

#### AUDIT SCOPE AND REPORT REQUIREMENTS

The City desires the independent auditor to express an opinion on the fair presentation the basic financial statements of the DCU Center in conformity with accounting principles generally accepted in the United States of America. The City also desires the contractor to verify fees due to SMG Management Group based on the contracts and financial statements of the DCU Center.

Following the completion of the audit of fiscal years financial statements, the contractor shall issue:

1. A report on the fair presentation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America for the DCU Center.
2. A management letter for the DCU Center.
3. At the conclusion of the audit a representative of the contractor will be expected to be available to discuss the findings with the Civic Center Commission.

#### DELIVERABLES

The contractor will print and bind 15 copies of the financial statements along with a PDF. The contractor will also supply a PDF and print 15 copies of the Management Recommendation Letter.

The contractor shall maintain all workpapers for a minimum of three (3) years following the issuance of the related audit reports.

Copies of the most recent audited financial reports are available upon request.

### AUDIT TIMETABLE

It is the City's desire that the major portions of the audit be completed for each facility by the following approximate dates:

Preliminary Field Work	05-28
Field Work	8-15
Delivery of Final Management Recommendation Letter	9-15
Delivery of Final Financial Statements	9-15

Progress reports submitted with progress billings will measure results against the contractor's work plan. The contractor shall promptly report to the City Auditor any conditions which impede the proper conduct of the audit.

### BILLING

Progress billings may be made for a minimum period of one month for services performed. The City will retain 25 percent of the total contract price until all required reports are submitted to and accepted by the City.

### CONTRACT AWARD

The following factors will be the major considerations in evaluating proposals. Equal weight will be given to each factor.

1. Does the proposer clearly understand the work to be performed?

The proposal will be considered representative of the proposer's best efforts at documenting its understanding. This understanding will be demonstrated by the clarity and completeness of the proposal.

2. Are the time estimates realistic and responsive?

This will be evaluated by the staffing levels, hours in total for each level and their appropriateness and reasonableness to accomplish the audit as expected.

3. What is the firm's level of professional qualifications and experience

in auditing the entities to be examined?

Consideration will be given to experience, education, and credentials with particular reference and heavy weight given to experience in audits similar to that described in this RFP.

4. What will be the cost of the work to be performed?

The annual and total combined three (3) year fee and composite hourly rate(s) for the proposed audits will be significant factor in the determination.

The City expects to award the contract, subject to City Council appropriation, on March 16, 2012. The City reserves the right to reject any and all proposals submitted and to make the award in a manner deemed in the best interests of the City.