



The City of
WORCESTER

Administration & Finance – Purchasing Division
Christopher J. Gagliastro, MCPPO – Purchasing Director
455 Main Street, Room 201, Worcester, MA 01608
P | 508-799-1220
purchasing@worcesterma.gov
www.worcesterma.gov

Christopher J. Gagliastro, MCPPO
Purchasing Agent

RFP NO. CR-7759-W2
ISSUANCE DATE: FEBRUARY 9, 2022

BUYER: Christopher J. Gagliastro, MCPPO

**AN EQUAL OPPORTUNITY/AFFIRMATIVE ACTION EMPLOYER
REQUEST FOR PROPOSALS
NOTICE TO PROPOSERS**

RFP TITLE: Independent Audit Services / City Auditor

REFER TO PAGE 8 FOR PROPOSAL SUBMISSION INFORMATION

General Conditions:

All proposals are subject to the terms, conditions and specifications herein set forth:

1. **Scope: The City of Worcester, Massachusetts is requesting proposals from qualified firms of Certified Public Accountants to audit its basic financial statements for the years ending June 30, 2022, 2023 and 2024. These audits are to be performed in accordance with auditing standards generally accepted in the United States of America; the standards set forth for financial reporting applicable to financial audits contained in "Government Auditing Standards" issued by the Comptroller General of the United States and; the Single Audit Act as amended 1996 and the OMB's Uniform Guidance 2 CFR Part 200.**

Additionally, the City requests proposals for an audit of the basic financial statements of the Worcester Retirement System, a blended component unit of the City, for the calendar years ending December 31, 2021, 2022 and 2023; for the Worcester Redevelopment Authority, a discretely presented component unit of the City, for the fiscal years ending June 30, 2022, 2023 and 2024; and the audit of financial statements of the DCU Center, an operating activity of the City of Worcester (City) that is attributable to the transactions of the Center as maintained by ASM Global, for its years ending June 30, 2022, 2023 and 2024. These audits are to be conducted in accordance with auditing standards generally accepted in the United States of America.

The City desires that these financial statements be audited by one independent public accounting firm and will consider the bid amounts for these separate but related entities in the aggregate.

The City of Worcester and the Worcester Retirement System have each received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for the last 28 and 17

consecutive years respectively. The City and the WRS have applied for the certificate to the GFOA for their most recent Annual Comprehensive Financial Reports (ACFR) and intends to issue ACFR's that comply with GFOA certification requirements for all years of this proposal.

2. A certified check or bid bond made payable to the "City Treasurer, City of Worcester" in the amount of N/A must accompany this proposal. This must be submitted under separate sealed cover marked "Proposal Security." In the case of default, the surety shall be forfeited to the City as liquidated damages.
3. All terms and conditions are applicable to this proposal except the following section(s) which are hereby deleted from this RFP: 4, 23,24,28,31,35
4. A performance bond in the amount of N/A will be required. If this proposal is accepted by the City and the Proposer shall fail to contract as set forth in these requirements and to give a bond in the aforementioned amount, within ten (10) days, (not including Sundays, Saturdays, or a legal Holiday) from the date of the mailing of a notice from the City to the Proposer, according to the address given herewith, that the contract is ready for signature, the City may by option determine that the proposer has abandoned the contract and thereupon the proposal and acceptance shall be null and void and the proposal security accompanying this proposal shall become the property of the City as liquidated damages.
5. **Any prospective respondent requesting a change in or interpretation of existing specifications or terms and conditions must do so within 5 days (Saturdays, Sundays, and Legal Holidays excluded) before scheduled proposal opening date. All requests are to be in writing to the Purchasing Division. No changes will be considered or any interpretation issued unless request is in our hands within 5 days (Saturdays, Sundays, and Legal Holidays excluded) before scheduled proposal submission date.**

Any inquiries related to technical or contractual matters must be submitted in writing to:

Christopher J. Gagliastro, MCPPO
Purchasing Director
City of Worcester, City Hall
455 Main Street, Room 201
Worcester, MA 01608
[**gagliastroc@worcesterma.gov**](mailto:gagliastroc@worcesterma.gov)

6. Nothing herein is intended to exclude any responsible Proposer or in any way restrain competition. All responsible Proposers are encouraged to submit proposals. The City encourages participation by Minority and Women Owned Business Enterprises (M/WBE).
7. The following meanings are attached to the defined words when used in this RFP.
 - a) The word "City" means The City of Worcester, Massachusetts.

- b) The words "proposer" and "responder" means the person, firm or corporation submitting proposal on these specifications or any part thereof.
 - c) The word "Contractor" means the person, firm or corporation with whom the contract is made by carrying out the provisions of these specifications and the contract.
 - d) The words "Firm Price" shall mean a guarantee against price increase during the life of the contract.
- 8. All proposals and other documents relating to this RFP are subject to the public records provisions of M.G.L. c.30B, and shall remain confidential until the time specified in c.30B section 6 (d).
 - 9. All material submitted by vendors becomes the property of the City. The City is under no obligations to return any of the material submitted by a vendor in response to this RFP.
 - 10. Each vendor's proposal must remain in effect for at least 120 days from the deadline for its submission. The City will decide upon acceptance within 120 days of submission.
 - 11. It is understood and agreed that it shall be a material breach of any contract resulting from this RFP for the Contractor to engage in any practice which shall violate any provision of Massachusetts General Laws, Chapter 151B, relative to discrimination in hiring, discharge, compensation, or terms, conditions or privileges of employment because of race, color, religious creed, national origin, sex, age or ancestry.
 - 12. The City reserves the right to accept or reject any or all of the proposals submitted and waive informalities and technicalities.
 - 13. The City will review and analyze each proposal, and reserve the right to interview selected proposers. The City shall select the proposer, which in the City's opinion, has made the proposal best suited to the needs and goals of the City and its operations and deemed to be in compliance with the terms of this RFP.
 - 14. The Contractor will be required to indemnify and save harmless the City of Worcester for all damages to life and property that may occur due to his or her negligence or that of his or her employees, subcontractors, etc. during the contract derived from this RFP.
 - 15. The Contract Agreement will be drafted by the City's Law Department in compliance with the terms of the RFP, and may incorporate the terms of this RFP and of the proposal selected.
 - 16. The Proposer must certify that no official or employee of the City of Worcester, Massachusetts, is pecuniarily interested in this proposal or in the contract which the proposer offers to execute or in expected profits to arise therefrom, unless there has been compliance with the provisions of G.L.C. 43 section 27, and that this proposal is made in good faith without fraud or collusion or connection with any other person submitting a proposal.

17. Any proposal withdrawn after time and date specified, the proposer shall forfeit deposit on proposal as liquidated damages.
18. A vendor conference will be held as follows: none scheduled
19. The Contractor shall not assign, transfer, sublet, convey or otherwise dispose of any contract which results from this RFP, or its right, title or interest therein or its power to execute the same to any other person, firm, partnership, company or corporation without the previous consent in writing of the City. Should the Contractor attempt any of the above without the written consent of the City, the City reserves the right to declare the Contractor in default and terminate the contract for cause.
20. The Contractor shall obtain and maintain in force at all times during the term of the contract derived from this RFP, insurance coverage pertaining to Public Liability, Property Damage and Worker's Compensation in the following types and amounts:
 - A) COMMERCIAL GENERAL LIABILITY INSURANCE - Contractor to supply the City of Worcester with certificates of insurance covering commercial general liability in an amount not less than \$1,000,000.00 to any one person, and not less than \$1,000,000.00 on account of one accident, and \$2,000,000 in the aggregate.
 - B) PROPERTY DAMAGE INSURANCE - Contractor to supply the City with certificates of insurance covering property damage in an amount not less than \$1,000,000.00 for damages on account of any one accident, and not less than \$2,000,000.00 on account of all accidents.
 - C) COMPENSATION INSURANCE - The Contractor shall furnish the City with certificates showing that all its employees shall be connected with the management operations are protected under worker's compensation insurance policies.
 - D) EXCESS/UMBRELLA INSURANCE - Contractor to supply the City with certificates of insurance covering excess/umbrella coverage not less than \$2,000,000.00.
 - (E) AUTOMOBILE LIABILITY/COMBINED SINGLE LIMIT - Contractor to supply the City with certificates of insurance covering automobile liability coverage for all owned, scheduled, hired and non-owned autos, in an amount not less than \$1,000,000.00.
21. The Contractor shall carry Commercial General Liability Insurance with an insurance company satisfactory to the City so as to save the City harmless from any and all claims for damages arising out of bodily injury to or death of any person or persons, and for all claims for damages arising out of injury to or destruction of property caused by accident resulting from the use of implements, equipment or labor used in the performance of the contract or from any neglect, default or omission, or want of proper care, or misconduct on the part of the Contractor or for anyone in his or her employ during the execution of the contract derived from this RFP.

22. Prior to starting on the contract derived from this RFP, the Contractor shall deposit with the Purchasing Division, certificate from the insurer to the effect that the insurance policies required in the above paragraph have been issued to the Contractor. The certificates must be on a form satisfactory to the City.
23. All prices quoted must include inside delivery, and set-up in place F.O.B. destination to pre-designated City of Worcester departments.
24. No special charges will be allowed for rigging, packing, crating, freight, express, or carriage unless specifically stated and included in the vendor's proposal.
25. The award to the successful proposer may be cancelled in the event of vendor nonperformance as may be determined by the City.
26. The successful proposer shall comply with all applicable federal, state and local laws, ordinances, and regulations. The awarded contract shall be governed under the laws of the Commonwealth of Massachusetts.
27. Purchases made by the City are exempt from Federal and Massachusetts state taxes and proposal prices must exclude any such taxes. Tax exemption certificates will be furnished upon request.
28. When the contract is executed, a performance bond, in the full amount of the contract, is required. See paragraph 4. The bond will be of a surety company qualified to do business under the laws of the Commonwealth of Massachusetts. The cost of this bond is the vendor's responsibility. Bonds shall remain in force and effect thru the performance of the contract.
29. Expenditures by the City and authorization to spend for particular purposes are made on fiscal year basis. The City's fiscal year ends June 30th. The obligations of the City under any agreement to be reached are subject to the appropriation or authorization of the necessary funds. The City agrees to make reasonable efforts to obtain funding and all necessary authorization.
30. No amendment to the contract shall be effective unless it is in writing and signed by authorized representatives of both parties and is accepted by the City of Worcester.
31. The vendor (and its insurers, if any) shall bear all risk of loss or damage to the equipment which occurs in transit to the user site. The risk of loss or damage to purchased equipment shall remain with the vendor until the purchase price has been paid and title has passed. The vendor shall also bear the risk of loss or damage to leased or rented equipment during the City of Worcester's possession and use thereof subject, however to such conditions and limitations as may be stated elsewhere in the contract.
32. The vendor shall not assign or in any way transfer any interest in the contract without the prior written consent of the City provided, however, that claims for money due or to become due to vendor from the City may be assigned to a bank, trust company, or other financial institution without such consent so long as notice of such assignment is furnished promptly

to the City. Any such assignment shall be expressly made subject to all defenses, set-offs, or counter-claims which would have been available to the City against the vendor in the absence of such assignment.

33. None of the services to be provided by the vendor pursuant to the contract shall be subcontracted or delegated to any other organization, association, individual, corporation, partnership or other such entity without the prior written consent of the City. No subcontract or delegation shall relieve or discharge the vendor from any obligation or liability under the contract except as specifically set forth in the instrument of consent. Any subcontract to which the City has consented shall be attached to the original of the contract on file in the City of Worcester.
34. Neither party will be liable to the other or be deemed to be in breach of the contract for any failure or delay in rendering performance arising out of causes beyond its reasonable control and without its fault or negligence. Such causes may include but are not limited to, acts of God or the public enemy, fires, floods, epidemics, quarantine restrictions, strikes, freight, embargoes, and unusually severe weather. If the vendor's failure to perform is caused by the default of the subcontractor, and if such default arises out of causes beyond the reasonable control of both the vendor and the subcontractor, and without the fault or negligence of either of them, the vendor shall not be liable for any excess costs for failure to perform, unless the equipment or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit the vendor to meet the required delivery schedule. Dates or times of performance will be extended to the extent of delays excused in this section, provided that the party whose performance is affected notifies the other promptly of the existence and nature of such delay.
35. The vendor shall provide to the City of Worcester a warranty and a commitment which clearly states that all equipment and services proposed and supplied by the Vendor, and/or its subcontractors, performs as expected and promised by the Vendor.
36. The vendor represents that no person other than bona fide employees working solely for the vendor, have been employed or retained to solicit or secure this agreement upon an arrangement or understanding for a commission, percentage, brokerage fee, gift or any other consideration contingent upon the award or making of this contract. For breach or violation of the representation, the City shall have the right to annul the contract without liability, or in its discretion to deduct from the contract price or consideration, or otherwise recover the full amount of such commission, percentage, brokerage fee or other consideration.
37. Any contract made by the City in which the Purchasing Agent or any employee of his/her department, the heads of using agencies or any other officer or employee of the City having a part in the placing of such contract is financially interested, directly or indirectly, shall be void.
38. The vendor shall not discriminate against any qualified employee or applicant for employment because of race, color, national origin, ancestry, age, sex, religion or medical handicap. The vendor agrees to comply with all applicable Federal and State Statutes, rules and regulations prohibiting discrimination in employment including: Title VII of the Civil

Rights Acts of 1964; The Age Discrimination in Employment Act of 1967; Section 504 of the Rehabilitation Act of 1973; Massachusetts General Laws Chapter 151B, Section 4 (1) and all relevant administrative orders and executive orders.

If a complaint or claim alleging violation by the vendor of such statutes, rules or regulations is presented to the Massachusetts Commission Against Discrimination (MCAD), the vendor agrees to cooperate with MCAD in the investigation and disposition of such complaint or claim.

In the event of vendor noncompliance with the provisions of this section, the City shall impose such sanctions as it deems appropriate, including but limited to:

- 1) Withholding of payments due vendor under the contract until vendor complies.
- 2) Termination or suspension of the contract.

SUBMISSION OF PROPOSALS

39. Proposals must be submitted in two (2) packages, technical proposal and pricing proposal, according to the instructions below. The City intends to consider responses in the evaluation requirements before considering costs. *Therefore, no reference to pricing may be made in the proposal of evaluation considerations. Failure to keep pricing confidential may result in rejection of proposal.*

A sealed package containing **the original and 3 copies, plus one PDF copy on USB Flash Drive** of the proposal **must** be labeled as follows:

Purchasing Agent, City of Worcester

Independent Audit Services - *Technical Proposal*

**455 Main Street, Room 201
Worcester, MA 01608**

Re: CR-7759-W2

A sealed package containing **the original and 3 copies** of the proposal **must** be labeled as follows:

Purchasing Agent, City of Worcester

Independent Audit Services – *Price Proposal*

**455 Main Street, Room 201
Worcester, MA 01608**

Re: CR-7759-W2

Price proposal pages are located at end of specifications.

Proposals must be delivered no later than Wednesday, March 30, 2022 at 10:00 AM LOCAL TIME. *Late submissions will be rejected, regardless of circumstances.* The City of Worcester is not responsible for submittals not properly marked.

The evaluation and cost proposals will remain confidential until a formal and finalized contract has been executed.

RFP EVALUATION

40. The City of Worcester Purchasing Agent will assign an evaluation team, hereafter referred to as the Selection Committee, to perform a full and complete evaluation of RFP submittals. The Purchasing Agent will ultimately forward a formal recommendation of award to the City Manager who has final award authority.
41. RFP evaluation responses will be evaluated by the Selection Committee based directly upon vendor's response to mandatory and comparative evaluation criteria. Vendors must meet or exceed the mandatory criteria requirements or be rejected as non-responsive.

Comparative criteria will be evaluated by the use of four rating categories as set forth by M.G.L. Chapter 30B:

- 1) HIGHLY ADVANTAGEOUS - Vendor's submittal meets all the stated requirements and offers significant performance above the stated requirements.
- 2) ADVANTAGEOUS - Vendor's submittal meets the stated requirements without risk or disadvantage.
- 3) NOT ADVANTAGEOUS - Vendor's submittal contains some risk or disadvantage but is not unacceptable.
- 4) UNACCEPTABLE - Vendor's submittal fails to meet the standards of the stated requirements.

After proposals have been assigned ratings on the basis of each evaluation criterion, a composite rating will be established by the Selection Committee. Submittals will then be ranked based upon finalized composite rating.

42. The Purchasing Agent will identify the most advantageous proposal based upon the rankings of the Selection Committee and an evaluation of the cost proposals received. The Purchasing Agent will forward a recommendation for award to the City Manager based upon the most advantageous proposal received considering evaluation rankings and cost proposals received.

GIVE FULL NAMES AND RESIDENCES OF ALL PERSONS INTERESTED IN THE FOREGOING PROPOSAL.

(NOTICE: Give first and last name in full; in case of corporations, give corporate name and names of President, Treasurer, and Manager; and in case of firms give names of the individual members)

Name	Address	Zip Code
_____	_____	_____
_____	_____	_____
_____	_____	_____

KINDLY FURNISH THE FOLLOWING INFORMATION REGARDING BIDDER:

(1)	If an Individual or Proprietorship		
	Name of Owner _____		
	Business Address _____		
	Zip Code _____	Telephone No. _____	
	Email _____		
	Home Address _____		
	Zip Code _____	Telephone No. _____	

(2)	If a Partnership, Full names and addresses of all partners		
	<u>Name</u>	<u>Address</u>	<u>Zip Code</u>

	Business Address _____		Zip Code _____
	Tel. No. _____		

(3) If a Corporation

Full Legal Name: _____

State of Incorporation: _____ Qualified in Massachusetts? Yes _____ No _____

Principal Place of Business _____
Street P.O. Box

City/Town State Zip

Email: _____

Telephone No. _____

Place of Business in Massachusetts _____
Street P.O. Box

City/Town State Zip

Telephone No. _____

GIVE THE FOLLOWING INFORMATION REGARDING SURETY COMPANY

Full Legal Name of Surety Company _____

State of Incorporation _____ Admitted in Massachusetts ? Yes _____ No _____

Principal Place of Business _____
Street P.O. Box

City/Town State Zip

Place of Business in Massachusetts _____
Street P.O. Box

City/Town State Zip

Telephone No. _____

NOTE:

The Office of the Attorney General, Washington, D.C. requires the following information on all bid proposals amounting to \$1,000.00 or more.

E.I. Number of bidder _____

This number is regularly used by companies when filing their "EMPLOYER'S FEDERAL TAX RETURN, U.S." Treasury Department Form 941.

AUTHORIZED SIGNATURE OF BIDDER _____

TITLE _____

DATE _____

UNDER MASSACHUSETTS GENERAL LAWS, CHAPTER 30B: SECTION 10, THE FOLLOWING CERTIFICATION MUST BE PROVIDED:

Section 10. A person submitting a bid or a proposal for the procurement or disposal of supplies, or services to any governmental body shall certify in writing, on the bid or proposal, as follows:

"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."

(Please Print)

Name of Person Signing Bid

Signature of Person Signing Bid

Company

No award will be made without vendor certification of the above.

- Vendors must sign and submit the above form with their proposal submission.

Request for Proposals
RFP #: CR-7759-W2
Independent Audit Services
THE CITY OF WORCESTER, MASSACHUSETTS

The City of Worcester, Massachusetts (City) acting through the City Auditor of the City invites qualified, independent Certified Public Accountants, licensed to practice in the Commonwealth of Massachusetts, to submit written fixed fee proposals to conduct an annual audit of its financial statements in accordance with U.S General Accounting Office's (GAO) Government Auditing Standards, the provisions of the federal Single Audit Act as amended 1996, Office of Management and Provisions of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and any other applicable state and federal requirements.

The City hereby requests competitive sealed bids for these independent financial audit services for the fiscal years ending June 30, 2022, 2023 and 2024 (calendar years 2021, 2022 and 2023 for the WRS) unless extended by the City at its sole discretion. The City reserves the right at its sole discretion to renew this Agreement for two additional one (1) year terms. The quoted fee shall be all-inclusive for all required services.

This contract will be awarded to the respondent offering the most advantageous proposal, taking into consideration all evaluation criteria as well as price.

NON-PRICE PROPOSAL

1. General Information

- 1.1. Worcester was settled in 1673 and incorporated as a town in 1722 and as a city in 1848 under Acts of the Commonwealth of Massachusetts (the Commonwealth), which as amended, constitute the City's charter. The City is located in the heart of the Commonwealth, and is approximately 43 miles west of Boston, 53 miles east of Springfield, and 41 miles north of Providence, RI. The City occupies approximately 39 square miles and is the second largest populated city in New England with a population of 206,518. The City is supported by \$1.1 billion in revenue and reserves maintained in 32 individual governmental funds.
- 1.2. The City has operated under the council-manager form of government since 1950. An eleven-member City Council, six of whom are elected at-large and five of whom are elected from districts, performs the legislative function and policy-making. The City Council is responsible, among other things, for passing ordinances and adopting the budget. City Council members are elected biennially on a non-partisan basis.
- 1.3. The City Manager, appointed by the City Council, is the chief executive officer with appointive and removal authority over department heads and other employees of the City. The City Manager is responsible for the implementation of policies established by the City Council and for overseeing the day to day operations of the government. The City Auditor and City Clerk are elected by and are employees of the City Council. Under

City Ordinance, audits by Certified Public Accountants are recommended by the City Auditor.

- 1.4. The Mayor is the councilor who receives the highest number of votes for mayor provided he or she is also elected as one of the six at large councilors. The Mayor serves as presiding officer of the council and ex officio Chairperson of the School Committee. An elected six member School Committee, whose members are elected biennially on a non-partisan basis, has exclusive jurisdiction over the City's public school system and appoints a superintendent to administer the system's day to day affairs.
- 1.5. The City provides a full range of services including public safety, public education grades pre-K through 12 and certain technical education beyond high school, public roads, sanitation, water, sewer, health and social services, culture, recreation, municipal golf course, civic and convention center, public improvements, planning and zoning, and general administrative services. The City is also financially responsible for the legally separate Worcester Retirement System (WRS), Upper Blackstone Water Pollution Abatement District (UBWPAD) and Worcester Redevelopment Authority (WRA), all of which are reported within the City's basic financial statements.
- 1.6. The WRS is a blended component unit of the City. This system is governed by the Worcester Retirement Board which consists of five members including the City Auditor as an ex-officio board member. The WRS administers the pension system for employers of the City of Worcester and the Worcester Housing Authority with approximately 3,400 current and 2,700 retired workers and their survivors. Chapter 32 of the Massachusetts General Laws requires municipalities to fully fund their retirement system by 2040. WRS's most recent actuarial valuation estimated the City's unfunded pension liability at \$524 million as of January 1, 2021. The WRS fiscal year ends December 31st and issues its own Annual Comprehensive Financial Report, the audit of which is part of this proposal, and which is submitted to the GFOA for the certificate of excellence in financial reporting.
- 1.7. In FY2021, the City determined that two organizations met the GASB criteria as component units of the City to be discreetly presented in the City's Annual Comprehensive Financial Report (ACFR): The UBWPAD and the WRA, both with fiscal years ending June 30th. The WRA audited financial statements will be discreetly presented in the City's ACFR and the compilation and audit of its financial statements are included as auditing services under this proposal. The audited financial statements of the UBWPAD is not included in this proposal, but their financial statements will be discreetly presented in the City's ACFR from a separate set of audited financial statements contracted by the UBWPAD. The WRA is a subrecipient of Federal Transit Authority awards that have exceeded \$750,000 annually and will require a single audit.
- 1.8. The DCU Center is a convention center and civic arena with approximately 14,600 seating capacity, owned by the City of Worcester and operated by an independent management company, ASM Global. The audit is to be confined to the portion of the DCU Center's activities that are attributable to the transactions of the DCU Center as maintained by ASM Global. An audit will be conducted of the DCU Center's schedule of

management fee paid to ASM Global and is to be included in the financial report that is issued.

- 1.9. A copy of additional resource information may be found at the City's Auditor webpage at <http://www.worcesterma.gov/city-auditor>, a copy of the annual budget at <http://www.worcesterma.gov/finance/budget-central>, and a copy of the WRS 2020 ACFR at <http://www.worcesterma.gov/retirement-board/reports>.

2. Description of Financial Records

- 2.1. The City maintains its general ledger in accordance with the Uniform Municipal Accounting System established by the Massachusetts Department of Revenue, Bureau of Accounts. The modified accrual basis of accounting is followed by governmental funds. The City maintains its enterprise funds on an accrual basis.
- 2.2. The City's financial software is HERA and includes the following applications: General Ledger, Journal Entries, Budget, Accounts Payable, Accounts Receivable, and Payroll. The City uses FAD for the maintenance of its fixed assets. Many source documents including contracts, paid invoices and payroll are scanned and retained electronically in a separate file location apart from the financial software. Grant documents and journal entries are retained in hard copy.
- 2.3. The City processes payroll internally and uses Work Schedule System, a time and attendance application which interfaces with HERA. The Worcester Public Schools uses TimeClockPlus for its time and attendance.
- 2.4. The City is in the early stages of implementing a new Enterprise Resource Planning software system with Workday and integrated solutions by Kronos, Munis and others. The financial component of the ERP is expected to be functional in the middle of fiscal 2023 while the human capital management component in the middle of fiscal 2024.
- 2.5. The Annual Comprehensive Financial Report of the City is prepared by the City Auditor's office.
- 2.6. The Annual Comprehensive Financial Report of the WRS is prepared by the Retirement office.
- 2.7. The financial report of the WRA is prepared by proposer for the City's Administrative & Finance department.

Proposals must be responsive to and meet all of the following mandatory criteria. Failure to satisfy any of the mandatory criteria will result in the disqualification of the proposer. Respondents must answer all questions in the RFP. Failure to do so will result in disqualification of the proposer.

3. Mandatory Criteria

- 3.1. Provide a cover letter / statement of qualifications which demonstrates the proposer's ability to provide all of the services identified in the attached scope. Please include resumes of individuals that will provide services under this scope as well as the timeline/schedule to complete the services. Responder must be Certified Public Accountants properly licensed to practice in the Commonwealth of Massachusetts.
- 3.2. Illustrations of the procedures to be employed and the extent of City staff support required.
- 3.3. The approximate date the audits will begin and end as well as a positive commitment that the financial statements, compliance reports and letters of comments and recommendations (i.e. management letter) will be furnished within the following due dates:
 - 3.3.1. ACFR of WRS to be filed with the GFOA and management letter of the WRS to be issued by June 30, 2022, 2023, 2024,
 - 3.3.2. Financial Statements of the DCU Center and management letter of the DCU Center to be issued by October 15, 2022, 2023 and 2024,
 - 3.3.3. Audited financial statements of the WRA and management letter of the WRA to be issued by October 15, 2022, 2023, and 2024,
 - 3.3.4. ACFR of the City to be filed with the GFOA by December 31, 2022, 2023, 2024,
 - 3.3.5. Single Audit of the City to be filed with the Federal Clearinghouse by March 31, 2023, 2024, and 2025,
 - 3.3.6. Single Audit of the WRA to be filed with the Federal Clearinghouse by March 31, 2023, 2024, and 2025,
 - 3.3.7. Management letter of the City to be received by the City by June 30, 2023, 2024, and 2025.
- 3.4. Names, titles and telephone numbers of all persons authorized to speak for the proposer.

- 3.5. Not to exceed fees for performing financial and compliance audits for each of the three years stated in this RFP. The fees are to be allocated among the City's general accounts, each Enterprise Fund, each major federal grant audited (approximately 3 to 5 each year), the Worcester Retirement System, the DCU Center and the Worcester Redevelopment Authority. Price proposals must be submitted separately from the technical proposal under RFP instruction #39.
- 3.6. Provide a list of the most significant engagements performed in the last five years that are similar to the engagement described in this request for proposal, indicating the date and scope of work performed.
- 3.7. Provide, at a minimum, a list of at least three references who can be contacted during the RFP process indicating customer name, contact person, his/her title, address, telephone number and email address for whom you are presently providing similar services. Also include identical information for two additional references that are no longer active customers. Poor references may be used as a basis for determining that a vendor is not a responsible proposer. The City of Worcester can and will act as its own reference.
- 3.8. Briefly describe any pending litigation or litigation related to audit services provided by your firm within the past three years of this RFP issue date. If none, state "None".
- 3.9. Profile of the Proposer stating:
 - 3.9.1. Whether the firm is local, regional or national.
 - 3.9.2. Location of the office or offices from which the work will be managed and controlled.
 - 3.9.3. The number of staff, by classification, assigned to that office.
 - 3.9.4. Types of services (i.e. audit, management consulting, tax) performed by that office.
 - 3.9.5. The identity and relevant experience of the staff (down to the level of on-site supervisors) to be assigned to the audit.
 - 3.9.6. Resumes of principal members of the professional staff who will be assigned to each of the audits.
 - 3.9.7. Experience of principal members that have worked and rated GFOA applications on behalf of municipalities.
 - 3.9.8. Experience in GASB pronouncements.
 - 3.9.9. An affirmative statement that the firm and all assigned key professional staff are properly licensed to practice in Massachusetts.

- 3.9.10. A description of the firm's experience with this type of audit(s), such as:
- 3.9.10.1. Entity wide single audits of state and local governments.
 - 3.9.10.2. Audits of GAAP basis financial statements and/or budgetary basis financial statements at the state and local level.
 - 3.9.10.3. Financial/compliance audits of federal programs administered by state or local governments or government agencies.
 - 3.9.10.4. Audits of Massachusetts Contributory Retirement Systems.
- 3.9.11. The proposer should 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.
- 3.9.12. 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 conducting professional education.
- 3.9.13. A description of the scope and depth of the firm's government training programs; include coverage of the latest techniques, such as, statistical sampling and electronic workpaper preparation.
- 3.9.14. A description of support available to the audit team to provide research and technical advice.
- 3.9.14.1. Does the firm have a central accounting and auditing organization? How large is the group, and is it available at all times to provide resolution of problems encountered?
 - 3.9.14.2. Does the firm have the resources in place to assist in dealings with various regulatory and funding bodies at the various levels of government with whom the City must deal?
- 3.9.15. A detailed audit approach for both the financial and compliance audit, and the level of staff to be assigned to each major element.
- 3.9.16. Identify what use of the City's information services system for audit tests (and/or other work) will be required and the estimated number of hours and timing of such work.

3.9.17. Estimated hours to complete the engagement by level of staff (i.e. partner, manager, and staff accountants).

3.9.18. Arrangements for progress meetings, consulting and draft report reviews.

3.9.19. Billing cycle and payment terms.

4. Comparative Evaluation Criteria:

4.1. Firm Qualifications

4.1.1. Experience Auditing Financial Statements in Accordance with Applicable Standards

Highly Advantageous - The proposer has submitted a statement of qualifications with resumes and has demonstrated 10 recent years or more of experience auditing the financial statements of state and local governments in accordance with auditing standards generally accepted in the U.S., the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and the standards applicable to Single Audits and Uniform Guidance requirements.

Advantageous - The proposer has submitted a statement of qualifications with resumes and has demonstrated 5 recent years of experience auditing the financial statements of state and local government in accordance with auditing standards generally accepted in the U.S., the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and the standards applicable to Single Audits and Uniform Guidance requirements.

Not Advantageous - The proposer has submitted a statement of qualifications with resumes and has demonstrated less than 5 recent years of experience auditing the financial statements of state and local governments in accordance with auditing standards generally accepted in the U.S., the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and the standards applicable to Single Audits and Uniform Guidance requirements

4.1.2. Experience with Annual Comprehensive Financial Reports

Highly Advantageous - The proposer has demonstrated 5 or more recent years of experience in the preparation or review of the Annual Comprehensive Financial Report for a local government that was awarded the Certificate of Excellence in Financial Reporting awarded by the Government Finance Officers Association.

Advantageous - The proposer has demonstrated less than 5 recent years of experience in the preparation or review of the Annual Comprehensive Financial Report for a local government that was awarded the Certificate of Excellence in Financial Reporting awarded by the Government Finance Officers Association.

Not Advantageous - The proposer has not prepared an Annual Comprehensive Financial Report that was awarded the Certificate of Excellence in Financial Reporting awarded by the Government Finance Officers Association within the past 5 years.

4.1.3. Experience with Auditing Large Local Governments

Highly Advantageous - The firm has recent experience within the past 3 years of the audit of 3 or more local governments with a population of 50,000 or more of which at least one is located in Massachusetts.

Advantageous - The firm has recent experience within the past 3 years of the audit of 1 to 2 local governments with a population of 50,000 or more of which at least one is located in Massachusetts.

Not Advantageous - The firm has no experience within the last 3 years in auditing local government units with a population of 50,000 or more of which at least one is located in Massachusetts.

4.1.4. Experience with Providing Auditing Services to Local Governments

Highly Advantageous - The firm has a deep and wide breadth of experience with local government clients including the audits of municipal departments, school districts, state and federal grants, trusts, pension and OPEB plans of at least 3 local governments of which at least one is located in Massachusetts.

Advantageous - The firm has limited experience in providing audit and accounting services to local government clients including the audits of municipal departments, school districts, state and federal grants, trusts, pension and OPEB plans of 1 to 2 local governments of which at least one is located in Massachusetts.

Not Advantageous - The firm has no experience in providing audit services to Massachusetts local government clients.

4.1.5. Peer Review

Highly Advantageous - The firm's most current report on the review of its system of quality control, conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants has been issued within the recent 3 years and has a rating of pass.

Advantageous - The firm's most current report on the review of its system of quality control, conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants has been issued within the recent 3 years and has a rating of pass with deficiencies.

Not Advantageous - The firm does not have a current report on the review of its system of quality control, conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants issued within the recent 3 years or it has a current peer review report with a rating of fail.

4.2. Proposed Engagement Staff

4.2.1. Firm's experience, capacity and local office staff size and resources

Highly Advantageous - The firm's proposal has demonstrated more than adequate staff size and composition to ensure timely completion of the scope of services. The firm's demonstrated a vast experience with an understanding of Government Standards including GASB Codification; AICPA Audit and Accounting Guide – State and Local Governments; Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

Advantageous – The firm's proposal has demonstrated an adequate staff size and composition to ensure timely completion of the scope of services. The firm's demonstrated some experience with an understanding of Government Standards including GASB Codification; AICPA Audit and Accounting Guide – State and Local Governments; Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

Not Advantageous – The firm's proposal has *not* demonstrated an adequate staff size and composition to ensure timely completion of the scope of services.

4.2.2. Commitment of the proposer to provide continuity of qualified staff through completion of services and to staff services with local resources

Highly Advantageous – The firm's proposal has demonstrated an understanding of the work and identified assigned staff and illustrated staff tenure with relevant years of experience of 10 years or more to commence work on approximate key dates in connection with the audits.

Advantageous – The firm's proposal has demonstrated an understanding of the work but has not identified assigned key staff or key staff has tenured experience of 5 years or less and/or proposer has not identified in the proposed work plan approximate key dates in connection with the audits.

Not Advantageous – The firm's proposal has not identified assigned key staff or approximate key dates in connection with the audits.

4.3. Plan of Services

Highly Advantageous – the proposal provides a superior clear, concise approach to meeting the enclosed scope of services, including work plan, timeline, direction and review of work, and client involvement or level of effort leading to successful performance.

Advantageous – the proposal provides a satisfactory approach to meeting the enclosed scope of services, including work plan, timeline, direction and review of work, and client involvement or level of effort leading to successful performance.

Not Advantageous – the proposal does not provide an adequate approach to meeting the enclosed scope of services, including work plan, timeline, direction and review of work, and client involvement or level of effort leading to successful performance.

4.4. References

Highly Advantageous – Six or more positive references from similar clients.

Advantageous – Three to Five positive references from similar clients.

Not Advantageous – Less than Three positive references from similar clients.

SCOPE OF SERVICES

The following services shall be completed by the awardee upon issuance of a notice to proceed by the City.

5. Required Services

5.1. General

5.1.1. The City of Worcester, MA is soliciting services from qualified Certified Public Accountants to audit its financial statements for the three fiscal years ending June 30, 2022, 2023 and 2024, to audit the financial statements of the Worcester Retirement System, (a blended component unit of the City) for the three years ending December 31, 2021, 2022, and 2023, the audit of financial statements of the DCU Center, an operating activity of the City, that is attributable to the transactions of the Center as maintained by ASM Global for its years ending June 30, 2022, 2023 and 2024, and to audit the financial statements of the Worcester Redevelopment Authority (a component unit of the City) for the three fiscal years ending June 30, 2022, 2023 and 2024.

5.2. Scope of Work to be Performed

5.2.1. An audit opinion on the fair presentation of the financial statements of the governmental activities, the business activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise of the basic financial statements of the City of Worcester in conformity with general accepted accounting principles (GAAP).

5.2.2. An audit opinion of the fair presentation of the City's Combining and Individual Fund Statements as required supplementary information in conformity with generally accepted accounting principles.

5.2.3. The respondent shall also be responsible for performing certain limited procedures involving supplementary information required by the Government Accounting Standards Board (GASB).

5.2.4. Quality review and printing of the City's ACFR.

5.2.5. The respondent is required to audit the City's Schedule of Federal Awards and prepare the annual single audit report including reports prescribed by the GAO and Uniform Guidance. The City currently qualifies as a low-risk auditee pursuant to Uniform Guidance. The following federal awards are *expected* to be tested in the next three years subject to the Uniform Guidance criteria for program audit selection. The City is seeking a flat fee per federal award to be tested.

5.2.5.1. **Fiscal 2022**

5.2.5.1.1. American Rescue Plan Act 2021 - Coronavirus State and Local Fiscal Recovery Funds – assistance listing 21.027

5.2.5.1.2. Title I Part A Cluster – assistance listing 84.010

5.2.5.2. **Fiscal 2023**

5.2.5.2.1. Child Nutrition Cluster - assistance listings 10.553; 10.555; 10.561; 10.579; 10.558; 10.582

5.2.5.2.2. Head Start – assistance listing 93.600

5.2.5.2.3. WIOA Cluster - assistance listings 17.258; 17.259; 17.268; 17.277; 17.278

5.2.5.3. **Fiscal 2024**

5.2.5.3.1. Community Development Block Grants/Entitlement Grants - assistance listing 14.218

5.2.5.3.2. Special Education Cluster – assistance listing 84.027; 84.173A; 84.173

5.2.6. An audit opinion on the fair presentation of the Worcester Retirement System (WRS) basic financial statements and to perform certain limited procedures involving required and other supplementary information required by Government Accounting Standards Board (GASB).

5.2.7. Quality review and printing of the WRS's ACFR.

- 5.2.8. An audit opinion on the fair presentation of the Worcester Redevelopment Authority (WRA) financial statements. Preparation of the financial statements and footnotes are required by the respondent.
- 5.2.9. The respondent is required to audit the WRA's Schedule of Federal Awards, if it meets the determination of a single audit, and prepare the annual single audit report including reports prescribed by the GAO and Uniform Guidance.
- 5.2.10. The respondent is to express an opinion on the fair presentation of 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 ASM Global, the management group of the DCU Center based on the contracts and financial statements of the DCU Center. A management letter for the DCU Center is to be issued. 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. Copies of the most recent audit reports are available upon request.
- 5.2.11. Testing of departmental internal controls and transactions referred to as special projects. Prior to the start of the engagement of each year under contract, four (4) special projects will be selected by the City Auditor for audit testing by the respondent prior to issuance of management letter and any findings related to such testing will be reported in said management letter. For the proposal it is estimated that each special project will require 10 to 15 hours. Testing of departments in prior years included; cash receipt of fees charged by the City Clerk's office, police detail fund, health insurance billing, DPW payroll testing, parks department overtime, benefit testing of the Office of Veterans, water and sewer user fees, golf course, city parking programs, permitting fees through inspectional services, fire auxiliary, Treasury's refund account, police overtime, library programs, Hope Cemetery program receipts, City Trust funds, school construction accounts, educational grant management, and similar other testing.
- 5.2.12. Prior to issuance of the final management recommendation letter a draft will be prepared and discussed with the City Auditor, applicable department heads and the City Manager or their designee. The final Management Recommendation Letter should address management's intended and stated corrections to both the problems discussed in the draft letter and also any adverse conditions detected subsequent to the preparation of the draft letter.
- 5.2.13. At the conclusion of the audit(s) a representative of the respondent will be expected to be available to discuss the findings with the appropriate governing body (i.e. Municipal and Legislative Operations Committee, Retirement Board, Board of the WRA, Civic Center Commission).

6. Auditing Standards to be Followed

- 6.1. To meet the requirements of the RFP, the audit(s) shall be performed in accordance with generally accepted audit standards as set forth by the American Institute of Certified Public Accountants (AIPCA), the standards for financial audits set forth in the U.S. General Accounting Office's (GAO) Government Auditing Standards, the provisions of the Single Audit Act as amended 1996, the provisions of U.S. Office of Management and Provisions of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).
- 6.2. The audit(s) must also be performed according to the rules that pertain to the Certificate of Achievement for Excellence in Financial Reporting established by the Government Finance Officers' Association of the United States and Canada (GFOA).

PRICE PROPOSAL SUBMITTED IN A SEPARATE SEALED ENVELOPE

Pricing to include all labor, travel, printing, expenses, etc. Price quoted must be total sum for services with no additional charges listed. Any exceptions may result in proposal rejection

Provide services as described within including all cost factors including, but not limited to, labor, supervision, materials, travel, reimbursement, etc. for services.

Fees for audits of Federal Awards should be a flat cost per award with an estimate of 3 awards audited each year for the single audit requirements.

Bidders must bid all fiscal years. Award to be based on total sum of all three years.

YEAR ONE ENGAGEMENTS

FEE BREAKDOWN

1. City of Worcester's Annual Comprehensive Financial Report

General Accounts	\$	
Water Enterprise Fund	\$	
Sewer Enterprise Fund	\$	
Golf Enterprise Fund	\$	
Total Fee City ACFR		\$

2. City of Worcester's Single Audit Report

Estimate 3 federal awards audited @ \$_____ per award *	\$	
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3. Audit of DCU Center's Financial Statements	\$	
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4. Worcester Retirement System's Annual Comprehensive Financial Report	\$	
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5. Audit of Worcester Redevelopment Authority's Financial Statements and including Single Audit if applicable	\$	
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TOTAL YEAR ONE FEES	\$	
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YEAR TWO ENGAGEMENTS**FEE BREAKDOWN****1. City of Worcester's Annual Comprehensive Financial Report**

General Accounts

\$

Water Enterprise Fund

\$

Sewer Enterprise Fund

\$

Golf Enterprise Fund

\$

Total Fee City ACFR

\$

2. City of Worcester's Single Audit Report

Estimate 3 federal awards audited @ \$_____ per award *

\$

3. Audit of DCU Center's Financial Statements

\$

4. Worcester Retirement System's Annual Comprehensive Financial Report

\$

**5. Audit of Worcester Redevelopment Authority's Financial Statements
and including Single Audit if applicable**

\$

TOTAL YEAR TWO FEES

\$

YEAR THREE ENGAGEMENTS**FEE BREAKDOWN****1. City of Worcester's Annual Comprehensive Financial Report**

General Accounts	\$	
Water Enterprise Fund	\$	
Sewer Enterprise Fund	\$	
Golf Enterprise Fund	\$	
Total Fee City ACFR		\$

2. City of Worcester's Single Audit Report

Estimate 3 federal awards audited @ \$_____ per award *

\$_____

3. Audit of DCU Center's Financial Statements

\$_____

4. Worcester Retirement System's Annual Comprehensive Financial Report

\$_____

**5. Audit of Worcester Redevelopment Authority's Financial Statements
and including Single Audit if applicable**

\$_____

TOTAL YEAR THREE FEES

\$_____

THREE YEARS GRAND TOTAL

\$_____

** Quotes for the audits of the City's federal awards and the single audit report should be based on a flat fee, per award audited basis. Actual fees for audits of federal awards will be based on the quoted per award fee x number of awards required to be tested.*