

CECIL COUNTY GOVERNMENT

REQUEST FOR PROPOSAL

RFP 09-04

**INDEPENDENT AUDITING SERVICES
FOR
CECIL COUNTY GOVERNMENT**

January 7, 2009

Cecil County Government

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REQUEST FOR PROPOSAL INDEPENDENT AUDITING SERVICES

The Board of County Commissioners of Cecil County, Maryland (County) is requesting Qualifications & Experience/Technical Proposals, and Price Proposals from Certified Public Accounting Firms to perform an audit of the financial statements of Cecil County, Maryland for the Fiscal Years ending June 30, 2009, 2010, 2011, 2012 and 2013, in accordance with Section 34-12A of the Code of Public Laws of Cecil County which states, "The Board of County Commissioners shall have the books of the County Treasurer and Clerk to the Board of County Commissioners audited by a well-known and approved firm of certified public accountants".

This is a solicitation for proposals only. It is not a contract. Cecil County, hereinafter referred to as the "County," will assume no obligation to pay or reimburse any person or firm responding to this solicitation for any costs, fees or expenses incurred in preparation of a response to this Request For Proposal, or for any meetings or travel costs related to such response. The County is under no obligation to any responding party until a contract is executed for the below described services.

NOTICE TO BIDDERS

Companies not incorporated in the State of Maryland must be in compliance with the **State of Maryland Code of Regulations Title 21, State Procurement Regulations**, in order to enter into a contract with the County. Pursuant to 7-201 et seq. of the Corporations and Associations Article of the Annotated Code of Maryland, corporations not incorporated in the State shall be registered with the State Department of Assessments and Taxation, 301 West Preston Street, Baltimore, MD 21201 before doing any business in Maryland.

Bidders must be qualified to bid in the State in accordance with the **State Finance and Procurement Article of the Annotated Code of Maryland**. Bidders are on notice that, under **Section 16-202(a) of the State Finance and Procurement Article of the Annotated Code of Maryland**, a person is debarred by operation of law from entering into a contract with a public body if the person has been convicted under the laws of the State for bribery, attempted bribery, or conspiracy to bribe, committed in furtherance of obtaining a contract with a public body.

Bidders are further hereby on notice that, under **Section 16-202(b) of the State Finance and Procurement Article of the Annotated Code of Maryland**, a person *may* be debarred from entering into a contract with a public body, if the person: 1) has been convicted under the laws of the State for bribery, attempted bribery, or conspiracy to bribe, committed other than in furtherance of obtaining a contract with any public body; 2) has been convicted under the laws of another state or of the United States for bribery, attempted bribery, or conspiracy to bribe; or 3) during the course of an official investigation or other proceeding has admitted, in writing or under oath, acts or omissions that would constitute bribery, attempted bribery, or conspiracy to bribe, under the laws of the State, another state or the United States.

Bidders are also hereby on notice that, under **Section 16-203 of the State Finance and Procurement Article of the Annotated Code of Maryland** bidders may be debarred from entering into a contract with the County if the person, an officer, partner, controlling stockholder or principal of the bidder, or any other person substantially involved in the bidder's contracting activities has: (1) been convicted under the laws of the State, another state or the United States of: (i) a criminal offense incident to obtaining, attempting to obtain, or performing a public or private contract, except as provided in Section 16-202 of the State Finance and Procurement Article of the Annotated Code of Maryland; or (ii) fraud, embezzlement, theft, forgery, falsification or destruction of records, or receiving stolen property; (2) been convicted of a criminal violation of an antitrust statute of the State, another state or the United States; (3) been convicted of a violation of the Racketeer Influenced and Corrupt Organization Act, or the Mail Fraud Act, for acts in

connection with the submission of bids or proposals for a public or private contract; (4) been convicted of a violation of Section 14-308 of the State Finance and Procurement Article of the Annotated Code of Maryland; (5) been convicted of a conspiracy to commit any act or omission that would constitute grounds for conviction under any of the laws or statutes described herein; (6) been found civilly liable under an antitrust statute of the State, another state or the United States for acts or omissions in connection with the submission of bids or proposals for a public or private contract.

THE COUNTY RESERVES THE RIGHT TO REJECT ANY OR ALL BIDS IN PART OR FULL AND TO WAIVE ANY TECHNICALITIES OR INFORMALITIES AS MAY BEST SERVE THE INTERESTS OF THE COUNTY.

Responses will be evaluated by an evaluation committee composed of the County Administrator, Budget Manager, Purchasing Officer and County Treasurer. A "short list" composed of those firms judged to be responsive, most qualified and experienced will be submitted to the Board of County Commissioners for final decision. The Committee reserves the right to interview some or all-prospective firms to discuss Qualifications & Experience/Technical Proposals, as well as Price Proposals.

The format for submittals, information regarding the scope of work, and selection criteria used by the Committee are available from the Cecil County Purchasing Department, 200 Chesapeake Blvd, suite 1400, Elkton, MD 21921. Information on obtaining a proposal package may be obtained via telephone (410-996-5395) or internet (www.ccgov.org). All agencies shall obtain an original set of proposal documents from the Cecil County Purchasing Office to be fully responsive to the RFP.

A Pre-Proposal Conference will be held on **Wednesday, January 21, 2009 (1:00 p.m. Local time)** in the Perryville Room, Cecil County Administration Building, 200 Chesapeake Blvd, Elkton, Maryland. Attendance at this conference is not mandatory but is strongly encouraged.

Five (5) copies of submittals of Qualifications & Experience/Technical Proposals from firms enclosed in a sealed envelope marked "**Q & E/Technical Proposal - Independent Auditing Services**", and five (5) copies of the Price Proposal enclosed in a separately sealed envelope marked "**Price Proposal - Independent Auditing Services**" are due into the Office of David Pyle - Purchasing Agent, Cecil County Purchasing Department, 200 Chesapeake Blvd., Suite 1400, Elkton, Maryland 21921, no later than **2:00 P.M., (local time), Thursday, February 5, 2009**. The evaluation committee will evaluate the submittals. Failure to comply in providing the above-required information for the Committee's review may result in disqualification of that firm. Inquiries should be directed to Pamela Lowe - Purchasing Assistant, at the above address, telephone 410-996-5396.

**Request for Proposal
Independent Auditing Services**

Cecil County shall make positive efforts to utilize Disadvantaged Business Enterprises for its supplies and services and shall allow these sources the maximum feasible opportunity to compete for contracts. The County Commissioners of Cecil County do not discriminate on the basis race, color, national origin, sex, religion, age and disability in employment or the provision of services. Individuals requiring special accommodations are requested to contact 410-996-5395 to make arrangements no later than five (5) calendar days prior to the Pre-Proposal Conference.

The Board of County Commissioners reserves the right to accept or reject any and/or all proposals, to waive technicalities, and to take whatever action is in the best interest of Cecil County.

By Authority Of:

**Alfred C. Wein
County Administrator**

**BOARD OF COUNTY COMMISSIONERS
OF CECIL COUNTY, MARYLAND**

RFP No. 09-04

**Cecil County Government
Purchasing Department
200 Chesapeake Blvd
Elkton, MD 21921**

REQUEST FOR PROPOSAL

Sealed Request for Proposal (RFP) for Cecil County Government, for the "Independent Auditing Services for Cecil County Government" as described in the proposal package, for the Cecil County Government will be received from qualified Vendor's at anytime and up to **2:00 p.m., February 5, 2009** at the Purchasing Office, 200 Chesapeake Blvd, Suite 1400, Elkton, MD 21921. The proposal shall consist of Qualifications & Experience/Technical Proposals and Price Proposals from Certified Public Accounting Firms to perform an audit of the financial statements of Cecil County, Maryland incorporating goals and requirements for completion of the project as specified in the Request for Proposal. A **Pre-Proposal** meeting will be held at the Cecil County Administrative Building, Perryville Room, 200 Chesapeake Blvd, Elkton, MD 21921 on **January 21, 2009 at 1:00 p.m.;** **attendance is not mandatory but strongly encouraged.** Copies of the RFP package can be obtained by calling the Purchasing Department, (Pamela Lowe, Purchasing Assistant) 410-996-5396. Additional information may be found on the County's website at www.ccgov.org.

Electronically submitted or late proposals will not be accepted.

The Board of County Commissioners of
Cecil County

By: David E. Pyle, CPPB
Purchasing Agent
Cecil County Government

**REQUEST FOR PROPOSAL
REGARDING QUALIFICATIONS & EXPERIENCE/
TECHNICAL PROPOSALS AND PRICE PROPOSALS
INDEPENDENT AUDITING SERVICES**

January 21, 2009

I. NATURE OF SERVICES REQUIRED

A. General

The Board of County Commissioners of Cecil County, Maryland (County) is soliciting the services of qualified firms of certified public accountants to audit its financial statements for the fiscal years ending June 30, 2009, 2010, 2011, 2012 and 2013. 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 County desires the auditor to audit and express an opinion on the fair presentation of its Comprehensive Annual Financial Report (CAFR) in conformity with generally accepted accounting principles. The auditor shall also be responsible for performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards.

The auditor will also be required to provide the following audit and reporting services in conjunction with the County's annual audit:

1. Review of the State's Uniform Financial Report
2. Preparation of Single Audit and Compliance Report
3. Form SF-SAC – Data Collection Form for Reporting on Audits of States, Local Governments, and Non-profit Organizations.
4. Management Letter
5. Audit of Community Adult Rehabilitation Center (CARC) reimbursement rate
6. Audit of Fire and Rescue Expenditures (formerly known as SB508 audit)
7. Other reporting over the internet as required by Federal or State regulations. Such reporting shall include, but is not limited to, the SF-SAC, REAC report and Single Audit.
8. Presentation to the Board of County Commissioners
9. Audit of the Cecil County, Maryland Non-Pension Post Employment Benefits Trust financial report which will be contracted separately by the Plan's Board of Trustees
10. Audit of the County's Public Safety Pension Plan Trust financial report which will be contracted separately by the Plan's Board of Trustees.

Additionally, we are required to have an audit of the 911 Trust Fund, which the auditor will be invoiced separately to the Emergency Numbers Systems Board of the State of Maryland.

The auditor's principal contact with County will be the Treasurer who will provide all year-end work papers, coordination with departments, and other needed assistance to complete the audit. The County will prepare a draft CAFR for audit and all information necessary to complete the supplementary reports.

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 standards as set forth by the American Institute of Certified Public Accountants, the standards for financial audits set forth in the U.S. General Accounting Office's *Government Auditing Standards* (1994), the provisions of the Single Audit Act of 1984 (as amended in 1996) and the provisions of U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, Audits of State and Local Governments and the State of Maryland's audit requirements enumerated in Article 19, Section 19, Section 40 of the Maryland Annotated Code.

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 (CAFR) in conformity with generally accepted accounting principles of the United States including an opinion on the fair presentation of the supplementary Schedule of Expenditures of Federal Awards (Single Audit) in relation to the audited financial statements. The County has sent its CAFR to the Government Finance Officers Association of the United States and Canada for review in its Certificate of Achievement for Excellence in Financial Reporting program and has received the award for the past 22 years. It anticipates that it will send future reports for consideration in this program.
2. A report on compliance and internal control over financial reporting based on an audit of the financial statements.
3. A report on compliance and internal control over compliance applicable to each major federal program.

In the required reports on compliance and internal controls, the auditor shall communicate to the Board of County Commissioners any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, 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. The report must be reviewed with the County's Treasurer and the County Administrator and include a management response before issuance of the report.

Auditors shall be required to make a written report to the Treasurer and the County Administrator report of all irregularities and illegal acts immediately upon the discovery of such acts.

E. Additional Services

1. The financial statements of the Cecil County Board of Education, Cecil College, Cecil County Public Library and the Bainbridge Development Corporation are included as component units of the financial statements of the County. It is anticipated that the auditor will not be required to provide special assistance to these entities.

2. The County currently anticipates it will prepare one or more official statements in connection with the sale of debt securities, which will contain the general-purpose financial statements and the auditor's report thereon. The auditor shall be required, if requested by the financial advisor, to issue a "consent and citation of expertise" as the auditor and any necessary "comfort letters."
3. The Schedule of Expenditures of Federal Awards (Single Audit) and related auditor's report, as well as the reports on compliance and internal controls are not to be included in the general-purpose financial statement report, but shall be stand-alone reports.
4. Preparation of the following schedules and/ or audit reports as follows:
 - a. Schedule of Fire and Rescue Expenditures (SB508 audit)
 - b. Audit of Community Adult Rehabilitation Center (CARC) reimbursements and per diem rate
 - c. Audit of financial statements of the County's Public Safety Pension Plan
 - d. Audit of financial statements of the Cecil County, Maryland Non-Pension Post Employment Benefits Trust Agreement
 - e. Internet reporting including, but not limited to, Form SF-SAC, the Single Audit, and REAC report, as required by Federal or State regulations.
 - f. Form SF-SAC – Data Collection Form for Reporting on Audits of States, Local Governments and Non-Profit Organizations
 - g. Management Letter
5. Review of the Uniform Financial Report for the State
6. Any specialized grant requirements beyond the scope of the RFP may be negotiated with the successful proposer or bid separately, as will any special consultation projects. It is expected that the successful firm have the resources to perform consulting engagements.
7. The auditor is also required to audit the County's 911 Trust Fund. This audit will be invoiced separately to the Emergency Numbers Board.
8. The auditor must be available for consultation and advice throughout the period of the contract. It is anticipated that such consultations will be minimal. In the event a situation arises which may require more timing-consuming work, the auditor and County will mutually agree on the fee prior to commencement of work.

F. Retention Period

1. All working papers and reports must be retained, at the auditors' expense, for a minimum of four years, unless the firm is notified in writing by the County of the need to extend the retention period.

II. DESCRIPTION OF GOVERNMENT

- A. The County's estimated 2008 population is approximately 104,000. The County's fiscal year begins on July 1st and ends on June 30th.
- B. The County has approximately 500 full-time and approximately 150 part time, on-call or grant-funded employees, with a payroll totaling approximately \$28,500,000.
- C. The accounting and financial reporting functions of the County are centralized.
- D. The County has one General Fund, fifteen Special Revenue Funds, nine Capital Projects Fund, three Enterprise Funds, one Pension Trust Fund, one Non-Pension Post Employment Benefits Fund, two Internal Service Funds and twelve Agency Funds.
- E. The Cecil County Board of Education, Cecil Community College, Cecil County Public Library and the Bainbridge Development Corporation have been identified as component units of Cecil County. Their financial reports are audited by other independent auditors and are included in the County's Comprehensive Annual Financial Report.
- F. The county utilizes MUNIS financial software to record and report all financial transactions. The CAFR as well as the supplemental reports is compiled in EXCEL and WORD for presentation purposes. The Uniform Financial Report is prepared using a template provided by the State.

III. AVAILABILITY OF PRIOR AUDIT REPORT AND YEAR-END WORK PAPERS

Prior year audit reports, management letters, and year-end work papers will be available for interested proposers to aid their response to this request for proposals. The county makes no warranty as to the accuracy of the existing information, nor will the County accept any responsibility for errors and omissions which may arise as a result of the Auditor having relied upon them. Available for your review in the Cecil County Treasurer's Office, 200 Chesapeake Blvd., Elkton, Maryland is a copy of the fiscal year 2008 financial statement, summary budgetary information, and offering statements.

IV. TIME REQUIREMENTS

- A. Interim work may be performed at any mutually agreeable time prior to year-end, except for the first Monday in June which is the County's annual tax sale day.
- B. Ideally, field work will begin in mid-September, but may begin as early as mid-August and no later than mid-September. Fieldwork must be completed no later than October 6.
- C. By June 15th of each year, the auditor and the Treasurer's Office shall agree on a detailed audit schedule as well as procedures to be followed. The auditor shall provide a detailed list of worksheets and schedules it requires from the County along with a time table for completion of such schedules.
- D. Physical inventories are taken between June 25th and July 1st of each fiscal year. It is expected that the auditor may observe and review this process as deemed necessary.

E. Due dates for final reports or schedules are as follows:

1.	Final review of CAFR and delivery of opinion letter	October 29
2.	Review of Uniform Financial Report	October 30
3.	Single Audit	November 30
4.	Schedule of Fire and Rescue Expenditures	December 1
5.	CARC per diem rate	December 1
6.	Non-Pension Post Employment Benefits Trust	December 15
7.	Management Letter	December 1
8.	Form SF-SAC – Data Collection Form	December 15
9.	Presentation to Board of County Commissioners –	to be scheduled
10.	Other reporting as required by Federal or State Grants	per grant requirement
11.	Public Safety Pension Plan	December 15

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

A. Financial Statements

The County will prepare a draft of the CAFR for the auditor's review. This document will include the Financial Statements, Management Discussion and Analysis, Transmittal Letter, Notes to the Financial Statements and Required Supplementary Information. The auditor will be expected to provide guidance and assist with technical issues as necessary to comply with GFOA and GASB requirements. The County may, at its discretion, supply drafts throughout the course of the audit; however the final draft will be submitted to the auditors no later than October 20.

- B. The Treasurer's Office will assist the auditor by providing a trial balance and account reconciliations for all but de minimus accounts.
- C. The auditor will be responsible for preparation of the independent auditor's report(s).
- D. The preparation of confirmations will be the responsibility of the County. The auditor will notify the County of which confirmations it intends to send.

VI. **DELIVERABLES**

- A. One hundred twenty (120) copies of the Independent Auditors Report for insertion into the CAFR or a WORD file containing the Independent Auditors Report along with sufficient letterhead for printing and insertion into the CAFR.
- B. Twenty-five (25) copies of the Single Audit and Compliance Report
- C. Six (6) copies of the Fire and Rescue Expenditures Report
- D. Ten (10) copies of the CARC per diem Report
- E. Five (5) copies of the 911 audit report
- F. Ten (10) copies of the Management Letter

VII. COMPENSATION TO THE AUDITOR

- A.** The Auditor shall be compensated annually for his/her services on a contract lump sum fee basis (Attachment No. 1). Audit services shall be proposed in the format shown on Attachment No. 1. The lump sum fees shall include supervision, support, travel, and out-of-pocket costs necessary to accomplish the related tasks.
- B.** The Auditor shall invoice the County periodically as work progresses for all services satisfactorily completed during that period. All invoices shall include a description of the work effort covered for that period as well as a breakdown by type of report to allow for allocation to the appropriate cost center. Failure to include the description of work with the invoice may result in rejection of the invoice. Payment shall be made within thirty (30) calendar days of receipt of invoices for services satisfactorily rendered and approved by the County.
- C.** Invoices shall be submitted to the Cecil County Treasurer's Office, 200 Chesapeake Blvd., Elkton, MD 21921.
- D.** The County reserves the right to delete by change order during any contract year any portion of the Scope of Audit work and the fee as indicated on the Proposal Form associated therewith shall be adjusted accordingly.

VIII. SUPPLEMENTAL SERVICES

- A.** The Auditor shall include an hourly rate quotation for each classification of employee to be used on any project. The hourly rate shall include all costs such as actual payroll, subsistence, travel, profit and incidentals. In the event that supplementary work becomes necessary, the Treasurer's Office will furnish to the Auditor a detailed description of all work to be performed and will request that the Auditor establish a "lump sum" figure for the service. The Board of County Commissioners is ultimately responsible for approving any additional work.
- B.** Upon the determination of a mutually agreed upon "lump sum" cost, the Auditor shall proceed with the work and shall invoice the County on a monthly basis for all work satisfactorily completed during that period. Payment shall be made within thirty (30) calendar days of receipt of an invoice as approved by the County Administrator.
- C.** If a "lump sum" amount for the supplementary service cannot be agreed upon, the County shall have the right to have the work performed by others.

IX. INSURANCE REQUIREMENTS

- A.** Auditors must show evidence of Insurance as outlined in the attached copy (Attachment No. 2) prior to the execution of any contract resulting from this request.
- B.** Professional Liability - Auditors must also show evidence of professional liability insurance coverage in the amount of one million (\$1,000,000) dollars, with a minimum coverage of one million (\$1,000,000) dollars per occurrence and one million (\$1,000,000) dollars aggregate and must include coverage for errors, omissions and negligent acts.

X. AUDIT PERIOD AND ENGAGEMENT TERM

- A. The period to be audited is one (1) year as required by State Law.
- B. The County does not have mandatory auditor rotation policies.
- C. The Contract between the County and the successful proposer shall be for auditing the periods ending June 30, 2009, June 30, 2010, June 30, 2011, June 30, 2012 and June 30, 2013.
- D. Failure to meet the terms of this contract shall be grounds for cancellation. If, during the course of this contract, it is determined by the County's Evaluation Committee, that the quality of service provided by the firm does not meet the County's expectations the County reserves the right to cancel this contract. In the event of cancellation, the auditor shall be provided with thirty (30) days written notice.

XI. PRE-PROPOSAL CONFERENCE

A Pre-Proposal Conference will be held at **Wednesday, January 21, 2009, at 1 p.m.** in the Perryville Room, Cecil County Administration Building, 200 Chesapeake Blvd, Elkton, Maryland. **Attendance at this conference is not mandatory but it is strongly recommended.**

XII. LIQUIDATED DAMAGES

Performance shall be monitored by the County's Treasurer. Failure to meet any required criteria, at any time, shall result in the proposer being responsible for the Liquidated Damages outlined herein. A letter shall be forwarded to the proposer by certified mail stating the infraction and allowing the proposer forty-eight (48) hours to come into compliance. A one-time charge of Liquidated Damages in the amount of Three Hundred (\$300.00) Dollars shall be assessed on any non-compliance item that cannot be retroactively corrected. Should the proposer fail to perform as specified in this RFP, it is understood that the County will deduct from any outstanding invoice an amount equal to Three Hundred (\$300.00) Dollars per calendar day until such time as the proper work is performed in accordance with the resulting contract. As evidenced by submitting a proposal, it is understood that this is not a penalty, but is, in fact, a liquidated damage.

XIII. SUBMITTAL INSTRUCTIONS

- A. Two separate proposals shall be submitted. One shall be the Qualifications and Experience (Q&E)/Technical Proposals of the firm. The other shall be the Price Proposal. Interested firms shall provide Qualifications and Experience / Technical Proposals concurrently with Price Proposals, each to be presented in separately sealed envelopes. The Price Proposal shall be opened only if the firm is considered qualified and responsive to this request after detailed review of the Q & E / Technical by the Evaluation Committee. Contents of the RFPs submitted for consideration will be kept confidential until the contract is awarded, however a list of bidders will be available at the time of the RFP opening.
- B. **Qualifications & Experience/Technical Submittal**

The Q & E/Technical submittals shall include the professional qualifications and experience of the firm and its technical understanding work to be performed. **(DO NOT INCLUDE ANY PRICE FIGURES IN THE Q&E / TECHNICAL PROPOSAL.)** At a minimum, the following points must be addressed in the proposal:

1. The firm shall provide an affirmative statement that it is independent of the County as defined by the U.S. General Accounting Office's Government Auditing Standards.
2. The firm also shall provide an affirmative statement that it is independent of all of the component units of the County as defined by those same standards.
3. An affirmative statement shall be included that the firm and all assigned key professional staff are properly licensed to practice in the State of Maryland.
4. An affirmative statement shall be included that the firm is properly qualified to conduct business in the State of Maryland and has registered with the State Department of Assessments and Taxation.
5. The proposer shall 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, 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.
6. **Partner, Supervisory and Staff Qualifications and Experience**
 - a. 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 Maryland. 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 the audit.
 - b. Provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specified staff to be assigned to this engagement. Indicate how the quality of staff over the term of the agreement will be assured.
 - c. 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 County. However, in either case, the County retains the right to approve or reject replacements.
7. **Prior Engagements with the County**

List separately all engagements within the last five (5) years, ranked on the basis of total staff hours, for the County by type of engagement (i.e., audit, management advisory services, etc.). Indicate the scope of work, date, engagement partners, total hours, the location of the firms' office from which the engagement was performed, and the name and telephone number of the principal client contact.

8. Similar Engagements with Other Governments Entities

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 (5) years that are similar to the engagement described in this request for proposal. These engagements should be ranked on the basis of total staff hours. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact. The proposer shall demonstrate that it has performed audits of other governmental units of equal or larger size that have been awarded the Certificate of Excellence in Governmental Reporting by the Government Finance Officers Association of the United States and Canada

9. Description of the commitment to peer review and/or internal quality review as well as what peer review has occurred and the results of the most recent peer review.
10. Description of any past and pending regulatory enforcement actions and charges of substandard audit work.
11. Other audit personnel may be changed at the discretion of the proposer provided that replacements have substantially the same or better qualifications.
12. Commitment of availability and adequacy of the personnel of the firm to accomplish the proposed scope of work in the time required.

C. Price Proposals

At a minimum, the Price Proposal submittal shall include the following:

1. The Proposal Form (Attachment No. 1) contained herein.
2. Hourly rates for each classification of employee anticipated to be involved with the project. These hourly rates shall be used as the basis for compensation for supplemental work and shall include the Auditor's total costs for actual payroll, support supervision, fringe benefits, overhead, travel, expenses, printing, profit and incidentals. The actual breakdown for these hourly rates is not required.
3. The proposal must be accompanied by fully executed affidavits, Non-Collusion Certificate (Attachment No. 3) and Anti-Bribery Affidavit (Attachment No. 4) executed by the Auditor, or if the Auditor is a corporation, by a duly authorized representative of said corporation, on forms provided.
4. Conclusions, remarks and/or supplemental information pertinent to this request.

XIV. TERMS AND CONDITIONS

- A. The County reserves the right to reject any or all proposals or to award the contract to the next recommended Auditor if the successful Auditor does not execute a contract within fifteen (15) calendar days after notice of award of the contract.
- B. The County reserves the right to request clarification of information submitted and to request additional information of one or more applicants.

- C. Any proposal may be withdrawn up until the date and time set below for the opening of the proposals. Any proposals not so withdrawn shall constitute an irrevocable offer, for a period of ninety (90) calendar days, to sell to the County the services set forth in the above Scope of required services.
- D. The selected Auditor will be required to enter into a contract agreement with the County.
- E. Any agreement or contract resulting from the acceptance of a proposal shall be on forms approved by the County and shall contain, at a minimum, applicable provisions of the request for proposal. The County reserves the right to reject any agreement that does not conform to the request for proposal and any County requirements for agreements and contracts.
- F. The Auditor shall not assign any interest in the contract and shall not transfer any interest in the same without prior written consent of the County.
- G. Auditors shall give specific attention to the identification of those portions of their proposals that they deem to be confidential, proprietary information or trade secrets and provide any justification why such materials, upon request, should not be disclosed by the County under the Access to Public Records Act, State Government Article, Title 10, Subtitle 6, Annotated Code of Maryland.
- H. The County reserves the right to not hold discussions after award of the contract.
- I. By submitting a proposal, the Auditor agrees that he is satisfied, as a result of his own investigations, of the conditions set forth in this request, and that he fully understands his obligations.
- J. The Auditor shall abide by and comply with the true intent of this RFP and its Scope of Work and not take advantage of any unintentional error or omission, but shall fully complete every part as the true intent and meaning of the scope of services, as decided by the County, and as described herein.
- K. Political Contribution Disclosure: The Proposer shall comply with Article 33, Sections 14-101 through 14-104 of the Annotated Code of Maryland, which requires that every person that enters into contracts, leases, or other agreements with the State, a county, or any incorporated municipality, or their agencies during a calendar year in which the person receives in the aggregate \$100,000 or more, shall file with the State Administrative Board of Election Laws a statement disclosing contributions in excess of \$500 made during the reporting period to a candidate for elective office in any primary or general election. The statement shall be filed with the State Administrative Board of Election Laws: (1) before a purchase or execution of a lease or contract by the State, a county, an incorporated municipality or their agencies, and shall cover the preceding two (2) calendar years; and (2) if the contribution is made after the execution of a lease or contract, then twice a year, throughout the contract term, on: (a) February 5, to cover the 6-month period ending January 31; and (b) August 5, to cover the 6-month period ending July 31.
- L. Proposals must give the full name and address of proposer, and the person signing the proposal should indicate his/her title and/or authority to bind the firm in a contract.

- M. Proposals cannot be altered or amended after they are opened.
- N. Cecil County will not be responsible for expenses incurred in by the Proposer in preparing and submitting this proposal

XV. SELECTION PROCESS

- A. The Cecil County Evaluation Committee will evaluate the submittals. The Committee shall be comprised of the County Administrator, County Purchasing Agent, County Budget Manager, and County Treasurer. The approval or disapproval of Auditors will be determined by this Committee based on your response to this request and on past performance. No assumptions should be made on the part of the Auditor as to this Committee's prior knowledge of your abilities. Failure to provide the required information for the Committee's review will result in disqualification of that firm.
- B. It is the County's intent to open and review each firm's Q & E/Technical Proposal. If the Evaluation Committee determines a firm's proposal to be satisfactory, the envelope containing the firm's Price Proposal will then be opened. Price proposals which accompany Q & E/Technical submittals that are determined to be unacceptable to the Evaluation Committee will be returned unopened to the Auditor.
- C. Since it is the County's desire to select the most qualified firm, the Evaluation Committee reserves the right to schedule oral presentations (at no cost to the County) of those firms it deems most qualified, to take place within ten (10) business days following notification.
- D. Selection criteria to be used by the Committee are:
 - 1. Responsiveness to the scope of work and instructions to the firms;
 - 2. Past performance of the firms including timely completion of projects, compliance with scope of work performed within budgetary limitations, and customer satisfaction;
 - 3. Specialized experience and technical competence in relevant work in the past five (5) years, including qualifications of staff members who will be involved with the project;
 - 4. Oral presentations, if required;
 - 5. Composition of the principles and staff assigned to the contract and their qualifications and experience;
 - 6. Adequacy of the personnel of the firm to accomplish the proposed scope of work in the required time;
 - 7. The firm's capacity to perform the work giving consideration to current workloads;
 - 8. Geographic location in relationship to Cecil County, Maryland;
 - 9. The firm's familiarity with problems associated with this type of work;

10. References from previous clients, including size and scope of work, name and telephone number of contact person; and
11. Price Proposal

XVI. PROPOSAL AND AWARD SCHEDULE

- A. Proposals received prior to the deadline will be treated as confidential. Proposals received after the deadline will not be considered in the evaluation process and will be returned unopened.
- B. It is expected that the contract award will be made within thirty (30) calendar days after receipt of proposals.

XVII. AWARD

The County shall award a contract to the lowest responsive, responsible proposer whose proposal, conforming to this request, will be the most advantageous to the County, for audit of its financial statements based on the total lump sum contract prices for Fiscal Years 2009, 2010, 2011, 2012 and 2013 as stated on the Proposal Form, subject to annual appropriation and applicable purchase order.

XVIII. INTERPRETATIONS, DISCREPANCIES AND OMISSIONS

Should any Proposer find discrepancies in, or omissions from the documents or be in doubt of their meaning, he should at once request in writing an interpretation from: David Pyle, Purchasing Officer, Cecil County Purchasing Department, 200 Chesapeake Blvd., Elkton, MD 21921 (FAX: 410-996-5232). All necessary interpretations will be issued to all Proposers in the form of addenda to the specifications, and such addenda shall become part of the contract documents. No request received after 2 p.m., February 5, 2009 will be considered. Every interpretation made by the County will be made in the form of an addendum which, if issued, will be sent by the Purchasing Officer to all interested parties, and such addenda shall become part of the contract documents.

XIX. RESERVATIONS

- A. The Committee reserves the right to request additional information about any respondent as it may reasonably require.
- B. The Committee reserves the right to request interviews.

Cecil County shall make positive efforts to utilize Disadvantaged Business Enterprises for its supplies and services and shall allow these sources the maximum feasible opportunity to compete for contracts. The County Commissioners of Cecil County do not discriminate on the basis of race, color, national origin, sex, religion, age or disability in employment or the provision of services.

If your firm is interested in performing the above services, please send five (5) copies of submittals of Qualifications & Experience/Technical information enclosed in a sealed envelope marked "Q & E/Technical Proposal - Independent Auditing Services", and five (5) copies of the Price Proposal enclosed in a separately sealed envelope marked "Price Proposal - Independent Auditing Services" to the Office of David Pyle, Purchasing Officer, Cecil County, 200 Chesapeake Blvd., Elkton, Maryland, 21921, no later than 2 P.M. Thursday, February 5, 2009. The Cecil County Evaluation Committee will evaluate the submittals. Failure to provide the above-required

information for the Committee's review may result in disqualification of that firm. Late proposals will be returned unopened if the proposer's return address is shown on the envelope.

The Board of County Commissioners of Cecil County reserves the right to reject any or all proposals, to waive technicalities and to take whatever action is in the best interest of Cecil County. Inquiries should be directed to David Pyle, Purchasing Officer, at telephone 410-996-5395, if you have any questions concerning this request.

Sincerely,

Alfred C. Wein
CECIL COUNTY ADMINISTRATOR

Attachments (5)

cc: Pamela Howard, Treasurer
David Pyle, Purchasing Officer

Attachment No. 1

**PROPOSAL FORM
INDEPENDENT AUDITING SERVICES**

The Firm Of:

Hereby agrees to provide the requested services as defined in the proposal, attachments thereto, and

Addenda No. _____ dated _____, No. _____ dated _____, No. _____ dated _____

at the following lump sum contract prices for each Fiscal Year Audit. *(NOTE: If an error is made in addition calculations, the unit price costs shall prevail.)*

COUNTY AUDITS

	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>
Regular Audit	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Single Audit and Compliance Reports	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Fire & Rescue Schedule	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
State Uniform Financial Report	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
CARC Report	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Form SF-SAC & miscellaneous	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
TOTAL	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

TRUST AUDITS

Public Safety Pension Plan	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Non-Pension Post Employment Benefits	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

PROPOSAL FORM (Cont'd)
Page 2

Reminder: The firm must invoice the Emergency Numbers Board separately for fees on the 911 audit.

Schedule of Professional Fees for Supplemental Services:

	<u>Hourly Rates</u>
Partners	\$
Managers	\$
Supervisory Staff	\$
Staff	\$
Other (Specify)	\$

CONTRACTOR MUST SIGN HERE

By signing here, the firm does hereby attest that it has read fully the instructions, conditions and general provisions and understands them.

Firm Name: _____

Address: _____

Authorized Signature: _____

Name & Title Printed: _____

Telephone No. / Fax No.: _____

E-mail Address: _____

Date: _____

EXCEPTIONS

(If no exceptions are being taken, state NONE)

Insurance Requirements for Independent Contractors

The Contractor shall procure and maintain at his sole expense and until final acceptance of the work by the County, insurance as hereinafter enumerated in policies written by insurance companies admitted in the State of Maryland, have P.M. Best rating of A- or better or its equivalent, and acceptable to the County.

1. **Workers Compensation:** The Contractor agrees to comply with Workers Compensation laws of the State of Maryland and to maintain a Workers Compensation and Employers Liability Policy.

Minimum Limits Required:

Workers Compensation -	Statutory
Employers Liability -	\$100,000 (Each Accident)
	\$500,000 (Disease - Policy Limit)
	\$100,000 (Disease - Each Employee)

2. **Comprehensive General Liability Insurance:** The Contractor shall provide Comprehensive General Liability including Products and Completed Operations.

Minimum Limits Required:

\$1,000,000 combined single limit for Bodily Injury and Property Damage.

Such insurance shall protect the County, its agents, elected and appointed officials, commission members and employees, and name Cecil County on the policy as additional insured against liability, loss or expense due to damaged property (including loss of use), injury to or death of any person or persons and for care and loss of services arising in any way, out of, or in connection with or resulting from the work of service performed on behalf of Cecil County.

The Contractor is ultimately responsible that Subcontractors, if subcontracting is authorized, procure and maintain at their sole expense and until final acceptance of the work by the County, insurance as hereinafter enumerated in policies written by insurance companies admitted in the State of Maryland, have P.M. Best rating of A- or better or its equivalent, and acceptable to the County.

3. **Business Automobile Liability:** The Contractor shall provide Business Auto Liability including coverage for all leased, owned, non-owned and hired vehicles.

Minimum Limits Required:

\$1,000,000 combined single limit for Bodily Injury or Property Damage.

Certificate(s) of Insurance: The Contractor shall provide certificates of insurance requiring a 30 day notice of cancellation to David Pyle, Purchasing Officer, Cecil County prior to the start of the applicable project.

Approval of the insurance by the County shall not in any way relieve or decrease the liability of the Contractor. It is expressly understood that the County does not in any way represent that the specified limits of liability or coverage or policy forms are sufficient or adequate to protect the interest or liabilities of the Contractor.

All responsibility for payment of any sums resulting from any deductible provisions, corridor, or self-insured retention conditions of the policy or policies shall remain with the Contractor.

Cecil County Government
200 Chesapeake Blvd
Elkton, MD 21921



Indemnity/Hold Harmless Agreement

To the fullest extent permitted by law, the undersigned Organization agrees to indemnify and hold Cecil County Government, its elected and appointed officials, employees, and volunteers, and others working on behalf of Cecil County Government, harmless from and against all loss, cost, expense, damage, liability or claims, whether groundless or not, arising out of the bodily injury, sickness or disease (including death resulting at any time there from) which may be sustained or claimed by any person or persons, or the damage or destruction of any property, including the loss of use thereof, based on any act or omission, negligent or otherwise, of the Organization, or anyone acting on its behalf in connection with or incident to **Request for Proposal #09-04: Independent Auditing Services for Cecil County Government**, except that the Organization shall not be responsible to Cecil County Government on indemnity for damages caused by or resulting from Cecil County Government's sole negligence; and the Organization shall, at its own cost and expense, defend any such claims and any suit, action, or proceeding which may be recovered in any suit, action, or proceeding, and any and all expense including, but not limited to, costs, attorney's fees and settlement expenses, which may be incurred therein.

Name of Organization: _____

Authorized Signature: _____

Address of Organization: _____

Phone: _____ Date: _____

Return this letter with Proposal Package

NON-COLLUSION CERTIFICATE

I HEREBY CERTIFY I am the _____ (Title) and the duly authorized representative of the firm of _____ whose address is: _____

AND THAT NEITHER I nor, to the best of my knowledge, information and belief, the above firm nor any of its other representatives I here represent have:

- (a) Agreed, conspired, connived or colluded to produce a deceptive show of competition in the compilation of the bid or offer being submitted herewith;
- (b) Not in any manner, directly or indirectly, entered into any agreement, participated in any collusion to fix the bid price or price proposal of the bidder or offeror herein or any competitor, or competitive bidding in connection with the Contract for which the within bid or offer is submitted; and that no member of the Board of County Commissioners of Cecil County, Maryland, administrative or supervisory personnel or other employees of the Board of County Commissioners of Cecil County, Maryland have any interest in the bidding company except as follows: (complete if applicable)

I solemnly affirm under the penalties of perjury that the contents of the foregoing paper are true to the best of my knowledge, information, and belief.

Signature: _____
Printed or Typed Name: _____
Date: _____

ANTI-BRIBERY AFFIDAVIT

I HEREBY CERTIFY that

1. I am the _____ and duly authorized representative of the firm of _____ whose address is _____, and that I possess the legal authority to make this affidavit on behalf of myself and the firm for which I am acting.

2. Except as described in Paragraph 3 below, neither I or to the best of my knowledge, the above firm, nor any of its officers, directors, or partners, or any of its employees directly involved in obtaining contracts with the State or any county, bi-county, or multi-county agency, or subdivision of the State have been convicted of, or have pleaded nolo contendere to a charge of, or have during the course of any official investigation or other proceeding admitted in writing or under oath acts or omissions committed after July 1, 1977 which constitute bribery, attempted bribery, or conspiracy to bribe under the provisions of Article 27 of the Annotated Code of Maryland or under the laws of any state or federal government.

3. (State "none" or, as appropriate, list any conviction, plea, or admission described in Paragraph 2 above, with the date, court, official, or administrative body; and the sentence or disposition, if any.) I acknowledge that this affidavit is to be furnished to the requesting agency, to the Secretary of Budget and Fiscal Planning of Maryland, and, where appropriate, to the Board of Public Works and the Attorney General under Maryland Code, State Finance and Procurement, §13-405. I acknowledge that, if the representations set forth in this affidavit are not true and correct, the Board of County Commissioners of Cecil County, Maryland may terminate any contract awarded and take any other appropriate action. I further acknowledge that I am executing this affidavit in compliance with Maryland Code, State Finance and Procurement, §13-405, which provides that certain persons who have been convicted of or have admitted to bribery, attempted bribery, or conspiracy to bribe may be disqualified, either by operation of law or after a hearing, from entering into contracts with the State or any of its agencies or subdivisions.

4. I do solemnly declare and affirm under the penalties of perjury that the contents of this affidavit are true and correct.

Signature _____
Printed or Typed Name: _____
Date: _____