



## City of Auburn, Maine

Finance Department

60 Court Street | Auburn, Maine 04210

www.auburnmaine.gov | 207.333.6601

March 7, 2022

Dear Proposer:

The City of Auburn is accepting written proposals for the Auburn Finance Department for **FINANCIAL AUDIT**. The City reserves the right to accept or reject any or all proposals in whole or in part and to waive any informality the City may determine necessary. The City also reserves to itself the exclusive right to accept any proposals when it is deemed by the City to be in its best interest. The City of Auburn is governed by Title 1 M.R.S.A. § 401-410, otherwise known as the Freedom of Information Act, which considers bid specifications as public documents. In awarding any proposal, the City may consider, but not be limited to, any of the following factors: Bidder qualifications, price, experience, financial standing with the City, warranties, references, bonding, delivery date, and service of Bidder. Vendors/Contractors shall be current on all amounts due to the City of Auburn prior to the City entering into any contract agreement. All proposals must include FOB to Auburn, Maine unless otherwise specified.

Proposals will not receive consideration unless submitted in accordance with the following instructions to bidders. Please mark sealed envelopes plainly: **"Financial Audit Proposal- Bid #2022-024"**.

Questions regarding this Request for Proposal should be directed to Jill Eastman, Finance Director, at (207) 333-6601, ext. 1402.

Please submit four (4) copies of your proposal to the City of Auburn by 2:00 p.m. **Thursday, March 24, 2022.** Proposals will be opened at 2:00 p.m.. Proposals must be delivered to **Derek Boulanger, Facilities Manager/ Purchasing Agent, 60 Court Street, Auburn, Maine 04210** on or before the date and time appointed. No proposals will be accepted after the time and date listed above.

Sincerely,

Jill M. Eastman  
Finance Director

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## **CONDITIONS AND INSTRUCTIONS TO PROPOSERS**

1. Proposers shall use the enclosed bid proposal form for quotations. Whenever, in bid forms, an article is defined by using a trade name or catalog number, the term "or approved equal", if not inserted, shall be implied.
2. Submit a separate unit price for each item unless otherwise specified in the bid request. Award will be made on a basis of each item, or as a group, whichever is in the best interest of the City. Prices stated are to be "delivered to destination".
3. Bid proposals must be completed in full, in ink and must be signed by firm official. Bid proposal **must be notarized** prior to bid being sealed and will be disqualified if not notarized. Bids may be withdrawn prior to the time set for the official opening.
4. Proposals will be opened publicly. Bidders or representatives may be present at bid opening.
5. Awards will be made to the lowest responsible bidder, considering the quality of the materials, date of delivery, cost which meets specification and is in the best interest to the City of Auburn.
6. All transportation charges, including expense for freight, transfer express, mail, etc. shall be prepaid and be at the expense of the vendor unless otherwise specified in the bid.
7. The terms and cash discounts shall be specified. Time, in connection with discount offered, will be computed from date of delivery at destination after final inspection and acceptance or from date of correct invoice, whichever is later.
8. The City is exempt from payment of Federal Excise Taxes on the articles not for resale, Federal Transportation Tax on all shipments and Maine Sales Tax and Use Taxes. Please quote less these taxes. Upon application, exemption certificate will be furnished with the Purchase Order when required.
9. Time of delivery shall be stated. If time is of the essence, the earliest date may be a factor in the bid award.
10. No contract may be assigned without the written consent of the Finance Director or her designate. The contract shall not be considered valid until a purchase order has been issued to the successful bidder.
11. Please state **"Financial Audit Proposal– Bid #2022-024"**, on submitted, sealed envelope.

12. The City of Auburn reserves the right to waive any formality and technicality in bids whichever is deemed best for the interest of the City of Auburn.

### **GENERAL CONDITIONS**

1. Equal Employment Opportunity

The City of Auburn is an Equal Opportunity Employer and shall not discriminate against an applicant for employment, and employee or a citizen because of race, color, sex, marital status, physical and/or mental handicap, religion, age, ancestry, or natural origin, unless based upon a bona-fide occupation qualification. Vendors and contractor or their agents doing business with the City shall not violate the above clause or the Civil Rights Acts of 1964. Violations by vendors shall be reviewed on a case-by-case basis and may mean an automatic breach of contract or service to the City of Auburn. The City encourages small businesses, minority-owned firms, and women's business enterprises to respond.

2. Save Harmless

The Proposer agrees to protect and save harmless the owner from all costs, expenses or damages that may arise out of alleged infringement of patents of materials used.

3. Subcontracting

The Proposer shall not subcontract any part of the work or materials or assign any monies due it without first obtaining the written consent of the municipality. Neither party shall assign or transfer its interest in the contract without the written consent of the other party.

4. Warranty

The Proposer warrants that all work will be of good quality and free from faults and defects, and in conformance with the specifications. All work not so conforming to these standards may be considered defective. The Proposer agrees to be responsible for the acts and omissions of all of its employees and all subcontractors, their agents and employees, and all other persons performing any of the work under a contract with the Proposer.

**BID PROPOSAL FORM**  
**Due Thursday, March 24, 2022**

To: City of Auburn  
Derek Boulanger, Facilities Manager/ Purchasing Agent  
60 Court Street  
Auburn, ME 04210

The undersigned individual/firm/business guarantees this price for Thirty days (30) from the bid due date. The undersigned submits this proposal without collusion with any other person, individual, or firm or agency. The undersigned ensures the authority to act on behalf of the corporation, partnership or individual they represent; and has read and agreed to all of the terms, requests, or conditions written herein by the City of Auburn, Maine. By signing this bid form, the firm listed below hereby affirms that its bid meets the minimum specifications and standards as listed above.

Signature \_\_\_\_\_ Name (print) \_\_\_\_\_

Title \_\_\_\_\_ Company \_\_\_\_\_

Address \_\_\_\_\_

Telephone No. \_\_\_\_\_ Fax No. \_\_\_\_\_

Email Address: \_\_\_\_\_

STATE OF MAINE

\_\_\_\_\_, SS.

Date: \_\_\_\_\_

Personally appeared \_\_\_\_\_ and acknowledged the foregoing instrument to be his/her free act and deed in his/her capacity and the free act and deed of said company.

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Print Name

Commission Expires \_\_\_\_\_

## **I. INTRODUCTION**

### General Information

The City of Auburn, Maine is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the five (5) fiscal years ending:

- {a} June 30, 2022
- {b} June 30, 2023
- {c} June 30, 2024
- {d} June 30, 2025
- {e} June 30, 2026

These audits are to be performed for the purpose of rendering an auditor's opinion on the fairness of the financial position of the City of Auburn's general purpose financial statements as of the audit dates, in conformity with accounting principles generally accepted in the United States. All audits are to be conducted using auditing standards generally accepted in the United States of America, and the standards applicable for financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Maine Uniform Accounting and Auditing Practices for Community Agencies* (MAAP), or their successors.

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

Proposals submitted will be evaluated by a four (4) member Selection Review Committee consisting of the Finance Director/Treasurer, the School Business Manager, and two (2) members of the Audit Committee.

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

The City of Auburn reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City of Auburn and the firm selected.

#### A. Term of Engagement

A five (5) year contract subject to recommendation of the Selection Review Committee, the satisfactory negotiation of terms and the concurrence of the Audit Committee and of the City Council.

#### B. Subcontracting

Should the firm anticipate subcontracting portions of the engagement, that fact, and the name of the proposed subcontracting firm, must be clearly identified in the proposal. Following the award of the audit contract, no additional subcontracting will be allowed without the express prior written consent of the City of Auburn.

### **II. DESCRIPTION OF THE GOVERNMENT**

A. The auditor's principal contact with the City of Auburn will be Jill Eastman, Finance Director/ Treasurer, or a designated representative, who will coordinate the assistance to be provided by the City of Auburn, to the auditor.

An organization chart is located on page 13 of the City's Annual Comprehensive Financial Report (enclosed), and a list of key personnel with the location of their principal offices (Appendix B) is attached.

#### B. Background Information

The City of Auburn, incorporated in 1869, is located on the west bank of the Androscoggin River, in the south-central section of the State and is the fourth largest City in the State of Maine. The City of Auburn continues to be a key area within the State in which industrial and commercial companies are investing. Auburn has a land area of 64 square miles and a population of 24,061. The City is empowered to levy a property tax on both real and personal property located within its boundaries.

The City operates under the council-manager form of government. Policy-making and legislative authority are vested in the City Council, which consists of a mayor and a seven-member council. The Council is elected on a non-partisan basis. The mayor and council members are elected to two-year terms. Five of the council members are elected from within their respective districts. The mayor and the two remaining council members are elected at large. The City Council is responsible for, among other things, passing ordinances, adopting the budget, appointing committees and hiring the City Manager. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and for appointing the heads of the City's departments.

The City of Auburn provides a full range of services, including police and fire protection, sanitation services, the construction and maintenance of highways, streets and infrastructure, solid waste collection, public education, health and social welfare, recreation, general administration and economic development.

The Finance Director and Accounting Assistants maintain general ledgers and other books of accounts for the General Fund, Special Revenue Funds, Capital Projects Funds, Enterprise Funds, Fiduciary Funds and Permanent Funds. The School Department maintains their own set of books, as do the recipients of educational federal and state grants.

The government-wide, proprietary funds and fiduciary funds are maintained and reported using the economic resources measurement focus and the accrual basis of accounting. All other funds are maintained and reported on the modified accrual basis of accounting and the current financial resources measurement focus.

For financial reporting purposes, the City includes all funds controlled by the City Council.

More detailed information on the City and its finances can be found in published reports such as the Annual Comprehensive Financial Report, the Annual Budget, Official Statements and the like. These reports are kept at the City Building and copies may be obtained by contacting Jill Eastman, Finance Director/ Treasurer at (207) 333-6601 extension 1402 or on the City's website, [www.auburnmaine.gov](http://www.auburnmaine.gov).

### C. Fund Structure

The City of Auburn uses the following funds in its financial reporting:

<b>Fund Types</b>	<b>Number of Individual Funds</b>	<b>Number with Legally Adopted Budgets</b>
<b>Major Funds:</b>		
General fund	1	1
Special revenue funds	2	2
Capital projects funds	1	
Enterprise funds	2	2
<b>Non-Major Funds:</b>		
Special revenue funds	42	
Permanent	4	
Fiduciary funds	10	
Private Purpose Trust funds	4	



#### D. Budgetary Basis of Accounting

The City of Auburn prepares its budgets on a basis consistent with accounting principles generally accepted in the United States. The budget is reported on a modified accrual basis, except that current year encumbrances are treated as expenditures for budgetary purposes. For financial reporting on the budgetary basis, funds encumbered in the previous year are added to the current year's budgeted figures. Expenditures against the prior year's encumbrances are included with current year expenditures.

#### E. Federal and State Financial Assistance

During fiscal year 2020-2021, the City of Auburn's Reports Required by Government Auditing Standards and Uniform Guidance identified the following grants as major programs:

<b>Program Title</b>	<b>Federal CFDA Number</b>
Title I-Part A Cluster	84.010; 84.389
Title II and Title III	84.318,365,367
Special Education Cluster	84.027,173, 386, 387,391,392,002
21 <sup>st</sup> Century	84.287
National School Lunch Program	10.553-10.582
Bureau of Justice Assistance	16.710,738,803,804,922
Community Development Block Grant	14.218
HOME Investment Partnership Program	14.239
Lead-Based Paint Hazard Control Program	14.900
Highway Planning and Construction	20.205;20.600
Dept of Defense	12.610

The City also received federal and state assistance in several smaller grants. The City currently is not required to issue a compliance report in accordance with MAAP, but during the tenure of this contract, issuance of said report may be required.

#### F. Pension Plans

The City of Auburn participates in the Maine Public Employees Retirement System Consolidated Plan, a multiple-employer, public employees, defined benefit pension plan which covers substantially all of its employees. The City also maintains a single-employer, defined benefit plan (City Pension Plan), which covers certain police, fire and public works retired employees.

Actuarial services for MPERS are provided by Milliman & Robertson, Inc. Actuarial services for the City Pension Plan have been provided by Northeast Retirement Services, Inc.

The City also offers the option to participate in a 457 defined contribution plan through ICMA Vantagepoint.

#### G. Joint Ventures

The City of Auburn participates in several joint ventures, as defined in GASB Cod. Section J50.102. The joint ventures are with the City of Lewiston, Maine with the exception of the Mid-Maine Waste Action Corporation. These joint ventures are considered to be separate reporting entities and have not been included within the financial statements of the City. However, brief descriptions of these organizations and selected financial data are incorporated in the notes to the financial statements in the City's Annual Comprehensive Financial Report. The joint ventures are as follows:

- Auburn-Lewiston Municipal Airport
- Lewiston-Auburn Transit Committee
- Lewiston-Auburn 9-1-1 Committee
- Mid-Maine Waste Action Corporation

The Auburn-Lewiston Municipal Airport joint venture unit is to be audited as part of the audit of the City of Auburn's financial statements and separate financial statement reports are to be issued. The financial statements of the other joint venture units are audited independently of the City's financial statements by various Certified Public Accountants.

#### H. The Finance Department

The City's Finance Department is headed by Jill Eastman, Finance Director/Treasurer and consists of seven (7) employees. The principle functions performed and the number of employees assigned to each is as follows:

<b>Function</b>	<b># of Employees</b>
Treasury/Tax Collection	4
Accounting & Auditing	2

The Division of Tax is headed by Kelsey Earle, Deputy Finance Director/Tax Collector.

## I. Computer Systems

The City maintains its general ledger, accounts payable, payroll, accounts receivable and collections on software purchased from Tyler, Inc (MUNIS) a cloud-based system, hosted and backed up in the Tyler Technology datacenters. The School accounts for its general ledger, accounts payable and payroll on Advance Data Systems software which operates on a Windows server. The tax billing and collections are currently maintained in MUNIS (Tyler's financial software). The City is on the AssessPro/Patriot Properties assessing package maintained on a Dell PowerEdgeServer computer system. The City also utilizes numerous personal computers with the Microsoft Office365 cloud-based platform for word processing, spreadsheets and data bases.

## **III. NATURE OF SERVICES REQUIRED**

### A. Scope of Work to be Performed

The City of Auburn desires the auditor to express an opinion on the fair presentation of its general purpose financial statements, as presented in the Comprehensive Annual Financial Report, prepared by the Finance Director, in conformity with accounting principles generally accepted in the United States, and standards contained in the Government Auditing Standards, issued by the Comptroller General of the United States, and with all applicable sections of Title 2 U.S. Code of Federal Regulations (CFR) Part 200.

The City also desires the auditor to express an opinion on the fair presentation of its governmental and business-type activities, the aggregated discretely presented component unit and each major fund, and the aggregated remaining fund information, in conformity with accounting principles generally accepted in the United States. The auditor is not required to audit the supporting schedules contained in the Comprehensive Annual Financial Report. However, the auditor is to provide an in-relation-to opinion on the supporting schedules applied during the audit of the basic financial statements. The auditor is not required to audit the Introductory Section or the statistical portions of the report.

The auditor shall have the responsibility for performing certain limited procedures involving required supplementary information, including the Management Discussion & Analysis, required by the Governmental Accounting Standards Board and by auditing standards generally accepted in the United States.

In connection with the examination of the records and financial statements, the auditor shall review the system of internal control, operating procedures and compliance with budgetary, regulatory, and legal requirements of the City of Auburn, in accordance with Government Auditing Standards.

The review of internal controls must include an annual review of the related EDP controls within our Information Technology Division which should include but not be limited to the areas of physical security, systems and program documentation, input/output controls, control over use and retention of disk files and the adequacy and testing of a disaster recovery plan.

The auditor shall perform an audit of the School Department accounts, in accordance with the requirements of Title 20-A MRSA, Section 6051, which will include examining the Financial Report of Public Schools submitted to the State Department of Education on Form EF-M-45, for fairness of presentation.

The auditor shall perform a financial and compliance audit for all federally assisted programs in accordance with the Single Audit Act Amendments of 1996, Title 2 U.S. Code of Federal Regulations (CFR) Part 200, and the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

The auditor shall perform a financial and compliance audit for all state assisted programs in accordance with the Maine Uniform Accounting and Auditing Practices Act for Community Agencies.

The auditor shall perform financial audits of the accounts and records of the Auburn-Lewiston Airport and issue the corresponding financial statement reports.

The auditor shall perform a detailed audit of each school activity account once every three (3) years and express an opinion thereon.

The City of Auburn views its engagement of an audit firm as an ongoing, professional relationship, in which the firm is expected to provide consultation services during the course of the contract. As such, the auditor is expected to consult with the City, as required, on auditing, accounting, financial reporting, taxes and operating matters as they arise and to provide the City with information on current developments which would affect the City's financial operations and management.

Additionally, the City of Auburn has issued and may continue to issue general obligation bonds at levels that trigger an Internal Revenue Service (IRS) arbitrage calculation to be performed and corresponding tax returns to be filed. Independent of the annual audit to be performed, the Auditor shall submit a price to perform annual arbitrage calculations, by issuance year, as needed and the required (IRS) tax filing submissions.

#### B. Auditing Standards to be Followed

To meet the requirements of this request for proposal, the audit shall be performed in accordance with Government Auditing Standards issued by the Comptroller General of the

United States and procedures applicable to governmental units, as prescribed in the following documents:

1. American Institute of Certified Public Accounts (AICPA) Audits of State and Local Governmental Units, and Statements on Auditing Standards.
2. Government Finance Officers Association Accounting, Auditing and Financial Reporting.
3. U.S. General Accounting Office (GAO) Government Auditing Standards and Guidelines for Financial and Compliance Audits of Federally Assisted Programs.
4. Statements of the Government Accounting Standards Board (GASB)
5. The Single Audit Act Amendments of 1996 (Public Law 98-502 - The Act)
6. Title 2 U.S. Code of Federal Regulations (CFR) Part 200 and all applicable sections
7. The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)
8. Maine Uniform Accounting and Auditing Practices Act for Community Agencies
9. Government Finance Officers Association's Excellence in Financial Reporting Checklist
10. Other documents as may be specifically described in this Request for Proposal, or their successors.

#### C. Reports to be Issued

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

1. An Independent Auditors Report containing an expression of opinion that financial statements are fairly stated, or, if a qualified, adverse or disclaimer of opinion is necessary, the reasons therefore. The firm shall submit 25 copies of its reports no later than December 15 of each year.
2. A management letter addressed to the Mayor and City Council in which the auditor shall communicate 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 management's assertions in the financial statements. Reportable conditions that are also material weaknesses shall be identified as such in the report.

The management letter will include a report on the internal control structure based on the auditor's understanding of the control structure and assessment of control risk. The auditor will assess the effects of observed weaknesses, if any, and propose initial steps to eliminate them.

The management letter should include a report on compliance with applicable laws and regulation. The report on compliance shall include all material instances of

noncompliance. The auditor shall be required to make an immediate written report on all irregularities and illegal acts of which they become aware.

3. Separate reports on supplementary information required by Government Auditing Standards and Uniform Guidance which will include:
  - a. A report on compliance and the internal control structure at the General Purpose Financial Statement level;
  - b. A separate report on compliance with requirements applicable to each major program and internal control over compliance in accordance with Uniform Guidance;
  - c. Scheduled of Expenditures of Federal Awards and accompanying notes;
  - d. A report on compliance with specific requirements applicable to major and non-major federal financial assistance programs;
  - e. A report on compliance with general requirements for both major and non-major federal financial assistance programs.
  
4. A separate report as required by Maine Uniform Accounting and Auditing Practices Act for Community Agencies (MAAP), which will include:
  - a. A Schedule of Agreement Operations and Agreement Settlement Forms.
  
5. Separate reports upon completing the examination of the School Department's records which will include:
  - a. Financial Statements and Schedules;
  - b. A report to the School Committee;
  - c. A management letter;
  - d. An Independent Auditor's Report on Compliance with the Requirements of the Maine School Finance Act;
  
6. A separate report to the City Council informing it of each of the following:
  - a. The auditor's responsibility under auditing standards generally accepted in the United States;
  - b. Significant accounting policies;
  - c. Management judgments and accounting estimates;
  - d. Significant audit adjustments;
  - e. Other information in documents containing audited financial statements;
  - f. Disagreements with management;

- g. Management consultation with other accountants;
  - h. Major issues discussed with management prior to retention or reappointment;
  - i. Difficulties encountered in performing the audit.
7. The auditor must prepare and file the Municipal Audit Procedural Form and a copy of the auditor's report with the State Department of Audit within thirty (30) days after completion of the audits.

D. Special Considerations

1. The City of Auburn will send its Annual Comprehensive Financial Report to the Government Finance Officers Association of the United States and Canada for review in their Certificate of Achievement for Excellence in Financial Reporting program.
2. The City of Auburn has determined that the United States Department of Housing and Urban Development will function as the cognizant agency in accordance with the provisions of the Single Audit Act Amendments of 1996 and Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).
3. The schedule of expenditures of federal awards, reports required by MAAP and the reports on the internal controls and compliance are not to be included in the Comprehensive Annual Financial Report, but are to be issued separately.

E. Working Paper Retention and Access to Working Papers

The firm shall agree to make available its working papers upon request, to meet any City financial need, as well as, in accordance with federal and state grant provisions. All working papers and reports must be retained, at the auditor's expense, for a minimum of three (3) years from submission of the final audit report, unless the firm is notified in writing by the City of Auburn of the need to extend the retention period.

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

#### **IV. TIME REQUIREMENTS**

##### A. Proposal Calendar

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

- Request for Proposal Issued March 7, 2022
- Due Date for Proposals March 24, 2022

##### B. Notification and Contract Dates:

- Selected firm notification April 1, 2022

##### C. Date Audit May Commence

The City will have adjusted or closed all accounts and will have its records ready for audit and Finance Department personnel available to meet with the firm's personnel, Sixty (60) days after the end of each fiscal year.

The City will also make its records and other financial documents available prior to the end of the fiscal year so that the firm may begin its preliminary work well before the close of the fiscal year.

##### D. Schedule for the Fiscal Year Audits

Each of the following should be completed by the auditor no later than the dates indicated.

1. **Interim Work:** The auditor shall complete interim work by July 1.
2. **Detailed Audit Plan:** The auditor shall provide the City of Auburn by July 31, both a detailed audit plan and a list of all schedules to be prepared by the City of Auburn and the Auburn School Department.
3. **Fieldwork:** The auditor shall complete all fieldwork by September 21.
4. **Draft Reports:** The Finance Director shall have drafts of required reports, financial statements available for review by the Auditors by October 15<sup>th</sup>. The Auditors will have the reviewed reports, management letter and Uniform Guidance Report for the Finance Director and School Business Office personnel by November 15<sup>th</sup>.

##### E. Entrance Conferences, Progress Reporting and Exit Conferences:



The firm shall agree to entrance, progress reporting and exit conferences to review the audit program with City of Auburn officials, including the School Department, as well as, to review the City's role and assistance in the audit process.

At a minimum, the following conferences should be held by the dates indicated on the schedule:

1. Entrance conference with key Finance Department and School Business Office personnel to discuss prior audit problems and interim work to be performed. This meeting will also be used to establish overall liaison for the audit and to make arrangements for workspace and other needs of the auditor by June 27.
2. Progress conference with key Finance Department and School Business Office personnel to summarize the results of the preliminary review and to identify the key internal controls or other matters to be tested, as well as, to discuss the year-end work to be performed by July 1.
3. Entrance conference with key Finance Department and School Business Office personnel to commence the year-end audit work, by the first week of September.
4. Exit conference with Finance Department, School Business Office personnel and Audit Committee to summarize the results of the fieldwork and to review significant findings by September 24.

The auditor shall also provide oral reports on the progress of the audit at regular intervals.

The partner in charge of the audit shall be available to attend public meetings at which the audit report may be discussed. The partner or manager in charge of the audit shall be available to discuss the reports required by this proposal with the City's Finance Department and School Business Office staff as required.

#### F. Date Final Report is Due

The Finance Director shall prepare trial balance and required supplemental schedules by August 31. The auditor shall provide all recommendation, revisions, and suggestions for improvement to the Finance Director by October 16. Twenty (20) signed copies of the auditor's opinion shall be delivered to the Finance Director by December 1. In addition, thirty (25) copies of each of the Auburn-Lewiston Airport, School Department, Uniform Guidance, and MAAP reports shall be received by the Finance Director on or before December 15.

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

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

The Finance Department and School Business Office staff will render all feasible assistance to the auditor and will respond promptly to requests for information, documentation, explanations and will provide all necessary books and records required by the firm. The preparation of confirmations will be the responsibility of the auditor. In addition, clerical support will be made available to the auditor, as needed, for the preparation of routing letters and memoranda.

### **B. Statements and Schedules to be Prepared by City of Auburn Staff**

The staff of City of Auburn will prepare statements and schedules for the auditor that will include at least the following:

1. Trial balances for each fund;
2. Department expenditure and revenue status reports which include comparison to budget;
3. Schedule of appropriations and encumbrances;
4. Cash reconciliations for each fund;
5. Schedule of interfund receivables, payables and transfers;
6. Schedule of taxes and liens receivable reconciled to the general ledger;
7. Schedule of accounts receivable;
8. Schedule of accounts payable for each fund;
9. Detail of all accrued liabilities;
10. Schedule of accrued payroll;
11. Schedule of accrued compensated absences;
12. A list of encumbrances at year-end;
13. Financial statements of joint ventures;
14. Draft Comprehensive Annual Financial Report

### **C. Work Area, Telephones, Photocopying and FAX Machines**

The City of Auburn will provide the auditor with reasonable workspace, desks and chairs. The auditor will also be provided with access to a telephone line, photocopying facilities and a FAX machine.

### **D. Report Preparation**

Preparation and editing of the Annual Comprehensive Financial Report will be the responsibility of the Finance Director. However, the auditor is expected to provide assistance with proofreading and offer suggested disclosure enhancements and printing.

## **VI. PROPOSAL REQUIREMENTS**

### A. General Requirements

#### 1. Inquiries

Inquiries concerning this request for proposals should be directed to Jill Eastman, Finance Director/Treasurer, City of Auburn, 60 Court Street, Auburn, Maine 04252; telephone # 207-333-6601 extension 1402; or by e-mail at [jeastman@auburnmaine.gov](mailto:jeastman@auburnmaine.gov).

#### 2. Submission of Proposals

The following material is required to be received by March 24, 2022, for a proposal firm to be considered:

- a. A master copy (so marked) of a Technical Proposal and four (4) copies to include the following:
  - i. Title Page
  - ii. Title page showing the request for proposal subject; the firm's name; the name, address and telephone number of the contact person; and the date of the proposal.
  - iii. Table of Contents
  - iv. Transmittal Letter
  - v. A signed letter of transmittal briefly stating the proposer's understanding of the work to be done, the commitment to perform the work within the time period, a statement why the firm believes itself to be best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for the contract term.
  - vi. Detailed Proposal
  - vii. The detailed proposal should follow the order set forth in Section VI, B of this request for proposals.
- b) The proposer shall submit a dollar cost bid in a separate sealed envelope marked as follows:

SEALED DOLLAR COST BID PROPOSAL  
FOR CITY OF AUBURN  
FOR PROFESSIONAL AUDITING SERVICES  
MARCH 24, 2022

c) Proposers should send the completed proposal to the following address:

City of Auburn  
Derek Boulanger  
60 Court Street  
Auburn, ME 04210

## B. Technical Proposal

### 1. General Requirements

The Technical Proposal should demonstrate the qualifications, competence and capacity of the firm seeking to undertake an independent audit of the City of Auburn, in conformity with the requirements of this request for proposals and of the particular staff to be assigned to this engagement. As such, the substance of proposals will carry more weight than their form or manner of presentation. The Technical Proposal should also specify an audit approach that will meet the request for proposals requirements.

The Technical Proposal should address all the points outlined in the request for proposals (excluding any cost information which should only be included in the sealed dollar cost bid). The proposal should be prepared simply and economically, providing straightforward, concise description of the proposer's capabilities to satisfy the requirements of the request for proposals. While additional data may be presented, the following subjects, Item No. 2 through 9, must be included. They represent the criteria against which the proposal will be evaluated.

### 2. Independence

The firm should provide an affirmative statement that it is independent of the City of Auburn as defined by auditing standards generally accepted in the United States and the U.S. General Accounting Officers Government Auditing Standards, latest edition.

The firm should also list and describe the firm's (or proposed subcontractor's) professional relationship involving the City of Auburn or any of its agencies or component units/agencies, component units or oversight unit for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

In addition, the firm shall give the City of Auburn written notice of any professional relationships entered into during the period of this agreement which may constitute a potential conflict of interest.

### 3. License to Practice in Maine

An affirmative statement should be included that the firm and all assigned key professional staff are properly registered or licensed to practice in Maine.

#### 4. Firm Qualifications and Experience

Article VI, Section 6.12 of the City of Auburn Charter requires the City Council to appoint an accounting firm whose minimum qualifications shall include certified public accountants on staff.

The proposer should state the size of the firm, the size of the firm's government audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be employed on a part-time basis.

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

The firm is also required to submit a copy of the report on its most recent external quality control review, with a statement whether the quality control review included a review of specific government engagements.

The firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations.

#### 5. Partner, Supervisory and Staff Qualifications and Experience

Identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement; and indicate whether each such person is registered or licensed to practice as a certified public accountant in Maine. Provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit.

Provide as much information as possible regarding the number, qualifications, experience, and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. Indicate how the quality of staff over the term of the agreement will be assured.

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

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

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

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

#### 6. Similar Engagements with Other Government Entities

For the firm's office that will assign 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, experience with governmental accounting and GASB pronouncements, engagement partners, total hours, and the name and telephone number of the principal client contact.

#### 7. Specific Audit Approach

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed in performing the services required in Section III of this request for proposal. The proposal should describe the audit procedures to be followed, presented in a form which shall best aid the City of Auburn in evaluating your firm's ability to identify, evaluate and communicate on municipal government financial problems.

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

- a. Proposed segmentation of the engagement;
- b. Level of staff and number of hours to be assigned to each proposed segment of the engagement;
- c. Extent of EDP software used in the engagement;
- d. Approach to be taken to gain and document an understanding of the City of Auburn's internal control structure;
- e. Approach to be taken in determining laws and regulations that will be subject to audit testing;
- f. Sample sizes and the extent to which statistical sampling to be used in the audit;
- g. Type and extent of analytical procedures to be used in the engagement;
- h. Audit sample size selection methods for testing compliance;
- i. Indication of how implementation of future GASB Statements will affect the engagement, as well as staff's readiness to assist in and audit statements incorporating future GASB Statements;
- j. Any other information the proposer feels is relevant to this engagement.

## 8. Identification of Anticipated Potential Audit Problems

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

## 9. Report Format

The proposal should include sample formats for required reports.

## 10. Professional Liability Insurance Coverage

Certificates of Professional Liability, Workers Compensation, and Public and Automobile insurance coverage with the indication of liability limits should be enclosed in the proposal. The successful proposal shall agree to defend, indemnify and save the City harmless from all losses, costs or damages caused by its acts or agents.

## C. Sealed Dollar Cost Proposal

### 1. Total All-Inclusive Maximum Price

The sealed dollar cost proposal should contain all pricing information relative to performing the audit engagement as described in this request for proposal.

The sealed dollar cost proposal (Appendix A) should include the following information:

- a. Name of Firm
- b. Certification that the person signing the proposal is entitled to represent the firm, empowered to submit the proposal, and authorized to sign a contract with the City of Auburn.
- c. A Total All-Inclusive Maximum Price for each of the proposed three (3) years. To facilitate the City's budgeting and expenditure distribution, please approximate the cost of each segment of the audit, i.e., General Fund, School Department, Community Development Block Grant, and Auburn-Lewiston Airport. The total three (3) year fee is the cost that will be used for evaluation purposes.

## D. Rates for Additional Professional Services

If it should become necessary for the City of Auburn to request the auditor to render any additional services to either supplement the services requested in this RFP or to perform additional work resulting from the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum

to the contract between the City of Auburn and the firm specifying the additional work to be performed and related compensation.

#### E. Final Payment

The final payment for any audit shall become due only after the submission of all reports required by Section III, C of this proposal and their acceptance by the City and/or federal or state grantor agencies.

### **VII. EVALUATION PROCEDURES**

#### A. Review of Proposals

The City of Auburn shall evaluate the proposals on the basis of the qualifications, relevant experience and responsiveness of the bidders, as well as the estimated cost of the engagement.

#### B. Evaluation Criteria

Proposals will be evaluated using three (3) set of criteria as outlined below and in the attached Audit Proposal Scorecard (Appendix C). Firms meeting the mandatory criteria will have their proposals evaluated for both technical qualifications and price. The following represent the principal selection criteria which will be considered during the evaluation process:

1. Mandatory Elements:
  - a. The audit firm is independent and licenses to practice in Maine.
  - b. The firm has no conflict of interest to any relationship between the firm and the City of Auburn.
  - c. The firm adheres to the instructions in this request for proposal on preparing and submitting the proposal.
  - d. The firm submits a copy of its last external quality control review report, and the firm has a record of quality audit work.
  - e. A statement that the firm's professional employees have obtained adequate continuing professional education within the preceding two (2) years, specifically as it pertains to governmental accounting and implementation of current and upcoming GASB pronouncements.
2. Technical Quality
  - a. Expertise and Experience:



- (1) The firm's past experience and performance on comparable government engagements.
- (2) The quality of the firm's professional personnel being assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation.
- (3) The firm's expertise in the use of computers.
- (4) The firm's experience in auditing similar federal or state financial assistance programs.

b. Audit Approach

- (1) Adequacy of proposed staffing plan for various segments of the engagement.
- (2) Adequacy of the audit plan for electronic data processing function.
- (3) Responsiveness of the proposal that demonstrates a clear understanding of the engagement through the audit work plan and time estimates for each segment of the audit.

3. Price:

Cost will be an important, but not the primary, factor in the selection of an audit firm.

D. Oral Presentations

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

E. Final Selection

The City Council will select a firm based upon the recommendation of the Audit Committee.

It is anticipated that a firm will be selected by June 30. Following notification of the firm selected, it is expected a contract will be executed between both parties by July 10.

F. Right to Reject Proposals

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

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

## **VIII. TERMINATION OF AUDIT**

If the audit firm fails to substantially comply with the specifications contained in this Request for Proposals, then the City of Auburn reserves the right to terminate the engagement after completion of any audit year, upon written notice to the firm by March 1.

APPENDIX A

City Council  
 Auburn, Maine

The undersigned proposes to provide the City of Auburn, Maine with an independent audit of its financial accounts and records, as specified in its Proposal to Provide Audit Services.

The undersigned certifies that he/she is entitled to represent the firm, is empowered to submit the proposal, and is authorized to sign a contract with the City of Auburn.

The undersigned proposes to accept as full payment the following sum:

	<b>July 1, 2021 to June 30, 2022</b>	<b>July 1, 2021 to June 30, 2022</b>	<b>July 1, 2021 to June 30, 2022</b>	<b>July 1, 2021 to June 30, 2022</b>	<b>July 1, 2021 to June 30, 2022</b>
City					
School					
CDBG					
Auburn- Lewiston Airport					
Total Per Year	\$	\$	\$	\$	\$
Total Five (5) Year Cost					\$

Firms Name	
Signature	
Name & Title (printed or typed)	
Address	
Date	
Telephone #	
Fax #	

APPENDIX B

LIST OF KEY PERSONNEL, OFFICE LOCATIONS & TELEPHONE NUMBERS

Name & Title	Location of Office	Telephone #
Phillip Crowell City Manager	City Building	(207) 333-6601 Ext 1212
Cornelia Brown, PhD Superintendent of Schools	City Building	(207) 333-6601 Ext 1201
Jill Eastman Finance Director/Treasurer	City Building	(207) 333-6601 Ext 1402
Kelsey Earle Deputy Director/Tax Collector	City Building	(207) 333-6601 Ext 1174
Gina Klemanski Accounting Assistant	City Building	(207) 333-6601 Ext 1404
Jessica Bouchard Accounting Assistant	City Building	(207) 333-6601 Ext 1400
Karen Scammon Assessor	City Building	(207) 333-6601 Ext 1118
Mark Conrad School Dept. Business Manager	City Building	(207) 333-6601 Ext 1204

## AUDIT PROPOSAL SCORECARD

Scores available from 1-5

<b>1. Adherence to RFP Instructions</b>				<b>BASIS FOR SCORE</b>
Timeliness				
Completeness				
Overall Quality & Level of Professionalism				
Overall Response				
<b>Average Score</b>				
<b>2. Expertise and Experience</b>				<b>BASIS FOR SCORE</b>
The firm's past experience and performance on comparable government engagements				
Quality of the firm's professional personnel being assigned and quality of the firm's management support personnel to be available for technical consultation				
The firm's expertise in the use of computers				
The firm's experience in auditing similar federal or state financial assistance programs				
<b>Average Score</b>				
<b>3. Audit Approach</b>				<b>BASIS FOR SCORE</b>
Adequacy of proposed staffing plan for various segments of the engagement				
Adequacy of the audit plan for electronic data processing function				
Responsiveness of the proposal				
<b>Average Score</b>				
<b>4. Mandatory Elements</b>				<b>BASIS FOR SCORE</b>
The audit firm is independent and licenses to practice in Maine				
The firm has no conflict of interest to any relationship between the firm and the City of Auburn				
The firm adheres to the instructions in this request for proposal on preparing and submitting the proposal				
The firm submits a copy of its last external quality control review report, and has a record of quality audit work				
<b>Average Score</b>				

<b>5. Fee Summary</b>				<b>BASIS FOR SCORE</b>
Admin Fees				
Cost Reasonableness				
Other Fees				
<b>Average Score</b>				

<b>CRITERIA SCORES</b>	<b>WEIGHT</b>	<b>VENDOR WEIGHTED SCORE</b>	<b>NOTES</b>
1. Adherence to RFP Instructions	0.05		
2. Expertise and Experience	0.35		
3. Audit Approach	0.28		
4. Mandatory Elements	0.28		
5. Fee Summary	0.04		
<b>Total Score</b>	<b>1.00</b>		