

Request for Proposal ANNUAL AUDIT SERVICES TOWNSHIP OF DALLAS

Dated: June 3, 2019

SUMMARY OF REQUEST

The Township of Dallas is accepting proposals from qualified firms of certified public accountants to provide annual audit services for the Township of Dallas for their years ending December 31, 2019, 2020 and 2021.

One Original and two copies of the proposals shall be delivered to the Township Secretary/Treasurer, K. Gary Kirk, CPA and clearly marked "Proposal for Annual Audit Services". Signed and sealed Proposals shall be received until 2:00 pm on Monday, August 5, 2019, after which time, no further proposals will be considered. Sealed bids will be opened and read aloud to the public at 7:00 pm, Tuesday August 6, 2019 at the Township's monthly meeting.

Request for Proposal packages may be viewed at the Township of Dallas website at www.dallastwp.org or may be obtained at the Township offices, 105 Lt. Michael Cleary Drive, Dallas, PA 18612, from 8:30 am to 4:30 pm on Monday through Friday. Additional information concerning this Request for Proposal may be obtained by contacting Supervisor William J. Grant at 570-885-4961.

The Township of Dallas reserves the right to reject any or all bids and to waive technicalities and informalities and re-advertise. All are strongly encouraged to apply. Only responsive proposals that are determined to meet the requirements and criteria set forth by the Township of Dallas will be considered.

I. INTRODUCTION

The Township of Dallas is located in Luzerne County, Pennsylvania, with an annual budget of approximately \$4.2 million.

A. General Information

The Township of Dallas is requesting proposals from qualified firms of certified public accountants to perform yearly audit services for the years ending December 31, 2019, 2020 & 2021. The financial statements are to be performed in accordance with Generally Accepted Accounting Principles (GAAP).

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

To be considered, three copies of the proposal must be received at the Dallas Township offices, Attn: K. Gary Kirk, CPA, 105 Lt. Michael Cleary Drive, Dallas, PA 18612, no later than Monday, 2:00 pm, August 5, 2019. The Township of Dallas reserves the right to reject any or all proposals submitted. Proposals submitted will be evaluated by the Township Supervisors.

During the evaluation process, the election personnel and the Township of Dallas reserve the right, where it may serve the Township's best interest, to request additional information or clarifications from proposers, or to allow corrections of errors or omissions. Firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

The Township of Dallas 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 Proposal, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the Township of Dallas and the firm selected.

It is anticipated the selection of a firm will be completed no later than Tuesday, September 3, 2019. Following the notification of the selected firm, and approvals by Township Supervisors, it is expected that the engagement letter will be executed between both parties within 10 days of all approvals.

B. Term of Engagement

1. Contract Period-The agreement shall be for a three-year period and shall become effective immediately upon execution by all parties with implementation of all specified services to take place for the accounting services beginning January 1, 2020. The contract entered into between the Township and the firm shall extend for a term through and including the closing of the financial statements for December 31, 2019, 2020 & 2021.

2. Compensation for services shall be a fixed price for the service which complies with term of the agreement. The fixed fee shall include a minimum number of hours to be allotted to the partner-in-charge, supervising manager, and field staff.

3. Following engagement, should the Township find that the firm failed in any material respect to perform its obligations under the agreement; the Township may cancel the agreement. The firm shall be liable for damages from such breach including reasonably foreseeable incidental and consequential damages. The firm shall promptly return all work papers and work in progress to the Township. The firm shall provide the Township at least 120 days prior written notice of its intent to terminate any agreement.

II. DESCRIPTION

A. General-The Firm's principal contact with the Township will be Gary Kirk, a designated representative, who will coordinate the assistance to be provided by the Township of Dallas to the Firm.

B. Background Information-The Township of Dallas operates under the Second Class Township Code. The Township of Dallas is located in Luzerne County, Pennsylvania, and has an annual budget of approximately \$4.2 million.

More detailed information on the government and its finances can be found in a variety of documents which provide background information that defines the scope of Township services, Township

demographics, fund structure, basis of accounting, federal and state assistance and a description of the Township's pension plans.

C. Fund Structure-The Township uses all of the funds included in the budget, all under general ledger control, and account groups in its financial reporting.

D. Budgetary Basis of Accounting-The Township of Dallas prepares its budgets on a basis consistent with generally accepted accounting principles.

III. SCOPE OF WORK TO BE PERFORMED

The Township of Dallas desires the accounting firm to conduct annual audit in conformity with the generally accepted accounting principles. Services that may be required from the contractor include:

A. Annual DCED Audit Report -The state (DCED) financial report will be prepared by the auditor for the General Fund. The auditor will also be responsible for preparing required opinion and filing of the report by the DCED deadline.

B. Stand Alone Financial Statements Prepare stand-alone financial statements for the Police Pension Fund and Non-Uniform Employee Pension Fund.

IV. PROPOSAL REQUIREMENTS

The following must be received by the proposal due date or the firm will not be considered:

1) Title Page – the title page shall show the proposal subject, the firm's name, address, contact person, and the firm's Pennsylvania CPA license number (if applicable) and federal identification number.

2) Cover Letter – The cover letter should briefly state the proposer's understanding of the work to be performed, commitment to perform the work and statements as to why the firm believes it is the best qualified firm to perform the engagement. The cover letter should also include a statement that the offer is a firm and irrevocable offer for 120 days.

3) Table of Contents

4) Firm's Qualifications a. Evidence of license to practice as a Certified Public Accountant. b. Provide a listing of current municipal clients in the Commonwealth of Pennsylvania for which your firm is providing accounting services. This section shall include the services being provided, a short description of the client, the amount of revenue generated, name of the Project manager in your firm responsible for the services provided, and contact information of the client. A preference of at least five years' experience working with municipal government. c. Description of the number of people employed by CPA firm, list of partners, managers, accountants and all support staff. d. Please confirm your firm's independence with respect to the Township of Dallas. e. Please comment on your commitment to staff continuity for personnel assigned to this engagement. f. Please provide proof of insurance by providing a Certificate of Insurance of an authorized agent.

The respondent awarded the contract will be required to submit: Professional Liability - \$1,000,000 errors and omissions per occurrence. General Liability - \$1,000,000 per occurrence. The Township shall be named additional insured, Workers' Compensation and Employer's Liability – Statutory.

5) Personnel Qualifications a. Provide sufficient information and related experience of personnel who will perform Township of Dallas accounting services. Include resumes of the Project Manager directly responsible for this contract and other professionals directly involved in working with the Township of Dallas. Resumes shall include all relevant experience during the last three years with municipalities similar to the Township of Dallas education, CPA licenses and continuing education of the individuals, include an affirmative statement that the firm and all assigned key professional staff are properly registered/licensed to practice in the Commonwealth of Pennsylvania. b. Please provide your firm's most recent peer review reports, the related letter of comments, and your firm's response to the letter of comments. If there are no peer review reports, please explain why there are none. c. Please provide confirmation that your firm is familiar with the accounting software Quickbooks.

6) Approach to Provide Accounting Services a. Provide in sufficient detail the firm's approach to the Township of Dallas's accounting services. Include procedures to be performed, by whom they will be performed by, tasks to be accomplished, the utilization of computers in the engagement, consideration of laws and regulations, assistance that will be provided to the Township of Dallas staff, the Board of Supervisors and Committees. b. Additional Information - Interested firms are encouraged to provide any additional information not otherwise requested that may aid the Township of Dallas in awarding this professional service contract.

7) The firm shall provide with its proposal, sample financial report(s) prepared for a client that the firm believes is representative of professional work of the firm, preferably in an area related to the services being requested. This document will be used in the evaluation process in selecting a firm to provide services to the Township of Dallas. At the request of the firm, the document can be returned immediately after the contract for these services is awarded. Identity of the client may be masked. The Township shall treat the professional work sample as confidential.

8) Compensation -Compensation for services shall be an annual fixed payment. Please provide your price for auditing services.

Please describe how you will bill for questions on technical matters that may arise throughout the engagement.

IV. TIME REQUIREMENTS

The following time schedule has been established for the processes governing this Request for Proposals:

June 3, 2019 Distribute RFP, Publish in the Citizens Voice newspaper and the Township of Dallas Website.

August 5, 2019 Proposals must be received by 2:00 pm.

August 6, 2019 Township opens all bids at the Township meeting.

September 3, 2019 Township Supervisors will select firm.

January 1, 2020 Engagement begins.

V. EVALUATION PROCEDURES

Proposals submitted will be evaluated by the Board of Supervisors of Dallas Township.

The below factors will be used when evaluating the proposals. The factors are not listed in order of importance.

- The Firm's independent and licensed to practice in the Commonwealth of Pennsylvania - The Firm's professional personnel have received adequate continuing professional education within the preceding three years. - The Firm has no conflict of interest with regard to any other work performed by the Firm for the Township of Dallas. - The Firm's past experience on comparable government engagements - Responsiveness to Request for Proposal specifications - Project cost - Qualifications and experience of the staff to be assigned to the project - References - Demonstrated capability to perform the type of work requested

During the evaluation process, the Township of Dallas reserves the rights to request additional information or clarifications from proposers and the right to reject any or all proposals. Proposals will be evaluated by a panel and the most qualified firm(s) may be requested to make oral presentations. The Township shall not be obligated to explain the results of search