

Request for Proposal

PROFESSIONAL AUDIT SERVICES FOR

Luzerne County Human Services
Area Agency on Aging
Drug and Alcohol Services
Office of Children and Youth
Mental Health and Developmental Services
Office of Human Services
For the Fiscal Year ending 30 June 2022
Calendar Year ending 31 December 2022

REF#051022RFPHS

LUZERNE COUNTY PENNSYLVANIA

DUE DATE: 4:00 p.m. May 26, 2022

Luzerne County Purchasing Department
Attention: Mary Ann Amesbury
Penn Place Office Building
20 North Pennsylvania Avenue
Suite 203
Wilkes Barre, Pa 18711
570-820-6337
MaryAnn.Amesbury@luzernecounty.org

FIND US AT: www.luzernecounty.org/procurement

ATTENTION:

RFPs will be received weekdays between the hours of 9:00 AM to 4:00 PM only (excluding holidays).

All RFPs must be delivered by the time stated in the bid packet.

All RFPs must be delivered to:

Luzerne County Purchasing Department
20 North Pennsylvania Avenue
Suite 203
Wilkes Barre, Pa 18711

Any questions in regard to the RFP package, please contact Mary Ann Amesbury at 570-820-6337 or MaryAnn.Amesbury@luzernecounty.org.

ATTENTION:

YOU MUST PRINT THE BELOW ADDRESS AND RFP INFORMATION AND AFFIX TO THE OUTSIDE OF YOUR RFP ENVELOPE. THE RFP WILL NOT BE ACCEPTED IF THIS INFORMATION IS NOT PROVIDED



Luzerne County Purchasing Department
Penn Place Building
Suite 203
20 N. Pennsylvania Ave
Wilkes Barre, PA 18711

All RFP returns must have this label attached with
The name and reference number of the RFP to the
Outside of the return envelope
(UPS, FEDEX, etc.) Or it will be rejected.

RFP Name _____
Company Name _____
Reference # _____

Responders who use USPS Services, PLEASE NOTE:

The Post Office does not deliver mail directly to Penn Place.

You should allow additional time for your bid to be forwarded from the Court House to Penn Place. It is the Responders responsibility to get their RFP packets to the Purchasing Department by the time specified.

LUZERNE COUNTY WILL NOT BE RESPONSIBLE FOR LATE OR MISDIRECTED MAIL.

GENERAL INSTRUCTIONS TO RESPONDENTS

1. Any alterations, erasures, additions to or omissions of required information, or change of specifications or bidding schedule, is done at the risk of the responder and may result in rejection of his/her RFP. In case a responder finds discrepancies or omissions, or is in doubt as to the meaning of the specifications of bidding schedule, he/she should at once notify the Luzerne County Purchasing Department, who will reply to such questions in official supplement and copies will be sent simultaneously to all responders.
2. All responders are responsible to see that their names appear in the Purchasing Department office on the form recording the names of prospective responders, so that the responders are assured of receiving pertinent bulletins which may be issued before the RFP's are opened.
3. All responders must be recognized dealers in the materials specified and qualified to advise in its application of use. The responders at any time requested, must satisfy the County Manager and administrative officers that they have the requisite organization, capital, plant, stock, ability and experience to satisfactorily execute the contract in accordance with the provisions of the contract in which responder is interested.
4. Submitting a proposal when it is intended to sublet the contract is cause for rejection of your RFP, or cancellation of the contract, unless approval is given in writing by Luzerne County prior to the RFP opening.
5. It is agreed by the parties hereto that wherever the word "Purchasing Agent" or the pronoun in place thereof occurs in the articles of agreement of specifications, it is hereby expressly understood that the Purchasing Agent is acting only under the authority of the subject to the approval of the County Manager and administrative officers.
6. In case of error in the extension of prices, the unit price shall govern.
7. The contract will not be awarded to any corporation, firm, or individual who has failed in any former contract with Luzerne County to perform work or delivery of guarantee.
8. It is expressly understood and agreed that the inspection of materials and workmanship by the purchasing or issuing department will in no way lessen the responsibility of the contractor or release him/her from obligations to perform and deliver to the County satisfactory work materials. The contractor agrees to pay the cost of all tests for defective materials and to allow the cost to be deducted from any money due him/her from the County otherwise bondsmen in this case are liable for satisfactory completion of the contract.
9. When the contract has been duly signed and the contract bond covering the same approved, then and not before, the contractor may secure instructions from the purchasing agent pertaining to the procedure of the work or delivery.
10. If more than one RFP is offered by any one party or in the name of his/her clerk, partners or other persons, all such bids may be rejected. However, a party who has quoted prices on materials to a responder is not thereby disqualified from quoting prices on materials to other responders or from submitting a RFP directly for the materials or work.
11. The County Manager and administrative officers reserve the right to reject any and all RFPs or specifications when deemed to the best interest of the County and also to purchase any, part, or none of the materials specified. The Luzerne County Manager may cancel the award at any time before the execution of the contract.
12. All terms, rebates and discounts shall be considered to be offered effective as of the date of payment by County notwithstanding anything to the contrary expressed by the responder in his/her RFP.
13. The County will reject all materials that do not meet the specifications even though the responders list trade names of such materials on the proposal sheet.

14. The material and equipment shall be delivered to the County of Luzerne, Pennsylvania. All prices quoted shall be F.O.B., Luzerne County Court House, or point of destination within Luzerne County if otherwise specified.
15. The party or parties bidding upon this proposal to whom the award or awards are made may be required to enter into a contract with the County of Luzerne within sixty (60) days of notification by the Purchasing Agent. Failure of bidder to do so, shall result in the cancellation of the award and forfeiture of the bid bond and/or bid deposit which shall become the absolute property of the County of Luzerne.
16. The responder or responders to whom the contract is awarded agree(s) to release the County of Luzerne from all suits or action of any nature or description brought against it for or on account of the use of patents, appliances, products or processes.
17. The County Manager and administrative officers at their discretion, may extend the time for the completion of this contract, if prevented by strikes of employees or by reason of it being impossible to procure the necessary material, equipment, etc.
18. All RFPs must be made on proposal blanks attached to these specifications and made part thereof, and must be enclosed in sealed envelopes/package directed to the Luzerne County Purchasing Department. Attached labels must be placed upon outside of said envelope/package, failure to do so may result in rejection of submitted RFP.
19. Responders must write or print figures in ink or typewritten.
20. A proposal which is incomplete, obscure, conditional or unbalanced or which contains additions not called for or irregularities of any kind or alterations may be rejected.
21. Luzerne County reserves the right for the Luzerne County and/or the Luzerne County Manager and/or their respective designees to perform financial and/or performance audits on any purchase, sale, award, contract or other transactions involving Luzerne County, therefore, any party to a purchase, sale, award, contract or other transaction involving Luzerne County must grant to the Luzerne County Controller and/or the Luzerne County Manager and/or their respective designees reasonable access to any property and/or equipment purchased in whole or in part with Luzerne County funds and must grant reasonable access for review, inspection and reproduction of any and all financial, employment and/or other records of the vendor, contractor, subcontractor or other entity deemed relevant by the Luzerne County Controller and/or Luzerne County Manager.
22. With respect to responders that are permitted to provide certified checks, cashier's checks and/or trust company treasurer's checks in lieu of a bid bond, such checks shall be returned to unsuccessful responders within thirty (30) days following the award of the RFP and will not be cashed. Luzerne County may deposit the check of the successful responder and may retain such funds until the successful responder enters into an agreement with Luzerne County to fulfill the RFP on the terms submitted by that responder. With respect to successful responders that are permitted to provide certified checks, cashier's checks and/or may be cashed and retained by Luzerne County pending the responder's full and faithful performance of the RFP.

23. Luzerne County will **NOT** accept vendor contracts that include automatic renewal and price escalation clauses.
24. The successful responder must permit the County to make payment to vendor by credit card or debit card without penalty or surcharge.
25. All vendors and contractors may be required to submit a **Performance Bond** to Luzerne County Purchasing upon contract award.

BID QUESTIONNAIRE FORM

1. How long have you been in business?

2. Can you deliver to all locations in the County? Yes No

3. Can you deliver within two (2) business days after receiving order?

Yes NO

4. Do you have a company website? Yes No

5. Do you have a toll-free number? Yes No

6. Is your company capable of notifying the County of partial shipments?

Yes NO

7. Please list two references which you are currently doing business with.

A. Name: _____

Address _____

Telephone _____

Contact _____

B. Name: _____

Address _____

Telephone _____

Contact _____

Notice to Responders

RFPs will be opened in the Luzerne County Purchasing Department.

RFP packages may be obtained at the offices of Luzerne Purchase Department in the Penn Place Building, 20 North Pennsylvania Avenue, Suite 203, Wilkes Barre, PA 18711, and on the website at www.luzernecounty.org.

Mary Ann Amesbury is the only contact for this project. Contacting other County Officials, Council Members, or Staff Members as part of this process is not acceptable and is grounds for elimination from consideration.

RFPs will be received weekdays between the hours of 9:00 a.m. to 4:00 p.m. only (excluding holidays).

Failure to follow these instructions may result in RFP rejection.

The attached labels must be affixed to the outside of the mailing envelopes or the RFP will not be accepted.

Respondents who use USPS service please note:

The Post Office does not deliver mail directly to Penn Place. You should allow additional time for your RFP to be forwarded from the Court House to Penn Place.

It is the Responders responsibility to get their RFP packets to the Purchasing Office by the time specified.

Luzerne County will not be responsible for late or misdirected mail.

By signing the submitting RFP, each bidder shall be deemed to have consented in writing that the RFP may be awarded and shall remain open up to ninety (90) days of the RFP opening.

The County of Luzerne is an equal opportunity employer.

Luzerne County Manger reserves the right to reject any or all RFPs or any part or items of the RFPs.

Luzerne County advertisement published by the order of:

Acting County Manger
Romilda Crocamo, Esq

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I. Introduction

A. General Information

The Luzerne County Human Services Division includes the following departments: Children and Youth Services & the Office of Human Services. The division also includes the following two-county jointer departments, which are considered to be component units of the County: Luzerne/Wyoming Counties Area Agency on Aging; Luzerne/Wyoming Counties Drug and Alcohol Services; and Luzerne/Wyoming Counties Mental Health and Developmental Services.

1. Notice of Invitation – Luzerne County Office of Human Services invites qualified firms of Certified Public Accountants to submit a proposal to conduct the annual audit of Luzerne County Human Services Departments. The audit period is for the fiscal year ending June 30, 2022 for the three jointers and calendar year ending December 31, 2022 for the remaining two departments, with an option for three (3) subsequent years through 2025. After the first year, the Office Of Human Services reserves the right to extend the agreement and to negotiate rates, terms and conditions based on changes of circumstances or re-RFP the audit, as may be in the Agency's best interest. The audit is to be conducted in accordance with generally accepted auditing standards, the standards set forth for financial audits in the U.S. General Accounting Office's (GAO) Government Auditing Standards, the Single Audit Act Amendments of 1996, the U.S. Office of Management and Budget (OMB) Uniform Guidance, and the Pennsylvania Department of Human Services Single Audit Supplement. Section II of this Request for Proposal Explains the Nature of Services Requires that your firm is asked to bid upon. There is no expressed or implied obligation for the Agency to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.
2. Proposal Submission- Prospective firms should submit detailed sealed proposals with provided labels attached on or before Friday, May 26, 2022, by 4:00 P.M. EST to Mary Ann Amesbury, Director of the Purchasing Department, Penn Place Building, 20 North Pennsylvania Ave, Suite 203, Wilkes Barre, PA 18701
3. Proposal Format- Proposal cover letters should designate who can answer questions concerning the submitted proposals. An officer empowered to bind the firm submitting the proposal must sign the proposal. One (1) original and three (3) copies of the proposal should be submitted in the format outlined in Section III, "Proposal Document Instructions."
4. Questions- Any questions concerning the scope of work should be submitted in writing to: Adam Wiernusz, Human Services Fiscal Director, Luzerne County Office of Human Services, 111 North Pennsylvania Blvd, Suite 110 Wilkes-Barre, PA 18701-7355 or emailed to him at adam.wiernusz@luzernecounty.org.
5. Contract Terms- The proposal should be on a fee basis as defined in Section III, "Proposal Document Instructions." All firms submitting a proposal shall agree to not include a provision into a contract or agreement with the Agency requiring the Agency to hold harmless or indemnify any person, partnership, association, corporation or other form of entity. By responding to the bid, the firm is agreeing to the terms, conditions and requirements set forth herein, unless expressly noted in writing in the firm's written submission.

6. Schedule of key dates for the first year audit-
 - a. Submit sealed proposals by 4:00PM Friday, May 26, 2022.
 - b. Audit committee meets to select finalist(s)
 - c. Interviews with prospective firm(s)
 - d. Audit committee formalizes selection
 - e. Planning meeting between agency staff and vendor
 - f. Delivery of audits to agency and county

B. Evaluation and Selection of Proposals

There will be an audit committee comprised of the fiscal officers of each of the human services departments that will perform the evaluation of proposals in accordance with the criteria set forth at Appendix A.

The following criteria will also be considered in the evaluation:

1. Audit Approach
2. The audit firm is licensed to practice in the Commonwealth of Pennsylvania
3. The firm is independent
4. The firm has no conflicts of interest with regard to any other work performed for the County
5. The firm adheres to the instructions in this request for proposal on preparing and submitting the proposal
6. The firm's past experience and performance on comparable engagements (include at least 5 references)
7. The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for consultation
8. Expertise with similar federal and state financial awards
9. The firm's Peer Review results under the AICPA's Peer Review Program
10. Other criteria as deemed prudent

The County reserves the right to retain all proposals submitted and use any idea in a proposal regardless of whether that proposal is selected.

C. Subcontracting - Firms are not permitted to subcontract or assign any part of the work covered under the scope of the audit engagement, without the express prior to written consent of the Agency.

D. Minority & Women Owned Business - It is encouraged for minority and women owned firms/business enterprises to apply.

II. Nature of Services Required

A. Scope of Work

Agency desires the audit firm to express an opinion on the fair presentation of the financial statements in conformity with generally accepted accounting principles. The financial statements will be presented in accordance with the financial reporting model described in GASB Statement No. 34. The auditor is to provide an opinion on the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the Agency based on the auditing procedures applied during the audit of the financial statements and the reports of other auditors, as applicable.

The Agency is responsible for completing the Management's Discussion and Analysis section of the financial statements.

The scope of the audit includes the following revenue sources/programs of the Agency:

AAA:

- Block Grant Funds received from the PA Department of Aging
- Other Pennsylvania Department of Aging funds including but not limited to Medicaid Waiver and Title V
- National Council on Aging
- Corporation for National and Community Service
- Luzerne/Wyoming Mental Health and Developmental Services
- Hall of Fame Grant
- Program Income generated by the agency

Children and Youth:

- Schedule of Expenditures of Federal Awards
- Notes to Schedule of Expenditures of Federal Awards
- Schedule of Expenditures of Pennsylvania Department of Human Services Awards
- Notes to schedule of expenditures of Pennsylvania Department of Human Service Awards
- Statement of Revenue, Expenditures by Major and Intermediate Object Codes and Changes in Fund Balance/net Assets with Comparative Totals for Year Ended December 31, 2022.
- Schedule of Expenditures by Major and Intermediate Object Codes and by Cost Center
- Schedule of Title IV-E Independent Living Program Revenue and Expenditures

The document will also include the following Single Audit Reports for the year ended December 31, 2022.

Single Audit Reports

- Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.

- Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Uniform Guidance
- Schedule of Findings and Questioned Costs
- Summary Schedule of Prior Year Audit Findings

The document submitted will also include additional information required by the Commonwealth of Pennsylvania Department of Human Services Single Audit Supplement for the period of July 1, 2021 to June 30, 2022 that will be subject to agreed upon procedures identified in the Commonwealth of Pennsylvania Department of Human Services Single Audit Supplement. The sufficiency of the procedures is solely the responsibility of the Pennsylvania Department of Human Services (DHS).

Department of Human Services Single Audit Supplement for the Twelve Month Period July 1, 2021 to June 30, 2022

- Independent Auditor’s Report on Applying “Agreed-Upon Procedures”
- Schedule of Revenues and Expenditures – Exhibit I
Notes to Schedule of Revenues and Expenditures

Drug and Alcohol Programs

- Commonwealth of PA Department of Drug and Alcohol Programs; State and State-allocated Federal Funds Commonwealth of Pennsylvania Department of Human Services
- Agencies and County General Fund

Mental Health and Developmental Services

- Commonwealth of Pennsylvania Department of Human Services
- Office of Medical Assistance Programs
- SAMHSA Systems of Care Grant
- Any Commonwealth or Federal grants awarded for the period
- County General Fund Match
- Client and other third party payors

Office of Human Services

- Human Services Development Fund
- Homeless Assistance Program
- Shared Services with other Human Services Departments
- AUP report of Homeless Assistance Program and Human Services Development Fund for fiscal year ended June 30, 2022

Audit Objectives

1. Internal control related to the financial statements and compliance with laws, regulations, and the provisions of the contracts or grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with Government Auditing Standards.
2. Internal control related to major programs and an opinion (or Disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in

accordance with the Single Audit Act Amendments of 1996 and OMB Uniform Guidance, Audits of State, Local Governments, and Non-Profit Organizations.

B. Auditing Standards to be Followed

To meet the requirements of this request for proposals, the audit shall be performed in accordance with:

1. Generally accepted auditing standards as set forth by the American Institute of Certified Public Accounts,
2. The standards for financial audits set forth in the U.S. General Accounting Office's *Government Auditing Standards* (as amended) (also known as the Yellow Book)
3. The Single Audit Act Amendments of 1996.
4. The provisions of the U.S. Office of Management and Budget (OMB) Uniform Guidance *Compliance Supplement for Single Audits of State and Local Governments* (as amended) and the Pennsylvania Department of Human Services Single Audit Supplement (as amended).
5. Audits of States, Local Governments, and Non-Profit Organizations,
6. Any future audit conventions, audit procedures, or audit pronouncements from or by any state or federal funding agency, entity establishing *generally accepted auditing standards*, or statute from a governmental entity or regulation from a grantor agency or other authoritative entity concerning audits of funds or programs operated, administered or managed by the Agency.

C. Reports to be Issued

The following reports are required to be timely issued:

1. The Agency's financial report on a fiscal year basis presented in accordance with the financial reporting model included in GASB No. 34
2. Single Audit Report (where applicable), containing
 - a. Schedule of Expenditures of Federal Awards (calendar year)
 - b. Schedule of Commonwealth of Pennsylvania Department of Human Services Expenditures (calendar year).
 - c. Notes to preceding schedules.

- d. Independent Auditors' Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
 - e. Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program, Internal Control Over Compliance in Accordance with OMB Uniform Guidance and Schedules of Expenditures of Federal Awards and Commonwealth of Pennsylvania Department of Human Services Expenditures.
 - f. Schedule of Findings and Questioned Costs.
3. Selected Department of Human Services Single Audit Supplement for the Period of July 1, 2021 to June 30, 2022.
 - a. Containing all supplemental financial schedules required by the Pennsylvania DHS Single Audit Supplement subject to the application of Agreed-Upon Procedures.

All reports are to be delivered to the Agency.

D. Working Paper Retention and Access to Working Papers

All audit working papers and reports must be retained, at the auditor's expense, for a minimum of seven (7) years, unless the firm is notified in writing by the Agency of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the following parties or their designees:

1. Luzerne County
2. U.S. General Account Office
3. U.S. Department of Health & Human Services
4. Pennsylvania DHS
5. Inspectors General
6. Parties designated by the federal or state governments or by the Agency as part of an audit quality review process.
7. Auditors of entities of which the County is a sub-recipient of grant funds.

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

III. Proposal Document Instructions

A. General Requirements

Proposals should include the following:

1. Title page, including:
 - a. The name, address, and phone number of the bidder's contact person
 - b. The name and address of the firm
2. Table of contents
3. Transmittal letter, including:
 - a. A brief statement as to the proposers understanding of the work to be performed, the commitment to perform the work within the time period, and a statement as to why the firm believes it to be the best qualified to perform the engagement.
 - b. The period of time for which the offer will be honored, which should be at least 90 days from the date of the proposal.
 - c. A signature of the person authorized to commit the firm.
4. Body of proposal – see below
5. Executed copies of Proposer Guarantee and Proposer Warranties, provided in the attachments, Appendix B and Appendix C.

B. Body of the Proposal

The purpose of the proposal is to demonstrate the qualifications, competence, and capacity of the firms seeking to undertake an independent audit of the Agency in conformity with the requirements of this request for proposals. As such, the substance of proposals will carry more weight than their form or manner of presentation.

The qualifications proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the requirements of the request for proposals.

The proposal should address all the points outlined in the request for proposal. The proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the request for proposal.

While additional data may be presented, responses to items Nos. 1 through 8 must be included. They represent the criteria against which the proposal will be evaluated.

1. Independence-The firm should provide an affirmative statement that it is independent of Luzerne County as defined by current professional standards. Professional standards refer specifically to Generally Accepted Auditing Standards as established by the American Institute of Certified Public Accountants and Generally Accepted Government Auditing Standards established by the U.S. General Accounting Office.

2. Licensed to Practice in Pennsylvania- An affirmative statement should be included indicating that the firm and all assigned key professional staff are properly registered/licensed to practice in Pennsylvania.

3. Firm Qualifications and Experience

The proposal should state the size of the firm, the size of the firm's governmental audit staff and the location for the office from which the audit will be performed.

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 principle 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 (Peer Review), with a statement whether that 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 (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.

4. Partner, Manager, Supervisor and Staff Qualifications and Experience

The firm should identify the principle management and supervisory staff, including engagement partners, managers, and other supervisors and specialists, who would be assigned to the engagement and indicate whether each such person is licensed to practice as a Certified Public Accountant in Pennsylvania. The firm also should 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 performance of this audit.

Engagement partner, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to other clients or offices. These personnel may also be changed for other reasons. However, the County retains the right to approve or reject replacements.

5. Similar Engagements with Other Entities

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum of 5) performed in the last five (5) years that are similar to the engagement described in this request for proposals. (At least (3) of the engagements should be governments.) Indicate the scope of work, dates of the engagements, name of engagement partner, total audit hours, and the name and telephone number of the principal client contact.

6. Specific Audit Approach

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section II.B. of this request for proposals. In developing the work plan, references should be made to such sources of information as the Agency's prior period Financial Report, budget and related materials.

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

- a. Proposed segmentation of the engagement with anticipated time frames for each segment.
- b. Level of staff and number of hours to be assigned to each proposed segment of the engagement.
- c. Extent of use of EDP software in the engagement.
- d. Type and extent of analytical procedures to be used in the engagement.
- e. Approach to be taken to gain and document an understanding of the Agency's internal control structure.
- f. Approach to be taken in determining laws and regulations that will be subject to audit test work.
- g. Identification of the approach used to test of controls and test compliance.
- h. Identification of the extent of substantive tests of balances procedures to be performed.
- i. Identification of the firm's pre-issuance report review procedures that the Agency's audit reports will be subject to. If firm personnel other than members of the engagement team will

be involved in the pre-issuance report review, those individuals should be identified.

7. Identification of Potential Problem Audit Areas

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 by the Agency.

8. Cost

A. Total All-Inclusive Price

- The proposal should contain all pricing information relative to performing the audit engagement as described in this request for proposals. The total all-inclusive price to be bid is to contain all direct and indirect costs including all out-of-pocket expenses. The proposed total all-inclusive price should be documented in the format included in Appendix D.
- The Agency will not be responsible for expenses incurred in preparing and submitting the technical proposal or the sealed dollar bid. Such costs should not be included in the proposal.

B. Rates by Partner, Manager, Supervisor and Staff

- The proposal should include a schedule of professional fees and expenses, presented in the format provided in the attachment, Appendix D, that supports the total all-inclusive price.

C. Out-of-pocket expenses for firm personnel (e.g. travel, lodging, meals, etc.)

- should be included on the schedule of professional fees and expenses in the format provided in the attachment, Appendix D. All expense reimbursements will be charged against the total all-inclusive price submitted by the firm.

D. Additional Professional Services

- If it should become necessary for the Agency to request the auditor to render any additional services to supplement the services requested in this request for proposals, then such additional work shall be performed only if set forth in an addendum to the contract between the Agency and the firm.

IV. Special Programs

A. Prerogatives- The Agency reserves the following prerogatives.

1. To reject any or all proposals.
2. To change audit phase and report due dates.
3. To terminate the contract following 10 days written notification to the audit firm.

B. Contract Period- The purchase of professional services contract shall apply to the annual audit of the period ending December 31, 2022, with a SFY audit period of July 1, 2021 to June 30, 2022, with an option for up to a three (3) year extension as discussed above.

C. Assignability- The contractor cannot transfer any interest or provide for the assignment of the purchase of professional services contract with Luzerne County either in whole or in part, without the expressed written permission and written consent of the County Controller and County Council.

D. Payment

- Payment for services rendered based upon receipt of an itemized statement from the audit firm. The itemized statement shall describe hours spent by each staff level. All billing amounts should be allocated to departments by the audit firm for appropriate costing based on actual audit hours spent or allocated to each department.
- All billings should indicate the percentage for work completed. Amounts billed of the maximum price will not exceed the percentage of completion. Not more than 50% of the fee will be paid prior to receipt of a draft copy of the audit firm's opinion letter for the Financial Report and management letter comments.

E. Ownership - All proposals and reports become the property of Luzerne County upon submission, for use as deemed appropriate. Work papers must be available for references and reproduction by the County Council, Controller's Office, and Agency, for a period of three years from submission of the reports. Copies of adjusting entries and trial balances, if applicable, will be provided to the Agency upon completion of the audits.

F. Confidentiality- All proposals, for the purpose of bidding, will be kept in strict confidence by the County Council; and the Agency. The invitees and subsequently selected audit firm may not issue news releases or other public notification regarding this project without prior approval from County Council.

G. Special Meetings

- A planning meeting will be held prior to the start of audit work each year, at the request of the Agency.
- Progress meetings will be held as deemed necessary by the County Council and/or Agency to gauge audit progress and assist in facilitating the timely completion of the audit.
- An exit conference will be held at the end of the audit to discuss findings and recommendations resulting from the audit work performed and a draft copy of the report will be provided at this time. In addition, special meetings will be scheduled when matters involving the potential of fraud, theft, misuse or misrepresentations on financial or grant reports, or similar matters are discovered that require notification and/or the determination of a course of action. Scheduling of these meetings will be the responsibility of the audit firm and shall include the Controller or his deputies and the Agency.

APPENDIX A

After determining that a proposal satisfies the mandatory requirements stated in the request for audit services, the comparative assessment of the relative benefits and deficiencies of the proposal in relationship to published evaluation criteria shall be made by using subjective judgment. The award of a contract resulting from this request for auditing services shall be based on the best proposal received in accordance with the evaluation criteria stated below:

After an initial screening process of the RFP, a technical question-and-answer conference or interview may be conducted, if deemed necessary by the Agency to clarify or verify the proposer's proposal and to develop a comprehensive assessment of the service.

Luzerne County reserves the right to consider historic information and fact, whether gained from the proposer's proposal, question-and-answer conferences, references or any other source, in the evaluation process.

The proposer is cautioned that it is the proposer's sole responsibility to submit information related to the evaluation categories and that Luzerne County is under no obligation to solicit such information if it is not included with the proposer's proposal. Failure of the proposer to submit such information may cause an adverse impact on the evaluation of the proposer's proposal.

AUDITOR EVALUATION CRITERIA AND RATING

	<u>POINT VALUE</u>
1. Prior experience of Firm and Staff	
a. Auditing State, County, and/or local government activities.	0 – 20
b. Auditing programs financed by Federal Government.	0 – 5
c. Designing and installing accounting systems	0 – 5
2. Organizational size and structure of Proposer's firm. Consider size and capabilities of Proposer in relation to the demands of tasks to be performed.	0 – 20

3.	Qualification of staff to be assigned to the audit. This will be determined from resumes submitted, education, position in firm, years and types of experience will be considered.	
	a. Audit team makeup.	0 – 20
	b. Over all supervision.	0 – 5
4.	Price of Audit	<u>0 – 25</u>
Maximum Points		100

The County will use the total scores as a guide in selecting an auditor. The County also reserves the right to negotiate with any proposer, if it is deemed in the best interest of Luzerne County.

APPENDIX B

PROPOSER GUARANTEE

The proposer certifies it can and will provide and make available, as a minimum, all services set forth in Section II, Nature of Services Required.

Signature of official: _____

Name: _____

Title: _____

Firm: _____

Date: _____

This page **must** be signed and submitted as part of your RFP to be considered valid.

APPENDIX C

PROPOSER WARRANTIES

- A. Proposer warrants that it is willing and able to comply with Commonwealth of Pennsylvania laws with respect to foreign Commonwealth of Pennsylvania Corporations.
- B. Proposer warrants that it has errors and omissions insurance policy with coverage of not less than \$1,000,000 for the willful or negligent acts or omissions of any partners, officers, employees or agents thereof and proof shall be submitted upon award of the contract.
- C. Proposer warrants that all information provided by it in connection with this proposal is true and accurate.

Signature of official: _____

Name: _____

Title: _____

Firm: _____

Date: _____

This page **must** be signed and submitted as part of your RFP to be considered valid.

APPENDIX D

**SUMMARY SCHEDULE OF PROFESSIONAL FEES AND EXPENSES
(TOTAL ALL- INCLUSIVE PRICE) FOR PROFESSIONAL AUDIT SERVICES FOR
THE YEAR ENDED DECEMBER 31, 2022**

Total all-inclusive price for audit services as described herein: _____

Rates by:

Partner _____

Manager _____

Supervisor _____

Staff _____

Out-of-pocket expenses included in the total all-inclusive price _____

This page **must** be signed and submitted as part of your RFP to be considered valid.

APPENDIX E

RFP EXCEPTIONS PAGE

The proposer must note below all exceptions to the RFP specifications.

I certify that the following are the only exceptions to the RFP specifications and all forms attached.

If your RFP meets all specifications for this RFP except as noted above, sign here:

Name and Title

Company

Date

This page **must** be signed and submitted as part of your RFP to be considered valid.

Proposal Blanks

To the County Manager:

I, the undersigned being a duly authorized representative of

Submit for your consideration a proposal to supply

The price for which (I/we) will supply each item specified on the following pages is shown immediately after the description of the particular article.

(I/we) agree, if awarded the contract for any items shown on the attached specifications, to enter into a written agreement and to furnish the said items at the price shown, and to furnish a performance bond (if applicable) with sixty (60) days.

Date: _____ 20_____

Signature-typewritten

Signature-signed in ink

Street

City & State

Zip

Company telephone number

Salesman's telephone number

Company fax number

E mail address

Responders Signature Form

Responder _____

Proposal must be signed here _____

Address _____

Telephone number _____

Individual Partnership or Corporation

The responder certifies that they come under the class checked below:

Please insert names:

A. Individual owner _____

B. Partnership partners _____

C. Corporation _____

Exact name of corporation

State incorporated

Note:

All County proposals under the jurisdiction of the Luzerne County Manager and Luzerne County Government are furnished in duplicate. One copy of the proposal is to be filled out and submitted with the bid and the remaining copy to be retained for the responder's records.

Proposal should be as net prices and shall prevail in the awarding of contracts.

Failure of the responders to sign the bid and have the signature of an authorized representative or agent on the proposal in the space provided, will be cause for rejection of the proposal. Signatures must be written in ink. Typed, printed or stamped signatures will not be accepted.

It is understood by both the County and responders that all trade names, catalogue numbers or bids "as per sample" offered on this proposal shall meet the specifications, unless the responder states that such trade names, catalogue numbers or samples are not equal to the specified item.

**Return to Purchasing Department
Non Collusion Affidavit**

State of _____

County of _____

_____, being first duly sworn, deposes and says that:

- 1) She/he is the _____ (owner, partner, officer, representative or agent) of the Bidder that had submitted the attached proposal.
- 2) She/he is fully informed with respect to the preparation and contents of the attached proposal and of all pertinent circumstances respecting such proposal.
- 3) Such proposal is genuine and is not part of any conspiracy, collusion or deception.
- 4) Neither the said nor any of its officers, partners, owners, agents, representatives, employees or parties in interest, including the affiant, has in any way colluded, conspired, connived or agreed, directly or indirectly with any other responder, firm or person to submit a collusive or sham proposal in connection with the contract for which the attached bid has been submitted or to refrain from proposing in connection with such contract, or has in any manner, directly or indirectly, sought by agreement or collusion or communication or conference with any other proposer, firm, or person to fix the price or prices in the attached proposal or of any other responder, or to fix any overhead, profit or cost element for the prices or the proposal price of any responder, or to secure through any collusion, conspiracy connivance or unlawful agreement any advantage against any person interested in the proposed contract; and the price or prices quoted in the attached bid are fair and proper and are not tainted by any collusion, conspiracy, connivance or unlawful agreement on the part of the responder or any of its agents, representatives, owners, employees, or parties in interest, including this affiant.
- 5) The price(s) and amount of this proposal, have been arrived at independently and without consultation, communication or agreement with any other contractor, proposer, or potential proposer.
- 6) Neither the price(s) nor the amount of this proposal, and neither the approximate price(s) nor the approximate amount of this proposal, have been disclosed to any other firm or person who is a responder/proposer or potential proposer, and they will not be disclosed before proposal opening.
- 7) No attempt has been made or will be made to induce any firm or person to refrain from submitting a proposal on this contract, or to submit a proposal higher than its proposal, or to submit any intentionally high or non-competitive proposal or other form of complementary proposal.
- 8) The proposal of my firm is made in good faith and not pursuant to any agreement or discussion with, or inducement from, any firm or person to submit a complementary or other noncompetitive proposal
- 9) The above representations are material and unimportant, and will be relied on by Luzerne County in awarding the contract(s) for which this proposal is submitted. I understand and my firm understands that any misstatement in this affidavit is and shall

be treated as fraudulent concealment from Luzerne County of the true facts relating to the submission of proposals for this contract.

(Signed) _____

(Name)

(Title)

Subscribed and sworn to before me this _____ day of _____, 20_____

Name

Title

My commission expires _____