

REQUEST FOR PROPOSALS
PROFESSIONAL AUDITING SERVICES

1. INTRODUCTION

The Derry Township Municipal Authority (DTMA) is seeking proposals from qualified firms of certified public accountants to perform an annual audit of the DTMA's financial statements for fiscal years ending December 31, 2021, 2022, and 2023. The selected firm may contract with the DTMA for three (3) subsequent fiscal years upon mutual agreement of both parties.

2. GENERAL INFORMATION

The DTMA is an operating Authority formed by the Township of Derry, under the provisions of the Pennsylvania Municipal Authorities Act, engaged in business-type activities related to providing services for the wastewater collection and treatment. The DTMA provides these services to the Townships of Derry and South Hanover and to portions of the Townships of Conewago, Londonderry and Lower Swatara, as well as to a small portion of Hummelstown Borough. The DTMA currently serves over 20,000 sewer customers. The DTMA also provides stormwater management program services to the Township of Derry.

The DTMA's reporting period is on a calendar year basis, which begins on January 1 and ends on December 31. Financial statements are presented using the accrual method of accounting, following the accounting and financial reporting standards issued by the Governmental Accounting Standards Board (GASB). The Wastewater and Stormwater Funds are managed separately but are accounted for under a single financial statement. The DTMA's annual revenue has ranged between \$12.4 million and \$12.9 over the past 3 years. Additional information can be found on DTMA's website to include previous years' budget and audited financial statements.

DTMA executive management and accounting staff will be available to retrieve documents upon request and will prepare schedules and reconciliations. Audit field work will be conducted on-site with workspace available for the audit staff.

3. ISSUING OFFICE

3.1. Any questions or inquiries from a prospective auditor with respect to this RFP shall be directed in writing to the following DTMA contact:

William G. Rehkop III, P.E.
Executive Director
Derry Township Municipal Authority
670 Clearwater Road
Hershey, PA 17033-2453
717.566.3237 ext. 318
wrehkop@dtma.com

- 3.2. If DTMA determines that a response to a submitted question is necessary for clarification and is integral to proper understanding and interpretation of the RFP, then a response will be issued in writing as an addendum for the benefit of all interested firms. DTMA will not respond to an inquiry or question that received less than 72 hours prior to the proposal submission deadline as noted in paragraph 8.2.1 below.

4. GENERAL SCOPE OF SERVICES TO BE PROVIDED

- 4.1. The selected firm shall be required to fulfill duties typical of an auditor as assigned by DTMA, such as, but not necessarily limited to, the following general scope of services:
- 4.1.1. The auditor shall audit and express an opinion on the fair presentation of the basic financial statements of the Authority in conformity with U.S. generally accepted accounting standards (GAAS).
 - 4.1.2. The auditor shall be responsible for applying certain limited procedures to required management's discussion and analysis and other required supplementary information in accordance with GAAS.
 - 4.1.3. The auditor shall provide an opinion on supplementary information in relation to the financial statements as a whole. The supplementary information consists of the combining of statements of net position, revenues and expenses, cash flows and the schedule of operating expenses.
 - 4.1.4. Report on the internal controls over financial reporting and compliance based on an audit of the financial statements.
 - 4.1.5. Prepare a detailed management letter to include a summation of audit findings and recommendations for improvement of the financial statements, internal control, accounting and accounting systems, legality of actions, and any other matters.
 - 4.1.6. Issue a written report upon completion of the audit, expressing an opinion as to the fair presentation of DTMA's financial statements. Present the audit report to the DTMA Board at a regularly scheduled meeting.
 - 4.1.7. Meet or confer with DTMA Staff through telephone calls, meetings, correspondence, etc.

5. CONTRACT DURATION

- 5.1. It is the intent of the DTMA to enter into a contract with the appointed accounting firm for the noted services for a minimum three (3) year time frame. The original contract may be extended for three (3) subsequent fiscal years upon mutual agreement of both parties.
- 5.2. The contract shall be "at will" and may be terminated at any time, for any reason, upon a vote of the majority of the Board members. DTMA reserves the right to renew and extend the contract with the selected firm for an additional year beyond the contract's original noted termination date. The terms of the contract renewal and extension shall be set forth in the final contract agreement between DTMA and the selected firm.

6. QUALIFICATIONS

- 6.1. All firms submitting qualifications shall meet the following criteria, at minimum, in order to be considered for selection:
 - 6.1.1. Ten (10) years of corporate experience serving and representing municipalities and municipal authorities.
 - 6.1.2. Inclusion of certified public accountants licensed in the Commonwealth of Pennsylvania on the proposed audit team.

7. DTMA SUPPORT

- 7.1. DTMA will furnish or provide access to all reasonably available records and information, including financial reports, budgets, journal entries, and any other information requested.
- 7.2. DTMA shall consistently provide staff support and assistance as needed.

8. PROPOSAL SUBMISSION COMPONENTS

- 8.1. The Consultant's qualifications submission package shall include, at a minimum, the following:
 - 8.1.1. The full name and address of the Consultant, including both corporate and appropriate supporting satellite office(s) where applicable.
 - 8.1.2. A description of the firm's size, number of licensed professionals, and type of support staff.
 - 8.1.3. Resumes of the core personnel team for which the firm intends to assign and primarily utilize to provide the scope of services noted above.
 - 8.1.4. Identification of the primary engagement principal and point of contact.
 - 8.1.5. Identifications any unique training, professional membership in trade organizations, acknowledgements or awards, etc.
 - 8.1.6. List of current clients (minimum of three client references) managed by the assigned core personnel team members.
 - 8.1.7. A description of the firm's auditing approach, describing the goals and objectives, basic provisions of the audit work plan, audit schedule, with emphasis on quality assurance, quality control, and methodologies to ensure timeliness of services and specific deliverables.
 - 8.1.8. Compensation and Terms: Fees and progress terms for the audit services described are to be proposed for each of the three years. Pricing shall represent all-inclusive fees, covering the services of any personnel assigned to the audit.
 - 8.1.9. A rate schedule detailing the firm's pricing with rates set for each professional, technical and support staff classification utilized by the firm. The rate schedule shall also include the type of, and rate for, desired reimbursable expenses. Lastly, if rates vary depending on the type of service, or if flat rates are proposed for particular services, they shall be identified in the rate schedule.
 - 8.1.10. Proof of adequate corporate insurance. Consultant shall provide a Certificate(s) of Insurance with the qualifications package, indicating proof of insurance coverage for, at minimum, the following:

- 8.1.10.1. Professional Liability: \$2,000,000 Each Occurrence / \$3,000,000 Aggregate / Full Prior Acts Coverage
 - 8.1.10.2. Workers Compensation and Employee Liability
 - 8.1.11. Should any firm have concerns regarding their ability to meet any requirements of this RFP, or if any firm has any exception with any requirement of this RFP, they shall clearly and specifically identify their concerns and exceptions in writing in their submission package. If no concerns or exceptions are noted, DTMA shall assume the firm understands and agrees with all of the requirements of this RFP.
 - 8.1.12. Draft Agreement suitable for review and execution by DTMA.
- 8.2. Deadline for submission of proposals:
- 8.2.1. Interested Consultants shall submit three (3) copies of their qualifications package with original signatures and an electronic file of the qualifications package in pdf format via mail or hand delivery in a manner such that they are received by DTMA no later than 4:00 p.m. on December 6, 2021. The submission shall be directed to the attention of the following:

William G. Rehkop III, P.E.
Derry Township Municipal Authority
670 Clearwater Road
Hershey, PA 17033-2453
 - 8.2.2. Proposals should be marked:

“DERRY TOWNSHIP MUNICIPAL AUTHORITY – PROPOSAL TO PROVIDE PROFESSIONAL AUDITING SERVICES”

9. SELECTION OF THE CONSULTANT

- 9.1. While the proposal fee submitted with this RFP is important, proposals will be evaluated by the DTMA Board and Staff primarily based on the following characteristics of the consultant:
 - 9.1.1. The firm’s responsiveness to the RFP submission requirements
 - 9.1.2. The firm’s overall experience and services provided
 - 9.1.3. The resumes of the personnel on the firm’s proposed core team
 - 9.1.4. Level of technical expertise
 - 9.1.5. The auditing approach of the firm’s proposed team
 - 9.1.6. The firm’s approach to timeliness, availability, points of contact, communications, etc.
 - 9.1.7. References received from the firm’s present clients.
 - 9.1.8. Billing rates for services and expenses.

- 9.2. At DTMA's request, firms may be required to provide an oral presentation of their qualifications to the DTMA Board and Staff. DTMA anticipates that such presentations will be scheduled the week of December 13, 2021.
- 9.3. DTMA reserves the right to reject any and all proposals or reject any part of any proposal submitted by a firm in response to this RFP.
- 9.4. The DTMA Board shall make a final selection of the successful firm at their Monday, December 20, 2021 Board meeting.