

**REQUEST FOR PROPOSALS FOR PROFESSIONAL AUDITING SERVICES FOR
THE POLLUTION CONTROL FINANCING AUTHORITY OF WARREN COUNTY, NJ**

**PART 1
Instructions To Professionals**

1.0 PURPOSE

The intent of this Request for Proposals and resulting contract is to select a firm to act as Auditor for the Pollution Control Financing Authority of Warren County, hereinafter called the "Authority." **This request for proposals is being sought through a Fair and Open Process in accordance with NJSA 19:44A-20.5.**

Firms responding to this Request for Proposals should have extensive experience and a knowledgeable background and qualifications in the provision of the services described herein.

Despite any language contained herein to the contrary, this Request For Proposals does not constitute a bid and is intended solely to obtain competitive proposals from which the Authority may choose a contractor that best meets the Authority's needs. It is the Authority's intent that no statutory, regulatory, or common law bidding requirement apply to this Request for Proposals. The Authority intends to award this contract pursuant to N.J.S.A. 40A:11-5(1)(a)(i).

2.0 BACKGROUND INFORMATION

The Pollution Control Authority of Warren County (the Authority) is seeking to obtain the services of a firm to audit the financial statements of the Authority and its Sanitary Landfill Closure Trust Funds. The specific extent and character of the auditing services to be performed shall be subject to the general control and approval of the Chief Financial Officer (CFO) as directed by the Authority Board.

The services to be provided under this proposal shall include an audit of the financial statements of the Authority activities for the year ended **December 31, 2009** and its Sanitary Landfill Closure Trust Funds as of **September 30, 2010**. The documents prepared and submitted in connection with the audit shall include the following additional information that will be subjected to the auditing procedures applied in the audit of the financial statements, as applicable in the circumstances:

1. Schedule of expenditures of federal and state awards.
2. Supplementary schedules as listed in the table of contents.

The Auditor shall prepare a general ledger trial balance for use during the audit. Preparation of the trial balance will be limited to formatting information in the Authority's general ledger into a working trial balance. Also, as part of the audit the Auditor shall prepare a draft of the financial statements and related notes. In accordance with Government Auditing Standards, the Authority's Chief Financial Officer (the CFO) will review and approve those financial statements prior to their issuance.

Audit Objectives

The objective of the audit is the expression of an opinion as to whether the financial statements are fairly presented, in all material respects, in conformity with accounting principles prescribed by the Division of Local Government Services, State of New Jersey, and to report on the fairness of the additional information referred to in the first paragraph when considered in relation to the financial statements taken as a whole.

The objective also includes reporting on:

- a. Internal control related to the financial statements and compliance with laws, regulations and the provisions of contracts or grant agreements, noncompliance which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- b. Internal control related to major programs and an 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 Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, and State Treasury Circular Letter NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*, if necessary.

The audit shall be conducted in accordance with U.S. generally accepted auditing standards; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; the provisions of OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*. and State Treasury Circular Letter NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*, and will include tests of accounting records, a determination of major program(s) in accordance with Circular A-133, and other procedures considered necessary to enable the Auditor to express an opinion and to render the required reports.

The Audit of the Sanitary Landfill Closure Trust Funds shall be in accordance with the NJ Department of Environmental Protection Closure Escrow Accounts Auditing Requirements.

Auditee Responsibilities

The Auditee acknowledges that management is responsible for establishing and maintaining internal control and for compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. The Auditee will make all financial records and related information available for the audit and is responsible for the accuracy and completeness of that information.

The Auditor may assist in the preparation of the financial statements, including the schedules of expenditures of federal and state awards, but the responsibility for the financial statements remains with the Auditee. The Auditor may propose standard, adjusting, or correcting journal entries to the financial statements and shall review said entries and explain the nature of any proposed entries and the impact they have on the financial statements with the Auditee prior to issuing the final audit report.

Audit Procedures - General

The audit shall include examining evidence supporting the amounts and disclosures in the financial statements in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133, and State Treasury Circular Letter NJOMB 04-04.

Audit Procedures - Internal Controls

The audit shall evaluate the internal controls in order to determine the nature, timing, and extent of auditing procedures for the purpose of expressing the Auditor's opinion on the Authority's financial statements and on its compliance with requirements applicable to major programs.

As required by OMB Circular A-133 and State Treasury Circular Letter NJOMB 04-04, the Auditor shall perform tests of controls to evaluate the effectiveness of the design and operation of controls relevant to preventing or detecting material noncompliance with compliance requirements, applicable to each major federal and/or state award program.

The Auditor shall report any matters involving internal control and its operation considered to be reportable conditions under standards established by the American Institute of Certified Public Accountants. The Auditor shall notify the Authority CFO of any reportable conditions prior to issuing the final audit report.

Audit Procedures - Compliance

The audit shall be conducted in accordance with the standards referred to in the section titled *Audit Objectives*. The Auditor shall perform tests of the Authority's compliance with applicable laws and regulations and the provisions of contracts and agreements, including grant agreements in accordance with procedures described in OMB Circular A-133 and State Treasury Circular Letter NJOMB 04-04. The purpose of those

procedures will be to express an opinion on the Authority's compliance with requirements applicable to major programs in our report on compliance issued pursuant to OMB Circular A-133 and State Treasury Circular Letter NJOMB 04-04.

Fees, Audit Administration, Report Deadline and Other Matters

The fee quoted in the proposal shall be a "Not to Exceed Amount." If additional services, beyond the scope of services contained in the proposal are required, the Auditor shall notify the Auditee prior to commencing the services.

The audit documentation for this engagement is the property of the Auditor and constitutes confidential information. However, pursuant to authority given by law or regulation, the Auditor shall, if requested, make certain audit documentation available to a Cognizant or Oversight Agency for Audit or its designee, a federal or state agency providing direct or indirect funding, or the U.S. General Accounting Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. The Auditor shall notify the Authority CFO of any such request.

If requested, access to such audit documentation will be provided under the supervision of the Auditor's personnel. Furthermore, upon request, the Auditor shall provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement shall be retained for a minimum of three years after the date the Auditors' report is issued or for any additional period requested by the Cognizant Oversight Agency.

The Financial Statement Audit Report shall be issued on or before April 30, 2010 and the Sanitary Landfill Closure Escrow Trust Fund Audit Report shall be issued on or before October 31, 2010.

Government Auditing Standards require that the Auditor provide a copy of its most recent external peer review report and any letter of comment and any subsequent peer review reports and letters of comment received during the period of the contract. A copy of such most recent external peer review report must accompany the proposal.

3.0 COMPLIANCE WITH LAWS

The successful firm shall comply with all applicable federal, state and local statutes, rules and regulations.

4.0 PROCEDURE FOR RESPONDING TO REQUEST FOR PROPOSALS

4.1 SUBMISSION OF PROPOSALS

Five (5) copies of the Proposal, INCLUSIVE OF ALL INFORMATION required in Part II, Proposal Requirements shall be provided. Proposals must be submitted to **James Williams, Operations Manager, PCFAWC Administration Building, 500 Mount Pisgah Ave, PO Box 587, Oxford, NJ 07863. Proposals are scheduled to be opened on January 29, 2010 at 2:00 p.m.** Any proposals received after said opening whether by mail or otherwise, will be returned unopened. Proposals should be provided in a sealed envelope with the title of the RFP clearly marked on the outside. It is recommended that each proposal package be hand delivered. The Authority assumes no responsibility for delays in any form of carrier, mail, or delivery service causing the proposal to be received after the above-referenced due date and time. Submission by fax, telephone, or e-mail is NOT PERMITTED.

Final selection of Auditing Firm shall be made by the Authority Board by formal resolution. Contract for services will be provided by the Authority.

4.2 QUESTIONS REGARDING REQUEST FOR PROPOSALS

Questions regarding this Request for Proposals shall be made to Charles L. Houck, CFO, phouck@co.warren.nj.us or by telephone to 908-475-6540.

4.3 ADDENDA/REVISIONS TO REQUEST FOR PROPOSALS

Addenda/revisions to this Request for Proposals shall be provided to all firms who have received this Request for Proposals.

5.0 INSURANCE

Prior to commencing work under contract, the successful firm shall furnish the Authority with Certificates of Insurance as evidence that it has procured the insurance coverage required herein. This coverage must be provided by an insurance carrier authorized to do business in New Jersey and approved by the Authority. The carrier shall be rated appropriately through A.M. Best. Firms must give the Authority a sixty (60) day notice of cancellation, non-renewal or change in insurance coverage.

The successful firm shall provide and maintain the following minimum limits of insurance coverage during the period of performance required under the contract resulting from this Request for Proposals:

5.1 PROFESSIONAL LIABILITY

Professional Liability Insurance in an amount adequate to cover all services detailed herein and in accordance with NJ Law.

5.2 WORKERS COMPENSATION AND EMPLOYERS' LIABILITY

Statutory coverage for New Jersey employers.

5.3 AUTO LIABILITY

\$100,000.00 per occurrence. \$300,000.00 aggregate. This coverage is required if the operation of any vehicle is required in the performance of the services detailed herein (including but not limited to the use of a vehicle to make any on-site visits).

5.4 BENEFICIARY

All of the above shall list the Pollution Control Financing Authority of Warren County, NJ and the Authority Board as additional insured parties.

6.0 INDEMNIFICATION

The selected firm shall defend, indemnify and hold harmless the Authority, its officers, agents and employees from any and all claims, suits, actions, damages or costs, of any nature whatsoever, whether for personal injury, property damage or other liability, arising out of or in any way connected with the firm's acts or omissions in connection with this agreement.

7.0 MISCELLANEOUS REQUIREMENTS

7.1 The Authority will not be responsible for any expenses incurred by any firm in preparing or submitting a proposal. All proposals shall provide a straightforward, concise delineation of the firm's capabilities to satisfy the requirements of this Request for Proposals. Emphasis should be on completeness and clarity of content.

7.2 The contents of the proposal submitted by the successful firm and this Request for Proposals may become part of the contract for these services. The successful firm shall be required to execute the contract with the Pollution Control Financing Authority of Warren County, NJ within twenty-one (21) days per N.J.S.A.40A:11-24(b).

7.3 Proposals shall be signed in ink by the individual or authorized principal of the responding party. Proposals submitted shall be valid 60 days from the date of opening per N.J.S.A.40A:11-24(a).

7.4 The Authority reserves the right to reject any and all proposals received by reason of this Request for Proposals, or to negotiate separately in any manner necessary to serve the best interests of the Authority.

7.5 Any selected firm is prohibited from assigning, transferring, conveying, subletting or otherwise disposing of this agreement or its rights, title, or interest therein or its power to execute such agreement to any other person, company or corporation without the prior written consent of the Authority Board.

7.6 All responses to this Request for Proposals shall be subject to public scrutiny in accordance with New Jersey statutes, rules, and regulations.

7.7 Any contract for services shall be subject to the availability and appropriation of sufficient funds for this purpose annually.

7.8 Contracts awarded pursuant to this Request for Proposals may be amended to provide for closely related services, the need for which may arise or become apparent after the original contract award. Any contract amendment for closely related services must be approved by resolution of the Authority Board.

7.9 The selected firm shall be prohibited during the term of its contract from representing any individual or entity in any matter in which an adverse party is the Pollution Control Financing Authority of Warren County, NJ, the Authority Board, any Authority Official, employees, departments or subdivisions of any of the aforementioned or in any matter which, in the sole discretion of the Authority, shall constitute a conflict of interest or shall have the appearance of impropriety.

8.0 CRITERIA FOR EVALUATION OF PROPOSALS

The Pollution Control Financing Authority of Warren County, NJ Finance Committee will independently evaluate each submission and selection will be made upon the basis of the criteria listed below:

8.1 Proven record of auditing experience in providing the professional services detailed herein, including prior auditing of public entities in New Jersey.

8.2 Ability to provide services in a timely manner.

8.3 Personnel qualifications (i.e., resumes of key personnel responsible for and assigned to the Authority's work), specifically, knowledge of federal and State regarding auditing and financial related matters.

8.4 Location of office and availability of personnel.

8.5 Understanding of the services requested (including completeness and clarity of submission), and qualitative nature of the services proposed.

8.6 Familiarity and past experience with prior auditing and financial matters involving Authority personnel and Authority personnel policies.

8.7 Cost for the provision of the required Auditing Services.

PART II **PROPOSAL REQUIREMENTS**

Firms are requested to propose Auditing Services for the Pollution Control Financing Authority of Warren County, New Jersey.

FORMAT

To assure consistency, responses must conform to the following format:

- A. Scope of Services
- B. Resume
- C. Facilities
- D. Conflict of Interest
- E. Fees will be at an hourly rate with a gross fee including expenses, not to exceed a specific lump sum. (i.e., \$125.00/hour not to exceed \$100,000.00 annually)
- F. Form of Contract
- G. Other Information
- H. State Contractor Business Registration Program
- I. Debarment Certification

All sections are to be addressed and specifically referenced.

The following explains what the Authority expects in each of the major sections.

SECTION A - SCOPE OF SERVICES

Firm to audit the financial records and statements of all Pollution Control Financing Authority of Warren County, NJ, and the Post Closure Trust Funds offices operating under the direction of the Authority Board for the year ended **December 31, 2009**.

The term of the contract shall commence **November 1, 2009 and expire October 31, 2010**. Proposals shall include additional information in the Supplementary Schedules and Data and the Schedules of Expenditures of Federal and State Awards that will be subjected to the auditing procedures applied in our audit of the financial statements.

In addition, the Auditor shall prepare, or assist the Authority in preparing, the following additional information that will not be subjected to the auditing procedures applied in our audit of the financial statements.

1. The 2011 Annual Budget.
2. The 2009 Solid Waste Disposal Annual Report Form.
3. Consultation on matters involving Authority fiscal operations.

Financial Statement Audits shall be conducted in accordance with generally accepted auditing standards; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act amendments of 1996; the provisions of OMB Circular A-133 and the provisions of OMB 04-04, and shall include tests of accounting records, a determination of major program(s) in accordance with Circulars A-133 and 04-04, and other procedures the Auditor deems necessary to enable it to express such an opinion and to render the required reports.

The due date of the report of statutory audit is April 30, 2010. If the Auditor's opinion on the financial statements or the Single Audit compliance opinion is other than unqualified, the Auditor shall fully discuss the reasons with the Authority in advance. If, for any reason, the Auditor is unable to complete the audit or is unable to form or has not formed an opinion, the Auditor may decline to express an opinion or to issue a report as a result of the engagement.

The due date of the Landfill Closure Escrow Trust Funds report of audit is October 31, 2010. Trust Fund Audits shall be conducted in accordance with the NJ Department of Environmental Protection Closure Escrow Accounts Auditing Requirements.

SECTION B - RESUME

This section shall address areas as outlined:

1. Name and address of your firm and the corporate officer authorized to execute agreements.
2. Briefly describe your firm's history, ownership, organizational structure, location of its management, and licenses to do business in the State of New Jersey.
3. Describe in general your firm's regional, statewide, and local service capabilities.
4. Provide and identify the names, experience, qualifications, and applicable licenses held by the individual primarily responsible for servicing the Authority and any other person(s), whether as employees or subcontractors, with specialized skills that would be assigned to service the Authority.
5. Provide a listing of similar Authority clients with which your Firm has similar contracts; include the name, address and telephone number of the contact person.

6. Provide your firm's insurance coverage as set forth in Part I, Section 5 of this RFP.
7. Provide a statement of assurance to the effect that your firm is not currently in violation of any regulatory rules and regulations that may have an impact on your firm's operations.

SECTION C - CONFLICT OF INTEREST

This section should disclose any potential conflicts of interest that the firm may have in performing these services for the Pollution Control Financing Authority of Warren County, NJ.

SECTION D - FEES

This section should address:

1. The proposed lump sum for the services to be provided with schedule of hourly rates. (See Proposal Pages).

Note: The Authority reserves the right to negotiate with any or all vendors meeting the evaluation criteria set forth herein.

SECTION E - FORM OF CONTRACT/AMENDMENT OF CONTRACT

The Authority will supply the form of contract. If your firm has a proposed form of contract, please supply a copy with your proposal.

SECTION F - OTHER INFORMATION

This section is for any further pertinent data and information not included elsewhere in the RFP and found necessary by your firm.

PROPOSAL PAGES

REQUEST FOR PROPOSALS TO: PROVIDE PROFESSIONAL AUDITING SERVICES FOR THE POLLUTION CONTROL FINANCING AUTHORITY OF WARREN COUNTY, NJ

To the Pollution Control Financing Authority of Warren County, NJ Board:

The undersigned hereby declares that he or she has carefully read the documents contained herein and fully understands the Instructions for Proposals, Instructions to Professionals and Proposal Requirements and will strictly adhere to all said terms and conditions if awarded a contract therefore.

Total Annual Lump Sum Bid for Auditing Services:

\$ _____ (in numbers)

_____ Dollars (in words)

Hourly Rate for Auditing Services:

\$ _____ (in numbers)

_____ Dollars (in words)

Date: _____, 2010

Signature

Printed Name

Proposal Pages, ct'd.

Name of Firm

Address

Address

Contact Person

Telephone

Fax

E-Mail

LEGAL NOTICE – The Pollution Control Financing Authority of Warren County, NJ is soliciting proposals from Qualified Firms to provide Auditing Services for the Authority. Deadline is Friday, January 29, 2010, 2:00 p.m. [Click here for more details.](#)

(Posted: 1/15/2010)