**REQUEST FOR PROPOSAL**

**FINANCIAL AND COMPLIANCE AUDIT**

The Town of Bethlehem invites qualified independent certified public accounting firms familiar with Town audits to submit proposals for the performance of an audit of its general-purpose financial statements and related disclosures for the purpose of expressing an audit opinion relative to the fairness of the presentation in accordance with generally accepted accounting principles (GAAP) in the United State of America.

Proposals must be received by the Town of Bethlehem, Attn: Selectmen’s Office, PO Box 189, Bethlehem, NH 03574 no later than 4:00 pm, October 28, 2022. Submission of a proposal indicates acceptance by the firm of the conditions in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the Town of Bethlehem and the selected firm. There is no expressed or implied obligation for the Town of Bethlehem to reimburse firms for any expenses incurred in preparing proposals in response to this request.

***INTRODUCTION***

The Town of Bethlehem is incorporated under the applicable laws of the State of New Hampshire and operates under a Board of Selectmen form of government. The Town provides municipal services necessary for the health and wellbeing of its citizens, including police and fire protection, comprehensive land use planning and zoning services, code enforcement; streets and drainage, recreation and parks, cultural and nature services, sanitation services, and necessary administrative services to support these activities.

Any inquiries regarding the Town of Bethlehem or this request should be directed to:

Mary Moritz

Administrative Assistant

PO Box 189

Bethlehem NH 03574

admin@bethlehemnh.org

***TARGET SUBMISSION SCHEDULE***

* Request for Proposal (RFP) Issued October 6, 2022
* Proposals Due October 28, 2022
* Recommendation to the Town Select Board for Contract Award October 31, 2022

***GENERAL INFORMATION***

* The Town of Bethlehem has an annual budget of total annual budget of $3,257,734.
* The Town of Bethlehem uses the following funds in its financial records:
  + - General Fund
    - Capital Reserve Funds
    - Library Fund
    - Police Revolving Fund
    - Recreation Revolving Fund
    - Highway Block Grant Revolving Fund
* The Town of Bethlehem will be looking for assistance in understanding the impact of GASB 34 and 78 with the option of requesting assistance in their implementation as needed.
* The Town of Bethlehem uses BMSI software for payroll, accounts payable, accounts receivable, general ledger, budget, cash receipting, property taxes, utility billing, purchase orders, bank reconciliations and fixed assets.
* The Town of Bethlehem’s audits have been performed by Robert’s & Green, PLLC since the calendar year ended December 31, 2013.
* Please submit three (3) copies of your response. Late and/or incomplete responses will be disqualified.
* All proposals must be received at the above address no later than 4:00 PM, October 28, 2022.
* Proposals shall be submitted in a sealed envelope, addressed to the Town of Bethlehem at the above address, bearing on the outside the name of the proposer and clearly captioned **“Proposal for Audit Services”**. Three copies of the technical criteria and cost are required. Proposals will become part of the Town’s files without obligation on the Town’s part.
* There is no expressed or implied obligation for the Town of Bethlehem to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.
* The Town of Bethlehem reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the Town of Bethlehem and the firm selected.

***PERIOD TO BE AUDITED***

The Town of Bethlehem operates on a calendar year basis and is soliciting the services of qualified firms of certified public accountants to audit its financial statements for the year ending December 31, 2022 and for each of the two subsequent fiscal years, with the option of two one-year extensions.

***EVALUATION PROCESS***

The Town will evaluate each response considering the following attributes:

* Responsiveness of the proposal in clearly stating the understanding of the work to be performed and in demonstrating the intention and ability to perform the work.
* The auditor’s experience in conducting audits of similar nature, size and complexity, and the auditor’s commitment to maintaining technical expertise in the government financial environment.
* Technical experience and professional qualifications of the audit team. The number of key and supervisory personnel who will directly participate in the audit will be a consideration. Another consideration will be the auditors’ commitment to keeping the same team assigned to this job for each successive year the auditor is awarded the contract.
* Size and structure of the firm’s office from which the audit work is to be done.
* Cost will be considered a factor in the award.

***DETERMINATION OF AWARD***

During the evaluation process, the Town of Bethlehem reserves the right, where it may serve the Town of Bethlehem’s best interests, to request additional information or clarifications from prospective firms. At the discretion of the Town of Bethlehem, firms submitting proposals may be requested to make oral presentations as part of the evaluation process. Awards shall be made on the basis of the proposal that, in the opinion of the Town, is in the best interests of the Town.

***SCOPE OF AUDIT***

1. Services to be performed by Auditors

The audits of the Town shall be conducted in accordance with generally accepted auditing standards as established by the American Institute of Certified Public Accountants and generally accepted government auditing standards as established by the United States General Accounting Office, Comptroller General of the United States.

The auditor will prepare draft financial statements, including related notes and schedules of expenditures of financial awards, in accordance with generally accepted accounting principles, and in compliance with applicable laws and regulations.

The auditor will perform a financial and compliance audit to determine (a) whether the combined financial statements of the Town present fairly the financial position and the results of financial operations in accordance with generally accepted accounting principles, and (b) whether the Town has complied with laws and regulations that may have a material effect upon the financial statements. In addition, the audits shall include audit procedures with respect to the Town’s major federal programs in accordance with the provisions of OMB Circular A-133 and the current professional standards as promulgated.

The auditors will examine the Town’s internal accounting controls and accounting procedures and render written reports of their findings and recommendations to the Administrative Assistant. The examination shall be made and reports rendered in accordance with generally accepted government auditing standards.

Reportable conditions that are also material weaknesses shall be identified as such in the report. Non-reportable conditions discovered by auditors shall be reported in a separate letter to management which shall be referred to in the reports on internal controls.

Auditors will perform single audits as needed in accordance with generally accepted auditing standards; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller of the United States; the provisions of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; with guidelines promulgated by the Department of Audit and Control.

1. Reporting and Communication

The Staff Accountant shall be responsible for coordinating the audit process internally. A listing of schedules to be “Prepared by Client” will be used during each audit planning process where deemed feasible and appropriate to help reduce costs. The staff in the Selectman’s Office will prepare requested schedules and provide reports to the auditors. The staff will also provide any requested documents deemed necessary to complete the audit.

Auditors shall be required to make an immediate, written report to management, of all perceived illegal acts of which they become aware.

The auditors may be consulted occasionally throughout the year as an information resource. The auditors will be asked to provide guidance on implementation of Government Accounting Standards Board (GASB) requirements and specifics of federal and state regulations as they may affect local government accounting.

The Town’s financial audit for all fiscal years must be completed no later than June 30th of each year. Prior to the audit report being issued, the auditor must present the Administrative Assistant with a preliminary draft of the Management Letter. The Town will be given an opportunity to provide written responses to the comments in the management letter which are to be included in the final document.

If the auditor becomes aware that the Town is subject to audit requirements that may not be encompassed in the terms of the contract, they shall communicate this situation immediately to the Administrative Assistant, or designee, that in accordance with the established contract certain relevant legal, regulatory, or contractual requirements may not be met.

If it should become necessary to request the auditor to render any additional services to either supplement the services requested in this RFP or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between the Town and the auditor. Any such additional work agreed to between the Town and the auditor shall be performed at the same hourly rates as set forth in the schedule of fees and expenses included in the RFP.

1. Manner of Payment

The Town of Bethlehem expects to enter into a contract with the selected vendor. Progress payments will be made on the basis of work completed during the course of the engagement. Interim billing cannot exceed the total cost of the engagement. Final payment shall be made upon receipt and acceptance of the final report and an oral presentation by the managing auditor to the Bethlehem Selectman at one public meeting.

***ADDITIONAL PROVISIONS***

The auditors will be responsible for:

* All out‑of‑pocket expenses for firm personnel (e.g., travel, lodging, and subsistence).
* Preparation, editing, printing and delivery of the required reports (5 bound reports).
* Attending one Bethlehem Selectman’s public meeting in the evening to present the final audit report.
* Maintaining, at their own expense during the life of the contract, insurance against professional liability in the amount of $1,000,000. The firm shall also take out and maintain, at their own expense during the life of the contract, the statutory Workers' Compensation and Employer's Liability Insurance for all its employees engaged in work for this contract. The firm shall name the Town of Bethlehem as an additional insured on all policies required except Workers' Compensation.

The Town will be responsible for:

* Providing office space, copiers and fax for use by the audit firm’s staff assigned to the field work portion of the audit. The location of this space will be in close proximity to the Selectman’s Office.

The auditors shall be an independent contractor and their officers, agents, and employees shall not be deemed officers, agents, or employees of the Town.

The auditors shall not assign or transfer or subcontract this agreement, any interest therein, or claim hereunder without the prior written approval of the Town.

The Town may terminate any resulting contract, in part or in whole, without penalty, upon 30 days written notice to the auditor. Any contract cancellation notice shall not relieve the auditor of the obligation to deliver and/or perform on all outstanding orders issued prior to the effective date of the cancellation. In the event of termination by mutual agreement, the auditor shall be compensated for all hours worked at the specified contractual rate.

Except as otherwise provided by law or rule, the auditor agrees not to publish or distribute any information concerning work done for the Town.

***CONTENTS OF TECHNICAL PROPOSAL***

1. Title Page showing the RFP subject, name of firm, address, contact numbers,

name and e-mail address of contact person and date.

1. Table of Contents identifying the material by section and page number.
2. Letter of Transmittal

* Briefly state your understanding of the requested services and describe your audit approach applied to reach each objective.
* List the person(s) who are authorized to make representations for your firm. Include their titles, addresses, email addresses and telephone numbers.

1. Profile of the Firm

* Provide a brief overview of your firm to include size, type (national, regional, local, etc.) and location of the office from which the work is to be performed. List the number of partners, managers, seniors, and other professional staff employed at that office. Include brief biographies of the partners, managers, and other staff who may be assigned to this engagement. Include relevant experience of each in performing financial and compliance audits of entities similar to the Town. Also include recent continuing professional education of each individual assigned to the engagement.
* List current or former clients with engagements similar to the engagement described in this RFP. Indicate the scope of work, date, engagement partner(s), total hours, and the name and telephone number of the client contact.
* Include a description of the firm’s internal quality control process for government audit engagements. Also, state whether the firm participates in an external quality review program. If applicable, include a copy of the latest peer review or quality review report.

1. Services to be Provided

* Express agreement to meet the requirements of the engagement as stated in the “Scope of Audit” section of this RFP.
* Provide a description of the work plan, to include a description of the audit methodology to be followed.
* Provide a tentative schedule for performing key phases of the audit and the amount of time required to accomplish these phases.

1. Fee Structure

Provide an estimate of the total hours, the estimated out-of-pocket costs and the resulting all-inclusive maximum fee for which the requested work will be done. State the hourly rate to be charged for each staff classification. Please include this information separately for the FY 2022, FY 2023, FY 2024 and extension years FY 2025 and FY 2026. Also include an amount of professional services, in hours allowed each year without additional cost to the Town. A “Summary Proposal Cost Form” is included for your response.

GENERAL TERMS AND CONDITIONS

1. Applicable Laws and Courts This solicitation and any resulting contract shall be governed in all respects for the laws of the State of New Hampshire. The auditor shall comply with applicable federal, state, and local laws and regulations.
2. Ethics in Public Contracting

By submitting their proposals, all auditors certify that their proposals are made without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other auditor, supplier, manufacturer or subcontractor in connection with their proposals, and that they have not conferred on any Town employee having official responsibility for this procurement transaction, any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value was exchanged.

1. Debarment Status

By submitting their proposals, all auditors certify that they are not currently debarred from submitting bids or proposals on contracts by any agency of the State of New Hampshire and the federal government, nor are they an agent of any person or entity that is currently debarred from submitting bids on contracts by any agency of the State of New Hampshire for the federal government.

1. Mandatory Use of Terms and Conditions

Modification of or additions to the General Terms and Conditions of the solicitation may be cause for rejection of the proposal; however, the Town reserves the right to decide, on a case by case basis, in its sole discretion, whether or not to reject such a proposal.

**RIGHT TO REJECT**

The Town of Bethlehem reserves the right to reject any and all proposals submitted and to request additional information from all proposing parties. Any award will be made to the firm which is best qualified to meet the specific requirements of the Town.

**FURTHER INFORMATION**

Prior audit reports are available upon request. All inquires regarding this RFP shall be directed to Mary Moritz, Administrative Assistant, at (603) 869-3351 ext. 101 or email admin@bethlehemnh.org.

**TOWN OF BETHLEHEM, NH**

**SUMMARY PROPOSAL COST FORM**

**YEAR 2022 $**

**YEAR 2023 $**

**YEAR 2024 $**

**Extension Years**

**YEAR 2025 $**

**YEAR 2026 $**

**Additional Cost for Single Audit if required (if included in above please note)**

**YEAR 2022 $**

**YEAR 2023 $**

**YEAR 2024 $**

**Extension Years**

**YEAR 2025 $**

**YEAR 2026 $**

**Hourly Rate if scope of engagement is expanded:**

**$ Hourly Rate for Staff Level**

**$ Hourly Rate for Staff Level**

**$ Hourly Rate for Staff Level**

**PROPOSAL SUBMITTED BY:**

**Firm Name**

**Signature and Title**

**E-Mail**

**Date**