

**TOWN OF ISLIP
COMMUNITY DEVELOPMENT AGENCY**

REQUEST FOR PROPOSALS (RFP)

for

**2010 – 2012
Professional Auditing Services**



Proposal Due Date:

March 1, 2010, no later than 4:00 P.M.

**Town of Islip CDA
15 Shore Lane
PO Box 5587
Bay Shore, NY 11706
Phone: (631) 665-1185
Fax: (631) 665-0036**

Town of Islip Community Development Agency

I. Introduction and Statement of Purpose

The Town of Islip Community Development Agency ("The Agency") is soliciting proposals for an audit of its financial statements and tests of its internal control and compliance in accordance with Government Auditing Standards, issued by the Comptroller General of the United States, and as required by the U.S. Office of Management and Budget "Circular A-133", pursuant to the "Single Audit Act". This RFP is a solicitation to bid and not an offer of a contract.

The Agency will select the firm which will perform the audit and administer the contract.

The contract is for an annual independent audit of the Agency's financial records and procedures for each of the fiscal years ending June 30, 2010, June 30, 2011 and June 30, 2012.

II. Background

The Town of Islip Community Development Agency (the Agency) was organized in 1976 as a public benefit corporation under the Urban Renewal Law. The Agency is the successor to the Town of Islip Urban Renewal Agency, which was established in 1974. The Urban Renewal Law grants to the Agency broad community development and urban renewal powers, including residential rehabilitation and development, assisting financially with constructing, acquiring, rehabilitating and improving industrial and manufacturing plants and constructing municipal improvements. The Agency administers four grants from the U. S. Department of Housing and Urban Development, including the Community Development Block Grant (including program income), the HOME Investment Partnership Program, the Housing Opportunities for Persons with AIDS Program, and the Emergency Shelter Grant. The combined grants total approximately \$5,800,000.00. There are also occasional state, county and other funding sources.

The Board of Directors of the Agency is composed of a chairman and four directors, who are appointed by the Islip Town Board and serve five year terms. The Executive Director of the Agency is the chief executive officer and is appointed by the Agency Board.

The financial reporting entity includes functions and activities over which the Agency exercises oversight responsibility. Oversight responsibility is determined on the basis of financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters.

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The Agency has offices at 15 Shore Lane, Bay Shore, New York 11706.

III. Scope of Audit

An examination of the Agency's financial statement should be made in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. It should also include a review and evaluation of the Agency's systems of accounts and business practices to determine their adequacy and compliance with applicable provisions of the Laws of the State of New York. The audit should also include recommendations of possible improvements and advice to the Agency as to accounting matters and records. Audit reports on the Agency's financial statements for the last three fiscal years will be available to the successful bidder. The complete audit must be in conformity with all requirements of the U. S. Department of Housing and Urban Development, Office of Management and Budget, Generally Accepted Accounting Principles, and all appropriate Governmental Accounting Standards Board pronouncements.

Year-end Comprehensive Annual Financial Report (CAFR) including all required disclosures shall be drafted by the audit firm. Agency management and audit committee will then review the drafts for completeness and correctness and will assume responsibility for the financial statements.

IV. Audit Methods and Programs

The nature and extent of the work to be carried out in the examination of the Agency's financial statements will be determined by the auditors based on their review and evaluation of the business practices found. It will include such tests of the records and procedures as are deemed necessary including, as appropriate, the examination of supporting evidentiary material, the observation or written confirmation of selected assets, confirmation of certain liabilities and observations and discussion of operating practices. Statistical sampling and such other techniques deemed appropriate should be used to accomplish an effective and efficient audit.

V. Proposal Requirements

Bids should list the total inclusive cost for each year to be audited, excluding the expenses incurred in preparing and submitting this proposal. Payments will not exceed these amounts regardless of the actual costs incurred in completing the audits.

Bidders are requested to organize their proposals into the following components:

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- Direct salaries to be paid (by staff level, estimated hours and rates);
- Other direct costs (e.g., travel, computer rental);
- Overhead (including fringe benefits); and
- Fixed fee

The suggested staff classification to be presented are: partners, managers, seniors, staff accountants and specialists, as necessary.

Firms wishing to be considered for the audit engagement must submit a proposal to the Agency which contains, at a minimum, the following information.

- A proposed audit plan describing the recommended technical approach, including tasks and projected timetables, to be used in performing the Town of Islip Community Development Agency audit.
- A plan showing how the firm intends to manage its activities during the engagement.
- A description of how the firm's personnel will be organized to perform the assignments.
- An estimate of the total number of audit hours, broken down by level of staff and hours that would be committed to activities required by the Audit.
- A thorough description of the firm, including staff capacity to undertake and successfully complete the project.
- A description of the firm's policies on affirmative action, and any plans for minority-or women-owned businesses to participate as subcontractors.
- A description of the firm's experience in auditing HUD Programs and how this experience will be applied to the Town of Islip Community Development Agency audit engagement. Names titles, addresses and telephone numbers of organizations and individuals who may be contacted for reference must be included.
- The name and title of the individual to be designated as audit manager and other key personnel to be assigned.
- The resumes of the audit manager and other key audit and management

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personnel that thoroughly describe relevant training and experience that would qualify them for this level of service, including several references from recent engagements for each person.

Each section of the proposal shall be presented in the order listed above, although the firm may present additional information it considers appropriate and pertinent.

VI. Selected Criteria

The selection of a Town of Islip Community Development Agency Independent Auditor will be based upon the following criteria:

- The economy and feasibility of the cost proposal.
- The firm's insight into and understanding of the audit to be performed, as reflected by the responsiveness, thoroughness, creativity, and feasibility of the firm's approach to the requirements set forth in this RFP.
- Relevant experience and qualifications of personnel to be assigned to the audit.
- The firm's demonstrated level of competence in the field of governmental accounting.
- The adequacy of the firm's proposed management and staffing plan for the audit.
- Practicality of proposed time schedules and work plans.

VII. Administrative Information and Conditions

All proposals submitted must be signed by a member of the bidding firm duly authorized to execute contracts on behalf of the firm. All inquiries and other communications concerning this RFP should be in writing and addressed to:

Paul Fink
Executive Director
Town of Islip
Community Development Agency
15 Shore Lane
P. O. Box 5587
Bay Shore, NY 11706

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This RFP process will adhere to the following timetables:

I. Inquiries

All questions about the engagement should be submitted in writing by February 12, 2010. Answers to all questions of a substantive nature as well as copies of the questions will be made available to all auditing firms requesting this proposal packet.

2. Submissions of Proposals

Interested accounting firms should submit 3 copies of their proposal in a sealed package. Proposals must either be sent by registered mail to be received at the Town of Islip Community Development Agency office at 15 Shore Lane, P. O. Box 5587, Bay Shore, NY 11706 by 4 p.m. March 1, 2010 or hand delivered by that same time and date to the same address.

3. Accounting Firm Selections

Bidder proposals will be reviewed by the Agency's Audit Committee, which will evaluate the proposals and make a recommendation to the Board of Directors. The final decision on auditor selection for purposes of this engagement rests with the Board of Directors. An award, if any, will be made by the Agency as soon as when practicable.

4. Notification of Award and Contract

All respondents will be notified in writing of the Agency's selection of a contractor as soon as practicable. The successful firm, if any, will be advised by the Agency through a "Letter of Intent." A contract defining all deliverables and the specific responsibilities of the firm will then be negotiated.

5. Timing of Work and Reports

The examination shall be completed and a draft copy available to the Town of Islip Community Development Agency by November 30th of each year.

VIII. Other Conditions Governing the RFP and Audit Proposals

By submitting a proposal, the bidder agrees that he/she will not make any claims for or have any right to damages because of any misinterpretation or

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misunderstanding of the specifications or because of any misinformation or lack of information.

Please read the following insurance requirements carefully and take special note of the provisions related to coverage and disclosure. The selected firm must have and continuously maintain insurance in the following types and amounts. **The coverage is subject to change.**

Commercial General Liability – \$1,000,000 per occurrence, with the Town of Islip and Town of Islip Community Development Agency named as additional insured.

Automobile Liability – \$1,000,000 per occurrence, with the Town of Islip and the Town of Islip Community Development Agency named as additional insured.

Workers' Compensation Insurance & Employers liability – \$500,000.

Professional Liability – \$1,000,000

All such insurance shall include an unconditional provision for not less than 30 days prior notice of cancellation or modification of coverage.

All bidders for this project must disclose any prior or pending lawsuit(s) or litigation between the bidder and any municipal department, agency, board, commission or activity in New York State. The nature of the lawsuit and its outcome, if litigation is complete, should be described briefly.

Any contract awarded will be for a period of three (3) years. Total reimbursement for services provided by the firm may not exceed the maximum price specified for each fiscal year subject to audit (i.e., Fiscal years ending June 30, 2010, June 30, 2011 and June 30, 2012).

IX. Right to Reject Proposals

The Executive Director reserves the right to reject any proposals and to use any ideas included in such technical and cost proposal for purposes of this engagement. Further, any and all proposer costs incurred to prepare, submit, and otherwise present responses to this RFP are to be borne by the proposer and are not an obligation of the Agency.

X. Mandatory Qualifications of the Auditor

Each responding firm must affirm that the proposer is properly licensed by New York State for public practice as a certified public accountant. To be consistent

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with generally accepted governmental auditing standards (GAGAS), public accountants must be licensed by New York State.