



**TOWN OF CHELMSFORD, MASSACHUSETTS**  
**REQUEST FOR PROPOSALS**  
**FOR**  
**MUNICIPAL AUDITING SERVICES**

REPLY NO LATER THAN 11:00 AM EST

ON

February 4, 2022

TO:

OFFICE OF THE TOWN MANAGER

TOWN OF CHELMSFORD

TOWN HALL  
50 BILLERICA ROAD

CHELMSFORD, MASSACHUSETTS 01824

## TOWN OF CHELMSFORD

### REQUEST FOR PROPOSAL FOR AUDITING SERVICES

The Town of Chelmsford, Massachusetts invites qualified, independent public accountants licensed to practice in the Commonwealth of Massachusetts to submit proposals to conduct an audit of its financial accounts and records for a three-year period in accordance with the specifications listed below.

The Town of Chelmsford reserves the right to consider all proposals, and further reserves the right to reject any or all proposals; in whole or in part, or to accept the proposal deemed most advantageous for the Town of Chelmsford. The Town also reserves the right to make the award to other than the proposer offering if such award is found to be more advantageous for the Town of Chelmsford

#### **I. INFORMATION FURNISHED TO THE PROPOSER**

##### **A. GENERAL INFORMATION**

The Town Chelmsford has a population of approximately 35,488 residents and a total General Fund operating budget for Fiscal Year 2022 of about \$144.5 million. The Town has established five enterprise funds for sewer, stormwater management, PEG access cable television, the Chelmsford Country Club municipal golf course, and the Forum ice arena.

The most recent audit of the Town was performed in 2021 for the fiscal year that ended June 30, 2021. A copy of the audit is available in pdf format upon written request from Darlene R. Lussier, Town Accountant 50 Billerica Road, Chelmsford MA.

**The Annual audit for fiscal year 2022 is to completed within four (4) months after the end of the subject fiscal year. At the sole option of the Town, the contract for the annual audit may be extended for annual audits for the fiscal year 2023 and 2024, at the process given in the proposal.**

Interested parties are advised that the successful proposer will be required to prepare a draft engagement contract for review and approval of the Town. The engagement contract will describe the nature of the services to be provided, the responsibilities of the Town during the audit period, the schedule for completion of the audit within the period required by the Town, and the fees to be charged for the services rendered.

#### **INCURRING COSTS**

Chelmsford shall not be liable for any costs incurred by proposers in preparing, submitting or presenting proposals, or in satisfying any demonstration or other requirements.

Chelmsford shall not reimburse any costs incurred by proposers in anticipation of being awarded the contract under this RFP.

Chelmsford shall not accept billings for additional costs except as may be otherwise specified in this RFP or the Agreement pursuant hereto.

#### **PROPOSALS CONSIDERED "FIRM"**

All proposals received by Chelmsford in response to this RFP shall be considered "firm" and may only be withdrawn as provided herein. Any proposer wishing to withdraw proposal may

do so prior to the date and time stated in this RFP for submission by sending a letter by certified mail, return receipt requested, to the Chief Procurement Officer.

**FIRM PRICE**

Prices offered by the proposer shall be firm and not subject to increase during the term of any contractual agreement arising between Chelmsford and the successful proposer as a result of this RFP, except as may be otherwise provided in this RFP or the contract pursuant to it with the successful vendor.

**AVAILABILITY OF FUNDS**

If the Town of Chelmsford should not, for any reason at any time, appropriate or otherwise make available funds to support continuation of performance in any fiscal year succeeding the first year, the Town Chief Procurement Officer shall cancel any contract pursuant to this RFP without penalty upon thirty (30) days' notice to the successful proposer.

**LIABILITY AND INSURANCE**

Proposers shall save and keep Chelmsford harmless from any and all legal liability which may be established on behalf of any person or persons or corporation, whomsoever for, growing out of the normal use of these services.

The successful proposer shall take out and maintain during the life of the contract pursuant to the RFP such Public Liability, Property Damage, Workers Compensation and Professional Liability Insurances as shall protect him and any subcontractor performing work covered by this contract from claims for damages for injury, including accidental death, as well as for claims for property damage which may arise from operations by himself or by his subcontractor(s) or by anyone directly or indirectly employed by either of them. The successful proposer shall also take out and maintain for the term of the contract all coverages required by statute or regulation.

The contract between the Town and the successful proposer shall have the proposer hold the Town harmless and indemnify the Town for damages arising from proposer's actions. No exception to this part of the contract will be accepted.

**THE TOWN OF CHELMSFORD SHALL ACCEPT NO EXCEPTIONS TO THIS SECTION.**

**CONFIDENTIALITY**

Under the Massachusetts General Laws, The Town of Chelmsford cannot assure the confidentiality of any material or information which may be submitted by a proposer in response to this RFP. Thus, proposers who choose to submit confidential material or information do so at their own risk.

**B. DESCRIPTION OF RECORDS**

1. The Town maintains its general ledger in accordance with the municipal finance statutes of the Commonwealth of Massachusetts.
2. The records of the Town are computerized, except for some small departmental receivable accounts. A description of the hardware or software is available upon request.
3. Inter-departmental and cash reconciliations will be made by the Town at year end.

**C. NATURE OF SERVICES REQUIRED**

1. Required services consist of examination of the Town’s financial records of all activities and departments, including the Chelmsford Public Schools.
2. This examination is to be performed in accordance with the Standards for Audit of Governmental Organizations Programs, Activities and Functions, revision, issued by the United States General Accounting Office.

**This financial audit shall cover the fiscal year ending June 30, 2022, and may be extended for the fiscal years ending June 2023, and June 2024.**

3. In addition to the financial audit, the proposer is to conduct an audit in accordance with the following requirements: The Audit Act of 1984 as codified in Chapter 75 of Title 31 of the United States Code and regulations established to implement this law by the Director of Office of Management and Budget – O.M.B. Circular A-128, A-133 and other relevant compliant supplements.

**This compliance audit shall cover the fiscal year ending June 30, 2022, and may be extended for the fiscal years ending June 2023, and June 2024.**

4. The proposer should conduct an examination of internal control systems for processing of cash receipts for up to four (4) separate departments of the town government chosen by the Town per audit year, including a written evaluation of those systems, and recommended improvements of same. It is expected that the School and General Government Departments will be examined on a rotating basis.
5. At the conclusion of the audit, representatives of the accounting firm will be expected to conduct an exit interview with town officials to discuss the draft audit documents, and to attend a meeting of the Select Board, School Committee, or other governmental bodies to discuss the final reports and recommendations resulting from the audit.

**D. REPORT REQUIREMENTS**

1. The following auditor’s reports are required at the completion of the audit.
  - a. An auditor’s opinion whether the general purposes financial statements fairly present the financial position of the Town and the results of its financial operations in accordance with generally accepted accounting principles. In addition, the audit must contain an auditor’s opinion whether the supplemental statements of federal assistance present fairly the actual grant data in relation to the general purpose financial statements. The supplemental statements of federal assistance must show the total expenditures for each federal assistance program.
  - b. An auditor’s statement whether an internal control system exists to provide reasonable assurance that the federal funds are managed in compliance with applicable laws and regulations. Further, the auditor’s report must identify the Town’s significant internal accounting controls designed to provide compliance. The auditor shall report the controls that were evaluated, the controls that were not evaluated, and the material weaknesses identified as a result of the evaluation.

c. An auditor's statement on compliance with grant requirements. The statement shall include:

- Statement of positive assurances with respect to those items tested for compliance, including compliance with law and regulations pertaining to financial reports and claims for advances and reimbursements;
- Negative assurance on those items not tested;
- A summary of all instances of non-compliance, and
- Identification of total amounts questioned, if any, for each federal assistance award, as a result of non-compliance.

d. An auditor's written evaluation and recommendations on internal control systems for the processing of cash receipts for up to four (4) departments under Section C-4 of this RFP.

e. A Management Letter of finding, comments and recommendations addressed to the Select Board.

2. The accounting firm will produce electronic copies of the aforementioned reports in pdf format for the Select Board and emailed to the Town Accountant. An additional number of copies shall be submitted to applicable federal agencies.

#### **E. TIMING CONSIDERATIONS**

1. Three (3) hard or paper copies of the proposals are to be submitted no later than 11:00 AM, EST on Friday, February 4, 2022 to the Office of the Town Manager, Town Offices, 50 Billerica Road, Chelmsford, MA 01824. A pdf version of the proposal shall also be submitted to the Town Manager by email to: pcohen@chelmsfordma.gov. No proposal will be accepted after the date and time previously stated.

2. Interested parties are required to submit a written response to this request for proposals addressing those matters requested in the Request For Proposals.

3. The successful proposer shall commence the Fiscal 2022 audit no later than two weeks following the execution of the project contract by both parties.

4. A Draft Balance Sheet for the DOR will be prepared by September of each year for free cash certification.

5. The final audit reports will be completed within four (4) months of the end of each fiscal year covered by this contract. Presentation of such reports will be made to the Select Board and Town Manager at a public meeting at a mutually agreed upon time thereafter.

#### **F. TOWN ASSISTANCE AVAILABLE TO AUDITOR DURING THE AUDIT**

The Town's assistance to the accounting firm will be specifically limited to:

1. Preparation of working trial balance.
2. Location of appropriate records (the pulling and filing of specific documents will be the responsibility of the accounting firm who will be required to file these documents in an orderly and correct manner.)
3. Preparation of schedules.
4. Photocopying of documents.

5. Completion of confirmations.
6. Meeting and conferences (by appointment, if necessary).

## **G. BILLINGS**

1. Progress payments may be billed monthly for services rendered on the prior month. The accounting firm will submit an invoice on its letterhead indicating the total number of hours of services and the composite billing rate. The accounting firm will maintain adequate records to substantiate these invoices by the number of hours of service rendered by individual members of the firm and each member's staff level. These records will be made available to the Town's Accountant upon request. The Town will retain twenty percent (20%) of the final contract price until submission of final audit reports.
2. If it becomes necessary to revise any part of this RFP or otherwise provide additional information, an addendum will be issued by the Town and furnished to all firms that have received copies of the original RFP.
3. All proposals become the property of the Town and are subject to disclosure as required by Massachusetts General Laws and Town by-laws.
4. The Town is not liable for any cost incurred by the prospective auditors in replying to this RFP.
5. Audit fees for prior years are available upon request.

## **II. INFORMATION TO BE REQUIRED FROM PROPOSER**

In order to simplify the evaluation process and provide the maximum basis of comparison, the Town is requiring prospective auditors to submit proposals in the format and manner prescribed by this section. Firms are cautioned that any deviation from this format may result in disqualification of their proposals.

### **A. TITLE PAGE**

1. Project title.
2. Name of proposer firm.
3. Address and telephone number of proposer firm.
4. Name of contact person.
5. Date of submission.

### **B. LETTER OF TRANSMITTAL**

1. Briefly state the proposer's understanding of the work to be done and make a positive commitment to perform the work within the required time frame.
2. This letter should be signed by the individual authorized to negotiate for and contractually bind the firm.

### **C. TABLE OF CONTENTS**

Include a clear identification of the material by section and page number. Such sections will be those identified below.

#### **D. PROFESSIONAL EXPERIENCE**

1. Describe the local and/or regional office's audit experience with local governments in the last five years, including a list of all Massachusetts municipalities for which the party has provided auditing services.

2. Identify the supervisors (e.g. partner, manager, auditor-in-charge) and the staff who are expected to work on the audit. Provide resumes (which may be included as appendices) showing relevant past experience, especially as related to education, training, etc.

3. Describe the firm's participation, if any, in professionally sponsored quality control review or comparable programs.

4. List the names, addresses and telephone numbers of client officials for three engagements previously listed who may be contacted.

#### **E. PROPOSER'S APPROACH TO THE AUDIT**

1. State the proposer's understanding of the services to be performed and the products to be provided as defined in Section I-C "Nature of Services Required" and I-D, "Report Requirements" of this RFP.

2. Submit an outline of a work plan to accomplish the scope of services (within the required time frame). The work plan should include time estimates by staff level for each of the significant segments of the work and the staff assigned to each segment. Include a brief discussion of the audit procedures to be used in the audit process for each segment.

#### **F. COMPENSATION**

Using the form attached to this Request for Proposal, state the total fee per fiscal year. This fee shall include all costs which the firm expects to bill for, including staff, travel, clerical assistance, printing, copying and any other direct and indirect costs.

#### **G. ADDITIONAL INFORMATION**

Give any additional information not specifically requested previously, considered necessary for fair evaluation of the proposal.

### **III. SELECTION PROCESS**

#### **A. MINIMUM SELECTION CRITERIA**

1. A minimum of seven (7) years offering auditing services to organizations.
2. A minimum of five (5) years auditing services to municipalities in Massachusetts.
3. A minimum of five (5) different complete annual audit contracts in at least five (5) different Massachusetts cities in the last seven (7) years.
4. A minimum of three (3) different completed annual audit contracts in three (3) different Massachusetts regional schools or public colleges in the last seven (7) years.

**B. EVALUATION OF PROPOSALS**

Proposals will be reviewed and evaluated by a committee consisting of the Town Manager, Town Accountant, and Finance Director.

**TOWN OF CHELMSFORD**

**RESOUCE LIST OF MUNICIPAL OFFICIALS**

The following Town Official is available during normal business hours to respond to any questions that prospective bidders may have on the Town's financial systems or any details of this request for proposal.

Darlene R. Lussier, Town Accountant  
(978) 250-5215

**TOWN OF CHELMSFORD**

\_\_\_\_\_  
*Name of Firm or Individual*

\_\_\_\_\_      \_\_\_\_\_      \_\_\_\_\_      \_\_\_\_\_  
*Street Address      Town or Town      State      Zip*

hereby proposes to provide the auditing services to the Town of Chelmsford as described in the attached Request for Proposals for the following lump sum per fiscal year:

**Fiscal Year 2022**      \$ \_\_\_\_\_ .  
**Fiscal Year 2023**      \$ \_\_\_\_\_ .  
**Fiscal Year 2024**      \$ \_\_\_\_\_ .  
**Three (3) Year Bid**      \$ \_\_\_\_\_ .

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Name of Business*

\_\_\_\_\_  
*Date*

### **NON-COLLUSION STATEMENT**

The following certificate is required by Massachusetts General Laws, c. 40 s. 4b-1/2.

The undersigned certifies under penalties of perjury that this proposal has been made and submitted in good faith and without collusion or fraud with any other person. As used in this certification, the word "person" shall mean any natural person, business, partnership, corporation, union, committee, club or other organization, entity or group of individuals.

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Name of person signing proposal

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Name of Company

## TAX COMPLIANCE STATEMENT

I certify under penalties of perjury that I, to the best of my knowledge and belief, have filed all tax returns and paid all state taxes required under law.

\_\_\_\_\_  
\* Signature of Individual  
or Corporate Name (Mandatory)

\_\_\_\_\_  
Corporate Officer

\_\_\_\_\_  
\*\* Social Security Number  
(Voluntary or Federal Id Number)

\* Approval of a contract or other agreement will not be granted unless the applicant signs this certification clause.

\*\* Your social security number will be furnished to the Massachusetts Department of Revenue to determine whether you have met tax filing or tax payment obligations. Providers who fail to correct their non-filing or delinquency will not have a contract or other agreement issued, renewed or extended. This request is made under the authority of Mass. G.L. c. 62C s. 49A.

**Clerk Certificate**

***Authorization to Sign Contract***

At a duly authorized meeting of the Board of Trustees/Directors of the \_\_\_\_\_ held on \_\_\_\_\_  
***Name of Organization***  
\_\_\_\_\_ at which all the Trustees/Directors were present and waived  
Date \_\_\_\_\_  
notice, it was VOTED, that \_\_\_\_\_, \_\_\_\_\_  
***Name*** ***Officer***  
of this organization, is authorized to execute contract in the name and behalf of said organization,  
and affix its corporate seal thereto; and such execution of any contract or obligation in this  
organization's name on its behalf by such \_\_\_\_\_ under the  
***Officer***  
seal of the organization shall be valid and binding upon this organization.

I hereby certify that I am the clerk of the \_\_\_\_\_  
***Name of Organization***  
and that \_\_\_\_\_ is the duly elected \_\_\_\_\_  
***Type name*** ***Officer***  
of said organization, and that the above vote has not been amended or rescinded and remains  
in full force and effect as of this date.

***Corporate Seal Here:  
(if no seal, print "none")***

\_\_\_\_\_  
Signature  
\_\_\_\_\_  
***Type name***  
\_\_\_\_\_  
***Title***  
\_\_\_\_\_  
***Date***