

**URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH
REQUEST FOR QUALIFICATIONS (RFQ)**

I - Summary Information

The Urban Redevelopment Authority of Pittsburgh (URA) is requesting Requests for Qualifications (RFQ) from qualified firms of certified public accountants to provide state and federal audits, Tax Increment Financing (TIF), and Parking Tax Diversion (PTD) for June 2016 through June 2019. It is anticipated that audits will be required for various contracts. Additionally, several HUD Up Front Grant, county audits, and/or other federal audits may also be required. In subsequent years, the audit lists were developed based on need.

The scope of services will include the expression of an opinion on the fair presentation of the URA's county and state audits and Federal Grants, and other audits as required by contract documents with audit expenses as defined by contract terms or bid results.

Submission Requirements include the following:

Due Date: July 14, 2017 by 2 PM ET

Delivery: Damara Carter
Senior Manager
Urban Redevelopment Authority of Pittsburgh
200 Ross Street, 6th Floor
Pittsburgh, PA 15219
dcarter@ura.org

Deliverables: Technical Qualifications – One (1) hard copy and one (1) electronic copy

Inquiries regarding this RFQ should be directed to Damara Carter, Senior Manager, at 412-255-6676 or dcarter@ura.org.

The URA reserves the right to reject any or all proposals submitted. The URA further 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 RFQ, unless clearly and specifically noted in the RFQ submitted and confirmed in the contract between the URA and the firm selected.

There is no express or implied obligation for the URA to reimburse firms for any expenses incurred in preparing proposals in response to this request.

II - Nature of Services Required

Scope of Services

The scope of services rendered by the auditor must include the expression of an opinion on the fair presentation of the URA's audits, which are required by contract.

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Special circumstances may arise requiring the auditor to issue special reports, letters, or affirmations relating to the services described above. An example of such a circumstance would be responding to requests from the State for additional audit information.

Auditing Standards

The audit must be conducted in accordance with generally accepted auditing standards as set forth by the appropriate governing authorities, including the following: the American Institute of Certified Public Accountants; the standards for financial audits set forth in the U.S. General Accounting Office's *Government Auditing Standards*; the provisions of the Single Audit Act; U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*; and any other applicable procedures for the audit of a government agency's financial statements prepared in accordance with GAAP.

Miscellaneous Requirements

The working papers shall be retained and made available upon request for no less than three years from the date of the audit report. Users of these working papers may include the following: URA, City of Pittsburgh, Commonwealth of Pennsylvania, School District of Pittsburgh, County of Allegheny, U.S. General Accounting office, or successor auditors.

The audits must be completed and reports rendered in final form within four months following the end of the contract term or after all expenses have been paid.

III – Description of the URA

Reporting Entity

The URA was established in 1948 under the Pennsylvania Urban Redevelopment Law. The URA acquires and clears blighted property; initiates rebuilding with the private sector; negotiates with the federal, state, county, and local governments for public funds and facilities; and works to maintain and improve Pittsburgh neighborhoods and business districts through business loan programs, multi- and single-family loan programs, and home improvement loan programs. Funding for the URA projects and programs is obtained primarily through revenue bonds, TIF/PTD bonds, and notes or intergovernmental grants. The URA has no taxing authority.

The URA is considered to be a component unit of the City of Pittsburgh, as the Mayor of Pittsburgh appoints the URA's Board of Directors, Additionally, a financial benefit/burden relationship exists between the City and the URA.

Basis of Accounting and Fund Structure

The URA has adopted GASB 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments".

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Accounting Systems

The URA accounting records are maintained via the Serenic accounting system and supported with Trustee reporting for TIF,PTD, and others. The Serenic system is supported by Salesforce/Portfol.

Availability of Financial Statements

Copies of the URA Audit financial statements for projects completed as of June 30, 2016 are available upon request via e-mail (PDF format). Send e-mail requests for the statements to dcarter@ura.org.

IV – Assistance to be Provided to the Auditor

Responsibility of Finance Department Staff

The Finance Department staff will provide to the auditors the following information during fieldwork:

1. Books of Account
 - a. Trial Balances by contract where applicable
2. Documentation to be Available
 - a. Bank and investment account reconciliations
 - b. Supporting documentation for expenditures and receipts
 - c. Transaction detail as requested
 - d. Board minutes and policies where applicable
 - e. Grant and loan agreements (Salesforce/Portfol)
3. Assistance and Resources to be Provided
 - a. Pull and re-file records
 - b. Reasonable work space, desks and chairs
 - c. Access to a phone, fax, and copier
 - d. Note – the following is not expected to be available to the audit staff:
 - i. networking capabilities
 - ii. internet access
 - iii. exclusive use of an accounting station
4. TIF, PTD, and other information is available with Zion Bank, who acts as URA Trustee for those and other transactions.

Responsibility of Audit Staff

The audit staff will be responsible for the following information and services:

1. Report preparation and editing
2. Printing and binding of reports (seven (7) copies)
3. Electronic copy of all reports

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V – Audit Timing and Coordination

Time Requirements

The audits should start either after end of the contract or year-end depending on audit type. Additional audits may be required based on contract terms requiring flexibility.

VI – Proposal Requirements

General Requirements – Submission of Proposals

For a firm to be considered, one (1) hard copy and one (1) electronic copy (preferably PDF) of the Technical Proposal is required and must be received by July 14, 2017 (delivery instructions are given in section I). Note that the proposal should follow the order set forth in this section.

Each submission should include a preliminary section which includes the following:

1. Title Page – include the firm’s name, contact person, and contact information for both the firm and contact person
2. Table of Contents
3. Transmittal Letter – include the following:
 - a. A signed statement regarding the proposer’s understanding of the work to be done;
 - b. A commitment to perform the work within the time period;
 - c. A statement why the firm believes itself to be best qualified;
 - d. A statement attesting that the firm will perform the work according to the standards required herein;
 - e. A statement that the firm understands that, after a selection is made, all proposals may be public records under the Pennsylvania Right to Know Law; and
 - f. An irrevocable offer for 60 days.

Technical Proposal

1. General Requirements

The purpose of the technical proposal is to demonstrate the qualifications, competence, and capacity of the firms seeking to undertake an independent audit of the URA state, county, federal, and other contracts in conformity with the requirements of this request for proposals. This proposal should demonstrate the qualifications of the firm and the staff (partner, manager, and seniors) to be assigned to this engagement. The technical proposal should address all the points outlined in the request. The proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the request for proposals. While additional data may be presented, the following subjects, item Nos. 2- 8 must be included. They represent the criteria against which the qualifications will be evaluated.

2. Independence

The firm should provide an affirmative statement that it is independent of the URA, as defined by generally accepted auditing standards and the U.S. General Accounting Office’s

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Government Auditing Standards.

3. License to Practice in Pennsylvania/Tax Status with City of Pittsburgh

An affirmative statement should be included indicating that the firm and all assigned key professional staff are properly licensed to practice in Pennsylvania.

An affirmative statement should be included stating that the firm is not delinquent in any taxes due the City of Pittsburgh. In order for the URA to contract with a firm, the firm must be registered to do business within the City of Pittsburgh and must be current on all tax obligations.

4. Firm Qualifications and Experience

The proposal should state the size of the firm and the size of the local office (if applicable), the size of the firm's governmental audit staff located locally, the number of local staff meeting requirements of the "Yellow Book" standards for governmental auditors, the location of the office from which the work on this engagement is to be performed (including if this location is located in the City of Pittsburgh) and the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis.

If the proposer is a joint venture or consortium, the qualifications of each firm comprising the joint venture or consortium should be separately identified and the firm that is to serve as the principal auditor should be noted, if applicable.

The firm is also required to submit a copy of the report on its most recent quality control review (peer review), with a statement whether that quality control review included a review of specific government engagements.

The firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three years. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three years with state regulatory bodies or professional organizations.

5. Partner, Supervisory, and Staff Qualifications and Experience

The firm should identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement and indicate whether each such person is licensed to practice as a certified public accountant in Pennsylvania. The firm also should provide information on the government and state contract auditing experience of each person, including information on relevant continuing professional education for the past three years, membership and committee participation in professional organizations relevant to the performance of this audit, speaker or instructor roles in conferences or seminars, and authorship of articles and books.

The firm should provide as much information as possible regarding the number, qualifications, experience and training of the specific staff to be assigned to this engagement. The firm also should indicate how the quality of staff over the term of the

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agreement will be assured.

The URA retains the right to approve or reject replacements of engagement partners, managers, other supervisory staff and specialists. Other audit personnel may be changed at the discretion of the proposer provided that replacements have substantially the same or better qualifications or experience.

6. Similar Engagements with Other Government Entities

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements performed in the last five years that are similar to the engagement described in this request for proposals. These engagements would include (1) Yellow Book audits and audits of other entities receiving Federal assistance, (2) entities receiving State and/or County assistance, (3) municipalities, (4) authorities, (5) other governments, and (6) other relevant engagements, particularly those who have included revenue bonds, tax increment financing bonds or notes, general obligation bonds, etc.

Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

7. Specific Audit Approach

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section II of this request for qualifications. Proposers will be required to provide the following information on their audit approach:

- a. Proposed segmentation of the engagement
- b. Level of staff and number of hours to be assigned to each proposed segment of the engagement
- c. engagement
- d. Type and extent of analytical procedures to be used in the engagement
- e. Approach to be taken to gain and document an understanding of the URA's internal control structure
- f. Approach to be taken in determining laws and regulations that will be subject to audit test work
- g. Approach to be taken in drawing audit samples for purposes of tests of compliance
- h. Strategy to minimize disruption to the URA accounting staff

8. MWBE Participation and Subcontracting

The URA attempts compliance with the City of Pittsburgh's targeted MWBE levels.

MWBE participation can be satisfied by:

- a. Ownership/Partnership of firm
- b. Employment levels of minorities and/or women in the firm
- c. Use of minorities and/or women on the URA engagement
- d. Firm's use of minority- or women-owned businesses as vendors for legal, printing, office supplies, travel, etc.
- e. Subcontracting with audit firms owned and controlled by minorities and/or women; If this is to be done, that fact, and the name of the proposed subcontracting firms, must be clearly identified in the proposal. Following the award of the audit contract, no additional subcontracting will be allowed without

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the express prior written consent of the URA.

Please provide breakdowns for (a) through (d) above and plans, if any, for subcontracting to MWBE auditing firms.

9. Rates by Partner, Specialist, Supervisory, and other professionals assigned to these audits
Some of the audits may set dollars that range from \$1,000 to \$15,000 depending on the complexity of the audit. The determining factor on the award will be the hourly cost of the auditors.

10. Manner of Payment

Progress payments will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the firm's dollar cost bid proposal. Interim billings shall cover a period of not less than a calendar month. Ten percent (10%) will be withheld pending delivery of the firm's final reports.

VII – Evaluation Criteria

Proposals will be evaluated using three sets of criteria. Firms meeting the mandatory criteria will have their proposals evaluated and scored for Technical Qualifications; those firms with acceptable scores for technical qualifications will then have their rates reviewed and evaluated.

The following represent the principal selection criteria which will be considered during the evaluation process:

1. Mandatory Elements

- a. The audit firm is independent and licensed to practice in Pennsylvania
- b. The audit firm's professional personnel have received adequate continuing professional education within the preceding two years
- c. The firm has no conflict of interest with regard to any other work performed by the firm for the URA or any related entity
- d. The firm submits a copy of its most recent peer review report and the firm has a record of quality audit work
- e. The firm adheres to the instructions in this request for proposals on preparing and submitting the proposal

2. Technical Qualifications (Maximum Total Points – 115)

- a. Expertise and Experience (Maximum Points – 50)
 - i. The firm's past experience and performance on comparable government engagements
 - ii. The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation.
- b. Audit Approach (Maximum Points – 25)
 - i. Adequacy of sampling techniques
 - ii. Adequacy of analytical procedures
- c. MWBE Participation (Maximum Points – 15)
- d. Office in the City of Pittsburgh (Maximum Points – 10)

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3. Price (Maximum Points – 15)

Acceptance and Right to Reject Qualifications

Submission of a proposal indicates acceptance by the firm of the conditions contained in this RFQ unless clearly and specifically noted in the qualifications submitted and confirmed in the contract between the URA and the firm(s) selected.

The URA reserves the right without prejudice to reject any or all submissions.