

**EAST LIBERTY TRANSIT REVITALIZATION INVESTMENT DISTRICT
REVITALIZATION AUTHORITY
REQUEST FOR PROPOSALS**

I - Summary Information

The East Liberty Transit Revitalization Investment District Revitalization Authority (ELTRIDRA) is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the years ending December 31, 2014, 2015 and 2016.

The scope of services will include a single audit. The East Liberty Transit Revitalization Investment District Revitalization Authority (ELTRIDRA) is a public authority/governmental entity organized under the Municipal Authorities Act (53 Pa. C.S.A. 5601 et. seq.), which requires a Single Audit.

Submission Requirements include the following:

Due Date: Friday April 18, 2014 by 12p.m.

Delivery: Rebecca Schenck, Project Development Specialist

East Liberty TRID Revitalization Authority
c/oUrban Redevelopment Authority of Pittsburgh
200 Ross Street, 12th Floor
Pittsburgh, PA 15219

Deliverables: The firm shall submit one (1) bound copy and one (1) unbound copy of all documents required as part of the RFP, as well as a CD with a digital version. The digital file should consist of one (1) PDF file that includes all components of the proposal. Responses should not exceed twenty (20) pages.

Submissions must be delivered by the time indicated below; e-mail or electronic delivery will not be accepted. Submissions lacking one or more of the requested documents may be considered irregular. ELTRIDRA reserve the right to reject any irregular submission and reserves the right to waive any irregularity in submissions. It is the firm's sole responsibility to read and interpret this RFP and the written instructions contained herein.

Inquiries regarding this request for proposal should be directed to Rebecca Schenck at 412-255-6616 or rschenck@ura.org.

ELTRIDRA reserves the right to reject any or all proposals submitted. ELTRIDRA 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

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of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between ELTRIDRA and the firm selected.

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

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II – Description of the ELTRIDRA

Reporting Entity

East Liberty Transit Revitalization Investment District Revitalization Authority (ELTRIDRA) is a public authority/governmental entity organized under the Municipal Authorities Act (53 Pa. C.S.A. 5601 et. seq.). ELTRIDRA is not reported within the Urban Redevelopment Authority of Pittsburgh's (URA) financial statements or the City of Pittsburgh CAFR.

ELTRIDRA is charged with managing the East Liberty Transit Revitalization Investment District (TRID) which includes the following tasks:

- Administering the Investment Plan, much like Tax Increment Financing Administration;
- Providing a TRID Trustee Report on an annual basis; and
- Administering the TRID Implementation Plan that is approved by the taxing bodies

ELTRIDRA has no staff of its own and operates pursuant to an administrative contract with the Urban Redevelopment Authority of Pittsburgh.

The East Liberty TRID boundary includes the major potential redevelopment sites within a 0.5 mile radius surrounding the East Liberty stop on the East Busway. Within the TRID boundary, the current five-year development pipeline comprises the Phase 1 subprojects which will be the only pledged parcels ("Phase 1 Pledged Parcels"). Much of this activity will focus on the core of East Liberty's commercial corridor and the area commonly referred to as the Eastern Gateway.

Over \$300 million of commercial and residential development is currently within the 'pipeline' over the next ten years and beyond. A total of 75 percent of the real estate and parking tax revenue received from these Phase 1 Pledged Parcels will be allocated to ELTRIDRA to be spent on a variety of infrastructure projects.

The TRID proceeds in the short-term could be used to partially fund the conversion of the remaining segments of Penn Circle to two-way traffic, Eastside III TOD Infrastructure (Design and Engineering), Transit Center Maintenance (PAAC), Public Art/Fountain (Foundations), Pedestrian Enhancement for Obama Academy and Highland Ave.

In subsequent years, there could be an East Liberty TRID Phase 2. If so, an additional RFP will be issued.

Principles of Consolidation:

The financial statements will be presented on the consolidated basis, including the accounts of ELTRIDRA.

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Accounting Systems

ELTRIDRA has issued an RFP for qualified accounting firms to provide all accounting/bookkeeping and tax services. Their services will commence on May 16, 2014 for the year beginning January 1, 2014.

Availability of Financial Statements

ELTRIDRA was formed in November 2013. As a newly formed entity, this will be ELTRIDRA's first year of operation and hence prior audits will not be available prior to the due date of proposals.

III - Nature of Services Required

Scope of Services

A. Audit the Financial Statements of ELTRIDRA for the fiscal year ending December 31, 2014, 2015 and 2016.

B. Provide assistance in the preparation of the Annual Report of Municipal Authorities as required by the Commonwealth of Pennsylvania, Department of Community and Economic Development.

C. Submission of reports: The firm shall provide ELTRIDRA with five (5) copies of the Auditor's report, and the Report of Municipal Authorities.

D. Auditors shall be required to make an immediate, written report of all irregularities and illegal acts, or indications of illegal acts of which they become aware to: the Chairman of the Board of Directors

E. Provide access and communicate audit findings to all of the entities represented on the ELTRIDRA Board including: City of Pittsburgh, County of Allegheny, Pittsburgh Public School District, Port Authority of Allegheny County and the Urban Redevelopment Authority of Pittsburgh.

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, and any other applicable procedures for the audit of a Municipal Authority's financial statements prepared in accordance with GAAP.

Miscellaneous Requirements

The audit shall be retained and made available upon request for no less than three years from the

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date of the audit report. Users of this audit may include the following: ELTRIDRA, Urban Redevelopment Authority of Pittsburgh (URA), Pennsylvania Department of Community and Economic Development, Internal Revenue Service or successor auditors.

The audits must be completed and reports rendered in final form within 75 days following the December 31 year end. Additionally, the audit will be included in our annual report, which will be given to the auditor prior to its presentation at the next ELTRIDRA Board meeting for review. Further, the auditors are expected to one ELTRIDRA Board meeting and present the results of the audit. A mutually agreed upon date will be determined annually for the Board Meeting

IV – Assistance to be Provided to the Auditor

Responsibility of ELTRIDRA

Staff from ELTRIDRA's selected accounting firm will provide to the auditors the following information by February 15th following the year to be audited:

1. Books of Account
 - a. Trial Balances by fund that self-balance
 - b. Subsidiary ledgers reconciled to control accounts
 - c. Supporting schedules for general ledger account balances

2. Documentation to be Available
 - a. By selected accounting firm
 1. Bank and investment account reconciliations
 2. Supporting documentation for expenditures and receipts
 3. Transaction detail as requested
 - b. By ELTRIDRA
 1. Board minutes and policies
 2. Grant and loan agreements

3. Assistance and Resources to be Provided
 - a. Prepare all necessary confirmations (for mailing by the auditor)
 - 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:
 1. networking capabilities
 2. internet access
 3. exclusive use of an accounting station

Responsibility of Auditors

The auditors will be responsible for the following information and services:

1. Report preparation and editing
2. Printing and binding of reports (5 copies)

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- 3 . Electronic copy of all reports in PDF format

V – Audit Timing and Coordination

Time Requirements

Planning between ELTRIDRA, selected accounting firm, and the selected auditing firm for the best dates of fieldwork, including interim work, will be key to the successful completion of the audits. A preliminary schedule of fieldwork should be included in the proposal (subject to change during the planning process).

The current essential target dates are as follows, but may change according to the reporting requirements of ELTRIDRA:

1. Availability of final accounting records – February 15
2. Delivery of draft financial statements and proposed adjusting entries – March 8
3. Issuance of final financial statements – March 15
4. Presentation to the ELTRIDRA Board on or about March 28

Coordination of the Audit

Upon contracting with the Auditor, coordination of the audit should begin soon thereafter. The following meetings should be held during the course of an audit year:

1. Entrance meeting with ELTRIDRA staff and the audit partner and manager in order to plan the audit fieldwork including preliminary work.
2. Progress meeting with ELTRIDRA staff and audit manager as needed during fieldwork.
Note – it is expected that an up-to-date list of outstanding questions and requests will be presented weekly during the course of all fieldwork.
3. Exit meeting with ELTRIDRA staff, audit partner and manager.
4. Presentation to the Board.

VI – Proposal Requirements

General Requirements – Submission of Proposals

For a proposing firm to be considered, one PDF copy of the Technical Proposal is required to be received by 12pm, Friday, April 18, 2014 (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 the firm and contact person
2. Table of Contents
3. Transmittal Letter – include the following:

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- 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 attesting that the firm will perform the work according to the standards required herein,
- d. 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,
- e. and 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 ELTRIDRA in conformity with the requirements of this request for proposals. This proposal should demonstrate the qualifications of the firm and the particular staff (partner, manager, and seniors) to be assigned to this engagement. The technical proposal should address all the points outlined in the request for proposals. 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, items Nos. 2 through 8, must be included. They represent the criteria against which the proposal will be evaluated.

2. Independence

The firm should provide an affirmative statement that it is independent of ELTRIDRA, and the URA as defined by generally accepted auditing standards and the U.S. General Accounting Office's 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 ELTRIDRA 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) and the size of the firm's public sector audit staff located locally, the location of the office from which the work on this engagement is to be performed 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

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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 public sector 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 public sector auditing experience of each person.

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 agreement will be assured.

ELTRIDRA 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 Municipal Authorities

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. Include the scope of work, date, engagement, 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 proposals.

8. MBE/WBE Participation and Subcontracting

ELTRIDRA seeks compliance with the City of Pittsburgh's targeted MBE/WBE levels. MBE/WBE participation can be satisfied by:

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- 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 ELTRIDRA 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 the express prior written consent of ELTRIDRA.

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

Sealed Dollar Cost Bid

1. Total All-inclusive Maximum Price

The sealed dollar cost bid should contain all pricing information relative to performing the audit engagement as described in this request for proposals. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs including all out-of-pocket expenses.

The first page of the sealed dollar cost bid should include the following information:

- a. Name of Firm
- b. Certification that the person signing the proposal and dollar cost bid is entitled to represent the firm, empowered to submit the bid and authorized to sign a contract with the ELTRIDRA.
- c. A total all-inclusive maximum price for the 2014, 2015 and 2016 engagement, assuming no material change in circumstances affecting the audit.

2. Rates by Partner, Specialist, Supervisory and Staff Level times Hours Anticipated for Each Level

The second page of the sealed dollar cost bid should include a schedule of professional fees and expenses that supports the total all-inclusive maximum price.

3. Rates for Additional Professional Services

If it should become necessary for ELTRIDRA to request the auditor to render any additional services to either supplement the services requested in this request for proposals 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 ELTRIDRA and the firm. Any such additional work agreed to between ELTRIDRA and the firm shall be performed at the same rates set forth in the schedule of fees and expenses included in the sealed dollar cost bid.

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4. 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 Sealed Dollar Cost Bid evaluated and scored.

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 ELTRIDRA 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 – 100)

- a. Expertise and Experience (Maximum Points – 50)
 - i. The firm's past experience and performance on comparable public sector 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 proposed staffing plan for various segments of the engagement
 - ii. Adequacy of sampling techniques
 - iii. Adequacy of analytical procedures
- c. MBE/WBE Participation (Maximum Points – 15)
- d. Office in the City of Pittsburgh (Maximum Points – 10)

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3. Price (Maximum Points – 15)

During the evaluation process, ELTRIDRA reserves the right, where it may serve ELTRIDRA's best interest, to request additional information or clarifications from proposers, or to allow corrections of errors or omissions. At the discretion of ELTRIDRA, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

Acceptance and Right to Reject Proposals

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 ELTRIDRA and the firm selected.

The ELTRIDRA reserves the right without prejudice to reject any or all proposals.