

**CITY OF NEW ORLEANS, LOUISIANA
REQUEST FOR PROPOSALS
AUDIT SERVICES
ISSUED OCTOBER 12, 2015**

Purpose

In accordance with Section 6-108 of the Home Rule Charter of the City of New Orleans, and Rule 45 of the Rules and Regulations of the City Council, and pursuant to the provisions of Council Motion M-14-475, the Council of the City of New Orleans is soliciting proposals from accounting/auditing firms to provide auditing services to the City as members of a consortium of auditors. The firm(s) selected pursuant to this RFP will participate in conducting the audits of FY 2015 and in the audits of the ensuing four fiscal years, assuming mutual satisfaction. The Council is interested reducing costs, and increasing efficiencies where possible in the executions of the City's audits.

The City's fiscal year is the calendar year. Planning for the audit begins in December; the heaviest workload occurs in February through May, after the City closes its books. All reports issued in connection with the audit are to be completed by May 30, 2016; reports which must be incorporated into the Comprehensive Annual Financial Report must be provided to the principal auditors by May 15, 2016.

Scope of Work

The City Council uses a consortium of auditors in order to offer opportunities to qualified small, disadvantaged accounting firms. This request for proposals includes four distinct audit tasks: the Comprehensive Annual Financial Report (CAFR); the Single Audit; audits of the City's Firefighters' Old and New Pension Funds, and the Police Pension Fund; and the audit of the City of New Orleans Employees' Retirement System. The auditors selected to prepare the CAFR will be considered the principal auditors within the consortium. Proposals may be submitted to perform one or all of the tasks described. Proposals should include, in a separate, sealed envelope, the fee for each individual task. If the firm is submitting proposals to perform more than one task, and a "package" fee is offered that is less than the sum of the separate fees, the reduced fee should also be provided. The Council is interested in containing costs on audit services wherever possible.

Proposals

A proposal to perform each task must include the following:

1. A formal statement that the firm meets the guidelines for independence established by GAS.
2. Copies of the most recent peer review, any desk reviews performed in the past three years, and the status of any disciplinary actions taken against the firm in the past five years by the La. State Board of CPAs or the AICPA.
3. A completed “consulting services questionnaire” using the format that is attached. Any subcontractors proposed to be used must also submit a completed Questionnaire that must be attached to the prime firm’s Questionnaire.
4. A comprehensive narrative detailing the respondent’s plan to comply with provisions of Section 70-432.1 of the Code of the city of New Orleans pertaining to local and disadvantaged business enterprises (DBE) goals for the City of New Orleans.
5. Confirmation that the required continuing professional education hours in governmental accounting and auditing have been fulfilled by each professional required to have such educational hours. Such confirmation will be required annually.
6. Description of projects completed since January 1, 2013, which demonstrate experience by the principals with single audit work (if responding to Task 2).
7. A list of the partner(s) and manager(s) who would be assigned to this project, with designation of the partner responsible for the engagement, and a description of the relevant training and experience of each. The Council encourages the involvement of minority and women professionals and of New Orleans domiciliaries; please indicate whether any of the listed individuals meet one or more of these criteria.
8. Evidence of sufficient depth of personnel to handle work load such that absence or resignation of assigned staff will not interfere with provision of services. Provide numbers of audit partners, managers and professional staff with experience in governmental accounting which are employed by the local office of the lead firm and by the disadvantaged firm.
9. An estimate of the number of hours to be allocated to this task, in the first year and in subsequent years, by position, including the hours which are to be provided by the disadvantaged firm.
10. A brief description of the audit approach to be used by the firm, including the proposed use of Electronic Data Processing software; the employment of statistical sampling techniques; and the selection procedures to be used for determining which laws and regulations should be tested for compliance.
11. A list of four references who are familiar with the work of the principals to be assigned to this project, with name, title, address, phone, fax number and email address of each.

12. This RFP states (above) that, assuming mutual satisfaction between the Council and the Contractor(s), the contract term may be extended for four one-year periods. Please include as a section of the proposed budget the terms under which the Contractor would be willing to renew for each additional one-year period.
13. A sworn affidavit listing all persons with an ownership interest in the respondent. An "ownership interest" shall not be deemed to include ownership of stock in a publicly traded corporation or ownership of an interest in a mutual fund or trust that holds an interest in a publicly traded corporation. This affidavit is public record.
14. A sworn affidavit stating that no other person holds an ownership interest in the respondent via a counter letter.
15. A list of all persons, natural or artificial, who are retained by the respondent at the time of the application and/or who are expected to perform work as sub-contractors in connection with the respondent's work for the City Council. The Council may require information on employees or sub-contractors of or ownership interests in the sub-contractor. This list is public record.
16. A sworn affidavit stating that the affiant is in compliance with Section 2-8(c) of the City Code and that no principal, member and/or officer of the contracting entity has within the preceding five (5) years been convicted of or plead guilty to, a felony under state or federal statutes for embezzlement, theft of public fund, bribery, and/or falsification or destruction of public records.
17. In a separate, sealed envelope, the all-inclusive fee for performing this task, including the fees of the disadvantaged firm and all reimbursable costs. Performance of this project will include attendance by representatives of the firm at 2 or 3 Council Audit Committee meetings during preparation and presentation of the audit; attendance at approximately three coordinating meetings with other members of the consortium; and providing responses to questions which may be received from the Council and its staff during performance of the audit and subsequent to release of the reports. If an increase in the fee would be anticipated in years 2 through 5, assuming mutual satisfaction and renewal of the contract, please describe the increase requested.

TASK #1 – Comprehensive Annual Financial Report

I. Services:

- A) Principal Auditors – To audit the combined basic financial statements of the City of New Orleans, Louisiana as of December 31, 2015, and for the year then ended, except that the audit will not include the financial statements of the following

entities whose activities comprise the funds which will be audited by other auditors but included in the City's combined basic financial statements:

1. Component Units:
 - Downtown Development District
 - New Orleans Tourism Marketing Corporation
 - French Market Corporation
 - Orleans Parish Communications District
 - Municipal Yacht Harbor Management Corporation
 - Upper Pontalba Building Restoration Corporation
 - Canal Street Development Corporation
 - New Orleans Building Corporation
 - Parish Hospital District for Parish of Orleans District A
2. Board of Liquidation - Debt Service Fund and General Obligations Bonds
3. Pension Trust Funds

B) That the basic financial statements, as prepared in accordance with the Governmental Accounting Standards Board (GASB), be reported on, and will consist of:

1. Government-wide statement of net position.
2. Government-wide statement of activities.
3. Governmental funds - balance sheet.
4. Reconciliation of governmental funds balance sheet to statement of net position.
5. Combined Statement of Revenues, Expenditures, and Changes in Fund Balance
6. Reconciliation of governmental funds Statement of Revenues, Expenditures, and Fund Balance to Statement of Activities.
7. Separate financial statements on fiduciary funds and component units.
8. Management Discussion and Analysis.
9. Notes to Financial Statements.

C) That the audit of the City's basic financial statements will be made in accordance with generally accepted auditing standards adopted by the American Institute of Certified Public Accountants, Government Auditing Standards issued by the Comptroller General of the United States, the provisions of the revised Louisiana Municipal Audit and Accounting Guide and the Single Audit Act of 1996 (as amended) (OMB Circular A-133) at the financial statement level.

- D) To subject the combining, individual fund and account group statements and schedules to the auditing procedures applied in their audit of the City's basic financial statements.
- E) To perform specified audit procedures on the Passenger Facilities Charges received and expended by the New Orleans Aviation Board in 2015.
- F) To respond to periodic requests from the Legislative Auditor for review of allegations received by the office of the Legislative Auditor. Notice of each request for review, with a cost estimate, and a copy of the response to the Legislative Auditor shall be provided to the Council Budget/Audit/BoR Committee through the Council Fiscal Officer and to the Chief Administrative Officer or his designee.
- G) To perform procedures to provide assistance with respect to the requirements prescribed by the Louisiana Department of Environmental Quality in connection with the Local Government Financial Test as described by Title 33, Part VII of the Louisiana Environmental Regulatory Code.

II. Reports to be Issued:

Upon completion of the audits referred to in Section I, Item A and completion of procedures referred to in Section I, Item E, and subject to their findings, the Principal Auditor will submit the following reports to the Council and other agencies, as specified.

- A) A report on the audit of the City's basic financial statements as of December 31, 2015, and for the year then ended to be included within the CAFR. This report shall be issued upon completion of the audit, and, insofar as it relates to amounts included in the City's basic financial statements taken from the financial statements audited by other auditors, will be based solely upon the reports of the other auditors.
- B) A report on the audit of the Balance Sheet of the New Orleans Aviation Board as of December 31, 2015, and the related Statements of Revenues and Expenses, Changes in Fund Equity and Cash Flows for the year then ended.
- C) Memoranda of advisory comments (management letters) containing comments and recommendations developed during the course of the audits regarding the internal control structure and other matters, if any, which, in the opinion of the Principal Auditor, should be communicated to the City and independent agencies in writing.

- D) Various reports to the New Orleans Aviation Board in connection with the Passenger Facilities Charges it received and expended in 2015.

All of the above reports are to be distributed as follows: one (1) PDF file and fifteen (15) copies to the Council and its staff submitted to the Council Fiscal Office; twenty-five (25) copies to the Department of Finance, one (1) PDF file to the Legislative Auditor, and five (5) copies to the Board of Liquidation, City Debt. In addition, copies of the reports and memoranda described in Items B, C, and D above are to be furnished to the respective Boards of those units on which the report is rendered. In addition, fifteen (15) manually signed copies of the memoranda of advisory comments described in Item C above shall be delivered to the Board of Liquidation, City Debt.

TASK #2 – OMB A-133 Single Audit

I. Services:

- A) Perform the City's Single Audit, in accordance with Generally Accepted Auditing Standards (GAAS); Government Auditing Standards (GAS) issued by the Comptroller General of the United States; Office of Management and Budget Circular A133 "Audits of States and Local Governments, and Non-Profit Organizations", or any subsequent document; the provisions of La. R.S. 24:517; and the provisions of the Louisiana Governmental Audit Guide.
- B) Sign and issue the following reports and schedules:
1. Report on the supplementary schedule of expenditures of federal awards;
 2. Report on compliance and on internal controls over financial reporting;
 3. Report on compliance with requirements applicable to each major program and internal controls over compliance;
 4. Schedule of findings and questioned costs, including summary of independent auditors' results; financial statement findings; and federal award findings and questioned costs;
 5. Auditor's information section of the Data Collection Form.
 6. Comments to management
- C) Provide copies of all reports as follows:
1. PDF file to the Louisiana Legislative Auditor;
 2. Twenty-five (25) copies to the Department of Finance;
 3. five (5) copies to the Board of Liquidation, City Debt;
 4. fifteen (15) copies and a PDF file to the Council Fiscal Office for distribution to Councilmembers and to the Clerk of Council;

5. one (1) copy to the US Census Bureau.

- D) Consistent with the Council's desire to provide opportunities for small firms owned by disadvantaged persons, the proposal to perform this task must include participation by a small, disadvantaged firm which will have responsibility for providing not less than 10% of the budgeted hours of work under the supervision of the principal firm submitting the proposal.

A copy of the City's most recent Single Audit and related reports is available for review at the Council Fiscal Office, 1300 Perdido St., City Hall Room 1E06,

TASK #3 – Audit of Firefighters' Old & New Pension Funds & Police Pension Fund

I. Services:

- A) Perform audits of the financial statements of the City's Firefighters' Old and New Pension Funds and Police Pension Fund. The audit of the Firefighters' Old Fund will include a review, in cooperation with the principal auditors, of the Trust Fund administered by the Board of City Trusts for the benefit of the Old Fire Pension Plan.

- B) Sign and issue the following reports for each Pension Fund:

1. Opinion on whether the financial statements are fairly presented, in all material respects, in conformity with Generally Accepted Accounting Principles.
2. Report on the internal control structure based on the audit of the financial statements.
3. Report on compliance with laws and regulations.
4. A management letter, if appropriate.

- C) Provide copies of each report as follows:

1. PDF file to the La. Legislative Auditor;
2. three (3) copies to the appropriate Pension Fund Administrator;
3. fifteen (15) copies and a PDF file to the Council Fiscal Office for distribution to Councilmembers and to the Clerk of Council;
4. twenty five (25) copies to the Department of Finance;
5. five (5) copies to the Board of Liquidation, City Debt.

Copies of the most recent audits of the Pension Trust Funds are available for review at the Council Fiscal Office, Room 1E06 City Hall.

TASK #4 – Audit of City of New Orleans Employees' Retirement System

I. Services:

- A) Perform audit of the City of New Orleans Employees' Retirement System.
- B) Sign and issue the following reports:
 - 1. Opinion on whether the financial statements are fairly presented, in all material respects, in conformity with Generally Accepted Accounting Principles.
 - 2. Report on the internal control structure based on the audit of the financial statements.
 - 3. Report on compliance with laws and regulations.
 - 4. A management letter, if appropriate.
- C) Provide copies of each report as follows:
 - 1. PDF file to the La. Legislative Auditor;
 - 2. three (3) copies to the appropriate Pension Fund Administrator;
 - 3. fifteen (15) copies and a PDF file to the Council Fiscal Office for distribution to Councilmembers and to the Clerk of Council;
 - 4. twenty five (25) copies to the Department of Finance;
 - 5. five (5) copies to the Board of Liquidation, City Debt.

Copies of the most recent audits of the Pension Trust Funds are available for review at the Council Fiscal Office, Room 1E06 City Hall.

Conflicts of Interest

Any firm or individual providing a response to the RFP shall provide a clear and unambiguous indication of any potential or real conflicts of interest it may have with respect to performing work on behalf of the City Council on this project. For any such work performed, the respondent shall indicate why the respondent deems such work to be or not to be in conflict with the interests of the City or its agencies. The Council shall make the final decision as to whether any conflict of interest exists.

EVALUATION CRITERIA - all tasks

- Appropriate qualifications and relevant experience of professionals to be assigned to the task.
- Capability and commitment to provide sufficient staff to complete the task in a timely manner.
- Information received from references.

- Involvement in the proposal at the professional level of members of disadvantaged/minority/women business enterprises and New Orleans domiciliaries.
- Location of the firm in Orleans Parish.
- Cost.

PROPOSAL PROCESS

Pre-proposal conference: A pre-proposal conference will be conducted by the Council Fiscal Officer, with the Comptroller, Mr. Roy Guercio and his staff, on Friday, October 23, 2015 at 10 a.m., in the Council Conference Room, 2W16, City Hall. Mr. Guercio has been asked to provide the following information:

- Information on computer software and hardware used in preparation of the City's financial statements for the CAFR, Single Audit and Pension Audits;
- Information on the work space, equipment, and staff assistance provided to the auditors relative to the CAFR, Single Audit and the audits of Pension Trust Funds;
- Information on the estimated dates when the Finance Department will provide reports and schedules required for the CAFR, Single Audit and Pension audits;
- Information on any problems anticipated in preparation for performance of the audits.

All questions from potential proposers will be addressed at the pre-proposal conference; if proposers have questions which may require information not included in the list above, please provide them to the Comptroller, email raguercio@nola.gov or fax no. 658-1705, with a copy to the Council Fiscal Office, email cjaquillard@nola.gov and dsgavlinski@nola.gov or fax no. 658-1100, not less than three working days prior to the pre-proposal conference. **No other written or oral communications from potential applicants regarding this proposal shall be made to any Councilmember or other City employee during this Request for Proposals process.**

Proposal submission: Fifteen (15) copies of the final proposal must be received by 4 p.m. on Friday, November 16, 2015 in the City Council Fiscal Office, Room 1E06, City Hall, 1300 Perdido St., New Orleans, La. 70112. Late proposals will not be considered.

Selection process: An evaluation committee composed of the Council Chief of Staff, the Council Research Officer, the Council Fiscal Officer, the Assistant Council Fiscal Officer and the City Comptroller will review and evaluate the proposals, including the

proposed fees, selecting up to five for each task for referral to the Council Budget/Audit/Board of Review Committee. In cases where proposals are selected for referral, the Council staff will contact one or more of the references.

The Council Budget/Audit/Board of Review Committee is composed of Councilmember Stacy Head, Chairman; Councilmembers Jason Williams, Susan Guidry, LaToya Cantrell and Jared Brossett. Individual members of the Committee, or in groups not constituting a quorum of membership, may interview some of the respondents selected by the evaluation committee. The Committee may make a recommendation to the City Council. The firm(s) must be selected by Motion of the Council. It is anticipated that the selection process will be completed during the month of December, 2015.

Inspector General

Section 9-1120, Chapter 2 of the Code of the City of New Orleans, relative to the Office of Inspector General, provides in part as follows:

“Every city contract and every budget, proposal, application, or solicitation for a city contract, and every application for certification of eligibility for a city contract or program shall contain a statement that the corporation, partnership, or person understands and will abide by all provisions of this chapter.”

The Inspector General shall be notified in writing prior to any meeting of a selection or negotiation committee relating to the procurement of goods or services by the city, including meetings involving third party transactions. The notice required shall be given to the Inspector General as soon as possible after a meeting has been scheduled, but in no event later than twenty-four hours prior to the scheduled meeting. The Inspector General may attend all city meetings relating to the procurement of goods or services as provided herein, and may pose questions and raise concerns consistent with the functions, authority, and powers of the Inspector General. An audio recorder or court stenographer may be utilized to record all selection or negotiation committee meetings attended by the Office of the Inspector General.

Additional Information

The City of New Orleans is not liable for any costs incurred prior to entering into a formal written contract. Any costs incurred in the preparation of the statement of qualifications, interview, or other pre-contract activity are the responsibility of the respondent. All submissions become the property of the City and, as such, are public information.

The City Council reserves the right to accept or reject any and all responses submitted and to cancel the RFP, in whole or in part, for any reason, in its sole judgment.

It is anticipated that the contractor will invoice the City monthly, when billable activities have occurred within the month. Work shall be detailed in increments of one tenth/hour.

The contract with the City Council shall contain a provision that any sub-contractor proposed to be retained by the respondent to perform work on the contract with the City Council must be approved in accordance with the provisions of Council Rule 45. The Council may require information on ownership interests in the sub-contractor.