

Fund for Philadelphia
Request For Proposal (RFP) for Auditing Services

The Fund for Philadelphia requests qualified independent certified public accountants (hereinafter called the “Applicant”) to submit proposals to enter into a contract to perform financial audits for a period of three (3) consecutive years beginning with fiscal year ending December 31, 2010 and ending with the fiscal year ending Dec 31, 2012.

Renewals: one three-year term, thereafter, if mutually agreed.

Sealed proposals will be received until **5p.m. on July 11, 2011**.

An optional pre-proposal conference will be held on July 1, 2011 at 10am in City Hall, Room 795. The purpose of this conference is to allow potential applicants an opportunity to present questions and obtain clarification relative to any facet of this solicitation. While attendance at this conference will not be a prerequisite for offering a proposal, applicants are encouraged to attend. Any changes that may be made as a result of this conference will be noted in an addendum to the request for proposals.

All inquiries for information should be directed to: Ed Fischer, President & CEO.
ed.fischer@phila.gov

The proposal should be mailed, emailed or delivered directly to:
Attention: Ed Fischer
Fund for Philadelphia
Room 708 City Hall
Philadelphia, PA 19107
Ed.fischer@phila.gov

PROPOSED SCHEDULE OF IMPLEMENTATION:

<u>Date</u>	<u>Event</u>
June 17, 2011	Issue RFP
July 1, 2011 at 10:00 am	RFP Pre-proposal Conference
July 11, 2011 at 5:00 pm	RFP Submission Deadline
July 13-14, 2011	Discussions with selected Applicants
July 15, 2011	Contract Award

BACKGROUND

The Fund for Philadelphia (hereinafter referred to as The Fund) is a 501 (c) (3) non-profit organization founded by Mayor Wilson Goode to raise funds for projects and programs of special importance to the City of Philadelphia.

The Fund currently manages more than 100 different programmatic funds totaling more than \$5 million dollars. Some funds are more active than others with the more active funds consisting of thousands of donations per year and up to 50 checks written per month.

Because of the close relationship between The Fund and the City of Philadelphia, some of the funds are classified as “Fiscal Agent” for the City; other grants are classified as “Contribution” and some as “Exchange”.

The Fund receives grants from most of the foundations in the area and is required to submit timely copies of the audited financial statements as well as the form 990. The Fund also is the recipient of state and federal grants. Currently, The Fund is not managing any grants that require special or separate audits.

The Fund has used Quicken to manage its accounts up through the end of FY 2010. Beginning in 2011, the Fund changed accounting programs to PeachTree Accounting. The Fund has contracted with an outside accounting firm to help guide the transition between accounting programs, to perform monthly closeouts to convert cash to accrual, and to reconcile all bank accounts. The outside accounting consultant will help prepare accounts and data for the annual audits.

The staff, the board and the accounting consultant are available to answer questions, pull documents, explain contracts and relationships, etc.

SCOPE OF WORK TO BE PERFORMED:

- A. Financial audit - The Independent Auditor shall audit all funds and accounts of The Fund for Philadelphia (The Fund) in accordance with auditing standards generally accepted as defined and described in the Statement of Auditing Standards, published by the American Institute for Certified Public Accountants (AICPA); and pronouncements of the Financial Accounting Standards Board (FASB).
- B. The audit shall result in the preparation of financial statements from the audited records of The Fund with the Auditors' opinion thereon **OR** the rendering of the Auditors' opinion on the financial statements prepared by The Fund. The Independent Auditor should note that The Fund utilized Quicken to capture transactions for FY 2010 and began using PeachTree for accounting

transactions in FY 2011. The Auditors' opinion shall be expressed in the report and include his/her reasons for qualifying the opinion, disclaiming an opinion, or rendering an adverse opinion.

- C. In connection with the audit of the financial statements, the Auditor shall also prepare and complete Form 990, *Tax Return of Organizations Exempt from Income Tax*. The Fund will assume responsibility for forwarding the completed Form 990 to the Internal Revenue Service and Bureau of Charitable Organizations for PA.
- D. Submission of reports: The firm shall provide The Fund with 24 copies of the financial statements, Auditor's report, Management letter including management responses, and Form 990 no later than October 31, 2011 for FY2010 and no later than May 15 for subsequent years.
- E. 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:
 - 1. The President & CEO of The Fund
 - 2. The Co-Chair of The Fund
 - 3. Mayor's Chief of Staff
- F. Draft Reports: The Auditor shall have drafts of the FY2010 audit reports and recommendations to management available for review by The Fund President & CEO and Governing Board by October 17, 2011 and by May 1 for subsequent audits.
- G. Report Preparation: Report preparation, editing and printing shall be the responsibility of the Auditor.
- H. The auditor shall agree to keep the information related to all funds audited, related contracts, and all information obtained in the course of the audit, in strict confidence.
- I. Other than reports submitted to The Fund, the auditor agrees not to publish, reproduce, or otherwise divulge such information, in whole or in part, in any manner or form, or authorize or permit others to do so, taking reasonable measures as are necessary to restrict information access to those employees on its staff who must have information on a need-to-know basis.
- J. The auditor shall retain audit reports and related working papers for a minimum of six (6) years. Audit documents shall be made available to The Fund upon request by authorized representatives of The Fund or its designee.

ASSISTANCE TO BE PROVIDED TO THE AUDITOR:

- A. Books of Account: The Fund represents that the books of account will be fully balanced, all ledgers reconciled, and all bank accounts for all months reconciled no later than 30 days immediately following statement date.

- B. Schedules: The staff or Fund consultants will prepare the following information on forms acceptable to the Auditor.
 - 1. A final trial balance of each fund and ending balances by program;
 - 2. A copy of the final budget presented to the board for the audit period, the original budget for the audit period, and all amendments to the budget;
 - 3. A schedule of insurance in force during the year and of insurance expenses for the year;
 - 4. A schedule of investments of all funds at statement date showing both book value and estimated market value at statement date;
 - 5. A schedule of all capital outlays during the period;
 - 6. A schedule of all capital asset dispositions during the period;
 - 7. A schedule of accounts payable at statement date;
 - 8. Reconciliation of the final quarter's fringe benefit tax returns;
 - 9. Copies of all contracts in force at statement date of a material amount; and
 - 10. Such reasonable additional schedules as may be requested for financial audits.

- C. Other Assistance: The staff of The Fund, accounting consultant, and responsible management personnel will be available during the audit to assist the firm by providing information and explanation.

PROPOSAL PREPARATION AND SUBMISSION REQUIREMENTS:

A. General Requirements:

1. RFP Response:

In order to be considered for selection, applicants have two options: to submit hard copies or an electronic copy via email. Applicants must submit a complete response to this RFP. If submitting hard copies, an **original**, so marked, **and 3 copies**, of your proposal must be submitted to The Fund by mail or in person:

Attention Ed Fischer
President & CEO
Room 708 City Hall
Philadelphia PA 19107

Hard copy submissions should be submitted with proposals in a sealed, opaque envelope, and put the RFP number, title, due date and time on the outside of the envelope. Applicants are responsible for having their proposal stamped by The Fund before the deadline for receipt of proposals. If submitting by email, applicants should receive an email receipt with the time and date the application was received. Email submissions should be sent to:

Ed.fischer@phila.gov

Telegraphic or facsimile submission of proposals is not acceptable and any such proposals will not be considered. Nothing herein is intended to exclude any responsible applicant or in any way restrain or restrict competition. All responsible applicants are encouraged to submit proposals. No other distribution of the proposals shall be made by the applicant.

2. Proposal Preparation:

a) Proposals shall be signed by an authorized representative of the applicant. By signing this bid proposal, the applicant certifies that it will remain in full compliance with:

- i. The Federal Civil Rights Act of 1964, as amended.
- ii. The Federal Immigration Reform and Control Act of 1986.
- iii. The Americans With Disabilities Act.
- iv. The Antitrust laws of the United States and the Commonwealth of Pennsylvania.

- b) All information requested must be submitted. Failure to submit all information requested may result in The Fund requiring prompt submission of missing information and/or giving a lowered evaluation of the proposal. Proposals that are substantially incomplete or lack key information may be rejected by The Fund. Mandatory requirements are those required by law or regulation or are such that they cannot be waived and are not subject to negotiation.
- c) Proposals should be prepared simply and economically, providing a straightforward, concise description of capabilities to satisfy the requirements of the RFP. Emphasis should be on completeness and clarity of content.
- d) Each copy of the proposals should be bound in a single volume where practical. All documentation submitted with the proposal should be bound in that single volume. The proposal package should be clearly marked as:

“Proposals – Audit Services”.

- e) Ownership of all data, materials and documentation originated and prepared for The Fund pursuant to the RFP shall belong exclusively to The Fund and be subject to public inspection in accordance with the Pennsylvania Freedom of Information Act.

3. Oral Presentation:

Applicants who submit a proposal in response to this RFP may be required to give an oral presentation of their proposal to The Fund. This will provide an opportunity for the Applicant to clarify or elaborate on the proposal but will in no way change the original proposal. The Fund will schedule the time and location of these presentations. Cost of the presentations are the responsibility of the Applicant. Oral presentations are an option of The Fund and may not be conducted; therefore, proposals should be complete.

The top two or three Applicants will most likely be invited for interviews.

B. Specific Requirements:

Proposals should be as thorough and detailed as possible so that The Fund may properly evaluate the Applicant’s capabilities to provide the required services. Applicants are required to submit the following items as a complete proposal:

1. Title Page

Show the RFP subject, provide an overview of the services being sought and proposed scope of services, the name of the Applicant's firm, business identification information,

local address, telephone number, fax number, website address, name of contact person, job title and date.

2. Table of Contents

3. Letter of Transmittal:

- a) History of the firm, including number of years in business, and size and structure of firm. Description of the Applicant's business background, including, if not an individual, Applicant's business organization (corporation, partnership, LLC, for profit or not for profit, etc), whether registered to do business in Philadelphia and/or Pennsylvania, country and state of business formation, significant business experience.
- b) A statement by the prospective Auditor of his understanding of the work to be done, including specific reference to the provisions in the Scope section of this RFP, with descriptions of the audit approach and illustrations of the procedures to be employed.
- c) The approximate date the audit will begin (including preliminary fieldwork) and end, as well as approximate dates for delivery of the financial statements and/or Auditor's reports.
- d) Biographies including experience, education, professional designation, and professional affiliations of the individuals who will be assigned to the engagement.
- e) Identify and describe the qualifications of all professional staff assigned to this audit including (a) audit team make up; (b) the overall supervision structure for the engagement.
- f) Describe your firm's expertise with not-for-profit organizations similar in size and complexity
- g) Describe the unique value that your firm's approach to auditing brings to clients.
- h) Names, addresses, and telephone numbers of clients currently served that are similar in size, funding and complexity to the Fund who may be contacted for reference.
- i) A copy of the firm's most recent peer review.
- j) A statement by the prospective Applicant that:
 - i. The firm is independent of The Fund as that term is defined by the Ethical Rules of the AICPA.

- ii. The firm and the partner assigned to the engagement are licensed to perform the audit as provided by applicable laws of the Commonwealth of PA and the AICPA.
 - iii. The firm has met all applicable peer review standards of City of Philadelphia, the Commonwealth of Pennsylvania, the IRS and the federal Government.
 - iv. The firm will provide adequate supervision on a day-to-day basis and that the resulting work papers shall be adequate and shall be available for routine review by appropriate Auditors of the Federal, State, or City governments if requested.
- 4. Requested Exceptions to Contract Terms State exceptions, if any, to City Contract Terms that Applicant requests, including the reasons for the request and any proposed alternative language.
- 5. Solicitation for Participation and Commitment Form As a separate document, include a completed Solicitation for Participation and Commitment Form (see *Section III.C* for more information). The form is provided as an appendix to this RFP.
- 6. Disclosure of Litigation; Disclosure of Administrative Proceedings State, for the 5-year period preceding the date of this RFP, a description of any judicial or administrative proceeding that is material to Applicant's business or financial capability or to the subject matter of this RFP, or that could interfere with Applicant's performance of the work requested by this RFP, including, but not limited to, any civil, criminal or bankruptcy litigation; any debarment or suspension proceeding; any criminal conviction or indictment; and any order or agreement with or issued by a court or local, state or federal agency. For each such proceeding, state the name of the case or proceeding, the parties involved, the nature of the claims involved, its current status and the final disposition, if any. Provide the same information for any officer, director, principal, or partner of Applicant's organization.
- 7. Defaults Provide a description, in detail, of any situation occurring within the past five (5) years in which the Applicant, or a joint venture or partnership of which Applicant was a part, defaulted or was deemed to be in noncompliance of any contractual obligations, explaining the issues involved in the default, the outcome, the actions taken by Applicant to resolve the matter. Also provide the name, title and telephone number of the party to the contract who asserted the event of default or noncompliance or the individual who managed the contract for that party.
- 8. Disclosure Requirements The Fund while not subject to City Public Disclosure requirements is voluntarily abiding by said policies. As such, The Fund will

voluntarily disclose all information mentioned under Chapter 17-1400 of the Philadelphia Code, including any local and state political campaign contributions, on the forms provided with this RFP.

TRANSITION

1. Please specify the anticipated impact of a transition should we select your firm in terms of both costs and time requirements on our part.
2. How long do you anticipate that a transition would take?
3. Please provide a timeline listing all relevant transition steps, showing when these steps will begin and be completed.

PROPOSED FEES AND STATEMENT OF FINANCIAL CAPACITY

1. Applicants should provide fee quotes for each of the services requested above for the three year period ended December 31, 2012. The fee quotes should include details of estimated hours for all staff assigned to the engagement at each staff level, the hourly rate for each staff level and should provide both total anticipated hours to deliver the services and total fees for each service. Also let the Fund know under what conditions, if any, the ultimate price of the audit could go above your stated quote.
2. Describe the process to be followed should you require additional hours to perform any of these services on the engagement.
3. Provide documentation demonstrating fiscal solvency and financial capability to perform the work sought by this RFP. Consider providing one or more of the following:
 - a) General statement of the Applicant's financial condition;
 - b) Applicant's most recent audited or unaudited financial statements;
 - c) Disclosure of any bankruptcy filings over the past five years;
 - d) Most recent IRS Form 990 (for non-profit organizations only)

AUDIT PHILOSOPHY

1. Describe your approach to auditing companies like The Fund. How do you determine where to focus your time and in which areas do you believe you will concentrate your time should you be selected to derive as the independent auditor.

2. Explain your communications process as it pertains to the audit activities, covering both internal communications among your staff and external communications between your audit team and the Fund.
3. Discuss how your firm will approach the audits described above, including the use of any affiliate member firm and/or subcontractors.
4. Explain your decision-making process for questions regarding technical accounting issues. Describe the individuals in your national office or technical accounting group who will be involved in the audit.
5. Describe any process and/or technological innovations that enable you to drive efficiencies in the audit process.
6. Describe your expectations for support and involvement of The Fund's accounting staff in conducting the audit. Provide a draft PBC list that you would expect to deliver to The Fund prior to the audit.
7. Describe how your firm manages and coordinates its audit engagements during the year. The Fund is specifically interested in the levels of review needed in order to produce the final audit report.
8. Describe your firm's policy regarding drafting the financial statements. Does your firm manage the drafting of the financial statements or will this be The fund's responsibility.

MEETINGS

Conferences between the Auditor, The Fund employees and/or representatives of The Fund should be scheduled by the selected Auditor before the preliminary work and at the end of the fieldwork. The purpose of the meetings is to keep The Fund fully informed on the scope and progress of the audit. A draft of the report shall be furnished to the President & CEO as well as the Board Co-Chair by October 14, 2011. The Fund will respond with comments within October 21, 2011. Applicant shall submit final report to representatives of The Fund by October 31, 2011 for FY 2010 and by May 1 for subsequent fiscal year audits.

SELECTION PROCESS

This is the selection criteria by which The Fund will choose a winning applicant.

1. Cost (25 points)
 - a) Cost-effectiveness, cost-efficiency, proposed savings, expense reduction
 - b) Price, fee caps and other cost control measures
2. Experience (25 points)
 - a) Specialized experience

- b) Documented prior experience in handling project(s) of similar size and scope
 - c) Demonstrated ability to meet deadlines
3. Proposed plan of action/strategy/solution for Fund project(s) (25 points)
- a) Ability to meet project deadlines under proposed project
4. Vendor capacity (25 points)
- a) Staffing qualifications (e.g., staff prior experience, education, licenses, professional achievements)
 - b) Technical, administrative, financial capacity
 - c) Specific licensure requirements for organizations/businesses

QUESTIONS RELATING TO THE RFP

All questions concerning this RFP must be submitted in writing via email to Ed Fischer at Ed.fischer@phila.gov no later than July 5, 2011 at 5 pm. The Fund will provide written responses to the submitted questions no later than July 7, 2011 at 5 pm. These responses will be posted on the RFPs Online website (<http://www.phila.gov/rfp/>) with the original RFP details notice. Oral responses by any Fund employee or agent of the Fund are not binding and shall not in any way be considered as a commitment by the Fund.

GENERAL RULES GOVERNING RFPs/PROPOSAL; RESERVATION OF RIGHTS; CONFIDENTIALITY; AND PUBLIC DISCLOSURE:

A. Revisions to RFP

The Fund reserves the right to change, modify or revise the RFP at any time. Any revision to this RFP will be posted on RFPs Online website with the original Opportunity Details. It is the Applicant's responsibility to check the website frequently to determine whether additional information has been released or requested.

B. Fund for Philadelphia Employee Conflict Provision

Fund for Philadelphia employees and officials are prohibited from submitting a proposal in response to this RFP. No proposal will be considered in which a Fund employee or official has a direct or indirect interest.

C. Proposal Binding

By signing and submitting its proposal, each Applicant agrees that the contents of its proposal are available for establishment of final contractual obligations for a minimum of 180 calendar days from the application deadline for this RFP. An Applicant's refusal to enter into a contract which reflects the terms and conditions of this RFP or the Applicant's proposal may, in the Fund's sole discretion, result in rejection of Applicant's

proposal and shall be grounds for the Fund to call on any proposal security furnished by the Applicant.

D. Reservation of Rights

By applying for a notice of contract opportunity, the Applicant understands and agrees to this reservation of rights.

E. Fund for Philadelphia's Reservation of Rights in Connection with the Notice of Contract Opportunity Process

The Fund reserves and may exercise any one or more of the following rights and options with respect to its notice of contract opportunity process:

1. To reject any and all proposals and to reissue a notice of contract opportunity at any time prior to execution of a final contract;
2. To issue a new notice of contract opportunity with terms and conditions substantially different from those set forth in a previous notice of contract opportunity;
3. To issue a new notice of contract opportunity with terms and conditions that are the same or similar as those set forth in a previous notice of contract opportunity in order to obtain additional proposals;
4. To extend a notice of contract opportunity in order to allow for time to obtain additional proposals prior to the notice of contract opportunity application deadline; or,
5. To cancel a notice of contract opportunity with or without issuing another notice of contract opportunity.

F. Proposal Selection Process and Fund's Reservation of Rights in Connection with Selection of Proposal(s) for Review

The Fund reserves and may exercise any one or more of the following rights and options with respect to its selection process:

1. To reject any proposal if, in the Fund's sole discretion, the proposal is incomplete, the proposal is not responsive to the requirements of a notice of contract opportunity or it is otherwise in the best interest of the Fund to reject the proposal;
2. To supplement, amend, substitute or otherwise modify a notice of contract opportunity at any time prior to award of one or more Applicants for negotiation;

3. To reject the proposal of any Applicant that, in the Fund's sole judgment, has been delinquent or unfaithful in the performance of any contract with the Fund, or with the City of Philadelphia or is financially, or technically incapable or is otherwise not a responsible Applicant;
4. To reject as informal or non-responsive, any proposal which, in the Fund's sole judgment, is incomplete, is not in conformity with applicable law, is conditioned in any way, deviates from the notice of contract opportunity or contains erasures, ambiguities, alterations or items of work not called for by the notice of contract opportunity;
5. To waive any informality, defect, non-responsiveness and/or deviation from the notice of contract opportunity that is not, in the Fund's sole judgment, material to the proposal;
6. To permit or reject, at the Fund's sole discretion, amendments (including information inadvertently omitted), modifications, clarifying information, alterations and/or corrections to proposals by some or all of the Applicants following proposal submission and before contract award and/or contract execution.
7. The Fund further reserves the right to conduct on-site investigations of the Applicants' facilities or of those facilities where the Applicant performs its services. Proposals will be evaluated, in part, according to whether the Applicant meets the minimum qualifications and submits a proposal complying with all of the requirements of the notice of contract opportunity.
8. The Fund reserves the right to enter into negotiations with any or all Applicants regarding price, scope of services, or any other term of their proposals, and such other contractual terms as the Fund may require, at any time prior to execution of a final contract.
9. The Fund may, at its sole election, enter into simultaneous, competitive negotiations with multiple Applicants or negotiate with individual Applicants either together or in a sequence. Negotiations with Respondent(s) may result in the expansion or reduction of the scope of services, or changes in other terms and the submitted proposals. In such event, the Fund shall not be obligated to inform other Applicants of the changes, or to permit them to revise their proposals in light thereof unless the Fund, in its sole discretion, determines that doing so is in the Fund's best interest. The Fund may accept or reject any or all of the items in any proposal and award the contract in whole or in part if it is deemed in the Fund's best interest.
10. In the event negotiations with any Applicant(s) are not satisfactory to the Fund, the Fund reserves the right to discontinue such negotiations at any time; to enter into or continue negotiations with other Applicants; to reissue the notice of

contract opportunity in order to solicit new Applicants. The Fund reserves the right not to enter into any contract with any Applicant, with or without the re-issuance of a notice of contract opportunity, if the Fund determines that such is in the Fund's best interest.

G. Confidentiality and Public Disclosure

The successful Applicant shall treat all information obtained from the Fund, which is not generally available to the public as confidential and/or proprietary to the Fund. The successful Applicant shall exercise all reasonable precautions to prevent any information derived from such sources from being disclosed to any other person. The successful Applicant agrees to indemnify and hold harmless the Fund, its officials and employees, from and against all liability, demands, claims, suits, losses, damages, causes of action, fines and judgments (including attorney's fees) resulting from any use or disclosure of such confidential and/or proprietary information by the successful Applicant or any person acquiring such information, directly or indirectly, from the successful Applicant. By submission of a proposal, While The Fund is not a City Agency and is not subject to the same rules and regulations governing City Agencies; Applicants acknowledge and agree that the Fund has voluntarily decided to abide by City public disclosure policies and, as such, will disclose to the public documents, including proposals, to the extent that City agencies would have been required thereunder. Without limiting the foregoing sentence, the Fund's legal obligations shall not be limited or expanded in any way by a Applicant's assertion of confidentiality and/or proprietary data.