

**REDEVELOPMENT AUTHORITY
OF THE CITY OF BETHLEHEM**

**10 EAST CHURCH STREET
BETHLEHEM, PA 18018**

(610) 865-7055

www.bethlehemrda.com

**REQUEST FOR PROPOSAL
FOR
INDEPENDENT AUDIT SERVICES**

ISSUE DATE: JULY 10, 2024

PROPOSAL DEADLINE: AUGUST 22, 2024

Proposals are being solicited for the purpose of contracting for audit services to the Redevelopment Authority of the City of Bethlehem.

Copies of this solicitation and any other issued Addenda may be obtained at the above address. Proposals must be submitted to the RDA by the exact date and time indicated above. Late proposals will not be accepted.

REQUEST FOR PROPOSAL (RFP) – AUDIT SERVICES

The Redevelopment Authority of the City of Bethlehem (RDA) is requesting proposals from qualified certified public accountant firms to audit its financial statement for the fiscal period ended June 30, 2024 with an option to extend for three (3) additional fiscal periods to include June 30, 2025, 2026, and 2027.

The scope of services will include the expression of an opinion on the fair presentation of the RDA's financial statements, including but not limited to the statements of net position; activities and cash flows; balance sheet; revenue, expenditures and fund balance; as well as notes to financial statements and management letter as may be applicable.

Although the RDA has no subsidiaries, it is considered a component of the City of Bethlehem. Based upon the criteria of financial accountability and nature and significance of its relationship with the RDA, the City has determined that the RDA is included in the City's financial reporting entity.

RDA programs are funded with local, state and federal funds. Special note should be made of the fact that due to requirements of federal and state funding sources, this audit must meet both the project audit guidelines of the Pennsylvania Department of Community and Economic Development and federal requirements associated with the Single Audit Act as may be applicable. It is not anticipated that the RDA will meet the Single Audit Act threshold during the initial period being audited.

Submission Requirements:

- Due Date:** August 22, 2024
- Delivery:** Heather M. Bambu; Administrative Coordinator / Board Secretary
Redevelopment Authority of the City of Bethlehem
10 East Church Street
Bethlehem, PA 18018
- Medium:** One (1) electronic copy via email to: HBambu@bethlehem-pa.gov

Inquiries regarding this request should be directed to Ms. Bambu at her email, indicated above, or by phone at (610) 997-7635.

All proposals submitted will become part of the RDA's official files without any obligation on the RDA's part. The RDA reserves the right to reject any and all proposals submitted and to request additional information from proposers as may be necessary. Furthermore, the RDA reserves the right to retain all proposals submitted and to use any ideas submitted as part of a proposal regardless of whether that proposal was selected or not. Submission of proposals indicates acceptance by the firm of the conditions contained in this RFP, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the RDA and the firm selected.

There is no expressed or implied obligation for the RDA to reimburse firms for any expenses incurred in the preparation of its proposal in response to this request.

REPORTING ENTITY

The Redevelopment Authority of the City of Bethlehem is a state incorporated redevelopment authority. It was created in 1953 as a government agency with the powers vested by Pennsylvania Redevelopment Authority Law.

The primary purpose of the RDA is meeting the national objective of slum and blight removal for which it has received multiple grant awards from the Commonwealth of Pennsylvania as well as receives an annual award of Community Development Block Grant (CDBG) from the City of Bethlehem. The RDA has participated in financing debt (conduit financing) for which the RDA has no responsibility for repayment in the event of default. The RDA continues to maintain assets from projects located in the formerly designated Tax Incremental Financing (TIF) District, which was located on a portion of the former Bethlehem Steel site in South Bethlehem. The RDA also provides various community and economic development support services to the City of Bethlehem.

The RDA is governed by a five-member board whose members are nominated by the Mayor to the City of Bethlehem and approved by Bethlehem City Council. The RDA has no formal staff of its own but, through an intergovernmental agreement, provides administrative services to the RDA by designated City of Bethlehem staff.

The RDA meetings are scheduled for 5:00 PM on the fourth (4th) Thursday of each month in Town Hall, located at Bethlehem City Hall, 10 East Church Street, Bethlehem. Any rescheduled or special meetings are publicly advertised, as required, and cancellations are posted online at the RDA website (www.bethlehemrda.com) prior to the scheduled meeting date.

The RDA accounting records and transactions are maintained on QuickBooks primarily by the RDA Administrative Coordinator. Audits are performed annually, with the most recent audits having been completed by Maher Duessel, CPAs. Copies of the RDA financial statements, beginning with the 2013-2014 fiscal period, can be found online at the RDA website (www.bethlehemrda.com/financials). Audits from prior periods are available in pdf format upon email request from hbambu@bethlehem-pa.gov.

Currently the RDA maintains three (3) checking accounts with one (1) primary account (General Fund) utilized on a monthly basis. The remaining accounts (Revolving Fund and TIF Project Fund) are residual accounts from prior RDA activities and are in the process of being closed. During the 2023-2024 grant period, total deposits were approximately \$289,000 and total disbursements were approximately \$530,000 with approximately 5-8 checks processed each month. While revenue sources to the RDA are primarily grant awards and reimbursement for RDA costs, RDA expenditures are typically blighted property costs, including acquisition of properties; residual TIF project site expenses; legal fees; grant-funded projects; and RDA operational costs.

SERVICES REQUIRED

The firm selected will provide an audit of the financial statements of governmental activities and of each major fund of the RDA, including disclosures. Also included should be management discussion and analysis as well as any other supplementary information as may be required by the Governmental Accounting Standards Board.

At this time, the RDA does not anticipate a Single Audit being required. However, if it is determined that such an audit would be required, a fee would be negotiated for the additional audit services required.

The audit must be conducted in accordance with the generally accepted auditing standards as set forth by the appropriate and applicable governing authorities including, but not limited to: the American Institute of Certified Public Accounts (AICPA), the U.S. Government Accountability Office (GAO) and the U.S. Office of Management and Budget (OMB). Additionally, any and all other applicable procedures set forth for the audit of a Pennsylvania government entity and redevelopment authority financial statements prepared in accordance with Generally Accepted Accounting Principles (GAAP) must be followed.

The audit report should include, at a minimum, the following statements: net position; activities and cash flows; balance sheet; revenue, expenditures and fund balance; as well as notes to financial statements and management letter as may be applicable. The management letter should include any audit findings and recommendations affecting the financial statements, internal control, accounting systems, legality of action, any instances of noncompliance with laws and regulations and any other matters as may be applicable.

Working papers shall be retained and made available upon request for no less than three (3) years from the date of the audit report. Eligible entities entitled to review and have access to such working papers may include any agency of the federal government, any agency of the Commonwealth of Pennsylvania, and of the City of Bethlehem, PA along with successor audit firms. Any request for such access must be made to and approved by the Executive Director of the RDA, or other individual as may be designated by the Executive Director.

Annual audits must be completed and reports rendered in final form on or before December 31st following fiscal year end of June 30th. A representative from the audit firm will be expected to attend one (1) public meeting of the RDA to present and address its audit findings.

RESPONSIBILITIES

RDA Responsibilities – The RDA is responsible for all financial records and providing information related to the accuracy and completeness of that information. The RDA will provide the auditor will access to the RDA QuickBooks records as well as to all cash reports, bank statements, account reconciliations, receipts and other statements, records and documents as may be required as part of the audit process. In addition, the RDA will provide access to all meeting minutes and agreements to which the RDA is a party.

Auditor Responsibilities – The auditing firm will be responsible for recommending any closing / adjusting journal entries, preparation of the audit report, including any edits required following a review of a draft report, and providing electronic copies in pdf form as well as any report printing and binding costs as may be required should hard copies of the report be requested by the RDA. The auditing firm shall provide recommendations for improving the accounting system, internal controls and related financial and accounting procedures.

PROPOSAL REQUIREMENTS

All proposals in response to this request should be submitted electronically, as indicated on page 1 herein, to the RDA on or before **4:00 PM, Thursday, August 22, 2024**. In order to help simplify the review process and obtain the maximum degree of comparison, the RDA requests the proposals be organized in the following manner:

A. General Proposal Information

- a. **Title Page** – Provide the name and address of the auditing firm, contact name and contact information, including phone number(s) and email address(es). The RFP subject and proposal date should also be provided.
- b. **Table of Contents** – Provide a clear identification of the information contained within the proposal by topic and page number.
- c. **Transmittal letter** – Provide a signed statement reflecting the auditing firm’s understanding of the work to be done; a commitment to perform the work defined within the time period identified herein; a statement attesting that the auditing firm will perform the work according the standards outlined herein; a statement that the firm is independent of the RDA as defined by generally accepted auditing standards; a statement indicating that the firm and all assigned key professional staff are properly licensed to practice in the Commonwealth of Pennsylvania; a statement indicating the firm is not delinquent in any taxes or obligations to the federal government, Commonwealth of Pennsylvania and the City of Bethlehem; a statement that the firm understands that after a selection is made all proposals may be subject to public disclosure un the Pennsylvania Right to Know Law; and acknowledgment that the proposal is an irrevocable offer valid for sixty (60) days.

B. Specific Proposal Requirements

- a. **Qualifications and Experience** – The auditing firm should discuss the size of the firm, including its local office if applicable, as well as the size of the firm’s staff dedicated to or specializing in governmental engagements. Regarding the potential engagement with the RDA, the auditing firm should identify each of the principal supervisory and management staff members, including full and part time partners, managers, other supervisors and specialists who will be assigned to this engagement. Brief backgrounds / resumes for each of these individuals should be provided, including their qualifications, experience and training, especially as it relates to governmental and non-profit accounting and auditing.
- b. **Similar engagements with other governmental / non-profit entities** – The auditing firm should provide a list of the most significant engagements performed by the firm over the past five (5) years that most closely resemble the services requested by the RDA herein. For each of these engagements, please provide a scope of work, the dates of the engagement, the total staff hours (full-time and part-time) dedicated to the engagement and the name of the auditing firm’s principal in charge of the engagement. Also, please disclose any information regarding the results of any federal or Commonwealth desk or field reviews of its audits during the past five (5) years as well as information on the circumstances and status of any disciplinary action taken or pending against the firm during the past five (5) years from any federal, Commonwealth or municipal entity and/or professional organizations.

- c. **Specific Audit Approach** – The firm should present a work plan and preliminary schedule of fieldwork necessary, including, but not limited to, the audit methodologies it will follow to perform the services as detailed herein.
- d. **Cost Proposal** – The auditing firm cost portion of the proposal should include all pricing elements relative to and necessary for performing the engagement as described herein. The aggregate amount of all such costs shall be included in an all-inclusive maximum price for the fiscal year to be audited. The cost must include the following information: auditing firm’s name; a statement that the individual signing on behalf of the firm is entitled to both submit the proposal and is authorized to sign a contract with the RDA for such services; and the name, position and signature of the firm’s representative. Additionally, the cost proposal should include a schedule of all rates and fees for all partners, managers, supervisors, professionals, specialists and staff level employees with anticipated hours and expenses that collectively support the all-inclusive maximum price. In the event it should become necessary for the RDA to request the auditing firm render additional services to supplement the services requested in this RFP, or as a result of unforeseen circumstances, such additional work shall be performed with the execution of an addendum to the contract and performed at the same rates set forth by the firm in its cost proposal.

PROPOSAL EVALUATION

All proposals will be evaluated on several criteria including, but not limited to, the firm’s qualifications and experience; similar engagements with other governmental entities, specific audit approach and the cost proposal. Other areas of consideration will include the degree to which the firm provided the mandatory information requested in each section; adherence to instructions included within this RFP; the quality of the firm’s professional and management support personnel to be assigned to the engagement; the adequacy of proposed staffing of the engagement; and confirmation of auditing firm credentials, as requested.

TERMS AND CONDITIONS

The RDA reserves the right to request additional information and/or clarification from auditing firms during the evaluation process and to allow for corrections and/or omissions. Although the RDA is under no obligation to conduct discussions with any or all firms choosing to respond to the RFP, it may, at its sole discretion, conduct interviews and/or request firms make oral presentations to the RDA.

Submission of proposal by a firm will indicate to the RDA acceptance by the auditing firm of the conditions contained herein, unless clearly and specifically noted in the firm’s proposal and thereafter confirmed contractually between the audit firm selected. The RDA reserves the right without prejudice to reject any or all proposals.

The RDA retains the right to negotiate any and all elements of the contract and to terminate the contract for any reason and at any time upon payment of then earned costs and expenses. The term of the contract will be one (1) year for the fiscal period ended June 30, 2024 with an option to extend for three (3) additional fiscal periods to include June 30, 2025, 2026, and 2027. Invoices submitted for audit services rendered shall indicate hours of work completed during the engagement along with out-of-pocket expenses incurred in accordance with the firm’s cost proposal. Interim invoices shall cover a period no less than one calendar month. Ten percent (10%) of the total contract price will be withheld pending the firm’s presentation of its findings and recommendations at the RDA Board meeting.