



CITY OF COLLEGE PARK, MARYLAND

REQUEST FOR PROPOSALS CP-14-05

AUDITING SERVICES

Issued by:

**Finance Department
CITY OF COLLEGE PARK, MARYLAND
4500 Knox Road
College Park, Maryland 20740-3390**

**Tel: 240-487-3510
FAX: 301-864-8941**

**Issue Date: Thursday, May 1, 2014
Proposal Due Date: Thursday, May 22, 2014 at 2:00 p.m.**

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CITY OF COLLEGE PARK, MARYLAND
Request for Bid Proposals
Auditing Services
RFP CP-14-05

The City of College Park, Maryland, requests sealed bid proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal year ending June 30, 2014 and the two subsequent fiscal years (a three-year contract), with the option of auditing its financial statements for the third subsequent fiscal year, as more fully described in the Bid Documents.

Bid proposals must be submitted on the specified forms or acceptable substitutes, in full compliance with the specific requirements specified in the Bid Documents, in sealed envelopes addressed to the Director of Finance, City of College Park, Maryland, marked **Auditing Services, RFP CP-14-05**, and delivered to the Finance Department, City of College Park, 4500 Knox Road, College Park, Maryland 20740, no later than **Thursday, May 22, 2014 at 2:00 p.m.**

Copies of the Bid Documents may be downloaded from the City's website at www.collegeparkmd.gov, select the "Government" tab on the homepage, then "Bids & RFP's".

The City of College Park is an Equal Opportunity Employer. Discrimination based on race, color, religion, creed, national origin, sex, age, marital status, pregnancy, sexual orientation, gender identification, genetic information or refusal to provide genetic information, disability unrelated to an individual's ability to perform a particular job, or any other legally protected status is expressly prohibited.

The City reserves the right to reject any and all bids based on the best interest of the City. The contact person for this contract is Stephen Groh, Director of Finance, telephone 240-487-3510; FAX 301-864-8941; e-mail: sgroh@collegeparkmd.gov.

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General Conditions for Professional Services Procurement Contracts

GENERAL CONDITIONS – Unless waived or clarified in the Bid Specifications, the following General Conditions for professional services procurement contracts will apply. In the event of a conflict between the General Conditions and the Specifications, the Specifications will prevail.

Bid Opening and Award

1. Technical bid proposals will be examined promptly after opening, and each bidder's name will be publicly announced. Cost proposals will not be opened until evaluation of all technical proposals is completed.
2. Award of contract will be made by the Mayor and Council at a regular meeting.
3. No bid proposal(s) may be withdrawn for a period of ninety (90) days after the bid opening date.
4. If the mail is delayed beyond the date and hour set for the bid opening, bid proposal(s) thus delayed will not be considered.

Sales Taxes – The City of College Park is exempt from state sales tax and will issue exemption certificates as requested.

Basis of Bid Award

1. Award of the bid shall be made by evaluating the technical merits of the proposal and then the bid cost. The technical merits will be afforded more weight than the cost.
2. Technical proposals will be evaluated with consideration being given to:
 - a. Statement of scope of work
 - b. Work plan
 - c. Qualifications of the firm and staff assigned to the contract
 - d. Capacity to perform in a timely manner
 - e. Guarantees
 - f. Prior experience
 - g. References

Bid Form

1. Each bidder must submit bid proposal(s) on the blank form(s) provided.
2. The bidder shall sign his/her bid correctly.
3. Bid proposal(s) may be rejected if they show any omissions, alterations of form, additions not called for, conditional bid, or irregularities of any kind.

Specification Deviations and Exceptions by the Bidder

1. Any deviation from, or exceptions to, the specifications must be noted in detail and submitted in writing with your bid proposal.
2. Completed specifications should be attached for any substitutions offered or when amplifications will hold the bidder strictly accountable to the specifications as written herein.
3. Failure to submit this document of deviations or exceptions, if applicable, shall be grounds for rejection of the item(s) when offered for delivery.
4. If specifications or descriptive papers are submitted with bids, the bidder's name should be clearly shown on each document.

Specification Changes After Bid Award – Any changes in specification after the purchase order/contract has been awarded must be with the written consent of the issuing department head; otherwise, the responsibility for such changes shall be with the vendor.

Information – Questions concerning bid requirements or specifications should be directed to Stephen Groh, Director of Finance.

Bid Bond – No bid bond is required in connection with this contract.

Bid Rejection or Partial Acceptance

1. The City reserves the right to reject any and all bid proposals.
2. The City reserves the right to waive technicalities and informalities in bids, as well as to accept, in whole or in part, such bid or bids where it deems it advisable in protection of the best interests of the City.

Other Changes – Bid prices shall include the total price to be paid for the item(s). Failure to disclose all changes in the bid may result in cancellation of the bid award.

Delivery Location – Delivery shall be made at the location indicated in the Specifications.

Hold Harmless – The successful bidder shall indemnify and hold harmless the City of College Park against any claims, damages and expenses arising from the bid award(s).

Non-Discrimination – The City of College Park is an Equal Opportunity Employer. Discrimination based on race, color, religion, creed, national origin, sex, age, marital status, pregnancy, sexual orientation, gender identification, genetic information or refusal to provide genetic information, disability unrelated to an individual's ability to perform a particular job, or any other legally protected status is expressly prohibited.

Prohibitions – A bidder's statement indicating that the bidder has not been charged with, found guilty of, or are knowingly engaged in, or under investigation for, violations of federal, state or local laws shall accompany the bid.

**END OF GENERAL CONDITIONS FOR PROFESSIONAL
SERVICES PROCUREMENT CONTRACTS**

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SPECIFICATIONS

I. Introduction

A. General information

1. The City of College Park, Maryland is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal year ending June 30, 2014 and the 2 subsequent fiscal years (a three-year contract), with the option of auditing its financial statements for the third subsequent fiscal year (hereinafter referred to as “the fourth year”), exercisable by the City.

These audits are to be performed in accordance with generally accepted auditing standards, the standards set forth for financial audits in the U. S. General Accounting Office's (GAO) *Government Auditing Standards* (1994), the provisions of the federal Single Audit Act of 1984 as amended, U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*, and Audit Guidelines of the State of Maryland (Appendix C), plus any revisions or amendments thereto.

2. There is no expressed or implied obligation for the City of College Park to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.
 - a. No pre-proposal conference is scheduled. Any inquiries concerning the Request for Proposals should be directed to Stephen Groh, Director of Finance, telephone 240-487-3510, FAX 301-864-8941, e-mail: sgroh@collegeparkmd.gov.
 - b. Should any amendment to the Bid Documents be necessary, copies of any amendments will be sent to firms to whom the City sent the RFP advertisement and will be posted to the City's website at www.collegeparkmd.gov.
 - c. To be considered, an original and 1 copy of a proposal (in accordance with the requirements in section VI, starting on page 2.13) must be received by the Finance Department, City of College Park, 4500 Knox Road, College Park, Maryland 20740-3390 **by Thursday, May 22, 2014 at 2:00 p.m.** The City of College Park reserves the right to reject any or all proposals submitted.
 - d. During the evaluation process, the City reserves the right, where it may serve the City's best interest, to request additional information or clarifications from bidders, or to allow correction of errors or omissions. At the discretion of the City, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.
 - e. The City reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Sections of the firm's proposal marked "Confidential" will be respected as such by the City.
 - f. 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 engagement agreement between the City and the firm selected. The Request for Proposals and the selected firm's bid will be incorporated into the engagement agreement.
 - g. It is anticipated that the selection of the firm will be completed by June 3, 2014.

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Following the notification of the selected firm, it is expected that a contract award will be made by Mayor & Council at a regular meeting on June 17, 2014. Following contract award, it is expected that the engagement agreement between the parties will be executed promptly.

3. The City may distribute copies of this Request for Proposals to firms who have requested copies and to other firms. Distribution to such firms does not imply pre-qualification of such firms.

B. Term of engagement

1. A three-year contract is contemplated, subject to the review and recommendation of the City Manager and Director of Finance, and the concurrence of the Mayor & Council, with an option to extend the contract for a fourth year.
2. The City Charter, §C12-1.B., states, in part:

The accountant or firm chosen as the auditor may not serve for more than 4 consecutive fiscal years and may not be reengaged/rehired unless at least 2 fiscal years will have elapsed from the termination of that person's or firm's prior engagement with the City.

C. Subcontracting

Firms which intend to subcontract portions of the engagement must disclose that fact, and the name of the proposed subcontracting firms, in their proposal. Following the award of the audit contract, no additional subcontracting will be allowed without the express prior written consent of the City.

II. Nature of the services requested

A. General

The City is soliciting the services of qualified firms of certified public accountants to audit its financial statements for the fiscal year ending June 30, 2014 and the 2 subsequent fiscal years (a three-year contract), with the option to audit the City's financial statements for the fourth fiscal year, exercisable by the City. These audits are to be performed in accordance with the provisions contained in this Request for Proposals.

B. Scope of work to be performed

1. The City desires that the auditor express an opinion on the fair presentation of its basic financial statements in conformity with generally accepted accounting principles.
2. The auditor is not required to audit the combining and individual fund and account group financial statements and supporting schedules. However, the auditor is to provide an "in-relation-to" report on the combining and individual fund financial statements and supporting schedules based on the auditing procedures applied during the audit of the basic financial statements. The auditor is not required to audit the introductory section of the report or the statistical section of the report.
3. The auditor shall also be responsible for performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards.

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4. The auditor is not required to audit the schedule of federal awards, unless a single audit is required. However, the auditor is to provide an "in-relation-to" report on that schedule based on the auditing procedures applied during the audit of the financial statements.
5. Governmental Accounting Standards Board ("GASB") Statement No. 34 implementation
 - a. As a "Phase 3" government with total annual revenues of less than \$10 million (at the time), the City implemented the provisions of GASB 34 for its fiscal year ending June 30, 2004.
 - b. The City is not required to, and does not intend to, implement retroactive reporting of infrastructure assets.
 - c. The contract period included in this Request for Proposals includes GASB 34 implementation for all years.
6. Special considerations
 - a. The City intends to submit its Comprehensive Annual Financial Report (CAFR) to the Government Finance Officers Association of the United States and Canada (GFOA) for review in its "Certificate of Achievement for Excellence in Financial Reporting" program. The City of College Park has received a Certificate of Achievement annually since 1978. It is anticipated that the auditors will be required to provide limited assistance to meet the requirements of that program, primarily assisting in responding to GFOA review comments from the prior year.
 - b. If required, the schedule of federal financial assistance and related auditors' report, as well as the reports on the internal control structure and compliance are to be issued as part of the City's comprehensive annual financial report.
7. Uniform Financial Report (UFR) for the State of Maryland

City Finance staff will prepare the Uniform Financial Report and file it online with the U.S. Census Department once final audited statements are completed by the auditor.

C. Auditing standards to be followed

To meet the requirement of the Request for Proposals, the audit shall be performed in accordance with generally accepted auditing standards as set forth by 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* (1994), the provisions of the Single Audit Act of 1984 (as amended in 1996), the provisions of the U. S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and *Audit Guidelines* of the State of Maryland (Appendix C), plus any revisions or amendments thereto.

D. Written agreement

This Request for Proposals, the bid documents of the successful bidder and any correspondence between the City of College Park and the selected firm shall be included in the engagement agreement by reference.

E. Reports to be issued by the auditor

1. A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles, including an opinion on the fair presentation of the

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- supplementary schedule of expenditures of federal awards in-relation-to the audited financial statements (if required).
2. A report on compliance and internal control over financial reporting based on an audit of the financial statements.
 3. A report on compliance and internal control over compliance applicable to each federal program.
 4. In the required report(s) on internal controls, the auditor shall communicate any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.
 - a. Reportable conditions that are also material weaknesses shall be identified as such in the report.
 - b. Non-reportable conditions discovered by the auditors shall be reported in a separate letter to management, which shall be referred to in the report(s) on internal controls.
 5. The reports on compliance and internal control shall include all material instances of non-compliance. All nonmaterial instances of noncompliance shall be reported in a separate management letter, which shall be referred to in the report on compliance and internal controls.
 6. In the event that the City is not subject to the compliance requirements of the single audit act for a particular fiscal year, the auditor shall issue a management letter providing the disclosures on internal controls and compliance with laws and regulations that would customarily be contained in a single audit report.
 7. The 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 following parties:
 - a. Mayor & Council, City of College Park
 - b. City Manager
 - c. City Attorney
 - d. Director of Finance
 8. The auditors shall assure themselves that the Director of Finance is informed of each of the following:
 - a. The auditors' responsibility under general accepted auditing standards
 - b. Significant accounting policies
 - c. Management judgments and accounting estimates
 - d. Significant audit adjustments

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- e. Other information in documents containing audited financial statements
 - f. Disagreements with management
 - g. Management consultation with other accountants
 - h. Major issues discussed with management prior to retention
 - i. Difficulties encountered in performing the audit
9. City staff will prepare the State of Maryland Uniform Financial Report (UFR).
- F. Working paper retention and access to working papers
- 1. All working papers and reports must be retained, at the auditors' expense, for a minimum of 3 years, unless the firm is notified in writing by the City of the need to extend the retention period. The auditors will be required to make working papers available, upon request, to the following parties or their designees:
 - a. City of College Park, Maryland
 - b. U. S. General Accounting Office (GAO)
 - c. Parties designated by the federal, state or county governments or by the City as part of an audit quality review process
 - d. Auditors of entities of which the City is a sub-recipient of grant funds
 - 2. In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance, in accordance with professional standards.

III. Description of the City government

A. Name and telephone number of contact person

The auditors' principal contact with the City will be Stephen Groh, Director of Finance, or a designated representative, who will coordinate the assistance to be provided by the City to the auditors. Telephone: 240-487-3510, FAX: 301-864-8941, e-mail: sgroh@collegeparkmd.gov.

B. Background information

- 1. The City of College Park includes an area of approximately 5 square miles with a population of 30,413 per the 2010 census. The City's fiscal year begins on July 1 and ends on June 30.
- 2. The City provides the following services to its citizens: refuse collection, recycling, snow removal, street maintenance, recreational facilities, code enforcement, parking enforcement, planning, and youth and family services.
- 3. The City's adopted operating and capital budget for fiscal year 2014 totaled \$14,625,708, including a \$922,000 interfund transfer to the Capital Projects Fund. The City has an annual payroll of approximately \$7.0 million (not including fringe benefits), covering about 130 employees.

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4. The City is organized into 5 departments and 4 offices. The accounting and financial reporting functions of the City are centralized in the Finance Department.
5. More detailed information on the City and its finances may be found in the Comprehensive Annual Financial Report (CAFR) and the Adopted Operating and Capital Budget. Copies of these documents (3 years of CAFR's and 3 years of budgets) are available on the City's website at www.collegeparkmd.gov. On the homepage, click on the "Government" tab near the center, then "Document Center", then "Finance".

C. Fund structure

1. The City uses the following fund types and account groups in its financial reporting:

<u>Fund Type/Account Group</u>	<u>Number of Individual Funds</u>	<u>Number of Funds with Adopted Annual Budgets</u>
General fund	1	1
Special revenue funds	0	0
Debt service funds	1	1
Capital project funds	2	0
Enterprise funds	0	0
Trust funds	2	0
General fixed assets account group	1	N/A
General long-term debt account group	1	N/A

2. Budgetary basis of accounting

The City prepares its budget on a basis consistent with generally accepted accounting principles.

3. Federal awards

a. During fiscal year FY2013, the City received the following federal awards:

- (1) Program Open Space ("POS") grant (payable through State of Maryland)
- (2) Community Development Block Grant ("CDBG")
- (3) Other federal grants

b. The amount of federal awards, direct or passed through state or county agencies, varies from year to year and may not exceed the \$500,000 reporting threshold for single audit.

c. During the past 15 years, a single audit report has only been required in FY2011.

D. Pension plan(s)

1. The City maintains a single-employer §401(a) defined contribution plan, administered by ICMA Retirement Corporation.

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2. Prior to establishment of the defined contribution plan, the City maintained a plan consisting of group annuity contracts between the participants and Metropolitan Life Insurance Company; and plan assets include both components.
 3. The City intends to enter the Maryland State Retirement Plan (“MSRP”) on July 1, 2014, and the City will be purchasing 60% eligibility and 60% creditable service for those employees who elected to join. All employees hired on or after July 1, 2014 will be required to join. Entry into the MSRP will not affect the balances in the ICMA §401(a) defined contribution plan.
- E. Component units
1. The City is defined, for financial reporting purposes, in conformity with the Governmental Accounting Standards Board's *Codification of Governmental Accounting and Financial Reporting Standards*, Section 2100. Using these criteria, component units are not included in the City's financial statements.
 2. The management of the City of College Park has determined that the following potential component units should not be included in the City's financial statements:
 - a. Housing Authority of the City of College Park
 - b. College Park Airport Authority
 - c. College Park Recreation Board
 - d. Downtown College Park Management Authority
 - e. College Park City-University Partnership, Inc.
 3. The City excludes these potential component units citing the reason that it does not exercise oversight responsibility based on the criteria of:
 - a. financial interdependency
 - b. selection of governing authority
 - c. designation of management
 - d. ability to significantly influence operations
 - e. accountability for fiscal matters
 - f. scope of public services
 - g. immateriality

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F. Joint ventures

1. The City shares maintenance of a pedestrian overpass over the Metro and CSX railroad tracks with the Town of Berwyn Heights, and participates with the City of Greenbelt, Town of Berwyn Heights and City of New Carrollton in the ownership and operation of the "Four Cities" street sweeper.

G. Summary of Finance operations

1. The Finance Department is headed by Stephen Groh, Director of Finance, and consists of eleven (11) employees. The position titles and principal responsibilities are as follows:

<u>Position Title</u>	<u>Responsibilities</u>
Director of Finance Stephen Groh, CPA	administration budgeting purchasing cash management
Deputy Director of Finance Leo L. Thomas, Jr., CPA	financial reporting risk management fixed assets
Information Systems Manager Sarah L. Price	information systems telephone systems
Billing & Collections Supervisor Tracey Clayton	accounts receivable billings and collection cashier supervisor personal property tax parking ticket dunning
Payroll Supervisor Margaret Crissinger	payroll and benefits
Accounts Payable Supervisor Kim Hall	accounts payable journal entry data entry bank reconciliation
Fiscal Support Specialists 2 positions	cashier cash receipts payroll backup (1 position) accounts payable backup (1 position) coin processing (shared) mail sorting (shared)
Information Systems Technicians (2 positions)	information systems installation and maintenance
Programmer Analyst	information systems programming

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H. Computer systems

1. Hardware - The City's host computer is an IBM AS/400. Approximately 80 PC's are used throughout City facilities, networked through local area and wide area networks to the host computer.
2. Financial Software – The following is a list of the application software used by the City; all of which is a product of Sungard Public Sector (HTE):

Fund accounting, financial reporting, accounting, accounts receivable, miscellaneous billing, payroll, budget reporting, fixed assets, citation management (parking tickets), code enforcement.
3. In addition to the application software, accessed by the individual PC's from the IBM AS/400, users have Microsoft Office and other applications installed on their PC's.

I. Availability of prior year working papers and audit reports

1. For fiscal years 2010 – 2013, the City's financial statements were audited by the firm of Barbacane, Thornton & Company LLP, Wilmington, Delaware. They will make their prior year working papers available to our new auditors upon request. For fiscal years 2006 – 2009, the City's financial statements were audited by the firm of SB & Company, LLC, Hunt Valley, Maryland. For fiscal years 2003 – 2005, the City's financial statements were audited by the firm of Reznick Fedder & Silverman / Reznick Group, P.C., Baltimore, Maryland. For fiscal years 1999 – 2002, the City's financial statements were audited by the firm of Lindsey & Salita, LLC, Towson, Maryland.
2. CAFR's for fiscal years 2011, 2012 and 2013 are available from the City's website at www.collegeparkmd.gov under the "Government" tab on the homepage, then "Document Center", then "Finance".
3. Adopted budgets for fiscal years 2013 and 2014 and the requested budget for fiscal year 2015 are available from the City's website at www.collegeparkmd.gov under the "Government" tab on the homepage, then "Document Center", then "Finance".
4. Appendix D to this Request for Proposals includes copies of the management/internal control letters issued by SB & Company, LLC (for fiscal years 2006 – 2009) and Barbacane, Thornton & Company LLP (for fiscal years 2010 – 2013). If you wish to see management/internal control letters for fiscal years 1999 – 2005, please contact Steve Groh.
5. Appendix E to this Request for Proposals includes a sample engagement agreement.

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J. Prior year audit fees

Prior year audit fees were as follows:

Fiscal year	Firm	Regular audit	Single audit (if required)
1999	Lindsey & Salita, LLC	\$ 11,560	\$ 1,950
2000	Lindsey & Salita, LLC	11,560	1,950
2001	Lindsey & Salita, LLC	11,560	1,950
2002	Lindsey & Salita, LLC	11,560	1,950
2003	Reznick Fedder & Silverman	12,855	2,145
2004	Reznick Group, P.C.	10,855	2,145
2005	Reznick Group, P.C.	10,855	2,145
2006	SB & Company, LLC	12,920	2,080
2007	SB & Company, LLC	13,420	2,080
2008	SB & Company, LLC	13,920	2,080
2009	SB & Company, LLC	13,920	2,080
2010	Barbacane, Thornton & Company LLP	14,160	2,150
2011	Barbacane, Thornton & Company LLP	14,660	2,150
2012	Barbacane, Thornton & Company LLP	15,160	2,150
2013	Barbacane, Thornton & Company LLP	15,660	2,150

NOTE: A single audit was not required for fiscal years 1999 – 2010 and 2012 - 2013 as the City's receipt of Federal funds in each year did not exceed the single audit threshold. Only FY2011 required a single audit.

K. Auditor field work time – Generally, auditor field work lasted about 4 days and usually occurred during the first 2 weeks of September each year.

IV. Time schedule

A. Proposal calendar - The following is a list of key dates:

Request for Proposals issued	Thursday, May 1, 2014
Deadline for proposal submission	Thursday, May 22, 2014 at 2:00 p.m.

B. Notification and contract dates:

Selection of firm	Friday, May 30, 2014
Worksession discussion by Mayor & Council	Tuesday, June 3, 2014
Contract award by Mayor & Council	Tuesday, June 17, 2014

C. Audit timetable

- For the fiscal year 2014 audit, the City will have all records ready for audit and all management personnel available to meet with the selected firm's personnel as of September 8, 2014. The selected auditors may participate in the test counting of the Public Works inventory on June 30, 2014 if they choose.
- Schedule for the fiscal year 2014 audit:

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- a. As this Request for Proposals includes fiscal year 2014 (fiscal year ending June 30, 2014), reasonable concessions will be made in order to enable a newly-contracted auditor to schedule and commence field work promptly upon contract award by the Mayor & Council and execution of the engagement agreement. The Finance Department will assist the auditors, through expedited response to requests and prompt review of draft reports, to meet its deadlines.
 - b. The City Charter, §12-1A, requires that financial statements for the prior 2 fiscal years be available 10 days prior to each municipal election. The Mayor and Council of the City of College Park are elected biannually on the first Tuesday of November. 2015 is an election year, with elections scheduled for Tuesday, November 3, 2015. Completion of the CAFR or audited financial statements is essential in order to meet this Charter requirement.
 - c. A set written timetable, itemizing specific dates for completion of interim work, detailed audit plan, field work, completion of draft reports, and various progress conferences, will be required prior to commencement of each fiscal year's audit.
 - d. Presentation to the Mayor & Council at the first available worksession following issuance of the Comprehensive Annual Financial Report. The purpose of this presentation will be to discuss the financial condition of the City with the elected officials, present an executive summary of the CAFR and answer questions relative to the audit reports and management letter. The presentation should be timed for no longer than 20 minutes and will be followed by a question and answer period.
3. Audits for fiscal years subsequent to fiscal year 2014 will be scheduled in advance, by negotiation with the auditors selected, to provide deadlines for completion of the following aspects of the audit:
- a. Interim work
 - b. Detailed audit plan and a listing of all schedules to be prepared by the City
 - c. Field work
 - d. Draft reports
 - e. Entrance conferences, progress reporting and exit conferences
4. Written reports for scheduling and reporting conferences and meetings are not required and these conferences may be conducted by telephone, if appropriate.
5. Audit reports
- a. The audit report, including the single audit report (if required), and management letter (if no single audit report is required) shall be completed by mutually agreed-upon deadlines in non-municipal election years.
 - b. The final audit report for each fiscal year shall be completed in time to comply with the State Department of Legislative Services deadline of November 1 for completion and filing of the Uniform Financial Report (UFR).
 - c. The audit report and management letter (if no single audit report is required) for fiscal year 2015 shall be completed by the Charter deadline of Friday, October 23, 2015 (10 days prior to the upcoming municipal election).

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- d. Bound copies of the audit report are not required as the audit report will be included in the City's CAFR. A signed management/internal control letter (if no single audit report is required) shall be provided at the conclusion of the audit. The cost for printing of the CAFR shall be the responsibility of the City.
- e. An original of the final signed audit report (without page numbers) shall be delivered to the Director of Finance for inclusion in the Comprehensive Annual Financial Report.

V. Assistance to be provided to the auditors and report preparation

A. Finance Department clerical and computer assistance

- 1. The Finance Department staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation and explanations. The preparation of confirmations will be the responsibility of the City. Clerical assistance will not be available to the auditor for the preparation of routine letters and memoranda.

- 2. Computer assistance

The Finance and Information Tech staff will be available to provide systems documentation and explanations. The auditors will not be provided computer time or access to the City's computer hardware and software. However, Internet access will be provided to the auditors.

- 3. Schedules to be prepared by Finance Department staff:

- a. The Finance Department staff will prepare the following statements and schedules for the auditors by September 8, 2014.
 - (1) Trial balances for all funds and account groups (also provided by e-mail in Microsoft Excel format for the General Fund and Capital Projects Fund)
 - (2) Revenue and expenditure schedules for the Capital Projects Fund by project
 - (3) Bank reconciliations for all accounts
 - (4) Schedule of fund balance activity
 - (5) Schedule of accrued annual leave
 - (6) Schedule of accrued payroll
 - (7) Schedules of revenue receivables for all funds and revenue types
 - (8) Schedule of fixed asset additions, retirements and balances
 - (9) Schedule of retirement trust additions, retirements and balances
 - (10) Schedule of accounts payable for all funds
 - (11) Schedule of encumbrances for all funds

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- (12) Schedule of due to/from accounts for all funds
 - (13) Schedule of cash by fund
 - (14) Analytical review schedule of expenditures for all funds
 - (15) Schedule of investments and earnings for all funds
 - (16) Such additional schedules as may be requested by the auditors
- b. Following completion and approval of the final draft of the audited financial statements, Finance staff will prepare the Management Discussion and Analysis ("MD&A") for inclusion in the financial statements.
4. Work area, telephones, photocopying and FAX machines
- The City will provide the auditor with reasonable workspace, desks or tables, and chairs. The auditor will also be provided with access to telephones, photocopying and fax machines, and Internet access.
5. Report preparation
- The auditors will prepare, edit and print all reports, including audit report, single audit report (if required) and management/internal control letter. The Director or Deputy Director of Finance will review and approve the draft audit reports prior to final printing by the auditors. The City will incorporate the auditors' audit report into the CAFR.

VI. Proposal requirements

A. Inquiries

Inquiries concerning this Request for Proposals should be directed to:

Stephen Groh, Director of Finance
City of College Park
4500 Knox Road
College Park, MD 20740-3390
Telephone: 240-487-3510
FAX: 301-864-8941
E-mail: sgroh@collegetparkmd.gov

CONTACT WITH PERSONNEL OF THE CITY OTHER THAN THE ABOVE REGARDING THIS REQUEST FOR PROPOSALS MAY BE GROUNDS FOR ELIMINATION FROM THE SELECTION PROCESS.

B. Submission of proposals

- 1. The following material is required to be received by **Thursday, May 22, 2014 at 2:00 p.m.** for a proposing firm to be considered:
 - a. The bidder shall submit an original (so marked) and one (1) copy of a Technical Proposal in a separate sealed envelope marked as follows:

TECHNICAL PROPOSAL FOR AUDITING SERVICES, CITY OF

CITY OF COLLEGE PARK, MARYLAND
REQUEST FOR PROPOSALS CP-14-05 – AUDITING SERVICES

COLLEGE PARK, RFP CP-14-05

- b. The Technical Proposal shall include the following:
- (1) Title page showing the Request for Proposals' subject; the firm's name; the name, mailing address, e-mail address and telephone number of the contact person; and the date of the proposal.
 - (2) Table of contents
 - (3) Transmittal letter - A signed letter of transmittal briefly stating the bidder's understanding of the work to be done, the commitment to perform the work within the time period, a statement why the firm believes itself to be best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for ninety (90) days.
 - (4) Detailed proposal - The detailed proposal should follow the order set forth in Section VI.C. of this Request for Proposals.
 - (5) Executed copies of bid forms attached to this Request for Proposals (Appendix A).
 - (6) Information requested in Appendix A may be submitted in any format in any order. It is not necessary that amounts be filled in on the appendix forms, but the forms must be signed where indicated.
- c. The bidder shall submit an original (so marked) and two (2) copies of the Sealed Dollar Cost Bid in a separate sealed envelope marked as follows:

SEALED DOLLAR COST BID FOR AUDITING SERVICES, CITY OF COLLEGE PARK, RFP CP-14-05

Information requested in Appendix B may be submitted in any format in any order. It is not necessary that amounts be filled in on the appendix forms, but the forms must be signed where indicated.

- d. Bidders should send the completed proposal consisting of the two (2) separate envelopes, marked as above and with the submitting firm's name and address, to the following address:

Stephen Groh, Director of Finance
City of College Park
4500 Knox Road
College Park, Maryland 20740-3390

2. Information requested in Appendices A and B may be submitted in a substitute format as long as all requested information is provided therein.

C. Technical Proposal

1. General requirements

- a. 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 City of College Park in conformity with the requirements of this Request for

CITY OF COLLEGE PARK, MARYLAND
REQUEST FOR PROPOSALS CP-14-05 – AUDITING SERVICES

Proposals. As such, the substance of proposals will carry more weight than their form or manner of presentation. The Technical Proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the Request for Proposals requirements.

THERE SHOULD BE NO DOLLAR UNITS OR TOTAL COSTS INCLUDED IN THE TECHNICAL PROPOSAL DOCUMENT.

- b. The Technical Proposal should address all the points outlined in the Request for Proposals (excluding any cost information which should only be included in the sealed dollar cost bid). The proposal should be prepared simply and economically, providing a straightforward, concise description of the bidder's capabilities to satisfy the requirements of the Request for Proposals. While additional data may be presented, the following subjects must be included. They represent the criteria against which the proposal will be evaluated.

(1) Independence

- (a) The firm should provide an affirmative statement that it is independent with respect to the City of College Park, Maryland and the potential component units identified as the Housing Authority of the City of College Park, the College Park Airport Authority, the Downtown College Park Management Authority, the College Park City-University Partnership, Inc. and the College Park Recreation Board, as defined by generally accepted auditing standards and the U. S. General Accounting Office's *Government Auditing Standards*.
- (b) The firm should also list and describe the firm's (or proposed subcontractors') professional relationships involving the City or any of its potential component units for the past five (5) years, together with a statement explaining why any such relationships do not constitute a conflict of interest relative to performing the proposed audit.
- (c) In addition, the firm shall give the City written notice of any professional relationships entered into during the period of this agreement.

(2) License to practice in Maryland

An affirmative statement should be included indicating that the firm and all assigned key professional staff are properly licensed to practice public accountancy in the State of Maryland.

(3) Firm qualifications and experience

- (a) The proposal should state the size of the firm, the size of the firm's governmental audit staff, 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.

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- (b) If the bidder 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 auditors should be noted, if applicable.
 - (c) The firm is also required to submit a copy of the report on its most recent external quality control review, with a statement as to whether that quality control review included a review of specific government engagements.
 - (d) 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 (3) years. Results are defined to include requirements to resubmit audit reports or receipt of negative comment letters resulting from the desk or field reviews.
 - (e) 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 (3) years with state regulatory bodies or professional organizations.
 - (f) The firm shall indicate if it has issued any comment letters or responses to the Governmental Accounting Standards Board on invitation to comments, discussion memoranda or exposure drafts during the past three (3) years. A list of the date(s) of the response(s) and the topic(s) should be provided with the proposal.
- (4) Partner, supervisory and staff qualifications and experience
- (a) 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 Maryland. The firm also should provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit along with the last date of meeting attendance for each listed professional organization.
 - (b) The firm should provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff members expected to be assigned to this engagement. The firm also should indicate how the quality of staff over the term of the agreement would be assured.
 - (c) Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of the City. However, in either case, the credentials described must be presented for the replacements and the City retains the right to approve or reject replacements.

CITY OF COLLEGE PARK, MARYLAND
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- (d) Consultants and firm specialists mentioned in response to this Request for Proposals may only be changed with the express written permission of the City, and the City retains the right to approve or reject replacements.
 - (e) Other audit personnel may be changed at the discretion of the bidder provided that the replacements have substantially the same or better qualifications or experience. The credentials, described above, of the replacements shall be presented to the City for review.
- (5) Prior engagements with the City of College Park, Maryland

The firm should list separately all engagements within the last five (5) years, ranked on the basis of total staff hours, for the City of College Park and its potential component units, by type of engagement (i.e., audit, management advisory services, other). For each engagement, the firm should indicate the scope of work, date, engagement partner(s), total hours, and the location of the firm's office from which the engagement was performed.
- (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 (minimum of 3, maximum of 5) performed within the last five (5) years that are similar to the engagement described in this Request for Proposals. These engagements should be ranked on the basis of total staff hours. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact. Only clients located within the State of Maryland should be cited in this list. The bid form in Appendix A, or suitable replacement format containing the requested information, shall be used to comply with this specification.
- (7) Specific audit approach
 - (a) The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, in order to perform the services required in Section II.B of this Request for Proposals. In developing the work plan, reference should be made to such sources of information as the City's budget and related materials, organizational charts, manuals and programs, and financial and other management information systems.
 - (b) Bidders will be required to provide the following information on their audit approach:
 - i) Proposed segmentation of the engagement
 - ii) Level of staff and number of hours to be assigned to each proposed segment of the engagement
 - iii) Sample sizes and the extent to which statistical sampling is to be used in the engagement

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REQUEST FOR PROPOSALS CP-14-05 – AUDITING SERVICES

- iv) Extent of use of EDP software in the engagement
- v) Type and extent of analytical procedures to be used in the engagement
- vi) Approach to be taken to gain and document an understanding of the City's internal control structure
- vii) Approach to be taken in determining laws and regulations that will be subject to audit test work
- viii) Approach to be taken in drawing audit samples for purposes of tests of compliance.

(8) Identification of anticipated potential audit problems

The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from the City.

D. Sealed Dollar Cost Bid

1. Total All-inclusive Maximum Price

- a. 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 bid should contain all direct and indirect costs including all anticipated out-of-pocket expenses.
- b. The City will not be responsible for expenses incurred in preparing and submitting the Technical Proposal or the Sealed Dollar Cost Bid. Such costs should not be included in the proposal.
- c. The first page of the Sealed Dollar Cost Bid should include the following information:
 - (1) Name of firm
 - (2) Certification that the person signing the proposal is entitled to represent the firm, empowered to submit the bid and authorized to sign a contract with the City of College Park.
 - (3) A "Total All-inclusive Maximum Price" for the fiscal year 2014 engagement.
 - (4) Rates by partner, specialist, supervisory and staff level times hours anticipated for each, with a total for each staff type.
- d. The second page of the Sealed Dollar Cost Bid should include a schedule of professional fees and expenses, presented in a format similar to that provided in Appendix B, supporting the Total All-inclusive Maximum Price. The cost of special services, if any, should be disclosed as separate components of the Total All-inclusive Maximum Price using the format provided in Appendix B. Please make separate copies of Part 3 of the bid form for each special service proposed.

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- (1) Anticipated out-of-pocket expenses included in the Total All-inclusive Maximum Price and reimbursement rates
 - (2) Out-of-pocket expenses for firm personnel (e.g., travel, lodging and subsistence) will be reimbursed at the rates currently used by the auditor for its employees (which rates should be noted). All estimated out-of-pocket expenses to be reimbursed should be presented in the Cost Bid in the format provided in Appendix B. All expense reimbursements will be charged against the Total All-inclusive Maximum Price submitted by the firm.
 - (3) Rates for additional professional services and future changes in scope of work or circumstances
- e. If it should become necessary for the City to request the auditors 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 City and the firm. Any such additional work agreed to between the City 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.
- f. If future years require changes in the scope of work or changes in circumstances warrant additional services by the auditors, such services shall be performed only if set forth in an addendum to the contract between the City and the firm. Any such additional work agreed to between the City and the firm shall be performed at the same rates set forth in the schedule of fees and expenses for that year.
2. Subsequent years' cost proposal

The firm shall provide the Total All-inclusive Maximum Price for each subsequent year's audit engagement, presented in the format provided in Appendix B, or a suitable replacement format providing the requested information. This includes the fiscal years included in the three-year contract (fiscal years 2014, 2015 and 2016) as well as the optional fourth year (fiscal year 2017).

E. 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 Cost Bid. Interim billings shall cover a period of not less than one (1) calendar month.

VII. Evaluation procedures

A. Review of proposals

1. The Director of Finance will use a point formula during the review process to score proposals. The Technical Proposal will be scored first using the criteria described in Section II.G.2 below.
2. After the technical score for each firm has been established, the Sealed Dollar Cost Bid will be opened and evaluated for those firms scoring 85 points or more on the Technical Proposal.

CITY OF COLLEGE PARK, MARYLAND
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3. The City reserves the right to retain all proposals submitted and use any idea in a proposal regardless of whether that proposal is selected.

B. Evaluation criteria

1. Proposals will be evaluated using three (3) sets of criteria. Firms meeting the mandatory criteria will have their proposal evaluated and scored for technical qualifications and then, for those bids scoring 85 points or more, the price will be evaluated. The following represent the principal selection criteria that will be considered during the evaluation process.
2. Mandatory elements
 - a. The auditing firm is independent and licensed to practice in Maryland.
 - b. The auditing firm's professional personnel have received adequate continuing professional education within the preceding two (2) years.
 - c. The firm has no conflict of interest with regard to any other work performed by the firm for the City.
 - d. The firm submits a copy of its most recent external quality control review report and the firm has a record of quality audit work.
 - e. The firm adheres to the instructions in this Request for Proposals in preparing and submitting the proposal.
3. Technical qualifications: (maximum points: 100)
 - a. Expertise and experience
 - (1) The firm's past experience and performance on comparable government engagements
 - (2) 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
 - (3) Professional memberships, and active participation in, such organizations as the Governmental Accounting and Auditing committees of the American Institute of Certified Public Accountants (AICPA) and state CPA societies, the Government Finance Officers Association (GFOA) of the United States and Canada, the Maryland GFOA, and GFOA of the Washington Metropolitan Area
 - (4) The firm's demonstrated interest in technical issues relative to governmental accounting as indicated by written responses or testimony to discussion memoranda and exposure drafts issued by the Governmental Accounting Standards Board
 - b. Audit approach
 - (1) Adequacy of proposed staffing plan for various segments of the engagement

CITY OF COLLEGE PARK, MARYLAND
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- (2) Adequacy of sampling techniques
- (3) Adequacy of analytical procedures
- (4) Adequacy of audit plan for electronic data processing function

4. Price

- a. The price will be evaluated on the three-year Total All-inclusive Maximum Price submitted with the bidder's proposal.
- b. After the technical evaluation, price will become the primary factor in the selection of an auditing firm. However, the City reserves the right to exercise its discretion in the best interest of the City.

C. Final selection

- 1. The Mayor & Council will select a firm based upon the recommendation of the Director of Finance. The recommendation memo will contain the methodology of the bid process, a list of firms scoring 85 points or more in the technical evaluation, the firms' bid price for fiscal year 2014 and the subsequent 2 fiscal years (comprising the three-year contract).
- 2. It is anticipated that the firm will be selected by Friday, May 30, 2014. Following notification of the firm selected, it is anticipated that a contract award will be made by Mayor & Council at a regular meeting on Tuesday, June 17, 2014. Following contract award, the selected firm will be required to execute an engagement agreement similar to the Sample Engagement Agreement for Auditing Services contained in Appendix E prior to commencement of work.

D. Right to reject proposals

- 1. 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 City and the firm selected.
- 2. The City reserves the right without prejudice to reject any and all proposals, as is in the best interest of the City.

VIII. Waivers from general conditions

None

END OF SPECIFICATIONS

APPENDIX A

**Bid Forms –
Must be returned with Technical Proposal**

**CITY OF COLLEGE PARK, MARYLAND
REQUEST FOR PROPOSALS CP-14-05 - AUDITING SERVICES
Bid Forms – Must be returned with Technical Proposal**

References:

1. Name: _____
Address: _____

City, State, Zip: _____
Contact Person: _____
Title: _____
Phone: () _____
E-mail Address: _____

For Professional Services Contracts Only:

Date(s) Work Performed: _____
Nature of Work Performed: _____

2. Name: _____
Address: _____

City, State, Zip: _____
Contact Person: _____
Title: _____
Phone: () _____
E-mail Address: _____

For Professional Services Contracts Only:

Date(s) Work Performed: _____
Nature of Work Performed: _____

**CITY OF COLLEGE PARK, MARYLAND
REQUEST FOR PROPOSALS CP-14-05 - AUDITING SERVICES
Bid Forms – Must be returned with Technical Proposal**

3. Name: _____
Address: _____

City, State, Zip: _____
Contact Person: _____
Title: _____
Phone: () _____
E-mail Address: _____

For Professional Services Contracts Only:

Date(s) Work Performed: _____
Nature of Work Performed: _____

I certify that:

1. We are an Equal Opportunity Employer. Discrimination on the basis of age, race, sex and/or handicap status with respect to the execution of this bid is expressly prohibited.
2. We have not been charged with, found guilty of, or are knowingly engaged in, or under investigation for, violations of federal, state or local laws.

Bid certified by:

Signature of Authorized Official: _____

Name (printed): _____

Title: _____ Date: _____

Firm: _____

APPENDIX B

**Bid Forms –
Must be returned with Sealed Dollar Cost Bid**

**CITY OF COLLEGE PARK, MARYLAND
REQUEST FOR PROPOSALS CP-14-05 - AUDITING SERVICES
Bid Forms – Must be returned with Sealed Dollar Cost Bid**

PROPOSER GUARANTEES

The proposer certifies that it can and will provide and make available, at a minimum, all services set forth in Section II.B, Scope of Work to be Performed.

PROPOSER WARRANTIES

- A. Proposer warrants that it is willing and able to comply with State of Maryland laws with respect to foreign (non-State of Maryland) corporations.
- B. Proposer warrants that it is willing and able to obtain an errors and omissions insurance policy providing a prudent amount of coverage for willful or negligent acts, or omissions of any officers, employees or agents thereof.
- C. Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the express prior written permission of the City of College Park, Maryland.
- D. Proposer warrants that all information provided by it in connection with this proposal is true and accurate.

Signature of Authorized Official: _____

Name (printed): _____

Title: _____ Date: _____

Firm: _____

**CITY OF COLLEGE PARK, MARYLAND
 REQUEST FOR PROPOSALS CP-14-05 - AUDITING SERVICES
 Bid Forms – Must be returned with Sealed Dollar Cost Bid**

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES
 FOR THE AUDIT OF THE FISCAL YEAR 2014 FINANCIAL STATEMENTS

Part 1

	Number of Hours	Standard Hourly Rate	Quoted Hourly Rate	Quoted Total
Partners	_____	_____	_____	_____
Managers	_____	_____	_____	_____
Supervisors	_____	_____	_____	_____
Staff	_____	_____	_____	_____
Other (specify): _____	_____	_____	_____	_____
Subtotal	_____	_____	_____	_____
Total for services described in Section II.B.5. from Part 2, Special Considerations, of the Request for Proposal (detail on subsequent schedules)				_____
Out-of-pocket expenses:				
Meals and lodging				_____
Transportation				_____
Other (specify): _____				_____
Total All-inclusive Maximum Price for fiscal year 2014 audit				\$ _____

NOTE: The rate quoted should not be presented as a general percentage of the standard hourly rate or as a gross deduction from the Total All-inclusive Maximum Price.

**CITY OF COLLEGE PARK, MARYLAND
 REQUEST FOR PROPOSALS CP-14-05 - AUDITING SERVICES
 Bid Forms – Must be returned with Sealed Dollar Cost Bid**

Part 2

COMBINING SCHEDULE - ALL SERVICES
 DESCRIBED IN THE REQUEST FOR PROPOSAL, SECTION II.B.5.

Nature of the Service to be Provided (From Part 3)

	Schedule Number	Total Price
CAFR Review	1	
Single Audit (if required)	2	
Total		\$

Each of the services described in Section II.B.5., Special Considerations, should be supported by an individual schedule in the format provided in Part 3 of Appendix B.

CITY OF COLLEGE PARK, MARYLAND
REQUEST FOR PROPOSALS CP-14-05 - AUDITING SERVICES
Bid Forms – Must be returned with Sealed Dollar Cost Bid

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES - Continued
 FOR THE AUDIT OF THE FISCAL YEAR 2014 FINANCIAL STATEMENTS

SUPPORTING SCHEDULE 2 FOR Single Audit
 (Name of Service)

	Number of Hours	Standard Hourly Rate	Quoted Hourly Rate	Quoted Total
Partners	_____	_____	_____	_____
Managers	_____	_____	_____	_____
Supervisors	_____	_____	_____	_____
Staff	_____	_____	_____	_____
Other (specify): _____	_____	_____	_____	_____
Subtotal	_____	_____	_____	_____
Out-of-pocket expenses:				
Meals and lodging				_____
Transportation				_____
Other (specify): _____				_____
Total price for <u>Single Audit</u> (Name of Service)				\$ _____

NOTE: The rate quoted should not be presented as a general percentage of the standard hourly rate or as a gross deduction from the total price.

**CITY OF COLLEGE PARK, MARYLAND
REQUEST FOR PROPOSALS CP-14-05 - AUDITING SERVICES
Bid Forms – Must be returned with Sealed Dollar Cost Bid**

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES - Continued
FOR THE AUDIT OF THE FISCAL YEAR 2014 FINANCIAL STATEMENTS

SUPPORTING SCHEDULE ____ FOR _____
(Name of Service)

	Number of Hours	Standard Hourly Rate	Quoted Hourly Rate	Quoted Total
Partners	_____	_____	_____	_____
Managers	_____	_____	_____	_____
Supervisors	_____	_____	_____	_____
Staff	_____	_____	_____	_____
Other (specify): _____	_____	_____	_____	_____
Subtotal	_____	_____	_____	_____
Out-of-pocket expenses:				
Meals and lodging				_____
Transportation				_____
Other (specify): _____				_____
Total price for _____ (Name of Service)				\$ _____

NOTE: The rate quoted should not be presented as a general percentage of the standard hourly rate or as a gross deduction from the total price.

**CITY OF COLLEGE PARK, MARYLAND
REQUEST FOR PROPOSALS CP-14-05 - AUDITING SERVICES
Bid Forms – Must be returned with Sealed Dollar Cost Bid**

Part 4

SCHEDULE OF SUBSEQUENT YEAR'S FEES

Based on the award of a three-year contract, please list the Total All-inclusive Maximum Price for each fiscal year:

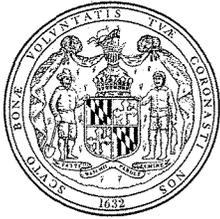
FY 2014 from Part 1	\$ _____
FY 2015	_____
FY 2016	_____
 Total for three-year contract	 \$ _____

In the event that the City of College Park exercises its option for the "fourth year" as provided in the Request for Proposals, please supply your Total All-inclusive Maximum Price:

Option for FY 2017	\$ _____
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APPENDIX C

**State of Maryland
Audit Guidelines**



DEPARTMENT OF LEGISLATIVE SERVICES
OFFICE OF LEGISLATIVE AUDITS
MARYLAND GENERAL ASSEMBLY

Karl S. Aro
Executive Director

Thomas J. Barnickel III, CPA
Legislative Auditor

**AUDIT REPORTS FILED WITH THE LEGISLATIVE AUDITOR
BY COUNTIES, INCORPORATED CITIES OR TOWNS, AND TAXING DISTRICTS**

AUDIT GUIDELINES

Authority

Article 19, Section 40 of the Annotated Code of Maryland specifies that local governments in Maryland shall have audits and that the results of such audits shall be reported to the Legislative Auditor in such manner as the Legislative Auditor may prescribe. These audit guidelines have been prepared pursuant to this authority.

Definitions

County - shall include the twenty-three counties and the City of Baltimore.

Municipal Corporation - shall include the incorporated municipalities (city or town) subject to the provisions of Article XI-E of the Constitution of Maryland.

Taxing District - shall include districts with their own governing bodies and other political subdivisions of the State that levy taxes or have taxes levied on their behalf or impose assessments pursuant to authority obtained from the State.

Local Government - shall include counties, municipal corporations, and taxing districts.

Audit Report - shall include the auditor's report and financial statements required for external reporting.

**Audit
Requirements**

An annual audit (except as provided in the following paragraph) shall be conducted of each county, municipal corporation, and taxing district in Maryland. The audit shall be conducted by a certified public accountant in the capacity of either an independent auditor or official auditor of a county or municipal corporation. All certified public accountants shall comply with the provisions of the Maryland Public Accountancy Act as codified in the Business Occupations and Professions Article, Title 2 of the Annotated Code of Maryland. This section of the law generally requires that individuals practicing certified public accountancy in the State shall be licensed by the State Board of Public Accountancy, and accounting firms operating a business through which certified public accountancy is practiced generally shall hold a permit issued by the Board. The auditor shall have no direct or material indirect financial interest in the local government and shall be otherwise independent. In addition, the auditor is expected to have a thorough knowledge of generally accepted accounting principles and generally accepted auditing standards.

Article 19, Section 40 provides that the Legislative Auditor may authorize a municipal corporation or taxing district with annual revenues of less than \$250,000 in the prior four fiscal years to have an audit conducted once every four years, in lieu of an annual audit. If a municipal corporation or taxing district desires to have an audit once every four years, it must submit a written request to the Legislative Auditor to waive the annual audit requirement. The waiver

request will be considered provided that the municipal corporation or taxing district has had annual revenues of less than \$250,000 in the prior four fiscal years and:

1. the request is received prior to the completion of the fiscal year for which the waiver is being requested;
2. the request is signed by the chief official of the local government; and
3. the request includes a representation that the local government has no other legal or contractual provisions (for example, bank loan agreements) which require annual audits.

While this provision of the law was enacted to provide an option to small local governments to help alleviate the financial burden of the annual audit requirement, it should be recognized that annual audits promote government accountability to citizens and other interested parties and provide a means for management to assess a government's financial performance. Therefore, the potential benefits of annual audits should be considered before a waiver is requested.

Audit Procurement

The audit procurement process should include the following basic elements:

1. planning;
2. fostering competition by soliciting proposals;
3. evaluating technical proposals and qualifications;
4. preparing a written agreement; and
5. monitoring the auditor's performance.

The written agreement with the independent certified public accountant should document the expectations of both the local government and the auditor. Recommended for inclusion in the agreement are the following: (a) audit scope, objective, and purpose, (b) deadlines for work to be performed and the report transmitted in order to meet the contractual and legal stipulations, (c) audit cost, (d) report format, (e) type and timing of support to be provided to the auditor by the local government, and (f) professional auditing standards to be followed in performing the audit. The written agreement should also include an acknowledgment that the auditor shall comply with these audit guidelines.

Audit Scope

The audit shall include all activities, organizations, and functions of the local government in accordance with the criteria specified in Section 2100 of the Governmental Accounting Standards Board's (GASB) Codification of Governmental Accounting and Financial Reporting Standards. With regard to the offices of the County Treasurers and Collectors of State Taxes, minimum audit coverage must include determination of compliance with the applicable sections of the Tax-Property Article of the Annotated Code of Maryland.

A detailed program or checklist of procedures to be followed in the audit is not presented herein in recognition of the variations of size and functions among the respective local governments; rather, the auditor must exercise judgment in the determination of the audit procedures and tests of the accounting records to be applied in the circumstances. However, the audit shall be performed in accordance with generally accepted auditing standards, as established by the American Institute of Certified Public Accountants (AICPA), and shall include an examination of evidence supporting the amounts and disclosures in the financial statements, an assessment of the accounting principles used and significant estimates made by management, as well as an evaluation of the overall financial statement presentation. In addition, generally accepted auditing standards require that a review of internal control and compliance with laws and regulations be performed.

The Codification of Statements on Auditing Standards issued by the AICPA provides guidance to auditors with respect to the consideration of internal control and the communication of matters related thereto, as well as, guidance to auditors of governmental entities with respect to testing and reporting on compliance with laws and regulations.

Audit Report

The audit report consists of the local government's financial statements and an auditor's report. Section 2200 of the GASB Codification contains a general outline for a comprehensive annual financial report. The financial statements included in the audit report shall, at a minimum, consist of the basic financial statements and required supplementary information required for external reporting and shall be prepared in accordance with generally accepted accounting principles. The financial statements should include the basic statements that are essential to fair presentation of financial position, changes in financial position and cash flows of those fund types that use proprietary fund accounting as specified in Section 2200 of the GASB Codification. The financial reporting requirements established by the GASB are discussed in greater detail below. Section 1000 of the GASB Codification specifies the sources of generally accepted accounting principles applicable to local governments (primarily pronouncements of the GASB), and Section 2200 of the GASB Codification includes additional guidance regarding the presentation of financial statements in accordance with generally accepted accounting principles. Additionally, Section 2300 of the GASB Codification includes additional guidance regarding disclosures that may be necessary for the financial statements to be presented fairly in accordance with generally accepted accounting principles.

The auditor's report shall meet the requirements of AU-C Section 700 of the AICPA Codification (Forming an Opinion and Reporting on Financial Statements). This Section requires that the nature of the audit be described in a scope paragraph and specifies the basic elements to be included in the report. The report shall state that the financial statements identified in the report were audited, and that the audit was conducted in accordance with auditing standards generally accepted in the United States of America. The AICPA has provided additional guidance regarding auditor report language in its Audit and Accounting Guide entitled "*State and Local Governments*." Specifically, the Guide states that the auditor must express opinions as to whether the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the local government, and the respective changes in financial position and cash flows, where applicable, in conformity with accounting principles generally accepted in the United States of America.

The AICPA Codification and the Audit and Accounting Guide also provide guidance regarding the circumstances that may require the auditor to depart from the standard report. If the auditor is unable to express unqualified opinions, a letter must be directed by the auditor to the Legislative Auditor as soon as it is determined that an unqualified opinion(s) cannot be expressed. This letter should include the reasons why an unqualified opinion(s) cannot be expressed and management's plan to enable the auditor to issue future unqualified opinions. The auditor of the local government must sign the letter and a copy is to be forwarded to the chief executive officer of the local government. An audit report containing a disclaimer of opinion does not satisfy the audit requirements of Article 19, Section 40.

Financial Statements

Section 2200 of the GASB Codification establishes the minimum requirements for general purpose external financial statements. The following is a brief summary of those minimum requirements:

1. Management's discussion and analysis (MD&A) introduces the basic financial statements and provides an analytical overview of the government's financial activities.
2. Basic Financial Statements
 - a. Government-wide financial statements consist of a statement of net assets and a statement of activities. The statements should report all of the assets, liabilities, revenues, expenses, and gains and losses of the government and should be prepared using the accrual basis of accounting. Fiduciary activities, whose resources are not available to finance the government's programs, should be excluded from the government-wide statements.
 - b. Fund financial statements consist of a series of statements that focus on the government's major governmental and proprietary funds, including its blended component units. Governmental fund financial statements should be prepared using the modified accrual basis of accounting. Proprietary and fiduciary fund financial statements should be prepared using the accrual basis of accounting.
3. Notes to the financial statements consist of notes that provide information that is essential to the user's understanding of the basic financial statements.
4. Required supplementary information, in addition to MD&A, includes budgetary comparison schedules along with other types of data as required by GASB pronouncements.

Filing Period

Maryland law requires the filing of the audit report by November 1 after the close of the fiscal year, or by January 1 after the close of the fiscal year for Calvert County, Frederick County, Queen Anne's County, St. Mary's County, Wicomico County, and for local governments having a population of more than 400,000. Howard County is to file its audit report by December 1 after the close of the fiscal year. Article 24, Section 1-102 requires that the fiscal year for each local government in Maryland begin on July 1 of a calendar year and end on June 30 of the next calendar year. The agreement entered into between the local government and the auditor should make ample allowance for the completion of the field work and the preparation and filing of the report within the allotted time. The law further stipulates that should any local government fail or refuse to file an audit report within the time prescribed, payment of all funds, grants, or State aid that the local government is entitled to receive under State law may be discontinued. An extension of time to complete the audit and file the audit report may be granted for good cause. **A written request for an extension of time to file an audit report must be made to the Department of Legislative Services prior to the original due date of the report.** A request for an extension of time will be considered provided that the request:

1. includes the detailed reasons why the reporting deadline cannot be met;
2. indicates the estimated date that the audit will be completed and the report filed; and
3. is signed by the chief financial officer of the local government.

Effective Date of Audit Guidelines

These audit guidelines shall become effective for all audits of local governments for fiscal years ending after June 30, 2012.

APPENDIX D

**Management/Internal Control Letters
Fiscal years 2006 - 2013**



SB & COMPANY, LLC

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING
STANDARDS***

City of College Park, Maryland

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of College Park, Maryland (the City) as of and for the year ended June 30, 2006, which collectively comprise the City's basic financial statements and have issued our report thereon dated September 15, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



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This report is intended solely for the information and use of the City Council, management, and Federal auditing agencies, and is not intended to be and should not be used by anyone other than these specified parties.

SB's Company, LLC

September 15, 2006
Hunt Valley, Maryland



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING
STANDARDS***

City of College Park, Maryland

We have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the City of College Park, Maryland (the City) as of and for the year ended June 30, 2007, which collectively comprise the City's basis financial statements and have issued our report thereon dated December 1, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the City Council, management, and Federal auditing agencies and is not intended to be and should not be used by anyone other than these specified parties.

SB's Company, LLC

Hunt Valley, Maryland
December 1, 2007



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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING
STANDARDS***

City of College Park, Maryland

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of College Park, Maryland (the City) as of and for the year ended June 30, 2008, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 4, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



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This report is intended solely for the information and use of the City Council, management, and Federal auditing agencies, and is not intended to be and should not be used by anyone other than these specified parties.

SB's Company, LLC

Hunt Valley, Maryland
December 4, 2008



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**REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Mayor, City Council, and Citizens of
The City of College Park, Maryland

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of College Park, Maryland (the City) as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 2, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over financial reporting.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles of the United States of America (GAAP) such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the City Council, management, others with the entity, and Federal auditing agencies, and is not intended to be, and should not be used by anyone other than these specified parties.

Hunt Valley, Maryland
December 1, 2009

SB's Company, LLC

REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

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December 1, 2010

The Mayor, City Council and Citizens of
the City of College Park, Maryland

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City of College Park, Maryland as of and for the year ended June 30, 2010, and have issued our report thereon dated December 1, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of College Park, Maryland's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of College Park, Maryland's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which

BARBACANE
THORNTON
& COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

The Mayor, City Council and Citizens of
the City of College Park, Maryland

could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Mayor, members of Council and management of the City of College Park, Maryland, and is not intended to be and should not be used by anyone other than these specified parties.

Barbacane, Thornton & Company LLP
BARBACANE, THORNTON & COMPANY LLP

December 21, 2011

The Mayor and Members of Council
City of College Park, Maryland

We have audited the financial statements of the City of College Park (the "City") for the year ended June 30, 2011 and have issued our report thereon dated December 21, 2011. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter dated March 18, 2011. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. As described in Note 1 of the financial statements, the City changed accounting standards related to fund balances by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions," during the year ended June 30, 2011. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in the balance sheet. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City's financial statements were the accumulated depreciation, accounts receivable and compensated absences.

- Management's estimate of the accumulated depreciation is based on the straight-line method of depreciation over the estimated useful lives of the assets.
- Management's estimate of accounts receivable is based on the collectability of prior year receivables.
- Management's estimate of compensated absences is based on estimates of the amounts owed by the City according to the City's policy.

We evaluated the key factors and assumptions used to develop the above estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. No misstatements were detected as a result of our audit procedures.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 21, 2011.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the information and use of the Mayor, members of Council and management of the City of College Park, Maryland, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,


BARBACANE, THORNTON & COMPANY LLP

/cep

December 13, 2012

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The Mayor and Members of Council
City of College Park, Maryland

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City of College Park (the "City") for the year ended June 30, 2012 and have issued our report thereon dated December 13, 2012. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter dated January 24, 2012. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2012. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City's financial statements were the accumulated depreciation, accounts receivable and compensated absences.

- Management's estimate of the accumulated depreciation is based on the straight-line method of depreciation over the estimated useful lives of the assets.
- Management's estimate of accounts receivable is based on the collectability of prior year receivables.
- Management's estimate of compensated absences is based on estimates of the amounts owed by the City according to the City's policy.

We evaluated the key factors and assumptions used to develop the above estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The attached schedule summarizes an adjustment that could have a significant effect on the City's financial reporting process. This audit adjustment was posted by management and is reflected in the financial statements.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 13, 2012.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

The Mayor and Members of Council
City of College Park, Maryland
page 3

This information is intended solely for the information and use of the Mayor, members of Council and management of the City of College Park, Maryland, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Barbacane, Thornton & Company LLP
BARBACANE, THORNTON & COMPANY LLP

/cep

fstcollegepark2012.sas-gas

December 2, 2013

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The Mayor and Members of Council
City of College Park, Maryland

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City of College Park (the "City") for the year ended June 30, 2013 and have issued our report thereon dated December 2, 2013. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter dated July 1, 2013. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City of College Park, Maryland are described in Note 1 to the financial statements. The City adopted the requirements of GASB Statement No. 61, "The Financial Reporting Entity: Omnibus;" GASB Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements;" GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position;" and GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities." We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City's financial statements were the accumulated depreciation, accounts receivable and compensated absences.

- Management's estimate of the accumulated depreciation is based on the straight-line method of depreciation over the estimated useful lives of the assets.
- Management's estimate of accounts receivable is based on the collectability of prior year receivables.
- Management's estimate of compensated absences is based on estimates of the amounts owed by the City according to the City's policy.

We evaluated the key factors and assumptions used to develop the above estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. No misstatements were detected as a result of our audit procedures.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 2, 2013.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditor. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

The Mayor and Members of Council
City of College Park, Maryland
page 3

This information is intended solely for the information and use of the Mayor, members of Council and management of the City of College Park, Maryland, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Barbacane, Thornton & Company LLP

BARBACANE, THORNTON & COMPANY LLP

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APPENDIX E

**Sample Engagement Agreement
for Auditing Services**

SAMPLE ENGAGEMENT AGREEMENT FOR AUDITING SERVICES

THIS AGREEMENT is entered into this _____ day of _____, 2014, by the City of College Park, Maryland (“City”), a municipal corporation of the State of Maryland, and _____ (“Auditors”), with offices located at _____.

In consideration of the mutual covenants and obligations contained herein, the sufficiency of which is hereby acknowledged, the City and the Auditors hereby agree as follows:

1. Services Provided: The Auditors shall provide the following services for the City (“the Services”):

A. Conduct the annual audit for the fiscal years ending June 30, 2014, June 30, 2015, and June 30, 2016 and, at the City’s option, ending June 30, 2017, in accordance with generally accepted auditing standards, as prescribed by the American Institute of Certified Public Accountants, the standards set forth for financial audits in the General Accounting Office’s (GAO) *Government Auditing Standards* (1994), the provisions of the federal Single Audit Act of 1984 (as amended in 1996), U. S. Office of Management and Budget (OMB) Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations* and *Audit Guidelines* of the State of Maryland, plus any amendments or revisions thereto. The audit will include such tests of the accounting records and any other procedures that are considered necessary in the circumstances and shall be provided to the Mayor and Council of the City.

B. Reports to be issued by the Auditors to the Mayor and Council of the City:

1. The Auditors shall express an opinion as to whether the financial statements are fairly presented in accordance with generally accepted accounting principles. If an unqualified opinion cannot be expressed, the nature of the qualification must be stated.

2. If grant funds received by the City are sufficient to require compliance with the single audit act, the Auditors shall prepare for the Mayor and Council of the City:

- a. A report on the internal control structure based on the Auditors' understanding of the control structure and assessment of control risk.
- b. A report on compliance with applicable laws and regulations.
- c. An "in-relation-to" report on the schedule of federal financial assistance.
- d. A report on the internal control structure used in administering federal financial assistance programs.
- e. A report on compliance with laws and regulations related to major and nonmajor federal financial assistance programs. This report should include an opinion on compliance with specific requirements applicable to major federal financial assistance programs, a report on compliance with general requirements applicable to major federal financial assistance programs, and a report on compliance with laws and regulations applicable to non-major federal financial assistance program transactions tested.
- f. In the required report(s) on internal controls, the Auditors shall communicate any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.
 - (1) Reportable conditions that are also material weaknesses shall be identified as such in the report.
 - (2) Nonreportable conditions discovered by the Auditors shall be reported in a separate letter to management, which shall be referred to in the report(s) on internal controls.
- g. The reports on compliance shall include all instances of non-compliance.

3. In the event that the City is not subject to the compliance requirements of the single audit act for a particular fiscal year, the Auditors shall issue a management letter and/or report on internal control to the Mayor and Council of the City.

4. The 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 following parties:

- a. Mayor and Council, City of College Park
- b. City Manager
- c. City Attorney
- d. Director of Finance

5. The Auditors shall assure themselves that the Director of Finance is informed of each of the following:

- a. The Auditors' responsibility under general accepted auditing standards
- b. Significant accounting policies
- c. Management judgments and accounting estimates
- d. Significant audit adjustments
- e. Other information in documents containing audited financial statements
- f. Disagreements with management
- g. Management consultation with other accountants
- h. Major issues discussed with management prior to retention
- i. Difficulties encountered in performing the audit

6. The Auditors will not be required to prepare the State of Maryland Uniform Financial Report ("UFR") for filing with the Department of Legislative Services, as it will be prepared by City staff.

C. Working paper retention and access to working papers:

1. All working papers and reports must be retained, at the Auditors' expense, for a minimum of three (3) years, unless the firm is notified in writing by the City of the need to extend the retention period. The Auditors will be required to make working papers available, upon request, to the following parties or their designees:

- a. City of College Park, Maryland

- b. U. S. General Accounting Office (“GAO”)
- c. Parties designated by the federal, state or county governments or by the City as part of an audit quality review process
- d. Auditors of entities of which the City is a sub-recipient of grant funds

2. In addition, the Auditors shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance, in accordance with professional standards.

D. The Auditors shall render a report (management letter) to the City Council which will include any recommendations for improving the accounting operations of the City. This report will include an opinion on the system of internal accounting control.

E. The Auditors shall review the City’s Comprehensive Annual Financial Report for compliance with the “Certificate of Achievement for Excellence in Financial Reporting” guidelines of the Government Finance Officers Association of the United States and Canada.

2. Contract Documents: The Services are additionally subject to the contract documents listed below which are attached hereto as Appendix “A” and incorporated herein by reference:

- (1) Request for Proposals CP-14-05, issued May 1, 2014 X
- (2) General Conditions X
- (3) Specifications X
- (4) Auditors’ Technical Proposal, dated _____ X
- (5) Auditors’ Cost Proposal, dated _____ X

It is understood by the parties hereto that time is of the essence in the completion of this contract. The annual audit for each fiscal year covered by this Agreement shall be completed with all required reports issued by October 31 following the end of the fiscal year in question, except for the audit for fiscal year ending 2015, which shall be completed with audited financial

statements issued by October 23, 2015 due to the upcoming municipal election. Auditors hereby agrees to furnish any and all equipment needed to perform the Services.

3. Additional Services: Auditors will be available for consultations throughout the fiscal years 2014 through 2016, and if so determined by the City, through 2017, at its “Quoted Hourly Rate” as per Auditors’ “Cost Proposal” on an as-needed basis to assist the City. The hourly rate schedule for such Services is included in the Auditor’s Cost Proposal, attached as part of Appendix A, and shall not be increased during the term of this Agreement or the extension thereof. Such consultations may only be initiated by the City Manager, Director of Finance or Deputy Director of Finance in writing and the requesting individual shall request an approximation of the expected cost of each such consultation in advance.

4. Term: The Agreement shall be in effect through the fiscal year ending June 30, 2016. Thereafter, the City shall have the option of extending the Agreement for one (1) additional year on the same terms and conditions as set out herein.

5. Fees: The City hereby agrees to pay the Auditors a total fee for all Services called for under this Agreement not to exceed _____ Dollars (\$_____) for the fiscal year ended June 30, 2014; _____ Dollars (\$_____) for the fiscal year ending June 30, 2015, and _____ Dollars (\$_____) for the year ending June 30, 2016. At the City’s option, the total fee for all Services called for under this Agreement shall not exceed _____ Dollars (\$_____) for the fiscal year ending June 30, 2017. In the event that a single audit review is not required in any given year, the total fee shall be reduced by _____ Dollars (\$_____) for that year. Invoices for fees will be rendered no more frequently than monthly as work progresses.

6. Binding Effect of Agreement: This Agreement shall be binding upon all parties hereto and their respective heirs, executors, administrators, successors, and assigns.

7. Other Payments, Taxes, Expenses: Except as may be specifically agreed upon by the parties in writing, the Auditors shall be entitled to no fee, bonuses, contingent payments, or any other amount in connection with the Services to be rendered hereunder. The parties hereto further agree that the City shall have no obligation to reimburse, pay directly or otherwise satisfy any expenses of the Auditors in connection with the performance of its obligations under this Agreement, including, but not limited to, the cost of any insurance or license fees. The Auditors covenant to maintain all applicable professional liability and workers compensation insurance in such amounts and form as are determined from time to time to be appropriate. The Auditors further agree to provide evidence of such insurance to the City, and have the City named as an additional insured on said policies.

It is expressly understood and acknowledged by the parties hereto that the fees payable hereunder shall be paid in gross amount, without reduction for any Federal or State withholding or other payroll taxes, or any other governmental taxes or charges. The parties hereto further recognize that the Auditors are independent contractors of the City and are therefore responsible for directly assuming and remitting any applicable Federal or State withholding taxes, estimated tax payments, or any other fees, taxes or expenses whatsoever. In the event that the Auditors are deemed not to be an independent contractor by any local, state or federal agency, the Auditors agrees to indemnify and hold harmless the City for any and all fees, costs and expenses, including but not limited to, attorneys' fees, incurred hereby.

8. Insurance:

A. Workers' Compensation. Auditors shall comply with the requirements and benefits established by the State of Maryland for the provision of workers compensation insurance. By submission of a Proposal, Auditors hereby certify that they are in compliance with applicable requirements.

B. Liability. During the entire term of this Agreement, Auditors shall maintain the following insurance coverage: comprehensive general liability insurance and professional errors and omissions insurance with limits of not less than those set forth below. By submission of a Proposal, Auditors hereby certify that they are in compliance with applicable requirements.

1. Comprehensive General Liability Insurance

(a) Personal injury liability insurance with a limit of \$1,000,000 each occurrence/aggregate; and

(b) Property damage liability insurance with limits of \$500,000 each occurrence/aggregate

All insurance shall include completed operations and contractual liability coverage.

2. Professional Liability (Errors and Omissions) Insurance. Auditors shall maintain a policy with limits of not less than \$1,000,000 each occurrence/aggregate.

Provision of any insurance required herein does not relieve the Auditors of any of the responsibilities or obligations assumed by the Auditors in this Agreement, or for which Auditors may be liable by law or otherwise.

C. By submission of a Proposal, Auditors agree to provide the City with at least thirty (30) days prior written notice of the cancellation of, intention not to renew, or material change in the coverage.

9. Relief: In the event of a breach or a threatened breach by the Auditors of any provision of the Agreement, the Auditors recognizes the substantial and immediate harm that a breach or threatened breach will impose upon the City, and further recognizes that, in such event, monetary damages will be insufficient to protect the City. Accordingly, in the event of a breach or threatened breach of this Agreement, the Auditors consents to the City's entitlement to such ex parte, preliminary, interlocutory, temporary or permanent injunctive relief for such breach as may be necessary to prevent the Auditors from further breaching any of his obligations set forth herein. Nothing herein shall be construed as prohibiting the City from pursuing any other remedies available to the City at law or in equity for such breach or threatened breach, including the recovery of damages from the Auditors.

10. Compliance with Laws: The Auditors shall, without any additional expense to the City, be responsible for complying with any and all applicable laws, codes and regulations in connection with the Services provided by the Auditors including, but not limited to, obtaining any licenses required by the Auditors to perform the Services herein contracted for.

11. Indemnification: The Auditors hereby acknowledge and agree that the Auditors shall be responsible for and indemnify, defend and hold the City harmless against any claim for loss, personal injury and/or damage that may be suffered as a result of the Auditors' negligence or willful misconduct in the Auditors' performance of the Services herein contracted for or for any failure by the Auditors to perform the obligations of this Agreement, including, but not limited to, any cost incurred by the City in defending any such claim. The Auditors shall be responsible

for and shall indemnify and hold the City harmless against any claim for loss, howsoever arising or incurred, for damage that may occur to Auditors' property that is stored at the City and/or maintained/used by the Auditors in the delivery of the Services the Auditors are providing.

12. Ownership of Records: In the event of termination of this Agreement for any reason, Auditors agrees to immediately return to the City all records and information or other written materials and the like which the City may have furnished to it in connection with those activities hereunder or which the Auditors may have obtained or prepared in the performance of this Agreement so that none of the foregoing items or copies thereof shall remain in the Auditors' possession. In addition, any other property of the City shall similarly be returned to the City at the time of said termination, it being understood by the parties to this Agreement that all records and materials supplied to the Auditors by the City or obtained by the Auditors in the performance of this Agreement are to remain at all times the sole property of the City.

13. Confidentiality: The Auditors will not at any time during or after its relationship with the City directly or indirectly disclose to others any confidential information of the City. While engaged as the independent contractor of the City, the Auditors may only use any confidential information for a purpose which is necessary to the carrying out of the Auditors' duties as independent contractors of the City and the Auditors may not make use of any such information after they are no longer independent contractors of the City.

14. Not Assignable: The Auditors shall not assign or transfer any interest or claim under this Agreement except as may be agreed upon and authorized in writing by the City and no contract shall be made by the Auditors with any other party for furnishing any of the Services herein contracted for without the prior written approval of the City.

15. Auditors' Records: Daily records of Auditors' direct personnel, consultant and expenses pertaining to the project shall be kept on a generally recognized accounting basis and shall be available to City or its authorized representative upon request for six (6) years from the date of final payment to the Auditors.

16. City's Right to Terminate: The Services or the additional services herein contracted for may be terminated immediately in whole or in part, by the City upon written notice, when the City, in its sole and absolute discretion, determines such action to be in its best interest. Upon such termination, the City shall be liable to the Auditors only for payment for Services actually provided in conformance with the contract prior to the effective date of the termination.

17. Entire Understanding: This Agreement contains the entire understanding between the parties, and any additions or modifications hereto may only be made in writing, executed by both parties.

18. Applicable Law: This Agreement shall be interpreted in accordance with the laws of the State of Maryland.

19. Conflict of Interest: The person executing this Agreement on behalf of the Auditors certifies that he understands the provisions of the College Park City Charter and Code, dealing with conflicts of interest and the prohibition of the solicitation or acceptance of gifts.

20. Set-Off: In the event that the Auditors shall owe an obligation of any type whatsoever to the City at any time during the term hereof, or after the termination of the relationship created hereunder, the City shall have the right to offset any amount so owed the Auditors against any compensation due to Auditors for the provision of the Services.

21. Severability: If any term or provision of this Agreement shall be held invalid or unenforceable to any extent, the remainder of this Agreement shall not be affected thereby, and

each term and provision of this Agreement shall be enforced to the fullest extent permitted by law.

22. Notice: All notices shall be sufficient if delivered in person or sent by certified mail to the parties at the following addresses:

For the City:

Joseph L. Nagro, City Manager
City of College Park
4500 Knox Road
College Park, Maryland 20740-3390
Telephone: 240-487-3501
FAX: 301-699-8029
E-mail: jnagro@collegeparkmd.gov

For the Auditors:

Name: _____
Title: _____
Firm: _____
Address: _____
City, State, Zip: _____
Telephone: _____
FAX: _____
E-mail Address: _____

IN WITNESS WHEREOF, on the date hereinabove set forth, the parties hereto have executed this Agreement in two duplicate originals, any one of which shall be adequate proof of this Agreement without locating or accounting for the other.

Witness:

CITY OF COLLEGE PARK, MARYLAND

Janeen S. Miller, CMC
City Clerk

Joseph L. Nagro
City Manager

Witness:

AUDITORS

By: _____

Name: _____

Title: _____

Address: _____

Federal ID No.: _____

Approved as to Form:

Suellen M. Ferguson
City Attorney

