



## TOWN OF GRAY

Henry Pennell Municipal Complex  
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www.graymaine.org

OFFICE OF THE TOWN MANAGER

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### REQUEST FOR PROPOSALS FOR MUNICIPAL AUDIT SERVICES

**Issued: March 13, 2023 | Due: April 10, 2023**

The Town of Gray, Maine (“the Town”) is seeking proposals from qualified Certified Public Accounting Firms to audit its financial statements for the fiscal year ending June 30 for three years from 2023 through 2025. (Two (2) additional one (1) year renewal options will be considered contingent upon mutual agreement of both parties.)

#### I. GENERAL INSTRUCTIONS

##### **A. Timeline for Selection & Project Completion**

The timing and sequence of events resulting from this Request for Proposals (RFP) will be determined by the Town. The expected timeline is as follows:

- March 24, 2023: Questions/clarifications regarding RFP due by 12:00 PM EST.
- March 29: Addenda issued, if needed, by 1:00 PM EST (via Town website only).
- April 10: Submissions due by 12:00 PM EST.
- By May 2: Submissions reviewed; Winning respondent recommended to Town Council at their scheduled regular meeting.
- By May 3: Winning respondent notified; contract negotiated.
- July 1, 2023: Date at which contract term will begin, pending approval of final contract by both parties.

##### **B. Submissions Format and Terms**

1. An electronic copy of the submission in PDF format shall be delivered via email to: Nate Rudy, Town Manager, Town of Gray at: [nrudy@graymaine.org](mailto:nrudy@graymaine.org). The email subject heading should be “Municipal Audit Service RFP response.”
2. Qualifications must be submitted to the Town by the time and date specified in section I.A.

3. It is the respondent's responsibility to ensure that submissions are received prior to the specified closing date and time. Submissions received after the specified closing date and/or time may not be considered. The Town shall not be responsible for the proper identification and handling of any qualifications submitted.
4. By submitting qualifications, a respondent is accepting the General Instructions, Terms and Conditions, and Evaluation and Selection Processes outlined in this RFP.

### **C. RFP Clarification and Pre-Submission Conference**

Questions and requests for clarification regarding this RFP must be directed via email to the person listed in Section I.B. Addenda will be issued, as needed, solely through the Town website at: [www.graymaine.org](http://www.graymaine.org).

## **II. SCOPE OF THE REQUEST FOR QUALIFICATIONS**

### **A. Introduction and Background**

Gray is in northern Cumberland County, which is in southern Maine. Located along the Maine Turnpike (I-95), Gray is home to 8,300 people and features lakes, open spaces, residential neighborhoods, and a Village Center that is a focus area for new development under the Town of Gray's 2020 Comprehensive Plan. The Town of Gray has a Council / Manager form of government, with the Town Manager operating as the administrative head of the Town. The Town currently has three active TIF (Tax Increment Financing) districts.

### **B. Scope of Work**

1. The Town desires the auditor to express an opinion on the fair presentation of its general-purpose financial statements in conformity with general accounting principles.
2. The financial statements shall be evaluated for conformity with generally accepted accounting principles and for compliance with state and federal laws.
3. The audit shall be a financial and compliance review of all account and funds of the Town.
4. The audit firm shall submit a written report, containing an expression of opinion regarding the financial statements of the Town.
5. The audit firm shall submit a management letter, which shall identify management and internal control weaknesses, if any, and propose steps to correct them.
6. The audit firm must help the Town prepare the financial statements and supplementary schedules in accordance with generally accepted accounting principles.

7. The audit shall be conducted to satisfy the requirements of the State of Maine Department of Audit and Title 30-A M.R.S.A., § 5823. (Pre-audit checklist provided to Town by Audit Firm)
8. The audit firm shall agree to make available its working papers upon request to meet any municipal financial needs, or Federal and State requirements.
9. The auditor shall meet with the Town's staff at the conclusion of the audit to review the auditor's findings. At least one additional public meeting with the Board of Selectmen will also be provided.
10. The Town views its engagement of an audit firm as an ongoing professional relationship in which the firm is expected to provide consultation services as required on auditing, accounting, and other fiscal management concerns throughout the year. Assistance requested by authorized agents of the Town and requiring substantial time on the part of the auditor (over one hour in any given week) is to be considered beyond the scope of the services and will be billed at the auditor's regular hourly rate. This does not include the actual audit or pre-audit.
11. The audit firm shall provide seven (7) printed copies of the auditor's report, the financial statements and schedules, and the management letter. An electronic version will also be provided.
12. The audit firm shall furnish adjusting entries and a beginning Trial Balance for General Ledger accounts within ninety (90) days of the close of the fiscal year.
13. Pre-audit work will begin in April or May of the fiscal year being audited and the audit to commence after the fiscal year's close.

### **III. QUALIFICATIONS PREPARATION AND SUBMISSION**

#### **D. Required Submission Content**

Responses to this RFP should include:

1. A summary of qualifications to perform a municipal audit.
2. A description of the audit firm and a summary of its prior experience.
3. Identification of the individual or project management team assigned to audit the Town. The individual or team leader must have at least three years municipal audit experience gained within the last ten (10) years.
4. A list of local government entities to whom you are currently providing audit services, including names, addresses and phone numbers of your primary contact.
5. A summary of the methodology to be used in performing the audit which should include a brief description of the type of audit and audit procedures. This information should be presented in a format that enables the Town to evaluate the firm's ability to identify, evaluate, and communicate on local governmental financial problems.

6. A chart of billing rates, fringe rates, subcontractor markup rates, and other cost information, including how mileage and travel time will be charged, that may apply to work related to the project. If a flat rate is proposed for a fixed service offering, the chart of rates should apply for any costs not covered under the fixed service proposal, and the rate for the fixed service should be identified separately.

Submissions must be limited to sixteen (16) pages total or less (including cover letter).

The submission must include the following information supporting the respondent's expertise in providing the required services:

1. Proof of insurance at levels required in the Terms of this RFP. (This is to be attached as an addendum and is not part of the submission page limit.)
2. The submission must be signed on a cover letter or elsewhere by the person submitting the submission or a duly authorized representative of the firm submitting the submission. The signature shall include the title of the individual signing the submission.

#### **IV. SUBMISSION EVALUATION**

The Town's selection will be made by the Gray Town Council based on a recommendation from the Town Manager, with input from the Town Finance Committee and Town Finance Director. The Town may request in-person visits, in Gray, with one or more respondents. The selection will be based on the following criteria:

1. Firm's Qualifications: Does the respondent have the support capabilities, including personnel and technology, to complete the audit? Has the respondent successfully completed previous audits of this type and scope? – 30 Points
2. Personnel Qualifications: Do the people who will work on the audit have the necessary skills? Are enough skilled people assigned to the audit? – 30 Points
3. Familiarity with and approach to municipal audits – 30 Points
4. Understanding of Gray's financial practices, and any other factors – 10 Points

The Town may in its sole discretion, also consider additional factors or modify the criteria set forth above.

## **V. PROPOSAL ACCEPTANCE**

Any respondent whose submission is selected will be expected to sign a contract with the Town.

The Town reserves the right to reject any or all the submissions and to waive any deviations or irregularities at its sole discretion. Any submissions received after the deadline may be rejected.

The Town may amend the terms or cancel this RFP any time prior to the execution of a contract for these services if the Town deems it to be necessary, appropriate, or otherwise in the best interests of the Town. Failure to acknowledge receipt of amendments, in accordance with the instructions contained in the amendments, may result in a firm's response not being considered.

## **VI. TERMS AND CONDITIONS**

**AUTHORITY:** This Request for Proposals ("RFP") of offers for professional services is issued in accordance with the Town Charter and fiscal policy of the Town.

**SCOPE:** The terms of this RFP apply in like force to this qualifications submission process and to any subsequent contract resulting therefrom.

**OWNERSHIP:** All responses to this RFP are to be the sole property of the Town. Respondents are encouraged not to include proprietary information in their responses. All materials associated with this procurement process are subject to the terms of state laws defining freedom of information and privacy and all rules, regulations and interpretations resulting from those laws.

Any product, whether acceptable or unacceptable, developed under any contract awarded resulting from the RFP is to be the sole property of the Town.

**INVESTIGATION:** Respondents submitting qualifications shall make all investigations necessary to inform themselves regarding the services(s) requested and to be performed under this RFP and any resulting contract(s). By submitting qualifications, a firm represents that it has read and fully understands this RFP and any addenda.

**CLARIFICATION OF RFQ:** Firms who request a clarification of the RFP requirements must submit questions in writing in the manner and by the deadline specified in Section I of this RFP or present them orally at a scheduled pre-submission conference if one has

been scheduled. All written questions must be received by the Town no later than the date or time stated herein. Oral instructions or information concerning this RFP provided by the Town or its employees and agents to prospective firms shall not bind the Town or its committees.

**ADDENDA:** Any substantive change or clarification to this RFP will be made by written addendum issued as specified in Section I. The Town is not responsible for any explanation, clarification, response, or approval made or given in any manner except by authorized addendum.

**ALTERNATE TERMS AND CONDITIONS:** Alternative terms and conditions are not encouraged and, unless explicitly accepted by the Town, are rejected.

**COST OF PREPARING QUALIFICATIONS:** This RFP does not commit the Town to pay any costs incurred by a firm in preparing and submitting qualifications or in making and preparing necessary investigations, studies, or designs, or for procuring or contracting for services to be furnished under this RFP.

**CANCELLATION:** The Town or its authorized staff or committees reserve the right to modify, revise or cancel this RFP, without liability to any firms at its sole discretion. The receipt and review of submissions or the completion of interviews do not obligate the Town or its authorized staff or committees to award a contract.

**LATE SUBMISSIONS:** Submissions received after the scheduled closing time for filing may be rejected by the Town and its authorized staff and committees, without liability to a firm. Respondents assume responsibility for timely submissions in accordance with this RFP. The Town and its authorized staff and committees shall have no obligation to consider late-filed submissions.

**SPECIFICATIONS AND STAFF ASSIGNMENT:** Firms must submit qualifications in accordance with the terms and conditions and the scope of services set forth in this RFP. The respondent must certify that the personnel identified in its response to this RFP will be the persons who will work on the project. Any additions, deletions, or changes in personnel from the submission during the agreement period must be approved by the Town, except for personnel who have terminated employment. Replacements for personnel who have terminated employment are subject to approval by the Town. At its discretion, the Town may require the removal and replacement of any of the respondent's personnel who do not perform adequately, regardless of whether they were previously approved by the Town.

**PAYMENT:** Any payments to be made by the Town from any subsequent contract resulting from this RFP will be made by authorized personnel only.

**CONFLICT OF INTEREST:** A respondent submitting a submission thereby certifies that no elected or appointed official, agent or employee of the Town who has a pecuniary interest in this RFP has participated in the preparation of this RFP or contract negotiations; that the submission is made in good faith without fraud; that the respondent is competing solely on its own behalf without connection or obligation to any undisclosed person or firm and that the respondent (including all subcontractors) is able to perform all the services specified in this RFP without any conflict of interest. A breach of this provision shall be deemed an anticipatory default under the terms of any contract issued in accordance with the RFP.

**ASSIGNMENT:** The selected respondent will be prohibited from assigning, transferring, conveying, subletting, or otherwise disposing of this agreement or its rights, title, or interest therein or its power to execute such agreement to any other person, firm, company or corporation without the previous consent and approval in writing from the Town Manager.

**INSURANCE:** The selected firm shall be required to carry Professional Liability Insurance and General Liability Insurance. Submissions must specify the carrier and coverage limits of no less than \$1,000,000 per occurrence. A certificate of insurance shall be provided to the Town, providing that coverage shall not be cancelled without thirty days' notice.

**AWARD: All contracts based on competitive qualifications will be awarded according to the RFP provisions.** This RFP is not a commitment by the Town to enter into a contract for the services requested herein with any particular entity or firm. The Town reserves the right, in its sole discretion, to withdraw this RFP at any time prior to entering such a contract and/or to reissue the RFP later if, in the Town's sole estimate, it is in the best interest of the Town to do so. The Town and its authorized staff and committees reserve the right to reject any or all qualifications, wholly or in part, or to award multiple contracts in whole or in part, at its sole discretion. The Town and its authorized staff and committees also reserve the right at its sole discretion to waive any deviations or errors that are not material, do not invalidate the legitimacy of the submission, and do not improve the firm's competitive position. All awards will be made in the best interest of the Town.

**LICENSES:** The selected firm shall be responsible for obtaining and maintaining all necessary licenses, permits and authorizations to perform work in the United States, the State of Maine, and the Town of Gray, at no cost to the Town.

**PRICING:** The respondent agrees that its response will remain valid for ninety (90) days after the submission closing date and may be extended beyond that time by mutual agreement.

**COLLUSIVE BIDDING:** By submitting a response to this RFP, their signature on a submitted submission is a guarantee by the respondent that the prices quoted have been arrived at without collusion with other eligible contractors or any other persons or entities in a manner that has the effect, or potential effect, of precluding the Town from obtaining the lowest possible competitive price. A submission shall be signed by the person or persons legally authorized to bind a contractor to a contract.

**AUDIT REQUIREMENTS:** A firm that is awarded a contract under this RFP shall maintain such records as are required by the Town to allow the Town to fulfill its reporting requirements to the United States Environmental Protection Agency, the State of Maine, or other government agencies. A successful firm shall allow the Town or other agencies authorized by the Town, access to its records at reasonable hours, including all books, records, documents, and accounting procedures and practices relevant to the subject matter of the contract documents, for purposes of audit, for a minimum of six years.

**HOLD HARMLESS CLAUSE:** The selected firm shall indemnify the Town of Gray from all suits, actions or claims of any kind brought on account of any injuries or damages sustained by any person in consequence of any negligence in performing contract work, or on account of any act of commission by the firm or its employees, or from any claims or amounts arising or uncovered under any law, bylaw, ordinance, regulation, or decree, violated by such firm.

**VENUE:** The venue for any legal action or proceeding involving this RFP and any resulting contract shall be primarily by mediation, or as necessary in a court of competent jurisdiction in Cumberland County, Maine, without regard to conflicts of law principles.