



Delaware River Basin Commission

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Steven J. Tambini, P.E.
Executive Director

Delaware River Basin Commission Request for Proposal and Quotation

February 20, 2019

Objective

The Delaware River Basin Commission (Commission) is soliciting proposals from Independent Certified Public Accountants to provide the professional services to perform the annual audit of the Commission's financial statements beginning with the fiscal year ending June 30, 2020 through the fiscal year ended June 30, 2022, and an option for two additional fiscal years.

Background

The Delaware River Basin Commission was formed in 1961 by agreement among the U.S. Government and the states of Delaware, New Jersey, New York and the Commonwealth of Pennsylvania, for the purpose of developing and implementing plans, policies and projects relating to the water resources of the Delaware River Basin. The Commission's annual budget is approximately 7 million dollars.

The Commission has adopted the provisions of the Governmental Accounting Standards Board's statement number 34, 37, 38, 40, 44, 45, 75 and 82 and intends to implement and adopt statement number 84 as required. Accordingly, the accounts of the Commission will be maintained to facilitate reporting in conformity with these statements and any future pronouncements that will require implementation.

Governmental fund types currently reported are the general fund, the special projects fund, fiduciary fund, and the water supply storage facility fund which is a proprietary fund. For fund financial statement purposes, two account groups are in use: are general fixed assets and the general long-term debt. Year-end financial statements and schedules are prepared by the Commission's staff working together with the independent auditors and presented in a package prepared by the independent auditor.

The fiscal staff of the Commission is comprised of two people. The Finance / Accounting Manager is a CPA who is responsible for maintenance of the general ledger. Under the direction of the Finance / Accounting Manager, the Accounting Benefits Specialist prepares payroll and accounts payable. Internal financial reports are prepared monthly and quarterly. The fiscal staff reports to the Director of Finance and Administration, who reports directly to the Executive Director.

The Commission has received an unqualified opinion from independent auditors on its financial statements for the fiscal year ended June 30, 2018.

Request for Proposal

Audit Requirements

- A. The Independent Public Accountant is to perform a financial and compliance audit in accordance with the following:
 - 1. Generally Accepted Auditing Standards (GAAS)
 - 2. Government Auditing Standards issued by the Comptroller General
 - 3. AICPA – Audits of State and Local Government Units as amended
 - 4. OMB Circular A-133 Audits of State and Local Governments
 - 5. Any other applicable and authoritative circulars, guides or standards

- B. The Audit Report shall adhere to Generally Accepted Auditing Standards and OMB Circular A-133, and contain Independent Auditor Reports on:
 - 1. The Financial Statements
 - 2. Internal Control Over Financial Reporting and on Compliance and Other Matters
 - 3. Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133
 - 4. Findings and Questioned Costs
 - 5. Summary Schedule of Prior Audit Findings
 - 6. Report on Supplementary Information

- C. The auditor will be required to produce and deliver 25 bound hard copies and a PDF of the audited financial statements with the auditor’s report(s).

Working Papers

- A. The working papers will be retained for at least five years.
- B. The working papers will be available for examination by authorized representatives of the Federal or State audit agency, the General Accounting Office and the Commission.

Criteria for Section

The award will be made to the firm which, in the opinion of the Commission, is best qualified. The criteria for qualification include, but are not limited to, the following:

- A. Understanding of the work to be performed
- B. Qualifications of the firm and personnel
- C. Approach to performing the audit
- D. Experience
- E. Estimated cost and time needed to perform the audit and issue the year-end financial package
- F. Quality control report based on peer review

Request for Proposal

Right to Reject

The Commission reserves the right to reject any and all proposals submitted and to request additional information from any or all proposers.

Information to be submitted by the Proposer

Three (3) copies of the proposal must be submitted and will become property of the Commission. In order to help simplify the review process and obtain the maximum degree of comparison, the Commission requests the proposals be organized in the following manner:

A. Title Page

Show the RFP subject, the name of the proposer's firm, local address, telephone number, name of contact person, and the date.

B. Table of Contents

Include a clear identification of the material by section and page number.

C. Letter of Transmittal

Limit this to one or two pages.

1. Explain the prospective firm's understanding of work to be done and make a positive commitment to perform the work within a time period.
2. State the names of the persons who will be authorized to make representations for the proposer, their titles, addresses and telephone numbers.
3. State that the persons signing the letter will be authorized to bind the proposer.

D. Profile of the Proposer

1. State whether the firm is local, regional, national or international.
2. State the location of the office from which the work is to be done and the number of partners, managers, supervisors, seniors and other professional staff employed by this office.
3. Describe the range of activities performed by the local office, such as governmental auditing (financial and compliance), accounting, tax service or management services.
4. List recent financial/compliance audits of governmental entities with federally funded programs.

E. Peer Review

1. It is mandatory that your firm have a quality control review in order to perform this audit. Please submit a copy of the report with your proposal.

Request for Proposal

F. Mandatory Criteria

1. Affirm that the proposer meets the independence standards of Government Auditing Standards as revised.
2. Affirm that the proposer does not have a record of substandard audit work.

G. Summary of Proposer's Qualifications

1. Identify the supervisors who will work on the audit, including staff from other than the local office. Resumes, including the relevant experience and continuing education for supervisory persons to be assigned to the audit, should be included.
2. Describe your recent auditing experience similar to the type of audit requested and give the names and telephone numbers of client officials responsible for three of the audits listed.

H. Proposer's Approach to the Examination

1. Submit a work plan showing how you will accomplish the scope of services defined in the Audit Requirements section of this request. The work plan should include estimates for each significant segment of work and staff level to be assigned. Where possible, individual staff members should be named. The planned use of specialists should also be specified. The audit work plan should completely cover what audit work will be accomplished to allow the proposer to render:
 - a. An opinion on the financial statement.
 - b. A report on the study and evaluation of internal control systems.
 - c. A report on tests of compliance with applicable laws and regulations.
2. The work plan should demonstrate an understanding of the audit requirements of the Single Audit Act (OMB Circular A-133).

I. Additional

Since the preceding sections contain only data that has been specifically requested, any additional information considered essential to the proposal should be included in this section, not to exceed 10 pages. If there is no additional information to present, state: "There is no additional information to present."

Request for Proposal

J. Contacts and Deadlines

The Commission's Audited Financial Statements from FY2012 through FY2018 are available on our website at:

<https://www.state.nj.us/drbc/about/public/annual-audit.html>

Please direct inquiries to Lulin Zhong, CPA, Finance / Accounting Manager at (609) 477-477-7211 or lulin.zhong@drbc.gov.

**Please send Proposal and Quotation to:
Lulin Zhong, CPA
Delaware River Basin Commission
P.O. Box 7360, 25 Cosey Road
West Trenton, NJ 08628-0360**

The deadline for responses to this request for proposal is **4:00 pm on Thursday, March 21, 2019**. *Please note that this has been extended 2 weeks from the initial deadline of Thursday, March 7, 2019.*

FEE PROPOSAL BID FORM

To Provide Audit Services to the Delaware River Basin Commission

State the total hours and hourly rate required by staff classification and the resulting all-inclusive maximum fee for which the requested work will be done by year.

BID FORM SHOULD BE SUBMITTED IN A SEPARATE SEALED ENVELOPE MARKED "BID FORM" WITH THE FIRM'S NAME.

THREE YEARS – year ended 6/30/2020	\$
year ended 6/30/2021	\$
year ended 6/30/2022	\$
OPTION YEARS – year ended 6/30/2023	\$
year ended 6/30/2024	\$

FIRM NAME: _____

SIGNATURE: _____

DATE: _____