



CHICAGO
INFRASTRUCTURE
TRUST

REQUEST FOR PROPOSAL

AUDITING SERVICES

Chicago Infrastructure Trust

12 March 2014

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SECTION A. – BACKGROUND INFORMATION

The Chicago Infrastructure Trust (“CIT”), hereinafter referred to as “CIT” is an Illinois not-for-profit corporation exempt under Internal Revenue code section 501(c)(3).

The Chicago Infrastructure Trust was created in April 2012, by executive order of Mayor Emanuel and City Council resolution. The Trust’s purpose is to assist the people of the City of Chicago, the City government and its sister agencies in providing alternative financing and project delivery options for transformative infrastructure projects. To accomplish this, the Trust hopes to structure innovative financing strategies and attract capital from diverse types of investors. The Trust also hopes to achieve and demonstrate real risk transfer to third-party investors, and to stimulate cross-agency financing while creating efficient capital structures.

The Role of the Chicago Infrastructure Trust

The Trust will provide focus and leadership to build a pipeline of executable P3 projects that will meet Chicago’s infrastructure needs and attract private investment. By tapping into funding from private investors for infrastructure projects, the City of Chicago will be able to achieve the following:

- I. Improve service to the people of Chicago and provide better access to facilities
- II. Harness the potential of private funding to expand/accelerate infrastructure development/improvement beyond the capacity of public funds and City resources
- III. Create jobs directly through project execution and/or by facilitating economic expansion
- IV. Generate incremental revenue for the City from underutilized assets
- V. Reduce operating overhead of the City

SECTION B. – OBJECTIVE AND SCOPE OF SERVICES

OBJECTIVE

CIT is issuing a Request for Proposal (RFP) with the goal of selecting independent auditors to plan and perform an audit in accordance with generally accepted accounting principles (GAAP), generally accepted auditing standards (GAAS), and generally accepted governmental auditing standards (GAGAS) for Inception (April 2012) through year ending December 31, 2013.

The agreement with the selected Auditor will be for a one-year term, unless sooner terminated in accordance with the agreement. At the conclusion of the first year, CIT has the sole option to renew the contract for one or more year(s).

As this is the infancy of CIT, and the only funding obtained is a grant from the City of Chicago; the selected Auditor will be expected to expand its auditing services to include anticipated private funding for various Infrastructure projects.

SCOPE OF SERVICES

Services required must be performed with that degree of skill, care, planning and diligence normally shown by a professional performing work of comparable scope, purpose and magnitude. The selected Auditor must meet the independence and all other requirements of the auditing standards issued by the U.S. General Accounting Office and A.I.C.P.A.

The audit must be completed with the highest degree of organization, efficiency and professionalism. It is expected that the audit is planned carefully to minimize the cost of the audit.

CIT requires an annual financial audit including an Independent Auditor's Report expressing an opinion on CIT's financial statements. In addition, the financial audit shall include a review of CIT's compliance with certain provisions of laws, regulations, contracts and grants,

noncompliance with which could have a direct effect on the determination of financial statement amounts, as well as a review of internal controls over financial reporting.

The independent auditor will plan and perform an annual financial audit of CIT with the following objectives:

- I. To express an opinion on the fairness, in all material respects, of the presentation of CIT's basic financial statements in conformity with accounting principles generally accepted in the United States of America.
- II. To report on CIT's internal control over financial reporting and on its compliance with certain provision of laws, regulation, contracts, and grant agreement and other matters for the year ending December 31, 2013 and the partial year (from inception) ended December 31, 2012, based on an audit of financial statements performed in accordance with the standards applicable to financial audits contained in generally accepted government auditing standards.
- III. To report on CIT's compliance with the terms of each funded project during the fiscal year, including the achievement of the benefits anticipated to be derived from each such project.

The audit will include the following:

- I. Obtaining an understanding of CIT and its environment, including internal control, sufficient to assess the risks of material misstatement of the basic financial statements and to design the nature, timing and extent of further audit procedures
- II. Consideration of internal control over financial reporting as a basis for determining audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CIT's internal control over financial reporting

- III. Examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements
- IV. Inquiring directly of the Board of Directors regarding its views about the risk of fraud and whether the Board has knowledge of any fraud or suspected fraud affecting CIT
- V. Assessing the accounting principles used and significant estimates made by Management
- VI. Evaluating the overall financial statement presentation
- VII. Perform testing of CIT's compliance with certain provisions of laws, regulations, and the provisions of contract or grant agreement.

SECTION C. – RFP PROCESS AND SUBMISSION REQUIREMENTS

RFP PROCESS

The Proposer's written response, which details the experience and expertise of the Proposer to provide Auditing Services, is due not later than April 4, 2014.

If it becomes necessary to revise or amend any of this RFP, including the due dates, CIT will publish a revision by written addendum on its website and notify all prospective Proposers who have registered and provided CIT with valid contact information.

Proposers are to contact only Vivian Funches of Washington, Pittman and McKeever, LLC, at vfunches@wpmck.com, concerning this RFP and should not rely on representations, statements, or explanations other than those made in this RFP or any written addendum to this RFP.

Interested parties must submit an electronic copy of the entire original submittal in PDF format via email to Vivian Funches, at vfunches@wpmck.com, and Stephen Beitler at ssb@shapechicago.org. Facsimile copies will not be accepted.

All Proposals must be submitted with a table of contents identifying page numbers with section dividers for each item under Proposal Submission.

By submitting a Proposal, Proposer agrees to accept and abide by the terms of this RFP. CIT reserves the right to reject any or all submittals, to waive any informality or irregularity, and to accept any responsive submittals which it may deem to be in the best interest of CIT. Only submittals from responsible Proposers complying with the provisions of this RFP will be considered.

Submittals will be considered incomplete if they do not bear the signature of an agent of the Proposer who is in a position to contractually bind the Proposer. The submittals can be

withdrawn at any time, if requested in writing, until the deadline date at which time it will be considered final.

RFP SUBMISSION REQUIREMENTS

Interested Proposers are to provide a thorough submittal using the guidelines presented herein. Submittals should be prepared simply and economically, providing a straightforward, concise description of the Proposer's ability to meet the requirements of the RFP. Proposer is expected to highlight its expertise and its proposed method or approach to the successful performance of the scope of services.

Proposal Submission

The following provides an outline of the information to be included to demonstrate, verify and confirm the Proposer's competence and ability to provide services under the Agreement. This outline is not all-inclusive and Proposers can add information as deemed appropriate.

In its proposal, the Proposer must provide information regarding the following:

- I. An overview of the Proposer's approach to providing the Services to demonstrate an understanding of CIT's intent and objectives and how their Proposal would achieve those objectives
- II. Details of the Proposer's competence, qualifications, and past experience for at least three (3) engagements, preferably at least one from a government and one from a not-for-profit entity, for which Proposer has provided services similar in scope to those described in the RFP. Include the client name, address, phone and fax number, e-mail address, contact name, contact's affiliation and the total value of the contract and the term (start and end date)
- III. A description of the Proposer's quality control program

- IV. Proposer's detailed staffing plan that identifies the Engagement Partner and all supervisory staff expected to provide the Service, including their titles and reporting responsibilities, proposed role and time commitment for this engagement, and functions and tasks for which they will have prime responsibility. Proposer should also include all resumes that highlight the individual's prior experience in providing auditing and audit management services
- V. A copy of the Proposer's most recent peer review report
- VI. Copies of all business and professional licenses and permits if necessary, as well as evidence of professional liability insurance, if applicable, and standard for performance of the Services
- VII. A description of any needs the Proposer may have to carry out the required work, and/or other relevant factors the Proposer believes should be considered for evaluation by CIT

Fee

The Proposer must submit a budget justifying the maximum fee (including estimated out-of-pocket expenses). Specify the projected number of hours by staff category and standard billing rates for each class of professional personnel.

SECTION D. – RFP EVALUATION

Evaluation Process

CIT intends to conduct a comprehensive, fair and impartial evaluation of proposals received in response to this RFP. CIT will first review the proposals to assess Proposer's responsiveness and compliance with the administrative requirements of the RFP. CIT will also determine whether the Proposer is one with whom CIT can or should do business.

CIT will review and evaluate the Proposals. Evaluations will be based on criteria outlined herein and all proposals will be evaluated using the same criteria. Throughout the evaluation and selection period, each Proposer may be required to furnish additional information, make presentations and attend meetings as requested by CIT.

Evaluation Criteria

In evaluating the Proposals, CIT will consider the following:

I. Experience and Performance:

- a. Whether the Proposer has sufficiently described its expertise and/or provided examples of its ability to perform the Services as listed in this RFP.
- b. Whether the Proposer has provided appropriate and relevant references and, if not, whether the Proposer has included information as to why such references were not provided.
- c. The results of the Proposer's most recent peer review report.

II. Staffing and Resources: Quality of the management experience of managers or partners assigned to this project, and the quality of all assigned personnel's auditing

experience and training. Whether the Proposer's staffing plan demonstrates the commitment and needed resources for successfully completing the engagement.

- III. **Quality Control Program:** The strength of the Proposer's quality control program.
- IV. **Proposed Fees:** The reasonableness and competitiveness of the Proposer's schedule of professional fees and maximum fee offer.
- V. **Diversity of Proposers:** Diversity of Proposers, including minority-owned business enterprises, women-owned business enterprises, veteran-owned business enterprises and business enterprises owned by persons with disabilities, will be taken into account.

EVALUATION AND AWARD PROCESS

The evaluation and award process is as follows:

- I. Review of the Proposals to assess compliance with mandatory administrative requirements.
- II. Detailed evaluation by the Board of Proposer's mandatory service requirements and proposed services.
- III. Clarifications, discussions, and presentations (if determined necessary).
- IV. Review of Proposed Fees.
- V. Award recommendation.
- VI. Award decision by CIT Board.
- VII. Award notification to the Proposers.
- VIII. Final contract executed.

SECTION E. – CONDITIONS, DISCLAIMERS AND DISCLOSURES

The RFP does not represent a commitment or offer by CIT to enter into an agreement with a Proposer or to pay any costs incurred in the preparation of a response to this RFP. CIT also reserves the right to seek new submittals when such a request is in the best interest of CIT and to reasonably request additional information or clarification of information provided in the response without changing the terms of the RFP. The Proposer assumes the responsibility for all costs incurred in responding to this RFP. It is understood and agreed that CIT assumes no liability for the Proposer's costs incurred in responding to this RFP. The RFP and the selected Proposer's response to the RFP may, by reference, become a part of the final Agreement between the selected Proposer and CIT resulting from this solicitation process.

Insurance Requirements

At all times during the term of the Agreement and during the time period following final completion if the Proposer is required to return and perform any additional work, Proposer is required to maintain the minimum insurance coverage and requirements specified in this RFP, insuring all operations related to the Agreement. CIT reserves the right to modify insurance requirements based on the nature of the services rendered or the projects required under the Agreement.

Freedom of Information Act

This RFP and any subsequent agreement may be subject to disclosure pursuant to the Illinois Freedom of Information Act, 5 ILC 140 (FOIA), and other applicable laws and rules. The Proposal may be made available for public inspection and copying and if the Proposer believes certain information is exempt from public disclosure under FOIA, the Proposer must clearly mark those portions of its Proposal as being "Confidential" and request confidential treatment. The Proposer must show the specific grounds under FOIA or other law or rule that support exempt treatment. CIT is not obligated to honor requests for confidential treatment, even if the information is exempt from public disclosure. The Proposer will be responsible for any costs or damages associated with CIT defending the Proposer's request for exempt treatment.

Confidentiality

Except with CIT's approval, the Proposer shall not directly or indirectly disclose, divulge or communicate to any person, firm or corporation, other than CIT or its designated representatives, or as required by law, any non-public information which it may have obtained during the RFP process concerning any matter relating to the work or regular business of CIT.

Rejection of Proposals

Proposals that do not comply with the submittal requirements of the RFP, or that contain omissions, erasures, alterations or additions not called for, or that are irregular in any way, may be rejected as informal and insufficient. CIT, however, reserves the right to waive any or all informalities when it considers a waiver to be in its and the public's best interest.

In addition to all other bases for rejection, any Proposer found to have falsified any information to CIT in relation to this or any other procurement, or which has been barred from doing business with the City of Chicago or its sister agencies or the State of Illinois, or which has been convicted of a felony or entered into a plea agreement related to procurement contracting with any unit of government, may be rejected.