



CHICAGO
INFRASTRUCTURE
TRUST

REQUEST FOR PROPOSAL
AUDITING SERVICES

Chicago Infrastructure Trust

10 August 2016

Table of Contents

Background Information..... 3

Objective and Scope of Services..... 3

RFP Process and Submission Requirements 5

RFP Evaluation 8

Conditions, Disclaimers, Disclosures..... 10

BACKGROUND INFORMATION

The Chicago Infrastructure Trust (“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 a Chicago City Council ordinance.

CIT’s mandate is to leverage alternative financing and delivery structures to expand the capacity of the City and other government agencies to deliver new and improve existing infrastructure. CIT’s guiding principles are to provide complementary services that respond to the needs of the City and its sister agencies; ensure value to the City, its sister agencies, and taxpayers in the delivery of infrastructure projects; and act as a dedicated, specialized resource for alternative project delivery to the City and its sister agencies.

Budget for the prior fiscal year was approximately \$1,300,000. The firm of Washington, Pittman and McKeever provides our accounting services.

OBJECTIVE

The following Request for Proposal (RFP) is for audit and tax services for the Chicago Infrastructure Trust for the years 2015 and 2016.

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

CIT’s only funding obtained is a grant from the City of Chicago and project fees; the selected Auditor may be expected to expand its auditing services to include any private funding for various infrastructure projects in the year 2017.

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 American Institute of Certified Public Accountants.

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 statement 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.

We are seeking a qualified CPA firm with nonprofit industry expertise and experience with government grant recipients to:

1. In accordance with Generally Accepted Auditing Standards (GAAS) and Generally Accepted Government Auditing Standards (GAGAS) audit our financial statements as of and for the year ending for 2015 and 2016; including the statement of financial position, statements of activities and cash flows for said years; and the related notes to the financial statement(s).
2. Assist in the preparation of the financial statements.
3. Prepare a management letter, in accordance with AU-C 265, "*Communicating Internal Control Related Matters Identified in an Audit*". (If Required)
4. Present results of the audit and management letter at the board's audit committee meeting (date to be determined) according to AU-C 260, "*The Auditors Communication With Those Charged With Governance*".
5. Prepare and file tax returns (IRS Form 990 and AG990-IL).

The independent auditor will plan and perform an annual financial statement 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, 2015 and December 31, 2016, based on an audit of financial statements performed in accordance with the standards applicable to financial audits contained in Generally Accepted Government Auditing Standards (GAGAS), (as applicable).
- 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 (as applicable).

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. Meet with the Board at least once per year, and be available to answer questions and address other issues throughout the year
- 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 (as applicable).

RFP PROCESS

The Respondent's written proposal, which details the experience and expertise of the Respondent to provide Auditing Services, is due not later than August 23, 2016 by 12 pm CDT.

RFP Timeline:

- RFP responses due August 23, 2016 by 12 pm CDT
- CIT may conduct interviews with selected finalists
- Auditor will be selected and notified by September 2, 2016

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 respondents who have registered and provided CIT with valid contact information. Interested respondents can register by emailing Patricia Dominguez at pdominguez@chicagoinfrastructure.org

and supplying your contact information including your name, title, organization name, telephone number, and email address.

RFP SUBMISSION REQUIREMENTS

Respondents 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 a response in PDF format via email to Patricia Dominguez at pdominguez@chicagoinfrastructure.org by August 23, 2016 by 12 pm CDT. Facsimile copies or hard copies will not be accepted.

Submittals should be prepared simply and economically, providing a straightforward, concise description of the Respondent's ability to meet the requirements of the RFP. Respondent is expected to highlight its expertise and its proposed method or approach to the successful performance of the scope of services. All Proposals must be submitted with a table of contents identifying page numbers for each item under Proposal Submission.

By submitting a Proposal, Respondent 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 Respondents 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 Respondent who is in a position to contractually bind the Respondent. The submittals can be withdrawn at any time, if requested in writing, until the deadline date at which time it will be considered final.

Proposal Submission

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

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

- I. An overview of the Respondent's approach to providing the Services required by the CIT.
- II. Details of the Respondent's competence, qualifications, and past experience in dealing with other nonprofit clients similar in size to CIT.

- III. Detailed time commitment for this engagement.
- IV. A description of the Respondent's quality control program.
- V. Provide copies of at least three (3) contracts, preferably one from a government entity and two from a not-for-profit entity, for which Respondent 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, and contact's affiliation.
- VI. A list of non-profit clients and single audit clients comparable to CIT.
- VII. Provide a copy of the Respondent's most recent peer review report, sample white papers, and list of professional board affiliations.
- VIII. Respondent'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, functions and tasks for which they will have prime responsibility. Respondent should also include all resumes that highlight the individual's prior experience in providing auditing and audit management services.
- IX. Details of the Respondent's approach in reviewing internal controls and making recommendations to improve CIT controls and business processes.
- X. Describe the information technology (IT) used by the Respondent to protect the integrity of the information being shared.
- XI. Describe methods used to monitor progress and communicate with CIT's management should problems arise.
- XII. 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.
- XIII. A description of any requirements the Respondent may have in order to carry out the required work, and/or other relevant factors the Respondent believes should be considered for evaluation by CIT.

Fee

- 1. Provide a total fee for all work, and a breakdown of fees for each of the main audits referenced in the Proposal Requirements above (audited financial statements, management letter, board presentation, and prepare and file Form 990

- Estimate total fees and hours by employment classification and out-of-pocket costs annually for each two years, given the services required as outline in this RFP.
 - Estimate the “first time through” hours, which would be required.
 - Estimate the “internal control review” hours, which the Respondent is committed to provide to our staff.
2. Provide information regarding your audit fee for each of the two years of our audit including the expected increases from year to year and into the future, providing the work remains constant.
 3. Describe how you bill for overruns and what practices are in place to avoid overruns.
 4. What are your discounted rates?
 5. What is your firm’s philosophy for billing for advice and counsel during the year?

Audit Timing

The fiscal year for the Organization ends December 31st. We anticipate that we would be prepared for the audit to begin fieldwork by the first week of September 2016. We would expect delivery of audit engagement deliverables and requisite tax returns by October 31, 2016.

RFP 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 Respondent’s responsiveness and compliance with the administrative requirements of the RFP. CIT will also determine whether the Respondent 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 Respondent 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 Respondent has sufficiently described its expertise and/or provided examples of its ability to perform the Services as listed in this RFP.

- b. Whether the Respondent has provided appropriate and relevant references and, if not, whether the Respondent has included information as to why such references were not provided.
 - c. The results of the Respondent'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 Respondent's staffing plan demonstrates the commitment and needed resources for successfully completing the engagement.
- III. **Quality Control Program:**
The strength of the Respondent's quality control program.
- IV. **Proposed Fees:**
The reasonableness and competitiveness of the Respondent's schedule of professional fees and maximum fee offer.
- V. **Diversity of Respondents:**
Diversity of Respondents, 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. Clarifications, discussions, and presentations (if determined necessary).
- VI. Review of Proposed Fees.
- VII. Award decision.
- VIII. Award notification to the Respondents.
- IX. Final contract executed.

CONDITIONS, DISCLAIMERS AND DISCLOSURES

The RFP does not represent a commitment or offer by CIT to enter into an agreement with a Respondent 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 Respondent assumes the responsibility for all costs incurred in responding to this RFP. It is understood and agreed that CIT assumes no liability for the Respondent's costs incurred in responding to this RFP. The RFP and the selected Respondent's response to the RFP may, by reference, become a part of the final Agreement between the selected Respondent 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 Respondent is required to return and perform any additional work, Respondent 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 Respondent believes certain information is exempt from public disclosure under FOIA, the Respondent must clearly mark those portions of its Proposal as being "Confidential" and request confidential treatment. The Respondent 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 Respondent will be responsible for any costs or damages associated with CIT defending the Respondent's request for exempt treatment.

Confidentiality

Except with CIT's approval, the Respondent 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.

It is understood that everything enclosed here is confidential in nature and to be used only in the generation of your audit proposal.

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 Respondent 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.