



CAPE ANN TRANSPORTATION AUTHORITY

REQUEST FOR PROPOSALS

FOR

INDEPENDENT AUDIT SERVICES

FEBRUARY 25, 2022

CATA RESERVES THE RIGHT TO REJECT ANY AND ALL PROPOSALS

THE TERMS, CONDITIONS, SPECIFICATIONS, APPENDICES, AND INFORMATION LISTED IN THE TABLE OF CONTENTS AND INCLUDED IN THIS REQUEST FOR PROPOSAL SHALL CONSTITUTE THE ENTIRE REQUEST FOR PROPOSAL PACKAGE AND SHALL BE INCORPORATED BY REFERENCE INTO ALL SUBMISSIONS.

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Cape Ann Transportation Authority (CATA)

Request for Proposal

Independent Audit Services

The Cape Ann Transportation Authority (CATA) is seeking proposals from qualified independent audit firms (hereinafter CPA) to prepare its annual certified financial statement, single audit report, and National Transit Database for fiscal years 2022, 2023, and 2024, with an option to renew for up to two subsequent fiscal years.

Proposals are due not later than 11:00am, Friday, April 15, 2022 at CATA's office located at 3 Pond Road, Gloucester, MA 01930.

The service is financed in part through a grant from the Federal Transit Administration, and any contract entered into is subject to the provisions of applicable laws governing that grant. All resulting contracts will be subject to applicable federal, state, and local laws and regulations.

It is the goal of CATA that certified Disadvantaged Business Enterprises participate in a minimum of 4.31% of the total value of the goods and services procured in FFY22-FFY24. Any future contractor will be asked to assist CATA in meeting this goal. Disadvantaged Business Enterprises are encouraged to respond to this solicitation notice.

Copies of the RFP will be available as of March 4, 2022 during regular business hours at the Cape Ann Transportation Authority, 3 Pond Road, Gloucester, MA 01930, or by request to Shona Norman by phone or email, 978-283-1886, ext. 101, normans@cantran.com.

Felicia S. Webb
Administrator
February 25, 2022

I. Introduction

The Cape Ann Transportation Authority (CATA) is a political subdivision of the Commonwealth, created in 1974 by Chapter 161B of the Massachusetts General Laws. The Authority is given general responsibility to develop, finance, and contract for the operation of mass transportation facilities and services within its territory. The Authority Advisory Board is comprised of five member communities, including Gloucester, Rockport, Ipswich, Essex, and Hamilton, as well as a representative of the disabled commuter population and a rider community representative. Disabled Member and Rider Representative. The day-to-day affairs of the Authority are managed by an Administrator.

CATA oversees operations for both fixed route and demand response transit services. Year-round fixed route service is provided in Gloucester and Rockport. Additional fixed route service is provided during the summer season in Gloucester, Rockport, Ipswich, and Essex. Year-round demand response service is provided to all five communities. Complementary ADA Paratransit service is presently provided where fixed route transit service is provided. All CATA vehicles are wheelchair accessible and comply with the Americans with Disabilities Act (ADA).

CATA is funded with federal, state and local subsidies, as well as farebox and other revenue sources. CATA is required to comply with the mandates of the Americans with Disabilities Act (ADA), Federal Transit Administration (FTA), and Massachusetts Department of Transportation (MassDOT) funding rules and regulations, as well as those of other federal, state, and local funding entities, as are the entities with which CATA contracts. CATA is an Equal Opportunity Employer. Disadvantaged Business Enterprises are encouraged to submit proposals and no proposer will be subject to discrimination based on race, color, religion, ancestry, national origin, age, gender, handicap, sexual orientation, veterans status, or other protected class, as identified by law, in consideration of an award of contract.

The Awarding Authority is the Cape Ann Transportation Authority.

Finances

The Authority is the recipient of annual operating and capital grants from the U. S. Department of Transportation, Federal Transit Administration (FTA), and the Commonwealth of Massachusetts Department of Transportation (MassDOT). Current cash needs are satisfied through the issuance of revenue anticipation notes. The Authority's operating budget for the current fiscal year (FY22) is \$3,897,661.

Accounting Practices

The Authority's operating company is required to provide the Authority with monthly unaudited statements of expense and revenue. These monthly statements are combined with

the financial activity of the Authority. The Authority’s General ledger is maintained using Sage 50 Accounting software and fixed assets are maintained in Microsoft Excel. The finance office consists of the Administrator and one staff person performing bookkeeping activities. The annual general purpose financial statements are produced in-house. The operating company accounting records are maintained at the operating company location.

Capital Grants

The Authority is the recipient of periodic capital grants providing up to 80% of the cost of capital facilities, rolling stock and miscellaneous support equipment. The non-grant portion of capital projects is financed from state capital assistance and current operating revenues. CATA has completed some capital projects over the past several fiscal years, including vehicle replacement and building upgrades. Currently, CATA does not foresee any large capital projects initiated during the contract period with the exception of vehicle replacements. Other small capital acquisition projects are ongoing.

II. Procurement Schedule

The major milestones of this procurement are as follows:

Advertise Request for Proposals	February 25, 2022
Availability of the Request for Proposals	March 4, 2022
Deadline for Written Questions	March 18, 2022
Responses to Questions Distributed	April 1, 2022
Proposal Due Date	April 15, 2022
Contract Effective Date	July 1, 2022

This schedule is intended as a guide and is subject to change. Proposals shall be limited to twenty-five (25) pages, excluding the Audit Fee Proposal Form and required attachments. Issuance of the Request for Proposals does not commit CATA to award a contract, pay any costs incurred in the preparation of the proposals in response to this request, or to contract for services or supplies. CATA reserves the right to reject any and all proposals, in whole or in part, to waive any formalities, and to re-advertise or to discontinue this process without prejudice.

III. Scope of Services

The Cape Ann Transportation Authority (CATA) is seeking proposals from qualified independent audit firms (hereinafter CPA) to prepare its annual certified financial statement, single audit

report, and National Transit Database information for fiscal years 2022, 2023, and 2024, with an option to renew for up to two subsequent fiscal years.

Qualified CPA firms should plan the engagement to take maximum advantage of existing Authority resources to prepare the necessary financial statements, notes, and audit working papers as well as to pull supporting documentation. The audit should include some agreed-upon procedures (between the CPA firm and the Authority) for the operating company.

The CPA firm will conduct an independent audit of the general purpose financial statements of the Authority for the year ended June 30, in accordance with generally accepted auditing standards and Governmental Auditing Standards issued by the Comptroller General of the United States. The firm will be required to audit the financial records of the Authority and such records of the operating company as is deemed necessary. The audit reports should be delivered to the Administrator no later than 90 days following the fiscal year ending June 30. As a byproduct of the audit the CPA firm may identify opportunities for the Authority to improve its control environment, accounting system, and control procedures

The CPA firm will be responsible for providing a separate independent auditor's report as required under OMB Circular A-133 implementing the provisions of the Single Audit Act of 1984, as amended.

The CPA firm will be responsible for performing the agreed-upon procedures attestation related to CATA's annual National Transit Database report as required by the Federal Transit Administration (FTA).

IV. Proposal Content

All proposals must include the following elements in the order listed below. **Limit your response, excluding the Audit Fee Proposal Form and required attachments listed below, to twenty-five (25) pages.** Failure to include all of the required elements and attachments may result in a proposal being determined to be non-responsive.

A **letter of introduction** identifying the proposing firm, mailing address, name of a contact person and phone, fax and e-mail to be used for communication from CATA in connection with the proposal. Describe the business organization, including the legal status of the firm, the state of incorporation, staff size, and the location of its principal office. The letter should be signed by an official authorized to bind the proposer to all of the RFP's provisions.

A. Audit Services Approach

- a. Narrative description of the firm's audit services approach and any differences relative to other CPA firms. Include enough substantive discussion to

demonstrate an understanding and comprehension of CATA's scope of services and objectives and familiarity with applicable laws, FTA regulations, rules, etc. Describe the firm's experience in audit services for similar transit or public authorities. Provide any additional information that may be useful to CATA in evaluating the qualifications of the firm.

B. Proposed Partner-In-Charge

- a. Provide resumes for the proposed Partner-In-Charge and any additional personnel that might be assigned to the engagement. The resumes should include a description of the individual's general qualifications and experience, availability, as well as experience in the transit and/or government industry.

C. References

- a. Provide a list of at least three clients that may be contacted as references. Please include any current or former transit clients.

D. Optional Services Proposed to be Provided

- a. Describe any optional services that the firm may propose to provide. If optional services are in addition to the fee quotation, indicate the basis for the charges.

E. Audit Fee Proposal Form (Appendix D)

- a. Identify the proposed audit fee, including estimated hours, rates, and any additional charges. Describe the nature of the fee (i.e., fixed, estimated, etc.) and how it might increase or decrease over the following years should the firm be reappointed.

Attach the following: (Excluded from page limit)

Completed **Proposer Questionnaire** – included as Appendix C.

Resumes of the **Proposed Partner-in-Charge** and **any additional personnel assigned**

Signed **Required Certifications**-see Appendix E.

Current Peer Review Report

V. Evaluation Criteria

The following criteria will be used in evaluating proposals submitted in response to this solicitation. Please respond to the list of questions in the order listed below. The criteria are listed in order of general importance. The maximum score is 180 points.

- A. **Audit Services Approach.** Maximum Score: 40 points
 - 1. Experience with conducting audits of similar sized or larger transit system
 - 2. Experience in providing suggestions for improving a transit system’s control environment, accounting system, and control procedures
 - 3. Experience in examinations in accordance with the Single Audit Act of 1984, as amended
 - 4. Experience in National Transit Database FTA reporting requirements
 - 5. Experience with FTA and Massachusetts regulations
- B. **Quality of Proposal.** Maximum Score: 40 points
 - 1. Degree to which proposal reflects understanding and comprehension of the RFP’s scope and objectives
 - 2. Quality of proposer’s resources relative to the needs of the project and the RFP’s specifications
- C. **Technical Qualifications of the Firm.** Maximum Score: 40 points
 - 1. General qualification of partner-in-charge and proposed team
 - 2. Transit industry experience
 - 3. Technical resources available
 - 4. Reliability, reputation, and stability of the firm
 - 5. Staff resources and ability to meet scheduled deadlines
- D. **Proposed Audit Fee** and other identified costs for the contract period, including option years: Maximum Score: 35 points
 - 1. Signed Management Fee Proposal Form (Appendix E) with a schedule of all additional costs
- E. **References for the Proposer.** Maximum Score: 25 points
 - 1. A minimum of three references to be provided.

VI. Evaluation Process

Proposals will be evaluated in accordance with CATA’S Request for Proposal (RFP)—Selection and Award Procedures. Only those Offerors determined by CATA to be responsive and qualified will be evaluated. Offerors found to be non-responsive and/or not qualified will be notified in

writing. CATA may allow such a non-responsive Offeror to provide additional information to be reconsidered if it will not prejudice the other Offerors. Should a proposer be found to have improperly influenced or interfered, or attempted to improperly influence or interfere, with this procurement, including during the evaluation and award process, they may be disqualified from participating in the procurement.

Proposals from responsive and qualified Offerors will be evaluated and scored in accordance with the evaluation criteria stated in the RFP by an evaluation committee selected by the CATA Administrator. The committee will review and score the proposals, participate in any interviews, and make a recommendation to the CATA Administrator. The CATA Administrator may participate in the evaluation and interview process.

The evaluation committee has the right to request additional information from any proposer at any time during the evaluation and selection process. Failure to provide the requested information may result in the disqualification of a proposer.

A final score and ranked list of all proposers will be forwarded by the evaluation committee to the CATA Administrator after the completion of the interviews and evaluation process. The evaluation committee may recommend that CATA negotiate with one or more proposers, or recommend that CATA award a contract to a single proposer.

Notwithstanding the recommendations of the panel, the CATA Administrator reserves the right of final selection to itself, subject to satisfactory conclusion of negotiations.

Any attempt by a proposer or agent of the proposer to influence the selection process will be documented by CATA and may cause the immediate disqualification of the proposer.

VII. Contract Negotiations

Upon receipt of the recommendation of the evaluation committee, the CATA Administrator will make a selection of the responsible proposer determined to be the most advantageous with price and other factors considered. The Authority may make a selection based on the original proposals and interviews, without negotiation with any proposer.

If, as a result of the evaluation of the proposals, the Authority determines that more than one proposer is within a competitive range, it will negotiate with all proposers within the competitive range - that is, with all proposers that the Authority determines have a reasonable chance of being selected for award based on the professional and technical elements of their proposals and the results of the interviews.

Upon completion of the negotiations, the Administrator will make the final approval. A notice of award will be issued to the successful proposer. All other proposers will be notified of the outcome of the selection process.

VIII. Proposal Requirements and Conditions

One (1) original, three (3) hard copies, and one (1) electronic copy on CD of the proposal should be addressed as follows and mailed or delivered to:

Felicia S. Webb, Administrator
Cape Ann Transportation Authority
3 Pond Road
Gloucester, MA 01930

CONTENTS: PROPOSAL FOR CATA INDEPENDENT AUDIT SERVICES

Proposals must be received by **11:00am on Friday April 15, 2022**. All proposals must be in sealed envelopes (packages) and clearly marked "CONTENTS: PROPOSAL FOR CATA INDEPENDENT AUDIT SERVICES"

Proposals will not be publically opened. All proposals will be deemed confidential and proprietary during the selection process, subject to the laws of the Commonwealth of Massachusetts and the United States of America.

Proposals received after the above noted deadline will be rejected and returned unopened.

IX. CATA's Rights to Proposals

All proposals, upon submission to CATA, shall become its property for use as deemed appropriate. By submitting a proposal, the proposer covenants not to make any claim for or have any right to damages because of any misinterpretation or misunderstanding of the specification, or because of any misinformation or lack of information. With regard to the proposals submitted, CATA has the following rights and prerogatives:

- To accept or reject any or all proposals
- To correct any arithmetic errors in any or all proposals
- To change the proposal due date upon appropriate notification to all potentially interested companies.
- To eliminate any mandatory RFP specifications that is found to be unmet by all proposers in the evaluation of received proposals
- To adopt any or all of a successful proposer's proposal
- To negotiate modifications to the scope, cost and contract terms and conditions with the selected proposer prior to contract award only if such is in the best interest of CATA

- To disqualify a proposer from receiving the award if such proposer, or anyone in the proposer's employ, has previously failed to perform satisfactorily in connection with public bidding or contracts
- To revise/amend any provision of this RFP by written notification to all potentially interested companies, prior to proposal submission
- To issue addendum prior to the due date for responses
- To eliminate any requirement that is found to be unmet by all proposers
- To make inquiries, by means it may choose, into the proposer's background or statements made in the proposal to determine the truth and accuracy of all statements made therein
- To seek clarifications related to any proposer's proposal at any time during the evaluation process
- To select and award the contract to the proposer whose proposal represents the best value to CATA
- To begin contract negotiations with the next highest best-value proposer(s) responsive to this RFP (should CATA determine that the negotiations with the selected proposer will not result in a contract) without again requesting proposals

X. Inquiries and Information

All questions concerning this solicitation must be directed only to Shona Norman by email at normans@canntan.com. The last date to submit questions for this solicitation is **4:00pm, Friday March 18, 2022**. Should a company be unable to communicate via email, all questions must be submitted in writing and mailed or faxed to:

Cape Ann Transportation Authority
Attn: Shona Norman
3 Pond Road
Gloucester, MA 01930
Fax: 978-281-4824

Each potential proposing entity will be provided with a copy of each written question and written response thereto, each of which will become part of the RFP by addendum, no later than **Friday, April 1, 2022**. No oral questions will be accepted.

XI. Disadvantaged Business Enterprises

Disadvantaged Business Enterprises and Women Business Enterprises will be afforded full opportunity to submit proposals in response to the request. Proposals will not be discriminated against on the grounds of race, color, age, gender, ethnicity, sexual orientation, gender identity or expression, religion, creed, ancestry, national origin, disability, veteran's status (including Vietnam-era veterans), or background. Further, any contracts entered into with the Proposer pursuant to this request will include provisions to assure compliance with applicable Civil Rights regulations.

XII. Protest Procedure

The protest procedures for third party contract awards, which will govern any appears arising out of this procurement, is attached as **Appendix F** to this request for proposals.

XIII. Required Certifications

The certifications must be completed and returned with each firm's proposal. A proposal that does not include the required certifications will not be considered.

XIV. Civil Rights

The contractor must comply with the provisions of Title VI of The Civil Rights Act of 1964, as amended, and all applicable federal regulations including 49 CFR Part 21.

XV. Appendices

- A. Fiscal Year 2022 Budget
- B. Cape Ann Transportation Authority FY21 Certified Financial Statements
- C. Proposer Questionnaire
- D. Independent Audit Services Fee Proposal Form
- E. Supplemental Conditions & Required Certifications
- F. Bid Protest Procedures