



Midcoast Regional Redevelopment Authority

**Request for Proposals
Auditing Services**

Proposal Due Date: February 2, 2018

The Midcoast Regional Redevelopment Authority (MRRA) is seeking proposals from qualified independent public accountants to prepare an auditor's opinion regarding the fairness of applicable financial statements and compliance with applicable laws and regulations and in accordance with generally accepted auditing standards, the Single Audit Act, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The scope of the engagement will include the auditing of financial statements and internal controls for ten primary fund groups.

To be considered, five (5) copies of the proposal must be received by the **Deputy Director of the Midcoast Regional Redevelopment Authority, Suite 200, 15 Terminal Road, Brunswick, Maine 04011 by 2:00 p.m. on Friday, February 2, 2018. Envelopes shall be clearly marked "Auditing Services."** Proposals received after that time and date shall not be accepted.

MRRA reserves the right to accept or reject any or all proposals, parts thereof, and to further make modifications as it deems in the best interest of MRRA. It also reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained within this request for proposals.

All questions shall be directed to Jeffrey Jordan, Deputy Director of MRRA. Responses from the MRRA that substantially alter this RFP will be issued in the form of a written addendum to all those who have contacted MRRA with a formal initial expression of interest. All proposals submitted shall remain open to acceptance for thirty days from their opening.

Published: *Maine Sunday Telegram* on January 7, 2018

Introduction

The Midcoast Regional Redevelopment Authority ("MRRRA") is a municipal corporation and a public instrumentality of the State created by statute 13 MRSA §13083-G. The purpose of the MRRRA is to implement the reuse plans for the former Naval Air Station Brunswick (NAS Brunswick) and the Annex Facility in Topsham. The authority is governed by an eleven-member board of trustees.

The audit would also include other entities and organizations that fall under the auspices of the Authority. On July 6, 2011, the Midcoast Charitable Foundation of Maine (the Foundation) was organized to receive and hold charitable funds and distribute the income for charitable purposes to organizations serving individuals and families in the Midcoast Maine region. On July 12, 2012, Brunswick Landing MHC USA, LCC and the Brunswick Landing Realty Corporation were founded to build a manufacturing building for Mölnlycke Healthcare. The building was completed and the lease commenced on March 7, 2013.

MRRRA accounts are organized on the basis of funds, each of which is considered to be a separate accounting entity. The accrual basis of accounting is followed for all funds, and the accounting policies of MRRRA conform to generally accepted accounting principles as applicable to governmental and nonprofit organizations. The major fund groups are:

MRRRA Operating Fund -

This fund accounts for the general operations of MRRRA which includes cost to operate and maintain twenty-five miles of roads, forty-eight buildings and public grounds. MRRRA currently has fifteen tenants. The budget for FY 2018 is \$1,772,100.

Brunswick Executive Airport -

This fund accounts for the general operations and maintenance a general aviation airport with twin 8,000-foot runways, three hangars and nine other buildings. The Airport property currently houses eight tenants. The budget for FY 2018 is \$982,200.

Utilities -

MRRRA operates three utilities each with their own separate fund accounting. MRRRA operates an electrical distribution utility, a water distribution utility, and a sanitary sewer and stormwater collection system. The budget for FY 2018 among all utilities is \$2,818,800.

Capital Improvement Program -

MRRRA has a separate Capital Improvement Program (CIP) budget which tracks capital

investments and grants from federal and state sources; primarily capital improvement projects. The budget for FY 2018 is \$2,858,300. There are also a handful of open projects from prior fiscal year CIP budgets.

Reserve Funds

These funds are established for the special purpose projects and funding capital reserves. The current designed fund balance is \$4,753,415 at December 31, 2017.

Brunswick Landing MHC, USA LLC

This is an entity created to construct a \$14.65 million 79,600 square foot build to suit manufacturing facility for Mölnlycke Healthcare utilizing new market tax credit financing and a leveraged bank loan. The annual budget for FY 2018 is \$1,169,700.

Brunswick Landing Realty Corporation

This is an entity that is a minority partner in the ownership of the build to suit building for Mölnlycke Healthcare and the management entity managing TechPlace, a technology accelerator and business incubator with 32 startup businesses. The budget for this entity for FY 2018 is \$467,800.

Midcoast Charitable Foundation of Maine

This 501(c)(3) entity was organized to receive and hold charitable funds and distribute the income for charitable purposes to organizations serving individuals and families in the Midcoast Maine region. The budget in FY 2018 was \$12,500.

Requested Services

The objective of the audit is to obtain an opinion as to whether MRRRA's financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles in the United States of America. A second objective is to obtain a report on the fairness of internal controls to assure that financial statements are presented in compliance with laws, regulations and provisions of contract or grant agreements consistent with governmental auditing standards. And finally, MRA seeks a review of internal controls related to major programs and an opinion on compliance with laws, regulations and provisions and a review of controls or grant agreements in accordance with the Single Audit Act, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative*

Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). The selected firm will also prepare and file on behalf of Brunswick Landing MHC USA, LLC and Brunswick Landing Realty Corporation, Brunswick Landing Realty Development Corporation and the Midcoast Charitable Foundation of Maine annual federal and state income tax filings.

Please indicate in your proposal if you agree to meet the following specifications. Explain any exceptions:

1. The audit shall be conducted in accordance with generally accepted auditing standards and Governmental Accounting Standards Board accounting standards.
2. The audit shall be a financial and compliance review of all accounts and funds of the MRRA and its subcomponents.
3. The audit firm shall submit a written report, containing an expression of opinion regarding the financial statements of the MRRA.
4. The audit shall cover the fiscal year starting July 1, 2017 and ending June 30, 2018.
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 shall prepare and submit a Single Audit Act Report in conformance with the Single Audit Act, Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).
7. The audit firm is also expected to assist the MRRA in the preparation of the financial statements and supplementary schedules in accordance with generally accepted accounting principles.
8. 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.
9. The MRRA 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 financial management concerns throughout the year.
10. The audit firm shall provide fifteen (15) copies of the auditor's report, the financial statements and schedules, and the management letter no later than one hundred twenty days after the close of the fiscal year.

Contract Term

MARRA is seeking a five-year agreement with successive two one-year renewals or extensions upon mutual agreement of the parties.

Proposal Requirement

In addition to the above, please prepare a letter or proposal that responds to the following requests:

1. Submit at least five references who can attest to the accounting firm's experience as it relates to providing auditing services. The references must include contact name, title, address, e-mail address, telephone number and services used.
2. Provide a brief description of the audit procedures to be followed, presented in a form which will aid in evaluating your firm's understanding of quasi-governmental agencies, their financial procedures and federal compliance review.
3. Provide evidence of auditing experience for state, county or local governments or quasi-governmental agencies.
4. Indicate the maximum total fee your firm will charge for the requested services for each of the first three years. Fees after that period will be negotiated.

Selection Criteria

MARRA will review submissions, may or may not hold interviews and rank proposals. MARRA is not bound by the lowest cost proposal, but may accept the proposal that is considered the best value for MARRA. MARRA will negotiate terms for a contract to complete the tasks with the top ranked proposer. If a satisfactory agreement cannot be reached, negotiations with that firm will be suspended and negotiations opened with a second firm.

Evaluations will be based on criteria outlined herein which may be weighted by MARRA in a manner it deems appropriate. All proposals will be evaluated using the same criteria. The criteria used will be:

A. Responsiveness to the RFP

MARRA will consider all the material submitted to determine whether the auditing firm's offering is in compliance with the RFP documents.

B. *Ability to Perform Required Services*

MRRA will consider all the relevant material submitted by each auditing firm, and other relevant material it may otherwise obtain, to determine whether the auditing firm is capable of providing services of the type and scope specific to the RFP. The following elements may be given consideration by MRRA in determining whether an auditing firm is capable:

1. The ability and capacity of the accounting firm and the skills, experience, and availability of the specific individuals to be assigned to MRRA to perform the services required;
2. The quality of performance by the accounting firm on previous and similar contracts and such other information as may be secured and considered relevant by MRRA including information obtained from references provided;
3. The ability of the accounting firm to present professional work; the skill of the accounting firm as demonstrated by samples of similar work and/or references from similar organizations;

C. *Fees*

D. *References.*

Communications in Reference to this RFQ

Any communication in reference to this RFQ should be made in writing or e-mail and directed to:

Jeffrey K. Jordan, Deputy Director
Midcoast Regional Redevelopment Authority
Suite 200
15 Terminal Road
Brunswick, Maine 04011

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