



**DELAWARE RIVER JOINT
TOLL BRIDGE COMMISSION**

REQUEST FOR PROPOSALS

Financial Audit Services

ADDENDUM NO. 1

MODIFICATIONS TO RFP

&

INQUIRIES AND RESPONSES

POSTED: August 20th, 2024

PROPOSALS DUE: September 5th, 2024

ADDENDUM NO. 1

This Addendum No. 1 gives additional information in connection with RFP for Financial Audit Services and is hereby made a part of the RFP. This Addendum is to be signed by the Consultant and this **Page AD1-1** is to be attached to the Technical Proposal.

This Addendum including pages **AD1-1** through **AD1-9** is hereby accepted and agreed that it shall become part of the **RFP** for **Financial Audit Services**.

DATE _____

(CONSULTANT'S NAME)

(SIGNATURE)

A. Modifications to Request for Proposals

i) Scope of Services for the Proposal, Item 8, Page 5 & 6

Add the following paragraphs related to implementation of GASB requirements.

The implementation of following GASB requirements is required and should be included in the fixed fee.

- a) GASB Statement No. 87, “Leases”*
- b) GASB Statement No. 96, “Subscription-Based Information Technology Arrangements”*
- c) GASB Statement No. 99, “Omnibus 2022”*
- d) GASB Statement No. 100, “Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62.”*
- e) GASB Statement No. 101, “Compensated Absences.”*
- f) GASB Statement No. 102, “Certain Risk Disclosures.”*
- g) GASB Statement No. 103. “Financial Reporting Model Improvements.”*

Any new GASB statements, requirements and recommendations released in the future will be considered outside the scope of service. Please provide an hourly rate for the implementation of new GASB statements in the fee proposal.

ii) Fee Proposal (separate envelope), Page 10

Add third item for fee proposal:

3. For the work performed outside the scope of services defined in this RFP, please provide an hourly rate with escalation for four subsequent fiscal years.

B. Inquires and Responses

Inquiry 1: *Are these any specific font or size requirements for the proposal?*

Commission Response:

There is no specific requirement for type of font. However, please use no less than 12-point font.

Inquiry 2: *It is acknowledged that there are page limitations, i.e., transmittal letter, body of the proposal, etc. Does the table of contents, cover, and any attachments in the Appendix, such as clean peer review or any other supporting attachments, counted in page count limitations?*

Commission Response:

The table of contents, cover, and any attachments in the Appendix, such as clean peer review or any other supporting attachments, are not counted toward 8-page limitations.

Inquiry 3: *Does the proposal have to be printed single sided or can it be printed double sided?*

Commission Response:

The proposal should be printed single-sided.

Inquiry 4: *We understand the fee and technical proposal are to be delivered in the same box but separate envelopes. Do you request that the separate envelopes are to be labeled with "Technical Proposal" and "Fee Proposal," or is each copy of the proposal to have either a "Technical Proposal" or "Fee Proposal" label on the cover?*

Commission Response:

The separate envelopes should be labeled with "Technical Proposal" or "Fee Proposal".

Inquiry 5: *Per the RFP, is the "RFP Response – Financial Audit Services" label to be attached to the outside of the box or each separate envelope inside of the box?*

Commission Response:

"RFP Response – Financial Audit Services" label should be attached to the outside of the box.

Inquiry 6: *How many audit adjustments were proposed, the approximate dollar amount, and to what did they relate?*

Commission Response:

Any information related to prior year audit can be found at Commission’s website. Previously prepared and filed audit reports are posted at <https://www.drjtbc.org/documents/audit>.

Inquiry 7: *Were there significant deficiencies or material weaknesses identified by the auditor?*

Commission Response:

Any information related to prior year audit can be found at Commission’s website. Previously prepared and filed audit reports are posted at <https://www.drjtbc.org/documents/audit>.

Inquiry 8: *What were the prior year audit fees?*

Commission Response:

The figures shown in the following table represent the fees paid for financial services over the past five calendar years. Prior to fiscal year 2024, the implementation of GASB requirements is outside the scope of services in the RFP for financial audit service. In the current RFP, the implementation of current GASB requirements is included in the scope of services.

Calendar Year	Annual Audit Fee	Implementation of New GASB Requirements	Total Payments
2023	\$51,000	\$4,300	\$55,300
2022	\$50,000	\$0	\$50,000
2021	\$49,000	\$0	\$49,000
2020	\$48,000	\$0	\$48,000
2019	\$47,000	\$0	\$47,000

Inquiry 9: *What was the approximate amount of fieldwork time and number of personnel?*

Commission Response:

The resulting contract from this procurement is based on a fixed fee. Estimating the amount of fieldwork and number of personnel required to accomplish the tasks delineated is not only the purpose of the RFP, it is also the responsibility of the respondents to this procurement.

Inquiry 10: *Is the scope of services requested in this RFP consistent with the prior year service level?*

Commission Response:

Yes. The scope of services to be provided under this contract are professional services customarily by an Independent Auditor to a public authority and are consistent with prior year service levels provided to the Commission.

Inquiry 11: *The RFP has listed in the scope ‘Visits to the various facilities of the Commission for the purpose of obtaining insight to the operations and information regarding changes in operation and physical plant as needed’. Can you clarify what the Commission would be looking for from the auditors in terms of the facility visits as feedback on physical plant operations typically falls outside of the scope of a Financial Statement Audit. Did the prior audit firm perform facility visits, and if so, can you estimate how many hours they spent on site visits and provide a sample work product of their feedback?*

Commission Response:

Prior audit firms performed facility visits as deemed necessary at their discretion, any work product during the deliberative process of the audit is not disclosed, the published audits on the Commission’s website speak for themselves.

Inquiry 12: *Have there been significant operational changes and/or changes in personnel related to accounting functions during 2023/24?*

Commission Response:

The Commission operates and maintains eight toll bridges. Scudder Falls Toll Bridge was opened to traffic in July 2019 as an all-electronic-tolling (AET) facility. There is no cash collection at Scudder Falls Toll Bridge. All toll transactions are processed as E-ZPass transactions or Toll-by-Plate transactions.

In January 2024, the Commission implemented soft AET conversion at the remaining seven toll bridges. All toll transactions are processed as E-ZPass, cash or as toll-by-plate transactions. In June 2024, the Commission ceased cash toll collections at three low volume toll bridges (New Hope-Lambertville, Portland-Columbia, and Milford-Montague). The toll transactions at those three toll bridges are processed as E-ZPass transactions or Toll-By-Plate transactions. The Commission plans to cease cash toll collections at remaining toll bridges (Trenton-Morrisville, I-78, Easton-Phillipsburg, and Delaware Water Gap) in January 2025.

The Commission’s former Chief Financial Officer retired at the end of June 2023. Qiyang (Tracy) Zhao was appointed to Chief Financial Officer position and Charmaine Graves was appointed to Comptroller position at June 26th, 2023 Commission Meeting. Ms. Zhao served the Commission as Comptroller since July 2019. Charmaine Graves served the Commission as Assistant Comptroller since September 2019.

Inquiry 13: *When is financial information available to the auditors, including trial balance and reconciliations?*

Commission Response:

Preliminary trial balances and reconciliations would be provided to auditors prior to/at the start of fieldwork, usually in late February or early March.

Inquiry 14: *Was there a Management Letter issued by the auditor? If so, were the recommendations taken by management?*

Commission Response:

Any work product created during the deliberative process of the audit is not disclosed, the published audits on the Commission's website speak for themselves.

Inquiry 15: *Do you have the ability to give us read only access to your g/l through a portal or laptop? How much of the audit can be performed remotely, by having items such as bank reconciliations, invoices, and other supporting documentation scanned, or having read only access to the GL system?*

Commission Response:

Read Only access to general ledger system would be granted to the audit firm through a laptop during fieldwork. Information related to bank reconciliations, invoices and other supporting documentation can be provided in electronic format

Inquiry 16: *The RFP states "Consultants are required to submit a signed notarized letter from their insurance broker/agent stating compliance with these insurance requirements." Do you require this letter as an attachment to the proposal submittal or at the time of contract award?*

Commission Response:

Consultants are required to submit a signed notarized letter from their insurance broker/agent stating compliance with these insurance requirements, along with the Technical Proposal. As noted in the RFP, clearly state any exceptions with the scope of services of the Commission's insurance requirements. These pages are not counted toward the eight (8) page limitation of the Technical Proposal.

Inquiry 17: *Any new federal programs received?*

Commission Response:

The Commission receives neither federal nor state funds.

Inquiry 18: *Is a single audit anticipated in 2024 and beyond?*

Commission Response:

The Commission receives neither federal nor state funds. The Commission is seeking a normal annual audit, the term of the audit engagement shall be three (3) years, for the audit year ending December 31, 2024, December 31, 2025, and December 31, 2026. The Commission, at its discretion, has the option to renew the agreement for two (2) additional one (1) year terms.

Inquiry 19: *Are the incumbent auditors invited to bid?*

Commission Response:

The Commission adopted a resolution in 2009 allowing firms to provide financial audit services for a maximum of up to five consecutive years beginning with fiscal year 2010 audit, as the prior firm has been providing services for the past five (5) years, they will not be included in this procurement.

Inquiry 20: *Is hybrid/remote work acceptable?*

Commission Response:

The Commission welcomes hybrid/remote work when applicable. During the fieldwork stage, it is expected that some audit staff would be on site while gathering information and to ask questions of Commission staff.

Inquiry 21: *Any instances of fraud in the last 5 years?*

Commission Response:

Any information related to prior year audit can be found at Commission's website. Previously prepared and filed audit reports are posted at <https://www.drjtbc.org/documents/audit>.

Inquiry 22: *Given the security risks surrounding flash drives, can the electronic version of the proposal be submitted over a secure web portal?*

Commission Response:

The Commission would allow the electronic submission over a secure web portal, so long as access information, such as user id and password, are provided to the Commission two hours prior to the deadline stated in RFP.

Inquiry 23: *On page 5 section 8 under auditor responsibilities of the RFP, there is discussion about consulting services related to implementation of new standards including preparation of supporting schedules and journal entries. Is it expected that such services should be included in a fixed fee quote? It seems that no firm could reasonably estimate such future costs, would an hourly rate quote for such services be acceptable?*

Commission Response:

Implementation of existing GASB requirements is included in the scope of service. The Commission expects such services be included in a fixed fee quote. Implementation of any new GASB statements, requirements, and recommendations released in the future will be considered outside the scope of services, resulting in additional fee. Please see Addendum page AD1-2 for details.

Inquiry 24: *What financial applications do you use that would impact the annual audit?*

Commission Response:

The Commission currently utilizes MUNIS, an Enterprise Resource Planning (ERP) for all financial applications. The Commission also uses SYMPRO to track investment activities and ADP to process payrolls.

Inquiry 25: *What was the makeup of your incumbent audit team in terms of professional level and time spent?*

Commission Response:

Please see the response under Inquiry 9.

Inquiry 26: *What were the audit fees for the 2023 fiscal year and was there any out-of-scope billing?*

Commission Response:

The Commission paid \$55,300 audit fees for the 2023 fiscal year which includes \$51,000 annual audit fee and \$4,300 for the implementation of GASB 96. Please see response to Inquiry 8 for details.

Inquiry 27: *Does ETC issue a SOC 1 report?*

Commission Response:

The Electronic Toll Collection in-lane system provider doesn't issue a SOC1 report, but the back-office service provider issues SOC 1 report.

Inquiry 28: *What are the "basic requirements of current bond indentures"?*

Commission Response:

Per bond indenture, "The Commission covenants that it will cause an annual audit to be made of its books and accounts of each Fiscal Year by an independent certified public accountant. A copy of such audit shall be filed with the Trustee promptly after the receipt by the Commission for such purpose."

Inquiry 29: *How many SBITAs are currently in place that the auditor is responsible for preparing amortization tables and JEs?*

Commission Response:

As of the end of year 2023, three SBITAs were in place which the auditor is responsible for preparing amortization tables and journal entries. But the auditor is expected to review new software agreements placed in service each year and determine whether or not they are applicable to GASB 96 during annual audit.

Inquiry 30: *Which member of management accepts responsibility for the non-audit services being requested in this RFP (implementation of new standards, SBITA services, preparation of financial statements, pension and OPEB JEs)?*

Commission Response:

The implementation of new GASB statements, requirements and recommendations released in the future are considered outside the scope of service. Please see Addendum page AD1-2 for details.

The Commission drafted an RFP based on the tasks that it desires from its audit services provider, and believes implementation of current GASB standards, SBITA services, preparation of financial statements, pension and OPEB journal entries are part of audit services.