

RESOLUTION

21-442

No. _____

Date of Adoption October 7, 2021

Approved as to Form and Legality

WESLEY BRIDGES, ESQ., DIRECTOR OF LAW

Factual content certified by

RONALD ZILINSKI, DIRECTOR OF FINANCE

Councilman /woman _____

presents the following Resolution:

RESOLUTION AWARDING A CONTRACT THROUGH A FAIR AND OPEN PROCESS IN ACCORDANCE WITH N.J.S.A. 19:44 A-20.4 ET SEQ TO MERCADIEN, P.C. FOR MUNICIPAL AUDITING SERVICES AN AMOUNT NOT TO EXCEED \$84,100.00 FOR A PERIOD OF ONE (1) YEAR FROM AUGUST 6, 2021 TO AUGUST 5, 2022 RFP2021-28

WHEREAS, the City has a need for Municipal Auditing Services for a period of one (1) year for the City of Trenton Department of Finance; and

WHEREAS, a request for proposal was advertised and one (1) proposal was received on June 10, 2021 and was evaluated by a committee based on criteria that included experience, understanding of requirements and cost; and

WHEREAS, the sole proposal of Mercadien, P.C., 3625 Quakerbridge Road, Hamilton, New Jersey 08619 was deemed to include the necessary qualifications and expertise for the performance of the services at the rates listed in the proposal; and

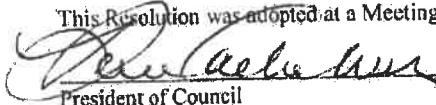
WHEREAS, funds in an amount not to exceed \$84,100.00 is available in account number(s): FY'2022, 2-01- -30-3020-290 (\$37,004.00), FY'2022, 2-05- -30-3000-899 (\$24,389.00), FY'2022, 2-07- -30-3000-290 (\$18,502.00), and FY'2022, 2-26- -60-6020-290 (\$4,205.00). This contract shall be from August 6, 2021 to August 5, 2022.

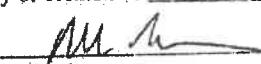
NOW, THEREFORE IT IS RESOLVED, by the City Council of the City of Trenton, as follows:

1. The Mayor is hereby authorized to enter into a contract with the Mercadien, P.C., 3625 Quakerbridge Road, Hamilton, New Jersey 08619 in an amount not to exceed \$84,100.00 for Municipal Auditing Services for a period of one (1) year for the City of Trenton Department of Finance.
2. This contract is awarded pursuant to the authority set forth in the Local Public Contracts Law at N.J.S.A. 40A:11-5.
3. A notice of this action shall be printed once in the official newspaper for the City of Trenton and the Resolution and contract shall remain on file in the City Clerk's Office.

| | Aye | Nay | Abstain | Absent | | Aye | Nay | Abstain | Absent | | Aye | Nay | Abstain | Absent |
|----------|-----|-----|---------|--------|-----------|-----|-----|---------|--------|---------|-----|-----|---------|--------|
| BLAKELEY | ✓ | | | | MUSCHAL | ✓ | | | | MCBRIDE | ✓ | | | |
| CALDWELL | | | | | RODRIGUEZ | ✓ | | | | | | | | |
| WILSON | ✓ | | | | VAUGHN | | | ✓ | | | | | | |
| HARRISON | ✓ | | | | | | | | | | | | | |

This Resolution was adopted at a Meeting of the City Council of the City of Trenton on October 7, 2021


President of Council


City Clerk

PROFESSIONAL SERVICES CONTRACT

**RFP2021-28
RESOLUTION 21-442
MUNICIPAL AUDITING SERVICES**

THIS CONTRACT, made this **7TH** day of **OCTOBER 2021** by and between the **CITY OF TRENTON, 319 EAST STATE STREET, TRENTON, NEW JERSEY 08608** a Municipal Corporation of the State of New Jersey, ("City") and **MERCADIEN, P.C., 3625 QUAKERBRIDGE ROAD, HAMILTON, NEW JERSEY 08619** (CONTRACTOR").

WHEREAS, the City has a need **FOR MUNICIPAL AUDITING SERVICES** for the City of Trenton, Department of Finance.

WHEREAS, Contractor agrees to provide **FOR MUNICIPAL AUDITING SERVICES** for the City of Trenton, Department of Department of Finance in accordance with the terms and conditions as set forth hereinafter, and the City being agreeable thereto;

NOW THEREFORE, the parties mutually agree as follows:

FOR MUNICIPAL AUDITING SERVICES for the City agrees to retain **MERCADIEN, P.C., 3625 QUAKERBRIDGE ROAD, HAMILTON, NEW JERSEY 08619** ("the request of and under the general supervision of the City of Trenton, Department of Finance.

1. SCOPE OF SERVICES

SEE ATTACHED SCOPE OF SERVICES

DURATION OF THE CONTRACT:

This contract shall remain in full force and effect for a period of one (1) year from August 6, 2021 to August 5, 2021 in an amount not to exceed \$84,100.00.

- 2. STATUS OF CONTRACTOR:** It is expressly understood by and between the parties hereto that the status of the Contractor retained to carry out the services set forth in this agreement is that of an Independent Contractor. It is further understood by and between the parties that is not intended nor shall it be construed, that the contractor is an agent, employee, or officer of the City of Trenton.
- 3. NOTICES:** Any notices required to be delivered to either party pursuant to this Contract shall be in writing to their respective addresses. The parties shall be responsible for notifying each other of any change of address.
- 4. INTEGRATION:** **Resolution #21-442** and this contract constitutes the entire agreement between the parties and any representation that may have been made prior to the execution of this Contract are nonbonding, void, and of no effect and neither party has relied on any such prior representations in entering into this Contract with the City of Trenton, Department of Finance.
- 5. ENFORCEABILITY:** If any term or condition of this Contract or its application to any party or circumstances shall be deemed invalid or unenforceable, the remainder of the Contract and its application to other parties and circumstances shall not be affected.
- 6. GOVERNING LAW:** This Contract shall be governed by the laws of the State of New Jersey.

7. MISCELLANEOUS PROVISIONS:

- a. Contractor, will not discriminate against any employee or applicant for employment because of age, race, creed, color, national origin, ancestry, marital status, sex, gender identity or expression, affectional or sexual orientation, disability or nationality. Contractor will take affirmative action to ensure that such applicants are recruited and employed and that employees are treated during employment, without regard to their age, race, creed, color, national origin, ancestry, marital status, sex, affectional, gender identity or expression, sexual orientation. Such action shall include, but is not limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Public Agency Compliance Officer setting forth provisions of this nondiscrimination clause;
- b. Contractor, where applicable will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to age, race, creed, color, national origin, ancestry, marital status, sex, gender identity or expression, affectional or sexual orientation.
- c. Contractor, where applicable, agrees to comply with the regulations promulgated by the Treasurer pursuant to P.L. 1975, c. 127, as amended and supplemented from time to time and the American with Disabilities Act.
- d. Contractor, where applicable, agrees to attempt to schedule minority and female workers consistent with the applicable county employment goals prescribed by N.J.A.C. 17:27-5.2 promulgated by the Treasurer pursuant to P.L. 1975, c. 127, as amended and supplemented from time to time or in accordance with a binding determination of the applicable county employment goals determined by the Affirmative Action Office pursuant to N.J.A.C. 17:27-5.2, amended and supplemented from time to time.
- e. Contractor, where applicable, agrees to inform in writing appropriate recruitment agencies in the area, including employment agencies, placement bureaus, colleges, universities, labor unions that it does not discriminate on the basis of age, creed, color, national origin, ancestry, marital status, sex, gender identity or expression, affectional, sexual orientation, disability or nationality and that it will discontinue the use of any recruitment agency which engages in direct or indirect discriminatory practices.
- f. Contractor, where applicable, agrees to review all procedures relating to transfer, upgrading, downgrading and layoff to ensure that all such actions are taken without regard to age, race, creed, color, national origin, ancestry, marital status, sex, gender identity or expression, affectional, sexual orientation, disability or nationality. Contractor will conform these employment goals consistent with statutes and court decisions of the State of New Jersey, and applicable Federal law and Federal court decisions.
- g. Contractor, where applicable, shall furnish such reports or other documents to the Affirmative Action Office as may be requested by the office from time to time in order to carry out the purposes of these regulations. Contractor shall furnish such information as may be requested by the Affirmative Action Office for conducting a compliance investigation pursuant to Subchapter 10 of the Administrative Code (N.J.A.C. 17:27).
- h. Contractor, shall submit along with the signed contract one of the following as evidence of compliance with N.J.A.C. 17-27:

1. Appropriate evidence that the Independent contractor is operating under an existing Federally approved or sanctioned affirmative action program.
2. A certificate of employee information report approval issued in accordance with N.J.A.C. 17:27-4.
3. An initial employee information report (Form AA #302) provided by the Affirmative Action Office and completed by the contractor in accordance with N.J.A.C. 17:27-4

Warren A. Broudy
MERCADIEN, P.C., Warren A. Broudy, CPA
3625 QUAKERBRIDGE ROAD
HAMILTON, NEW JERSEY 08619

11/2/21
DATE

Seal: _____

Attest: *Cheryl DeBronzo*



IN WITNESS WHEREOF, the parties have hereunto set their hands and seals the day and year above written.

ATTEST: *M. H. Conlon*

MATTHEW H. CONLON, RMC
MUNICIPAL CLERK

DATE

CITY OF TRENTON

W. Reed Gusciora
W. REED GUSCIORA, ESQ.
MAYOR

DATE

- a. Audit field work shall begin no later than March 1, 2023.
- b. The audit shall be completed within six months after the close of the fiscal year

Section 3 - SCOPE OF WORK (Services to be Provided):

This contract is exclusive of consulting accountant services to assist with general accounting, financial statement preparation or budget. These services will be the subject of a separate competitive contract.

The '**American Rescue Plan**' funds may require a separate quote or an additional audit. This will be determined once the rules and regulations are released for this program. An additional RFP may have to be issued for work on this program.

Audit fieldwork will be designed to provide reasonable assurance that the financial statements are free from material misstatement. In performing the period audits the auditor shall follow governmental auditing standards as set forth by the US Comptroller General "Yellow Book" as well as audit requirements promulgated by the NJ Division of Local Government Services.

1. Conduct of required audits of the books and records for the City of Trenton for the previously detailed periods.
 - a. The governing body of every local unit may by resolution petition the Director of the Division of Local Government Services in the Department of Community Affairs for an extension to complete and file the period audit with the division. Upon good cause being shown the director may grant an extension upon whatever terms or conditions he may deem reasonable. The determination of the director in the granting of an extension is final.
2. Meet with City of Trenton staff to evaluate internal controls and technical competencies. All employees will be directed to assist the chosen auditor in any and every way possible. It is expected that City of Trenton employees will retrieve all documents selected by the auditor for evaluation. Employees will also work with the auditor, as necessary, to analyze all account balances and account activity.
3. The Auditor shall meet with the Audit Committee at least three times to discuss audit plans, expectations and progress; prior to audit field work, mid-way through audit field work and upon completing audit field work (exit conference).

- a. The Audit Committee shall be comprised of the Municipal Manager/Administrator, the Chief Financial Officer, one (or two) representative(s) from the Governing Body and the DLGS Fiscal Monitor.
 - b. Additional meetings may be called at the discretion of either the auditor or the City of Trenton.
4. Provide comments and recommendations relating to any and all audit findings
 - a. statutory compliance (particularly NJSA 40A)
 - b. material weaknesses in internal accounting controls
5. Perform an audit of State and Federal Grants as per the "Single Audit" circulars OMB-A133 and NJ 04-04-OMB.
 - a. The City of Trenton reserves the right to split away the State and Federal Single Audit from the Financial Statement Audit and award each to separate Firms.
6. Perform compliance testing on the State MOU required as a result of the transitional aid money that is received.
 - a. The City of Trenton reserves the right to split away the State MOU testing from the Financial Statement Audit and award each to separate Firms.

Section 4 - SERVICES NOT INCLUDED IN THIS RFP:

The following list of items is considered non-attest services and, as such, is NOT a part of this RFP. The City of Trenton will at some future time solicit proposals for these non-attest services – **"MANAGEMENT ADVISORY SERVICES – ACCOUNTING, FINANCIAL STATEMENT AND BUDGET."** Any person or firm selected to perform audit services shall be considered ineligible to perform these non-audit services and will be precluded from submitting proposal(s).

1. Will not prepare or assist in preparing the Annual Financial Statement
 - a. The auditor will be presented with a completed Annual Financial Statement (State of NJ format) supported by a balanced General Ledger; to which an opinion will be rendered.
 - b. Audit adjustments shall be presented to the Chief Financial Officer for approval and posting into the General Ledger.

2. Will not prepare or assist in preparing the Annual Debt Statement.
3. Will not assist or provide advice with regard to the Annual Budget.
4. Will not prepare or assist in preparing Offering Statement(s) for debt issuance; other than proving permission to use the audit opinion in the Offering Statement.
5. Will not consult or provide advice on any accounting or financial issues; other than recommending General Ledger adjusting entries for items detected during the audit.

The scope of this engagement is strictly limited to performing the annual audit. Management advisory services, consulting on budget or other financial issues, and accounting or bookkeeping services are expressly excluded.

Section 5 - MANDATORY MINIMUM REQUIREMENTS:

The purpose of this technical proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to provide municipal audit services in conformity with the requirements of this request for proposals. As such, the substance of proposals will carry more weight than their form or manner of presentation. The technical proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to the engagement. It should also specify an audit approach that will meet the request for proposal requirements.

The proposal must meet or exceed the professional, administrative and financial qualifications and requirements as set forth in this RFP and shall incorporate the information requested below. In addition to the information required as described below supplemental information may be included if the respondent considers it useful in evaluating its proposal. The proposal should be prepared simply and economically, providing a clear, straightforward, concise and factual description of the proposer's capabilities to satisfy the requirements of the request for proposals.

1. Office Address and contact information.
2. **Partner Presenting Proposal** - Evidence of license to practice as a Registered Municipal Accountant. An affirmative statement shall be included indicating that the firm and all assigned key professional staff are properly registered/licensed to practice in New Jersey. The engagement Partner may not be changed without express permission of the City/Township/Borough.

3. **Staff Assigned** - Resumes/Biographies of partner and key professional staff (managers, supervisors and specialists) assigned to this engagement. Provide a full list of employees with job titles (full-time and part-time) who will be assigned to this engagement. The firm should provide as much information as possible regarding the number, qualifications, experience and training of the specific staff to be assigned to this engagement. Also indicate how the quality of staff over the term of the agreement will be assured. Audit personnel, other than the Engagement Partner, may be changed at the discretion of the firm provided that the replacements have substantially the same or better qualifications and experience.
4. **Total employees** - governmental auditing staff
 - a. Numbers employed in each category (partner, manager, and staff auditors)
 - b. Separately identify Registered Municipal Accountants and Certified Public Accountants.
5. **Current Client List** - where New Jersey municipal audit services are provided
 - a. Provide principal client contact name with job title and phone number.
 - b. Indicate total staff hours for each audit.
 - c. Indicate the date of first engagement.
 - d. Separately identify clients of similar size and complexity as this proposal. If there are no current audit clients comparable with this proposal then list any comparable NJ municipal audit engagements over the last 10 years.
6. **Experience** - Minimum of ten (10) years' in providing auditing services to municipalities within the State of New Jersey.
7. **Specific Audit Approach** - Set forth a general work plan to perform the services required by this request for proposals, include the methodology to be followed such as risk assessment, internal control evaluation, analytical procedures and statistical sampling. Reference such sources of information as audit manuals/guides/programs, budget, general ledger, tax ledgers, source documents, organization charts and financial information systems.

8. **Potential Audit Problems** - Identify and describe any anticipated potential audit problems and the firm's approach to resolving these problems.
9. **Peer Review** - Submit a copy of the report on the firm's most recent external quality control review "Peer Review" with a statement whether that quality control review included a review of specific government engagements.
10. **Single Audit** - Experience with Federal and State single audits as it relates to this proposal.
11. **Insurance** - Amount of Professional Liability Insurance coverage maintained.
12. Describe any other factors that you believe is relevant to your ability to provide audit services.

The firm shall provide an affirmative statement that it is independent of the City of Trenton as defined by generally accepted governmental auditing standards "the Yellow Book." The firm shall also list and describe the firm's professional relationships involving the City of Trenton for the past three years with a statement explaining why such relationships do not constitute a conflict of interest relative to performing this audit. In addition, the firm shall provide written notice of any professional relationships entered into during the period of this engagement.

The City of Trenton reserves the right to hold oral discussions with individuals and/or firms of their choice to clarify their proposal and to request additional information.

Section 6 - COST PROPOSAL:

Respondent **proposal** must include the following:

A list of applicable **hourly rates associated with personnel** who will provide the work listed in "**Section 3 – Services to be Provided**" portion of this RFP.

Total cost calculation "not to exceed" for audit services relating to the **Financial Statement Audit** applying the above listed hourly rates to budgeted man-hours by position. Include total man-hour budget (hours and rates) with proposal. Full itemization is required when submitting invoices.

Total cost calculation "not to exceed" for audit services relating to the **State and Federal Single Audit** applying the above listed hourly rates to budgeted man-hours by position. Include total man-hour budget (hours and rates) with proposal. Full itemization is required when submitting invoices.