

RFP2014-29
AUDIT SERVICES FOR THE DEPARTMENT OF FINANCE BID OPENING DATE: 8/19/2014 AT 11:00AM

TERM OF CONTRACT: ONE (1) YEAR			
NUMBER OF RESPONDENTS:	3		
NAME OF BIDDER	MERCADIEN, P.C., CPA	JOHN J. MALEY, JR., CPA	HODULIK & MORRISON, P.A.
ADDRESS	P.O. BOX 7648	P.O. BOX 614	1102 RARITAN AVENUE
CITY, STATE, ZIP	PRINCETON, NEW JERSEY 08543	BORDENTOWN, NEW JERSEY 08505	HIGHLAND PARK, NEW JERSEY 08904
CONTACT NAME	WARREN A. BROUDY, CPA	BRENT W. LEE, CPA	ANDREW G. HODULIK
TELEPHONE	609-689-7648	609-298-8639	732-393-1000
FAX	609-689-9720	609-298-1198	732-393-1196
E-MAIL	WBROUDY@MERCADIEN.COM	JMALEY@MALEYCPA.COM	ADMIN@HM-PA.NET
STOCKHOLDER DISCLOSURE STATEMENT	INCLUDED	INCLUDED	INCLUDED
REQUIRED EVIDENCE EEO/AFFIRMATIVE ACTION REGULATIONS QUESTIONNAIRE	INCLUDED	INCLUDED	INCLUDED
ACKNOWLEDGEMENT OF RECEIPT OF ADDENDA	INCLUDED	INCLUDED	INCLUDED
NJ BUSINESS REGISTRATION CERTIFICATE	INCLUDED	INCLUDED	INCLUDED
NON-COLLUSION AFFADAVIT	INCLUDED	INCLUDED	INCLUDED
AFFIRMATIVE ACTION STATEMENT	INCLUDED	INCLUDED	INCLUDED
AMERICANS WITH DISABILITIES ACT OF 1990 LANGUAGE	INCLUDED	INCLUDED	INCLUDED
CERTIFICATION AND DISCLOSURE OF POLITICAL CONTRIBUTIONS	INCLUDED	INCLUDED	INCLUDED
DISCLOSURE OF INVESTED ACTIVITIES IN IRAN	INCLUDED	INCLUDED	INCLUDED
EIC	CERT#18798 EXP. 4/15/2016	CERT#8410 EXP. 5/15/2019	CERT#5262 EXP.8/15/2019
60-DAY EXTENSION COMPLIANCE	YES	YES	YES
EXCEPTIONS (IF ANY)	NONE	NONE	NONE
CERTIFICATE OF INSURANCE	NEEDED PRIOR TO AWARD	NEEDED PRIOR TO AWARD	NEEDED PRIOR TO AWARD
EMERGENCY SERVICES	YES	YES	YES
W-9	INCLUDED	INCLUDED	INCLUDED
TOTAL AMOUNT	\$78,000.00 - SEE ATTACHED BREAK-DOWN OF HOURLY RATES	\$81,000.00 SEE ATTACHED BREAK- DOWN OF HOURLY RATES	\$71,500.00 SEE ATTACHED BREAK-DOWN OF HOURLY RATES
FATAL FLAW	NONE	NONE	NONE

Independence

Mercadien P.C. adheres to all independence rules and interpretations of the American Institute of Certified Public Accountants, the Securities and Exchange Commission, banking regulatory bodies, the Department of Labor, and other major authoritative bodies. In addition, the firm has developed the following restrictions:

- Professional personnel may not accept gifts or discounts from any clients of the firm.
- Business relationships are prohibited with audit clients and their employees, directors and principal stockholders.
- Senior professionals may not serve client organizations as directors, trustees, or officers except if they are civic, religious, or charitable organizations.

It is Mercadien P.C.'s policy that all principals and members of the management group must adhere to the above restrictions. In addition, all professional staff participating in a portion of an engagement must adhere to these restrictions.

Specifically, Mercadien is independent of the City of Trenton as defined by generally accepted governmental auditing standards, "Yellow Book." Our relationship has only been to provide audit services. Since no other professional services were provided, a conflict of interest does not exist as it relates to this rfp/contract. In addition, should the firm enter in any professional relationship with the City during the period of this engagement we will provide timely written notice.

Cost Proposal

Financial Statement and MOU Audit

	<u>Partner</u>	<u>Manager</u>	<u>Senior</u>	<u>Staff</u>	<u>Total</u>
Hours	22	64	170	260	516
Rates	\$ 400	\$ 280	\$ 190	\$ 125	
Sub-total	\$ 8,800	\$ 17,920	\$32,300	\$ 32,500	\$ 91,520
				Courtesy Discount	(32,170)
				Financial Statement Audit Fee	<u>59,350</u>

State and Federal Single Audit

	<u>Partner</u>	<u>Manager</u>	<u>Senior</u>	<u>Staff</u>	<u>Total</u>
Hours	16	32	60	100	208
Rates	\$ 400	\$ 280	\$ 190	\$ 125	
Sub-total	\$ 6,400	\$ 8,960	\$11,400	\$ 12,500	39,260
				Courtesy Discount	(20,610)
				State and Federal Single Audit Fee	<u>18,650</u>
				Total Fee Not to Exceed	<u>\$ 78,000</u>

Mercadien has a history of meeting client's statutory deadlines and a proven track record of providing services within budgeted costs.

Mercadien

SECTION F - BASIS AND FEES FOR CHARGES

My fee for services discussed in Section B - Scope of Services, to audit the financial statements for year ended June 30, 2014 will be \$81,000 as detailed below.

Additional accounting services requested by you will be billed as completed based on my standard hourly rates as follows:

Principal	\$175.00/hour
Manager	165.00/hour
Senior	125.00/hour
Staff	90.00/hour

Financial Statement Audit

	Hourly Rate	Approximate Hours	Extended Amount
Principal	\$175.00	90	\$ 15,750
Manager	165.00	130	21,400
Senior	125.00	134	16,750
Staff	90.00	140	12,600
		Total	\$ 66,500

State and Federal Single Audit

	Hourly Rate	Approximate Hours	Extended Amount
Principal	\$175.00	10	\$ 1,750
Manager	165.00	20	3,300
Senior	125.00	35	4,350
Staff	90.00	40	3,600
		Total	\$ 13,000

Out of Pocket Expenses (not to exceed)

\$ 1,500

Total \$ 81,000

Schedules and work to be included in any official statements in connection with the issuance of debt will be addressed under separate engagement to be negotiated prior to the commencement of work.

Vouchers and invoices may be submitted periodically for services performed. Such billing shall be due when submitted.

Direct charges include disbursements that are actual expenses incurred in connection with the position of Auditor to be reimbursed for:

- a. Outside printing, reproduction, binding, collating and other graphic service
- b. Messenger service, travel, postage and handling or reports and other items.
- c. Total out of pocket expenses will not exceed \$1,500.

John J. Maley, Jr.

City of Trenton
Response to Request for Proposals – RFP 2014-29
Municipal Audit Services

Cost Proposal – Section 6:

Our fees for these services will be based on the actual time spent at our standard hourly rates and other out-of-pocket costs such as report reproduction, typing, postage, travel, parking, etc. Our standard hourly rates, which vary according to the degree of responsibility involved and the experience level of the personnel assigned to each service we are to provide, are as follows:

<u>Position</u>	<u>Hourly Rate</u>
Principal	\$135.00
Senior Accountant	115.00
Junior Accountant	100.00
Other Staff	70.00

Our invoices for our fees will be rendered periodically based upon the provision of services by our staff, subject to a maximum of 70% of the total fee for the service. Out-of-pocket expenses are not expected to exceed \$1,500.00. A final billing will be prepared upon the completion of the services we are to provide. Based on our understanding of the condition of the records maintained by the various departments and offices of the City, our fees for the services we are to provide will be limited as follows:

Total estimated maximum for the year ended June 30, 2014:

Financial Statement Audit	\$45,000.00
State and Federal Single Audit	\$26,500.00

This stated maximum anticipates a document presented by the City for audit and assumes that unexpected circumstances will not be encountered during the audit. We believe that our engagement can be completed within this constraint, absent deterioration in the condition of the records or the finding of material errors or irregularities during the course of our engagement. If significant additional time is necessary which would result in our total fees exceeding this stated maximum, communication with the Audit Committee will be initiated for resolution. Any additional work performed with proper authorization will be billed in accordance with our standard hourly rates or in accordance with any flat fees established through separate negotiations.

Additionally, should the New Jersey Department of Community Affairs, Division of Local Government Services; the General Accounting Office or the AICPA's Auditing Standards Board impose additional auditing requirements for the period covered by this letter which require us to expand our engagement beyond the procedures and tests presently contemplated, we will advise the Audit Committee of any such circumstance that would require us to seek an adjustment of the fees listed above. Should the City request our services for matters not specifically identified as part of this engagement, upon the authorization to perform such services, any such additional services provided by us will be billed in accordance with the hourly rates set forth herein, unless a separate fee has been established through separate negotiations.