

OFFICE OF PROCUREMENT  
REQUEST FOR PROPOSAL TITLE: EXTERNAL AUDITING AND TAX SERVICES  
RFP NUMBER: 520-023  
RFP CLOSING DATE: MARCH 6, 2020 @ 3:00 PM



**ADDENDUM #1**

Issued: 2/25/2020

**ADDENDUM FOR THE PURPOSE OF:**

- To extend the closing date from March 3, 2020 at 3:00 pm to March 6, 2020 at 3:00 pm.
- To provide the attached questions and answers.

**All other specifications, terms and conditions remain unchanged.**

A handwritten signature in blue ink, appearing to read 'Patrick Johnson', written over a horizontal line.

Patrick Johnson, MBA  
Director of Procurement

Please **sign** below to acknowledge receipt of this Addendum and return with the proposal. Failure to return this Acknowledgement of Addendum may deem a proposal nonresponsive.

**NOTE: ACKNOWLEDGEMENT OF RECEIPT OF BID ADDENDA WILL NOT BE ACCEPTED BY FACSIMILE OR E-MAIL.**

\_\_\_\_\_  
Company Name

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed/Typed Signature

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Vendor Questions	MC Response
1. Who is the incumbent for the current contract?	Clifton Larson Allen LLP (CLA).
2. Do you anticipate extending the bid due date?	The closing date has been extended to March 6, 2020 at 3:00 pm.
3. What additional details are you willing to provide, if any, beyond what is stated in bid documents concerning how you will identify the winning bid?	The proposals will be evaluated and scored based on the evaluation criteria as outline in Section 4, Proposal Evaluation and Award.
4. Was the bid posted to the nationwide free bid notification website at <a href="http://www.mygovwatch.com">www.mygovwatch.com</a> ? Other than your own website, where was this bid posted?	No. The bid is posted on the following websites: State of MD, eMaryland Marketplace Advantage (eMMA), and Montgomery County Inter-Agency Central Vendor Registration System.
5. How long have you been with your current CPA Firm? Any specific reason as why you are going out to bid for the audit engagement?	Contracts are usually awarded a one-year initial term. Beyond the initial term, at the sole option of the College, the contract may be renewed for four additional one-year terms, subject to funding availability and need. The current contract is due to expire March 2020.
6. Is there a local small business (LSB) set aside?	No.
7. Who generally prepares the financial statements?	College Management prepares for all statements & notes; the Foundation prepares all financial statements & notes except cash flow statements.
8. Please provide copies of the required communications from the audit firm if available.	Required communications are governed by auditing standards.
9. Was a management letter issued, and, of so, is it available for review?	No management letter was issued for FY19.
10. What were the prior year's audit fees for each service requested within the RFP?	FY19 \$87,400.
11. Was any of the fieldwork performed remotely? What is management's thoughts about performing some of the fieldwork remotely?	Yes. Prefer to have some of the fieldwork done remotely.
12. How often does the audit firm meet with the board and/or the audit committee?	Twice a year for both the College and Foundation.
13. Were there any special billings during the past year?	Yes.
14. Can you disclose the previous year's audit fee or the amount the College has budgeted for the 2020 audit? If not, what were the estimated hours for the 2019 audit?	See answer #10.  July-PBC; Aug to Sep. 4 days a week for both MC and the Foundation.
15. For the last year's audit, when did fieldwork take place and would you prefer this same time frame for the 2020 audit?	First two weeks of August for the Foundation.  Last two weeks of August for the College.
16. Were there any problems or disagreements with the prior auditors?	No.
17. Have there been any significant operational changes since the prior year's audit?	No.
18. Has there been any material fraud noted over the past 5 years?	Yes to fraud, immaterial to financial statement presentation.
19. Are there any contingencies or legal issues that could have an impact on future financials?	No not at this time.

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20. At what physical location would you anticipate the bulk of the audit work to be performed? Are the accounting functions centralized at one location or are there multiple sites the auditor would be required to visit?	Central Office located at 9221 Corporate Blvd., Rockville, MD.  Centralized accounting functions.
21. Regarding student records, are they also maintained in one location/ or are they electronic?	The majority are electronic.
22. Is there any software utilized in the financial reporting process that was developed by the college or a consultant hired by the college? If so, were any changes made to the software during the current year?	No for FY20. New software go live tentatively scheduled for January 1, 2021.
23. Would the selected auditing firm get auditor access to Banner? We would need access to complete testing.	Yes.
24. How long has the current audit firm served as the auditor's for the Montgomery College?	See answer #5.
25. What is the reason for the RFP? Is the prior audit firm allowed to submit a proposal?	The current contract is due to expire March 2020. Yes.
26. Are there any circumstances that would make the FYE June 30, 2020 audit any different than the prior year audit?	No.
27. Where there any difficulties in completing the prior year audit? If so, please explain what they were and the cause.	No.
28. How many adjusting journal entries were proposed by the predecessor auditor? What was the nature of the entries?	None.
29. Questions to the previous solicitation indicated that the College is open to accelerating certain procedures prior to the official start of fieldwork, is there any period of time that interim testing cannot be performed?	No.
30. Questions to the previous solicitation indicated that the books are usually available on or around August 20 <sup>th</sup> , can final fieldwork for the audit begin prior to the books being closed?	The books are usually available on or around August 28 <sup>th</sup> .
31. Was a management recommendation letter issued? If so, may we obtain a copy?	No management letter was issued for FY19.
32. What was the all-inclusive audit fee for the FYE June 30, 2019 audit? Please provide the breakdown as set forth in Section 6 of the RFP.	\$80,000 for audit and \$7,400 to prepare tax form 990T and form 500.
33. Does Montgomery College use any third party service providers (i.e. payroll)? If so, who are they and does Montgomery College receive a copy of their SOC1 Report (formerly SAS 70)?	Yes. CIGNA; FISGLOBAL; TOUCHNET.

\*\*\*\*\* End of Questions & Answers \*\*\*\*\*