

**The Philadelphia Parking Authority  
701 Market Street, Suite 5400  
Philadelphia, PA 19106**

**RFP No. 22-21  
Annual Financial Auditor  
Addendum One**

To: See Email Distribution List  
From: Shannon Stewart  
Manager of Contract Administration  
Date: January 27, 2023  
No Pages: 3

This addendum is issued on January 27, 2023, prior to the proposal due date to add, delete, modify, clarify and/or to respond to questions submitted by prospective offerors regarding the work included in the above referenced solicitation.

**CHANGES TO THE RFP DOCUMENT**

- 1. Changes have been made to the insurance requirements, please refer to the response to question 21.**

**QUESTIONS**

- 1. Question:** Regarding section II-11 Financial Statements, subsection Tab J, we respectfully request that the Philadelphia Parking Authority waive the audit or review requirement as noted in this section of the RFP, as we do not have a regulatory requirement to have an audit or review. These complete financial statements are not available for us to provide. Please confirm whether Philadelphia Parking Authority will accept internally Chief Executive Officer certified compiled complete financial statements as defined in this section of the request for proposal, for this three-year period. In addition, as required by AICPA regulatory standards, our firm undergoes a peer review audit every third year in which we regularly receive unmodified opinions with no findings.

**Response: The Authority will accept internally compiled, complete financial statements, certified by the Chief Executive Officer, for the 3-year period. Additionally, please provide the peer review.**

- 2. Question:** Regarding section II-11 Financial Statements, subsection Tab J, The RFP identifies that the offeror must provide financial statements that have been audited or reviewed by an independent Certified Public Accountant. What options do we have if our firm has never obtained a reviewed or audited financial report? Is it possible to obtain a waiver or relief from this requirement? Our firm only produces internal financial statements that are not reviewed or audited by an independent party. Additionally, we are qualified by the Commonwealth of Pennsylvania to perform work for the Commonwealth and its agencies.

**Response: Please provide a copy of the firm's peer reviews, for the last 3-years.**

3. **Question:** The sample contract (5d on page 3) states that the due date for statements is September 30 – the statements for FY2022, FY2020, FY2019 and FY2018 did not meet this deadline – what was the cause of these delays?

**Response:** Delays were mainly caused by the timing of actuarial valuations for pension and OPEB expenses. The pandemic and careful considerations on the proper accounting treatment relating to calculations of payments to third party entities, for example, cash vs. accrual, also caused delays.

4. **Question:** Have there been any significant deficiencies or material weaknesses for the last 2 years?

**Response:** Yes.

5. **Question:** What is the reporting deadline for the Taxi and Limo Division statements?

**Response:** The TLD has a June 30<sup>th</sup> year-end. The reporting deadline is December 31<sup>st</sup>.

6. **Question:** Can you provide a copy of the speed enforcement camera statements? (These were not posted on the Authority's website).

**Response:** FY23 will be the initial year to issue the special purpose financial statements for the Speed Enforcement Camera Program.

7. **Question:** Does the PPA draft the financial schedule and the footnotes?

**Response:** Yes.

8. **Question:** What procedures have been completed in preparation for the adoption of GASB 87, Leases?

**Response:** The Authority has reviewed all Leases & compiled a lease footnote for FY22 Financial Statements.

9. **Question:** How many lessee and lessor arrangements do you anticipate GASB 87 will apply to?

**Response:** Approximately five.

10. **Question:** Is the Authority using a software to assist with the implementation of GASB 87?

**Response:** Yes, software implementation is currently in process to assist with the accounting for GASB 87.

11. **Question:** Will the PPA complete the determination of the impacts of adoption of GASB 87 and the required journal entries?

**Response:** Yes.

12. **Question:** Who is the selection committee?

**Response:** This information is not available.

13. **Question:** Our legal department is reviewing the RFP and our company policy is that we cannot provide an additional insured on professional and cyber liability, which appears to be required in Appendix C. Would it be possible for the authority to grant a waiver for those coverages?

**Response:** The additional insured only applies to Commercial General Liability and Automotive Liability as indicated in section 8 of the insurance requirements.

14. **Question:** The RFP requests that three years of audits and reviews be submitted. CPA firms typically are not audited or reviewed. Will you be willing to accept internally prepared financial statement?

**Response:** Please see response to question #1.

15. **Question:** The RFP mentions that the Authority will provide trial balances and MD&A. Will the Authority assist with preparation of the financials and footnotes since Government Audit Standards (GAS) does not allow the auditor to prepare them in their entirety?

**Response: Yes.**

**16. Question:** Can you share any understanding of the level of effort that was required for the current auditors to complete the audit (hours, days on site, etc.)?

**Response: This information is not available.**

**17. Question:** Has the agency undergone any major developments or initiated any major activities that may impact the level of effort required to perform the next audit?

**Response: No.**

**18. Question:** What were the contracted and actual fees for the most recent audit?

**Response: Total contracted amount for most recent audit was \$126,100 and the actual amount paid was \$146,900.**

**19. Question:** Do any requested changes to the contract in Appendix B of the RFP need to be submitted with our proposal or during the question period?

**Response: Any requested changes to Appendix B - Sample Contract must be submitted with your proposal under Tab I, please refer to Part II-10 of the RFP.**

**20. Question:** Our legal department is reviewing the RFP and our company policy is that we cannot provide an additional insured on professional and cyber liability, which appears to be required in Appendix C. Would it be possible for the authority to grant a waiver for those coverages?

**Response: The additional insured language only applies to Commercial General Liability and Automotive Liability.**

**21. Question:** Can the Philadelphia Parking Authority provide relief to our firm for the following required insurance coverages:

Workers Compensation and Employers Liability

Bodily Injury by Accident Requirement: \$500,000 Each Accident. Firm's requested coverage is \$100,000.

Bodily Injury by Disease Requirement: \$500,000 Each Employee. Firm's requested coverage is \$100,000.

Professional (E&O) Liability Insurance Requirement \$5,000,000 per claim and aggregate. Firm's requested coverage is \$3,000,000 per claim and \$6,000,000 in aggregate.

Cyber Liability Insurance Requirement: \$5,000,000 per claim. Firm's requested coverage is \$2,000,000

**Response: The request for Workers Compensation and Employers Liability is denied. The Professional E&O limits have been reduced to \$3,000,000 per claim and \$6,000,000 in the aggregate. The Cyber Liability limit has been reduced to \$2,000,000.**

**22. Question:** May we please have a waiver of the required professional liability insurance coverage of \$5 million for professional and cyber liability and reduce it to \$1,000,000/\$1,000,000?

**Response: Please see response to question 21.**

**END OF ADDENDUM ONE**