

**REQUEST FOR PROPOSALS  
FOR  
PROFESSIONAL AUDIT SERVICES**

**MINNESOTA SPORTS FACILITIES AUTHORITY  
1005 Fourth Street South  
Minneapolis, MN 55415**

**Date: May 23, 2018**

**MINNESOTA SPORTS FACILITIES AUTHORITY  
REQUEST FOR PROPOSALS  
FOR PROFESSIONAL AUDIT SERVICES**

**I. INTRODUCTION**

**a. General Information**

Minnesota Sports Facilities Authority (MSFA) is requesting proposals from qualified firms of certified public accountants to audit its annual financial statements for the fiscal year ending June 30, 2018, with the option of auditing its financial statements for each of the two subsequent fiscal years ending June 30, 2019 and 2020.

There is no expressed or implied obligation for the MSFA to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

To be considered, six (6) copies of a proposal must be received by the MSFA by **5:00pm** on **June 8, 2018 and addressed to:**

Michael Vekich, Chair  
Minnesota Sports Facilities Authority  
1005 Fourth Street South  
Minneapolis, MN 55415

Also, please email one electronic copy of the proposal to: [Mary.Fox-Stroman@msfa.com](mailto:Mary.Fox-Stroman@msfa.com).

The MSFA reserves the right to reject any or all proposals submitted. Proposals submitted will be evaluated by a four (4) member Selection Committee consisting of:

- MSFA Chair
- MSFA Secretary/Treasurer
- MSFA Executive Director
- MSFA Director of Finance

During the evaluation process, the MSFA reserves the right to request additional information or clarifications from proposers, or to allow corrections of errors or omissions. Firms may be requested to make oral presentations to the Selection Committee as part of the final evaluation process.

The MSFA reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the MSFA and the firm selected.

It is anticipated the selection of a firm will be completed by June 28, 2018. Following the notification of the selected firm it is expected a contract will be executed between both parties following the June 28, 2018 meeting of the MSFA.

**b. Term of Engagement**

A three-year contract is contemplated, subject to the annual review and recommendation of the Selection Committee, the satisfactory negotiation of terms (including a price acceptable to both the MSFA and the selected firm) and the concurrence of the MSFA.

**II. NATURE OF SERVICES REQUIRED**

**a. Scope of Work to be Performed**

The MSFA desires the auditor to express an opinion on the fair presentation of its basic financial statements in conformity with governmental accounting principles generally accepted in the United States of America. The auditor is not required to audit the statistical and required supplementary information sections of the report. However, the auditor shall also be responsible for performing certain limited procedures involving the required supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards.

**b. Auditing Standards to be Followed**

To meet the requirements of this request for proposals, the audit shall be performed in accordance with auditing standards generally accepted in the United States of America as set forth by the American Institute of Certified Public Accountants and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**c. Reports to be Issued**

The auditor shall prepare the following reports at the completion of the audit of the fiscal year's financial statements, the auditor shall issue:

- The Independent auditor's report on the basic financial statements.
- Independent auditor's report on compliance based on an audit of financial statements performed in accordance with *Government Auditing Standards*.
- A letter to management containing appropriate suggestions for improvement of accounting procedures and internal controls for the MSFA's consideration. This letter should contain comments and recommendations for controlling any internal weaknesses discovered and shall be discussed with appropriate personnel before finalizing.

**d. Special Considerations**

- I. The submitting firms should be aware that the Office of the Legislative Auditor may require additional information from the private certified public accountant as the Legislative Auditor deems in the public interest. The Legislative Auditor may accept the audit or make additional examinations as the Legislative Auditor deems to be in the public interest. The firm must submit all requested reports to the Legislative Auditor's office. In addition, the firm must make available all work papers and information requested by the Legislative Auditor.

- II. The MSFA will send its comprehensive annual financial report to the Government Finance Officers Association (GFOA) for review in their Certificate of Achievement for Excellence in Financial Reporting program.

**e. Working Paper Retention and Access to Working Papers**

All working papers and reports must be retained, at the auditor's expense, for a minimum of seven (7) years after the report is issued, unless the firm is notified in writing by the MSFA of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the MSFA.

In addition, the firm shall respond to reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

**III. DESCRIPTION OF THE MSFA**

**a. Principal Contact:**

The audit firm's principal contact with the MSFA will be Mary Fox-Stroman, Director of Finance, she can be contacted by email at: [Mary.Fox-Stroman@MSFA.com](mailto:Mary.Fox-Stroman@MSFA.com). She will coordinate any assistance to be provided by the MSFA to the auditor.

**b. Background Information**

The MSFA was established in 2012 pursuant to Minnesota Statutes Chapter 473J. The MSFA was created to provide for the construction, financing, and long-term operation of U.S. Bank Stadium and the related stadium infrastructure as a venue for professional football and a broad range of other civic, community, athletic, educational, cultural and commercial activities.

Construction of the stadium began in 2013 and construction substantial completion was reached on June 17, 2016. Construction close-out activities are on-going. For the 18-month fiscal period ended June 30, 2017, the MSFA reported capital asset additions of \$1,247,194,016 which included the stadium, building equipment, land improvements, and equipment.

In August 2014 the MSFA hired SMG, LLP (SMG) to be the stadium operator in accordance with the Management and Pre-Opening Services Agreement between MSFA and SMG. SMG developed plans and processes to manage the pre-opening stadium activities. An open house for U.S. Bank Stadium was held on July 22, 2016 and SMG's first year of stadium operations began on July 1, 2016 and ended on June 30, 2017. SMG maintains separate accounting records relating to its activities for managing U.S. Bank Stadium. SMG is contractually required to furnish to the MSFA on an annual basis a balance sheet, a statement of profit or loss, a statement of cash flows and applicable notes to the financial statements prepared in accordance with generally accepted accounting principles. SMG's audited financial statements were included in the MSFA's comprehensive annual financial report for the 18-month fiscal period ended June 30, 2017.

In January 2016 the MSFA hired Aramark Sports and Entertainment Services, LLC (Aramark) to provide premium food and beverage operations, catering services, and concession services at U.S. Bank Stadium

in accordance with the Food and Beverage, Catering, and Concession Agreement by and between MSFA and Aramark. Aramark's first year of catering and concession operations began on July 1, 2016 and ended on June 30, 2017. Aramark pays commissions on gross sales to the Minnesota Vikings for its events and certain other events and it pays commissions on gross sales to SMG for all other events. SMG includes the commissions it receives from Aramark in its financial statements. Aramark pays 2.5 percent of gross sales to the MSFA for the concession capital reserve account. Aramark maintains separate accounting records relating to its catering and concession activities at U.S. Bank Stadium. Aramark is contractually required to furnish to the MSFA on an annual basis a certified audit of gross sales within ninety days of the close of each fiscal year.

The MSFA owns two parking ramps, Mills Fleet Farm Parking Ramp and Downtown East Parking Ramp. On February 10, 2014 the MSFA entered into a Parking Agreement with Ryan Companies and the City of Minneapolis for the operation and maintenance of the ramps. Ryan Companies is responsible for operation of the ramps for a ten-year period. Ryan hired Denison Parking as the parking manager. Activities related to the parking operation managed by Denison are not included in the MSFA financial statements. Acquisition of the Downtown East Parking Ramp and acquisition and construction of the Mills Fleet Farm Parking Ramp were recorded as capital assets in the MSFA financial statements prior to the 18-month fiscal period ended June 30, 2017.

More detailed information on the MSFA and its finances can be found in the meeting minutes of the MSFA board meetings, budget documents and previous Comprehensive Annual Financial Reports. The minutes and the reports are available on the MSFA's website, [www.msfa.com](http://www.msfa.com).

**c. Reporting Entity**

The reporting entity of the MSFA is defined, for financial reporting purposes, in conformity with the Governmental Accounting Standards Board's *Codification of Governmental Accounting and Reporting Standards*, Section 2100. Using these criteria, the MSFA is a component unit of the State of Minnesota because the governor of Minnesota appoints three of the five board members and the state of Minnesota is responsible for the debt incurred for the MSFA's share of the cost of construction of the stadium and stadium infrastructure.

**d. Fund Structure**

The MSFA reports its activities as a business-type activity. The operations of the MSFA are accounted for in an enterprise fund which is used to account for the construction and operation of U.S. Bank Stadium and related stadium infrastructure.

**e. Pension Plan**

The MSFA participates in the following pension plans administered by the Minnesota State Retirement System (MSRS):

- State Employees Retirement Fund (SERF)
- Unclassified Employees Retirement Fund (UER)

SERF includes the General Employees Retirement Plan (General Plan) which is a multiple-employer cost-sharing defined benefit plan. Certain employees of the MSFA are covered by the General Plan.

Amounts relating to the MSFA's net pension liability, pension-related deferred outflows and inflows of resources, and pension expense will be provided by MSRS.

UER is a tax-deferred, defined contribution fund entirely composed of a single, multiple-employer defined contribution plan. The MSFA executive director participates in this plan.

**f. Magnitude of Finance Operations**

The director of finance and the finance assistant provide the cash and investment, budgetary, accounting, purchasing, accounts receivable, accounts payable, financial reporting, risk management, and human resource functions.

The MSFA financial statements have been audited annually since 2012 and have had unqualified/unmodified audit opinions each year. In May 2017 the MSFA changed its year-end from December 31 to June 30 and this resulted in a transition period for the 18-month fiscal period ended June 30, 2017.

**g. Computer Systems**

The day-to-day financial transactions of the MSFA are conducted with the aid of the financial accounting software, Microsoft Dynamics GP 2015 and is supported by RSM. The MSFA also uses personal computers and MAC laptops on a network supported by Atomic Data.

**h. Availability of Prior Audit Reports and Working Papers**

Interested proposers who wish to review prior years' audit reports and management letters should contact Chris Buse, Deputy Legislative Auditor, at the Office of the Legislative Auditor, phone: #651-296-4708. The MSFA will use its best efforts to make prior audit reports and supporting working papers available to proposers to aid their response to this request for proposals. The MSFA and proposers recognize and agree that all actions related to government information must comply with the Minnesota Government Data Practices Act, Minn. Statutes Chapter 13, as it applies to all data created, gathered, generated or acquired in accordance with the contract. All materials submitted in response to the request for proposals will become property of the MSFA and will become public record after the evaluation process is completed and an award decision made. If the proposer submits information in response to this request for proposal that it believes to be trade secret materials as defined by the Minnesota Government Data Practices Act, the proposer must:

- Mark clearly all trade secret materials in its response at the time the response is submitted
- Include a statement with its response justifying the trade secret designation for each item

**IV. TIME REQUIREMENTS**

- a. The auditors must be able to meet the following essential dates for the fiscal year audit:
- i. Fieldwork completed by October 1, 2018
  - ii. Draft reports completed by October 15, 2018
  - iii. Final reports by October 26, 2018

## **V. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION**

The director of finance and the finance assistant will be available during the audit to assist the firm by providing information, documentation and explanations. The preparation of confirmations will be the responsibility of the MSFA as directed by the auditor.

In an effort to contain audit costs, the MSFA has historically prepared as many audit worksheets and schedules as is practical to reduce the clerical work to be performed by the independent auditor. The MSFA wishes to continue this practice.

Preparation of the comprehensive annual financial report (CAFR) will be the responsibility of the MSFA. The MSFA received the Certificate of Achievement for Excellence in Financial Reporting for four consecutive years. The CAFR for the 18-month fiscal period ending June 30, 2017 was submitted to the Government Finance Officers Association to determine its eligibility for a certificate. As of the date of this RFP a response has not been received.

## **VI. PROPOSAL REQUIREMENTS**

### **a. General Requirements**

#### **i. Inquiries**

Inquiries concerning the request for proposals must be in writing and emailed to:

[Mary.Fox-Stroman@MSFA.com](mailto:Mary.Fox-Stroman@MSFA.com).

#### **ii. Submission of Proposals**

The following materials are required to be received by 5:00 pm on June 8, 2018 for a proposing firm to be considered:

##### **1. Six (6) copies of the Proposal and one electronic copy to include the following:**

##### **a. Title page**

The title page showing the request for proposal's subject, the firm's name; the name, address and telephone number of the contact person; and the date of the proposal.

##### **b. Table of Contents**

##### **c. Transmittal Letter**

A signed letter of transmittal briefly stating the proposer's understanding of the work to be done, the commitment to perform the work within the time period, a statement why the firm believes itself to be the best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer.

##### **d. Detailed Proposal**

The detailed proposal should follow the order set forth in Section VI B of this request for proposals. Proposers should send the six completed proposals to the following address:

Mr. Michael Vekich, Chair  
Minnesota Sports Facilities Authority  
1005 Fourth Street South  
Minneapolis, MN 55415

One electronic copy should be emailed to: [Mary.Fox-Stroman@MSFA.com](mailto:Mary.Fox-Stroman@MSFA.com).

**b. Audit Proposal**

**i. General Requirements**

The purpose of the proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit of the MSFA 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 proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the request for proposals requirements.

**ii. Independence**

The firm should provide an affirmative statement that it is independent of the MSFA as defined by generally accepted auditing standards.

**iii. License to Practice in Minnesota**

An affirmative statement should be included that the firm and all assigned key professional staff are properly licensed to practice in Minnesota.

**iv. Firm Qualifications and Experience**

The proposal should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement.

The firm is also required to submit a copy of the report on its most recent external quality control review, including any letter of comments, with a statement whether that quality control review included a review of specific government engagements.

**v. Partner, Supervisory and Staff Qualifications and Experience**

Identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement. Indicate whether such person is registered or licensed to practice as a certified public accounting in Minnesota.

**vi. Similar Engagements with Other Government Entities**

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements performed in the last three years that are similar to the engagement described in this request for proposal. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact. Specifically identify those engagements at which the managers and other supervisors who will be assigned to this engagement have worked.

**vii. Specific Audit Approach**

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed. Firms will be required to provide the following information on their audit approach:

1. Proposed timing of the engagement,
2. Level of staff and number of hours to be assigned to each proposed segment of the engagement,
3. Sample sizes and the extent to which statistical sampling is to be used in the engagement,
4. Extent of use of computer software in the engagement,
5. Type and extent of analytical procedures to be used in the engagement,
6. Approach to be taken to gain and document an understanding of the MSFA's internal controls,
7. Approach to be taken in determining laws and regulations that will be subject to audit test work.

**viii. Identification of Anticipated Potential Audit Problems**

The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from the MSFA.

**ix. Equitable Hiring**

Describe proposer's practices and history of hiring women and minorities. Also, describe proposer's future strategies for employing women and members of minority communities to comply with the MSFA's Equity Plan.

**x. Additional Required Information and General Contract Requirements**

**1. Affidavit of Non-Collusion**

All responding proposers are required to complete, Attachment B, the Affidavit of Non-Collusion, and submit it with the response.

**2. Human Rights Requirements**

For all contracts estimated to be in excess of \$100,000, all responding proposers are required to complete Attachment C, State of Minnesota/Metropolitan Agencies – MDHR Certificate of Compliance form, and submit it with the proposal.

**xi. Questions about the request for proposals**

All substantive responses to inquiries will be made available to all proposers and prospective proposers by posting on the MSFA website. Both questions and answers will be posted. Posting on the MSFA website constitutes written notification to all proposers. Proposers are expected to check the website for updates.

**c. Price**

**i. Total Price and Payment Request**

Attachment A must be completed and signed. Attachment A should specify all pricing information relative to performing the audit engagement as described in this request for proposal. The total price is to include all direct and indirect costs including all out-of-pocket expenses.

Progress payments will be made on the basis of hours of work completed during the course of the engagement in accordance with the firm's proposal. Interim billings shall cover a one-month period.

The MSFA will not be responsible for expenses incurred in preparing and submitting the proposal. Such costs should not be included in the proposal.

## **VII. EVALUATION PROCEDURES**

### **a. Evaluation Criteria**

Proposals will be evaluated using three sets of criteria. Following are the criteria which will be considered during the evaluation process.

#### **i. Principal Criteria**

1. The audit firm is independent and licensed to practice in Minnesota.
2. The audit firm's professional personnel have received adequate continuing professional education within the preceding three years.
3. The firm has no conflict of interest with regard to any other work performed by the firm.
4. The firm adheres to the instructions in this request for proposal on preparing and submitting the proposal.
5. The firm submits a copy of its last external quality control review report, including any letter of comments and the firm has a record of quality audit work.

#### **ii. Technical Qualifications**

1. The firm exhibits expertise based on past experience and performance on comparable government engagements.
2. The firm's demonstrated ability to assist its governmental clients in retaining the GFOA Certificate of Achievement in Financial Reporting.
3. The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation.

#### **iii. Price Consideration**

1. Price will not be the primary factor in the selection of an audit firm.

### **b. Oral Presentations**

During the evaluation process, the Selection Committee may, at its discretion, request up to three firms to make oral presentations. Such presentations will provide firms with an opportunity to answer questions the Selection Committee may have on a firm's proposal. Not all firms may be asked to make such oral presentations.

### **c. Final Selection**

The MSFA board will select a firm based upon the recommendation of the Selection Committee.

It is anticipated that a firm will be selected by June 28, 2018. Following notification of the firm selected, it is expected a contract will be executed between both parties following the June 28, 2018 MSFA board meeting.

**Selection Timeline:**

<b>May 23, 2018</b>	Publish RFP notice on MSFA website
<b>June 8, 2018, 5:00pm</b>	Deadline for RFP proposal submissions
<b>June 15, 2018</b>	Interviews with firms if needed
<b>June 27, 2018</b>	Selection of provider and MSFA board approval

**d. Right to Reject Proposals**

Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposal unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the MSFA and the firm selected. The MSFA reserves the right, without prejudice, to reject any or all proposals.

**e. Insurance Requirements**

Provider will be required to provide proof of Professional Liability (Errors and Omissions Coverage) insurance coverage with minimum limits of insurance of \$2,000,000 per claim, and \$2,000,000 aggregate.

**MINNESOTA SPORTS FACILITIES AUTHORITY  
REQUEST FOR PROPOSAL – PROFESSIONAL AUDIT SERVICES**

**ATTACHMENT A**

**SCHEDULE OF PROFESSIONAL FEES FOR AUDITING SERVICES FOR  
MSFA’S COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**Firm Name:** \_\_\_\_\_

**Fiscal Year Ending June 30, 2018:**

<b><u>Title</u></b>	<b><u>Hours</u></b>	<b><u>Hourly Rate</u></b>	<b><u>Total</u></b>
Partner			
Manager			
Staff			
Total All-Inclusive Price \$			_____

**Fiscal Year Ending June 30, 2019:**

<b><u>Title</u></b>	<b><u>Hours</u></b>	<b><u>Hourly Rate</u></b>	<b><u>Total</u></b>
Partner			
Manager			
Staff			
Total All-Inclusive Price \$			_____

**Fiscal Year Ending June 30, 2020:**

<b><u>Title</u></b>	<b><u>Hours</u></b>	<b><u>Hourly Rate</u></b>	<b><u>Total</u></b>
Partner			
Manager			
Staff			
Total All-Inclusive Price \$			_____

\_\_\_\_\_  
Signature of Authorized Representative Title

\_\_\_\_\_  
Name of Authorized Representative Date

MINNESOTA SPORTS FACILITIES AUTHORITY  
REQUEST FOR PROPOSAL - PROFESSIONAL AUDIT SERVICES  
ATTACHMENT B

NON-COLLUSION AFFIDAVIT

**Project Name: Professional Audit Services**

I, \_\_\_\_\_ (Name), being first duly sworn, state that I am the \_\_\_\_\_ (office held) of \_\_\_\_\_ (name of Responder). I executed this proposal having full authority to do so. I certify that Responder has not, directly or indirectly, entered into any agreement, participated in any collusion, or otherwise taken any action in restraint of free competitive bidding in connection with the above-named project. No person or persons, natural or corporate, has, have, or will receive, directly or indirectly, any rebate, fee, gift, commission, or other thing of value in consideration for this offer.

\_\_\_\_\_

Signature

Subscribed and sworn to before me

this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_

Notary Public

MINNESOTA SPORTS FACILITIES AUTHORITY  
REQUEST FOR PROPOSAL – PROFESSIONAL AUDIT SERVICES  
ATTACHMENT C



**State of Minnesota/Metropolitan Agencies – MDHR Certificate of Compliance**

The Request for Proposals or Request for Bids solicitation you responded to may require you to have or to obtain a Certificate of Compliance from the Minnesota of Department of Human Rights (MDHR). Please fill out and submit this form with supporting documentation. The bid-award agency will not review your proposal or bid until MDHR and the bid-award agency review this form and/or supporting documentation.

**Option A** – We have employed more than 40 full-time employees on any single day in any state during the previous 12 months. Please check the applicable box below.

We have a MDHR Certificate of Compliance. Attached is the Certificate.

We don't have a MDHR Certificate of Compliance. Attached is our application for a MDHR Certificate of Compliance.

**Option B** – We have an affirmative action plan approved by the Federal Government but no MDHR Certificate of Compliance. Please check the box below.

Attached is a copy of the affirmative action plan approved by the Federal government in the last 12 months, the Federal government's approval letter, and our application for a MDHR Certificate of Compliance.

**Option C** – We are exempt because we employed fewer than 40 full-time employees on any single day in any state during the previous 12 months. Please check the box below.

We are exempt. Attached is a list of all of our employees and their state of employment during the past 12 months.

**Option D** – The current bid is exempt. The bid award agency doesn't expect the goods or services provided will exceed \$100,000.

The bid proposal is exempt. The bid project number is: \_\_\_\_\_.

**Signature**

In signing this document, you certify that the information is accurate and that you are authorized to sign on behalf of the company.

Name of Company	Authorized Signature
Date	Printed Name
Phone Number	Title

AN EQUAL OPPORTUNITY EMPLOYER

Freeman Building • 625 Robert Street North • Saint Paul, MN 55155 • Tel 651.539.1095

MN Relay 711 or 1.800.627.3529 • Toll Free 1.800.657.3704 • Fax 651.296.9042 • mn.gov/MDH