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City of Portsmouth, New Hampshire

OFFICE OF THE DIRECTOR OF FINANCE & ADMINISTRATION

REQUEST FOR PROPOSAL Professional Municipal Auditing Services

Sealed proposals, **plainly marked RFP #20-22, "Professional Municipal Auditing Services" on the outside of the mailing envelope**, addressed to the Finance/Purchasing Department, City Hall, 1 Junkins Avenue, Portsmouth, New Hampshire 03801, will be accepted until **February 3, 2022 at 2:00 pm.**

The City of Portsmouth (the City) seeks a qualified independent, certified public accounting firm with sufficient expertise in governmental accounting and auditing to audit the City's Annual Comprehensive Financial Report for the fiscal year ending June 30, 2022. Auditor must be licensed to practice in the State of New Hampshire.

Proposal packages may be obtained from the City's website: <https://www.cityofportsmouth.com/finance/purchasing-bids-and-proposals>. Addenda to this proposal document, if any, including written answers to questions, will be posted to the website under the project heading. Addenda and updates will **NOT** be sent directly to vendors. Questions may be addressed to the Purchasing Coordinator, Purchasing@CityofPortsmouth.com.

The City reserves the right to reject any or all proposals, to waive technical or legal deficiencies, and to accept and negotiate any terms of a proposal that may be in the best interest of the City.

INTRODUCTION

The City of Portsmouth, New Hampshire (City) seeks an independent certified public accounting firms (hereinafter call the “Auditor” or the “firm”) with expertise in governmental accounting and auditing, to audit the City’s Annual Comprehensive Financial Report (ACFR) for the fiscal year ending June 30, 2022 in accordance with the specifications outlined in this Request for Proposal (RFP). The Auditor must be licensed to practice in the State of New Hampshire and have sufficient governmental experience to meet the specifications outlined in this RFP.

The selected Auditor will be invited to enter into a three-year contract subject to the satisfactory agreement on terms by both parties and the concurrence by the vote of the governing body.

The audit is to be performed in accordance with generally accepted auditing standards, the standards set forth for financial audits in the General Accounting Office’s (GAO’s) *Government Auditing Standards* (1994), the provisions of the Federal Single Audit Act of 1984 (as amended in 1996), and U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

Questions should be directed in writing to the Purchasing Coordinator at purchasing@cityofportsmouth.com no later than (7) seven days prior to the submission deadline.

Proposals submitted will be available for the public to review as may be required by NH RSA 91-A after the competitive selection process is complete (concluded with a contract) or rejection of all proposals. Firms should not submit confidential information unless requested or approved to do so by the Purchasing Coordinator prior to submission of the response.

I. **INFORMATION FURNISHED TO PROPOSER**

A **Published Documents: Visit the City’s website at www.cityofportsmouth.com**

1. Annual Comprehensive Financial Report (ACFR). 27 GFOA Awards.
<http://files.cityofportsmouth.com/finance/fy20/CAFR20.pdf>
2. Annual Budget: GFOA Distinguished Budget Presentation Award; FY20 marks the 15th consecutive year.
<http://files.cityofportsmouth.com/finance/fy21/FY21ProposedBudget.pdf>
3. Popular Annual Financial Report: GFOA Award; June 30, 2019 third consecutive year.
<http://files.cityofportsmouth.com/finance/fy20/PAFR20.pdf>
4. Six-year Capital Improvement Plan:
http://files.cityofportsmouth.com/files/planning/cip/DRAFT_CityCouncilCIP_FY22FY27.pdf

B Background and General Information

1. The City of Portsmouth is a local government of the State of New Hampshire. The City serves an area of approximately 15.7 square miles and a population of approximately 22,548 based upon the 2019 NH Office of Energy and Planning.
2. The City is governed by a City Council and managed by a City Manager. The Portsmouth School District is a dependent district and by city charter is a department of the city municipal corporation.
3. The City's fiscal year is July1 to June 30.
4. The City has the following funds:
 - a. Major Governmental Funds
 - General Fund
 - b. Non-Major Governmental Funds
 - 29 Special Revenue Funds
 - 2 Permanent Funds
 - 6 Capital Improvement Program Project Funds
 - c. 2 Major Enterprise Funds
 - Water Fund
 - Sewer Fund
 - d. Private Purpose Trust Funds
 - Prescott Park
 - School (Scholarship)
 - Worthy Poor
 - Memorial
 - Commemoration
 - e. Agency Funds
 - Statewide Education Property Tax (SWEPT) Coalition 2.0
 - School Student Activity Funds
5. The City has a total General, Special Revenue, and Enterprise Fund budgets for the Fiscal Year ended June 30, 2021 of approximately \$160 Million.
6. Size and complexity of the City is as follows:
 - a. Personnel/Payroll
 - The City has 16 Collective Bargaining Agreements and 7 individual contracts for a total of approximately 851 Full-time and 114 Permanent Part-Time and several seasonal Part-Time personnel
 - Frequency of payroll is biweekly

- b. Major Revenue Sources
 - Number of tax bills issued: 8,859 FY 2021
 - Frequency of tax bills issued: Semi-annual (December/June1
 - Gross Valuation before exemption FY2021 (TY 2020) \$6.3 Billion
 - Total dollar of property tax levy: Levy of 2021 (TY 2020) approximately \$91.7 Million
 - School Tuition: Tuition received from SAE 50 communities: Greenland, New Castle, Newington and Rye. Revenues are approximately \$6.7 Million
 - Number of motor vehicle registrations: Approximately 26,182. Revenues are approximately \$5.2 Million
 - Pease Development Authority (PDA): The City has a Municipal Service Agreement (MSA) with the State of NH. Revenues are approximately \$2.7 Million
 - c. The City has two Enterprise Funds: Water and Sewer
 - Approximately 8,400 billings issued on a monthly basis
 - d. The City has two Parking Garage Facilities, and metered on-street and in parking lots.
7. The most recent completed audit of the City was performed by Melanson for the fiscal year ended June 30, 2020. Melanson is currently completing the audit for the fiscal year ended June 30, 2021.

C Description of Records

1. The City maintains its general records in accordance with generally accepted accounting principles.
2. The following software is used for various accounting, record keeping, and billing:
 - a. General ledger: Central Square - FinancePlus
 - b. Payroll: FinancePlus, Portpay, Kronos
 - c. Procurement: FinancePlus
 - d. Cash Receipting: Invoice Cloud, Payment Center
 - e. Permitting: View Point
 - f. Assessing: Vision Government Solutions
 - g. Motor Vehicle registrations: Avitar Associates of New England
 - h. Property Tax billing: Stone Hill Municipal Solutions
 - i. Utility Billing: Northern Data Solutions
 - j. Parking: Complux, Cale, AMG/First Data, PARIS, and others
3. The following financial application(s) are on a separate computer system:
 - a. Trustees of Trust Funds: Abila MIP
4. It is anticipated that Melanson will continue assisting the City with the preparation of the basic financial statements, supplementary information, compliance reports and the

City's GFOA Award winning ACFR for the fiscal year end June 30, 2022 and necessary records will be made available to the Auditor.

D Objective and Scope of Work to be Performed

1. The audit will encompass both a financial and compliance examination of the City of Portsmouth basic financial statements and all supporting and supplementary information, compliance reports and Annual Comprehensive Financial Report (ACFR). The financial and compliance audit will cover federal, state and local funding sources in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the following:
 - a. *Government Auditing Standards* issued by the U.S. Government Accountability Office;
 - b. Single Audit Act of 1984 and Single Audit Act Amendments of 1996, if applicable;
 - c. Provisions of the U.S. Office of Management and Budget OMB Circular No. A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, if applicable;
 - d. *Government Auditing Standards and Circular A-133 Audits* issued by the American Institute of Certified Public Accountants; and
 - e. All other applicable laws and regulations.
2. The Auditor shall audit the basic financial statements of the City's governmental activities, its business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2022, and for the year then ended and the related notes to the financial statements.
3. The Auditor will audit the City's compliance over major federal award programs for the year ended June 30, 2022. The Auditor shall perform the audit and prepare all reports pertaining to the Single Audit Act of 1984 and the Single Audit Act Amendments of 1996. The Auditor is not required to audit the schedule of federal financial assistance. However, the Auditor is to provide an "in-relation-to" report on that schedule based on the auditing procedures applied during the audit of the financial statements.
4. All audits will be conducted with the objective of expressing an opinion on each opinion unit and an opinion on compliance regarding the City's major federal award program. If any opinion is qualified, the Auditor shall provide reasons for such qualifications.
5. The Auditor will audit the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America. In accordance with AU-C Section 730, these procedures will consist primarily of

inquiries of management regarding their methods of measurement and presentation, and comparing the information derived for consistency with management's responses to inquiries.

6. In accordance with AU-C Section 725, the Auditor will subject the Supplementary Information (SI) to the auditing procedures applied in the audit of the basic financial statements to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America.
7. The Auditor will apply the same auditing procedures to the Annual Comprehensive Financial Report (ACFR).
8. The Auditor shall be prepared to advise City staff on how to best implement both current and proposed GASB Statements. In addition, the Auditor is also expected to provide informal advice and consultation throughout the year on matters relating to accounting and financial reporting. This would not necessarily include any task that entails significant research or a formal report or impairs the independence of the Auditor.
9. Should circumstances arise during the audit that require significant additional work to be performed in excess of the amounts set forth in the contract, the Auditor shall notify City management and shall make such recommendations as necessary to the City Manager to negotiate an adjustment to scope and/or fee prior to commencement of the work.
10. In planning and performing the audit, the Auditor shall consider the City of Portsmouth system of internal control as a basis for designing auditing procedures and for the purpose of expressing an opinion on the financial statements. The Auditor shall communicate in a written report titled *Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards* any material weaknesses in internal controls found during the audit to the Audit Committee and the City Manager. A material weakness shall be defined as a significant deficiency in internal controls, or combination of significant deficiencies that results in more than a remote likelihood that a misstatement of the City's financial statements will not be prevented or detected by the City. Said report shall include written responses from the Director of Finance and Administration and associated staff to the Auditor's comments and recommendations.
11. Non-material conditions and/or other matters that come to the attention of the Auditor related to opportunities for strengthening internal controls and operating efficiencies shall be reported in a management letter. The management letter shall include written responses by the Director of Finance & Administration to the Auditor's comments and recommendations.
12. The Auditor shall be required to make an immediate written report of all illegal acts, or indications of illegal acts, to the City Attorney and the Audit Committee.

13. As guided by AICPA Auditing Standards Board Statement on Auditing Standard No. 117, the Auditor should exercise due professional care in understanding the type of engagement and also requiring that if during the audit the Auditor becomes aware that the City is subject to audit requirements which may not be encompassed in the scope of the engagement the Auditor should communicate to the Audit Committee, and the City Manager that the audit may not satisfy the requirements.
14. In addition to completing the annual audit, the auditing firm shall be available during normal business hours, throughout the contract period, to provide the City with advice and guidance on financial accounting and reporting issues. The auditing firm will also be expected to keep the City staff informed of the requirements of all new accounting and financial reporting pronouncements of the Governmental Accounting Standards Board and the United States Office of Management and Budget.
15. It is expected that the successful proposer will designate a senior staff member, at the manager or partner level, who will be responsible for responding to City phone calls and e-mail communications within one business day.

E Report Requirements

Following the completion of the audit of the fiscal year's financial statements, the Auditor shall issue the following:

1. A report on the fair presentation of the financial statements and related supplementary information in conformity with generally accepted accounting principles.
2. A report on internal control and compliance with laws, regulations, and provisions of contracts and grant agreements based on the audit of the financial statements performed in accordance with *Government Auditing Standards*.
3. A report on compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133 and the Single Audit Act, if applicable.
4. A schedule of findings and questioned costs in accordance with the Single Audit Act, if applicable.
5. Management letter to the City Council.

F Assistance to be Provided to the Auditor

1. The City will designate the Director of Finance & Administration as the audit engagement coordinator to work directly with the Auditor. The engagement coordinator will have responsibilities for the following:

- a. Primary contact for questions, securing information, and other pending issues between the Auditor and the City on items related to the financial statements;
 - b. Coordinating meetings with the auditing team;
 - c. Helping to resolve issues with the Auditor not related directly to financial statements; and
 - d. Oversight of "Representation Letter" by management to Auditor.
2. The City of Portsmouth will render all reasonable assistance to the Auditor including: responding to requests for information; providing all necessary books and records; providing account analysis worksheets and computer reports on all activity on requested accounts; and supplying physical facilities required by the Auditors for the expeditious conduct of the annual engagement.
3. A trial balance with budgeted amounts will be made available to the Auditor via the Auditor's secured portal. The City of Portsmouth represents that the books of account will be fully balanced, all subsidiary ledgers reconciled to control accounts, and all bank account reconciliations for each month will be completed. The staff of the City of Portsmouth will provide the following information:
 - a. Basic financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information for the City. The City's accounting records shall be consolidated and converted to the accrual basis of accounting.
 - b. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - c. Any additional information the Auditor may request from management for the purpose of the audit.
 - d. Unrestricted access to persons within the City from whom the Auditor determines it is necessary to obtain audit-related evidence.
 - e. A working trial balance of each fund.
 - f. All Statements of Revenues, Expenditures, other financing sources and uses, and transfers for all funds.
 - g. A copy of the original budget, amendments, and final revised budget of the City's general fund and enterprise funds for the audit period.
 - h. A copy of any operating and/or capital lease schedules itemizing contracts in force during the audit period as well as access to the lease files.

- i. A copy of the City financial policies, including purchasing, travel and investment policies.
- j. A schedule of insurances in force during the year and the insurance expense for the year.
- k. Management's discussion and analysis (MD&A).
- l. Required supplementary information (RSI) and supplementary information (SI).
- m. Schedule of all bank accounts and contact information for confirmations.
- n. All bank reconciliations for each month.
- o. List of outstanding checks by account, showing check number, date and amount.
- p. Schedule of all investments for all funds at the audit date, showing book value and estimated market value.
- q. Listing of outstanding receivables by account for each receivable type and fund as of the fiscal year end.
- r. Presentation of reserves including beginning balance, additions, dispositions, interest and dividend income and ending balance.
- s. Schedule of capital assets including beginning balance, additions, dispositions, depreciation, and ending balance.
- t. Capital asset listing by asset and classification.
- u. All capital asset acquisitions made during the audit year.
- v. All capital asset dispositions made during the audit year.
- w. Depreciation expense by function/department posted for the audit year.
- x. Schedule of accounts payable including batch printouts.
- y. Schedule of contract retainage held by the City.
- z. Computation of vested compensated absences (sick and vacation) as of the audit date.
- aa. Debt schedules for each debt issue and related payments.
- bb. Applicable State Revolving Fund Load Agreements.

- cc. All financial reporting for Federal and State Grants.
- dd. CFDA# and/or pass-through grant number.
- ee. Actuarial Report for Other Post-Employment Benefits (OPEB) for the City plan.
- ff. Actuarial Report and financial information for NH Retirement System OPEB.
- gg. Actuarial Report and financial information for NH Retirement System pension obligation liability.

G Timing Requirements

1. The Auditor will attend a preplanning conference with the Director of Finance & Administration and other appropriate personnel prior to the interim field work; periodic conferences during the audit; as well as an exit conference prior to the completion of field work.
2. The Director of Finance & Administration will receive a listing of requested information needed for the audit at the preplanning conference.
3. The City prefers interim field work to be performed and completed toward the end of the 4th quarter of the fiscal year being audited.
4. An agreed upon pre-closing trial balance will be prepared by June 15th and an agreed upon post-closing trail balance will be prepared by a negotiated date.
5. The audit must be completed and reports rendered within five months following the fiscal year end of the City of Portsmouth.
6. A preliminary draft of the audit and required journal entries must be submitted to the Director of Finance & Administration within five months of year end for proofing and reconciliation to the City's records.
7. The Auditor shall provide final ACFR in pdf format including cover and page numbers ready for the City to provide to the printer for publication.
8. The Auditor shall provide 15 bound copies of the management letter by December 30th.
9. The Auditor shall attend at least one meeting with the City Council, at which the audit report and management letter will be discussed. The Auditor may be required to attend additional City Council meetings or work sessions at the request of the City Council.
10. Progress reports are to be submitted with billings. These reports are to measure results against the Auditor's work plan. The Auditor shall promptly report to the Director of Finance & Administration, and City Manager any conditions which impede the proper conduct or planned timetable of the audit.

II. PROPOSAL PREPARATION AND SUBMISSION REQUIREMENTS

A. General Requirements

1. Sealed proposals, plainly marked RFP #20-22 “Professional Municipal Auditing Services” on the outside of the mailing envelope, addressed to the Purchasing Coordinator, City Hall, 1 Junkins Avenue, Portsmouth, New Hampshire 03801, will be accepted until **February 3, 2022 at 2:00 pm.**

All inquiries for information should be directed in writing to:

Purchasing Coordinator, purchasing@cityofportsmouth.com

2. The proposal should be mailed or delivered directly to:
Purchasing Coordinator, 1 Junkins Ave, Portsmouth NH 03801

No Late, facsimile or emailed proposal will be accepted.

3. The Proposal will consist of two separate parts, a Technical Proposal and a Cost Proposal. The Technical Proposal will be comprised of the Auditor’s experience and qualifications of its personnel and approach to the work. It will be evaluated based on the selection criteria described in this document. There should be no dollar units or total costs included in the Technical Proposal. The Technical Proposal shall be submitted in a **separate sealed envelope** within the mailing envelope and clearly labeled **“Technical Proposal for RFP #20-22.”**

The Cost Proposal will consist of the Auditor’s cost proposal and shall be placed in a **separate sealed envelope** within the mailing envelope and labeled **“Cost Proposal RFP #20-22.”**

4. Five (5) copies of each of the Technical and Cost proposals should be submitted.
5. The City requests that no City officials be contacted during the process. The Purchasing Coordinator may be contacted to clarify questions concerning the RFP.
6. In order to standardize the review process, the Auditor’s Technical and Cost proposals must be presented in the following format and include the designated information. Auditors are cautioned that any deviation from this format may result in the disqualification of their submission.

B. Technical Proposal

1. Title Page

- a. Project title
- b. Name of Auditor
- c. Address and telephone number of Auditor
- d. Name of contact person
- e. Date of submission

2. A Letter of Transmittal (limit to one or two pages)

- a. Briefly state the Auditor's understanding of the work to be done and make a positive commitment to perform the work within the required time frame.
- b. This letter should be signed by the individual authorized to negotiate for and contractually bind the firm.

3. Table of Contents

- a. Include a clear identification of the material by section and by page number. Such sections will be those identified below.

4. Professional Experience and Qualifications

- a. Indicate the location of the office and the number of people, by level that will handle the audit.
- b. Indicate whether or not the firm is licensed to practice in the State of New Hampshire.
- c. Describe the firm's organizational structure and professional background as a whole.
- d. References: Provide a list of the firm's most significant engagements (minimum of 5) performed in the last two years that are similar to the engagement described in the RFP. Indicate the type(s) of services performed and the number of years served for each. For each engagement listed, provide names, addresses, and telephone numbers of personnel of current and prior governmental audit clients who may be contacted by the City for reference.
- e. Include a list of New Hampshire communities currently engaged with, length of engagement, and a list of ACFR submissions noted as awarded or rejected.
- f. Indicate the experience of the local office in providing additional services to the government clients by listing the name of each government, the type(s) of services performed, and the number of years of engagement.
- g. Describe your audit organization's participation in AICPA-sponsored or comparable quality control programs (peer review). Provide a copy of the

firm's current peer review including management letter and responses, if any. Indicate whether review included government engagements.

- h. Describe the audit organization's participation in the Government Finance Officers Association (GFOA).
- i. Describe the audit organization staff's professional experience in Governmental audits. Provide a resume for each Partner and Senior Accountant who will provide these auditing services to include his/her professional qualifications, licenses, (e.g. CPA) and experience in auditing relevant government organizations, programs, activities, or functions. Additional information should include any specialized skills, training, or background in public finance. This may include participation in State or National professional organizations, speaker or instructor roles in conferences or seminars, or authorship of articles or books.
- j. Describe the audit team who may be assigned to this audit.
 - i. Must have a dedicated team of at least a Principal in charge, a Team Leader assigned to the site and 2-5 support staff auditors.
 - ii. Principal in charge must be a Certified Public Accountant.
 - iii. Describe the experience with reviewing and analyzing OPEB Actuarial Reports.
- k. Describe the firm's policy on partner rotation as recommended by GFOA. City retains the right to approve or reject replacements.
- l. Identify proposed sub-contractors, if any, and the portion(s) of the engagement for which they will be used.
- m. Describe how the firm meets professional independence standards.

5. Approach to the Audit

Describe the firm's specific audit approach in the form of a work plan. The work plan should include an explanation of the audit methods to be used.

- a. Provide an understanding of the services to be performed and the work products to be provided as defined in this RFP.
- b. Provide a work plan to accomplish the scope of services, within the required time frame. The work plan should include time estimates by staff level for each of the significant segments of the work and the staff assigned to each segment. Include a brief discussion of the audit procedures to be used in the audit process for each segment.
- c. Describe the proposed:
 - Segmentation of the engagement;
 - Sample size and extent to which statistical sampling will be used;

- Type and extent of analytical procedures to be used in the engagement;
- Approach to be taken to gain and document an understanding of the City’s internal control structure;
- Approach to be taken in determining laws and regulations that will be subject to audit test work; and
- Approach to be taken in drawing audit samples for purposes of tests of compliance.
- Approach to working in coordination with the CPA firm providing non-attest services.

6. Other Information

- a. Describe liability insurance coverage arrangements to assure that it is sufficient to cover claims.
- b. Describe any regulatory action taken by any oversight body against the proposing audit firm or local office, if any.
- c. Identify any potential audit difficulties, along with the firm’s proposed resolution and any additional assistance expected from City staff.
- d. Provide a sample contract used in similar municipal audit engagements.
- e. Provide any other information you believe relevant to the decision of selection of the best auditing firm for the City.

C. Cost Proposal

The Cost Proposal should address the requested information below for the June 30, 2022 Audit.

1. Identify and describe any other important cost-based information.

		2022
Financial Statement Audit (including Management Letter)	\$	
Single Audit	\$	
Extra Audit Services \$ _____ per hour	\$	
Other (explain)	\$	
TOTAL	\$	

D. Selection Process

The Audit Committee will evaluate and rank the proposals and will make such recommendations to the governing body as the Committee deems appropriate. The final selection of Auditor, however, will be made by the governing body which may or may not follow the recommendations of the Audit Committee.

1. Proposals will be evaluated using a two-step process. First, proposals will be evaluated to determine whether mandatory elements have been met. Those mandatory elements consist of the following:
 - a. Auditor is independent and licensed to practice in New Hampshire.
 - b. Auditor has at least five (5) years municipal government auditing experience.
 - c. Auditor has at least five (5) years of prior experience with ACFR.
 - d. Auditor has no conflict of interest regarding any other work performed by the Auditor for the City and other entities.
 - e. Auditor adheres to the instructions in this request for proposal on preparing and submitting the proposal.
 - f. Auditor submits a copy of its last quality control review report and the Auditor has a record of quality audit work.
2. Firms meeting the mandatory criteria will have their proposals further evaluated for both technical qualifications and price.
 - a. Technical qualifications (Maximum Points - 70)
 - i. Expertise and Experience
 1. The Auditor's experience and performance on comparable government engagements.
 2. The quality of the Auditor's professional personnel to be assigned to the engagement and the quality of the Auditor's management support personnel to be available for technical consultation.
 - ii. Audit Approach
 1. Adequacy of proposal staffing plan for various segments of the engagement.
 2. Adequacy of sampling techniques
 3. Adequacy of analytical procedures
 4. Approach to coordination with third party CPA providing non-attest services and City staff.
 5. Approach to meet deadlines.
 - b. Cost Proposal (Maximum Points - 30)
 - i. While an important factor, cost will not be the sole determining factor.

The City reserves the right to request additional information from firms and to conduct interviews of one or more firms if determined useful to the process. If interviews are held, firms may be re-ranked as part of that process with adjustments to scoring.

The firm selected by the governing body will be offered the opportunity to enter into contract negotiations with the City. If the parties cannot agree on the final contract terms including scope and fee, the City may end negotiations and proceed with another firm or exercise any of its reserved rights.

E. Reservation of Rights

The City of Portsmouth reserves the right to reject any or all proposals, to waive technical or legal deficiencies, and to accept and negotiate any terms of a proposal that may be in the best interest of the City. The City may request clarification or additional information of firms.

By submitting a proposal, the firm authorizes the City to undertake such investigation as may be necessary to verify the firm's qualifications and reputation. The firm may be requested to execute a release in favor of third parties who have information relative the firm's qualifications and reputation. Refusal to execute a release may result in disqualification.