

REQUEST FOR PROPOSAL

SAN DIEGO TOURISM MARKETING DISTRICT CORPORATION

“Audit Services”

Closing Date: Monday, June 16, 2014



8880 Rio San Diego, Suite 800

San Diego, California 92108

(619)209-6108

lstewart@sdtmd.org

www.sdtmd.org

INTRODUCTION:

The San Diego Tourism Marketing District Corporation (SDTMD Corp.) seeks to engage a full-service audit firm, with extensive experience in providing accounting and tax services for not-for-profit organizations within City of San Diego, to provide the Corporation with required audit services including annual financial audit and SDTMD benefit audits of funded contractors. A description of our organization, the services needed, and other pertinent information follows.

To this end, the SDTMD Corp. announces a Request for Proposal (RFP) from qualified Auditing firms that have the following characteristics:

- Office located in the City of San Diego;
- A demonstrated audit experience with high profile not-for-profit clients;
- A proven track record of objective and highly credible work in auditing tourism impacts and hotel metrics;
- Can demonstrate practical original research capabilities;
- Extensive experience and understanding of the depth and breadth of the hospitality and tourism industry in San Diego;
- Strong working relationships with the San Diego hospitality industry in order to facilitate effective work with funded contractors;
- Ability to design custom audit procedures for contractor performance compliance.
- Adequate staffing and support;

II. SCOPE OF WORK:

The objective of the financial audit is to obtain an opinion about whether the SDTMD Corporation financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted auditing standards. The process will include tests of the accounting records, and other procedures considered necessary to enable the auditor to express such an opinion including but not limited to:

- Tests of documentary evidence supporting the transactions recorded in the accounts;
- Tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected funding sources, creditors, and financial institutions;
- Examine, on a test basis, evidence supporting the amounts of disclosures in the financial statements;
- Obtaining an understanding of the organization and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statement and to design the nature, timing, and extent of further audit procedures;

The objective of the SDTMD benefit audits is to design and implement an effective methodology to audit the TMD benefiting hotel list for SDTMD Corporation contracted events. The methodology will include an annual report of results. The scope of work includes but is not limited to:

- Testing TMD grant recipients' compliance on at least an annual basis;
- Preparing an annual report of results;
- Co-ordination with the City of San Diego and SDTMD staff to provide ongoing systems refinements;

Organizations wishing to be considered as a possible contractor need to supply a maximum five-page proposal. One page should describe the organization, its history, experience and qualifications. Further pages should describe, in outline form, the detailed plan that addresses the program elements.

III. SELECTION PROCESS & TIME FRAME:

The SDTMD Corp. board will select the contractor at a public SDTMD Corp. board of directors meeting.

Each responding organization will submit a detailed plan that addresses the program elements as outlined on the attached "One Sheet" entitled "*Audit Services*".

-The Deadline for submitting sealed proposals is 5:00 p.m. Monday, June 16, 2014.

-The SDTMD Corp. seeks to have an organization under contract by the end of July 2014.

IV. FEES:

Propose your estimated costs as an annual project cost. Estimate project time commitment. Identify and estimate additional hard costs as required.

V. SUBMITTAL PROCEDURES:

Please submit your **sealed proposal marked "RFP AUDITS" by 5:00 p.m. Monday, June 16, 2014** to:

**San Diego Tourism Marketing District Corporation
8880 Rio San Diego Drive, Suite 800
San Diego, CA 92108
Attention: Mr. Lorin Stewart, Executive Director**

It is your responsibility to ensure that the proposal arrives at the address indicated above before the deadline for receipt. Late submittals will not be accepted.

SAN DIEGO TOURISM MARKETING DISTRICT CORPORATION BACKGROUND INFORMATION:

Mission: The San Diego Tourism Marketing District is a nonprofit mutual benefit corporation dedicated to improving lodging room night consumption in the City of San Diego.

Purpose: The specific purpose of this private, non-profit corporation is to create a positive economic, fiscal, and employment impact on the lodging businesses in the City of San Diego through the effective and judicious allocation of its revenue and resources to measurably successful tourism sales and marketing programs.

Board of Directors:

C. Terry Brown, Chair
Richard Bartell, Vice Chair
William Evans, Treasurer
John Schafer, Secretary
Luis Barrios
Jody Blackinton
Matt Greene
Keri Robinson
Tom Voss

Staff:

Lorin Stewart, Executive Director

What is a Tourism Marketing District?

The San Diego Tourism Marketing District (*the District*) follows the Tourism Business Improvement District (TBID) model, which utilizes the efficiencies of private sector operation in the market-based promotion of local and regional tourism for the targeted benefit of assessed businesses. TBIDs, such as this *District*, allow lodging businesses to organize their efforts to increase tourism, specifically the consumption of hotel rooms as measured by room night stays, achieving economies of scale they could not otherwise achieve.

In San Diego, lodging businesses within the *District* will be assessed and those funds will be used to provide privileges, programs and services directly to the assessed lodging businesses that specifically benefit those businesses.

District-funded programs and services designed to deliver incremental new room night sales to assessed businesses may include, but are not limited to:

- Marketing of the Assessed Businesses
- Tourism Promotion Activities
- Special Events and Programs

In California, TBIDs such as the *District* are formed pursuant to the Property and Business Improvement District Law of 1994 (PBID Law), the Parking and Business Improvement Area Law of 1989 (BID Law), or pursuant to an ordinance of a Charter City. In San Diego, the *City Council* adopted a local TBID enabling (procedural) ordinance similar to the 1994 PBID Law. This State statute and the *City procedural ordinance* allow creation of a special benefit assessment district to raise funds within a specific geographic area, in this case the city of San Diego, for the purpose of improving room occupancy and room night sales for assessed businesses.

History:

As a result of diminishing public resources available for effective and competitive destination marketing, local lodging industry leadership began discussing alternative funding sources and available options in 2003. A working group comprised of lodging industry representatives held dozens of meetings with proposed assessed businesses, stakeholder groups and interested parties. On May 8, 2007, at the request of a working group comprised of lodging industry representatives, the San Diego City Council (*City Council*) adopted the San Diego Tourism Marketing District Procedural Ordinance (SDMC Section 61.2501 et seq.) (*Procedural Ordinance*), which created a process for creating a tourism marketing district. Subsequently, on August 1, 2011, the *City Council* adopted amendments to the *Procedural Ordinance* specifying, among other things, a process by which such a district may be renewed. These amendments permit a renewal term up to forty (40) years.

The **San Diego Tourism Marketing District** (*District*) was established pursuant to the *Procedural Ordinance* effective January 1, 2008 for an initial five-year term that ended on December 31, 2012. Developed by San Diego lodging businesses, the *District* is a benefit assessment district created to fully or partially fund marketing and sales efforts that directly benefit San Diego lodging businesses. On November 26th, 2012 the City Council renewed the *District* for a period of thirty-nine and one-half (39.5) additional years. The approved District Management Plan sets forth a plan for *District* activities and assessments during that renewal period.

District Location:

The boundaries of the *District* are the same as the boundaries of the City of San Diego (see “Assessments and Benefit Categories”).

Funding Source Entirely from Assessed Lodging Businesses:

In response to the 2010 Proposition 26 legislation, the renewed district consists of two (2) benefit categories in the *District*. Each benefit category is designed so that the activities provided in connection with that category will confer exclusive privileges and a specific benefit directly to assessed businesses (current and future). These assessed businesses are defined in Appendix 1 of the District Management Plan: Lodging businesses benefitting under category A include all lodging businesses in the *District* with thirty (30) or more rooms. Lodging businesses benefitting under category B include all lodging businesses in the *District*, regardless of size.

For more information on the SDTMD you may reference our website: www.sdtmd.org

San Diego Tourism Marketing District Corporation - Request for Proposal “Audit Services”

OBJECTIVE: The San Diego Tourism Marketing District Corporation (SDTMD Corp.) seeks to engage a full-service audit firm, with extensive experience in providing accounting and tax services for not-for-profit organizations within City of San Diego, to provide the Corporation with required audit services. To this end, the SDTMD Corp. announces a Request for Proposal (RFP) from qualified professionals:

SCOPE OF WORK - Including but not limited to:

The objective of the financial audit is to obtain an opinion about whether the SDTMD Corporation financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted auditing standards. The process will include tests of the accounting records, and other procedures considered necessary to enable the auditor to express such an opinion including but not limited to:

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- Preparing an annual report of results;
- Co-ordination with the City of San Diego and SDTMD staff to provide ongoing systems refinements;

BASIC QUALIFICATIONS:

- Office located in the City of San Diego;
- Extensive experience and understanding of the depth and breadth of the hospitality and tourism industry in San Diego;
- Quality of references from other clients with similar projects;
- A demonstrated experience with high profile not-for-profit clients;
- A demonstrated experience with analyzing lodging industry performance metrics;
- Adequate staffing and support.

COST ESTIMATE: Propose your estimated costs as an annual project cost. Estimate project time commitment. Identify and estimate additional hard costs as required.

SUBMITTAL PROCEDURES: Please submit your **sealed proposal marked “RFP AUDITS”** by **5:00 p.m. - Monday, June 16, 2014*** to:

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