

COUNTY OF BURLINGTON
REQUEST FOR QUALIFICATIONS
FOR BURLINGTON COUNTY AUDITOR

January 1, 2017 – December 31, 2017

Three copies of Responses to this Request for Qualifications including all required documentation must be received in the Office of the Burlington County Solicitor, 49 Rancocas Road, Room 225, P.O. Box 6000, Mount Holly, New Jersey 08060 no later than 3:00 p.m. Wednesday, November 30, 2016. Late Responses will not be considered.

1.0 INTRODUCTION

Description:

The County of Burlington is seeking responses from qualified Auditing and Accounting Firms, duly licensed and in good standing in the State of New Jersey from which submissions it will award a contract for the following specialized services:

1. Auditing and Accounting Services for Burlington County

Contract will be awarded to the successful firm in each category for the term January 1, 2017 through December 31, 2017.

Qualification Requirements:

Each Auditing and Accounting firm proposed to provide work for Burlington County must be licensed in the State of New Jersey and have at least ten (10) years of experience in the area of accounting and auditing services for which they request to be qualified. Resumes demonstrating such experience must be submitted in response to this RFQ for Auditing and Accounting Services proposing to be qualified.

Each Auditing and Accounting firm must execute and deliver with the response to this RFQ a certification in the form provided stating that the candidate has no conflicts of interest, actual or apparent, that would compromise his/her independence of judgment in the performance of the designated services.

Each Auditing and Accounting firm must comply with the requirements of N.J.S.A. 10:5-31 et seq. and N.J.A.C. 17:27. Each Auditing and Accounting firm must also comply with the New Jersey Business Registration Act and Statement of Ownership, N.J.S.A. 52:25 24.2.

Additional Qualification Requirements for each area of Auditing and Accounting services are specified under the Scope of Work descriptions set forth below.

2.0 MINIMUM QUALIFICATIONS OF SERVICE PROVIDER

The Burlington County Auditor must be licensed in the State of New Jersey as a Registered Municipal Accountant and as a Certified Public Accountant with at least ten (10) years of experience in the area of providing auditing services for municipal or county governments located in this State.

A Resume must be submitted in response to this RFQ for each person in the firm who will provide services to the County of Burlington during the term of the contract.

Each candidate seeking to be considered must execute and deliver with the response to this RFQ a certification in the form provided stating that the candidate has no conflicts of interest, actual or apparent, that would compromise his/her independence of judgment in the performance of the designated services.

Each candidate seeking to be considered must comply with all applicable requirements under New Jersey law including, but not limited to, the N.J. Affirmative Action requirements as set forth in P.L. 1975, c. 127 and the New Jersey Business Registration Act.

3.0 SCOPE OF WORK

The Auditing and Accounting Firm shall perform the duties of Auditor on behalf of the County of Burlington as required by State Law including, but not limited to, the following duties.

A. Act as the Burlington County Auditor and employ at his expense such personnel as are deemed necessary to carry on the duties prescribed for a Municipal or County Auditor.

B. Audit Burlington County's financial statements of the various funds for the year ending 2016 and all other related statements and supplementary schedules prepared in conformity with the Requirements of Audit as promulgated by the Division of Local Government Services, Department of Community Affairs, State of New Jersey for the year then ending, for the purpose of expressing an opinion on them as to whether these financial statements are fairly presented, in all material respects, in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

C. Conduct the audits in accordance with auditing standards generally accepted in the United States of America, Government Auditing Standards, issued by the Comptroller General of the United States and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

D. Present for purposes of additional analysis the Schedule of Expenditures of Federal Awards and Schedule of Expenditures of State Financial Assistance, and all related disclosures, if required under the Single Audit Law. Said schedule is required by the Department of Community Affairs, State of New Jersey; Federal Circular A-133, Audits of States, Local

Governments and Non-Profit Organizations; and State Of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments. This information, if necessary, will be subjected to the tests and other auditing procedures applied in the examination of the financial statements mentioned above.

E. In addition to the auditing services previously described, the Accountant shall also assist in preparing the 2016 Annual Financial Statement; the 2016 Annual Debt Statement, and the 2017 Burlington County Budget. The Accountant shall testify when required on the financial condition of the County when in the opinion of the County such testimony is required.

F. Perform such non-audit services as may be agreed upon by the Auditor and the County so long as such services do not violate independence standards set forth by the AICPA Code of Professional Conduct and Government Auditing Standards, issued by the Comptroller General of the United States.

G. When required with regard to all temporary and permanent financing of the County, prepare draft maturity schedules and tax rate projections, assist in preparation of the Preliminary and Final Official Statements, assist in the application to obtain bond ratings, and cooperate with insurance agencies. The Auditor shall prepare and submit the Annual Reports required by the Securities and Exchange Commission under Rule 15c2-12(b)(5)(i)(A) and (B). This does not include the reporting of significant events as specified under rule 15c2-12(b)(5)(i)(C) since occurrence of events requiring reporting would not necessarily be known to the Auditor. Services rendered as part of this section are subject to the same independence standards as described in Section 3.0 (F).

4.0 SCHEDULE OF FEES:

Please provide a standardized Schedule of Fees for each type of professional service for which the responder will provide, setting forth the job title and hourly rate for each type of employee envisioned to perform such services.

5.0 CONTRACT AWARD

The Contract to serve as the Burlington County Auditor will be awarded based on cost and other factors.

The conduct and performance of the Burlington County Auditor pursuant to the Contract awarded through this Request for Qualifications shall be subject to all applicable laws, rules and regulations pertaining to licensed auditors and certified public accountants. The Auditor shall at all times be regarded as an independent contractor. Nothing herein or in the Contract shall be construed to create an employer-employee relationship between the Board of Chosen Freeholders and the Auditor.

6.0 CRITERIA FOR EVALUATION OF RESPONSES TO THIS RFQ

A Review Committee has been established to independently evaluate each RESPONSE and make a recommendation to the Board of Chosen Freeholders of the County of Burlington as to the firms to be prequalified in accordance with this RFQ. The Board of Chosen Freeholders shall make the final selections.

The Selection Criteria to be used in evaluation the submissions shall include:

- a. Demonstrated knowledge of the respective areas of specialized auditing services required of the Burlington County Auditor.
- b. Years of experience in providing the specialized auditing services required of the Burlington County Auditor.
- c. Capabilities and size of staff including the experience, licensure and education of members of the firm who will provide services to Burlington County under the terms of the Contract.
- d. Location of office relative to location of where work is to be performed.
- e. Ability to perform the required services in a timely fashion.
- f. Recent, current and projected workload of the individual or firm.
- g. Thoroughness and completeness of the applicant's RESPONSE.
- h. Other factors, if demonstrated to be in the best interest of Burlington County.

7.0 RESPONSE REQUIREMENTS

Names of the individuals to be assigned to perform the tasks set forth in the SCOPE OF WORK, Section 3.0.

Professional experience of the individual(s) to be assigned, including a listing of experience with the County of Burlington and/or experience with other New Jersey counties or municipalities.

A statement concerning the ability of the firm to perform tasks assigned by the County in a timely fashion.

A description of the support staff available.

A list of four references with addresses and telephone contact numbers. Two must have direct knowledge relating to the firm's experience in providing the requested services.

8.0 REQUIREMENTS FOR COMPILING THE RESPONSES

Auditing and Accounting Firms wishing to qualify for the Contract for Burlington County Auditor are required to submit the following:

8.1 Three (3) copies of the RESPONSE in the following Format. Each RESPONSE shall be no larger than an 8 ½” x 11”. RESPONSES should be provided in a sealed envelope with the title "**Burlington County Auditor RFQ**" printed on the front.

8.2 RESPONSE MUST BE SUBMITTED IN THE FOLLOWING FORMAT:

- A. This Request for Qualifications.
- B. Responses to the Request for Qualifications.
- C. Executed SIGNATURE PAGE at Section 18 of this RFQ.
- D. Executed Non-collusion Certification provided at Section 19 of this RFQ.
- E. Executed Conflict of Interest Statement provided at Section 20 of this RFQ.
- F. Executed Ownership Statements provided at Section 21 of this RFQ.
- G. Executed Debarment Statement provided at Section 22 of this RFQ.
- H. Evidence of compliance with Affirmative Action. See Section 23 of this RFQ. With its RESPONSE or prior to the execution of the Contract, the selected Service Provider must submit to the County one of the following documents:
 - 1. Letter of Federal Approval indicating that the vendor is under an existing Federally approved or sanctioned affirmative action program; or
 - 2. A valid Certificate of Employee Information Report issued in accordance with N.J.A.C. 17:27-1.1 et seq.; or
 - 3. The pink copy of the Employee Information Report, Form AA302. The person submitting the Employee Information Report agrees to immediately submit the white and the canary copies of the Report to the Division of Contract Compliance, PO Box 209, Trenton, NJ 08625-0209.
- I. Business Registration Certificate. See Section 24 of this RFQ.
- J. Proof of licensure as Registered Municipal Accountant
- K. Proof of licensure as Certified Public Accountant

Unnecessarily elaborate responses beyond that sufficient to present a complete and effective response to the RFQ are not desired.

9.0 WHERE TO SUBMIT THE RESPONSES

Submit three (3) copies of the RESPONSE either via mail or hand delivery to the Office of the Burlington County Solicitor at the Burlington County Administration Building, 49 Rancocas Road, Room 225, P.O. Box 6000, Mount Holly, New Jersey 08060

10.0 DEADLINE FOR SUBMISSION OF RESPONSES

Three copies of Responses to this Request for Qualifications including all required documentation must be received in the Office of the Burlington County Solicitor, 49 Rancocas Road, Room 225, P.O. Box 6000, Mount Holly, New Jersey 08060 no later than 3:00 p.m. Wednesday, November 30, 2016. Late Responses will not be considered.

Any RESPONSES received after 3:00 p.m. Wednesday, November 30, 2016 whether by mail or otherwise, will be returned unopened. RESPONSES should be provided in a sealed envelope with the title "**Burlington County Auditor RFQ**" printed on the front.

It is recommended that each RESPONSE be hand-delivered. The County assumes no responsibility for delays in any form of carrier, mail, or delivery service causing the RESPONSE to be received after the above-referenced due date and time. Submission by fax, telephone, or e-mail is NOT PERMITTED.

11.0 QUESTIONS REGARDING THE REQUEST FOR QUALIFICATIONS

Questions regarding this Request for Qualifications must be made in writing to: Marc Krasson, Chief Financial Officer, 49 Rancocas Road, P.O. Box 6000, Mount Holly, New Jersey 08060.

12.0 ADDENDA/REVISIONS TO REQUEST FOR QUALIFICATIONS

Any addenda/revisions to this Request for Qualifications shall be provided to all firms who have received this Request for Qualifications.

13.0 CONTRACT TERM

The term of the appointment of the Burlington County Auditor shall be from January 1, 2017 through December 31, 2017 and through the further period of time required for performance of the specific functions required of the Burlington County Auditor in accordance with the rules and regulations of the Division of Local Government Services of the Department of Community Affairs of the State of New Jersey.

14.0 FORM OF THE CONTRACT

The Contract to be executed by the successful Auditing and Accounting Firm and the Board of Chosen Freeholders will incorporate this Request for Qualifications, the successful RESPONSE, all submittals required at Section 8.2, and the SIGNATURE PAGE (Section 19.0).

15.0 INSURANCE REQUIREMENTS

The FIRM shall secure and maintain the following insurance coverage during the term of this Agreement:

- a. Statutory Worker's Compensation and Employer's Liability Insurance; and
- b. Commercial General Liability including Products Completed Operations coverage for Personal Injury and Property Damage of not less than one million dollars (\$1,000,000) for each occurrence and two million dollars (\$2,000,000) annual aggregate.
- c. Comprehensive Automobile Bodily Injury and Property Damage Liability coverage of not less than \$1,000,000 combined single limit; and
- d. Professional Liability/Errors and Omissions insurance coverage of not less than \$1,000,000 each wrongful act, \$2,000,000 aggregate.

Prior to the effective date of this Agreement, and as a condition precedent to its taking effect, the FIRM shall provide a Certificate of Insurance as verification of the existence of said insurance policies. Approval of the coverage and the Certificate by the Insurance and Risk Management Division is a precedent to the taking effect of this Agreement. The Certificate must name the Burlington County Board of Chosen Freeholders as an additional insured and should be issued to:

Burlington County Board of Chosen Freeholders
Attn: Insurance and Risk Management Division
49 Rancocas Road, P.O. Box 6000
Mt. Holly, NJ 08060-6000

All above-mentioned insurance policies shall be primary and noncontributory to any other insurance or self-insurance maintained by Burlington County.

16.0 INDEMNIFICATION

The Auditor shall be solely responsible for and shall keep, save and hold harmless the Burlington County Board of Chosen Freeholders and its servants, employees and agents from and against any and all claims, demands, suits, actions, recoveries, judgments, cost and expenses in connection therewith on account of personal injury, loss of life, and damage and loss of real and personal property of any person, agency, corporation, or government entity arising out or in consequence to any acts or omissions of the Auditor, his employees, agents and subcontractors, in the performance of the work covered by the Contract or the failure to comply with the terms and conditions of the Contract.

17.0 MISCELLANEOUS REQUIREMENTS

17.1 Burlington County will not be responsible for any expenses incurred by any firm in preparing or submitting a RESPONSE. All RESPONSES shall provide a straightforward, concise delineation of the firm's capabilities to satisfy the requirements of this Request for Qualifications. Emphasis should be on completeness and clarity of content.

17.2 The Signature Page at Section 18 of this Request for Qualifications shall be signed in ink by the individual or authorized principal of the accounting firm. By signing this document the Responder attests that to the best of his knowledge, the information contained in the RESPONSE is accurate.

17.3 The County of Burlington reserves the right to reject any and all RESPONSES submitted in response to this Request for Qualifications.

17.4 If appointed, the Auditor will be required to comply with the requirements of N.J.S.A. 10:5-31 et seq. and N.J.A.C. 17:27.

17.5 All RESPONSES to this Request for Qualifications, with the exception of proprietary information, shall be subject to public scrutiny subsequent to the selection of the Auditor. Each Responder must clearly designate in its RESPONSE any information that it deems to be proprietary. It is the County's experience that the vast majority of RESPONSES will contain no proprietary information; therefore, any such designation must be limited in scope and reasonably based.

17.6 Any multi-year contract awarded as a result of this Request for Qualifications is subject to the availability and appropriation of sufficient funds for this purpose annually.

17.7 The contract awarded pursuant to this Request for Qualifications may be amended to provide for closely related services, the need for which may arise or become apparent after the original contract award. Any contract amendment for closely related services must be approved by resolution of the Board of Chosen Freeholders.

18.0 COMPLIANCE WITH LAWS

The Auditor shall comply with all applicable federal, state and local statutes, law, or regulations.

19.0 SIGNATURE PAGE

COUNTY OF BURLINGTON, NEW JERSEY
RESPONSE: BURLINGTON COUNTY AUDITOR

Date: _____, 20_____

To: Board of Chosen Freeholders
County of Burlington
49 Rancocas Road
Mount Holly, New Jersey 08060-6000

The undersigned hereby submits this Response to the Request for Qualifications for Burlington County Auditor with the understanding that the Request for Qualifications and this Response will be incorporated into the contract to be awarded for Auditor services.

Date: _____
(Name of Service Provider)

Attest: _____
(Signature) (Signature)

(Type or print name and title) (Type or print name and title)

(Address)

(City, state, zip code)

20.0 NON-COLLUSION CERTIFICATION

The undersigned bidder hereby specifically certifies that, to the best of its knowledge and belief, the annexed bid for the above named project has not been prepared in collusion with any other bidder or like item or service and that the prices, discounts, terms, and conditions thereof have not been directly or indirectly communicated by or on behalf of said bidder to any such person other than the recipient of such bid and will not be communicated to any such person prior to the official opening of said bid.

Bidder fully understands that no premiums, rebates or gratuities are permitted either with, prior to, or after signing of contract. Any such violation will result in cancellation and the removal from bid list.

Undersigned bidder further certifies that it has the necessary authority to sign this stipulation stating it has not entered into any agreement or otherwise taken any action in restraint of free competitive bidding in connection with above-named project.

This certification may be treated for all purposes as a sworn statement made under the oath as equivalent affirmation, and that, any statements made herein are untrue the bidder may be subject to the provisions of N.J.S.A. 2C:28 -1 through N.J.S.A. 2C:28 - 3 inclusive, and relevant sequential sections, and if applicable, 18 U.S.C. 1001, et seq.

(firm name)

(signature)

(type or print name and title)

(address)

(city, state zip code)

Dated: _____, 20__

21.0 CONFLICT OF INTEREST CERTIFICATION

The undersigned certifies to the Board of Chosen Freeholders of the County of Burlington that in performing services to Burlington County he knows of no circumstance that would constitute a conflict of interest, financial or otherwise, between himself or his firm and the Board, its members or with the interest of the County of Burlington in general. The Undersigned further certifies that he knows of no circumstances or relationships between himself or his firm and third parties that would cause the actual or appearance of a conflict of interest or a compromise of judgment and independence in the performance of the designated services.

The undersigned acknowledges this is a continuing certification, and shall remain in effect for the term of the contract.

I certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.

(firm name)

(signature)

(type or print name and title)

(address)

(city, state zip code)

Dated: _____, 20____

22.0 STATEMENT OF OWNERSHIP

In accordance with N.J.S.A. 52:25-24.2, every corporation and/or partnership submitting a bid, shall prior to the receipt of the bid by the County, or accompanying said bid, submit a statement setting forth the names and addresses of all stockholders in the corporation, or partners in the partnership, who own ten percent (10%) or greater interest, as the case may be.

If one or more such stockholder, or partner, is itself a corporation, or partnership, the stockholders holding ten (10%) percent or more of that corporation's stock, or the individual partners owning ten percent (10%) or greater interest in that partnership, as the case may be, shall also be listed. This disclosure shall continue until the names and addresses of every non-corporate stockholder, and individual partner exceeding the ten percent (10%) ownership criteria established by this notice have been listed.

Complete this form only if the Firm is a partnership, corporation or limited liability company.
Check here if not applicable.

Name of Firm: _____

Address: _____

City/State/Zip: _____

Form of business: corporation partnership limited liability company

List the names and addresses of all persons (including business entities) who have 10% or more interest in the Firm's firm. If an interest holder is a corporation name the stockholders holding more than a ten percent interest.

Complete the certification at the end of this document.

NAME

ADDRESS

I certify that (check one):

- the list of persons named above is current and correct to the best of my knowledge.
or
 There are no persons having a 10% or greater interest in the Firm's firm to the best of my knowledge.

Authorized signature

Date

typed/printed name

Title

23.0 DEBARMENT STATEMENT

Instructions: Answer each question by putting an X on the line following either yes or no. If "yes" is marked, provide all necessary details in an attachment to this Statement.

Has your firm ever failed to complete any awarded work? Yes ___ No ___
If Yes, where and why?

Has any officer or partner of your organization ever failed to complete a contract handled in his own name? Yes ___ No ___

If Yes, state the name of individual, name of owner, location and type of projects, and reason for the failure to complete.

Has your organization, its parent or subsidiary ever been suspended or debarred by the State of New Jersey or any other state or the federal government? Yes ___ No ___

If Yes, provide complete details, including when, where and why.

Has any owner, stockholder, officer, partner, or employee of your organization been suspended or debarred from doing business by the State of New Jersey or any other state or federal government? Yes ___ No ___

If Yes, provide completed details including when, where and why.

(firm name)

(signature)

(type or print name and title)

(address)

(city, state zip code)

Dated: _____, 20____

24.0 MANDATORY EQUAL EMPLOYMENT OPPORTUNITY LANGUAGE

(REVISED 4/10)

EXHIBIT A

N.J.S.A. 10:5-31 et seq. (P.L. 1975, C.127)
N.J.A.C. 17:27

GOODS, PROFESSIONAL SERVICE AND GENERAL SERVICE CONTRACTS

During the performance of this contract, the contractor agrees as follows:

The contractor or subcontractor, where applicable, will not discriminate against any employee or applicant for employment because of age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Except with respect to affectional or sexual orientation and gender identity or expression, the contractor will ensure that equal employment opportunity is afforded to such applicants in recruitment and employment, and that employees are treated during employment, without regard to their age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Such equal employment opportunity shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Public Agency Compliance Officer setting forth provisions of this nondiscrimination clause.

The contractor or subcontractor, where applicable will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will received consideration for employment without regard to age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex.

The contractor or subcontractor will send to each labor union, with which it has a collective bargaining agreement, a notice, to be provided by the agency contracting officer, advising the labor union of the contractor's commitments under this chapter and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

The contractor or subcontractor, where applicable, agrees to comply with any regulations promulgated by the Treasurer pursuant to N.J.S.A. 10:5-31 et seq., as amended and supplemented from time to time and the Americans with Disabilities Act.

The contractor or subcontractor agrees to make good faith efforts to meet targeted county employment goals established in accordance with N.J.A.C. 17:27-5.2.

The contractor or subcontractor agrees to inform in writing its appropriate recruitment agencies including, but not limited to, employment agencies, placement bureaus, colleges, universities, and labor unions, that it does not discriminate on the basis of age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex, and that it will discontinue the use of any recruitment agency which engages in direct or indirect discriminatory practices.

The contractor or subcontractor agrees to revise any of its testing procedures, if necessary, to assure that all personnel testing conforms with the principles of job-related testing, as established by the statutes and court decisions of the State of New Jersey and as established by applicable Federal law and applicable Federal court decisions.

In conforming with the targeted employment goals, the contractor or subcontractor agrees to review all procedures relating to transfer, upgrading, downgrading and layoff to ensure that all such actions are taken without regard to age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex, consistent with the statutes and court decisions of the State of New Jersey, and applicable Federal law and applicable Federal court decisions.

The contractor shall submit to the public agency, after notification of award by prior to execution of a goods and services contract, one of the following three documents:

Letter of Federal Affirmative Action Plan Approval

Certificate of Employee Information Report

Employee Information Report Form AA302 (electronically provided by the Division and distributed to the public agency through the Division's website at www.state.nj.us/treasury/contract_compliance)

The contractor and its subcontractors shall furnish such reports or other documents to the Division of Public Contracts Equal Employment Opportunity Compliance as may be requested by the office from time to time in order to carry out the purposes of these regulations, and public agencies shall furnish such information as may be requested by the Division of Public Contracts Equal Employment Opportunity Compliance for conduction a compliance investigation pursuant to **Subchapter 10 of the Administrative Code at N.J.A.C. 17:27.**

25.0 STATE OF NEW JERSEY BUSINESS REGISTRATION CERTIFICATE

A Business Registration Certificate issued by the Division of Revenue in the New Jersey Department of the Treasury to a bidder for the contract must be submitted either with the bid or prior to the final award of contract to the successful bidder.

The submittal of a Business Registration Certificate is not required from a government agency or an organization organized as a nonprofit entity under 26 U.S.C. Section 501(c).

For the term of this contract, the contractor and subcontractors shall collect and remit to the Director of the Division of Taxation in the Department of the Treasury the use tax due pursuant to the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.) on all their sales of tangible personal property delivered into this State. For the purposes of this paragraph, "affiliate" means any entity that (1) directly, indirectly, or constructively controls another entity, (2) is directly, indirectly, or constructively controlled by another entity, or (3) is subject to the control of a common entity. For purposes of this paragraph, an entity controls another entity if it owns, directly or individually, more than 50% of the ownership interest in that entity.