

CITY OF FORT MEADE

RFP 19-01

Independent Audit Services



CITY OF FORT MEADE
PO Box 856
8 West Broadway Street
Fort Meade, Florida 33841
(863) 285-1100
www.cityoffortmeade.com

CITY COMMISSION

Mayor: Robert Elliott
Vice Mayor: Maurice Campbell
Commissioner: James Watts
Commissioner: Barbara Manley
Commissioner: Richard Cochrane

CITY STAFF

City Manager: Fred Hilliard
City Attorney: Thomas A. Cloud, Esquire
Deputy City Clerk: Melissa Cannon, CMC
Finance Director: Breanna Smith, MBA CFE

**The City of Fort Meade, Florida Request for Proposals (RFP)
For Independent Audit Services**

RFP PURPOSE

The City of Fort Meade invites all responsible bidders to respond to this Request for Proposal (RFP). The focus of the RFP is to select a single organization to provide independent audit services to City of Fort Meade over a 3-year period for the City's fiscal years ending September 30, 2019, 2020 and 2021.

INSTRUCTIONS TO PROPOSERS

Proposals will be received until 2PM February 15, 2019 at the address above, ATTN: Melissa Cannon, Deputy City Clerk. Questions regarding this proposal must be in writing and must be sent to Melissa Cannon, Deputy City Clerk, E-mail: mcannon@cityoffortmeade.com; fax (863) 285-1124. All questions must be received by February 1, 2019. The City reserves the right to reject any or all bids, with or without cause, to waive technical errors and informalities, and to accept the bid which best serves the interest of and represents the best value to the City.

Prospective proposers shall not contact, communicate with or discuss any matter relating in any way to the Request for Proposal with the City Commissioners, any employee of the City of Fort Meade, other than the Deputy City Clerk or as directed in the Request for Proposal. Such communications initiated by a proposer shall be grounds for disqualifying the offending proposer from consideration for award of the proposal and/or any future proposal.

**Proposals may be mailed, express mailed, or hand delivered to:
City of Fort Meade, 8 West Broadway Street, Fort Meade, FL 33841**

CITY OF FORT MEADE
Request for Proposals
RFP 19-01: Independent Audit Services

Notice of Interest

Date: _____

Proposer
Name: _____
Address: _____
Telephone: _____
Fax: _____
Email: _____

Proposer's
Signature _____
(Duly Authorized)

Return To:
City of Fort Meade
Attn: Melissa Cannon, CMC Deputy City Clerk
8 West Broadway Street
Fort Meade, FL 33841

INTRODUCTION

The City of Fort Meade, Florida invites Independent Certified Public Accountants who are licensed to practice in the State of Florida and who are experienced in performing audits for governmental entities to submit proposals for the performance of an examination of its financial statements for the period beginning October 1, 2018 and ending September 30, 2019, with the expectation of a three (3) year contract and two (2) additional one year extensions thereafter, subject to the mutual satisfaction of both parties. The City of Fort Meade desires the auditor to express an opinion on the fairness with which the financial statements present the City’s financial position, results of operations and cash flows in conformity with generally accepted accounting principles, and an audit in accordance with Government Auditing Standards, issued by the Comptroller General of the United States and Chapter 10.550, Rules of the Auditor General of the State of Florida.

RECORDS TO BE AUDITED

The accounting records for the City are maintained by the City’s Finance Department. The City’s records include the following funds. Copies of the City’s audited financial statements and fiscal year budgets are available on the City website at:

- http://www.cityoffortmeade.com/departments/financial_statements.php
- http://www.cityoffortmeade.com/departments/budget_information.php

| <u>FUND</u> | <u>DESCRIPTION</u> |
|-------------|--------------------------------------|
| 001 | General Fund |
| 101 | Community Redevelopment |
| 102 | Storm Water Special Revenue Fund |
| 103 | Fire Assessment Special Revenue Fund |
| 401 | Electric Utility |
| 402 | Water Utility |
| 404 | Mobile Home Park |
| 405 | Solid Waste Utility |
| 406 | Storm Water & Drainage Utility |
| 407 | Sewer Utility |
| 601 | Firefighters Pension Plan |
| 602 | Police Officers Pension Fund |
| 603 | General Employees Pension Fund |

SCOPE OF SERVICES

As part of this RFP, the following services are expected by the City of Fort Meade:

1. Perform an audit in accordance with generally accepted auditing standards in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Chapter 10.550 of the Rules of the State of Florida Auditor General applicable to local governmental entity audits.
2. The audit shall be a financial audit as defined in Chapter 11.45 1(b), Florida Statutes, and shall be conducted in accordance with generally accepted auditing standards.
3. The Firm agrees to conduct an audit of the compliance requirements described in the *OMB Compliance Supplement* and the *Department of Financial Services' State Projects Compliance Supplement (a "Single Audit")* if required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* or by Chapter 10.550, *Rules of the Florida Auditor General*.
4. The Firm will conduct the audit examination at the fund type level for the purpose of expressing an unmodified opinion on all "Basic Financial Statements" of the City, as set forth in the Governmental Accounting Standards Board (GASB) and pronouncements of the National Council on Governmental Accounting, and as further interpreted in the Governmental Accounting, Auditing and Financial Reporting (GAAFR) publication. The Firm will perform their audit of the City's financial statements in accordance with generally accepted auditing standards and accordingly, will include such tests as considered necessary in the circumstances. Unless unusual conditions not now foreseen make it impracticable to do so, the Firm will submit a report on its examination of the City's financial statements which will express an opinion as to the fairness of their presentation in conformity with generally accepted accounting principles. If unable to express an unmodified opinion, the Firm shall notify the City Manager immediately, in writing, with copies to the City Commission stating the reasons therefore. The auditor is to provide an "in relation to" opinion on the combining financial statements and budgetary comparison schedules included in the financial statements as other supplementary information based on the auditing procedures adopted during the audit of the basic financial statements.

5. The Firm will prepare all reports required by the applicable professional standards including, but not limited to, the following:
 - a) Independent Auditor's Report
 - b) Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Governmental Auditing Standards*
 - c) Management Letter required by Chapter 10.550, Rules of the Florida Auditor General.
 - d) Independent Accountant's Report on compliance with Section 218.415 , Florida Statutes required by Chapter 10.550, Rules of the Florida Auditor General.
 - e) Report of Compliance for Each Major Federal Program and/or State Project; and Report on Internal Control Over Compliance Required by the Uniform Guidance and/or Chapter 10.550, Rules of the Florida Auditor General.
 - f) Governance Report as required by AICPA auditing standards section AU-C Section 260 - *The Auditor's Communication with Those Charged with Governance*. This report will be presented to the City separate from the bound audited financial statement document.
6. The Firm agrees to prepare all required reports in portable document file (.PDF) format and provide them to the City for inclusion into the final audited financial statement document. The City will prepare the final audited financial statement document which will include the basic financial statements and all required auditor reports and will submit the final document to the auditors for their approval before printing or binding.
7. The auditor in charge of the engagement and the field audit manager must be available to attend the public meeting to present the final report.
8. The Firm agrees to perform a substantial portion of the audit on City premises. The City agrees to furnish adequate working space that is well-lighted, reasonably comfortable and reasonably approximate to accounting records.
9. The Firm agrees to provide all equipment, materials, supplies, and personnel services to perform the audit. The City agrees to provide, at no cost, all photocopying necessary to perform the audit.

By submitting a proposal, the Firm acknowledges that during the proposal period the City may add or delete funds, incur additional debt, engage in new governmental ventures, and otherwise modify or expand its current operations. Modifications to the existing contract terms should not be necessary unless the changes are significant to the City as a whole and require substantial changes in the audit plan or scope.

PERFORMANCE SPECIFICATIONS

1. To be eligible to qualify as external auditor, the following minimum requirements must be met.
 - a) The Firm must have been established as a legal entity, be licensed in the State of Florida, and have performed continuous CPA services for minimum of five (5) years.
 - b) The Firm must submit an affirmation that the proposer meets the independence requirements of AICPA Rule 101, *Independence* and the independence requirements of *Government Auditing Standards* published by the U.S. General Accounting Office.
 - c) The Firm must submit an affirmation that the proposer does not have a record of substandard audit work.
 - d) The partner in charge of the audit and the certified public accountant in charge of the fieldwork must have completed, within the immediately preceding three years, at least 24 hours of continuing professional education, which are approved by the Board of Accountancy and are directly related to the governmental environment and governmental auditing.
2. The audit shall be performed in compliance with the requirements of:
 - a) Applicable Florida Statutes.
 - b) Regulations of the State of Florida Department of Financial Services
 - c) Chapter 10.550, Rules of the Florida Auditor General
 - d) *State and Local Governments – Audit and Accounting Guide*, issued by the American Institute of Certified Public Accountants
 - e) Requirements described in the *OMB Compliance Supplement* and the *Department of Financial Services’ State Projects Compliance Supplement (a “Single Audit”)* if required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* or by Chapter 10.550, *Rules of the Florida Auditor General*.
 - f) United States Single Audit Act and Amendments.
 - g) State of Florida Single Audit Act.
 - h) Statements on Auditing Standards (GAAS).
 - i) *Government Auditing Standards* issued by the Comptroller General of the United States.
 - j) Generally accepted governmental accounting standards.
 - k) Any other applicable federal, state, local regulations or professional guidance not specifically listed above as well as any additional requirements which may be adopted by these organizations in the future.

3. The audit shall be a financial audit as defined in Section 11.45(1)(b), Florida Statutes, shall cover three one-year periods beginning October 1, 2018 and ending September 30, 2021. Contracts beyond this three-year period will be awarded annually, subject to the mutual satisfaction of both parties, for a period not to exceed an additional two (2) years.
4. The audit is to be conducted at the fund type level, which is the same level as in the prior fiscal year, shall be conducted in accordance with generally accepted governmental auditing standards and shall include a review and evaluation of the City's system of internal accounting controls.
5. The auditors shall submit, not later than thirty (30) working days after the end of the field work, a draft of the auditor's reports and shall identify material weaknesses, significant deficiencies, material and nonmaterial noncompliance, recommendations to improve financial management and any other findings observed in the system of internal control, and will assess their effect on financial management and propose steps to eliminate the weaknesses.
6. All required audit reports shall be submitted in PDF format not later than February 1, unless an extension is agreed upon by the City. Presentation of the audit to the City Commission should be made at the City Commission's first regular meeting in the month subsequent to completion of the audited financial statement document.
7. The auditor shall, without charge, make their work papers available to any Federal or State agency upon request and in accordance with Federal and State Law and Regulations.
8. The City and their authorized agent shall be responsible for printing, binding and distribution of the final audited financial statement document.
9. The City agrees to prepare preliminary working trial balances and to close the books and prepare the majority of required schedules and a final working trial balance by January 15 of each year. The Finance Department will prepare all standard schedules and analysis requested by the Firm. Computer generated schedules and analyses will be utilized whenever practical, provided information is presented in substantially the same format as requested.
10. The Firm will provide a listing of any misstatements that are being accumulated that were identified during audit procedures. This list shall be provided to the City no later than the end of fieldwork so that the City may evaluate the accuracy and significance of any misstatements. The City understands that misstatement may still be identified after fieldwork and that those misstatements will be provided to management as they are identified by the auditors.
11. The City has engaged Brynjulfson CPA, P.A. to assist in the year-end closing process, general accounting consultations, schedule preparation and preparation of the basic financial statements, including required and other supplementary information. Brynjulfson CPA, P.A. will be involved in reviewing any auditor identified misstatements, any auditor proposed journal entries, any auditor recommend financial statement edits and will be responsible for making any agreed upon changes and updating the financial statements in a timely manner.

PROPOSAL FORMAT

Proposers must submit (1) printed original and four (4) printed copies of the Proposal. Proposers must also submit their proposal in PDF format either on a flash drive or CD ROM, because emails would not be sealed, emailed submittals of the proposal will not be accepted. The original Proposal must contain an original signature. Be sure that the individual signing the Proposal is authorized to commit the Proposer's organization to the Proposal as submitted. Each page of the Proposal should state the name of the Proposer, the RFP number, and the page number. The City reserves the right to request additional data or material to support Proposals. All material submitted in response to the RFP will become the property of the City. The proposal should be labeled: **“SEALED PROPOSAL FOR INDEPENDENT AUDIT SERVICES,” and shall be received no later than 2PM February 15, 2019.** Late proposals will be returned unopened.

Please complete all sections of the RFP. If additional material is required for one or more questions, please label attachments clearly and reference them in your response. Your response to this RFP will serve as the basis for the consideration for selection of the service provider.

Label each section as numbered. In response to this proposal to ensure consistency, proposals must conform to the following format:

Cover Letter

Table of Contents

Sections

- A. Introduction
- B. Qualifications/Experience
- C. Other Information
- D. References
- E. Audit Plan
- F. Cost & Time
- G. Independence

Section A-Introduction

This section should contain information about your Firm's experience, background and location. Include complete information regarding experience in this type of commercial service, number of years, number of employees, etc.

Section B-Qualifications/Experience

This section should contain qualifications and experience of personnel. Please submit resumes of key personnel who will be assigned to this contract.

Section C-Other Information

This section should address any other information necessary for a full understanding of your services. Please provide information on any additional services offered by your firm.

1. Describe the Firm's approach to continuing professional education related to government.
2. Describe the Firm's and the Firm's personnel's involvement in Governmental Accounting committees and associations.

3. A brief description of any continuing professional education seminars that the Firm offers for its clients.
4. Describe the Firm's approach to peer review and describe any disciplinary actions that have been instituted or proposed against the Firm during the last three years, specifically in regard to audits of governmental entities.
5. Provide peer review letters for the current and previous evaluations of the Firm.

Section D-References

Provide a listing of at least five governmental clients serviced during the last three years by the designated office that will provide audit services to the City. The listing should be in the format of the attached forma and should contain only governmental entity clients, contact person, phone number, email, services provided and date of services.

Section E-Audit Plan

This section should clearly describe the detailed audit plan and methodology for meeting objectives. Please note the following:

1. Describe the overall approach that the Firm would take in this audit engagement including the extent to which statistical sampling techniques would be used.
2. Describe the approach that would be used to review the adequacy of the City's system of internal control.
3. Describe the approach that would be taken in Auditing Information Systems.
4. Describe the approach that would be used in testing for legal compliance.
5. Describe the Firm's reaction to each of the following:
 - a) While many firms establish "firm policies" on issues of GAAP for which existing GAAP is unclear, please address the first steps which would be taken if there is not established GAAP and the City proposed to take an alternative approach to the "firm's policy".
 - b) If a question of a GAAP interpretation arises between City staff and the audit team, what steps would be taken to adequately determine the action intent/direction of the available/applicable guidance?
6. Describe the process that the Firm will take to produce a meaningful "management letter."
7. Describe the preliminary areas of heightened risk based upon your experience in local government auditing and accounting and describe your general audit responses to these areas of heightened risk.

Section F-Cost and Time 10

1. This section must clearly state the estimated completion time associated with the audit.
2. Cost proposals for each of the three (3) years must be broken down between:
 - a) Basic Audit
 - b) Single Audit

Section G-Independence

The Firm should provide an affirmative statement that The Firm meets the independence requirements of AICPA Rule 101, *Independence* and the independence requirements of *Government Auditing Standards* published by the U.S. General Accounting Office.

The Firm should also list and describe the Firm’s professional relationships involving the City for the past five (5) years.

In addition, the Firm shall give the City written notice of any professional relationships entered into during the period of this agreement.

EVALUATION AND SELECTION PROCESS

The City of Fort Meade will use various criteria to select the most appropriate provider. The City shall not be obligated to accept the lowest dollar and cents bid, but shall take into consideration quality, past experience, delivery date, discounts, and other factors in determining the best bid in the best interest of the City and shall award on the basis of the lowest responsible and responsive bidder. Respondents are encouraged to be as aggressive and creative as possible in their proposals. During this RFP process, any intentional omissions, alterations, or false representations will be grounds for rejection of any proposal.

| CRITERIA | WEIGHT |
|---|---------------|
| Demonstrated ability/qualifications of the firm and individuals: | 35% |
| o Qualifications of the firm, individuals in the industry; | |
| o Workload; ability and capacity to provide required services; | |
| o References from existing clients; | |
| o Individuals’ training; | |
| o Location of the firm/office in charge of the Work | |
| o Demonstration of ability to meet set objectives | |
| Approach to work: | 35% |
| o Technical Soundness of Proposal | |
| o Demonstrated understanding of scope of services including project approach; | |
| o Applicability of services offered | |
| Proposed Cost to the City | 30% |
| TOTAL | 100% |

Clarification and Addenda

Each Proposer shall examine all RFP documents and shall judge all matters relating to the adequacy and accuracy of such documents. Any inquiries, suggestions, or requests concerning interpretation, clarification, or additional information pertaining to the RFP shall be made in writing through Melissa Cannon, City of Fort Meade. The City shall not be

responsible for oral interpretations given by any City employee, representative, or others. The issuance of a written addendum is the only official method whereby interpretation, clarification, or additional information shall be given. If any addenda are issued to the RFP, the City will attempt to notify all prospective Proposers who have secured the same. However, it shall be the responsibility of each Proposer, prior to submitting the competitive bid, to contact the City of Fort Meade to determine if addenda were issued and to make such addenda a part of the competitive proposal.

Proposal Preparation Expenses

Each Proposer preparing a response to the RFP shall bear all expenses associated with its preparation and no claims for reimbursement shall be submitted to the City for the expense of proposal preparation or presentation.

Legal Name

Proposals shall clearly indicate the legal name, address, and telephone number of the consultant and shall indicate whether the consultant is a corporation, general partnership, individual, or other business entity. Proposals shall be signed above the typed or printed name and title of the signer. The signer shall have the authority to bind the consultant to the submitted competitive proposal.

Openness of Procurement Process

Written proposals, other submissions, correspondence, and all other pertinent records shall be handled as public records in compliance with Chapters 119 and 286, Florida Statutes. The City gives no assurance as to the confidentiality of any portion of any proposal once submitted. Meetings with the City Commission are conducted "in the Sunshine" pursuant to Chapter 286, Florida Statutes.

Errors and Omissions

Once a proposal is submitted, the City shall not accept any request by any Proposer to correct errors or omissions in any calculations or competitive proposal price submitted.

Proposals will be publicly opened as soon as possible after the submission deadline. Evaluation and selection will occur in accordance with the appropriate requirements at a time and place to be determined. At the discretion of the City, respondents may be asked to give a short presentation/interview as part of the selection process.

Retention and Disposal of Proposals

The City reserves the right to retain all submitted competitive proposals for public record purposes. No copies of any competitive proposal will be returned to the Proposer.

Evaluation Committee Meeting

The Evaluation Committee will meet on February 25, 2019 at 10:00 a.m. in City Hall located at 8 W. Broadway Street, Fort Meade, FL. 33841

REJECTION OF PROPOSALS; AWARD OF BID SUBJECT TO CONTRACT NEGOTIATIONS

The City may reject a proposal if:

- A. The Proposer fails to acknowledge receipt of an addendum, or if
- B. The Proposer misstates or conceals any material fact in the bid, or if
- C. The proposal does not strictly conform to the law or requirements of RFPs, or if
- D. The proposal is conditional, except that the proposer may qualify his proposal for acceptance by the City on an "all or none" basis, group basis, or a "low item" basis. An "all or none" basis bid must include all items upon which bids are invited.
- E. The City is under a pre- lawsuit claim or current litigation with the proposer.

The City may reject all bids whenever it is deemed in the best interest of the City to do so, and may reject any part of a bid unless the bid has been qualified as provided in paragraph D above. The City reserves the right, at its sole discretion, to waive technicalities or irregularities, to reject any or all submittals, and/or to accept that submittal which is in the best interest of the City, regardless of whether that submittal is the lowest cost proposal. The City shall be the sole judge of which submittal(s) is/are City the most responsive to the City's needs. The City of Fort Meade reserves the right to request clarification of any information submitted by responding firms. The City Commission, with suitable basis provided for by law, reserves the right to reject any and all proposals, and to waive any informalities or irregularities in the proposal process.

After the City has approved the Proposer, City staff will negotiate the actual contract with the firm or individual(s). Notwithstanding the foregoing, if the City and said Proposer(s) cannot reach agreement on a contract, the City reserves the right to terminate negotiations and may, at the City Manager's or designee's discretion, begin negotiations with the next ranked provider. This process may continue until a contract acceptable to the City has been executed or all proposals are rejected. No Proposer shall have any rights against the City arising from such negotiations or termination thereof. Any Proposer recommended for negotiations must provide to the City:

- a) Its most recent audited financial statements as of a date not earlier than the end of the Proposer's preceding official tax accounting period. A copy of the most recent business income tax return will be accepted if audited financial statements are unavailable.
- b) Information concerning any prior or pending litigation, either civil or criminal, involving a governmental agency or which may affect the performance of services to be rendered herein, in which the Proposer, any of its employees or subcontractors is or has been involved within the last three years.

Right to Protest

Any actual or prospective responder who is aggrieved in connection with the solicitation or award of a contract may seek resolution of his/her complaint by contacting the City Clerk. Protests can be filed either by hand delivery or email to the City Clerk. A formal written

protest is considered filed with the City when the City Clerk receives it. Accordingly, a protest is not timely filed unless it is received within the time specified above. Failure to file a formal written protest within the time period specified shall constitute a waiver of the right to protest and shall result in the relinquishment of all rights to protest by the bidder or proposer.

| | |
|-----------------|--|
| Name | Melissa Cannon, CMC |
| Title | Deputy City Clerk |
| Phone | 863-285-1100 Ext. 233 |
| Email | mCannon@cityoffortmeade.com |
| Address: | PO Box 856 or 8 West Broadway St. Fort Meade, FL 33841 |