

Cut along border and affix this label to your sealed bid envelope to identify it as a "Sealed Bid". Be sure to include the name of the company submitting the bid where requested.

SEALED BID - DO NOT OPEN

SEALED BID NO: 10-04

BID TITLE: PROFESSIONAL AUDITING SERVICES

NAME OF COMPANY:

DUE DATE/TIME: AUGUST 6, 2010 2PM

DELIVER TO: FINANCE DIRECTOR
City of Fort Meade
8 WEST BROADWAY
FORT MEADE, FL 33841

Please Note:

From time to time, addenda may be issued to this bid. Any such addenda will be posted on the same website, www.cityoffortmeade.com, from which you obtained this bid. Before submitting your bid/proposal you should check our website to download any addenda that may have been issued. Please remember to sign and return addendum acknowledgement form with completed bid package if applicable

City of Fort Meade

**REQUEST FOR PROPOSAL
#10-04**

FOR

**PROFESSIONAL AUDITING SERVICES
September 30, 2010**



8 West Broadway Street, Fort Meade, Florida 33841

City of Fort Meade

REQUEST FOR PROPOSAL

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City of Fort Meade REQUEST FOR PROPOSAL

I. INTRODUCTION

A. General Information

The City of Fort Meade is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal year ending September 30, 2010, with the option of auditing its financial statements for each of the four subsequent fiscal years. These audits are to be performed in accordance with generally accepted auditing standards, the standards set forth for financial audits in the General Accounting Office's (GAO) *Government Auditing Standards* (1994), and the State of Florida, *Rules of the Auditor General*. *When applicable, the audit shall also comply with the provisions of the federal Single Audit Act of 1984 (as amended in 1996), U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the State of Florida Single Audit requirements.*

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

All persons and firms wishing to submit a proposal **must** obtain a complete copy of the Request for Proposal document and submit a City of Fort Meade Vendor Application, a W-9 and a current Public Entity Crime Statement with their response. Prospective Proposers are asked to download the complete bid package along with the application, W-9 and Public Entity Crime Statement at the following web address: www.cityoffortmeade.com.

To be considered, one (1) signed original and four (4) copies of the proposal must be received by the Purchasing Agent, City of Fort Meade, 8 West Broadway Street, Fort Meade, FL, 33841 by 2:00 p.m. on August 6, 2010. The City of Fort Meade reserves the right to reject any or all proposals submitted.

Proposals submitted will be evaluated by an Audit Selection Committee. Final selection will be made by the City Commission.

During the evaluation process, the Audit Selection Committee and the City of Fort Meade reserve the right, where it may serve the City of Fort Meade's best interest, to request additional information or clarifications from proposers, or to allow corrections of errors or omissions. At the discretion of the City of Fort Meade or the Audit Selection Committee, firms submitting proposals may be requested to make

oral presentations as part of the evaluation process.

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

Any person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid on a contract to provide any goods or services to a public entity, may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work, may not submit bids on leases of real property to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any public entity in excess of the threshold amount provided in Florida State Statutes Section 287.017, for CATEGORY TWO for a period of 36 months from the date of being placed on the convicted vendor list.

Before starting and until termination of work for, or on behalf of, the City of Fort Meade, the audit firm shall procure and maintain professional liability insurance of at least \$1 million.

It is anticipated that the selection of a firm will be completed by August 19, 2010. Following the notification of the selected firm it is expected a contract will be executed between both parties by September 14, 2010.

B. Term of Engagement

A five-year contract is contemplated, subject to the annual review and recommendation of the City, the satisfactory negotiation of terms (including a price acceptable to both the City of Fort Meade and the selected firm), the concurrence of the City Commission and the annual availability of an appropriation. Thereafter, this contract can be extended by mutual agreement of both parties.

C. Subcontracting

Firms submitting proposals are encouraged to consider subcontracting portions of the engagement to small audit firms or audit firms owned and controlled by socially and economically disadvantaged individuals. If this is to be done, that fact, and the name of the proposed subcontracting firms, must be clearly identified in the proposal. Following the award of the audit contract, no additional subcontracting will be allowed without the express prior written consent of the City of Fort Meade.

II. NATURE OF SERVICES REQUIRED

A. General

The City of Fort Meade is soliciting the services of qualified firms of certified public accountants to audit its financial statements for the fiscal year ending September 30, 2010, with the option to audit the City of Fort Meade's financial statements for each of the four subsequent fiscal years. These audits are to be performed in accordance with the provisions contained in this request for proposal.

B. Scope of Work to be Performed

The scope of work for this RFP shall be for one combined audit which shall include, the City of Fort Meade, the General Pension Plan, the Firefighters' Pension and the Police Pension. The pension plans do not issue separate stand alone reports however, each plan is presented as supplementary information in the City's report in a combining schedule. The auditor's opinion only runs to the combined fiduciary statements. The auditor will be required to report on the pension supplementary information and any "Required Supplementary Information" as required by the GASB.

Note that the Police Plan is frozen in that the City's police services have been subcontracted out to the Polk County Sheriff and any City police officers are now covered under the Sheriff's plan.

III. DESCRIPTION OF THE GOVERNMENT

A. Name and Telephone Number of Contact Persons/Organizational Chart

The auditor's principal contact with the City of Fort Meade will be James M. Parker, Director of Finance (863)285-1100 ext. 234.

B. Background Information

The City of Fort Meade serves an area of 5 square miles with a population of approximately 5,700. The City of Fort Meade's fiscal year begins on October 1st and ends on September 30th.

The City of Fort Meade provides a wide range of governmental services including fire protection, parks and recreational services, public library, planning, zoning, building inspections, permitting and code enforcement to its citizens. In addition, the City of Fort Meade includes a variety of enterprise activities including electric, natural gas, water, sewer, and storm water utilities and a mobile home park owned and operated by the City. Police protection and solid waste services are contracted out to third party entities.

The City of Fort Meade's total salaries for fiscal year 2009 was approximately \$1.6 million covering approximately 43 regular employees and 25 volunteer firefighters paid for the hours they work.

More detailed information on the government and its finances can be found in the Annual Budget and the City's 9-30-09 financial statements. Please contact James M. Parker, Finance Director, 8 West Broadway Street, Fort Meade, FL 33841 (863) 285-1100 ext. 234 to request copies of these documents.

C. Fund Structure

The City of Fort Meade uses the following fund types:

<u>Fund Types</u>	<u>Funds</u>	Number of Individual <u>Annual Budgets</u>	Number With Legally Adopted
General fund		1	1
Special revenue funds		NA	NA
Debt service funds		NA	NA
Capital projects funds		NA	NA
Enterprise funds		6	6
Internal service funds		NA	NA
Expendable trust funds		NA	NA
Nonexpendable trust funds		NA	NA
Pension trust funds		3	NA
Agency funds		NA	NA
Discretely presented component unit		NA	NA

D. Budgetary Basis of Accounting

The City of Fort Meade prepares its budgets on the cash basis.

E. Pension Plans

The City of Fort Meade maintains three contributory, defined benefit, single employer pension plans – General Employees, Firefighters and Police. Police services are contracted with the Polk County Sheriff’s Office, however the Police plan is maintained for current and future retirees vested in the plan.

F. Component Units

NA

G. Joint Ventures

NA

H. Magnitude of Finance Operations

The Finance Department is headed by James M. Parker and consists of seven employees. The principal functions performed and the number of employees assigned to each are as follows:

Function	Number of Employees
Accounting	2
Payroll	1
Accounts Payable	1
Utility Billing/Customer Service	3

I. Computer Systems

HARDWARE: IBM server; NORTEL BCM50 phone server; network switches/routers

SOFTWARE: General ledger, accounts receivable, accounts payable, payroll, fixed assets, purchasing, inventory, utility billing and building permitting system software is with American Data Group (ADG)

J. Availability of Prior Audit Reports and Working Papers

Interested proposers who wish to review prior years' audit reports and management letters should contact James M. Parker, Finance Director, 8 West Broadway Street, Fort Meade, FL 33841; (863) 285-1100 ext. 234. The City of Fort Meade will use its best efforts to make prior audit reports and supporting working papers available to proposers to aid their response to this request for proposals.

IV. TIME REQUIREMENTS

A. Proposal Calendar

The following is a list of key dates up to and including the date proposals are due to be submitted:

Request for proposal issued	June 29, 2010
Pre-bid conference	July 16, 2010
Due date for proposals	August 6, 2010

B. Notification Date

Selected firm notified	August 19, 2010
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C. Date Audit May Commence

Interim field work may be completed during August and September. The City of Fort Meade will have all records ready for audit and all management personnel available to meet with the firm's personnel as of the first week of January 2010.

D. Schedule for the 2010 Fiscal Year Audit (A similar time schedule will be developed for audits of future fiscal years if the City of Fort Meade exercises its option for additional audits).

Each of the following should be completed no later than the dates indicated.

August and September	Interim Audit
November	Books closed
December	Pre-audit meeting with Director of Finance and City Manager
Within first two weeks of January	City has prepared the annual full-disclosure financial statements and want list schedules provided
January or within first two weeks of February	Fieldwork completed; draft management comments and proposed AJEs completed and to management for review
February or within first two weeks of March	Exit conference with Management by auditors
End of April	Presentation to Finance Director, City Manager and City Commission

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

The Financial Services staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation and explanations. The City contracts with an outside CPA to assist in closing the books and in preparing the full disclosure financial statements. It is anticipated the City will perform/provide the following:

1. Preparation of the confirmations and lead schedules.
2. Assistance in providing paid invoices, cancelled checks and other supporting documentation as requested by the firm.
3. Year-end closing of the books of account and preparation of necessary adjusting journal entries.
4. Preparation of schedules and related materials as requested by the firm.
5. Preparation of all financial statements including related notes and required

supplemental financial information.

6. Preparation of Management's Discussion and Analysis.
7. Preparation of the annual local government financial report submitted to the Florida Department of Banking and Finance.

VI. PROPOSAL REQUIREMENTS

A. General Requirements

To provide each proposer with the opportunity to gain additional information with respect to the City, the City staff will hold a pre-bid conference at City Hall on July 16, 2010 from 9AM to 12PM to answer questions and provide additional information as requested by the proposers. To ensure the City can respond to all of the proposers' inquiries each proposer is encouraged to fax or e-mail their questions or requests to the City Finance Director in advance of this meeting. Further, anyone wishing to attend the meeting should confirm that fact in advance to the Finance Department. City staff will not exchange information with the proposers other than information exchanged in this pre-bid conference.

Inquiries concerning this Request for Proposal and document or information requests shall be directed to:

James M. Parker, Director of Finance
8 West Broadway Street
Fort Meade, FL 33841
(863) 285-1100 ext. 234

Inquiries must reference the proposal item and must be received by 9:00AM, July 16th 2010. No other verbal or written information which is obtained other than through this Request for Proposal or its addenda shall be binding on the City of Fort Meade. The City Manager shall not be responsible for any other explanation or interpretation.

1. Submission of Proposals

The format and information content of the proposal must be consistent with the following and the proposal must be received by the Finance Director, City of Fort Meade, 8 West Broadway Street, Fort Meade, FL 33841 by 2:00 p.m. on August 6, 2010 for the proposing firm to be considered:

- a. Five (5) copies to include the following:

i. Title Page

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

ii. Table of Contents

iii. Transmittal Letter

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

iv. Detailed Proposal

The detailed proposal should follow the order set forth in Section VI (B) of this Request for Proposal.

b. Proposers should send the completed proposal to the following address:

Finance Director
City of Fort Meade
8 West Broadway
Fort Meade, FL 33841

B. Proposal

1. General Requirements

The purpose of the proposal is to demonstrate the competence and capacity of the firms seeking to undertake an independent audit of the City of Fort Meade in conformity with the requirements of this Request for Proposal. As such, the substance of proposals will carry more weight than their form or manner of presentation. The proposal should demonstrate the proposal of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the request for proposal requirements.

The Proposal should address all the points outlined in the request for proposals. The Proposal should be prepared simply and economically,

providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the request for proposals. While additional data may be presented, the following subjects, items Nos. 2 through 8, must be included. They represent the criteria against which the proposal will be evaluated.

2. Price Quote for Services

The price quote should contain the number of hours, rate per hour and the total fees for the first and successive years, inclusive of costs. For successive years, the Firm need not provide a breakdown of the hours but may give the fees in total and an indication of the built-in increase from year to year.

3. Independence

The firm should provide an affirmative statement that is independent of the City of Fort Meade as defined by the U.S. General Accounting Office's *Government Auditing Standards*. In addition, the firm should provide an affirmative statement that it is independent of the component unit of the City of Fort Meade as defined by those same standards.

4. License to Practice in Florida

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

5. Firm Proposal and Experience

The proposer should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed and the name of the professional staff to be employed in this engagement. Provide information on the government auditing experience of each person.

If the proposer is a joint venture or consortium, the Proposal of each firm comprising the joint venture or consortium should be separately identified and the firm that is to serve as the principal auditor should be noted, if applicable.

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

The firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years. In addition, the firm shall provide information on the circumstances and status

of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations.

6. **Similar Engagements With Other Government Entities**

For the firm's office that will be assigned responsibility for the audit, list the engagements performed in the last five years that are similar to the engagement described in this request for proposal. Indicate the name and telephone number of the principal client contact.

7. **Specific Audit Approach**

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section II of this request for proposal

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

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

VII. EVALUATION PROCEDURES

A. Audit Selection Committee

Proposals submitted will be evaluated by an Audit Selection Committee. Final selection will be made by the City Commission.

B. Review of Proposals

The Audit Selection Committee will use a point formula during the review process to score proposals. Each member of the Audit Selection Committee will first score each proposal by the set of the criteria described in Section VII © below. The full Audit Selection Committee will then convene to review and discuss these evaluations and to combine the individual scores to arrive at a technical score for each firm. At this point, firms with an unacceptably low technical score will be eliminated from further consideration.

The City of Fort Meade reserves the right to retain all proposals submitted and use any idea in a proposal regardless of whether that proposal is selected.

C. Evaluation Criteria

Proposals will be evaluated using the criteria listed below. Firms meeting the mandatory criteria will have their proposals evaluated and scored. The following represent the principal selection criteria which will be considered during the evaluation process.

1. Mandatory Elements

- a. The audit firm is independent and licensed to practice in Florida.
- b. The firm has no conflict of interest with regard to any other work performed by the firm for the City of Fort Meade.
- c. The firm adheres to the instructions in this Request for Proposal on preparing and submitting the proposal.
- d. The firm submits a copy of its last external quality control review report and the firm has a record of quality audit work.

2. Technical Quality:

Each of the proposers who have satisfied the mandatory elements will be evaluated on the following criteria.

	<u>Point Range</u>
a. Expertise, Experience and Price	
(1) The firm's past experience and performance on comparable government engagements	0 - 33
(2) The quality (including continuing professional education) of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation	0 – 33
(3) Price quote for services	0 – 34
Total Technical Points	<u>100</u>

D. Oral Presentations

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

E. Final Selection Determination

Proposals submitted will be evaluated by an Audit Selection Committee. Final selection will be made by the City Commission.

It is anticipated that a firm will be selected by August 19, 2010. Following notification of the firm selected, it is expected interim field work may begin by September 6th, 2010, provided a signed contract has been completed.

Bid Protest Procedure

1. A bidder that has submitted a bid to the City, and is adversely affected by the final disposition thereof, may file with the City Manager's office a written protest no later than forty-eight (48) hours (excluding Saturdays, Sundays and legal holidays) from the City Commission's action thereon or its award of the contract in connection therewith.
2. The Notice of Protest shall be in the form of a sworn protest statement setting forth the basis of the protest and shall attach documentation in support thereof, if any. Failure to timely file such notice shall constitute a waiver of all rights to seek any further remedies provided for under this section.
3. The City Manager shall submit the protest statement with attachments together with his or her own statement and supporting documentation, if any, addressing the issue(s) raised in the Notice of Protest to the City Commissioners for determination.
4. The City may retain the protestor's Protest Bond until all applicable legal appeal periods have expired.
5. The City shall have the right to offset against protestor's Protest Bond to reimburse itself for all costs incurred as a result of an unsuccessful protest.
6. The Notice of Protest must be delivered to the City Manager, along with a Protest Bond in an amount equal to one percent of the total volume of the contract/bid, which amount shall not exceed \$5,000.00 nor be less than \$1,0000.00. Such bond shall be conditioned upon payment of all costs, which may be adjudged against the protestor in the event of an unsuccessful bid protest and any subsequent court proceedings.