

January 31, 2019

Dear Audit Firm:

Attached is a request for proposal for audit services for Plain City for the year ending June 30, 2019 and the succeeding four years.

Your proposal must be submitted to Diane Hirschi, City Recorder, Plain City, 4160 W 2200 N, Plain City, UT 84404, no later than 5:00 p.m. MDT on March 14, 2019 as indicated on page 1 of the Request for Proposal. Selection of the Contractor will be made by April 4, 2019.

To be considered in the bidding process, the proposing independent auditing firm must meet the following minimum criteria:

1. The firm must meet the *Government Auditing Standards*' continuing professional education, independence, peer review, and licensing requirements.
2. The firm must have had experience in governmental auditing. The experience must have been on a City-wide basis, and an opinion must have been issued.
3. The firm must be able to meet the reporting deadlines described in the Request for Proposal.

We look forward to working with you in utilizing the excellent services the auditing profession has to offer.

Sincerely,

Diane Hirschi, CMC

City Recorder

Plain City

801-731-4908

dianeh@plaincityutah.org

**REQUEST FOR PROPOSAL**  
***Financial Audit for***  
***Plain City***

**PURPOSE OF REQUEST FOR PROPOSAL**

The purpose of this request for proposal (RFP) is to enter into a contract with a qualified independent auditing firm (Contractor) to provide audit services. It is anticipated that this RFP may result in a contract award to a single contractor.

This RFP is designed to provide interested offerors with sufficient basic information to submit proposals meeting minimum requirements, but is not intended to limit a proposal's content or exclude any relevant or essential data. Offerors are at liberty and are encouraged to expand upon the specifications to evidence service capability under any agreement.

**BACKGROUND**

Plain City, has the following funds: General, Capital, RDA, Sewer, Storm Drain, and Landfill. The City uses Caselle software for its accounting applications.

The City is required by law to provide an annual audit of its financial statements by a Certified Public Accountant in accordance with generally accepted auditing standards.

This requirement includes: 1) a financial statement audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, 2) a State Compliance Audit, in accordance with the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor.

Prior year reports for the City can be found on the Office of the Utah State Auditor's website at: <http://auditor.utah.gov/accountability/financial-reports-of-local-governments/>.

**SUBMITTING YOUR PROPOSAL**

NOTICE: By submitting a proposal in response to this RFP, the offeror is acknowledging that the requirements, scope of work, and evaluation process outlined in the RFP are fair, equitable, not unduly restrictive, understood and agreed to. Any exceptions to the content of the RFP must be protested to the City prior to the closing date and time for submission of the proposal.

Proposals must be received by the submission deadline of March 14, 2019 no later than 5:00 p.m. MDT. Proposals received after the deadline will be late and ineligible for consideration.

**The preferred method of submitting your proposal is electronically in PDF format to: [dianeh@plaincityutah.org](mailto:dianeh@plaincityutah.org).** However, if you choose to submit hard copies, one original and three copies of your proposal must be submitted to the City at the address below:

Diane Hirschi  
Plain City  
4160 W 2200 N, Plain City, UT 84404  
[dianeh@plaincityutah.org](mailto:dianeh@plaincityutah.org)

Selection of the Contractor will be made by April 4, 2019, and all offerors submitting proposals will be notified immediately as to the selection results.

## **LENGTH OF CONTRACT**

The audit contract resulting from this RFP will cover the annual audits for each of the fiscal years ending June 30, 2019 through June 30, 2024, subject to an annual performance evaluation, budget appropriations, and the needs of the City.

The City reserves the right to review the contract on a regular basis regarding performance and cost analysis and may negotiate price and service elements during the term of the contract.

## **STANDARD CONTRACT TERMS AND CONDITIONS**

Any contract resulting from this RFP will include but not be limited to the Standard Terms and Conditions. Exceptions and or additions to the Standard Terms and Conditions are strongly discouraged.

Exceptions and additions to the Standard Terms and Conditions must be submitted with the proposal response. Exceptions, additions, service level agreements, etc. submitted after the date and time for receipt of proposals will not be considered. Website URLs, or information on website URLs must not be requested in the RFP document and must not be submitted with a proposal. URLs provided with a proposal may result in that proposal being rejected as non-responsive. URLs are also prohibited from any language included in the final contract document.

The City retains the right to refuse to negotiate on exceptions should the exceptions be excessive or not in the best interest of the City, or if the negotiations could result in excessive costs to the City or could adversely impact existing time constraints.

Wherever the following terms appear in this solicitation or reference is made to them, they shall be interpreted according to the section of *Utah Code* indicated: bid, bidder, or quote as defined in 63G-6a-103(31); RFP, or Request for Proposals, as defined in 63G-6a-103(39). The procurement shall be conducted subject to the provisions of *Utah Code* 63G-6a-701-711

All offerors should note that *Utah Code* 63G-6a-402(6) requires the City, for the duration of any contract awarded through this RFP, to make available contact information of the winning contractor to the Department of Workforce Services.

## **DISCUSSIONS WITH OFFERORS (ORAL PRESENTATION)**

An oral presentation by an offeror to clarify a proposal may be required at the sole discretion of the City. However, the City may award a contract based on the initial proposals received without discussion with the offeror. If oral presentations are required, they will be scheduled after the submission of proposals. Oral presentations will be made at the offerors' expense.

## **PROTECTED INFORMATION**

The Government Records Access and Management Act (GRAMA), *Utah Code*, Subsection 63G-2-305, provides in part that:

*The following records are protected if properly classified by a government City:*

- (1) trade secrets as defined in Section 13-24-2 if the person submitting the trade secret has provided the governmental City with the information specified in Section 63G-2-309 (Business Confidentiality Claims);*
- (2) commercial information or non-individual financial information obtained from a person if:*
  - (a) disclosure of the information could reasonably be expected to result in unfair competitive injury to the person submitting the information or would impair the ability of the governmental City to obtain necessary information in the future;*
  - (b) the person submitting the information has a greater interest in prohibiting access than the public in obtaining access; and*
  - (c) the person submitting the information has provided the governmental City with the information specified in Section 63G-2-309;*

*\* \* \* \* \**

- (6) records, the disclosure of which would impair governmental procurement proceedings or give an unfair advantage to any person proposing to enter into a contract or agreement with a governmental City, except . . . that this Subsection (6) does not restrict the right of a person to see bids submitted to or by a governmental City after bidding has closed;. . .*

GRAMA provides that trade secrets, commercial information or non-individual financial information may be protected by submitting a Claim of Business Confidentiality.

To protect information under a Claim of Business Confidentiality, the offeror must:

1. Provide a written Claim of Business Confidentiality *at the time the information (proposal) is provided to the City,*
2. Include a concise statement of reasons supporting the Claim of Business Confidentiality (Subsection 63G-2-309(1)), and
3. Submit an electronic “redacted” (excluding protected information) copy of your proposal response. Copy must clearly be marked “Redacted Version.”

A Claim of Business Confidentiality may be appropriate for information such as client lists and non-public financial statements. **Pricing and service elements may not be protected.** The Claim of Business Confidentiality must be submitted with your proposal on the form which may be accessed at:

<http://www.purchasing.utah.gov/contract/documents/confidentialityclaimform.doc>

**An entire proposal cannot be identified as “PROTECTED”, “CONFIDENTIAL” or “PROPRIETARY” and may be considered non-responsive if marked as such.**

All materials submitted become the property of the City. Materials may be evaluated by anyone designated by the City as part of the proposal evaluation committee. Materials submitted may be returned only at the City’s option.

## **DETAILED SCOPE OF WORK**

### **A. AUDIT STANDARDS**

The auditor shall perform a financial audit, a state compliance audit of the City for each fiscal year of the contract period in accordance with the following:

- Auditing standards generally accepted in the United States of America, as promulgated by the American Institute of Certified Public Accountants (AICPA);
- The *AICPA Audits of State and Local Governmental Units* audit and accounting guide;
- *Government Auditing Standards*, 2011 revision, published by the U.S. Government Accountability Office;
- For the state compliance audit – the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor;

### **B. REPORTING REQUIREMENTS**

1. Financial Report – The auditor shall audit the financial statements and records of the City and shall issue an auditor's opinion on those financial statements. Such financial statements shall be prepared in conformity with accounting principles generally accepted in the United States of America.
2. Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters – The auditor shall issue a report on internal control over financial reporting and on compliance and other matters in accordance with *Government Auditing Standards*.
4. Report Required for State Compliance Audit – The auditor shall prepare and include a statement expressing positive assurance of compliance with State fiscal laws and other financial issues related to the expenditure of funds received from federal, state, or local governments identified in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor
5. Management Letter – As appropriate, the auditor shall prepare a comprehensive management letter including the auditor's findings and recommendations relative to the internal control over financial reporting, compliance with laws and regulations, as applicable, and adherence to generally accepted accounting principles.

The auditor shall request written responses from City officials for each recommendation and shall include such responses in the reports. If the City declines the opportunity to respond, the auditor shall so state in their report.

5. Reporting Deadlines – The audit must be completed and 10 copies of each of the reports must be submitted to the City by December 15, 2019.

The plan should also identify the breakdown of total hours between staff, in-charges, and higher levels. The planned use of specialists, if any, should also be specified.

D. Time Requirements

Detail how the reporting deadline requirements of the audit will be met.

E. Comprehensive Not-To-Exceed Fee

Supply the billing rates, estimated number of billable hours, other billable expenses and a comprehensive "not-to-exceed" fee for the audit, inclusive of travel, per diem and all other out-of-pocket expenses. The not-to-exceed fee information requested above should be provided as a separate amount for **each fiscal year being audited**.

**CONTRACTUAL ARRANGEMENTS**

- A. Document Retention – Workpapers and reports for the audit must be retained for a period of five years after the completion of the audit and made available for inspection by the City or government auditors, including the Office of the Utah State Auditor, if requested by them.
- B. Compensation for Services – Payment for the audit will be made by the City upon receipt of the audit reports.
- C. Availability of Staff – The City's staff will be available to prepare schedules, trial balances, and provide documentation to assist the auditor as their schedules permit during the course of the audit.

## **EVALUATION OF PROPOSALS**

The criteria listed below will be considered when making an evaluation of the proposals.

<b>% OF SCORING WEIGHT</b>	<b>EVALUATION CRITERIA</b>
Mandatory	Licensing, independence, CPE, peer review, and ability to meet audit deadlines.
20%	<u>Technical Experience of the Firm</u> – Considering governmental audit experience, as well as size and structure of the CPA firm.
20%	<u>Qualifications of Staff</u>
25%	<u>Responsiveness of the proposal</u> in clearly stating an understanding of the audit services to be performed: <ul style="list-style-type: none"><li>(1) Appropriateness and adequacy of proposed procedures.</li><li>(2) Reasonableness of time estimates and total audit hours.</li><li>(3) Appropriateness of assigned staff levels.</li></ul>
35%	<u>Cost of the Audit</u>

**Right to Reject** – The City reserves the right to reject any and all proposals submitted and to request additional information from all offerors. Any contract awarded will be made to the offeror who, based on evaluation of all responses (applying all criteria and oral interviews if necessary), is determined to be the best to perform the audit.

## **ADDITIONAL INFORMATION**

The individual listed below may be contacted for information. However, before making contact we request you review the City's prior year financial statements and auditor's reports which can be found at: <http://auditor.utah.gov/accountability/financial-reports-of-local-governments/>

Diane Hirschi  
801-731-4908  
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