

CITY OF LAURINBURG



Request for Proposals (RFP)

AUDITING SERVICES

PROPOSALS DUE:

JUNE 10, 2022 (5:00 P.M.)

Request for Proposals

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Overview

The City of Laurinburg (City) is the county seat for Scotland County, North Carolina. Its population is approximately 15,000. The City operates under the Council-Manager form of government. The City utilizes the Munis electronic financial system provided from Tyler Technologies. The City utilizes four (4) major operating funds, including the General Fund and Enterprise Funds (Electric Fund, Water/Sewer Fund, and Solid Waste Fund). Along with other funds, the City also has three (3) special revenue funds, along with four (4) ongoing capital project funds. The City receives revenues from various sources, including local, state, and federal funds. During the current fiscal year (July 1, 2021 to June 30, 2022), the City expects to spend more than \$500,000 in state funds, as well as more than \$750,000 in federal funds. The City expects to exceed these thresholds again in the next two upcoming fiscal years.

The accounting policies of the City are based on the accounting principles prescribed by the Governmental Accounting Standards Board (GASB) and conform to the accounting principles prescribed by the American Institute of Certified Public Accountant's Industry Guide, *Audits of State and Local Governmental Units*. Governmental Fund types are accounted for using the modified accrual basis of accounting. Revenues are recognized in the period when they become measurable and available, which is generally the same period when the revenue is collected. Expenditures are recognized when the fund liability is incurred, if measurable, except interest on general long-term debt, which is recognized when due. Capital outlays are recorded as fund expenditures at the time of purchase and are capitalized at cost. Proprietary Funds are reported on the modified accrual basis of accounting during the year and are converted to the full accrual basis at year end. Revenues are recognized when earned and measurable. Expenses are recognized in the period when incurred. Depreciation of plant and equipment is recorded in the procuring fund along with the related asset. Annual budgets are adopted for all operating funds, and project budgets are adopted for grants and capital asset-type funds in accordance with laws and regulations. The City's fiscal policy is governed by the General Statutes of North Carolina

The City is hereby inviting qualified firms, with proven experience and expertise, to submit a response to this Request for Proposal (RFP) to provide professional Auditing Services. The selected firm will enter into a contract service agreement with the City to perform the scope of services outlined in this RFP for the three (3) fiscal years ending June 30, 2022, June 30, 2023, and June 30, 2024.

Scope of Work

Auditing Services will be performed in accordance with the laws and/or regulations of the State of North Carolina. The primary audit services will include a financial and compliance audit that will cover federal, state, and local funding sources in accordance with generally accepted auditing standards; *Government Auditing Standards, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, and State Single Audit Implementation Act of North Carolina*, and all other applicable laws and regulations. Services (non-audit) will also include the preparation of draft financial statements in coordination and oversight from the City's Finance Director. Services also include performing a state and federal single audit, as required.

The auditor should submit any state or federal forms as required. The auditor should be available to meet with City staff and management, as necessary, to discuss the audit process, be available to report progress and final audit results as requested, and be available to distribute any other required communications according to audit standards.

The auditing services shall begin as soon as possible once a firm has been selected. The auditor's opinion shall be rendered no later than October 31st following the end of each fiscal year for primary audit services. City staff will be made available to assist the auditor as needed.

It is the City's intent to retain the selected auditor for a three (3) year term, subject to annual evaluation. The audit contract must be approved by the staff of the Local Government Commission. In the event of any unforeseen circumstances that require exceeding the original contract amount, additional costs will be negotiated prior to commencement of the work and an amended contract will be approved by the Local Government Commission staff.

Proposal Evaluation Criteria

RFP Packages will be evaluated on the firms' ability to meet the requirements of this RFP. Some heavily weighted, specific evaluation criteria, among other factors, will include:

- Experience auditing governmental accounting systems (25 points)
- Qualifications/availability of staff assigned to audit (15 points)
- Peer Review results (10 points)
- Understanding of work to be performed (10 points)
- Maximum fees for services (30 points)
- Overall best meet needs of the City (10 points)

Submittal Requirements

The City invites all interested and qualified firms to submit proposals to provide auditing services. If your firm would like to be considered for providing the required services, please submit the following:

- Two (2) bound copies of your Proposal Package.
- One (1) USB flash or CD drive with the proposal in PDF format.

In lieu of submitting hard copies by mail, the City will accept electronic submission of proposals to the email address hhaywood@laurinburg.org to be received no later than 5:00 p.m. EDT, June 10, 2022.

Please limit the response to **no more than 10 single-sided pages**, excluding the introduction letter and front/back cover pages.

Proposals should be addressed to (**if mailing**):

(Mailing address)

Harold W. Haywood
General Services Director
P.O. Box 249
Laurinburg, NC 28353

(Physical address)

Harold W. Haywood
General Services Director
303 W Church Street (Room 242)
Laurinburg, NC 28352

Each firm is solely responsible for the timely delivery of its Proposal. All Proposals must be received by 5:00 p.m. EDT, June 10, 2022. No Proposal will be accepted after this deadline. Firms accept all risks for late delivery of Proposal regardless of fault.

Submittal Information

Any firm that would like to be considered to provide these services must submit the following firm information and amount of fees as part of their proposal package:

Firm Information:

1. Information as to the audit firm's background and experience in auditing municipal and local government activities, programs financed by the Federal or State government, using fund accounting and an encumbrance system.
2. Describe how you would approach the audit, including the manner in which you intend to use computer-assisted auditing procedures, if any, and/or the use of "experts", indicating any special arrangements that would be required.
3. Description of the audit firm's expertise and available technical resources for implementation of recent GASB pronouncements and other technical accounting guidance. Is the firm a member of any AICPA Resource Centers?
4. Information as to the audit firm's background and experience in providing a Single Audit for Federal and State grants.
5. Resumes indicating qualifications of the staff members to be assigned and their position in the firm, total years and types of experience of the audit team including specific governmental experience, and the contemplated overall supervision of the audit. We would like to know the audit firm's commitment, if selected as the successful bidder, to reassign the in-charge auditor on a continuous basis to the City's audit. Give the location of the office responsible for the proposed services.
6. A statement of the audit firm's understanding of the work to be performed, including a commitment to perform work in accordance with the attached specification schedule and within the time period contained therein.

7. Provide a tentative schedule for completing the audit. Please provide a sample audit timeline that indicates the approach and length of time required to conduct interim and final fieldwork, noting overall total number of hours contemplated to complete the audit.
8. Briefly comment on the assistance expected from City staff.
9. Describe your firm's quality control policies and procedures. State whether those policies and procedures are subjected to the profession's "peer review" program and include your firm's most recent peer review report.
10. Describe any regulatory action taken by any oversight body against the proposing audit organization or local office.
11. Describe the procedures to be followed in the technical review of audit reports prior to their issuance by qualified personnel independent of the audit engagement personnel. Who are these personnel and how are they qualified? Where are they located?
12. Describe your firm's personnel development program and continuing professional education requirements. Identify specialized programs in the area of county and municipal accounting and auditing. May your firm's training classes be attended by City financial staff?
13. Describe any specialized skills, training, or background in public finance of assigned individuals. This may include participation in State or national professional organizations, speaker or instructor roles in conferences or seminars, or authorship of articles and books.
14. List your firm's current North Carolina local government auditing engagements and indicate which other accounts have been served within the last three years. Include references with contact information of three audit clients within the last three years.
15. Describe how the firm meets professional independence standards.
16. Is the firm adequately insured to cover claims? Describe liability insurance coverage arrangements.

Fees:

An estimate of the all-inclusive fee, supported by an estimate of the total hours with the hourly rate to be charged for each staff classification. The "Not to Exceed" fee should incorporate any travel-related expenses for staff. The City will not directly reimburse for these expenses and they should be included as part of the base bid.

Additional Information

1. Selection Committee

A Selection Committee made up of City staff will evaluate the information submitted. The selection process may also include interviews with selected firms. The selected firm will be expected to begin work immediately upon the execution of a contract.

2. Public Records

Upon receipt by the City, your Proposal Package is considered a public record, except for material that qualifies as “Trade Secret” information under the North Carolina Statute 66-152 et seq. Your Proposal Package will be reviewed by the City’s selection committee, as well as other City staff and members of the general public who submit public records requests. To properly designate material as a trade secret under these circumstances, each firm must take the following precautions: (a) any trade secrets submitted by a firm should be submitted in a separate, sealed envelope marked “Trade Secret – Confidential and Proprietary Information – Do Not Disclose for the Purpose of Evaluating this Qualifications Package,” and (b) the same trade secret/confidentiality designation should be stamped on each page of the trade secret materials contained in the envelope.

In submitting a proposal, each firm agrees that the City may reveal any trade secret materials contained in such response to all City staff and City officials involved in the selection process and to any outside consultant or other third parties who serve on the selection committee or who are hired by the City to assist in the selection process. Furthermore, each firm agrees to indemnify and hold harmless the City and each of its officers, employees, and agents from all costs, damages, and expenses incurred in connection with refusing to disclose any material that the firm has designated as a trade secret. Any firm that designates its entire Proposal Package as a trade secret may be disqualified from the selection process.

3. Clarification of Submittal

The City reserves the right to obtain clarification of any point in a firm’s proposal or to obtain additional information.

4. Conditions and Reservations

The City reserves the right to reject any or all responses to the RFP, to advertise for new RFP responses, or to accept any RFP responses deemed to be in the best interest of the City. The City reserves the right to waive technicalities and informalities.

The response of this RFP should not be construed as a contract, nor indicate a commitment of any kind. The RFP does not commit the City to pay for costs incurred in the submission of a response to this RFP or for any cost incurred prior to the execution of a final contract. No recommendations or conclusions from this RFP process concerning your firm shall constitute a right (property or otherwise) under the Constitution of the United States or under the Constitution, case law or statutory law of North Carolina. Neither binding contract, obligation to negotiate, nor any other obligation shall be created on the part of the City unless the City and your firm execute a contract.

5. Communication with City Staff

Once the RFP has been advertised, communication with the contacts designated in this RFP should only take place in writing, preferably by email correspondence, so that any questions and clarifications can be forwarded as addendums to this RFP, if necessary.

6. Insurance Requirements

The following insurance provisions must be adhered to for all contracts requiring insurance. At the discretion of the City Attorney, City Manager, and the Risk Management Director, these limits may be required to be higher for larger contracts:

Workers' Compensation coverage must apply for all employees for statutory limits in compliance with the applicable state and federal laws. The policy must include employer's liability with a limit of \$1,000,000 for each accident, \$100,000 bodily injury by disease for each employee and \$500,000 bodily injury by disease policy limit.

Comprehensive General Liability must have minimum limits of \$1,000,000 per occurrence combined single limit for bodily injury liability and property damage liability. This shall include premises and/or operations, independent contractors, products and/or completed operations, broad form property damage and explosion, collapse and underground damage coverage, sudden and accidental pollution losses, and a contractual liability endorsement.

Business Auto Policy must have minimum limits of \$1,000,000 per occurrence combined single limit for bodily injury liability and property damage liability. This shall include: owned vehicles, hired and non-owned vehicles and employee non-ownership.

As a special requirement, the City of Laurinburg must be named as an additional insured on the Comprehensive General Liability policy.

Current, valid insurance policies meeting the above requirements shall be maintained for the duration of the project. Renewal certificates shall be sent to the City of Laurinburg thirty (30) days prior to any expiration date. There shall also be a 30-day notification to the City in the event of cancellation or modification of any stipulated insurance coverage. Certificates of Insurance on an Accord 25 (8/84) or similar form meeting the required insurance provisions shall be forwarded to the City of Laurinburg. Wording on the Certificate of Insurance which states that no liability shall be imposed upon the company for failure to provide such notice is not acceptable. Original policies or certified copies of policies may be required by the City at any time. It shall be the responsibility of the Contractor to ensure that all subcontractors comply with the same insurance requirements that he/she is required to meet.

RFP Review and Selection Process Timeline

The timeline for the review of proposals and selection of a firm is tentatively as follows:

- RFP release date May 26, 2022

- Deadline for All Questions June 3, 2022 (5:00 p.m.)
- Addendum Issued (if needed) June 6, 2022
- **Proposal Submittal Deadline June 10, 2022 (5:00 p.m.)**
- Firm Selection & Contract Negotiations June 13 – June 17, 2022
- Notice to Proceed June 22, 2022

Further Information

The City of Laurinburg appreciates your interest in providing services outlined in this RFP.

For further information or questions regarding the content of this Request for Proposals, please contact:

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Laurinburg, NC 28353
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