

**CITY OF KNOXVILLE**

**REQUEST FOR PROPOSALS**

**PROFESSIONAL AUDITING SERVICES**  
**For the Fiscal Years Ending June 30, 2018, 2019, and 2020**

**Proposals to be Received by 11:00:00 a.m., Eastern Time**  
**December 8, 2017**

Submit Proposals to:  
City of Knoxville  
Office of Purchasing Agent  
City/County Building  
Room 667-674  
400 Main Street  
Knoxville, Tennessee 37902

---

**CITY OF KNOXVILLE**  
**Request for Proposals**  
**Professional Audit Services**  
**For the Fiscal Years Ending June 30, 2018, 2019, and 2020**

**Table of Contents**

<b>Item</b>	<b>Page Number</b>
Statement of Intent .....	3
RFP Timeline .....	3
Background .....	4
General Conditions .....	5
Scope of Service .....	6
Contract Requirements.....	9
Instructions to Submitting Entities .....	16
Evaluation Criteria .....	19
Appendix.....	21
Submission Forms.....	25

**City of Knoxville**  
**Request for Proposals**  
**Professional Auditing Services for the Fiscal Years**  
**Ending June 30, 2018, 2019, and 2020**

**I. Statement of Intent**

The City of Knoxville is requesting written, sealed submissions from qualified firms of certified public accountants, to identify the most responsive and qualified firm to audit the City's financial statements for fiscal years ending June 30, 2018, 2019, 2020. The audit will cover the City of Knoxville and its accompanying Single Audit and/or the City's Pension Plan (System) which is incorporated into the City's CAFR. The initial contract period shall be three (3) years with two optional one-year extensions. The purpose of this engagement is for the preparation of a Comprehensive Annual Financial Report (CAFR) and to obtain an independent auditor's opinion regarding the fairness of applicable financial statements, and compliance with legal provisions, in accordance with generally accepted auditing standards. The City historically has been required to have a Single Audit pursuant to Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Grant Guidance) prepared in addition to and incorporated in its regular audit. The submission shall include provision for the required Single Audit and any additional attestations that may be required under current and future Federal and State guidelines. The enclosed specifications are the basis for a contract which shall be effective for the initial audit year ending June 30, 2018.

**II. RFP Time Line**

Availability of RFP .....	November 15, 2017
Pre-proposal conference.....	November 28, 2017
Deadline for questions to be submitted in writing to the Purchasing Agent .....	December 1, 2017
<b>Proposals Due Date .....</b>	<b>December 8, 2017</b>

**Note:** It is anticipated the City's Audit/Pension Board Investment Committees will make a selection of a firm by December 31, 2017, and forward their recommendation to City Council/Pension Board for consideration at a regularly scheduled meeting during January 16, 2018. Following the notification of the selected firm of the approval of City Council/Pension Board, it is expected that the contracts prepared in accordance with the rules and regulations promulgated by the Comptroller of the State of Tennessee will be executed between all parties by February 1, 2018 for submission to the Comptroller of the Treasury of the State of Tennessee for approval.

This timetable is for the information of submitting entities. These dates are subject to change. **However, in no event shall the deadline for submission of the proposals be changed except by written modification from the City of Knoxville Purchasing Division.**

**NOTICE**

**A pre-submission conference will be held in the City Finance Conference Room, Room Number 661, City/County Building, 400 Main Avenue, Knoxville, Tennessee at 2:00 p.m. on Tuesday, November 28, 2017, for clarification of the specifications and distribution of audited financial statements for year ended June 30, 2016. Director of Finance and**

**Accountability Jim York CMFO (TN), City Comptroller Clyde “Boe” Cole, CGFO (FL), CMFO (TN), Savannah Maupin, Internal Auditor City Council, and Kristi Paczkowski, CPA, Pension Board Executive Director will be available to answer any applicable questions related to the audit engagement. Copies of previous CAFRs may be found on the City’s web site and the Pension System’s website at:**

**[http://www.knoxvilletn.gov/government/city\\_departments\\_offices/Finance/comprehensive annual financial report](http://www.knoxvilletn.gov/government/city_departments_offices/Finance/comprehensive_annual_financial_report)**

**<http://cokpension.org/resources/financial-information/>**

**The Pension Board’s actuarial reports may also be found at the above link.**

### **III. Background**

The City of Knoxville, Tennessee, is a municipal corporation governed by an elected executive and legislative body, which consists of a Mayor and nine-member City Council. The primary operating fund of the City is the General Fund. The City of Knoxville has financial accountability over the Knoxville Utilities Board (KUB), the Metropolitan Knoxville Airport Authority (MKAA), Knoxville Area Transit (KAT), and the City Employees’ Pension Fund. Financial statements of KUB, MKAA, and KAT are component units of the City on the Government Wide Statements; the financial statements of the City Employees’ Pension Fund are included as a pension trust fund which is a fiduciary fund. The audit shall cover all departments except those departments under the supervision of the KUB, MKAA. The City of Knoxville Pension System (the “System”) has separate legal standing and is fiscally independent of the City of Knoxville and may or may not be part of the audit engagement. KAT is included in the citywide audit, and the financial information is readily available in a manner similar to other City departments. The Appendix reflects a list of funds and their annual appropriation for July 1, 2017, through June 30, 2018. Grant (special revenue) funds are not generally budgeted during the annual appropriation process. The City’s records are maintained in accordance to Generally Accepted Accounting Principles. The proposer should note that a number of special revenue funds must be reclassified to the General Fun pursuant to GASB 54. The City anticipates continuing its practice of categorizing certain funds as special revenue funds for control and accounting purposes, even though we recognize that they must be blended into the General Fund for CAFR purposes.

The City of Knoxville has been the recipient of the Government Finance Officer’s Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting since FY1986. The Pension System has been the recipient of the GFOA Certificate of Achievement for Excellence in Financial Reporting since FY 2012. The City and System consider obtaining these certificates for subsequent years major priorities.

Pursuant to the Municipal Finance Officer Certification and Education Act of 2007, the majority of City accounting staff have competed all parts of the required program offered to date and have been certified as CMFO’s. The System’s Executive Director is a CPA in the State of Tennessee and is exempt from obtaining the CMFO.

The preparation of the City’s CAFR is a team effort between the City and the Auditor. Every effort will be made by both parties to meet agreed upon timetables and goals. Prior to interim work, the City and Auditor will agree to a schedule reflecting each parties’ responsibilities and due dates for completion. The City’s CAFR is prepared by the Auditor from the City’s final Trial Balance. It is recognized that the City is responsible for the preparation of a final Trial Balance

from which the financial statements may be prepared. While the City is capable of preparing the CAFR, it is the City's desire that the selected Audit firm prepare the CAFR with assistance from the City. The System's CAFR is prepared by the Pension Board Accounting Manager and reviewed by the Executive Director for Auditor's review, formatting and reproduction.

#### **IV. General Conditions**

4.1 The following data is intended to form the basis for submission of proposals to provide Professional Auditing Services for the City of Knoxville.

4.2 This material contains general conditions for the procurement process, the scope of service requested, contract requirements, instructions for submissions of proposals, and submission forms that must be included in the proposal. The RFP should be read in its entirety before preparing the proposal.

4.3 All materials submitted pursuant to this RFP shall become the property of the City of Knoxville.

4.4 To the extent permitted by law, all documents pertaining to this Request for Proposals shall be kept confidential until the proposal evaluation is complete and a recommendation submitted to City Council for review. No information about any submission of proposals shall be released until the process is complete, except to the members of the Evaluation Committee and other appropriate City staff. All information provided shall be considered by the Evaluation Committee in making a recommendation to enter into an agreement with the selected consultant.

4.5 Any inquiries, suggestions or requests concerning interpretation, clarification or additional information pertaining to the RFP shall be made **in writing and be in the hands of the Assistant Purchasing Agent by the close of the business day on December 1, 2017.** Questions can be submitted by letter, fax (865-215-2277), or email to [powens@knoxvilletn.gov](mailto:powens@knoxvilletn.gov). The City of Knoxville is not responsible for oral interpretations given by any City employee, representative, or others. The issuance of written addenda is the only official method whereby interpretation, clarification, or additional information can be given. If any addenda are issued to this Request for Proposals, the Purchasing Division will post them to the City's website at [www.knoxvilletn.gov/purchasing](http://www.knoxvilletn.gov/purchasing). Submitting organizations are strongly encouraged to view this website often to see if addenda are posted. Failure of any proposer to receive such addendum or interpretation shall not relieve such Proposer from any obligation under his proposal as submitted. All addenda so issued shall become part of the Contract Documents.

4.6 The City of Knoxville reserves the right to (a) accept or reject any and/or all submissions of proposals; (b) to waive irregularities, informalities, and technicalities; and (c) to accept any alternative submission of proposals presented which, in its opinion, would best serve the interests of the City. The City shall be the sole judge of the proposals, and the resulting negotiated agreement that is in its best interest, and its decision shall be final. The City also reserves the right to make such investigation as it deems necessary to determine the ability of any submitting entity to perform the work or service requested. Information the City deems necessary to make this determination shall be provided by the submitting entity. Such information may include, but is not limited to, current financial statements by an independent CPA, verification of availability of equipment and personnel, and past performance records.

4.7 Included in the Contract Documents is an affidavit that the undersigned has not entered

into any collusion with any person in respect to this qualification. The qualifier is required to submit this affidavit with the submission. Also included is the Diversity Business Program contracting packet. Submissions must indicate on the enclosed form whether or not the proposer/qualifier intends to use subcontractors and/or suppliers from one of the defined groups. Proposers/Qualifiers are advised that the City tracks use of such use, but it does not influence or affect evaluation or award.

4.8 Subsequent to the Evaluation Committee's review and the Mayor's recommendation of a firm(s), Knoxville City Council approval may be required before the final contract may be executed.

4.9 All expenses for making a submission of proposal shall be borne by the submitting entity.

4.10 Any submission of proposals may be withdrawn up until the date and time for opening of the submissions. **Any submission not so withdrawn shall, upon opening, constitute an irrevocable offer for a period of 120 days to the City of Knoxville for the services set forth in the Request for Proposals until one or more of the submissions have been duly accepted by the City.**

4.11 Prior to submitting their proposals, proposers are to be registered as a vendor with the Purchasing Division. Registration is available at [www.knoxvilletn.gov/purchasing](http://www.knoxvilletn.gov/purchasing) at the link titled "Vendor Registration." **Proposals from un-registered proposers may be rejected.**

4.12 **NO CONTACT POLICY:** After the posting of this solicitation to the Purchasing Division's website, any contact initiated by any proposer with any City of Knoxville representative concerning this proposal is strictly prohibited, unless such contact is made with the Purchasing Division representative listed herein or with said representative's authorization. Any unauthorized contact may cause the disqualification of the proposer from this procurement transaction. Proposals must include a notarized No Contact/No Advocacy Affidavit (to be found in the "Submission Forms" section of this document).

4.13 **INCLEMENT WEATHER:** During periods of inclement weather, the Purchasing Division will enact the following procedures with regard to solicitations and weather delays:

- If City offices are closed due to inclement weather on the date that bids/proposals/qualifications/letters of interest are due into the Purchasing Office, all solicitations due that same day will be moved to the next operational business day.
- The City of Knoxville shall not be liable for any commercial carrier's decision regarding deliveries during inclement weather.

## **V. Scope of Service**

The City of Knoxville and the Pension System are seeking the services of qualified firms of certified public accountants to audit the financial records and accounts for the three (3) fiscal year(s) ending June 30, 2018, 2019, and 2020. The initial contract period shall be three (3) years with two optional one-year renewals. The services to be provided should include, but not be limited to, the following:

5.1 To meet the requirements of this Request for Proposals, the audits shall be conducted in accordance with generally accepted auditing standards and requirements as promulgated by American Institute of Certified Public Accountants (AICPA); the Governmental Accounting Standards Board (GASB); the Single Audit Act of 1984 (City only); the Office of Management

and Budget (OMB) Circular No. A-133 (City Only), Audits of State and Local Governments and Non-Profit Organizations; requirements prescribed by the Comptroller of the Treasury; the State of Tennessee; the Charter of the City of Knoxville; and any special procedures not currently promulgated.

5.2 The City shall be responsible for the printing/duplication of the audit. The Auditor shall be responsible for the printing/duplication of the System's audit report.

5.3 See the Appendix for CAFR preparation Finance/Auditor responsibilities for the City.

5.4 The audit shall cover all departments, divisions, and boards of the City except those departments classified under the supervision of the Knoxville Utilities Board, and the Metropolitan Knoxville Airport Authority. However, the financial statements of KUB, MKAA, and KAT are component units of the City on the Government Wide Statements, and the City Employees' Pension Fund is included as a fiduciary fund of the City. KAT's financial information is incorporated within the City's accounting system and is included within the scope of the audit. The Employees' Pension Fund is considered a separate audit reporting to the Board of Trustees and incorporated as a fiduciary fund in the City's overall CAFR along with appropriate footnote data.

5.5 The Auditor also shall be responsible for performing certain limited procedures (generally providing necessary information to the City for its completion of the MD&A and a final quality assurance review of the MD&A by tying it back to the financial statements) involving Management's Discussion and Analysis (MD&A) and other Required Supplementary Information (RSI) mandated as generally accepted auditing standards by the Governmental Accounting Standards Board.

5.6 The audit shall include compliance and financial review, as well as internal control accounting policies, fraud standards and procedures review, Single Audit Act compliance (City only), and applicable communications letter and management letter, if applicable.

5.7 A manager/executive from the Auditor's office shall be in charge of the audits, and each manager shall be available at all reasonable times to hold scheduled progress meetings to discuss and advise the City Finance Department officials and/or City Council Audit Committee and the Pension Board's management on financial and accounting questions that may arise during the term of the contract. The successful auditing firm(s) shall have an on-site Senior Manager or other senior auditor with previous governmental accounting/auditing experience who shall serve as the firm's day-to-day contact with City and Pension Board management and shall be a Tennessee Certified Public Accountant.

5.8 In regards to the System's audit, the Auditor is responsible for becoming comfortable with the actuarial assumptions and the reports provided by the Actuary. In the proposal, please specify whether the firm will be contracting with another actuary to review the Pension System's Actuarial report or if the Auditor has an internal Actuary they will be relying upon as a specialist.

5.9 In regards to the System's audit, the Auditor is encouraged to use data extraction software (ex. ACL, IDEA, etc.) to compare the City's payroll records with the Census Data provided to the actuary for the System to test 100% of the data and provide the information to the Pension Board management and the City management for investigation should any exception arise.

5.10 Special reports or engagements requested by any City Department, or additional auditing requiring hours charged beyond the normal scope, shall require approval by the City Council Audit Committee prior to the work being performed.

5.11 Periodic progress payments shall be made as the work progresses with final payment to be made after delivery of the audit report for the period. A retainer of 10% of contract price shall be set aside by the City and the Pension Board for performance, until satisfactory completion of audit process.

5.12 Contracts must be in a form prescribed by and acceptable to State Comptroller Office in order to comply with current law.

5.13 Minimum First Year Requirements for the City's CAFR

Recognizing the learning/transition process associated with the first-year of a new auditor engagement, the following time table shall be allowed, **although earlier completion is encouraged**:

- Field work completed by October 29, 2018.
- Financial statement preparation (including notes, financials, and statistical tables) by November 16, 2018.
- Final audit report and Audit exit conference by December 11, 2018.
- Audit report ready for printing released to city in final form on or before December 21, 2018.

5.14 Subsequent Year Requirements for the City's CAFR

A time schedule shall be prepared and agreed to by City Management and the External Auditor for completion of the CAFR, outlining city tasks and external auditor tasks. It is anticipated that the timeframe for future audits will be reduced by a minimum of 30 days during the second and subsequent years.

Failure to meet prescribed timetable, through no fault of the City, will be considered grounds for breach of contract.

5.15 Periodic progress meetings for the City's Audit shall be held with City Management, City Council Audit Committee (as necessary), and Internal Auditor for purposes of reviewing audit status and communication of any audit-related issues.

5.16 The auditor shall prepare a Comprehensive Annual Financial Report pursuant to current GAAP/GASB guidelines. The City shall be responsible and shall prepare the Statistical Section, Management Discussion and Analysis, Letter of Transmittal and other incidental pages for inclusion in the CAFR. See the Appendix for specific responsibilities.

5.17 Minimum First Year Requirements for the System's Audit

Recognizing the learning/transition process associated with the first-year of a new auditor engagement, the following time table shall be allowed, **although earlier completion is encouraged**:

- Field work completed by October 31, 2018.
- Financial statement review by November 16, 2018 in order to submit to the City for their CAFR.
- Final audit report and audit exit conference at the Pension Board meeting by December



13, 2018.

- Audit report ready for printing released at the Pension Board meeting in final form on or before December 14, 2018.
- 

#### 5.18 Subsequent Year Requirements for the System's Audit

A time schedule shall be prepared and agreed to by the Executive Director and the External Auditor for completion of the CAFR, outlining System tasks and external auditor tasks.

Failure to meet prescribed timetable, through no fault of the Pension Board, will be considered grounds for breach of contract.

5.19 The auditor shall review the Comprehensive Annual Financial Report pursuant to current GAAP/GASB guidelines as prepared by the Pension Board Staff. See the Appendix for specific responsibilities.

## **VI. Contract Requirements**

Submitting entities, if selected, must be willing to sign a contract with the City which will include certain provisions, among which are the following:

6.1 Contract Documents. The contract shall consist of (1) the RFP; (2) the proposal submitted by the contractor to this RFP; and (3) the contract. In the event of a discrepancy between the contract, the RFP and the submitted proposal, the terms that provide the greater benefit to the City and/or impose the greater obligation to the contractor will prevail.

6.2 Administration. The contract will be administered by the City Recorder's Office of the City of Knoxville. The System's contract will be administered by the Executive Director of the Pension System.

6.3 Invoices. Invoices for services for the City's audit will be submitted to the City in accordance with the contract terms. City audit services invoices shall be remitted to:

Via mail:  
City Records Office  
Attn: Internal Auditor  
P.O. Box 1631  
Knoxville, TN 37901

Via email (preferred):  
[smaupin@knoxvilletn.gov](mailto:smaupin@knoxvilletn.gov)

Invoices for services for the System will be submitted to the Pension Board in accordance with the contract terms. Pension Board audit invoices shall be remitted to:

City of Knoxville Pension System  
Attn: Stephanie Cooper  
917-B East Fifth Avenue  
Knoxville, Tennessee 37917

6.4 Independent Contractor. The relationship of contractor to the City will be that of

independent contractor. The contractor will be solely and entirely responsible for its acts and for the acts of its agents, employees, servants and subcontractors done during the performance of the contract. All services performed by the contractor shall be provided in an independent contractor capacity and not in the capacity of officers, agents, or employees of the City.

6.5 Assignment. The contractor shall not assign or transfer any interest in this contract without prior written consent of the City of Knoxville.

6.6 Indemnification and Hold Harmless. The successful proposer will be required to sign a contract with the City which contains the following indemnification clause. This indemnification clause will not be altered in any way. Failure to agree with this indemnification clause in the contract may result in the City moving to the next responsible responsive proposer.

Contractor shall defend, indemnify and hold harmless the City, its officers, employees and agents from any and all liabilities which may accrue against the City, its officers, employees and agents or any third party for any and all lawsuits, claims, demands, losses or damages alleged to have arisen from an act or omission of Contractor in performance of this Agreement or from Contractor's failure to perform this Agreement using ordinary care and skill, except where such injury, damage, or loss was caused by the sole negligence of the City, its agents or employees.

Contractor shall save, indemnify and hold the City harmless from the cost of the defense of any claim, demand, suit or cause of action made or brought against the City alleging liability referenced above, including, but not limited to, costs, fees, attorney fees, and other expenses of any kind whatsoever arising in connection with the defense of the City; and Contractor shall assume and take over the defense of the City in any such claim, demand, suit, or cause of action upon written notice and demand for same by the City. Contractor will have the right to defend the City with counsel of its choice that is satisfactory to the City, and the City will provide reasonable cooperation in the defense as Contractor may request. Contractor will not consent to the entry of any judgment or enter into any settlement with respect to an indemnified claim without the prior written consent of the City, such consent not to be unreasonably withheld or delayed. The City shall have the right to participate in the defense against the indemnified claims with counsel of its choice at its own expense.

Contractor shall save, indemnify and hold City harmless and pay judgments that shall be rendered in any such actions, suits, claims or demands against City alleging liability referenced above.

The indemnification and hold harmless provisions of this Agreement shall survive termination of the Agreement.

6.7 Termination. The City may terminate this Agreement at any time, with or without cause, by written notice of termination to the Contractor.

If the City terminates this Agreement, and such termination is not a result of a default by the Contractor, the Contractor shall be entitled to receive as its sole and exclusive remedy the following amounts from the City, and the City shall have no further or other obligations to the Contractor: the amount due to the Contractor for work executed through the date of termination, not including any future fees, profits, or other compensation or payments which the Contractor would have been entitled to receive if this Agreement had not been terminated.

The City may, by written notice of default to the Contractor, terminate the whole or any part of this Agreement if the Contractor fails to perform any provisions of this Agreement and does not cure such failure within a period of ten (10) days (or such longer period as the Purchasing Agent may authorize in writing) after receipt of said notice from the Purchasing Agent specifying such failure. If this Agreement is terminated in whole or in part for default, the City may procure, upon such terms and in such manner as the Purchasing Agent may deem appropriate, supplies or services similar to those terminated.

6.8 Insurance. When applicable and prior to the commencement of the contract, contractor must, at its sole expense, obtain and maintain in full force and effect for the duration of the Agreement and any extension hereof at least the following types and amounts of insurance for claims which may arise from or in connection with this Agreement. Contractor shall furnish the City of Knoxville with properly executed certificates of insurance which shall clearly evidence all insurance required by the City. All insurance must be underwritten by insurers with an A.M. Best rating of A-VIII or better. Such insurance shall be at a minimum the following:

- A. **Commercial General Liability Insurance;** occurrence version commercial general liability insurance, and if necessary umbrella liability insurance, with a limit of not less than \$2,000,000 each occurrence for bodily injury, personal injury, property damage, and products and completed operations. If such insurance contains a general aggregate limit, it shall apply separately to the work/location in this Agreement or be no less than \$3,000,000.

Such insurance shall:

- (a.) Contain or be endorsed to contain a provision that includes the City, its officials, officers, employees, and volunteers as additional insureds with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations. The coverage shall contain no special limitations on the scope of its protection afforded to the above-listed insureds. Proof of additional insured status up to and including copies of endorsements and/or policy wording will be required.
- (b.) For any claims related to this project, Contractor's insurance coverage shall be primary insurance as respects the City, its officers, officials, officers, employees, and volunteers. Any insurance or self-insurance programs covering the City, its officials, officers, employees, and volunteers shall be excess of Contractor's insurance and shall not contribute with it.
- (c.) At the sole discretion of the City, dedicated limits of liability for this specific project may be required.

- B. **Automobile Liability Insurance;** including vehicles owned, hired, and non-owned, with a combined single limit of not less than \$1,000,000 each accident. Such insurance shall include coverage for loading and unloading hazards. Insurance shall contain or be endorsed to contain a provision that includes the City, its officials, officers, employees, and volunteers as additional insureds with respect to liability arising out of automobiles owned, leased, hired, or borrowed by or on behalf of Contractor.

- C. **Workers' Compensation Insurance.** Contractor shall maintain workers' compensation insurance with statutory limits as required by the State of Tennessee or other applicable laws and employers' liability insurance with limits of not less than \$500,000. Contractor shall require each of its subcontractors to provide Workers' Compensation for all of the latter's employees to be engaged in such work unless such employees are covered by Contractor's workers' compensation insurance coverage.
- D. **Professional Liability (including Errors & Omissions) Insurance.** Contractor shall maintain professional liability insurance covering claims arising from real or alleged errors, omission, or negligent acts committed in the performance of professional services under this Agreement with limits equal to the general liability requirement but no less than \$2,000,000. Coverage for contingent bodily injury and property damage should be included or endorsed on the policy.
- E. **Other Insurance Requirements.** Contractor shall:
- Prior to commencement of services, furnish the City with original certificates and amendatory endorsements effecting coverage required by this section and provide that such insurance shall not be cancelled, allowed to expire, or be materially reduced in coverage except on 30 days' prior written notice to the City Attorney of Knoxville; P.O. Box 1631; Knoxville, Tennessee 37901. Proof of policy provisions regarding notice of cancellation will be required.
  - Upon the City's request, provide certified copies of endorsements and policies if requested by the City in lieu of or in addition to certificates of insurance. Copies of policies will only be requested when contracts are deemed to be extremely or uniquely hazardous, include a dollar amount that is significant to the overall budget of the City or a City Department, or the coverage(s) may not follow standard insurance forms. A policy will only be requested after the City's Risk Manager has reviewed the contract and proof of coverage has been provided. Should the certificate of insurance refer to specific coverage wording or endorsements(s), proof of such policy wording or endorsement(s) will be required.
  - Replace certificates, policies, and endorsements for any such insurance expiring prior to completion of services.
  - Maintain such insurance from the time services commence until services are completed. Failure to maintain or renew coverage or to provide evidence of renewal may be treated by the City as a material breach of contract.
  - If Contractor cannot procure insurance through an insurer having an A.M. Best rating of A-VIII, Contractor may, in the alternative, place such insurance with insurer licensed to do business in Tennessee and having A.M. Best Company ratings of no less than A. Modification of this standard may be considered upon appeal to the City Law Director.

- Require all subcontractors to maintain during the term of the Agreement Commercial General Liability insurance, Business Automobile Liability insurance, and Workers' Compensation/Employer's Liability insurance (unless subcontractor's employees are covered by Contractor's insurance) in the same manner as specified for Contractor. Contractor shall furnish subcontractors' certificates of insurance to the City without expense immediately upon request.
- Large Deductibles; Self-Insured Retentions. Any deductibles and/or self-insured retentions greater than \$50,000 must be disclosed to and approved by the City of Knoxville prior to the commencement of services. Use of large deductibles and/or self-insured retentions may require proof of financial ability as determined by the City.
- Waiver of Subrogation Required. The insurer shall agree to waive all rights of subrogation against the City, its officers, officials, and employees for losses arising from work performed by Contractor for the City. Proof of waiver of subrogation up to and including copies of endorsements and/or policy wording will be required.
- Occurrence Basis Requirement. All general liability policies must be written on an occurrence basis, unless the Risk Manager determines that a claims made basis is reasonable in the specific circumstance. Use of policies written on a claims made basis must be approved by the City. Risk Manager and retroactive dates and/or continuation dates must be provided to the City prior to commencement of any work performed. Professional Liability and Environmental Liability (Pollution Coverage) are most commonly written on a claims made basis and are generally acceptable in that form.

6.9 Ethical Standards. Attention of all firms is directed to the following provisions contained in the Code of the City of Knoxville: Chapter 24, Article II, Section 24-33 entitled "Debts owed by persons receiving payments other than Salary;" Chapter 2, Article VIII, Division 11. the Contractor hereby takes notice of and affirms that it is not in violation of, or has not participated, and will not participate, in the violation of any of the following ethical standards prescribed by the Knoxville City Code:

A. Section 2-1048. Conflict of Interest.

It shall be unlawful for any employee of the city to participate, directly or indirectly, through decision, approval, disapproval, recommendation, preparation of any part of a purchase request, influencing the content of any specification or purchase standard, rendering of advice, investigation, auditing or otherwise, in any proceeding or application, request for ruling or other determination, claim or controversy or other matter pertaining to any contract or subcontract and any solicitation or proposal therefore, where to the employee's knowledge there is a financial interest possessed by:

- (1) the employee or the employee's immediate family;
- (2) A business other than a public agency in which the employee or member of the employee's immediate family serves as an officer, director, trustee, partner or employee; or
- (3) Any person or business with whom the employee or a member of the employee's immediate family is negotiating or has an arrangement concerning prospective employment.

B. Section 2-1049. Receipt of Benefits from City Contracts by Council Members,

Employees and Officers of the City.

It shall be unlawful for any member of council, member of the board of education, officer or employee of the city to have or hold any interest in the profits or emoluments of any contract, job, work or service, either by himself or by another, directly or indirectly. Any such contract for a job, work or service for the city in which any member of council, member of the board of education, officer or employee has or holds any such interest is void.

C. Section 2-1050. Gratuities and Kickbacks Prohibited.

It is unlawful for any person to offer, give or agree to give to any person, while a city employee, or for any person, while a city employee, to solicit, demand, accept or agree to accept from another person, anything of a pecuniary value for or because of:

- (1) An official action taken, or to be taken, or which could be taken;
- (2) A legal duty performed, or to be performed, or which could be performed; or
- (3) A legal duty violated, or to be violated, or which could be violated by such person while a city employee.

Anything of nominal value shall be presumed not to constitute a gratuity under this section.

**Kickbacks.** It is unlawful for any payment, gratuity, or benefit to be made by or on behalf of a subcontractor or any person associated therewith as an inducement for the award of a subcontract or order.

D. Section 2-1051. Covenant Relating to Contingent Fees.

(a) **Representation of Contractor.** Every person, before being awarded a contract in excess of ten thousand dollars (\$10,000.00) with the city, shall represent that no other person has been retained to solicit or secure the contract with the city upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, except for bona fide employees or bona fide established commercial, selling agencies maintained by the person so representing for the purpose of securing business.

(b) **Intentional Violation Unlawful.** The intentional violation of the representation specified in subsection (a) of this section is unlawful.

E. Section 2-1052. Restrictions on Employment of Present and Former City Employees.

**Contemporaneous employment prohibited.** It shall be unlawful for any city employee to become or be, while such employee, an employee of any party contracting with the particular department or agency in which the person is employed.

For violations of the ethical standards outlined in the Knoxville City Code, the City has the following remedies:

- (1) Oral or written warnings or reprimands;
- (2) Cancellation of transactions; and
- (3) Suspension or debarment from being a Contractor or subcontractor under city or city-funded contracts.

The value of anything transferred in violation of these ethical standards shall be recoverable by the City from such person. All procedures under this section shall be in accord with due process requirements, included but not limited to a right to notice and

hearing prior to imposition of any cancellation, suspension or debarment from being a Contractor or subcontractor under a city contract.

6.10 Firms must comply with the President's Executive Order No. 11246 and 11375 which prohibit discrimination in employment regarding race, color, religion, sex or national origin. Firms must also comply with Title VI of the Civil Rights Act of 1964, Copeland Anti-Kick Back Act, the Contract Work Hours and Safety Standards Act, Section 402 of the Vietnam Veterans Adjustment Act of 1974, Section 503 of the Rehabilitation Act of 1973, and the Americans with Disabilities Act of 1990, all of which are herein incorporated by reference.

6.11 Firms shall give consideration to the inclusion of minority firms or individuals in this project, and shall advise the city in this proposal of their efforts to do so.

6.12 Firms shall give consideration to the use of environmentally sustainable best practices, and shall advise the city in this submittal of qualifications of their efforts to do so.

6.13 Federal, State, and Local Requirements. Each submitting entity is responsible for full compliance with all laws, rules and regulations which may be applicable.

6.14 Licenses. Before a contract is signed by the City, the submitting entity, if selected, **must** provide the City Purchasing Division with a copy of its valid business license **or** with an affidavit explaining why it is exempt from the business licensure requirements of the city or county in which it is headquartered. If a contract is signed, the contractor's business license shall be kept current throughout the duration of the contract, and the contractor shall inform the City of changes in its business name or location. The contractor must be a licensed professional as required by the state of Tennessee, see T.C.A. Sections 62-2-101 et. seq., for any services in this contract requiring such licensure.

6.15 Funding. The City's performance and obligation to pay under this contract is subject to funding contingent upon an annual appropriation.

6.16 Governing Law and Venue. This Agreement shall be governed by and construed in accordance with the substantive laws of the State of Tennessee and its conflict of laws provisions. Venue for any action arising between the City and the Contractor from the Agreement shall lie in Knox County, Tennessee.

6.17 Subcontracts to the Agreement. Contractor shall not enter into a subcontract for any of the services performed under this Agreement without obtaining the prior written approval of the City.

6.18 Amendments. This Agreement may be modified only by a written amendment or addendum that has been executed and approved by the appropriate officials shown on the signature page of the Agreement.

6.19 Captions. The captions appearing in the Agreement are for convenience only and are not a part of the Agreement; they do not in any way limit or amplify the provisions of the Agreement.

6.20 Severability. If any provision of the Agreement is determined to be unenforceable or invalid, such determination shall not affect the validity of the other provisions contained in the

Agreement. Failure to enforce any provision of the Agreement does not affect the rights of the parties to enforce such provision in another circumstance, nor does it affect the rights of the parties to enforce any other provision of this Agreement at any time.

6.21 No Benefit for Third Parties. The services to be performed by the Contractor pursuant to the Agreement with the City are intended solely for the benefit of the City, and no benefit is conferred hereby, nor is any contractual relationship established herewith, upon or with any person or entity not a party to the Agreement. No such person or entity shall be entitled to rely on the Contractor's performance of its services hereunder, and no right to assert a claim against the City or the Contractor, its officers, employees, agents, or contractors shall accrue to the Contractor or to any subcontractors, independently retained professional consultant, supplier, fabricator, manufacturer, lender, tenant, insurer, surety, or any other third party as a result of this Agreement or the performance or non-performance of the Contractor's services hereunder.

6.22 Non-Reliance of Parties. Parties explicitly agree that they have not relied upon any earlier or outside representations other than what has been included in the Agreement. Furthermore, neither party has been induced to enter into this Agreement by anything other than the specific written terms set forth herein.

6.23 Force Majeure. Neither party shall be liable to the other for any delay or failure to perform any of the services or obligations set forth in this Agreement due to causes beyond its reasonable control, and performance times shall be considered extended for a period of time equivalent to the time lost because of such delay plus a reasonable period of time to allow the parties to recommence performance of their respective obligations hereunder. Should a circumstance of force majeure last more than ninety (90) days, either party may by written notice to the other terminate this Agreement. The term "force majeure" as used herein shall mean the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States or of the State or any of their departments, agencies or officials, or any civil or military authority; insurrections, riots, landslides, earthquakes, fires, storms, tornadoes, droughts, floods, explosions, breakage or accident to machinery, transmission pipes or canals; or any other cause or event not reasonably within the control of either party.

6.24 EEO/AA. The City of Knoxville is an EE/AA/Title VI/Section 504/ADA/ADEA Employer.

6.25 By submitting a proposal, the submitting entity agrees to all terms and conditions established in this RFP, including its contract requirements.

## **VII. Instructions to Submitting Entities**

All submissions of proposals shall comply with the following instructions. These instructions ensure that (1) submissions contain the information and documents required by the City RFP and (2) the submissions have a degree of uniformity to facilitate evaluation.

### **7.1 General**

Submission forms and RFP documentation may be obtained on or after November 15, 2017, at no charge from:



City of Knoxville Purchasing Division  
City/County Building  
400 Main Street, Room 667  
Knoxville, Tennessee 37902

between 8:30 a.m. and 4:30 p.m. (Eastern Time), Monday through Friday or by calling 865/215-2070. Forms and RFP information are also available on the City web site at [www.knoxvilletn.gov/purchasing](http://www.knoxvilletn.gov/purchasing) where it can be read or printed using Adobe Acrobat Reader software.

## 7.2 Submission Information

Proposals shall include twelve (12) hard copies (one original and 11 duplicates—**mark the original as such**) and one electronic copy of the proposal (.pdf format on CD only—**mark the storage device with the company name**); the electronic version shall be an exact duplicate of the original, and the electronic version will be the official document exhibited in the contract. **Electronic submissions must be included with the sealed submissions; do not email your submission.**

**IMPORTANT NOTE: A minimum of one of the submitted proposals must bear an original signature, signed in ink (duplicated signatures substituted for original ink signatures may result in rejection of the proposals). This document is the official, original submission; the required copies may have copied signatures.** The signature must be entered above the typed or printed name and title of the signer. All proposals must be signed by an officer of the company authorized to bind the firm to a contract.

Proposals will be received until 11:00:00 a.m. (Eastern Time) on December 8, 2017. Each proposal must be submitted in a sealed envelope addressed to:

City of Knoxville Purchasing Division  
City/County Building  
400 Main Street, Room 667  
Knoxville, TN 37902

**IMPORTANT NOTE: Each mailing envelope or carton containing a proposal or multiple copies of the proposal must be sealed and plainly marked on the outside “Professional Audit Services.”** Proposers are reminded that the Purchasing Division receives many bids and proposals for any number of solicitations; **unlabeled submissions are extremely difficult to match to their appropriate solicitations and therefore may be rejected.**

Any proposals received after the time and date on the cover sheet will not be considered. It shall be the sole responsibility of the submitting entity to have the proposal delivered to the City of Knoxville Purchasing Division on or before that date.

Late proposals will not be considered. Proposals that arrive late due to the fault of United States Postal Service, United Parcel Service, DHL, FEDEX, any delivery/courier service, or any other carrier of any sort are still considered late and shall not be accepted by the City. Such proposals shall remain unopened and will be returned to the submitting entity upon request.

## 7.3 Format

The City is committed to reducing waste. Submissions of qualifications must be typed on 8.5 x 11 inch wide white paper, printed on both sides. DO NOT BIND the document; instead, staple or binder clip the submission together and place in a sealed envelope (see Paragraph 7.2). Pages must be consecutively numbered. A table of contents must be included in the proposal immediately after the title page, and each of the following numbered sections must be tabbed.

Proposals shall be structured as follows. Numbered items listed below should have a numbered tab page:

1. Title Page
2. Table of Contents
3. Submission Forms:
  - A. Form S-1
  - B. Non-Collusion Affidavit
  - C. No Contact/No Advocacy Affidavit
  - D. Iran Divestment Act Certification of Noninclusion
  - E. Diversity Business Enterprise Program
4. Body of Proposal: Information which submitting entity wishes to include – Refer to Section 8, “Evaluation Criteria.”

NOTE: All required submission forms may be found in this solicitation document.

#### 7.4 Evaluation of Proposals

All qualified submissions received by the deadline will be analyzed by the Evaluation Committee according to the criteria outlined in these specifications. Failure to comply with the provisions of the RFP may cause any proposal to be ineligible for evaluation. Each submittal of proposals will be initially analyzed and judged according to the evaluation criteria below. The maximum score is 100 points.

The City reserves full discretion to determine the capability of proposing entities. Proposers, if asked, will provide, in a timely manner, any and all information that the City deems necessary to make such a decision. In addition to materials provided in the written responses to this RFP, the Committee may request additional material, information, references, a site visit, or a live test demonstration from the submitting entity or others.

The Evaluation Committee may or may not decide to interview any or all proposing entities at a time and date determined by the City in order to address questions and more fully ascertain how the solution to this project satisfies the evaluation criteria. Firms and/or teams responding to this Request for Proposals shall be available for interviews with the Evaluation Committee. Discussions may be conducted with responsible submitting entities for purposes of clarification to assure full understanding of and conformance to the RFP requirements. Selection shall be based on the firms’ qualifications applicable to the scope and nature of the services to be performed per this request for proposals. Determination of firms’ qualifications shall be based on their written responses to this Request for Proposals and information presented to the Evaluation Committee during oral interviews, if any.

East submittal of Proposals will be initially analyzed and judged according to the evaluation criteria below. The maximum score is 100 points. Detailed information may be found in Section VIII below.

Qualifications of the Firm.....	40 Points
Technical approach .....	45 Points
Fees .....	15 Points

In addition to materials provided in the written responses to this Request for Proposals, the Committee may request additional material, information, or references from the submitting entity or others.

Provided it is in the best interest of the City of Knoxville, the firm or team determined to be the most responsive to the City of Knoxville, taking into consideration the evaluation factors set forth in this Request for Proposals, will be selected to begin contract negotiations. The firm or team selected will be notified at the earliest practical date and invited to submit more comprehensive information if necessary. If no satisfactory agreement can be reached with the “most responsive firm,” the City may elect to negotiate with the next best and most responsive firm or team.

**VIII. Evaluation Criteria**

An evaluation team, composed of representatives of the City and the System, will evaluate proposals on a variety of quantitative and qualitative criteria. Upon receipt of proposals, the City will review to determine whether the proposal is acceptable or non-acceptable based on the criteria outlined below.

The criteria and the associated weights upon which the evaluation of the proposals will be based include, but are not limited to, the following:

**8.1 Qualifications of the Firm (40 Points)**

8.1.1 The firm should provide an affirmative statement that the firm and all assigned key professional staff are properly registered or licensed to practice in the state of Tennessee and independent of the City of Knoxville and/or they System, as defined by generally accepted auditing standards/ the U.S. General Accounting Office’s Government Auditing Standards (1988).

8.1.2 The Respondent 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 number and nature of the professional staff to be employed in these engagements on a full-time basis and the number and nature of the staff to be so employed on a part-time basis, along with their resumes including applicable local government audit experience.

8.1.3 Proposers must include a minimum of three (3) relevant governmental auditing and GFOA financial reporting reference clients.

8.1.4 The firm is 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.

8.1.5 If the Respondent is a joint venture or consortium, the qualifications 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.

8.1.6 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.

## **8.2 Technical approach (45 Points): NO DOLLARS SHOULD BE INCLUDED IN THE TECHNICAL APPROACH.**

8.2.1 The submission should set forth a tentative schedule for various phases of the work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section 5 of this Request for Proposals. The audit report and related findings **must** be issued and presented in final form to the Audit Committee, the initial year, by December 21, 2018 for the City and by December 13, 2018 for the System.

8.2.2 Proposers will be required to provide the following information on their audit approach:

- Proposed segmentation of the engagement.
- Level of staff and number of hours to be assigned to each proposed segment of the engagement.
- Sample size and the extent to which statistical sampling is to be used in the engagement.
- Type and extent of analytical procedures to be used in the engagement.
- How the Auditor plans to use data extraction software (ex. ACL, IDEA, etc.), if applicable, as part of testing the System's records.
- Approach to be taken to gain and document an understanding of the City of Knoxville's and the System's internal control structures.
- Approach to taken to gain and document an understanding of the actuarial assumptions for the System.
- Approach to be taken in determining laws and regulations that will be subject to audit test work.
- Approach to be taken in drawing audit samples for purposes of tests of compliance.

## **8.3 Fees (15 Points)**

The proposal should contain all pricing information relative to performing the audit engagements as described in this submission for each of the three contract year(s) for each of the audits. The proposed total all-inclusive maximum price, per year, is to contain all direct and indirect costs, including all out-of-pocket expenses.

The Respondent shall state the maximum fee that the audit firm will charge for the three-year audit engagements, detailed by years 2018, 2019, and 2020 broken down by combined fee for both entities and each entity separately if the award is not awarded collectively. The Proposer shall provide to the City and the System the fees for each of two optional years and its method of determination.

**The City Pension Board Audit should be considered a separate engagement for purposes of fees and effort. While it is the desire of the City to have the same firm audit both entities, it is ultimately up to the City and Pension Board to agree to have the same firm perform both audits.**

The Respondent shall state rates for additional professional services if it should become necessary for the City of Knoxville (System) to request the Auditor to render any supplemental or additional audit services to those outlined in this RFP.

# Appendix

City of Knoxville, Tennessee  
Financial Data for RFP Submittal  
Unaudited - Not Final - As of 6/30/2017

Primary Fund: SubFund:	Fund No:	Budget:		Actual (Unaudited)*:	
		Revenue:	Expenses:	Revenue:	Expenses:
<b>General Fund:</b>					
General Fund	100	\$ 213,207,581	\$ 213,207,581	\$ 219,094,674	\$ 208,427,095
Payroll Processing Fund	102	-	-	-	-
Community Improvement Fund	202	90,000	90,000	90,000	90,000
Tax Increment	306	2,126,090	2,126,090	2,110,636	2,110,636
Recreation Tournament Activities	240003	94,700	94,700	110,142	81,822
Miscellaneous Special Events	240013	347,920	347,920	344,068	336,533
Parks & Recreation Trip Fund	240029	35,000	35,000	11,115	11,070
Parks & Recreation Aquatics Fund	240030	25,000	25,000	22,405	12,829
Parks & Recreation Special Events Fund	240032	22,000	22,000	18,616	17,217
Demolition by Neglect	240042	100,000	100,000	100,000	3,305
Neighborhood Grants	240043	45,000	45,000	30,000	23,690
Historic Preservation	240044	500,000	500,000	500,000	461,398
Home Energy Retrofit - CAC	240045	68,750	68,750	3,100	29,504
<b>State Street Aid Fund:</b>					
State Street Aid	201	5,136,500	5,136,500	4,964,786	5,135,521
<b>Abandoned Vehicle Fund:</b>					
Abandoned Vehicle Fund	209	858,510	858,510	764,600	935,507
<b>Animal Control Fund:</b>					
Animal Control Fund	211	34,500	34,500	43,462	7,198
<b>City Court Fund:</b>					
City Court	213	3,185,280	3,185,280	3,202,784	3,163,857
<b>City Inspection Fund:</b>					
City Inspections	216	2,583,249	2,583,249	2,805,390	2,709,572
<b>Stormwater Fund:</b>					
Stormwater	220	3,237,062	3,237,062	3,281,446	3,093,338
Supplemental Environmental Projects	220001	15,000	15,000	34,053	6,175
<b>Solid Waste Fund:</b>					
Solid Waste	230	14,024,756	14,024,756	10,980,233	12,411,983
<b>Miscellaneous Special Revenue Funds:</b>					
HUD Section 108 Loan - 2016	293	2,339,000	2,339,000	2,337,456	2,331,465
Traffic Safety	240004	100,660	100,660	78,592	119,785
Safety City	240010	335,050	335,050	326,777	278,888
KPD Seizure Fund	240011	10,000	10,000	214	1,926
Parks Donations	240014	7,500	7,500	3,639	6,921
Officer Training	240015	210,861	210,861	201,157	98,726
KPD Capital Fund	240016	781,000	781,000	779,860	781,000
Police Donations	240020	8,500	8,500	5,671	1,117
Beer Board	240021	35,000	35,000	11,250	3,027
Sex Offender Registry	240025	10,500	10,500	15,901	-
Police Training - Collision Avoidance	240028	5,000	5,000	6,922	5,589
Parks & Recreation KCDC Recreation Facilities Fund	240031	75,000	75,000	78,919	66,522
Miscellaneous Donations Fund	240060	60,000	60,000	39,416	32,524
Treasury DAG	240101	414,466	414,466	9,104	339,243
Justice DAG	240102	126,500	126,500	53,776	100,092
State Asset Liability Account	240103	900	900	4,112	-
General Narcotics Account	240104	408,800	408,800	236,395	238,184
KDAF Anti-Fencing Account	240105	72,167	72,167	727	52,758
Misc. Reward Fund	240601	-	-	-	-
Electronic Citation Fees	240602	100,000	100,000	88,871	28,626
Suspended License Fees	240603	-	-	21,980	-
MMRS 2002 - Contract 233-02-0030	240701	114,129	114,129	-	70,167
<b>Miscellaneous Grant Funds:</b>					
Organized Crime-Inner City	250001	-	-	51	-
Metropolitan Med Resp Syst	250051	-	-	-	-
2013 Homeland Security Grant - Knox County	250123	-	-	-	(170)
2015 Homeland Security Grant/Knox	250125	-	-	15,288	15,288
NRPA Out-of-School Time Program Grant	250401	-	-	2,579	2,579
KABOOM! Play Everywhere Challenge	250403	-	-	25,500	25,500
2011 Justice Assistance Grant (JAG)/Knox County	250625	-	-	-	-
2011 Project Safe Neighborhoods (PSN)	250626	-	-	-	-
JAG Anti-Bullying Training & Multi-Media Program	250628	-	-	-	-
Grants to Encourage Arrests 2012	250629	-	-	34,030	34,030
2013 ICAC Grant	250634	-	-	510,687	510,687
JAG - State FJC Program (Byrne)	250635	-	-	49,835	49,835
2013 JAG/Byrne Grant	250637	-	-	11,302	11,302
2014 JAG/Byrne Grant	250643	-	-	30,163	30,163
2016-2018 VOCA - Knoxville's Victim Services Project	250644	-	-	100,066	100,066
2015 JAG - Knoxville TCCRP	250646	-	-	105,199	105,199
2016 State ICAC Grant	250647	-	-	-	-
2015 JAG/Byrne Grant	250648	-	-	4,777	4,777
FY2016 GHSO/DUI Enforcement	250649	-	-	4,593	4,593

City of Knoxville, Tennessee  
Financial Data for RFP Submittal  
Unaudited - Not Final - As of 6/30/2017

Primary Fund: SubFund:	Fund No:	Budget:		Actual (Unaudited)*:	
		Revenue:	Expenses:	Revenue:	Expenses:

City of Knoxville, Tennessee  
Financial Data for RFP Submittal  
Unaudited - Not Final - As of 6/30/2017

Primary Fund: SubFund:	Fund No:	Budget:		Actual (Unaudited)*:	
		Revenue:	Expenses:	Revenue:	Expenses:
FY16 Pedestrian Safety Grant	250650	-	-	2,705	2,705
OVW Elder Abuse Grant	250651	-	-	44,649	44,649
FY16 GHSO Nighttime SeatBelt Demo Project	250652	-	-	3,841	3,841
VOCA - Knoxville FJC Navigator Grant	250653	-	-	27,370	27,370
ICAC - Wounded Veterans Grant	250654	-	-	43,044	43,044
2017 State ICAC Grant	250655	-	-	238,697	238,697
FY17 GHSO Nighttime Seatbelt Demo Project	250656	-	-	9,199	9,199
FY17 GHSO/DUI Enforcement	250657	-	-	23,917	23,917
FY17 Pedestrian Safety Grant	250658	-	-	2,589	2,589
2016 ICAC Grant	250659	-	-	93,523	93,523
FJC Reimbursement Fund	250699	-	-	64,768	64,768
Household Hazardous Waste Operation and Maintenance Grant	253441	-	-	117,697	117,697
<b>Miscellaneous Community Development Funds:</b>					
House Grant	263	-	-	18,326	55,159
House Grant (Vestal)	263297	-	-	1,233	-
Home Grant	264	1,971,397	1,971,397	1,294,626	1,294,626
Hope	265	-	-	12,441	123,056
Affordable Housing 1994	266094	-	-	9	-
ESG/Tennessee Housing Development Agency	269001	-	-	178,750	178,750
Empowerment Zone Grant	270	-	-	412,965	148,701
Lead Hazard Control & Healthy Homes Grant - LHCG & HH	290100	-	-	470,136	470,136
<b>Community Development Fund:</b>					
Community Development	290	2,616,986	2,616,986	2,034,299	2,034,299
<b>Debt Service Fund:</b>					
General Obligation Debt Fund	305	25,401,280	25,401,280	24,866,361	25,401,263
<b>Capital Projects Funds:</b>					
Capital Projects Fund	401	36,771,000	36,771,000	43,323,353	46,607,126
FY 14/15 Bond Construction Fund	401014	-	-	35,678	6,740,753
Engineering Performance Bond Defaults	401033	-	-	136,527	136,527
<b>Public Assemblies Funds:</b>					
Public Assembly Facilities	503	1,571,871	1,571,871	1,173,725	943,864
Public Assemblies Facilities Capital Construction	503001	-	-	183,572	264,547
PAF-Coliseum Restoration Fund	503002	-	-	162,281	-
KCAC Operating	503572	4,116,610	4,116,610	3,332,046	3,516,594
Chilhowee Park Operating	503574	1,063,000	1,063,000	1,008,459	1,061,377
<b>Metro Parking Funds:</b>					
Metro Parking	504	4,212,720	4,212,720	3,854,253	3,502,973
Metro Parking Capital Construction	504001	400,000	400,000	752,672	-
<b>Knoxville Convention Center Fund:</b>					
Knoxville Convention Center	506	-	-	193,537	-
KCC-Worlds Fair Park	506001	2,448,040	2,448,040	3,193,324	1,905,330
KCC-Convention Cntr Operations	506002	6,937,846	6,937,846	6,880,039	6,664,176
KCC-Convention Cntr Debt Service	506003	7,020,020	7,020,020	13,514,301	6,516,125
KCC-Locust Street Garage	506004	596,650	596,650	765,674	506,790
KCC-Tourism Activities	506005	1,338,170	1,338,170	1,337,754	1,337,754
KCC-FLS Energy	506020	-	-	10,000	-
KCC-Capital Projects	506030	-	-	(168,537)	819,009
<b>Knoxville Area Transit Fund (KAT):</b>					
Mass Transit-Motor Bus	507001	20,317,675	20,317,675	21,368,930	19,818,879
Mass Transit-Trolley	507002	1,250,450	1,250,450	1,265,558	1,055,547
Mass Transit-Demand Response	507003	1,720,250	1,720,250	1,709,764	1,741,099
Mass Transit-Grants	507004	-	-	1,279,683	818,928
TN-03-0091	507020	-	-	-	-
FY11 Formula Grant (11 5307)	507042	-	-	-	-
2011 CMAQ Grant: TN-95-X040-00	507046	-	-	1,649	1,649
FY12 Formula Grant (12 5307)	507047	-	-	-	-
FY13 Formula Grant (13 5307)	507049	-	-	159	159
2012 STP: TN-95-X048-00	507050	-	-	1,764,673	1,764,673
FY14 Formula Grant (14 5307)	507051	-	-	16,086	16,086
2013 STP: TN-95-X067-00	507052	-	-	1,831,000	1,831,000
2013 5309 State of Good Repair Grant	507053	-	-	-	-
2014 STP: TN-95-X071-00	507054	-	-	894,981	894,981
TDOT 5309 - Discretionary Capital	507055	-	-	-	-
2013 and 2014 5339 (MAP 21) Grant	507056	-	-	-	-

City of Knoxville, Tennessee  
 Financial Data for RFP Submittal  
 Unaudited - Not Final - As of 6/30/2017

Primary Fund: SubFund:	Fund No:	Budget:		Actual (Unaudited)*:	
		Revenue:	Expenses:	Revenue:	Expenses:

City of Knoxville, Tennessee  
 Financial Data for RFP Submittal  
 Unaudited - Not Final - As of 6/30/2017

Primary Fund: SubFund:	Fund No:	Budget:		Actual (Unaudited)*:	
		Revenue:	Expenses:	Revenue:	Expenses:
2015 5339 (MAP 21) Grant	507057	-	-	-	-
FY15 Formula Grant (15 5307)	507058	-	-	-	-
FY16 Formula Grant (16 5307)	507059	-	-	-	-
FY17 Formula Grant (17 5307)	507060	-	-	-	-
Rides to Wellness Grant (5312)	507061	-	-	-	-
<b>Municipal Golf Course Funds:</b>					
City Golf Courses	508	208,310	208,310	147,758	249,453
Whittle Springs Golf Course	508001	-	-	-	-
Knoxville Municipal Golf Course	508002	-	-	-	-
<b>KCRF Civic Revitalization Fund:</b>					
KCRF Trust Fund	612	-	-	213,479	199,998
<b>Krutch Park Fund:</b>					
Krutch Park Fund	615	-	-	43,512	-
<b>City Choice Plus Fund:</b>					
City Choice Plus	620	-	-	-	51,165
<b>Employee Health Savings Fund:</b>					
Health Reimbursement Accounts	621	-	-	-	-
<b>Fleet Maintenance Funds:</b>					
Fleet Services	702	7,700,849	7,701,849	8,483,611	8,405,967
Fleet Services Capital Construction	702001	-	-	-	-
Fleet Service-Fleet Replacement	702002	-	-	-	-
<b>Health Insurance Funds:</b>					
Risk Management	704	6,402,391	6,402,391	6,638,254	5,563,245
KAT Risk Management	704050	-	-	-	-
<b>Health Care Fund:</b>					
Health Care	705	21,151,542	21,151,542	21,087,191	18,240,413
<b>Equipment Replacement Fund:</b>					
Equipment Replacement Fund	706	2,068,480	2,068,480	6,514,410	1,615,092
<b>City Buildings Fund:</b>					
City Buildings	707	1,619,650	1,619,650	1,505,442	1,553,019
<b>Section 457 Deferred Compensation Fund:</b>					
Section 457 Deferred Comp	617	-	-	-	-
<b>Long Term Debt Fund:</b>					
Long Term Debt	901	-	-	-	-
<b>General Fixed Asset Fund:</b>					
General Fixed Assets	902	-	-	41,085,193	14,590,534
<b>Total's</b>		<b>\$ 409,857,119</b>	<b>\$ 409,858,119</b>	<b>\$ 479,207,450</b>	<b>\$ 433,831,477</b>

\* As of 6/30/2017 - Preliminary Data subject to Deferrals and Accruals.



## **Submission Forms**

**CITY OF KNOXVILLE  
REQUEST FOR PROPOSALS  
PROFESSIONAL AUDIT SERVICES  
FOR THE FISCAL YEARS ENDING  
JUNE 30, 2018, 2019, AND 2020**

**Submission Form S-1**

**Proposals to be Received by 11:00:00 a.m., Eastern Time; December 8, 2017; in Room 667-674, City/County Building; Knoxville, Tennessee.**

**IMPORTANT:** Proposals shall include twelve (12) hard copies (one original and eleven duplicates—**mark the original as such**) and one electronic copy of the proposal (.pdf format on CD only—**mark the storage device with the company name**); the electronic version shall be an exact duplicate of the original, and the electronic version will be the official document exhibited in the contract. **Electronic submissions must be included with the sealed submissions; do not email your submission.**

**Please complete the following:**

**Legal Name of Proposer:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**Telephone Number:** \_\_\_\_\_

**Fax Number:** \_\_\_\_\_

**Contact Person:** \_\_\_\_\_

**Email Address:** \_\_\_\_\_

**Signature:** \_\_\_\_\_

**Name and Title of Signer:** \_\_\_\_\_

**Note: Failure to use these response sheets may disqualify your submission.**

## NON-COLLUSION AFFIDAVIT

State of \_\_\_\_\_

County of \_\_\_\_\_

\_\_\_\_\_, being first duly sworn, deposes and says that:

- (1) He/She is the \_\_\_\_\_ of \_\_\_\_\_, the firm that has submitted the attached Proposal;
- (2) He/She is fully informed respecting the preparation and contents of the attached Proposal and of all pertinent circumstances respecting such Proposal;
- (3) Such Proposal is genuine and is not a collusive or sham Proposal;
- (4) Neither the said firm nor any of its officers, partners, owners, agents, representatives, employees or parties in interest, including this affiant, has in any way colluded, conspired, connived or agreed, directly or indirectly, with any other vendor, firm or person to submit collusive or sham proposal in connection with the contract or agreement for which the attached Proposal has been submitted or to refrain from making a proposal in connection with such contract or agreement, or collusion or communication or conference with any other firm, or, to fix any overhead, profit, or cost element of the proposal price or the proposal price of any other firm, or to secure through any collusion, conspiracy, connivance, or unlawful agreement any advantage against the City of Knoxville or any person interested in the proposed contract or agreement; and
- (5) The proposal of service outlined in the Proposal is fair and proper and is not tainted by collusion, conspiracy, connivance, or unlawful agreement on the part of the firm or any of its agents, representatives, owners, employees, or parties including this affiant.

(Signed): \_\_\_\_\_

Title: \_\_\_\_\_

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
NOTARY PUBLIC

My Commission expires \_\_\_\_\_

No Contact/No Advocacy Affidavit

State of \_\_\_\_\_

County of \_\_\_\_\_

\_\_\_\_\_, being first duly sworn, deposes and says that:

(1) He/She is the owner, partner, officer, representative, or agent of \_\_\_\_\_  
\_\_\_\_\_, the Proposer that has submitted the attached Proposal;

(2) The Proposer \_\_\_\_\_ swears or affirms that he/she will abide by the following “No Contact” and “No Advocacy” clauses:

- a) **NO CONTACT POLICY:** After the posting of this solicitation to the Purchasing Division's website, any contact initiated by any proposer with any City of Knoxville representative concerning this proposal is strictly prohibited, unless such contact is made with the Purchasing Agent (Boyce H. Evans) or Assistant Purchasing Agent (Penny Owens). Any unauthorized contact may cause the disqualification of the proposer from this procurement transaction.
  
- b) **NO ADVOCATING POLICY:** To ensure the integrity of the review and evaluation process, companies and/or individuals submitting proposals for any part of this project, as well as those persons and/or companies representing such proposers, may not lobby or advocate to the City of Knoxville staff including, but not limited to, members of City Council, Office of the Mayor, Finance Department, Pension Board, Recorder’s Office, or any other City staff.

**Any company and/or individual who does not comply with the above stated “No Contact” and “No Advocating” policies may be subject to having their proposal rejected from consideration.**

Signed: \_\_\_\_\_

Title: \_\_\_\_\_

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2\_\_\_\_\_.

My commission expires: \_\_\_\_\_

## IRAN DIVESTMENT ACT

### Certification of Noninclusion

**NOTICE:** Pursuant to the Iran Divestment Act, Tenn. Code Ann. § 12-12-106 requires the State of Tennessee Chief Procurement Officer to publish, using creditable information freely available to the public, a list of persons it determines engage in investment activities in Iran, as described in § 12-12-105. Inclusion on this list makes a person ineligible to contract with the state of Tennessee; if a person ceases its engagement in investment activities in Iran, it may be removed from the list. A list of entities ineligible to contract in the State of Tennessee Department of General Services or any political subdivision of the State may be found here:

[https://www.tn.gov/assets/entities/generalservices/cpo/attachments/List of persons pursuant to Tenn. Code Ann. 12-12-106, Iran Divestment Act-July.pdf](https://www.tn.gov/assets/entities/generalservices/cpo/attachments/List_of_persons_pursuant_to_Tenn._Code_Ann._12-12-106,_Iran_Divestment_Act-July.pdf)

By submission of this bid, each bidder and each person signing on behalf of any bidder certifies, and in the case of a joint bid each party thereto certifies as to its own organization, under penalty of perjury, that to the best of its knowledge and belief that each bidder is not on the list created pursuant to T.C.A. § 12-12-106.

Vendor Name (Printed)	Address
By (Authorized Signature)	Date Executed
Printed Name and Title of Person Signing	

**NOTARY PUBLIC:**

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2\_\_\_\_\_.

My commission expires: \_\_\_\_\_

# DIVERSITY BUSINESS ENTERPRISE (DBE) PROGRAM

The City of Knoxville strongly encourages prime contractors to employ diverse businesses in the fulfillment of contracts/projects for the City of Knoxville.

The City of Knoxville's Fiscal Year 2017 goal is to conduct 3.33% of its business with minority-owned businesses, 9.21% of its business with woman-owned businesses, and 45.5% with small businesses.

While the City cannot engage (pursuant to state law) in preferential bidding practices, the City does **strongly encourage** prime contractors to seek out and hire diverse businesses in order to help the City meet its goals as stated above. As such, the City encourages prime contractors to seek out and consider competitive sub-bids and quotations from diverse businesses.

For DBE tracking purposes, the City requests that prime contractors who are bidding, proposing, or submitting statements of qualifications record whether or not they plan to employ DBE's as sub-contractors or consultants. With that in mind, please fill out, sign and submit (with your bid/proposal) the following sub-contractor/ consultant statement.

## CITY OF KNOXVILLE DIVERSITY BUSINESS DEFINITIONS

Diversity Business Enterprise (DBE's) are minority-owned (MOB), women-owned (WOB), service-disabled veteran-owned (SDVO), and small businesses (SB), who are impeded from normal entry into the economic mainstream because of past practices of discrimination based on race or ethnic background. These persons must own at least 51% of the entity and operate or control the business on a daily basis.

Minority: A person who is a citizen or lawful admitted permanent resident of the United States and who is a member of one (1) of the following groups:

- a. African American, persons having origins in any of the Black racial groups of Africa;
- b. Hispanic American, persons of Mexican, Puerto Rican, Cuban, Central or South American or other Spanish culture or origin, regardless of race;
- c. Native American, persons who have origin in any of the original peoples of North America ;
- d. Asian American, person having origins in any of the original peoples of the Far East, Southeast Asia, the Indian subcontinent, or the Pacific Islands.

Minority-owned business (MOB) is a continuing, independent, for profit business that performs a commercially useful function, and is at least fifty-one percent (51%) owned and controlled by one (1) or more minority individuals.

Woman-owned business (WOB) is a continuing, independent, for profit business that performs a commercially useful function, and is at least fifty-one percent (51%) owned and controlled by one (1) or more women.

Service Disabled Veteran-owned business (SDOV) is a continuing, independent, for profit business that performs a commercially useful function, owned by any person who served honorably on active duty in the armed forces of the United States with at least a twenty percent (20%) disability that is service connected. Meaning such disability was incurred or aggravated in the line of duty in the active military, naval or air service, and is at least fifty-one percent (51%) owned and controlled by one (1) or more service disabled veteran.

Small Business (SB) is a continuing, independent, for profit business which performs a commercially useful function and has total gross receipts of not more than ten million dollars (\$10,000,000) average over a three-year period or employs no more than ninety-nine (99) persons on a full-time basis.

**Subcontractor/Consultant Statement**  
(TO BE SUBMITTED IN THE BID/PROPOSAL ENVELOPE)

We \_\_\_\_\_ do certify that on the  
(Bidder/Proposer Company Name)

\_\_\_\_\_  
(Project Name)  
\$ \_\_\_\_\_  
(Amount of Bid)

**Please select one:**

**Option A: Intent to subcontract using Diverse Businesses**

A Diversity business will be employed as subcontractor(s), vendor(s), supplier(s), or professional service(s). The estimated **dollar value** of the amount that we plan to pay is:

\$ \_\_\_\_\_.  
Estimated Amount of Subcontracted Service

<b>Diversity Business Enterprise Utilization</b>			
Description of Work/Project	Amount	Diverse Classification (MOB, WOB, SB, SDOV)	Name of Diverse Business

**Option B: Intent to perform work “without” using Diverse Businesses**

We hereby certify that it is our intent to perform 100 % of the work required for the contract, work will be completed without subcontracting, or we plan to subcontract with non-Diverse companies.

DATE: \_\_\_\_\_ COMPANY NAME: \_\_\_\_\_

SUBMITTED BY: \_\_\_\_\_ TITLE: \_\_\_\_\_  
(Authorized Representative)

ADDRESS: \_\_\_\_\_

CITY/STATE/ZIP CODE: \_\_\_\_\_

TELEPHONE NO: \_\_\_\_\_