

CURRY COUNTY



REQUEST FOR AGREED UPON PROCEDURES ENGAGEMENT

For Review of the Management agreement between Curry County and Global Spectrum, L.P., d/b/a Spectra Venue Management, L.P., for years ending December 31, 2017 and December 31, 2018.

Proposals along with a price estimate are due to the Curry County Manager by close of business on March 5, 2019

**Curry County Administration
Attn: Lance A. Pyle, County Manager
417 Gidding Street, Suite 100
Clovis, NM 88101**

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This is not a formal BID or RFP and Curry County reserves the right to reject any or all proposals and not necessarily accept the lowest cost proposal. County also reserves the right to negotiate with the successful offeror on different items, modifications and changes that pertain to Scope of Work set forth herein.

Curry County owns Curry County Fairgrounds and currently has a contract in place with Global Spectrum, L.P., d/b/a Spectra Venue Management, L.P., hereinafter referred to as "Spectra". The agreed upon procedures will be used to assist Curry County in reviewing the Management Agreement Procedures between Curry County, New Mexico, and Spectra. The Agreed Upon Procedures will be conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants. The report will be provided to the Curry County Manager along with eight (8) copies, one (1) electronic copy and will be presented to the Board of County Commission in a public Commission meeting. The report of the Agreed Upon Procedures will need to be completed and presented to the County Commission prior to June 4, 2019.

Curry County will provide the following to the successful offeror(s):

1. Access to the Curry County Events Center and Fairgrounds facility.
2. December 2017 and December 2018 Events Center and Fairgrounds Financial Statements, Management Agreement and Amendment to Management Agreement dated October 17, 2017.
3. Reports and other documents that the selected offeror may need with at least twenty (20) days prior written notice to County.
4. Access to Curry County Events Center and Fairgrounds employees (employees of Spectra) to ask questions regarding policies and procedures as well as questions of Curry County Management.

SCOPE OF WORK

The selected offeror shall perform the following:

1. Review prior reports related to the Management Agreement Procedure between Curry County and Spectra to determine if prior findings and recommendations have been corrected or implemented. This will consist of Agreed Upon Procedures Audits in 2014, 2015 and 2016.
2. Select a judgmental sample of expenses based on 15% of the total number of checks written for each operating year from the Curry County Events Center and Fairgrounds operating account and determine if:
 - a) The expenses were classified in the proper expense account.
 - b) The expenses were appropriately authorized.
 - c) The expenses were paid in a timely manner.
 - d) The expenses comply with the operating manual.
3. Make an independent determination of the annual incentive fee based on the gross revenue generated from the facility for operating years 2017 and 2018.

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4. Review the list of equipment listed on Schedule 1 of the Agreement assigned to Spectra and perform a walk through to obtain an understanding of the procedures and internal control related to the use of equipment to confirm that the equipment is available and is used by manager and manager's employees only.
5. Curry County has requested that Spectra use inmate labor when available. The selected offeror shall review the process for considering and selecting inmate labor and a list of outside temporary employees contracted to determine if:
 - a) The process to consider inmate labor was implemented in accordance with County's request.
 - b) The inmate labor was accounted for properly.
6. Review the operating budget and determine if:
 - a) Total expenses were within the approved budget.
 - b) Any and all operating budget changes were approved by the County within thirty (30) days.
7. Obtain a list of events for each operating year that includes the gross revenue and judgmentally select a sample of 15% of the total events to determine if:
 - a) The corresponding event receipts were deposited in the events account within twenty-four (24) hours.
 - b) The event receipts comply with the operations manual.
 - c) There is supporting documentation to support the existence of the revenue.
 - d) The revenue is recorded in the correct reporting period.
8. Obtain a list of the events for each of the operating years which includes the net revenue and judgmentally select a sample of 15% of the total events to confirm that the remaining funds from the events were correctly and timely transferred to the operating account after each event was completed.
9. Review the sponsorship documentation to ensure that the manager is in compliance with the Management Agreement to determine:
 - a) The manager's efforts to increase the number of sponsors each operating year during the term of the Management Agreement.
 - b) If Manager has submitted a proposal sponsorship goal within the yearly budget.
 - c) If Manager updated the Board of County Commissioners semi-annually; July and January of each year regarding the sponsorship sold, revenue collected and sponsorships sought during the six (6) month period.
10. Confirm the manager performed the following:

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- a) Prepared GAAP financial statements, age receivables, summary of bookings and cash receipts/disbursements for each event within thirty (30) days of each month.
 - b) Submitted a complete statement of revenue and expenses of the County Fair to the County Commission within forty-five (45) days of the County Fair.
11. Review insurance policies obtained to determine if:
- a) All insurance policies met the minimum requirements outlined in Exhibit B of the Management Agreement.
 - b) That there was no lapse of coverage during the year by sending confirmation to the insurance company.
12. Review at a minimum of three (3) events in 2017 and 2018 and verify and reconcile horse stalls and RV rentals to deposit.
13. Review the policy and process utilized to ensure that all cash payments made to Spectra, including horse stalls were properly documented, receipts were issued and the funds were accounted for.
14. Review promotional passes for the annual County Fair and make sure they were properly documented and accounted for in 2017 and 2018.
15. Review and determine that checks paid or issued by Spectra to Spectra are allowable expenses pursuant to the Management Agreement.
16. For every event that was held at the facility which Spectra or their subsidiary company was a sponsor for, review and make sure that the County was not out any expense and was reimbursed for usage of the facility, etc. the same as other users who rent the facility to hold events.
17. Review alcohol purchases and inventory to see if proper internal controls were in place and how shortages and overages are reported and handled to include the total amount of each year.
18. Review Amendment to Management Agreement dated October 17, 2017 and provide recommendation on Paragraph 4.

PROPOSAL PACKAGE

Each offeror must submit the following as labeled and in the same order as follows:

1. Technical Experience: County will consider the relevant experience, availability of staff with professional qualifications and technical abilities when selecting an offeror. The offeror must outline their experience with conducting Agreed Upon Procedure engagements; team audit experience and references and qualifications.
2. Capability of offeror: The offeror must list the resources, independence standards and peer review report. The organization and completeness of the proposal will be evaluated. Results of the offeror's peer and external quality control reviews will be reviewed.

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3. Work Requirements and Audit Approach: The offeror shall outline knowledge of audit objectives, County needs and product to be delivered; technical plan and time estimate; staffing plan; and approach for planning and conducting the work efforts of subsequent years.
4. Cost: The cost will not be the primary factor in the selection of the offeror. The dollar cost should contain all pricing information relative to performing the audit as described in the Scope of Work.

SCHEDULE

	Action	Responsibility	Date
1.	Approve Contract	County Commission	March 19, 2019
2.	Notice to Proceed	Curry County	March 19, 2019
3.	Completion of Work	Contractor	June 4, 2019

For additional information, contact County Manager Lance A. Pyle at 575-763-6016 or lpyle@currycounty.org or County Finance Director Carol Pipes at 575-763-6016 or cpipes@currycounty.org.