



REQUEST FOR PROPOSALS

Professional Auditing Services

**Proposals to be Received by 11:00:00 a.m., Eastern Time
January 13, 2023**

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

Professional Auditing Services

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City of Knoxville Request for Proposals

Professional Auditing Services

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, 2023, 2024, 2025, 2026, and 2027. 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 ACFR. The City and the System intend to each award a contract for a term of five years. The City and the System will independently evaluate the proposals, which may result in different awards for each entity.

The purpose of this engagement is for the preparation of an Annual Comprehensive Financial Report (ACFR), to obtain an independent auditor's opinion regarding the fairness of applicable financial statements, compliance with legal provisions, and 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](#) (OMB Uniform 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, 2023.

Note: The City's Audit and System's Investment Committees anticipate making a selection of a firm by March 17, 2023 and forward their recommendations to City Council and Pension Board for consideration at a regularly scheduled meeting on April 4, 2023. Following the notification of the selected firm and approval of City Council and the System, it is expected that the contract(s) prepared in accordance with the rules and regulations promulgated by the Comptroller of the State of Tennessee will be executed between all parties no later than May 15, 2023, for submission to the Comptroller of the Treasury of the State of Tennessee for approval.

II. RFP Timeline

Availability of RFP December 2, 2022

Deadline for questions to be submitted in writing to the
Purchasing Division January 3, 2023

Proposals Due Date January 13, 2023

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.**

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 will be part of the audit engagement but may be awarded separately. 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, 2022, through June 30, 2023. Grant (special revenue) funds are not generally budgeted during the annual appropriation process. The City's records are maintained in accordance with Generally Accepted Accounting Principles. The proposer should note that a number of special revenue funds must be reclassified to the General Fund 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 ACFR 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 completed 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 ACFR 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 ACFR 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 ACFR, it is the City's desire that the selected Audit firm prepare the ACFR with assistance from the City. The System's ACFR is prepared by the Pension Board Accounting Manager and reviewed by the Executive Director for Auditor's review, formatting and reproduction.

The City's and the System's ACFRs may be found at the following links:

https://www.knoxvilletn.gov/government/city_departments_offices/Finance/annual_comprehensive_financial_report

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

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 and the System.
- 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/System staff. All information provided shall be considered by the Evaluation Committee in making a recommendation to enter into an agreement with the selected firm.
- 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 Purchasing Agent, Penny Owens, by the close of the business day on January 3, 2023.** Questions can be submitted by letter, fax (865-215-2277), or email to 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/bids. 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/System 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/System. The City/System 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/System 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/System 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 City Council's Audit Committee/System's Executive Director recommendations of a firm(s), Knoxville City Council/System's Pension Board approval is 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 with the Purchasing Division through the City of Knoxville's online Vendor Registration system. Instructions for registering on-line are available at www.knoxvilletn.gov/purchasing. **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 and System 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

- 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) Circulars/Uniform Guidance (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 ACFR 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 Pension Board and incorporated as a fiduciary fund in the City's overall ACFR 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), a cybersecurity risk assessment to consider and assess the impact of such risk to the City's and the System's financial systems and assets, 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, City Council's Audit Committee, City Internal Auditor, and/or the System'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 designated Senior Manager or other senior auditor as listed in the RFP (and subject to approval if personnel changes are necessary) with previous governmental accounting/auditing experience who shall serve as the firm's day-to-day contact with City and System 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 System's Actuary. In the proposal, please specify whether the firm will be contracting with another actuary to biennially review the System's Actuarial report or if the Auditor has an internal Actuary they will be relying upon as a specialist to perform such review
- 5.9. In regard to the System's audit, the Auditor is expected 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 provide 100% of the data exceptions to the System management and the City management for investigation should any exception arise. We understand that the auditor will still test from these exceptions, but the System would like the data in order to research all exceptions in an effort to maintain reliable data to the actuary.
- 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 City Council prior to the work being performed.
- 5.11. Periodic progress payments shall be made as the work progresses. Final payment to be made after delivery of the audit report for the period, and after final presentation and exit conference with the City Council's Audit Committee. A retainer of 10% of contract price shall be set aside by the City and the System 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 ACFR. 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:**
 - 5.13.1. Field work completed by October 29, 2023
 - 5.13.2. Financial statement preparation (including notes, financials, and statistical tables) by November 16, 2023
 - 5.13.3. Final audit report and Audit exit conference at the City Council's Audit Committee meeting no later than the third Thursday in December 2023
 - 5.13.4. Audit report ready for printing released to the City in final form on or before December 18, 2023

- 5.14. Subsequent Year Requirements for the City's ACFR. A time schedule shall be prepared and agreed to by City Management and the External Auditor for completion of the ACFR, 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. A time schedule shall also be prepared and agreed to by the City Internal Auditor for scheduling and executing the exit conference at the City Council's Audit Committee meeting for the second and subsequent years. Failure to meet the prescribed timetable, through no fault of the City, may 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 City Internal Auditor for purposes of reviewing audit status and communication of any audit-related issues. These updates may be monthly except during field/onsite/testing work in which case the updates should be held weekly. The Auditor shall provide the dates and times of these meetings to the City Internal Auditor and City Management. The Auditor shall maintain an open line of communication with the City Management, the City Internal Auditor and/or City Council's Audit Committee.
- 5.16. Periodic progress updates for the System's audit shall be held with the Executive Director and Accounting Manager for purposes of reviewing audit status and communication of any audit-related issues.
- 5.17. The auditor shall prepare an Annual Comprehensive 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 ACFR. See the Appendix for specific responsibilities.
- 5.18. 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**
- 5.18.1. Field work completed by October 31, 2023
 - 5.18.2. Financial statement review by November 16, 2023 in order to submit to the City for their ACFR
 - 5.18.3. Final audit report and audit exit conference at the Pension Board meeting by December 13, 2023
 - 5.18.4. Audit report ready for printing released at the Pension Board meeting in final form on or before December 14, 2023
- 5.19. 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 ACFR, outlining System tasks and external auditor tasks. Failure to meet prescribed timetable, through no fault of the System, may be considered grounds for breach of contract. The auditor shall review the Annual Comprehensive Financial Report pursuant to current GAAP/GASB guidelines as prepared by the System's Staff. See the Appendix for specific responsibilities.
- 5.20. At the conclusion of the audit, the auditor will meet with the City and System to discuss the results of the audit and explain any findings that are included in the auditor's management letter.
- 5.21. All working papers and reports shall be retained for a minimum of three years, unless the firm is notified in writing by the City of the need to extend the retention period.

VI. Contract Requirements

Submitting entities, if selected, must be willing to sign a contract with the City/System, 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/System and/or impose the greater obligation to the contractor will prevail.
- 6.2. Administration.** The contract(s) will be administered by the City of Knoxville's Finance Department, the Internal Auditor, and the System.
- 6.3. Invoices.** Invoices for services will be submitted to the City and the System separately in accordance with the contracted terms.
- 6.4. Independent Contractor.** The relationship of contractor to the City and System 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/System.
- 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. ADA Compliance.** With regard to the services performed under this Agreement, the Contractor will comply with all applicable requirements of the Americans with Disabilities Act, 42 U.S.C. § 12101, *et seq.* ("ADA"). The Contractor agrees that it will defend, indemnify and hold the City/System harmless against any and all claims, demands, suits or causes of action which arise out of any negligent and/or intentional act or omission by the Contractor, its employees, agents or representatives that violates the ADA. The Contractor agrees that the City/System will not be responsible for any cost or expenses arising from the Contractor's failure to comply with the ADA.
- 6.7. Indemnification and Hold Harmless.** The successful proposer will be required to sign a contract with the City/System 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/System moving to the next responsible responsive proposer.

Contractor shall defend, indemnify and hold harmless the City/System, its officers, employees and agents from any and all liabilities which may accrue against the City/System, 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/System, its agents or employees. The amount and type of insurance coverage requirements set forth in this Agreement will in no way be construed as limiting the scope of the indemnity in this section.

Contractor shall save, indemnify and hold the City/System harmless from the cost of the defense of any claim, demand, suit or cause of action made or brought against the City/System 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/System; and Contractor shall assume and take over the defense of the City/System in any such claim, demand, suit, or cause of action upon written notice and demand for same by the City/System. Contractor will have the right to defend the City/System with counsel of its choice that is satisfactory to the City/System, and the City/System 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/System, such consent not to be unreasonably withheld or delayed. The City/System 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/System harmless and pay judgments that shall be rendered in any such actions, suits, claims or demands against City/System alleging liability referenced above.

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

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

If the City/System 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/System, and the City/System 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/System 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/System may procure, upon such terms and in such manner as the Purchasing Agent may deem appropriate, supplies or services similar to those terminated.

6.9. 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). Contractor shall maintain professional liability insurance covering claims arising from real or alleged errors, omissions, 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 onto 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.

6.10. 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.

6.11. 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.

6.12. 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.

- 6.13.** 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.
- 6.14.** Federal, State, and Local Requirements. Each submitting entity is responsible for full compliance with all laws, rules and regulations which may be applicable.
- 6.15. Licenses.** Before a contract is signed by the City/System, 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/System 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.
- 6.16. Funding.** The City's performance and obligation to pay under this contract is subject to funding contingent upon an annual appropriation.
- 6.17. 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/System and the Contractor from the Agreement shall lie in Knox County, Tennessee.
- 6.18. 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/System.
- 6.19. 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.
- 6.20. 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.
- 6.21. 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.
- 6.22. No Benefit for Third Parties.** The services to be performed by the Contractor pursuant to the Agreement with the City/System are intended solely for the benefit of the City/System, 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/System 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.
- 6.23. 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.

6.24. 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.

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

6.26. 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's 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 December 1, 2022, 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/bids where it can be read or printed using Adobe Acrobat Reader software.

7.2. Submission Information

Option 1 - Electronic Submission Procedures. Electronic submissions shall be submitted online through the City's Procurement website. DO NOT EMAIL YOUR SUBMISSION. All proposers/bidders must register as a vendor in order to submit an electronic file.

Step One: Register as a City of Knoxville vendor (Vendors are encouraged to complete this step now to ensure seamless submission process prior to deadline.) To register as a vendor: Visit the website at www.knoxvilletn.gov/purchasing Click the "Vendor Registration" tab; then "Click here to register as a City of Knoxville Vendor" Follow the prompts to complete online registration. Note: You will be asked for a PIN. This PIN will be emailed to you and may be sent to your spam or junk folder.

DO NOT WAIT UNTIL SUBMISSION DEADLINE TO REGISTER AS A VENDOR. The electronic submission link will be disabled at 11:00:00 a.m. Eastern time. Vendors will not have the ability to submit any electronic files once the deadline has passed and the City will accept no late submissions.

Step Two: Submit all materials electronically as one (1) file to City's Procurement website PRIOR to 11:00:00 a.m. (Eastern Time) on January 13, 2023. To submit electronic file: Visit the procurement website at www.knoxvilletn.gov/bids Click "RFP - Professional Auditing Services", Click "Submit Bid" (red button located at top of screen) Follow the prompts to upload and submit electronic file. The City prefers only one (1) bid file per submission. Files MUST use the following naming convention, listing the firm's name followed by the title of the project. Example: "ABC Company-Professional Auditing Services.pdf." Should you need to merge multiple documents into one PDF please utilize Google to download a free software intended for merging pdf documents.

Option 2 - Hard Copy Submission Procedures: Proposals shall include one original and one electronic copy of the proposal (.pdf format on CD or USB drive 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: The original hard copy submitted proposal must bear an original signature, signed in ink (duplicated signatures substituted for original ink signatures may result in rejection of the proposals). 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 January 13, 2023. 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 "RFP – Professional Auditing 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, any other carrier of any sort, or as a result of a technology issue 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, Affidavits, and Certifications:

- A. [Form S-1](#)
- B. Submission Affidavits and Certifications
- C. [Exceptions to Terms and Conditions](#)

4. Body of Proposal:

- a. Provide background of the firm. The proposer should state the size of the firm, the size of the firm's governmental auditing staff, and the number and nature of the professional staff to be assigned to this engagement. The firm is also required to submit a copy of the report on its most recent quality control review, along with a statement of whether that quality control review included a review of specific government engagements.
- b. Provide partner, supervisory, and staff qualifications and experience to include resumes. The proposer should identify the principal supervisory and management staff assigned to the engagement and disclose each person's government auditing experience along with a description of their auditing experience in general.
- c. Provide information on similar engagements with other government entities. The proposal shall describe the five most significant engagements performed in the last five years that are similar to the engagement described in this request for proposals. Indicate the scope of the work and the name and telephone number of the client contact.
- d. Procedures for replacing members. Describe the firms' methodology for notification and communication of changes to the City/System.
- e. Specific audit approach. The proposal should set forth a plan of implementation, including an explanation of the audit methodology for this engagement. The work plan should include a description of tasks, estimates of work effort, time budgets, and a detailed breakdown of responsibilities of all audit personnel.
- f. Pricing Proposal

[NOTE: All required submission forms may be found in this solicitation document.](#)

DIVERSITY BUSINESS ENTERPRISE (DBE) PROGRAM
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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 2023 goal is to conduct 4.3% of its business with minority-owned businesses, 10.3% of its business with woman-owned businesses, and 34.8% 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, report 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 Subcontractor/Consultant statement included in the submission forms based on the following definitions:

CITY OF KNOXVILLE DIVERSITY BUSINESS DEFINITIONS

Diversity Business Enterprise (DBE's) are minority-owned (MBE), women-owned (WBE), service-disabled veteran-owned (SDVBE), and small businesses (SBE), 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 daily.

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 Business Enterprise (MBE) 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 Business Enterprise (WBE) 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 Enterprise (SDVBE) 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 Enterprise (SBE) 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.

Persons with Disabilities Business Enterprise (PDBE) is business owned by a person with a disability that 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 persons with a disability; or, in the case of any publicly owned business, at least fifty-one percent (51%) of the stock of which is owned and controlled by one or more persons with a disability and whose management and daily business operations are under the control of one or more persons with a disability. "Person with a disability" means an individual who meets at least one of the following: (A) Has been diagnosed as having a physical or mental disability resulting in marked and severe functional limitations that is expected to last no less than 12 months; (B) Is eligible to receive social security disability insurance (SSDI); or (C) Is eligible to received supplemental security income (SSI) and has a disability as defined in (A) above.

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/System 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/System 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/System 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.

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/System, the firm or team determined to be the most responsive to the City/System, 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/System 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/System 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:

- 1. Qualifications of the Firm, lead auditor, and team who will work with the City – 45 points**
- 2. Technical approach – 45 points**
- 3. Fees – 10 points**



REQUEST FOR PROPOSALS

Professional Auditing Services

Submission Form S-1

Proposals to be Received by 11:00:00 a.m., Eastern Time; January 13, 2023; in Room 667-674, City/County Building; Knoxville, Tennessee.

IMPORTANT: All submissions of proposals shall comply with the instructions found in [Section 7, Instructions to Submitting Entities](#). These instructions ensure that (1) submissions contain the information and documents required by the City's RFP and (2) the submissions have a degree of uniformity to facilitate evaluation; **do not email your submission.**

Please complete the following:

Legal Name of Proposer: _____

Address: _____

Telephone Number: _____

Contact Person: _____

Email Address: _____

DUNS #: _____

Signature: _____

Name and Title of Signer: _____

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

SUBMISSION AFFIDAVITS AND CERTIFICATIONS

We _____
 (Bidder/Proposer Company Name)

do certify that on the

 (Solicitation Title / Project Name)

we are in receipt of the following checked items and do hereby certify or affirm as follows:

SUBCONTRACTOR/CONSULTANT STATEMENT

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 **percentage** of the amount that we plan to pay is:

_____ %.

Total Estimated Percentage of Subcontracted Service

Diversity Business Enterprise Utilization			
Description of Work/Project	Percentage	Diverse Classification (MBE, WBE, SBE, SDVBE, PDBE)	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.

Option C: Intent to self-perform work as a Diversity Business Enterprise.

We intend to self-perform 100% of the work required for the contract as a Diversity Business Enterprise.

NON-COLLUSION AFFIDAVIT

- (1) Submitted Proposal is genuine and is not a collusive or sham Proposal;
- (2) Neither the said firm nor any of its officers, partners, owners, agents, representatives, employees or parties in interest, including this signatory, 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
- (3) 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 signatory.

NO CONTACT / NO ADVOCACY AFFIDAVIT

1. **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 (Penny Owens). Any unauthorized contact may cause the disqualification of the proposer from this procurement transaction.
2. **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, Community Empowerment Department, 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.

CHILD CRIME AFFIDAVIT

The Proposer agrees not to allow any employee or volunteer who is awaiting trial or has been convicted of a felony crime involving the sexual exploitation of children, sexual offenses involving children or violent crimes to participate in this Agreement at sites where children may be present. Failure by the Proposer to comply with this requirement is grounds for immediate termination of the Agreement.

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/content/dam/tn/generalservices/documents/cpo/cpo-library/public-information-library/List_of_persons_pursuant_to_Tenn._Code_Ann._12-12-106_Iran_Divestment_Act_updated_7.7.17.pdf

By submission of this form, the proposer certifies that the above-named firm, under penalty of perjury to the best of its knowledge and belief, and any proposed suppliers are not on the list created pursuant to § 12-12-106.

NON-BOYCOTT OF ISRAEL

For submissions with a total cost of \$250,000 or greater, the Signatory certifies that the proposed firm and any subcontractors or suppliers certify that the firms, subcontractors and suppliers are not boycotting Israel pursuant to Tenn. Code Ann. §12-4-1 and will not during the term of any award.

State of _____

County of _____

_____, being
duly sworn, deposes, and says that:

He/She/They is a principal officer of _____, the firm submitting the attached Proposal,

his/her/their title being _____, and he/she/they has authority to affirm and/or certify the listed declarations.

Signed

Title

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

NOTARY PUBLIC

My Commission expires _____

Exceptions to Terms and Conditions

Applicants shall be presumed to be in agreement with the terms and conditions of the RFP unless the Applicant takes specific exception to one or more of the conditions on this form. RESPONDERS ARE CAUTIONED THAT BY TAKING ANY EXCEPTION THEY MAY BE MATERIALLY DEVIATING FROM THE RFP SPECIFICATIONS. IF A RESPONDER MATERIALLY DEVIATES FROM A RFP SPECIFICATION, ITS PROPOSAL MAY BE REJECTED. REVISIONS TO THE INDEMNIFICATION CLAUSE WILL NOT BE CONSIDERED.

A material deviation is an exception to a specification which 1) affords the Responder taking the exception a competitive advantage over other Responders, or 2) gives the City something significantly different than the City requested.

INSTRUCTIONS: Responders must explicitly list all exceptions to City terms and conditions. Reference the actual number of the City's term and condition and page number for which an exception(s) is being taken. If no exceptions exist, state "NONE" specifically on the form below. Whether or not exceptions are taken, the Responder must sign and date this form and submit it as part of their Proposal. (Add additional pages if necessary.)

Responder Name:	
<u>Term & Condition Number/Provision</u>	<u>Explanation of Exception</u>

By signing this form, I acknowledge that the above named Responder accepts, without qualification, all terms and conditions stated in this RFP except those clearly outlined as exceptions above.

Signature

Title

Date

Appendix
City of Knoxville
Financial Data for RFP Submittal
Unaudited - Not Final - As of 6/30/2022

Primary Fund	Sub Fund	Fund No:	Budget		Actual (Unaudited)	
			Revenue:	Expenses:	Revenue:	Expenses:
General	General Fund	100	\$ 253,558,130	\$ 253,558,130	\$ 262,209,138	\$ 254,808,446
	Community Improvement Fund	202	90,000	90,000	90,000	90,000
	Tax Increment	306	3,295,710	3,295,710	2,881,440	2,881,440
	Recreation Tournament Activities	240003	62,100	62,100	56,362	48,156
	Miscellaneous Special Events	240013	392,780	392,780	423,502	306,243
	Parks & Recreation Trip Fund	240029	1,020	1,020	19	-
	Parks & Recreation Aquatics Fund	240030	20,250	20,250	26,762	18,126
	Parks & Recreation Special Events Fund	240032	23,200	23,200	753	1,660
	Parks & Recreation Summer Youth Program	240033	120,000	120,000	90,506	100,725
	Violence Interruption	240036	1,000,000	1,000,000	1,001,358	568,864
	Demolition by Neglect	240042	100,000	100,000	-	-
	Neighborhood Grants	240043	30,000	30,000	30,000	17,970
	Historic Preservation	240044	300,000	300,000	300,000	(159,799)
	Home Energy Retrofit - CAC	240045	7,500	7,500	-	-
	Affordable Rental Housing	240047	2,500,000	2,500,000	2,500,000	4,823,173
	Emergency Management Agency	240070	653,550	653,550	746,575	634,222
State Street Aid	State Street Aid	201	6,203,000	6,203,000	6,651,690	6,317,192
Abandoned Vehicle Fund	Abandoned Vehicle Fund	209	887,350	887,350	1,221,365	921,979
Animal Control Fund	Animal Control Fund	211	45,000	45,000	44,320	44,062
City Court	City Court	213	1,348,500	1,348,500	1,397,816	1,147,874
City Inspections	City Inspections	216	3,274,810	3,274,810	3,477,764	2,886,115
Solid Waste	Solid Waste	230	10,180,480	10,180,480	10,639,974	10,324,331
Stormwater	Stormwater	220	3,618,660	3,618,660	3,682,169	3,406,368
	Supplemental Environmental Projects	220001	35,000	35,000	5,500	2,500
Misc. Special Revenue	Traffic Safety	240004	105,660	105,660	44,942	99,825
	Safety City	240010	350,780	350,780	348,159	361,843
	KPD Seizure Fund	240011	500	500	12,593	2,278
	Parks Donations	240014	15,100	15,100	21,319	16,530
	Officer Training	240015	122,400	122,400	83,196	54,399
	KPD Capital Fund	240016	150,000	150,000	313,082	150,000
	Police Donations	240020	900	900	1,393	5,301
	Beer Board	240021	155,000	155,000	18,667	4,200
	Sex Offender Registry	240025	13,500	13,500	12,551	4,398
	Police Training - T.R.A.C.K.	240028	13,200	13,200	5,922	10,143
	Parks & Recreation KCDC Recreation Facilities Fund	240031	70,000	70,000	53,511	22,609
	Contested Payments	240034	-	-	416	-
	Tree Bank	240035	2,500	2,500	15,054	8,000
	Miscellaneous Donations Fund	240060	13,250	13,250	20,766	13,116
	Treasury DAG	240101	21,000	21,000	10,559	-
	Justice DAG	240102	297,620	297,620	9,043	157,991
	State Asset Liability Account	240103	500	500	-	-
	General Narcotics Account	240104	558,320	558,320	567,458	228,136
	KDAF Anti-Fencing Account	240105	8,500	8,500	141	3,125
	Electronic Citation Fees	240602	3,000	3,000	4,700	7
	Suspended License Fees	240603	-	-	30,465	-
Miscellaneous Grants	Organized Crime-Inner City	250001	-	-	23	-
	2018 Homeland Security Grant/Knox County	250128	-	-	8,788	-
	2019 Homeland Security Grant/Knox County	250129	-	-	13,519	10,519
	2020 Homeland Security Grant/Knox County	250130	-	-	1,679	1,679
	Childhood Obesity Prevention Fund	250404	-	-	1,126	1,126
	2017 State ICAC Grant	250655	-	-	11,397	17,447
	2016 ICAC Grant	250659	-	-	203	0
	2017 ICAC (TN Wounded Veteran)	250663	-	-	52,472	51,932
	2018 COPS - Stop School Violence Grant	250665	-	-	4,395	-
	FY19 Mental Health First Aid	250667	-	-	106,400	67,729
	2019-20 Federal ICAC Grant	250670	-	-	559,511	490,961
	FY2020 THSO DUI Grant	250671	-	-	8,521	-
	2020 Project Safe Neighborhood East Grant	250672	-	-	16,003	17,156
	BJA FY20 Coronavirus Emergency Supplemental Fund	250674	-	-	114,876	114,876
	2020-2022 VOCA - LE-VC	250675	-	-	313,425	166,182
	THSO Traffic Services	250676	-	-	80,910	6,838
	2019 Project Safe Neighborhoods	250677	-	-	68,915	795
	COPS - Knoxville Peer Support Project (LEMHWA)	250678	-	-	82,075	81,323
	2020 COPS -Stop School Violence (SVPP)	250679	-	-	131,432	111,501
	2021 Appalachia HIDTA	250680	-	-	54,296	38,461

	FY2017 Jag Program	250700	-	-	90	90
	FY2018 JAG Program	250701	-	-	70,282	36,322
	Local Government Recovery and Rebuilding Direct Af	250702	-	-	2,067,532	465,090
	Coronavirus State and Local Fiscal Recovery Fund	250703	-	-	22,119,814	8,722,392
	FY22 ICAC Grant	250705	-	-	201,513	201,513
	CESF ICAC COVID Response	250706	-	-	77,328	77,328
	FY22 Community Based Traffic Safety Enforcement ar	250707	-	-	110,891	111,034
	FY22 Safe Communities Grant	250708	-	-	47,220	47,220
	FY22 Coronavirus Emergency Supplemental Funding	250709	-	-	48,223	48,223
	2019 JAG/Byrne Grant	250710	-	-	4,700	4,700
	2022 Appalachia HIDTA	250711	-	-	42,634	42,634
	2021 Law Enforcement Mental Health and Wekkness	250713	-	-	225	225
	2021 BJA Kevin and Avonte Program	250714	-	-	8,312	8,312
	African American Task Force	250717	-	-	10,000	-
	Dept. of Agriculture - Urban Forestry TAEP Communit	253444	-	-	27,545	27,545
Misc. Comm. Dev. Funds	Home Grant	264	1,624,880	1,624,880	1,304,259	1,304,259
	House Grant	263	-	-	3,585	7,635
	Hope Grant	265	-	-	20,439	-
	Emergency Shelter Grant	269	150,260	150,260	1,301,003	1,301,003
	Empowerment Zone Grant	270	-	-	6,584	242,400
	House Grant (Vestal)	263297	-	-	1,132	-
	Affordable Housing 1994	266094	-	-	3	-
	ESG/Tennessee Housing Development Agency	269001	-	-	621,962	621,962
	Lead Hazard Control & Healthy Homes Grant - LHCG	290100	-	-	621,889	621,889
Community Development	Community Development	290	1,907,840	1,907,840	2,572,286	2,572,286
	HUD Section 108 Loan - 2016	293	-	-	257,006	245,006
Debt Service Fund	General Obligation Debt Fund	305	19,778,440	19,778,440	37,280,970	36,811,319
Capital Projects Funds	Capital Projects Fund	401	45,766,320	45,766,320	38,229,951	33,042,514
	FY 14/15 Bond Construction Fund	401014	-	-	468	502,155
	FY 17/18 Bond Construction Fund	401017	-	-	108	-
	FY 18/19 Bond Construction Fund	401019	-	-	19,862	33,134,600
	FY 21/22 Bond Construction Fund	401022	-	-	18,168,054	-
Public Assembly Funds	Public Assembly Facilities	503	3,576,560	3,576,560	(1,351,326)	1,819,494
	Public Assemblies Facilities Capital Construction	503001	-	-	1,700,000	95,641
	PAF-Coliseum Restoration Fund	503002	-	-	447,707	-
	KCAC Operating	503572	4,139,770	4,139,770	8,715,697	5,749,628
	Chilhowee Park Operating	503574	1,306,020	1,306,020	2,519,881	1,388,448
Metro Parking Funds	Metro Parking	504	5,102,180	5,102,180	3,761,952	3,890,249
	Metro Parking Capital Construction	504001	-	-	402,440	329,771
Knoxville Convention Center	KCC-Worlds Fair Park	506001	2,880,000	2,880,000	2,141,660	2,566,303
	KCC-Convention Cntr Operations	506002	6,803,820	6,803,820	7,535,125	6,903,577
	KCC-Convention Cntr Debt Service	506003	7,846,630	7,846,630	7,546,554	5,472,218
	KCC-Locust Street Garage	506004	550,770	550,770	706,078	423,000
	KCC-Tourism Activities	506005	1,163,900	1,163,900	1,870,926	1,878,145
	KCC-Capital Projects	506030	-	-	348,700	124,116
Knoxville Area Transit (KAT)	Mass Transit-Motor Bus	507001	26,955,470	26,955,470	43,797,190	24,379,966
	Mass Transit-Trolley	507002	1,262,140	1,262,140	116,725	964,691
	Mass Transit-Demand Response	507003	1,514,140	1,514,140	1,172,112	1,579,778
	Mass Transit-Grants	507004	-	-	2,396,974	825,413
	2014 STP: TN-95-X071-00	507054	-	-	758,568	-
	FY18 Formula Grant (18 8307)	507063	-	-	-	32
	FY 2016 5339 Program	507064	-	-	669,653	669,653
	FY 2017 5339 Program	507065	-	-	752,082	752,082
	2018 STP for ITS Technologies	507067	-	-	743,855	743,855
	FY17/18 STP Flex Funds for Transit Buses	507069	-	-	450,940	450,049
	FY18 STP FlexFunds for KAT Passenger Amenities	507073	-	-	142,533	131,618
	FFY17 5339(b) Grant	507076	-	-	4,489,591	4,489,591
	FY20 Formula Grant (20 5307)	507077	-	-	651	4,266
	FY19 5339 Grant Program	507078	-	-	60,892	40,082
	TDEC-VW Deisel Settlement Bus Grant	507079	-	-	486,152	0
	CMAQ Flex (5307) for Electric Buses	507081	-	-	7,403,903	7,444,412
	FY21 Formula Grant (21 5307)	507082	-	-	5,895,277	641,737
	LSTBG FLEX to 5307 Vehicle Purchase	507083	-	-	1,651,803	1,651,803
	FY 20 LSTBG Flex Funds	507084	-	-	1,987,625	1,821,147
	FY20 5339 Program	507085	-	-	250,466	209,541
	FY22 Formula Grant (22 5307)	507086	-	-	5,762,359	5,762,519
	FFY21 5339 Bus Program - Capital Assistance	507087	-	-	13,182	13,182
	FY21 LSTBG FlexFunds for KAT: Knoxville, TN	507089	-	-	872,830	872,830
Municipal Golf Course Funds	City Golf Courses	508	309,400	309,400	46,819	130,274
	Knoxville Municipal Golf Course	508002	640,000	640,000	1,129,698	887,346
	Whittle Springs Golf Course	508001	535,000	535,000	828,655	681,825
	Golf Course Capital Improvements	508003	-	-	-	51,885
KCRF Civic Revitalization Fund	KCRF Trust Fund	612	-	-	199,998	199,998

Krutch Park Fund	Krutch Park Fund	615	-	-	(7,884)	-
City Choice Plus Fund	City Choice Plus	620	-	-	-	-
Employee Health Savings Fund	Health Reimbursement Accounts	621	-	-	-	-
Trust Fund	Affordable Housing Trust Fund	631	8,177,860	8,177,860	8,177,860	6,632,099
Fleet Maintenance Funds	Fleet Services	702	10,652,950	10,652,950	10,900,099	10,281,296
	Fleet Services Capital Construction	702001	-	-	-	479,961
	Fleet Service-Fleet Replacement	702002	6,429,930	6,429,930	9,726,647	6,410,191
Health Insurance Funds	Risk Management	704	6,608,490	6,608,490	7,324,956	8,121,293
	KAT Risk Management	704050	383,660	383,660	495,996	309,963
Health Care	Health Care Fund	705	21,925,770	21,925,770	21,394,843	20,809,981
Equipment Replacement Fund	Equipment Replacement Fund	706	3,704,570	3,704,570	5,328,018	3,467,751
City Buildings Fund	City Buildings	707	2,988,030	2,988,030	2,990,223	2,445,781
Section 457 Deferred Comp. Fund	Section 457 Deferred Comp	617	-	-	-	-
Long Term Debt Fund	Long Term Debt	901	-	-	-	-
General Fixed Asset Fund:	General Fixed Assets	902	-	-	68,611,713	20,107,861
	Total's		484,333,570	484,333,570	679,295,183	576,816,077

*As of 6/30/2022 - Preliminary Data Subject to Deferrals and Accruals

Check Totals	\$ 484,333,570	\$ 484,333,570	\$ 679,295,183	\$ 576,816,077
	\$ -	\$ -	\$ -	\$ (0)