




**Request for Proposals  
Financial Statement Audit Services**

**Proposals Due: No later than August 1, 2022, 10:00AM by mailed submission to 101 West Main Street, Prattville, AL 36067 or by electronic submission to [daniel.oakley@prattvilleal.gov](mailto:daniel.oakley@prattvilleal.gov)**

  
Bill Gillespie Jr., Mayor

7/11/2022  
Date

JUL 11 22 2:06PM

## General Information

In accordance with the Code of Alabama §11-43-85, the City of Prattville (City) requires an independent annual audit. The City requests proposals to establish a contract for the professional services of a qualified Certified Public Accounting Firm for financial and compliance audits performed in accordance with generally accepted auditing standards (GAAS) as set forth by the American Institute of Certified Public Accountants (AICPA), and performed in accordance with generally accepted government auditing standards (GAGAS) issued by the Comptroller of the United States. The contract will be for a term of three (3) years – beginning with the fiscal year ending September 30, 2022 through fiscal year ending September 30, 2024.

There will be an option to extend this agreement for auditing the City financial statements for each of the subsequent two fiscal years. The continuation of the contract after each year is solely at the discretion of the City.

To be considered, mailed or electronic proposal submissions must be received by the City's Finance Director, Daniel Oakley, by **10:00 a.m. on August 1, 2022** at 101 West Main Street, Prattville, AL 36067 or [daniel.oakley@prattvilleal.gov](mailto:daniel.oakley@prattvilleal.gov).

More detailed information on the City and its finances, including ACFRs for previous years, can be found on the City's website at:  
<https://www.prattvilleal.gov/departments/audited-financial-statements.htm>.

The City participates in the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting award program and its intention is to submit each year's ACFR to this GFOA program for review.

As municipal debt issuers, the City is required to file annual reports with Electronic Municipal Market Access (EMMA) before March 31 of each year. Proposers must be able to complete the audit with strict adherence to this deadline.

The City's discretely presented component units include: Autauga-Prattville Public Library, Prattville Airport Authority, and Historic Prattville Redevelopment Authority. Total assets of the City and all component units at September 30, 2021 were approximately \$178.3 million. The Prattville Airport Authority currently undergoes annual audits in accordance with GAAS and GAGAS, the Autauga-Prattville Public Library undergoes an annual audit in accordance with GAAS only, and the Historic Prattville Redevelopment Authority does not currently undergo any such audit. While limited audit procedures will be required on these component units as part of the City's audit, this request for proposal is for the City's audit only.

In addition to the standard financial and compliance audit, the City requires the conduct of a audit of its federal grant expenditures in accordance with the auditing requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative*

*Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and any other applicable federal regulations.*

## **Schedule of Events**

RFP Issue Date	July 11, 2022
Deadline for Receipt of Written Questions	July 22, 2022
Deadline for City Response to Written Questions	July 27, 2022
RFP Response Due Date	August 1, 2022 (10:00am)
Follow Up Questions with Finalists (if necessary)	August 2, 2022 – August 5, 2022
Anticipated Award Date (via Council Action)	August 16, 2022

## **Instruction for Submission of Proposals**

### Single Point of Contact

Offerors shall direct all communications related to any provision of the Request for Proposals (RFP) only to the single point of contact identified below. From the date this RFP is issued until an Offeror is selected, Offerors shall not communicate with any staff or elected officials unless requested to do so by the single point of contact. Contact information for the single point of contact is as follows:

Single Point of Contact: Daniel F. Oakley, Finance Director  
Address: 101 West Main Street  
Prattville, AL 36067

Telephone Number: (334)-595-0151  
Email Address: [daniel.oakley@prattvilleal.gov](mailto:daniel.oakley@prattvilleal.gov)

### Required Review

- RFP Review: Offerors should carefully review this RFP in its entirety including all instructions, requirements, specifications, and terms/conditions and promptly notify the single point of contact, in writing or via e-mail of any ambiguity, inconsistency, unduly restrictive requests, or error that may be discovered upon examination of this RFP.
- Addenda: The City may revise this RFP by issuing an addendum prior to the due date. Any such addendum will be posted on the City's website alongside the posting of the RFP. Failure to propose in accordance with an addendum may be

cause for rejection. In unusual circumstances, the City may postpone a due date to notify vendors or to give Offerors sufficient time to respond to addendum.

- Form of Questions: Offerors with questions or who require clarification or interpretation of any section within the RFP must address these questions via e-mail to the single point of contact referenced above before the deadline for questions identified on the Schedule of Events within this RFP.
- City's Answers: The City will provide an official written answer to all questions received within the period stipulated on the Schedule of Events. The City's responses will be by formal written addendum. Any other form of interpretation, correction, or change to this RFP will not be binding upon the City.

### Pre-Proposal Conference

There is no pre-proposal conference scheduled for this RFP.

### Submitting a Proposal

Proposals should be submitted in two parts: Technical Proposal and Cost Proposal. Offerors must organize their proposals in the following format with a clear separation between the Technical and Cost Proposals:

1. Technical Proposal: Offeror shall respond comprehensively and clearly to the requirements "Offeror Experience" and shall include all documents, information, exceptions, clarifications, etc., as requested therein. The Technical Proposal shall be submitted in the format outlined in "Technical Proposal". If any addenda have been issued, complete, sign, and include any addendum acknowledgement that is issued by the City in conjunction with any addendum published. **The Technical Proposal must not include any cost figures.**
2. Cost Proposal: Offerors must present a cost proposal in the format outlined in "Cost Proposal" of this RFP. The Cost Proposal format outlined will be used as the primary representation of each Offeror's cost/price and will be used extensively during proposal evaluations. Additional information should be included as necessary to explain in detail the Offeror's cost/price. Do not qualify any Cost Proposal with "if...then," statements.

Offerors failing to comply with these instructions may be subject to scoring reductions. The City may also choose not to evaluate, may deem non-responsive, and/or may disqualify from further consideration any proposals that do not follow this RFP format, are difficult to understand, are difficult to read, or are missing any requested information.

### Late Submissions, Withdrawals, and Corrections

- Late Proposals: Regardless of cause, late proposals will not be accepted and will be automatically disqualified from further consideration. It shall be the Offeror's sole risk to assure delivery of the RFP by the designated time.

- **Proposal Withdrawal:** An Offeror requesting to withdraw its proposal prior to the RFP due date and time may submit a letter to the single point of contact requesting to withdraw. The letter must be on company letterhead and signed by an individual authorized to legally bind the firm.
- **Proposal Correction:** If an obvious clerical error is discovered after the proposal has been opened, the Offeror may submit a letter to the single point of contact within two business days of the due date, requesting that the error be corrected. The letter must be on company letterhead and signed by an individual authorized to legally bind the firm.

### Cost of Preparing the Proposal

The costs for developing and delivering responses to this RFP and any subsequent presentations of the proposal as requested by the City are entirely the responsibility of the Offeror. The City is not liable for any expense incurred by the Offeror in the preparation and presentation of the proposal.

The City reserves the right to retain all proposals submitted and to use any ideas in the proposal regardless of acceptance or non-acceptance of the proposal. Submission of the proposal indicates acceptance by the firm of the conditions contained in the request for proposal, unless clearly and specifically noted in the proposal submitted and confirmed in agreement between the City and the selected firm.

### **RFP Receipt and Evaluation Process**

#### Receipt of Proposals and Public Inspection

All information received in response to this RFP is deemed public information and will be made available for public viewing after a contract is awarded.

The single point of contact in charge of the solicitation will review the proposals and begin the classification and evaluation process.

#### Classification and Evaluation of Proposals

All proposals will initially be classified as either “responsive” or “nonresponsive”. Proposals may be found nonresponsive at any time during the evaluation process if any required information is not provided; the submitted price is found to be excessive or inadequate as measured by criteria stated in the RFP; or the proposal is not within the plans and specifications described and required in the RFP. Proposals found “Nonresponsive” may not be considered further.

The single point of contact will determine whether an Offeror has met the standards of responsibility. Such a determination may be made at any time during the evaluation process if information surfaces that would result in a determination on non-responsibility.

The evaluation committee will evaluate the remaining proposals and submit to the City Council for approval to enter into the engagement.

Selection and award will be based on the Offeror's proposal and other items outlined in this RFP. Submitted responses may not include references to information located elsewhere. Information or materials presented by Offerors outside the formal response, subsequent discussion/negotiation, or "best and final offer", if requested, will not be considered, will have no bearing on any award, and may result in the Offeror being disqualified from further consideration.

After receipt of all proposals and subsequent evaluation, but prior to the determination of the award, the City may initiate discussion with one or more Offerors should clarification or negotiation be necessary.

The "best and final offer" is an option available to the City under the RFP process which permits the City to request a "best and final offer" from one or more Offerors if additional information is required to make a final decision. The decision to seek a "best and final offer" is at the sole discretion of the City. Offerors may be contacted asking that they submit their "best and final offer", which must include all discussed changes.

Award, if any, will be made to the highest-scored Offeror who provides all required documents and successfully completes the negotiation process.

### Reservation of Rights

While the City has every intention of making an award based on this RFP, issuance of the RFP in no way constitutes a commitment by the City to award and execute a contract. Upon a determination such actions would be in its best interest, the City, in its sole discretion, reserves the right to:

- Cancel or terminate this RFP at any time;
- Reject any or all proposals received in response to this RFP;
- Make a contract award, based directly on the proposals received, determined to be in the best interest of the City, in its sole discretion;
- Enter further discussion with one or more Offerors;
- Waive and/or amend any undesirable, inconsequential, or inconsistent provisions of this RFP that would not have significant impact on any proposal;
- Not award or execute a contract in response to this RFP;
- Terminate any contract if the City determines adequate funds are not available.

### Scope of Services

#### City Overview

The City of Prattville is the County seat of Autauga County, was incorporated on August 8, 1865, and is located in south central Alabama. It serves a population of

approximately 37,800. The City of Prattville operates under a Mayor/Council form of government with a fiscal year from October 1<sup>st</sup> through September 30<sup>th</sup>. The Mayor and seven (7) Council members are each elected for four (4) year terms. City services include police and fire protection, sanitation services, sewer services, the construction and maintenance of highways, streets, and infrastructure, recreational activities and cultural events.

The City is organized into the following departments:

- Executive
- Legislative
- Finance
- City Clerk
- Human Resources
- Information Technology
- Vehicle Maintenance
- Building
- Police
- Fire
- Public Works
- Planning and Development
- Engineering
- Facility Maintenance
- Urban Management
- Parks and Recreation
- Performing and Creative Arts
- Judicial
- Sanitation
- Wastewater
- Group Health

The City has the following funds:

- General Fund
- Capital Projects Fund
- Debt Service Fund
- Gas Tax Special Revenue Fund
- Judicial Special Revenue Fund
- Wastewater
- Sanitation
- Internal Service Fund
- Discretely Presented Component Units: Autauga-Prattville Public Library, Prattville Airport Authority, and Historic Prattville Redevelopment Authority

The City's accounting records are maintained through Tyler Technology's Incode software. This governmental system is a fully integrated accounting system that includes

accounts payable, bank reconciliation, cashiering, payroll, general ledger, reporting, and purchasing models.

The City's accounting records are maintained on the accrual or modified accrual basis of accounting, as applicable. The City maintains all records at fund level. The City does not have a fully developed system of accounting for the City's activities at the government-wide level.

### City Staff's Audit Participation

The City's Finance Department will serve as the primary staff to assist in the completion of the audit. The City's Finance Department consists of 7 employees in the following roles: Finance Director, Deputy Finance Director, Revenue Officer & License Inspector, Accounting Specialist, Accounts Payable Coordinator, and two (2) Revenue Clerks. Additionally, the City's Finance Departments consists of two employees that are Certified Public Accountants in the State of Alabama.

In terms of performing the audit, the auditor's principal day-to-day contact with the City will be the Finance Director and Deputy Finance Director who will coordinate City staff to aid the audit team. The City will perform reconciliations of all bank accounts, due to / due from accounts, prepaid accounts, accounts payable, and transfers between funds. The City will make the necessary adjusting journal entries to close out the year prior to the arrival of auditors.

Following the format provided by the auditors, City staff will sign confirmation letters to financial institutions or any other organization as requested by audit staff. City staff will prepare supporting detail schedules for General Ledger account balances. City staff will pull and re-file any requested documents (most documents can be sent to auditors digitally).

Adequate audit workspace will be provided near accounting records. The auditors will have access to copier, if needed. The auditors will be provided copies of any journal entries, trial balances, general ledger details, and other necessary reports, as requested.

### Scope of Services

Proposals are requested for an expression of opinion on the fair presentation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). The audit must be conducted in accordance with audit standards generally accepted in the United States of America (GAAS) and the standard applicable to financial audits contained in *Government Audit Standards*, issued by the Comptroller General of the United States of America (GAGAS).

If a Single Audit is required as part of the annual audit, the audit shall also be performed in accordance with the auditing requirements of *Title 2 U.S. Code of Federal Regulations*



*Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and any other applicable federal regulations.*

The auditor will audit the financial statements of the governmental activities and business-type activities.

The following Required Supplementary Information (RSI) will be subjected to certain limited procedures but will not be audited:

- Schedule of Changes in Net Pension Liability and Related Ratios
- Schedule of Employer Contributions
- Schedule of Changes in Total OPEB Liability and Related Ratios

Supplementary information other than RSI also accompanies the basic financial statements. The following supplementary information will be subjected to the auditing procedures applied in the audit of the basic financial statements and the auditor will provide an opinion on it in relation to the basic financial statements.

- Schedule of Revenue, Expenditures, and Changes in Fund Balance – Budget to Actual Capital Projects Fund
- Schedule of Revenue, Expenditures, and Changes in Fund Balance – Budget to Actual Debt Service Fund

The following additional information accompanying the basic financial statements will not be subjected to the auditing procedures applied in the audit of the basic financial statements, and no opinion will be expressed on them:

- Introductory Section
- Statistical Section

#### Preparation of Financial Statements

The City issues an Annual Comprehensive Financial Report (ACFR) and submits the ACFR to the Government Finance Officers Association (GFOA) for consideration for the Certificate of Achievement for Excellence in Financial Reporting Program. The City may require the assistance of auditors in responding to comments from the GFOA in conjunction with submitting an ACFR for consideration by the GFOA.

City Finance Department staff will provide adjusted trial balances for all funds. The auditors will format the information and establish financial statement account groupings based on discussion with the Finance Director. The auditors will compile the draft financial statements and any related notes based on the information provided by the City. Management will prepare all Introductory Section items, MD&A, and any necessary statistical schedules. Auditors will need to format these items prepared by management for inclusion in the ACFR.

The auditors shall provide to the City documentation of all audit adjustments including appropriate back-up documentation and will meet with staff, if requested, to discuss all proposed audit adjustments. No audit adjustments shall be reflected in the audited

financial statements unless approved by the Finance Director or designee, as appropriate.

Throughout the contract period, the auditor shall advise the City on implementation of new accounting standards as promulgated by authoritative bodies. The auditor shall also advise the City on any specialized accounting issues that may arise. The City will assume all management functions and acknowledges its responsibility for the reliability, accuracy, and completeness of all financial information.

#### Required Audit Reports

The City will require an independent auditor's report on the fair presentation of the financial statements and a report on consideration of the City's internal control over financial reporting in accordance with *Government Auditing Standards*.

Recommendations for improving the City's accounting procedures, internal accounting controls, and related areas should be developed by the auditor during the audit. Areas in need of improvement should be communicated regularly and should be summarized in a Management Letter at the conclusion of the audit.

#### Required Audit Schedule

Work under this contract will begin for the Fiscal Year ending September 30, 2022. The City's fiscal year runs from October 1 through September 30. For each year auditors will be required to issue an ACFR and all audit reports no later than 180 days after fiscal year-end. City management will communicate with the audit firm awarded a contract and will arrange an audit schedule that will allow for issuance by the due date specified above.

The selected firm will also need to present the financials to City Council for their acceptance no later than 180 days after fiscal year-end. The selected audit firm will be responsible for printing twelve (12) hard copies of the ACFR as well as a PDF copy.

#### Other Audit Provisions

The City may, at any time during the contract period, make changes within the general scope of the contract and its technical provisions. If such change causes any increase or decrease in the audit firm's cost of performance, an adjustment will be made in contract price, in time allowed for performance, or both. Any claim by the firm for such an adjustment must be made in writing prior to beginning the service for which an adjustment is needed. Nothing in this clause shall excuse the firm from proceeding with performance of this contract in accordance with its original terms and conditions and any approved changes.

## Offeror Qualifications

The City may make such investigations as deemed necessary to determine the ability of the Offeror to perform the services specified.

In determining the capabilities of an Offeror to perform the services specified herein, the following informational requirements must be met by the Offeror. (Note: each item should be thoroughly addressed. Offerors taking exception to any requirements listed in this section may be found non-responsive or be subject to ranking deductions).

### Firm Experience

Submittals should provide information about the firm and should address the qualifications and depth of experience of the firm in conducting governmental audits of cities of comparable size, including Single Audits and ACFR preparation.

- Name of Firm
- Address of Firm Headquarters
- Number of Employees in Local Office
- Total Governmental Audit Staff in Local Office
- Number of Years Firm has Performed Governmental Audits
- List any audits performed for local governments in the last three (3) years. Please list the government, specify the fiscal year for which the audit was performed, whether an ACFR was prepared, whether a GFOA certificate was received, and whether a single audit was performed

### Qualify Control and Peer Review

Submittals should address the firm's participation in quality-control programs. Include the results of the latest peer review performed during the last three (3) years, and a description of any regulatory action taken by any oversight body against the firm and/or its staff in the last three (3) years.

Submittals should describe any lawsuits in the last three (3) years involving the firm's audit services.

### Qualification of Staff Assigned to City of Prattville

At a minimum please identify, provide the following information, and provide biographies for the partner and manager who will be assigned to our job. If the firm knows of any other staff that may participate on the audit team, please provide the same information for those individuals as well.

- Name
- Title
- Position
- Degree(s)
- Years with the Firm

- Years of Governmental Auditing Experience
- Governmental Audits Performed in the Past Three (3) Years
- State of Issuance for CPA License
- Year CPA License Obtained
- Responsibility on our Engagement
- Other Qualifications

#### Client References

Offeror shall provide a minimum of three (3) references of previous and/or current governmental clients who the City may contact for a candid appraisal of the firm's services. If the Offeror has previously audited the City of Prattville within the last five (5) years, only two (2) additional references will be required.

At a minimum, the Offeror should provide the government name, the location where the services were provided, contact person(s), telephone number, a complete list of services performed, and a date for the services performed. Indicate those governmental clients for whom you have prepared an ACFR and which of those ACFRs have received the GFOA Certificate of Achievement. These references may be contacted to verify Offeror's ability to perform the services requested. The City reserves the right to use any information or additional references deemed necessary to establish the ability of the Offeror to perform the condition of this request. Negative references may be grounds for proposal disqualification.

#### Approach and Methodology to Audit

At a minimum, please answer the following about your firm's approach to our audit:

- Describe how your firm will approach the audit including the use of any association or affiliate member firm personnel
- Address the type of audit program, statistical sampling techniques, and analytical procedures that will be used
- Discuss the proposed organization of the audit team including estimated time spent on each section
- Discuss how your firm utilizes technology in the audit process
- Discuss the communication process used by the firm and how issues with management are addressed
- Discuss the anticipated approach regarding onsite working vs. remote working

#### Submittals

##### Technical Proposal

Each response to this RFP shall include information described in this section. Failure to include all the elements specified may be cause for rejection. Additional information may be provided but should be succinct and relevant to this RFP.

1. Introduction
2. Basic Information and Experience of the Firm

3. Quality Control and Peer Review
4. Qualifications of Staff Assigned to City of Prattville
5. Client References
6. Firm Approach and Methodology

**Cost Proposal**

Offeror should submit two lump sum annual prices for each year of the proposed three (3) year contract term. One price should include any costs associated with completing a Single Audit and one price should exclude any cost associated with completing a Single Audit. The price should be inclusive of all costs including travel, materials, supplies, and other items necessary to complete the project (all out-of-pocket expenses). The Cost Proposal must be clearly separated from the Technical Proposal. The cost proposal should include a schedule of professional fees and expenses broken into the following categories if appropriate: partner, supervisory, and staff level; hours anticipated for each.

**Evaluations**

All proposals received will be reviewed by the single point of contact to ensure that all administrative requirements of the RFP package have been met. Failure to meet these requirements may be cause for rejection. All proposals that meet administrative requirements will be turned over to the Evaluation Committee for consideration.

The Evaluation Committee will review all proposals and score them based on the following criteria:

**Technical Requirements**

i. Firm’s Experience	25 points
ii. Staff Experience assigned to City of Prattville	25 points
iii. Firm Approach and Methodology	20 points
iv. <u>Quality Control and Peer Review</u>	<u>10 points</u>
Subtotal	80 points

<u>Cost Proposal</u>	<u>20 points</u>
<b>Total</b>	<b>100 points</b>

At the City’s discretion, short-listed Offerors will be asked to give an in-person presentation to the Evaluation Committee and answer the Committee’s questions.

**Terms and Conditions**

Your contract term will be for a term of three (3) fiscal year-end audits beginning with the fiscal year ending September 30, 2022.

The City may, by written notice to the Offeror, terminate any resulting contracting without cause. The City must give notice of termination to the Offeror at least 30 days prior to the effective date of termination.