Date: April 19, 2019

REQUEST FOR QUALIFICATIONS (RFQ)
REQUEST FOR PROPOSALS (RFP)
RFP NUMBER A19-01

The City of Fort Dodge will receive proposals for audit services relating to the audit for the fiscal years ending June 30, 2019, 2020, and 2021. Attached is information relating to minimum specifications of services, data to be included in the proposal, evaluation criteria, and selected information relating to the entity to be audited.

Sealed proposals (2 copies) will be accepted until 3:00 p.m., May 29, 2019, at the office of the City Clerk in Fort Dodge, Iowa. If mailed, the proposals should be mailed to:

City Clerk

819-1st Avenue South

Fort Dodge, IA 50501

Those submitting sealed proposals should indicate on the outside of the envelope in the lower left-hand corner that it is a sealed proposal for the RFP number indicated above and the name of the firm submitting the proposal.

The contract for services will be considered by the Fort Dodge City Council at their meeting on June 10, 2019.

Further information and complete packet may be obtained from the City Clerk's office at (515)-576-4551 or dsiebken@fortdodgeiowa.org

I. SPECIFIC REQUIREMENTS

1. The City of Fort Dodge reserves the right to reject any and all proposals received.

2. Only proposals received at the location described and in the time frame given will be considered.

3. The original and one copy of the enclosed contract should be completed and manually signed by a partner of the firm submitting the proposal.

4. The audit shall be performed in accordance with the following:

   U.S. generally accepted auditing standards.

   The standards for financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

   The Single Audit Act Amendments of 1996 and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, when applicable.

   Cash to accrual accounting conversion

5. The fees quoted in your proposal and included in the contract will be the maximum paid per hour and in total, unless an amendment to the contract is completed by both parties.

6. The audit report should conform to:

   Reporting formats specified by the Auditor of State's office.

   AICPA Audit Guides.

   Governmental Accounting Standards Board reporting requirements.

   The requirements of the Single Audit Act Amendments of 1996 and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, when applicable.

7. The auditor will also be required to perform and complete An Independent Auditors Report, under separate cover, performed in accordance with generally accepted auditing standards, shall be conducted and prepared on the cash receipts and disbursements of Lakeside Municipal Golf Course, Fort Dodge, Iowa, each fiscal year covered by this proposal.

8. The audit report should include a management letter, if appropriate, which includes recommendations related to the financial statements, internal control, accounting systems, and compliance issues. Upon completion of the reports, but prior to submittal, the audit firm's staff will be required to review a draft of the proposed reports and management letter with the persons named by the City of Fort Dodge.

9. Bound copies of the report, including the management letter, in a quantity sufficient to meet the needs of the City of Fort Dodge are required to be provided

by the firm awarded the contract. In addition, arrangements to make the report available in electronic format would be appreciated. These reports must be filed with the City of Fort Dodge no later than March 31st of the year following the fiscal year audit.

10. Three bound copies of the report, including the management letter, a detailed per diem audit bill, and a copy of the news release shall be provided to the Auditor of State upon release of the reports to the entity.

11. The audit must be sufficiently completed by November 1st in order for the City Annual Financial Report (Form F-66 (IA-2)) to be prepared.

12. The auditor will be required to retain working papers for a period of five years following completion of each audit. These documents are to be available for examination upon request by the City of its representative during normal working hours. Photocopies are to be available, upon request, at a reasonable fee; of if the City so desires, the working papers shall be available to be photocopied or submitted electronically.

13. Authorization of the audit firm to commence any audit work shall be required in the form of an engagement letter approve by the Mayor and City Clerk. Each engagement letter shall address the audit scope and the compensation for the audit as outline in your response to our RFP.

II. DATA TO BE INCLUDED IN PROPOSAL

In order to simplify the review process and to obtain the maximum degree of comparability, the proposal should include the following items and be organized in the manner specified below.

A. Letter of Transmittal

A letter of transmittal briefly outlining the proposer's understanding of the work and general information regarding the firm and individuals to be involved is permitted, but not required, if it is limited to not more than two pages. If a transmittal letter is presented, it should clearly set forth the local address of the office of the firm to be performing the work, the telephone number, and the name of the contact person.

B. Table of Contents

Include a table of contents which identifies the material by section, page number and a reference to the following information to be contained in the proposal. If a transmittal letter is not submitted, please include on the table of contents the local address of the office to be performing the work, the telephone number, and the name of the contact person.

C. Profile of Firm Proposing

1. State whether the firm is a local, national or international firm and a brief description of the size of the firm.
2. State whether the firm is in compliance with the registration requirements to engage in the practice of public accounting within Iowa.
3. State whether the firm is independent of the entity to be audited in accordance with Government Auditing Standards.
4. Describe the local office from which the work is to be performed.
   a. Location of the office.
   b. Current size of the office.
   c. Size of professional staff by level, such as partner, manager and supervisor, senior, and other professional staff.
   d. Number of CPA's in the office.
5. Submit any other information required to describe the office which will be performing the work.

D. Qualifications

1. Describe the recent local office auditing experience in similar types of audits to which the proposal relates. If appropriate, include regional experience in auditing similar types of entities. If desired, it is permissible to include your five largest clients that are not governmental clients.

II. DATA TO BE INCLUDED IN PROPOSAL
(Continued)

D. Qualifications (continued)

2. Include resumes of all key professional members who will be assigned to the audit. Resumes should be included for all members of the audit team from the audit partner through at least the on-site in-charge accountant. The resumes should include:
   a. The amount of experience the individual has had in the auditing profession.
   b. A summary of similar audits on which the individual has worked.
   c. A summary of the continuing professional education the individual has had in governmental accounting and auditing during the last two years.
   d. A statement as to whether the individual is independent, as defined by Government Auditing Standards.
3. Describe the firm's policy on notification of changes in key personnel.
4. Provide a listing of or the number of professionals in the office who are experienced in governmental auditing.
5. Describe the availability of individuals within the firm who are primarily involved in governmental auditing and reporting and with whom the audit team may consult.
6. Describe briefly the firm's system of quality control to ensure that the audit is adequately performed.

E. Scope of Services and Proposed Project Schedule

Briefly describe your understanding of the scope of services to be provided. Indicate a proposed time schedule for completing the work, assuming the contract will be issued on the date given in the cover letter. Include the approximate dates you would perform fieldwork, office review, and report preparation and the latest delivery date of the final report.

F. Fees and Compensation

Provide the following information:

1. Estimated total hours.
2. Estimated out-of-pocket expenses.
3. Hourly rate by staff classification.
4. All-inclusive maximum fee and out-of-pocket expenses, which will not be exceeded.
5. Frequency and timing of your billing process.

III. EVALUATION CRITERIA

The proposal will be evaluated based upon the following two areas. Therefore, it is important that your proposal be responsive to the data requested.

1. Cost

   Overall cost, including out-of-pocket expenses for performance of the audit.

2. Qualifications

   a. Organizational structure and size of the firm.

   b. Organizational structure and size of the office performing the audit.

   c. Recent experience in similar audits.

   d. Qualifications of the audit team.

   e. Individuals with whom the audit team can consult.

   f. Understanding of work and timetable to complete the audit.

IV. ENTITY PROFILE

Overview of the City of Fort Dodge

1. The City of Fort Dodge, incorporated in 1869, has a population of 25,206. The City, which operates under the Home Rule Charter form of government, provides a broad range of services to its citizenry, including general government, public safety, streets, water utilities, sewer utilities, solid waste collection, library, cultural and park facilities.

2. The City's receipts/revenues, and expenditures/expenses (operating budget) for audited year ending June 30, 2018 were:

FUND	RECEIPTS	EXPENDITURES
General	$ 10,406,396	$ 10,545,432
Special Revenue	$ 3,834,648	$ 1,191,246
TIF Special Revenue	$ 2,062,427	$ 3,729,781
Debt Service	$ 3,450,306	$ 4,961,237
Capital Project	$ 333,862	$ 4,130,922
Proprietary	$ 23,148,294	$ 15,848,827
	$ 43,235,933	$ 40,407,445

3. The enterprise funds operated by the City are:

   Water Utility
   Sewer Utility
   Storm Water Utility
   Solid Waste Collection
   Recycling
   Parking System
   Central Garage
   Lakeside Beverage
   Harlan Beverage
   Ambulance
   EMS

4. Outstanding Bond Issues as of July 1, 2018 are:

General Obligation Bonds	$27,675,000
Revenue Bonds/Notes	$93,396,612

5. The City of Fort Dodge pays vendors semi-monthly. The City estimates that it will write approximately 5,000 warrants to about 1350 vendors for the fiscal year ending June 30, 2018.
6. The City's payroll is bi-weekly, with approximately 220 year round employees. The employee number increases to about 430 during the summer months of June, July, and August.
7. Day to day accounting records of the City of Fort Dodge are maintained on a cash basis. Payroll, accounts payable, cash receipts, and cash disbursement journals accounting records are processed on an IBM/AS 400. The city utilizes Avenu Insights & Analytics, formerly known as ACS software, for accounts payable and cash receipts/cash disbursements, as well as general ledger. Payroll is processed using Tyler Technologies, formerly known as New World Systems software. The City's automated financial system produces budgetary reports and receipts and disbursements reports on a monthly and annual basis.
8. The City shall provide the auditor with the following:
    a. Supporting documentation; reconciliation of accounts; and any other documentation necessary to perform the audit in accordance with standards outlined previously
    b. Clerical assistance in preparing requests for confirmation and obtaining documents for the files.
    c. An available work area
    d. A resolution approved by the City Council of the City of Fort Dodge, authorizing the audit firm to perform the audit services

AGREEMENT BETWEEN

_____

AND

THE CITY OF FORT DODGE

FORT DODGE, IOWA

THIS AGREEMENT made and entered into this _____day of _____, 2019, by and between The City of Fort Dodge, hereinafter called "City" and _____, hereinafter called "CPA."

WHEREAS, the City wishes to obtain the services of the CPA to perform an audit in accordance with Section 11.6, Code of Iowa, for the fiscal years ending June 30, 2019, June 30, 2020, and June 30, 2021; and

WHEREAS, the CPA is equipped and staffed to perform the above audit; and

WHEREAS, this agreement is in the public interest in fulfilling the requirements of Chapter 11 of the Code of Iowa.

NOW, THEREFORE, BE IT UNDERSTOOD AND AGREED:

1. That the CPA will:

   A. Provide auditors of various classifications and for the estimated hours as detailed in 2.A of this agreement.

   B. Begin work on the audit as specifically agreed upon with the City.

   C. Perform all work in accordance with U.S. generally accepted auditing standards, Government Auditing Standards, and applicable federal requirements.

   D. Immediately inform the City, the Auditor of State, and County Attorney if the audit discloses any irregularity in the collection or disbursement of public funds.

   E. Provide access to the working papers to any appropriate federal agencies for the period of time specified in relevant agreements entered into by the City.

   F. Provide access to the working papers to the Auditor of State in accordance with Chapter 11 of the Code of Iowa.

2. Conditions of Payment:

   A. It is understood that the fees for the services set forth above shall be reimbursed at the following hourly rates:

Classification	Estimated Hours	Hourly Rate

B. The CPA shall present an invoice for services in the following manner: _____
_____
_____.

C. Payment shall be made within 30 days of receipt of invoice.

D. The total reimbursement shall not be for more than $_____, except as specifically agreed by the City and the CPA for fiscal year ending 2019.

- $_____ for fiscal year ending 2020.
- $_____ for fiscal year ending 2021.

3. Termination of Agreement:

A. The City may terminate this contract without notice if the CPA fails to perform the covenants or agreements contained herein.

B. The CPA shall be paid for all work satisfactorily performed to the date of termination.

IT WITNESS THEREOF, _____ and CPA have executed this AGREEMENT as of the date indicated below:

CPA	CITY OF FORT DODGE, IOWA
By _____	By _____
Title _____	Title _____
Date _____	Date _____

EVALUATION CRITERIA AND TECHNIQUES FOR RESPONSES TO REQUESTS FOR PROPOSALS

Evaluation of responses to a request for proposal is based upon a 100-point rating system. A maximum of 25 points is assigned to the cost of the bid proposal, and a maximum of 75 points is assigned to the qualifications of the bidding firm or individual. The techniques used to evaluate these two components are described below.

Criteria: **COST**

Evaluation Value: 25 points

Evaluation Technique: For each firm evaluated

$$\text{Cost Score} = \left[\frac{\text{Lowest cost of all bids received}}{\text{Bid cost for this firm}}\right] \times 25$$

Criteria: **QUALIFICATIONS**

Evaluation Value: 75 points

Evaluation Technique: Subjective scoring for the following factors:

Qualification Factor	Possible Points
1. Organizational structure and size of entire firm (resources available – personnel and research, existence of areas of specialization, commitment to governmental auditing, etc.)	0-5
2. Organizational structure and size of office performing the audit (resources available – personnel and research, existence of area of specialization, commitment to governmental auditing, etc.)	0-5
3. Recent experience in similar audits (involvement in local governmental audits – extensiveness, variety, length of time performing audits, etc.)	0-15
4. Qualifications of the audit team (level of experience as accountants, auditors, governmental auditors, variety of experience, % of time devoted to governmental audits, number of CPA's involved, training, etc.)	0-25
5. Individuals with whom the audit team can consult (level and variety of experience, number of CPA's, training, etc.)	0-5
6. Understanding of work and timetable to complete audit (number of hours, projected timetable, commentary showing understanding of entity and general knowledge of what is required, etc.)	0-20
Total points - Qualifications	0-75

Each firm's total evaluation score is the sum of its cost score plus its qualification score. The maximum score is 100 points.