



**REQUEST FOR PROPOSALS
FOR FINANCIAL AUDIT SERVICES
FOR THE CITY OF HOLLADAY**

1. **Introduction.** The City of Holladay (the “City”) is requesting proposals (“Proposals” or “Responses”) from qualified proposers (“Proposers”) to provide financial audit services (the “Services”).

1.1. Intent. It is the intent of this Request for Proposals (this “Request”) to set forth the minimum acceptable requirements for Responses to this Request.

2. **Background and Description of Services.** The City was incorporated in late November 1999 and is located just to the south of Salt Lake City. Holladay has a population of 31,413, and is a third class city under the provisions of the State of Utah. The City has approximately twenty employees and contracts with others to provide professional services. The City also contracts with Unified Fire Authority (UFA) for fire and emergency services, Unified Police Department (UPD) for police services, as well as with Salt Lake County to provide a variety of public works services.

The City uses Caselle for its accounting applications. The City has the following funds: general, capital projects, debt service, grants and RDA. Prior year reports for the City can be found on the Office of the Utah State Auditor’s website.

Services include a financial statement audit in accordance with generally accepted auditing standards and Government Auditing Standards and a State Compliance Audit, in accordance with the State Compliance Audit Guide, issued by the Office of the Utah State Auditor. This audit must be presented to the City Council on or before the first council meeting in December. A more detailed description of the Services is attached.

3. **Proposal Requirements.** Four (4) written copies and an electronic copy of the Proposal are required to be submitted to Gina Chamness, City Manager, as listed below, **no later than 3:00 p.m. local time on Friday, June 16, 2017.** Other than an electronic copy of the Proposal there is no specific format for use when submitting responses to this Request. Any response, modification, or amendment received after the due date and time is late. No late response, modification, or amendment will be accepted. No electronic Responses (facsimile, e-mail, or telegraphic) will be accepted.

To be considered in this Request, the Proposer must meet the Government Auditing Standards’ continuing professional education, independence, peer review, and licensing requirements, have

had experience in governmental auditing on a City-wide basis and issued an opinion, and be able to meet the reporting deadlines described in this Request.

Proposals. The Response must include the following elements and be signed by an authorized representative of the Proposer:

3.1. Introductory Letter. An introductory letter expressing an interest in providing the Services and a statement that the Proposer satisfies the minimum requirements described above. The introductory letter should be addressed to:

Gina Chamness, City Manager
City of Holladay
4580 S 2300 E
Holladay UT 84117

Include an e-mail address for the primary contact of the Consultant.

3.2. Profile, Qualifications and Experience. A section describing in sufficient detail, the Proposer's governmental audit experience, as well as size and structure of the Proposer. This includes:

- The organization and size of the proposer, and a description of whether it is local, regional or international in operations.
- The location of the office from which the work is to be done and the number of professional staff, by staff level, employed.
- Identify the audit partners, audit managers and other staff who will work on the audit. Resumes including relevant experience for all staff expected to work on the audit should be included.
- Describe recent auditing experience similar to the type of audit requested.
- A positive statement that the following mandatory criteria are satisfied:
 - An affirmation that the proposer is properly licenses to practice as a certified public accountant in the State of Utah.
 - An affirmation that the proposer meets the independence requirements of the American Institute of Certified Public Accountants and the Government Auditing Standards published by the US General Accountability Office.

3.3 Audit Approach. A section describing in detail the Proposer's understanding of the Services and appropriateness and adequacy of proposed procedures, the reasonableness of time estimates and total audit hours and the appropriateness of assigned staff levels. Each Proposer should submit a general audit work plan to accomplish the scope defined in these guidelines. The audit work plan should demonstrate the proposer's understanding of the audit requirements and the audit test and procedures to be applied in completing the audit plan. The plan should detail the expected number of hours by staff level. A schedule of proposed timeframes to complete the audit should also be included.

3.4. **Cost.** A section detailing the proposed, all-inclusive fee for services in the following categories, which include, but is not limited to, all costs, materials, expenses, and supplies. The proposed all-inclusive fee should include the billable rates and hours of participation of partners, specialists, supervisory personnel and staff, including any special services. It is anticipated that if the selected Consultant performs the June 30, 2017 audit to the satisfaction of the Council that the Consultant will be engaged to perform the audits for the succeeding three (3) years. Therefore, include an all-inclusive not-to exceed fee for the fiscal years ending June 30, 2018, June 30, 2019, and June 30, 2020.

- Not to exceed all inclusive fee for Financial Statement preparation and Audit, including report on internal controls, state compliance and management letter.
- Not to exceed all inclusive fee for Single Audit, which may be required in FY 2018 and other years.
- Not to exceed fee for potential preparation of a Comprehensive Annual Financial Report (CAFR) or Popular Annual Financial Report (PAFR).

3.5. **References.** A section including the name, address, and contact person of at least three governmental entities with which the Proposer has performed audits. The City may contact such references.

4. **Identification of Anticipated Potential Problems.** Proposals should identify and describe any potential problems with respect to providing the Services.

5. **Evaluation Criteria and Scoring Process.** All Proposals received will be reviewed by a selection committee (defined below). Each evaluation criterion has been given a percentage based on its relative value as a whole. The criteria and each associated percentage are as follows:

Evaluation Criteria Weight
Technical Experience of the Proposer 45%
Responsiveness/Qualification 10%
Cost 35%
References 10%
Total 100%

6. **Selection.** Discussions may be conducted with Proposers who may reasonably be selected for the award. In addition, one or more Proposers maybe invited to interview, provided; however, Proposals may be accepted without discussion or interview. The above criteria will be used unless modified in the interview evaluation. A selection committee of individual(s) will be appointed by the City (referred to hereinafter as “*Selection Committee*”). The Selection Committee reserves the right to modify the interview criteria during the course of this process. If such modification occurs, each Proposer being interviewed will be notified at least twenty-four (24) hours prior to the interview of the revised criteria. Based on the results of discussions, if any, interviews, if any, and proposal scoring, the Proposers will be rated by the Selection

Committee, and such recommendations will be forwarded to the City Council. The City Council will make the final selection.

7. **General Information.** The City reserves the right to reject any and all Responses. The City reserves the right to amend, modify or waive any requirement set forth in this Request. Response to this Request is at the Proposer's sole risk and expense. All Proposers must comply with applicable federal, state, and local laws and regulations. Except for written responses provided by the contact persons described below, the City has not authorized anyone to make any representations regarding the subject matter of this Request. All requests for clarification or additional information regarding this Request must be submitted in writing to both contact persons described below no later than June 12, 2017 at 3:00 p.m. The contact persons will endeavor to respond to such request for clarification or additional information and if the contact persons deem, in their sole and absolute discretion, that such response is of general applicability, the response, if any, will be posted on the City's website at www.cityofholladay.com (which constitutes a written response). Entities responding to this Request are encouraged to review the website frequently. The City anticipates selecting one or more of the responding Proposers, but there is no guaranty that any responding Proposer will be selected. Responses will be placed in the public domain and become public records subject to examination and review by any interested parties in accordance with the Government Record Excess Management Act (Utah Code Ann. § 63G-2-101, *et seq.*). All materials submitted in response to this Request will become the property of the City and will be managed in accordance with the Government Record Access Management Act.

8. **Terms of Contract.** The successful Proposer will be required to enter into a written agreement with the City to provide the Services. If the selected Proposer and the City Attorney are unable to negotiate an acceptable agreement, then another Proposer(s) will be selected and negotiation will continue with such other Proposer(s) until an acceptable agreement is completed.

8.1 The term of the proposed contract will be for two (2) years. Based on upon performance, the contract may be extended for up to three (3) additional one year periods upon mutual agreement.

8.2 All prices agreed upon shall be firm against any increase for the first term of the contract. Upon renewal any additional price increase must be submitted to the City 120 days before engagement begins. Any increase must be approved by the City Council.

9. **Contact Persons.** For all information contact Gina Chamness, City Manager at gchamness@cityofholladay.com

DETAILED DISCRIPTION OF SERVICES

A. AUDIT STANDARDS

The auditor shall perform a financial audit and a state compliance audit of the City for each fiscal year of the contract period in accordance with the following:

- Auditing standards generally accepted in the United States of America, as promulgated by the American Institute of Certified Public Accountants (AICPA);
- The *AICPA Audits of State and Local Governmental Units* audit and accounting guide;
- *Government Auditing Standards*, 2011 revision, published by the U.S. Government Accountability Office;
- For the state compliance audit – the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor;
- For any necessary single audit – Office of Management and Budget (OMB) Circular A-133.

B. REPORTING REQUIREMENTS

1. Financial Report – The auditor shall examine the financial records of the City and shall compile the information gathered into financial statement format. Further, the auditor will then audit the financial statements and records of the City and shall issue an auditor's opinion on those financial statements. Such financial statements shall be prepared in conformity with generally accepted accounting principles.

2. Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters - The auditor shall issue a report on internal control over financial reporting and on compliance and other matters in accordance with *Government Auditing Standards*.

3. Report Required for State Compliance Audit – The auditor shall prepare and include a statement of compliance with State fiscal laws and other financial issues related to the expenditure of funds received from federal, state, or local governments identified in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor (*This statement is in addition to the compliance opinion required as part of a single audit.*)

4. Management Letter – As appropriate, the auditor shall prepare a comprehensive management letter including the auditor's findings and recommendations relative to the internal control over financial reporting, compliance with laws and regulations, as applicable, and adherence to generally accepted accounting principles. The auditor shall request written responses from City officials for each recommendation and shall include such responses in the reports. If the City declines the opportunity to respond, the auditor shall so state in their report.

5. Single Audit – As may be necessary during the course of this engagement, the auditor shall prepare an audit completed in accordance with the Single Audit Act, examining the financial system and records as they relate to various federal grants and agreements. This work will be done in accordance with the Office of Management and Budget’s Circular A-133.

6. Comprehensive Annual Financial Report (CAFR) or Popular Annual Financial Report (PAFR) – Moving forward, the City may wish to issue a CAFR or a PAFR.