

Town of Huachuca City



Request for Bid Proposals **For Financial Auditing Services**

INVITATION TO BID

The Town of Huachuca City has recognized you as a potentially interested vendor for a contracted service that we are currently bidding. This packet was sent to you in order to provide you with the essential information, requirements, and important dates for this particular bid request. The Town of Huachuca City will receive sealed bids on a general contract for Financial Auditing Services, until August 3, 2018; 4:00 p.m. MST. Bids will be opened and read aloud at 4:00 p.m. MST on August 3, 2018 at Huachuca City Hall. Any bids received after that time will be held unopened and will not be accepted. All bids must be presented as described within this document.

Please review the documents included in this packet. We hope that you will take the opportunity to offer a bid proposal for this service.

Thank you for your time.

Publish Dates: June 21, 2018

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The Town of Huachuca City

Request for Bid Proposals

For Financial Auditing Services

1 STATEMENT OF WORK

- 1.1 **SUMMARY.** The Town of Huachuca City is soliciting proposals from interested vendors to furnish financial auditing services per the requirements in section 3.
- 1.2 **COVERAGE AND PARTICIPATION.** The intended coverage of this bid document and any Agreement resulting from this solicitation shall be for the use of financial auditing services for the Town.

The Town of Huachuca City reserves the right to add and/or delete elements, or to change any element of the coverage and participation at any time without prior notification and without any liability of any kind or amount.

2 GENERAL INFORMATION AND INSTRUCTIONS TO PROPOSERS

- 2.1 **ORIGINAL BID DOCUMENT.** The Town Clerk will keep all documents, and all related terms and conditions, exhibits and other attachments, in original form in an archival copy. Any modification of these, in the vendor's submission, is grounds for immediate disqualification.

2.2 **General Information.**

The Town operates on a fiscal year basis, which starts on July 1 and ends on June 30. The budget for the 2018-19 fiscal year is \$4,348,730. The books of the City are maintained on a local area network utilizing Caselle financial software. The accounting, revenue, and financial reporting functions of the town are centralized in the finance department. The Town has approximately 40 employees.

The Town's financial system is the Uniform Expenditure Reporting System (UERS) as required by Arizona Revised Statutes 41-1279.07 and includes the following modules: financials, purchasing, accounts payable, accounts receivable and other modules. Additionally, the Town payroll uses Casselle and a separate fixed asset system is used.

Day-to-day operational functions such as payroll, accounts payable, accounts receivable, utility billing, purchase orders and data entry will be retained in house.

- 2.3 **SCHEDULE OF EVENTS.** The following is the tentative schedule that will apply to this bid process.

7-3-18	Issuance of bid request
7-30-18	Questions/Inquiries due by 10:00 a.m. MST
8-3-18	Due date for all Proposals to be received by 4:00 p.m. MST

Proposal Contact

Jennifer Fuller, Town Clerk
Town of Huachuca City, AZ
500 N. Gonzales Blvd
Huachuca City, AZ 85616

Phone 520-456-1354

jfuller@huachucacityaz.gov

2.4 PROPOSAL PREPARATION INSTRUCTIONS

- 2.4.1 Vendor's Understanding of the Bid Process.** In responding to this bid document, the vendor accepts the responsibility fully to understand the document in its entirety, and in detail, including making any inquiries to the Town as necessary to gain such understanding. The Town reserves the right to disqualify any vendor who demonstrates less than such understanding. Further, the Town reserves the right to determine, at its sole discretion, whether the vendor has demonstrated such understanding. Related to this, the Town's right extends to cancellation of award if award has been made. Such disqualification and/or cancellation shall be at no fault, cost, or liability whatsoever to the Town.
- 2.4.2 Town Provides Information in Good Faith without Liability.** All information provided by the Town in this bid process is offered in good faith. Individual items are subject to change at any time. The Town is not responsible or liable for any use of the information, or for any claims attempted to be asserted there from.
- 2.4.3 Verbal versus Written Communication.** Verbal communication shall not be effective unless formally confirmed in writing by the specified Town official in charge of managing this bid process. In no case shall verbal communication override written communication.
- 2.4.4 Questions, Communications and Inquiries.** All Vendor inquiries, questions and requests for clarification related to this bid process are to be directed, in writing (e-mail and facsimile are also acceptable), **ONLY** to Jennifer Fuller. Once this bid document has been sent out, Vendors **are not to contact any other city employees/officials**, concerning this bid process, or risk disqualification (see 2.4.1 above):
- Questions concerning this document must be submitted in writing (e-mail is also acceptable), and be received **no later than July 30, 2018; 10:00 a.m. MST**
 - Errors and omissions in this document. Vendors shall bring to the Town's attention any discrepancies, errors, or omissions that may exist within this bid document. Vendors shall recommend to the Town any enhancements in respect to this bid document, which might be in the

Town's best interests. These must be submitted in writing (e-mail is also acceptable), and be received **no later than July 30, 2018; 10:00 a.m. MST**

2.4.5 Response to Communications from Vendor. The Town will make a good-faith effort to provide a written response to each question or request for clarification within three (3) business days. Other vendors will be notified of any changes/clarification resulting from these communications.

The Town will not respond to any questions / requests for clarification, if received by the City after July 30, 2018; 10:00 a.m. MST

2.4.6 Pricing. Vendors shall indicate pricing as directed in section 3.3. Vendor's pricing may not be modified after the bid closing date and time unless the Town of Huachuca City, at its sole discretion, decides that future negotiations will only enhance the Vendor's offer to the Town. Should the Town decide that such negotiations would not be in the Town's best interests, pricing by Vendor at closing date and time may be considered by Town as the Vendor's best and final offer.

2.4.7 Attention to Requirements. Vendors are cautioned to thoroughly understand and comply with all matters covered under the Requirements section of this bid document.

2.4.8 Required Signatures. The Town may reject any vendor's response if it is not signed as indicated and/or required by the areas, spaces, or forms provided within this bid document.

2.4.9 Proposal Organization. Vendors shall ensure that their proposals include all requirements listed in Section #3, page numbers, and are organized in a manner that will facilitate the Town's evaluation of them. **The Town reserves the right to reject without prior notice and without liability of any kind or amount any proposal that it deems overly complex, disorganized, or difficult to evaluate.**

2.4.10 Collusion Prohibited. In connection with this bid, vendor collusion with other vendors or employees thereof, or with any employee of the Town, is prohibited and may result in vendor disqualification and/or cancellation of award. Any attempt by the vendor, whether successful or not, to subvert or skirt the principles of open and fair competition may result in vendor disqualification and/or cancellation of award. Such disqualification and/or cancellation shall be at no fault or liability whatsoever to the Town.

2.5 PROPOSAL SUBMISSION AND SUBSEQUENT OPENING

Proposals must be: **delivered sealed; be received; and be date/time stamped at the Town of Huachuca City, City Clerk's Office, which is located at 500 N. Gonzales Blvd, Huachuca City, AZ 85616, no later than, August 3, 2018; 4:00pm MST.**

For U.S. Mail:

Town of Huachuca City
500 N. Gonzales Blvd
Huachuca City, AZ 85616

The Town of Huachuca City **shall not accept proposals received by facsimile or by e-mail**. The Town shall, at the specified opening date and time, accept all proposals that are otherwise in order. The Town will allow interested parties to be present for purposes of identifying which vendors have responded. The Town will make no immediate decision at such time, and **there will be no disclosure of any information contained in any proposal until after formal notice of award and execution of any contract resulting from this bid document**. The Town will hold unopened any proposals received after the closing date and time, and will not consider such proposals. The Town reserves the right to retain or dispose of such proposals at its discretion; however, the Town may return such proposals to their related vendors, but only at such vendor's request and at no cost or expense whatsoever to the Town of Huachuca City.

The Town of Huachuca City reserves the right to delay the opening if an insufficient number of proposals have been received to ensure competition.

2.5.1 Proposal Costs. The Town of Huachuca City is not liable in any manner or to any extent for any cost or expense incurred by any vendor in the preparation, submission, presentation, or any other action connected with proposing or otherwise responding to this bid document.

2.5.2 Number of Proposal Copies to be Furnished. Vendors are to submit **one (1) original**, in hardcopy form, and two (2) copies.

2.5.3 Marking of Envelopes. Vendors shall ensure that the submittal envelope(s) clearly and conspicuously display the following identifying information in addition to any other information otherwise required for transmittal, and are sealed.

**Sealed Financial Auditing Services Bid
Due by August 3, 2018; 4:00pm MST
Attention: Jennifer Fuller, Town Clerk**

2.6 EVALUATION PROCESS AND AWARD

2.6.1 Contractual Intent/Right to Terminate and Recommence The Bid Process. The Town intends to contract with one vendor whose proposal is considered to be in the best interests of the Town. However, the Town may terminate this bid process at any time up to notice of award, without prior notice, and without liability of any kind or amount. Further, the Town reserves the right to commence one or more subsequent bid processes seeking the same or similar products or services covered hereunder.

2.6.2 Effective Period of Proposals. Under this bid process, the Town shall hold that vendors' responses to this bid shall remain in effect for a period of thirty (30) days following the opening date, in order to allow time for evaluation, approval, and award of the contract. No bid received may be withdrawn for a

period of thirty (30) days from date of opening. Any vendor who does not agree to this condition shall specifically communicate in its proposal such disagreement to the Town, along with any proposed alternatives. The Town may accept or reject such proposed alternatives without further notification or explanation.

2.6.3 Proposal Acceptance/Rejection. The Town reserves the right to reject any or all proposals. Such rejection may be without prior notice and shall be without any liability of any kind or amount to the Town. The Town shall not accept any proposal that the Town deems not to be in its best interests. The Town shall reject proposals submitted after the due date and time.

2.6.4 Errors and Omissions in Vendors Proposals. The Town may accept or reject any vendor's proposal, in part or in its entirety, if such proposal contains errors, omissions, or other problematic information. The Town may decide upon the materiality of such errors, omissions, or other problematic information.

2.6.5 Determination of and Information Concerning Vendor's Qualifications. The Town reserves the right to determine whether a vendor has the ability, capacity, and resources necessary to perform in full any contract resulting from this bid. The Town may request from vendors information it deems necessary to evaluate such vendors' qualifications and capacities to deliver the products and/or services sought hereunder.

2.6.6 Method of Award. The evaluation of each response to this bid document will be based on its overall competence, compliance, format, and organization. The award shall be made to the responsible vendor whose proposal is determined to be the most advantageous to the Town of Huachuca City, taking into consideration the following evaluation criteria listed in the relative descending order of importance. The Town is under no obligation whatsoever to select, as most responsive the proposal that demonstrates the lowest pricing, but not necessarily the one receiving the highest overall score.

Evaluation Criteria

- Qualifications and experience of the firm and project team
- Municipal auditing experience
- Fee schedule
- Understanding of project requirements
- References
- Overall quality of proposal

Vendors whose proposals are not accepted will be notified after a contractual agreement exists between the Town and the selected proposer or when the Town rejects all proposals.

2.6.7 Pre-Award Presentations. The Town reserves the right to require presentations from the highest ranked vendors, in which they may be asked to provide information in addition to that provided in their proposals.

2.6.8 Pre-Award Negotiations. The Town reserves the right to negotiate prior to award with the highest ranked vendors for purposes of addressing the matters set forth in the following list, which may not be exhaustive.

- Resolving minor differences and errors
- Clarifying necessary details and responsibilities
- Emphasizing important issues and points
- Receiving assurances from vendors
- Obtaining the lowest and best pricing

2.6.9 Public Record. After the award and execution of a contract resulting from this bid process, vendors' proposals become public record and are available for review during the Town's regular business hours.

3 SCOPE OF WORK, REQUIREMENTS, PRICING, TERM OF AGREEMENT

Vendors responding to this bid request shall base their offer on the following requirements, and at a minimum, propose how each of the following requirements shall be accomplished. Vendors may provide other services not specified in this document. These added services will be considered when determining which proposal is selected.

3.1 SCOPE OF WORK. The Town is seeking responses to this document for vendor-provided financial auditing services for a three (3) year period for fiscal years 2018-19, 2019-20, and 2020-21 with the Town's option to renew the contract for two (2) additional one year periods. The following services shall be performed by the vendor:

- Audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, which collectively comprise the Town's basic financial statements.
- Prepare a draft of the Town's financial statements and related notes.
- Prepare all compliance reports necessary under Federal or State guidelines including the Single Audit Reports.
- Review internal controls and prepare a report in the form of a management letter covering the internal control systems, general computer utilization, account system, procedures and other matters which come to the vendor's attention during the course of the audit.
- Audit and prepare the Annual Expenditure Limitation Report.
- Provide all reports to the Town in printed bound format (number to be requested by the Town each year) and in PDF format.

These services must be performed in compliance with the following:

- The *Government Auditing Standards* issued by the Comptroller General of the United States.
- Generally Accepted Auditing Standards in the United States of America
- Generally Accepted Accounting Principles in the United States of America
- U.S. Office of Management and Budget (OMB) *Circular A-133*
- *Uniform Expenditure Reporting System* as required by Arizona Revised Statutes 41-1279.07

3.2 REQUIREMENTS. This section identifies specific requirements to be met by vendors in their proposal. Unless you indicate that you cannot meet a requirement, you are accepting the requirement and will meet it. If you cannot meet a requirement, indicate in the proposal that you cannot meet this requirement. Where the vendor's specific capabilities may differ from stated preferences, please identify those differences and areas, which exceed the requested capabilities. In the event of a conflict between any provisions contained in any of the documents governing this transaction, the following shall be the order of precedence: Agreement; Request for Proposal; Proposal.

3.2.1 An overview of the vendor that includes the following information shall be included in the proposal:

- A statement explaining location of office where audit will be conducted, its address, number of employees, and general level and qualifications of employees that will be working on the audit.
- The name of the partner who will have continuing responsibility for the Town audit.
- Resumes of the partner in charge of the audit and the employees committed to this audit.
- A statement concerning the qualifications or expertise the firm has in the area of municipal accounting procedures, evaluations and audits.
- A list of recent audit engagements for Arizona municipalities and/or other similar sized governmental clients.
- A statement concerning whether the vendor is an equal opportunity employer as determined by Arizona law.
- A statement that the vendor is in compliance with peer review and has met the CPE requirements to perform an audit under the Single Audit Act.

3.2.2 A section shall be included in the proposal that sets forth the vendor's approach to the audit. This section shall include an explanation of the tasks to be performed during the course of the audit and the reports to be issued at its conclusion.

3.2.3 A section shall be included indicating the estimated timetable for completion of the audit services. The vendor is expected to begin preliminary work on October 1 with a draft copy of the audit to be presented to the Town by December 15. The final comprehensive financial report shall be delivered on or before January 15. The partner in charge of the audit shall be available to attend at least one regularly scheduled Town Council meeting at which the audit report may be discussed.

3.3 PRICING. Provide a fee schedule for the services as described herein. The vendor must provide a firm fixed fee for all services, including a listing and fee schedule for the various team members. The fee schedule must reflect direct labor hours, wages, overhead and profit amounts that are summed into a total proposed annual cost for each contract year. It is understood that the fee schedule can be amended during the course of the contract period if federal or state laws or regulations should require an increase or decrease in auditing services. The Town reserves the absolute right to cancel its' agreement with the vendor, without cause. A thirty (30) day notice shall be given if cancellation occurs.

3.4 TERM OF AGREEMENT The term of the award resulting from this bid will be from the date of the execution of the Agreement through the completion of services as described herein for the 2018-19 fiscal year, with options to renew for two additional one (1) year terms.

4 CERTIFICATION OF PROPOSAL (vendor to complete and return with proposal)

Explanation. This certification attests to the vendor's awareness and agreement to the content of this bid proposal and all accompanying provisions contained herein.

Action. Vendor is to ensure that the following certificate is duly completed and correctly executed by an authorized officer of your company.

This proposal is submitted in response to the Request for Financial Auditing Services, issued by the Town of Huachuca City, Arizona. The undersigned, as a duly authorized officer, hereby certifies that

_____ (Vendor's Name), located
at _____ (address),

agrees to be bound by the content of this proposal and agrees to comply with the terms, conditions and provisions of the referenced bid proposal in the event of an award. Exceptions are to be noted as stated in the bid proposal. The proposal shall remain in effect for a period of thirty- (30) calendar days as of the Due Date for responses to the bid.

The undersigned certifies that to the best of his/her knowledge: **(please check one)**

There is no officer or employee of the Town of Huachuca City who has, or whose relative has, a substantial interest in any Contract award subsequent to this proposal.

The names of any and all public officers or employees of the Town of Huachuca City who have, or whose relative has, a substantial interest in any Contract award subsequent to this proposal are identified by name as part of this submittal.

The firm is not currently engaged in, and agrees for the duration of the contract to not engage in, a boycott of Israel, pursuant to A.R.S. 35-393.01.

The firm is not currently engaged in, and agrees for the duration of the contract to not engage in, any discrimination against any employee, client or any other individual in any way because of that person's age, race, creed, color, religion, sex, disability or national origin in the course of carrying out its duties pursuant to this engagement.

The undersigned further certifies that as a duly authorized officer, is authorized to negotiate in good faith on behalf of this firm for purposes of this bid proposal.

Name: _____ Title: _____

Signature: _____ Date: _____ E-Mail: _____

Telephone #: _____

Facsimile #: _____

F.E.I.N: _____