**CITY OF SODAVILLE**

**REQUEST FOR PROFESSIONAL SERVICES**

**PURPOSE OF RFP**: The City of Sodaville, Oregon, a Municipal Corporation, solicits proposals from qualified Certified Public Accountants for annual audit services as required by ORS 297.425.

**SCHEDULE OF EVENTS**:

**PROPOSAL SUBMISSION DEADLINE**:

Proposal must be received by 2:00 pm Monday, June 18, 2018

**TIMELINE**

Selection Process Completed Thursday, June 21, 2018

Board Approval Thursday, June 21, 2018

Contract Signed Thursday, June 21, 2018

**SCOPE OF SERVICES**: The firm selected will provide as part of the contract the audit services outlined in Section I of this document.

**MINIMUM QUALIFICATIONS OF OFFERORS**: Respondents to the request shall provide at a minimum those items disclosed in Section II of this document.

CONTACT FOR COPY OF RFP: Judy K. Smith, City Administrator

Ph. (541) 258-8882

Fax (541) 258-8882

Email [Sodaville@c](mailto:Sodaville@c)ityofsodaville.org

SUBMISSION OF PROPOSAL: Six copies of your proposal, in a sealed envelope, must be delivered before 2:00 p.m. on June 18, 2018. **Faxes and email submissions will not be accepted. Please include on the envelope: “PROPOSAL FOR AUDIT SERVICES FOR THE CITY OF SODAVILLE, OREGON”.**

CITY OF SODAVILLE

**Mailing**:

30723 Sodaville Road

Lebanon, Oregon 97355

**For Hand Delivery**:

30723 Sodaville Road

Lebanon, Oregon 97355

Hours: 10:00 a.m. to 2:00 p.m. Monday through Thursday

“The City of Sodaville is an Equal Opportunity Provider and Employer”

REQUEST FOR PROPOSALS – Audit Services Page 1 of 6

May 2, 2018

**CITY OF SODAVILLE**

**REQUEST FOR PROPOSAL**

**AUDIT SERVICES**

The City of Sodaville, Oregon invites proposals from qualified independent Certified Public Accounting firms for annual audit services as required by ORS 297.425, OAR 16210-000 through 330, and other applicable statutes. The appointment will be for a minimum of three years beginning with the fiscal year ending June 30, 2018.

Appointment of the independent auditor will be determined by the respondent’s experience, services provided and the cost for such services.

The City’s objective is to select the firm best qualified to:

1. Examine, audit and express an opinion on the City’s financial statements.

2. If required, be able to perform “single audit” covering the City’s Federal grants-in-aid as required by the Uniform Single Audit Act of 1984 and OMB Circular A-133.

3. Provide management letter.

4. Provide technical assistance to City personnel on various accounting and reporting questions, including GASB pronouncements, GAAP updates and changes in federal and state laws affecting the City.

**CITY BACKGROUND**

The City of Sodaville was incorporated as a municipal corporation in 1880. The City provides a full range of municipal services either by staff or contracts, including police, fire, water, parks and street maintenance, street lighting, planning and development and general administration.

The governance of the City is vested in the City Council. The Council is composed of five elected members. The City Administrator is appointed by the Council and is responsible for all city functions. The City Administrator maintains all financial records.

The City employs 2 part-time employees. The City Administrator is under the direction of the Mayor and Council. The Public Works Director is under the direction of the Mayor.

The total budget for the City of Sodaville’s three funds for FY 2017-18 is approximately $1,284,627 including fund balances and transfers.

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**AUDITING STANDARDS TO BE FOLLOWED**

The firm selected will provide an examination of the financial records of the City, on a Modified cash fund basis, in accordance with Generally Accepted Accounting Principles, and the Minimum Standards for Audits of Oregon Municipal Corporations. The City’s Comprehensive Annual Financial Report (CAFR) is to be prepared by City staff with the assistance of auditing staff, in full compliance with the pronouncements of the Governmental Accounting Standards Board (GASB) and/or the Financial Accounting Standards Board (FASB) as appropriate.

The auditor’s opinion will be directed toward the fairness of presentation of the financial statements in accordance with GAAP. The auditor will also provide compliance reports as required by Federal and State laws.

**SECTION I – SCOPE OF SERVICES**

The scope of the audit should be planned so as to preclude the necessity of exceptions arising from scope limitations and should be sufficient to enable the auditor to issue management letters.

**Meetings and Progress Reports**:

1. Pre-audit conference(s) with City management and accounting staff will be held each year to discuss audit schedules, working paper requirements, and report deadlines, as well as the audit program. A written list of information to be provided by the City staff to the auditors should be provided at this time.
2. Progress report meetings will be held with key audit firm personnel and City financial management staff at regular intervals mutually agreed upon.
3. Post audit conferences will be held with key audit firm personnel and City management at a mutually agreeable date.
4. Audit firm management will present the financial report and management letter to the Council at the completion of the audit.

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May 2, 2018

**Reports Required**

The following reports are expected at the completion of the audit:

1. Comprehensive Annual Financial Report (CAFR) of the City of Sodaville, including Independent Auditor’s Report and Audit Comments & Disclosures Required by State Regulations.
2. Management Letter per Financial Report
3. The engagement should include recommendations to management, prepared by the audit firm in letter format, which include any findings, observations, opinions, comments or recommendations relating to internal control, accounting systems, compliance with laws, rules and regulations, or any other matters that come to the attention of the auditor during the course of the examination. The recommendations will be discussed with appropriate City officials prior to publication.

**Technical Assistance**

As part of the overall audit contract, the City expects to receive from the audit firm a variety of technical assistance throughout the year. This assistance would include answers to accounting, reporting, or internal control questions.

**Additional Services**

Proposals should contain provisions for dealing with extraordinary circumstances discovered during the audit that may require an expansion of audit work beyond that which was originally planned. In addition, the audit firm may be requested to perform special projects for the City during the year. Because of variations in the demand for additional services, such work will be contracted for, provided, and billed separately to the City on an hourly basis. Proposals should describe the types of services available from the firm, the professionals who would provide them and the standard hourly fees to be charged for such services.

**SECTION II – PROPOSAL REQUIREMENTS**

**Mandatory Requirement**

The audit firm must be properly licensed for public practice as an independent auditor and qualified as a municipal auditor in the State of Oregon.

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**Proposal Information**

Please respond to the items listed below:

1. Provide a detailed description of your audit approach and work product delivered on similar engagements including potential dates for onsite work.
2. Explain how you would propose to use City personnel to assist you during the audit, and indicate the approximate time requirement.
3. Describe the procedures followed in the technical review of audit reports prior to their issuance by qualified personnel independent of the audit engagement personnel.
4. Describe your firm’s experience or knowledge of GASB pronouncements, which will help the City’s compliance with GASB requirements.
5. Identify the local office partners, manager and/or key staff members who would be assigned to the audit for the three-year period. Describe their roles and provide a brief description of their professional experience, including experience in governmental auditing. Specifically address the level of audit field staff, review staff and management continuity that the City may reasonably expect.
6. Describe your policies and practices regarding provision of advice and recommendations concerning financial policies, practices and internal controls.
7. Provide three current municipal auditing clients as references, comparable to the City of Sodaville. Include a contact person at the client site. References must be willing to be contacted directly by City staff.
8. Submit one sample of a management report that you have recently issued covering an audit that has similar services and comparative size to the City.
9. Provide any other information that supports the scope of services to be provided as set forth in Section I.

**Cost Evaluation**

The evaluation of the proposed fees of all qualifying proposals will be based upon the responses to the two areas listed below. The selection committee will consider the overall cost and the proposed audit hours. These factors are important in evaluating the reasonableness of the fee and the respondent’s understanding of the audit time requirements.

1. A detailed fixed-fee schedule (including out-of-pocket expenses) for auditing services for each year of the three-year contract. Identify the estimated number of hours each audit firm employee is expected to spend annually on the engagement.
2. Provide your firm’s billing rates for all applicable classifications of professional personnel, as the City may require additional billable services. Discuss the method used in charging for any special requests, reports or broadening of the scope of services.
3. Please identify what additional “first time through” hours and costs, if any, that may be required of your firm and the City staff.

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**SECTION III – EVALUATION OF PROPOSALS**

Proposals will be evaluated based on the submission requirements listed above to determine which firm best meets the need of the City. After meeting mandatory requirements listed above, proposals will be evaluated on the following factors:

* Quality and comprehensiveness of audit approach.
* Experience and knowledge with GASB reporting requirements.
* Qualifications and experience of the firm and the members assigned to the City engagement.
* Ability to provide a comprehensive range of auditing and financial services.
* References and past experience.
* Audit services costs.

At the discretion of the selection committee, finalists may be invited to an oral interview.

**SECTION IV – PROPOSAL SUBMISSION**

You may ask questions about this RFP by calling the City Administrator as listed on page 1 of this RFP. Information provided to any proposer will be placed in e-mail format and forwarded to all proposers.

In order to be considered, six copies of your proposal in a sealed envelope must be delivered by the due date and at the address listed on page 1 of this RFP. Proposals received after the specified time and date cannot be considered, and will be returned unopened.

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