



**REQUEST FOR PROPOSAL**

**FOR**

**PROFESSIONAL AUDITING SERVICES**

**RFP #17-11**

**Issue Date:** July 18, 2017

**Pre-Proposal Question Deadline:** **August 15, 2017 by 5:00 p.m.**

**Proposal Deadline:** **September 14, 2017 at 4:00 p.m.**

**Proposal Delivery Location:** City Clerk's Office  
800 Cushman Street  
Fairbanks, Alaska 99701

**Proposal Review:** September 21, 2017

**Purchasing Contact:** Kerry Kirby, Purchasing Agent  
Phone: 907.459.6730  
Email: [kkirby@fairbanks.us](mailto:kkirby@fairbanks.us)

*This is not an order. The attached terms and conditions shall become part of the contract resulting from this Request for Proposal. Proposals shall be submitted in the indicated format. Original signatures may be submitted on the form provided herein.*

## Table of Contents

Announcement	Page 3
Section 1 – Instructions	Page 4
Section 2 – Scope of Work	Page 9
Section 3 – Proposal Format	Page 16
Section 4 – Evaluation Criteria and Award	Page 21
Section 5 – Standard Terms and Conditions	Page 22
Section 6 – Required Forms	Page 27
A. Pre-Proposal Questions	Page 28
B. Proposal Form	Page 29
C. Price Form	Page 31

**Announcement  
Request for Proposal**

The City of Fairbanks is requesting proposals from firms qualified and interested in providing:

**PROFESSIONAL AUDITING SERVICES**

**RFP #17-11**

**DESCRIPTION:** The City of Fairbanks is requesting proposals from qualified firms of certified public accountants to audit the City's financial statements for fiscal year ending **December 31, 2017**, with the option of auditing the City's financial statements for the four (4) subsequent fiscal years.

**PROPOSAL DOCUMENTS:** A copy of this RFP can be obtained on the City of Fairbanks website, [www.fairbanksalaska.us](http://www.fairbanksalaska.us). It is the Offeror's sole responsibility to check this website for additional information and / or addendums. Any RFP may also be requested by contacting the Purchasing Agent listed in this document. If you have any questions call the Purchasing Agent listed in this document.

Sealed proposals are due PRIOR to the deadline noted above. Sealed proposals must be delivered to the City of Fairbanks, City Clerk's Office, located at 800 Cushman Street, Fairbanks, Alaska 99701. Late proposals will not be accepted – NO EXCEPTIONS. It is the Offeror's responsibility to confirm the proposal documents are received.

**PUBLISHED:** Fairbanks Daily News Miner on July 23, 2017 & July 26, 2017

## Section 1 – Instructions

1. **Communications:** The only communication concerning modifications, clarifications, questions, amendments, and addendums will be processed through the Purchasing Agent listed on the cover page. No contact with any other agents of the City is permitted, and will be grounds for disqualification. Any exceptions to this will be clarified in this document.
  
2. **Pre-Proposal Questions and Information:** If an Offeror finds a discrepancy, error, or omission in this document they are instructed to contact the Purchasing Agent, listed on the cover page, who will issue written clarification that can be sent to all prospective Offerors. The City is not responsible for any oral instructions or communications with any other agents of the City except for the Purchasing Agent. All questions must be submitted to the Purchasing Agent by the deadline listed on the cover page of this document. All answers will be issued in a written format.
  
3. **Pre-Proposal Meeting:** A pre-proposal meeting may be held for this RFP. If so, the date, time, and location will be listed on the cover page of this document. Project Managers and other staff may be available at this meeting to answer questions that have been submitted. Additional questions may be answered at this meeting and, if so, they will be documented and issued in an addendum. All questions and answers will be formalized and issued in an addendum. Attendance at this meeting is strongly encouraged. - Not applicable to this solicitation -
  
4. **Modifications:** Clarifications, questions, amendments, and addendums may be made to this document by the City at any time prior to the proposal submittal deadline. It is the Offeror’s sole responsibility to check the City website for these updates and or addendums.
  
5. **Proposal Submission:** All required documents must be submitted in an enclosed sealed envelope, box, or package and clearly marked with the RFP title, RFP number, submittal date and time, and the Offeror’s company name, address, phone number and contact name. See example below.

Offeror’s Company Name	
Address	
Phone Number	RFP Title
Contact Name	RFP Number
	Submittal Due Date and Time

All must be delivered to the City Clerk’s office at 800 Cushman Street, Fairbanks, Alaska 99701 prior to the deadline listed on the cover page of this document. This responsibility rests entirely on the Offerors, regardless of delays with mailing or any other reasons. Proposals can be accepted by the Clerk’s office Monday – Friday between 8:00am – 5:00pm, except for City Holidays, which are listed on the City of Fairbanks’ website. The Clerk’s time stamp is the official time stamp of delivery.

- a. The accepting and opening of a proposal document does not constitute the City's acceptance of the Offeror as a responsive and responsible Offeror. By accepting and opening of a proposal, the City presumes the Offerors are familiar with the proposal documents and agree and understand all requirements in this document.
  - b. All prices and notations must be typed or written in ink. Pencil markings will not be accepted. Any mistakes must be crossed out and initialed by the person signing the proposal.
  - c. Proposals will not be accepted via facsimile or email. Any electronic means will not be accepted unless specifically specified in this document.
  - d. All cost associated with preparation and presentation of this proposal are the Offeror's responsibility. No pre-proposal costs will be reimbursed to any Offerors. All documentation submitted to the City will become property of the City.
6. **Confidentiality and Proprietary Information:** If any information is confidential, it should be placed in a separate sealed envelope and marked CONFIDENTIAL. If any information is proprietary, an original shall be delivered which is clearly marked PROPRIETARY and an additional copy shall be submitted omitting the proprietary information for City use. The copy containing proprietary information will be solely for City use and then disposed of after the proposal is awarded. The omitted copy will remain on file and part of the RFP documents for future use or records requests.
7. **Exceptions:** Any exception must be clearly defined and referenced to the proper section or paragraph of this document. The exception must include the Offeror substitution language and explanation as to the reason why this would provide an equivalent or better service or product. If no exceptions are explained in this proposal submittal, the City will assume the Offeror can perform accordingly. Any proposals not meeting all requirements will be rejected.
8. **Bid Guarantee:** Per the Fairbanks General Code Sec. 54-163, bid security is required for all construction contracts. Bid security must be in an amount equal to at least:
- a. Ten percent (10%) of bid amount if bid amount does not exceed \$100,000; or
  - b. Ten percent (10%) of the first \$100,000 and five percent (5%) of the amount of the bid over \$100,000, up to a maximum of \$200,000 in security. – All items not applicable to this solicitation -
9. **Duplicate Proposals:** The City will only accept one (1) proposal per Offeror, including its subsidiaries, affiliated companies, organizations, or franchises. If multiple proposals are received from the same Offeror, all proposals from the Offeror will be rejected.
10. **Withdrawal or Corrections:** Proposals may be withdrawn by written notice prior to the submittal deadline. Corrections may be made to proposals submitted if prior to the submittal deadline.

11. **Rejection:** The City reserves the right to reject any or all proposals and to waive any minor informalities or irregularities in proposals received, if it is determined by the Purchasing Agent that it is in the City's best interest to do so. If Offerors fail to provide any requested information in the consideration stage of the evaluation process, their proposals can be rejected. The City may reject any proposals from Offerors who are in arrears or in default to the City on any contract, debt, or other obligation. The City may reject a proposal if the Offeror has been debarred per Fairbanks General Code Sec. 54-297, or has violated any other section of the Fairbanks General Code. The City may reject a proposal if the Offeror has been debarred by the State of Alaska or any Federal agency. The City has the right to reject all non-conforming, non-responsive, and unbalanced proposals. Discrepancies in the multiplication of unit price and quantity will be resolved in favor of unit price, as the requested quantities remain the same.
12. **Procurement Policy:** Procurement for the City is based on the Fairbanks General Code Sec. 54 – Procurement and any applicable State of Alaska statutes. The Fairbanks General Code is available online at [www.fairbanksalaska.us](http://www.fairbanksalaska.us).
13. **Non-Discrimination:** The City will not contract with any persons or entities that discriminate against employees or applicants for any reasons other than those related to job performance. All prospective Offerors will comply with all Federal, State, and local laws and policies that prohibit discrimination in the workplace. The City will not discriminate because of race, religion, color, national origin, ancestry, sex, sexual orientation, age, marital status, change in marital status, pregnancy, parenthood, physical or mental disabilities, genetic information, or political affiliation.
14. **Proposal Signatures:** An authorized official must sign all proposal documents. This signature will represent the company or entity and their ability to commit to the requirements in this document.
15. **Contract Award:** The City has the right to award by item, group of items, total proposal, or any combination found to be in the best interest of the City. The City also reserves the right to contract with multiple entities for the same or like goods or services, if it is found to be in the City's best interest. The Offeror who the Notice of Award is made to will be notified at the earliest possible date. Notice of Intent to Award and actual Award will be submitted to the Offeror in writing. After receipt of Notice of Award, or the Notice to Proceed for all construction projects, the Offeror will execute and perform said contract.
16. **No Response:** If Offerors do not respond to this document, the City will continue to keep Offerors' information for future proposals unless they specifically ask to be removed from the Bidders list.
17. **Public Records:** All proposals are subject to public records requests after award, with the exception of confidential and proprietary information. See paragraph 6 above for more information.

18. **Local Bidder Preference:** Per Fairbanks General Code Sec. 54-168, the awarding authority may award a contract based on solicited bids to the lowest responsive and responsible Bidder, after a local Bidders preference has been applied. Local Bidder preference is the lesser of 5% or \$50,000 for a construction contract and 5% or \$5,000 for any other contract. Local Bidder preference does not apply to bids involving federal funds.
19. **Disqualification of Offerors:** Any one or more of the following reasons may cause proposals to be rejected:
- a. Communication with any other employees or agents of the City of Fairbanks during the RFP process, excluding those specifically listed in this document.
  - b. Evidence of collusion or other anticompetitive practices among Offerors.
  - c. Lack of competency as revealed by financial, experience, or equipment statements.
  - d. Lack of responsibility as shown by past work with the City of Fairbanks.
  - e. Uncompleted work under other current contracts which in the judgment of the City of Fairbanks, may prevent the prompt completion of additional work in this document.
20. **Discussions:** Discussion with Offerors may commence after opening of all proposals to further clarify and or assure full understanding of solicitation requirements.
21. **Subcontractors:** All Offers must disclose any and all subcontractors regardless of the dollar amount and the services they will provide within 7 days of Notice of Intent to Award. The list must include the company or subcontractor's name, business location, and evidence of the subcontractor's state business license.
22. **Offeror's Responsibilities:** The Offeror must be capable of providing all goods or services in this document, described in Section 2 – Specifications and / or Scope of Services. The Offeror must maintain these qualities until completion of the contract. If requested by the City, Offeror may be required to provide proof that Offeror is the manufacturer or an authorized dealer or re-seller. City requires manufacturer's warranty with all first holder benefits when applicable. The successful Offeror is responsible for all goods and services in this document whether they are provided or performed by successful Offeror or their subcontractor.
23. **City Participation:** The City of Fairbanks will provide appropriate personnel to support the successful Offeror during the course of the contract. The Project Manager will be named in this document or the Purchasing Agent will act as contact until additional personnel are named specifically.
24. **Disclosure of Contents:** All information in this document will be held in confidence and not discussed with other Offerors until award. All proposals become the property of the City upon opening. Please review paragraph 6 above for additional information.

25. **Unusual Circumstances:** Where any unusual circumstances unforeseen by the City or the Contractor and which significantly affect the Contractor's ability or cost in providing goods or services, the Contractor may request cancellation of contract or adjustment to the costs. Significantly in this paragraph is defined as being beyond the control of the Contractor. The request must be documented in writing and may be denied.
26. **Contract Commencement:** Commencement of a contract shall not begin until all necessary documents are received and reviewed, all City approvals have been completed, including City Council approval for projects over \$250,000, and a purchase order is complete. Commencement of a contract without these requirements will be at the Offeror's sole risk and not compensated by the City.



## Section 2 – Specifications and/or Scope of Work

### I. NATURE OF SERVICES

#### **General**

The City is soliciting the services of qualified firms of certified public accountants to audit its financial statements for five fiscal years ending December 31, 2017, December 31, 2018, December 31, 2019, December 31, 2020, and December 31, 2021. The scope of the engagement must also include non-audit consulting time up to 30 hours annually. The engagement will be for an annual fixed fee and include all audit expenses. These audits are to be performed in accordance with the provisions contained in this request for proposals.

#### **Scope of Work**

The City desires the auditor to express an opinion on the fair presentation of its basic financial statements in conformity with generally accepted accounting principles.

The auditor shall also be responsible for performing certain limited procedures involving required supplementary information mandated by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards.

The auditor is required to report on compliance with applicable state and with applicable federal laws and regulations and on internal controls over financial reporting that could have a material effect on the fair presentation of the financial statements.

The auditor is required to test internal controls and compliance, as described in Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) that are applicable to each of the City's major federal programs. The auditor is also required to test internal controls and compliance, as described in the State of Alaska Audit Guide and Compliance Supplement for State Single Audits that are applicable to each of the City's major state programs. The auditor must report on compliance and internal control over compliance applicable to each major federal and to each major state program.

The auditor is required to report any findings or questioned costs found in the course of the work described above. Findings must be reported in three separate categories: 1) those affecting financial reporting, 2) those affecting major federal programs, and 3) those affecting major state programs. Recommendations for corrective action should be included.

## Auditing Standards

To meet the requirements of this request for proposals, the audit shall be performed in accordance with:

Auditing standards generally accepted in the United States of America as set forth by the American Institute of Certified Public Accountants, the standards for financial audits set forth in the U.S. General Accounting Office's Government Auditing Standards, the provisions of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the provisions of the State of Alaska Single Audit Regulation (2 AAC 45.010), to include the State of Alaska Audit Guide and Compliance Supplement for State Single Audits.

## Reports

Reports shall be written in accordance with auditing standards generally accepted in the United States of America as set forth by the American Institute of Certified Public Accountants, the standards for financial audits set forth in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the provisions of the State of Alaska Single Audit Regulation (2 AAC 45.010), to include the State of Alaska Audit Guide and Compliance Supplement for State Single Audits.

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue:

A report on the fair presentation of the City's basic financial statements in conformity with generally accepted accounting principles, including an opinion on the fair presentation of the combining and individual non-major fund financial statements, supplementary information section, the schedule of expenditures of federal awards and the schedule of state financial assistance in relation to the basic financial statements taken as a whole.

**For federal purposes**, a report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with Government Auditing Standards.

A report on compliance with requirements applicable to each major program and on internal controls over compliance in accordance with Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

**For state purposes**, a report on internal control over financial reporting and on compliance and other matters based on an audit of Financial Statements performed in accordance with Government Auditing Standards

A report on compliance with requirements applicable to each major program and on internal control over compliance in accordance with the State of Alaska Audit Guide and Compliance Supplement for State Single Audits.

The Auditor's responsibility under U.S. Generally Accepted Auditing Standards; Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; and the State of Alaska Audit Guide.

### **Special Considerations**

The City submits its Comprehensive Annual Financial Report (CAFR) to the Government Finance Officers Association (GFOA) for the Certificate of Achievement for Excellence in Financial Reporting program. The auditor may be required to provide limited special assistance to the City to meet the requirements of that program.

The City may prepare one or more official statements in connection with the sale of debt securities, which may contain the general purpose financial statements and the auditor's report thereon. The auditor shall be required, if requested by the financial advisor and/or the underwriter, to issue a "consent and citation of expertise" as the auditor and any necessary "comfort letters".

The schedules of expenditures of federal and state awards and the related auditor's reports, as well as the federal and state reports on compliance and on internal control over financial reporting and on compliance with requirements applicable to each major program and on internal control over that compliance are to be included in the CAFR.

### **Working Papers**

All working papers and reports must be retained, at the auditor's expense, for a minimum of three (3) years, from the end of the audit period, unless the firm is notified in writing by the City of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the following parties or their designees:

- City of Fairbanks
- Parties designated by the federal or state governments or by the City as part of an audit quality review process.
- Auditors of entities of which the City is a sub recipient of grant funds.

In addition, the firm shall respond promptly and fully to the reasonable inquiries of successor auditors. The firm shall allow successor auditors to review working papers, including documentation of planning, internal control, audit results, and other matters of continuing accounting and auditing significance.

**Management Letter**

The auditor shall observe the adequacy of the systems of internal control, accounting procedures, and other significant matters. Appropriate recommendations should be reviewed with management and the finance committee and included in a separate letter to the City Mayor and City Council.

**Presentations**

The audit firm will review the financial reports, compliance reports, and the management letter with the Mayor, Chief of Staff, CFO, and Controller. Another presentation will be made to the Finance Committee. The final audited CAFR shall be formally presented to the Mayor, City Council, and public during a City Council meeting.

**Non-Audit Consultation**

The scope of the engagement must include consultation time up to 30 hours annually to assist management in implementing new pronouncements or other financial matters. It is anticipated the consultation would be at the level of a partner or manager. (This is in addition to matters directly relating to the audit and reports which should be included in the audit portion of the proposers fixed fee.) Hours for non-audit consultation must be approved in advance and must be shown separately on invoices.

**Miscellaneous Requirements**

The auditor is required to be licensed to practice in Alaska. The license name and number shall be included in the bid document. A City of Fairbanks business license and a State of Alaska business license are required to be awarded this contract. The license numbers shall be disclosed in the proposal.

**II. DESCRIPTION OF THE GOVERNMENT****Background Information**

The City serves an area of 33.3 square miles with a population of 31,957. The City's fiscal year begins on January 1 and ends on December 31. The City provides a variety of services to its citizens. These services include police and fire protection, street maintenance; refuse collection, public improvements, and general administrative services. The City operates under a general fund budget of \$35,192,614 and employs 195 full time paid staff members and approximately 15 temporary employees during busier months. The City is organized into eleven departments. The accounting and financial reporting functions of the City are centralized. More detailed information can be found in budget documents, annual financial reports, and the City Code of Ordinances at [www.fairbanksalaska.us](http://www.fairbanksalaska.us).

## Fund Structure

The City's 2016 CAFR reported the following fund types:

FUND	Number of Funds	Major	Nonmajor	Number With Legally Adopted Annual Budgets	Number expected for 2017
General	1	Always		1	1
Permanent	1	1		0	1
Grants & Contracts	1	1		0	1
Other Funds	2	0	2	1	3
Enterprise	2	N/A	N/A	0	2
Internal Service	1	N/A	N/A	0	1
Total	<u>8</u>	<u>3</u>	<u>2</u>	<u>2</u>	<u>9</u>

## Budgetary Basis of Accounting

The City prepares its budgets on a basis consistent with generally accepted accounting principles except that encumbrances are treated as budgeted expenditures in the year of incurrence of the commitment to purchase.

## Federal and State Financial Assistance

During the previous fiscal year, the City received \$4,173,604 in federal financial assistance and \$7,261,731 in state financial assistance.

## Pension Plans

The City participates in the following pension plans:

Approximately one-half of all regular employees of the City participate in the State of Alaska Public Employees' Retirement System (PERS). The remaining employees participate in pension plans offered by the International Brotherhood of Electrical Workers (IBEW) or the labor union trust plans covered under the contract with the AFL-CIO Joint Crafts Unit.

## Component Units

The City is defined for financial reporting purposes, in conformity with the Governmental Accounting Standards Board's Codification of Governmental Accounting and Financial Reporting Standards, Section 2100. Using these criteria, component units are not included in the City's financial statements.

**Joint Ventures**

The City does not participate in joint ventures with other governments.

**Accounting Software**

The City uses Tyler Technologies municipal software packages for accounting for general operations.

**Internal Audit Function**

Two City Finance employees are Certified Public Accountants. They monitor all financial activity on a continuous basis.

**Prior Years' Reports**

Prior years' audit reports and annual budgets are available online at [www.fairbanksalaska.us](http://www.fairbanksalaska.us) by selecting Annual Budget and/or Annual Financials link.

**Audit Calendar**

The following schedule for performance of the audit should be followed, unless modifications are mutually agreed:

Preliminary work can begin any time after award of the audit engagement.

The auditor shall provide the City by December 15, 2017 both a detailed audit plan and a list of all schedules to be prepared by the City.

Post-closing work can begin after the closing of the financial records and preparation of the draft CAFR anticipated by March 31<sup>st</sup> of each year. Pre-closing work can be scheduled earlier.

The auditor shall have drafts of the audit report(s) and recommendations to management available for review by the CFO and Controller no later than the third Friday in May of each year.

Final reports and the management letter are due by June 15<sup>th</sup> to allow for binding and ultimate submission of the CAFR and application to the GFOA's Certificate of Achievement in Financial Reporting program by the June 30 deadline. Presentations to the Mayor, Finance Committee, and City Council will be scheduled as soon as final report dates are known.

**III. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION****Finance Department and Clerical Assistance**

The finance department staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation, and explanations. The preparation of confirmations

will be the responsibility of the City. In addition the staff will be available to assist the audit firm in performing audit tests as deemed necessary.

The auditor may use regularly prepared City schedules for work papers. The auditor will not require special schedules to be drafted by the City personnel for auditor convenience.

#### **Electronic Data Processing (EDP) Assistance**

EDP personnel will be available to provide systems documentation and explanations.

#### **Work Area, Telephones, Photocopying and Fax Machines**

The City will provide the auditor with reasonable work space, desks and chairs. The auditor will also be provided with access to the telephone, photocopying facilities and fax machines.

#### **Report Preparation**

The City will provide the auditor with a working draft CAFR in electronic form. The auditor will be responsible for editing, formatting, page numbering, completion of the table of contents and any other administrative tasks required to produce a final master copy. The auditor will provide a final master copy to the City along with the required reports. The City will be responsible for reproduction and binding of the CAFR. The auditor will be responsible for providing draft copies for review with the finance committee.

#### **Manner of Payment**

Progress payments will be made on the basis of hours of work completed during the course of the engagement and expenses incurred in accordance with the firm's dollar cost bid proposal. Interim billing shall cover a period of not less than a calendar month and shall be an itemized statement of costs incurred.

## **Section 3 – Proposal Format**

### **Format and Content:**

The City discourages overly lengthy and costly proposals. In order for the City to evaluate proposals fairly and completely, proposers must follow the format set out herein and provide all of the information requested.

### **Submittal Requirement:**

Proposals shall be in accordance with the maximum number of pages and content requirements indicated in the table below, double-sided pages are considered two pages. Proposals shall not be written in a font size smaller than 10 point. Each section of the proposal shall be identified and assembled in the order listed under Proposal Content Requirements. Materials not identified or germane to the proposed agreement will be discarded without evaluation. Failure to provide a proposal in conformance with these requirements may cause a proposal to be declared non-responsive and eliminated from further consideration. Proposers must submit one master (identified) and four copies.

<b>Maximum</b>	
<b>Pages</b>	<b>Proposal Content Requirements</b>
2	Item 1: Proposal Form (with original signature)
1	Item 2: Table of Contents
15	Item 3: Technical Proposal
1	Item 4: Letter of Intent
1	Item 5: Price Form (in sealed envelope)
<b>20</b>	<b>Maximum Pages for RFP Submittal</b>

### **Proposal Form:**

Proposers must include a fully completed and signed Proposal Form as the cover sheet to the RFP. Failure to include this form fully completed with an original signature shall cause the proposal to be declared non-responsive and eliminated from further consideration.

### **Table of Contents:**

Proposers must include a Table of Contents.

### **Technical Proposal:**

The purpose of the Technical Proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit of the City in conformity with the requirements of this request for proposals. As such, the substance of proposals will carry more weight than their form or manner



of presentation. The Technical Proposal should address all the points outlined in the request for proposals **(excluding any cost information which should only be included in the sealed dollar cost bid)**. While additional data may be presented, the following subjects must be included as they represent the criteria against which the proposal will be evaluated:

- **Independence** - The firm should provide an affirmative statement that it is independent of the City as defined by generally accepted auditing standards and the U.S. General Accounting Office's Government Auditing Standards.

The firm should also list and describe the firm's (or proposed subcontractors') professional relationships involving the City or any of its agencies for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

In addition, the firm shall give the City written notice of any professional relationships entered into during the period of this agreement that may interfere with independence.

- **License to Practice in the City of Fairbanks and the State of Alaska** - The firm must have and maintain a business license from the City of Fairbanks.

An affirmative statement should be included that the firm and all assigned key professional staff are properly licensed to practice in Alaska. The license number and name of such personnel shall be included.

- **Firm Qualifications and Experience** - The proposer should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis.

If the proposer is a joint venture or consortium, the qualifications of each firm comprising the joint venture or consortium should be separately identified and the firm that is to serve as the principal auditor should be noted, if applicable.

The firm is also required to submit a copy of the report on its most recent external quality control review, with a statement whether that quality control review included a review of specific government engagements. The firm shall also provide information on the results of any federal or state desk

reviews or field reviews of its audits during the past three (3) years. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations.

- **Partner, Supervisory and Staff Qualifications and Experience** - Identify the principal supervisory and management staff, including engagement partners, managers, other supervisor and specialists, who would be assigned to the engagement. Provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit.

Provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this agreement. Indicate how the quality of staff over the term of the agreement will be assured.

The proposer should identify the extent to which staff to be assigned to the audit reflect the City's commitment to Affirmative Action.

Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of the City. However, in either case, the City retains the right to approve or reject replacements.

Consultants and firm specialists mentioned in response to this request for proposal can only be changed with the express prior written permission of the City, which retains the right to approve or reject replacements.

Other audit personnel may be changed at the discretion of the proposer provided that replacements have substantially the same or better qualifications or experience.

- **Similar Engagements with Other Government Entities** - For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum – 5) performed in the last five years that are similar to the engagement described in this request for proposal. These engagements should be ranked on the basis of total staff hours. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

- **Specific Audit Approach** - The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section 2 of this request for proposal. In developing the work plan, reference should be made to such sources of information as City's budgets and related materials, organizational charts, and financial and other management information systems. Proposers will be required to provide the following information on their audit approach:
  - Proposed segmentation of the engagement.
  - Level of staff and number of hours to be assigned to each proposed segment of the engagement.
  - Sample size and the extent to which statistical sampling is to be used in the engagement.
  - Type and extent of analytical procedures to be used in the engagement.
  - Approach to be taken to gain and document an understanding of the City's internal control structure.
  - Approach to be taken in determining laws and regulations that will be subject to audit test work.
  - Approach to be taken in drawing audit samples for purposes of tests of compliance.
  
- **Identification of Anticipated Potential Audit Problems** - The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from the City.

**Letter of Intent:**

Proposers must submit a letter of intent to meet the insurance and bond requirements.

**Price Form:**

Proposers are required to submit a price form. This form must be in a separate sealed envelope marked as follows: SEALED PRICE FORM FOR CITY OF FAIRBANKS PROFESSIONAL AUDITING SERVICES RFP #17-11.

The price form should contain all pricing information relative to performing the audit engagement as described in this request for proposal. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs including all out-of-pocket expenses. The City will not be responsible for expenses incurred in preparing and submitting the technical proposal or the sealed price form. Such costs should not be included in the proposal.

Out of pocket expenses for firm personnel (e.g., travel, lodging and subsistence) will be reimbursed at the rates used by the City for its employees. All estimated out-of-pocket expenses to be reimbursed should be presented on the second page of the sealed dollar cost bid in the format provided. All expense

reimbursements will be charged against the total all-inclusive maximum price submitted by the firm. In addition, a statement must be included stating the firm will accept reimbursement for travel, lodging and subsistence at the prevailing City rates for its employees. The present rate for meals is \$40 per diem.

If it should become necessary for the City to request the auditor to render any additional services to either supplement the services requested in this RFP or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the engagement between the City and the firm. Any such additional work agreed to between the City and the firm shall be performed at the same rates set forth in the schedule of fees and expenses included in the price form.

**Sample Reports:**

The Proposer may include sample formats for required reports; the maximum number of pages does not apply for this item.

## Section 4 – Evaluation Criteria and Award

### Initial Evaluation:

Initially, all proposals will be reviewed by the City Purchasing Manager to determine if they are administratively responsive to the RFP. Proposals that are administratively responsive will be distributed to the evaluation committee. The committee will determine if the proposal meets all of the minimum requirements. Proposals that pass the minimum requirements evaluation will be evaluated based on the evaluation criteria described below.

### Evaluation Criteria:

Each criterion identified below has an assigned weight that is used to establish their relative importance in the evaluation process. The criterion for this RFP is listed and defined in further detail below.

<u>Criterion</u>	<u>Weight</u>
Proposal Adherence	<b>25</b>
Expertise and Experience	<b>25</b>
Audit Approach	<b>10</b>
Price	<b>40</b>
Total Weight of All Criterion equals	<b>100</b>

- **Proposal Adherence (Weight of 25)** – The firm’s adherence to the instructions in preparing and submitting their proposal.
- **Expertise and Experience (Weight of 25)** – The firm’s past experience and performance on comparable government engagements, quality of professional personnel assigned to the engagement, and quality of management support personnel for technical consultation.
- **Audit Approach (Weight of 10)** – The firm’s adequacy of staffing plan for various segments of the engagement, sampling techniques, and analytical procedures.
- **Price (Weight of 40)** - The maximum score will be awarded to the firm offering the lowest price. Proportional scores will be assigned to other proposers.

### Award:

Award shall be made to the responsive proposer whose proposal conforms to the solicitation and is determined in writing to be the most advantageous to the City taking into consideration cost/price and the evaluation factors set forth in this RFP. The City anticipates awarding this contract in whole by September 29, 2017.

## Section 5 – Standard Terms and Conditions

1. **Assignment / Transfer:** Assignment or transfer of this Agreement or Contract without written consent of the City of Fairbanks may be construed by the City as a breach of contract sufficient to cancel any Agreement or Contract at the discretion of the City.
2. **Inspection:** All goods and services are subject to inspection and approval by the City at all reasonable times, including inspection during manufacturing. Inspection and approval by City at Contractor's place of business or work site does not preclude rejection for defects upon discovery by subsequent inspection. Any goods or services rejected by the City shall be promptly repaired or replaced at Contractor's expense. Any and all costs incurred by the City in connection with the return of goods or rejection of services shall be at the Contractor's risk and expense. - Not applicable to this solicitation -
3. **Risk of Loss:** Regardless of FOB point, Contractor agrees to bear all risks of loss, injury, or destruction of goods and materials ordered herein which occur prior to delivery and acceptance. Such loss, injury, or destruction shall not release Contractor from any obligation hereunder. - Not applicable to this solicitation -
4. **Warranty:** Contractor warrants that it has good and merchantable title to the goods sold hereunder and that said goods shall conform to the descriptions and applicable specifications. Such goods shall be of good merchantable quality and fit for the known purposes for which sold, and are free and clear of all liens and encumbrances. Contractor and City agree that this order does not exclude, or in any way limit, other warranties provided for in this Agreement or Contract or by law. - Not applicable to this solicitation -
5. **Excise and Sales Tax:** The prices herein must not include any Federal excise taxes or sales taxes imposed by any State or Municipal Government. Such taxes, if included, must be deducted by the Contractor when submitting invoice for payment. An Exemption Certificate is available upon request. - Not applicable to this solicitation -
6. **Invoices:** Invoices for goods must be submitted on date of complete shipment. Invoices for services must be submitted within 45 days after completion of services. Payment will be delayed if the invoice fails to reference the purchase order number, ordering department, unit prices, quantities, totals, and a full description of the order that matches the purchase order. The City will provide payment 30 days after satisfactory delivery, acceptance, and receipt of invoice.
7. **IRS Form W-9 and Vendor Information:** Contractor must have on file with the City a current IRS Form W-9 and complete a vendor registration form before City will issue a purchase order to the Contractor.

8. **Compliance with Laws:** Contractor represents and warrants that the performance of this order and furnishing goods or services required shall be in accordance with the applicable standards, provisions, and stipulations of all pertinent Federal, State, and City laws, rules, regulations, resolutions, and ordinances including, but not limited to, the Fair Labor Standards Act, the Equal Employment Opportunity rules and regulations, and the Occupational Safety and Health Acts.
9. **Amendments:** No amendments, modifications, or supplements to this contract shall be binding unless in writing and signed by all authorized representatives of both parties.
10. **Termination:** When it is in the City's best interest, City may unilaterally cancel this Agreement or Contract at any time whether or not Contractor is in default of any of its obligations hereunder. With any such cancellation, Contractor agrees to waive any claim for damages, including loss of anticipated profit on account hereof. However, the City agrees that Contractor shall be paid for items and/or services already accepted by City, but in no event shall the City be liable for any loss of profits on the order or portion thereof so terminated. Either party may terminate this Agreement or Contract at any time for the failure of the other to comply with any of its material terms and conditions. All Offerors recognize that the City is a government entity and that payment obligation is subject to yearly appropriations by the City's governing body and that if funds are not appropriated, this Agreement or Contract will terminate without penalty to either party.
11. **Waiver of Breach:** No waiver by either party of any breach of any of the covenants or conditions herein contained performed by the other party shall be construed as a waiver of any succeeding breach of this same or of any other covenant or condition.
12. **Complete Agreement:** The parties agree that the conditions of purchase stated herein and the Offeror's proposals set forth their entire Agreement or Contract and there are no promises or understandings other than those stated herein, and that any prior negotiations between the City and Contractor or terms and conditions set forth in the Contractor's quotation, order, or sales acknowledgment shall not constitute a part of the Agreement or Contract between the City and Contractor concerning this purchase. The terms "Agreement" and "Contract" as used in this clause shall include any future written amendments, modifications, or supplements made in accordance herewith.
13. **Liability and Indemnity:** To the fullest extent permitted by law, the Contractor shall defend, indemnify and hold harmless the City, its officers, and employees from and against any and all loss, expense, damage, claim, demand, judgment, fine, charge, lien, liability, action, cause of action, or proceedings of any kind whatsoever (whether arising on account of damage to or loss of property, or personal injury, emotional distress or death) arising directly or indirectly in connection with the performance or activities of the Contractor hereunder, whether the same arises before or after completion of the

Contractor's operations or expiration of this Agreement or Contract, except for damage, loss or injury resulting from the City's gross negligence or willful misconduct solely.

**14. Insurance Requirements:** Contractor must furnish a certificate of insurance within ten (10) days of receipt of the Notice-of-Intent to Award and must endorse policies to provide for a thirty (30) day prior notice to the City of cancellation, non-renewal, or material change of the policies. Failure to furnish satisfactory evidence of insurance or lapse of policy is a material breach of the contract and grounds for termination of this Agreement or Contract. Each policy shall be endorsed with a waiver of subrogation in favor of the City. All other insurance policies required of the Contractor shall be endorsed to provide that such insurance shall apply as primary insurance and that any insurance or self-insured carried by the City will be excess only and will not contribute with the insurance required by this Agreement or Contract. All other insurance policies required of the Contractor and subcontractors shall be endorsed to name the City as additional insured. All insurance shall be on an occurrence form acceptable to the City and having an A.M. Best rating of "A" or better.

- a. Workers' Compensation and Employers' Liability Insurance as required by any applicable law or regulation. Employers' liability insurance shall be in the amount no less than \$500,000 each accident for bodily injury, \$500,000 policy limit for bodily injury by disease and \$500,000 each employee for bodily injury by disease. The Contractor shall be responsible for Workers' Compensation Insurance for any subcontractor who directly or indirectly provides services under this contract. This coverage must include statutory coverage for states in which employees are engaging in work. If there is an exposure of injury to Contractor's employees under the U.S. Longshoremen's Harbor Workers' Compensation Act, the Jones Act, or under laws, regulations or statutes applicable to maritime employee, coverage shall be included for such injuries or claims.
- b. Commercial General Liability Insurance: The Contractor is required to provide Commercial General Liability (CGL) insurance with limits not less than \$5,000,000 for any contract over \$1,000,000 and not less than \$1,000,000 for contracts under \$1,000,000 combined single limit per occurrence and \$5,000,000 for any contract over \$1,000,000 and not less than \$1,000,000 for contracts under \$1,000,000, in the aggregate not excluding premises operations, independent Contractors, products, and completed operations, broad form property damage, blanket contractual, explosion, collapse and underground hazards. Limits may be a combination of primary and excess (umbrella) policy forms.
- c. Comprehensive Automobile Liability Insurance: Covering all owned, hired and non-owned vehicles with coverage limits not less than \$1,000,000 single limit per occurrence bodily injury and property damage. - Not applicable to this solicitation -
- d. Property Insurance: The Contractor shall submit to the City evidence of All Risk Builder's Risk Insurance for all physical loss, including earthquake and flood (100% completed value basis) upon the entire work naming the City, the Contractor and the subcontractors as additional insured parties and as their interests may appear to the full contract sum thereof, until the



project is completed by the Contractor and accepted by the City. The policy, by endorsement, shall specifically permit partial or beneficial occupancy at or prior to substantial completion or final acceptance of the entire work. - [Not applicable to this solicitation](#) -

**PROOF OF INSURANCE:** The Contractor shall furnish the City with a Certificate of Insurance or, where requested by the City, the policy declaration page with required endorsements attached thereto showing the type, amount, effective dates, and dates of expiration of all policies. All endorsements shall reference the policy number and the project name and project number. The owner is the City of Fairbanks and is to be identified on all certificates and endorsements.

Without limiting its indemnification, the Contractor shall maintain, until termination of Agreement or Contract or completion and acceptance of the project by the City, occurrence type coverage of the kinds and minimum amounts set forth above. All insurance limits are minimum. If the Contractor's policy contains higher limits, the City shall be entitled to coverage to the extent of such higher limits. The City, at its sole discretion, may raise or lower the limit.

15. **Records:** The City reserves the right to inspect all vendor documents relating to this Agreement or Contract for up to three (3) years after expiration.
16. **Acceptance of Proposals:** As soon as practicable after opening, proposals valued over \$250,000, the City Council is the approving body. The rights and obligations of the contract will become effective and binding upon the contracting parties only after formal execution of a purchase order signed by the Purchasing Agent or a contract form signed by the Contractor and City Mayor. No other act whether oral, written or implied shall constitute acceptance of a proposal.
17. **Postponement:** The City reserves the right to postpone the date of the opening of proposals and will give written notice of any such postponement to all known holders of the contract documents.
18. **Delivery:** Successful Offerors may be required to provide reasonable evidence from their source of supply or manufacturer to justify the delivery dates furnished in their proposal. Any unreasonable deviation from the proposed delivery dates shall constitute a breach of contract and shall entitle the City to cancel all obligations to the Contractor. - [Not applicable to this solicitation](#) -
19. **Time is of the essence:** The Offeror is expected to deliver goods or services that conform in all material respects to the contract specifications on or before the date provided herein. This date may be amended by written agreement between both parties.
20. **Safety Data Sheets:** For all materials supplied under this offer, the Offeror will provide to the City the applicable Safety Data Sheet (SDS). SDS must be received prior to final payment. - [Not applicable to this solicitation](#) -

21. **Cooperative Purchasing:** Any other State of Alaska government entity may exercise their option to use this same contract to make similar purchases of like items, based on similar quantity. The City is not liable for any other State of Alaska government entity or their purchases. - [Not applicable to this solicitation](#) -
22. **Facility Security and Background Checks:** For all services provided at the Fairbanks Police Department, located at 911 Cushman Street, Fairbanks, Alaska 99701, access is controlled by the rules, regulations, and laws related to the Federal Criminal Justice Information System (CJIS) and the Alaska Public Safety Information Network (APSIN). All vendors are considered a visitor or guest unless they are fully cleared by APSIN, including a background check and fingerprinting. Ultimately, the State of Alaska has the authority to award APSIN clearance and it may be denied. If APSIN clearance is not necessary, a criminal history check will be required, which may allow access to the building with fully cleared personnel. All visitors and guests will have to be accompanied by fully cleared personnel while in the building. If you are the successful Offeror and your services are to be performed within this facility you will be provided with the proper paperwork based on the appropriate level of access required.

## Section 6 – Required Forms

Forms included in this solicitation or required when submitting Proposal:

- A. Pre-Proposal Questions
- B. Proposal Form
- C. Price Form

# **PRE-PROPOSAL QUESTIONS**

## **City of Fairbanks**

**Professional Auditing Services**

**RFP #17-11**

List all questions below or attach to this form and submit by **5:00 p.m. on Tuesday, August 15, 2017.**

# PROPOSAL FORM

## City of Fairbanks

### Professional Auditing Services

#### RFP #17-11

**Failure to complete this form shall result in your Offer being deemed non-responsive and rejected without any further explanation.**

#### **Offer and Obligation:**

The undersigned hereby offers, and agrees to be bound and obligated to this offer, to furnish the goods and / or services in compliance with all Terms and Conditions, Scope of Work, Specifications, and Addendums in this solicitation and, if awarded, enter into an Agreement or Contract with the City.

#### **Addendums:**

The undersigned has read, understands, and is fully cognizant of all parts of this solicitation, together with any addendum issued in connection with this document. The undersigned hereby acknowledges receipt of the following addendum(s). In addition, the undersigned has completely and appropriately filled out and submitted all required forms. Initial next to each applicable addendum number(s) or, if none, leave blank.

Addendum #1 \_\_\_\_\_ Addendum #2 \_\_\_\_\_ Addendum #3 \_\_\_\_\_ Addendum #4 \_\_\_\_\_

If additional addendums were issued, list numbers here and initial. \_\_\_\_\_

#### **Compliance:**

The undersigned hereby accepts all administrative requirements of the solicitation and will be in compliance with such requirements. By submitting this Proposal Form, the Offeror represents that they are in compliance with all applicable provisions of the City of Fairbanks Code of Ordinances Chapter 54 – Procurement, and if awarded a contract to provide the construction, goods, or services required in this solicitation will comply for the entire length of the Agreement or Contract.

#### **Non – Collusion:**

The undersigned, by submission of this Proposal Form, hereby declares that this offer is made without collusion with any other business or person making any other offer, or which otherwise would make an offer.

**Performance Guarantee:**

The undersigned further agrees that if awarded the Agreement or Contract, it will submit to the City any required performance guarantee (i.e. irrevocable letter of credit or cash deposit), if applicable.

**Proposal Price:**

The undersigned agrees to abide by the pricing contained on the Price Form.

**NO OFFER WILL BE ACCEPTED WHICH HAS NOT BEEN MANUALLY SIGNED IN INK IN THE APPROPRIATE SPACE BELOW**

I certify, under penalty of perjury, that I have the legal authorization to bind the company hereunder:

For clarification of this offer, contact:

\_\_\_\_\_  
Company Name

\_\_\_\_\_  
Name

\_\_\_\_\_  
Address

\_\_\_\_\_  
Title

\_\_\_\_\_  
City                      State                      Zip

\_\_\_\_\_  
Phone

\_\_\_\_\_  
Signature of Person Authorized to Sign

\_\_\_\_\_  
Email

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Federal Tax ID

\_\_\_\_\_  
City of Fairbanks Business License Number

\_\_\_\_\_  
Alaska Business License Number

\_\_\_\_\_  
Contractor's License Number

# PRICE FORM

## City of Fairbanks

Professional Auditing Services

RFP #17-11

**Failure to complete this form shall result in your Offer being deemed non-responsive and rejected without any further explanation.**

### TOTAL ALL-INCLUSIVE MAXIMUM PRICE SCHEDULE

Comprehensive Annual Financial Report	_____
Federal Single Audit	_____
State Single Audit	_____
Consultation	_____
Total	_____

**The above price schedule is for a single fiscal year's audit services. Subsequent years' prices will be negotiated based on experience, changes required by Governmental Accounting Standards Board pronouncements, and economic drivers using the first year price as a base.**

# PRICE FORM PAGE 2

## City of Fairbanks

### Professional Auditing Services

#### RFP #17-11

**Failure to complete this form shall result in your Offer being deemed non-responsive and rejected without any further explanation.**

#### SCHUEDULE OF PROFESSIONAL FEES AND EXPENSES

<u>Staff Category *</u>	<u>Hours</u>	<u>Standard Hourly Rates</u>	<u>Quoted Hourly Rates</u>	<u>Total</u>
Partners	_____	_____	_____	_____
Senior Manager	_____	_____	_____	_____
Senior Staff	_____	_____	_____	_____
Advanced Staff	_____	_____	_____	_____
Staff	_____	_____	_____	_____
Other (specify)	_____	_____	_____	_____
Subtotal				_____
Out-of -pocket expenses				_____
Meal and lodging				_____
Transportation				_____
Other (specify)				_____
Total all-inclusive maximum price for the 2017 audit				_____

\* Please adjust the staff categories to reflect those of the proposer's firm