



DATE: February 17, 2021

TO: Leslie Vaaler, Mayor
Yachats City Council

FROM: Shannon Beaucaire, City Manager

SUBJECT: Request for Proposal for Audit Services

Attached, please find a draft copy of the audit Request for Proposal (RFP). This RFP is asking for submissions beginning for the fiscal year FY22 (July 1, 2021 – June 30, 2022). The RFP has been reviewed by the City Attorney.

Proposed RFP Schedule:

- | | |
|---|--------------------------|
| 1. Issuance of RFP by the City | February 19, 2021 |
| 2. Submission of proposals no later than 5 p.m. | March 26, 2021 (5 weeks) |
| 3. Public opening of proposals at 9 a.m. | March 30, 2021 |
| 4. Demonstration, if required, completed | April 30, 2021 (4 weeks) |
| 5. Evaluation completed | April 30, 2021 |
| 6. Contract negotiated and signed | May 11, 2021 |

Motion: I move to approve the RFP for Audit Services with the proposed schedule and proceed with the RFP process.

Alternatives:

Do not approve

Approve with modified schedule

REQUEST FOR PROPOSALS FOR AUDIT SERVICES

Date

Contact Person: City Manager
(541) 547-3565

I. GENERAL INFORMATION

A. INTRODUCTION

The City of Yachats (City) is City in Lincoln County, Oregon. The financial records of the City are organized into “funds” which relate to services performed by the City. The operation of each fund account group is documented by a separate set of self-balancing accounts which compromise the fund’s assets, liabilities, revenues and expenditures (expenses).

The financial statements summarize these funds into governmental Fund Types and Proprietary Fund Types, as well as, the Urban Renewal Fund.

B. SCOPE

The CITY proposes to enter into a contract for audit services with an independent Certified Public Accounting Firm to audit the City and Urban Renewal District financial statements beginning fiscal year 2022 (July 1, 2021-June 30, 2022). The scope of work shall also include consultations by telephone throughout the year, as needed, for accounting and financial presentation related items. The duration of the contract will be for three years with the option of the City to renew for additional years. Under no circumstance shall the City contract for more than six years with the same auditor or with another auditor who employees the same staff as utilized by the previous auditor.

The audit of the City’s financial statements shall be performed in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the provisions of Oregon Revised Statutes, as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations, as well as any other applicable audit

guidelines needed for compliance and reporting, and perform tests necessary to provide the following opinions:

1. An opinion that the City's general purpose financial statements fairly represent City's financial condition and results of operations in accordance with Generally Accepted Accounting Principles (GAAP).
2. An opinion that individual grants were examined for accuracy and that the City has complied with material terms of federal and state grant contracts.
3. A study and evaluation of the internal control systems including applicable internal administration controls used in administering the City's federal financial assistance programs and report any material weaknesses.
4. An opinion regarding City's financial reports and their conformance to grantor accounting and reporting requirements.
5. Audit comments and disclosures required to municipal corporations under Oregon law.
6. Any other opinions needed for compliance and reporting.
7. As may be necessary, a management letter to City's City Council identifying weaknesses or breakdowns in internal controls that could cause a material misstatement of City's financial conditions, or that could unnecessarily expose City to risk or loss.
8. A management letter to the City Manager identifying any recommendations that may improve financial operations but are not included in the management letter to the City Council as necessary.
9. Recommendations about changes needed in the financial reporting system for the adoption of Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments.
10. Present audit to the City Council.

C. AUDIT SCHEDULE

This schedule shall be followed by the Contractor. Specific dates shall be confirmed with the City Manager during an audit planning meeting to take place no later than May 15 of each year.

Substantive testing	September 1
Deliver Audit Report with management letter	November 2
Deliver Summary of Revenues & Expenditures Report for Division of Audits	No later than December 31

D. CITY PROVIDED SERVICES

The City will prepare and make available to the Contractor on the first day of substantive testing a trial balance, reconciliations of all balance sheet accounts,

reconciliations of all revenue accounts, and any other schedules specified by the Contractor by September 1.

The City will provide written descriptions of the accounting systems for cash receipts, cash disbursements, payroll, purchasing, grant record keeping and other systems as requested by the Contractor.

The City will make its staff available to assist in locating and copying documents and typing client representation letters and confirmation requests.

E. DESCRIPTION OF FINANCIAL SYSTEM

The City uses a computerized accounting system. Springbrook Software is used for general ledger, cash receipts, accounts payable, payroll and generation of financial statements.

The prior year audit and management letters are available upon request. The financial records are well organized with clear audit trails.

All accounting functions are performed by the Finance Department. This may include electronic fund transfers or direct deposits.

F. EVALUATION OF PROPOSALS

Award of the contract in the form attached will be made to the proposer whose proposal is, in the opinion of the City, in the best interest of the City, price and other factors considered. The City reserves the right to reject all proposals or to reject any proposal not in accordance with this solicitation. Submittal of a proposal indicates proposer's intent to be bound to the form contract attached. The City reserves the right to make changes and complete this contract in its sole discretion.

An evaluation committee will be responsible for initially reviewing the competing proposals, based upon the criteria set forth in this Request for Proposals. Selection may be made directly from the proposals submitted, or the City may conduct interviews with potential finalists. The committee will select the proposer determined to meet the best interest of the City, and the committee's recommendation will be forwarded to the City Manager, who will make the final recommendation for award to the City Council. The City Council shall make the final contract award determination.

Criteria includes:

- Suitability of the proposal for CITY's requirements
- Qualifications of key personnel assigned to the project

- Substantiated performance capabilities and proven service to the proposer
- Experience with auditing other councils of governments or local units of governments
- Familiarity with federal and state requirements
- Cost of proposal

The City reserves the right to determine that any or all proposals are unacceptable.

The City may require one or more of the proposers to make an oral presentation.

II. PROPOSERS INSTRUCTIONS

A. RFP SCHEDULE

- | | |
|---|-----|
| 1. Issuance of RFP by the City | TBD |
| 2. Submission of proposals no later than 5 p.m. | TBD |
| 3. Public opening of proposals at 9 a.m. | TBD |
| 4. Demonstration, if required, completed | TBD |
| 5. Evaluation completed | TBD |
| 6. Contract negotiated and signed | TBD |

B. PROPOSAL FORMAT

Proposal should be submitted on 8 ½" by 11" paper. Proposers should make the text brief and concise without sacrificing detail required for evaluation. The evaluators do not want to see promotional material unless it is directly relevant to the evaluation criteria. The proposal should include the following information:

Provide the name and location of the office from which work will be done.

Discuss the previous relationships between proposer and other public entities within the State of Oregon. Provide references that can be contacted by the City.

Discuss policies on notification of changes in key personnel.

Provide a management overview of its company, service, support, continuing education and other matters that it feels would be of benefit to the evaluation of the proposal.

Provide a resume of each person assigned to the project at the senior level or higher along with relevant management capabilities. Discuss the extent to which assigned personnel have previously worked together.

Describe how the proposer would conduct the audit, and how the proposer would approach the work efforts of the subsequent years. Provide a list of services that shall be provided and the specific areas that will be examined.

State if the proposer has (a) received a positive peer review within the last 3 years and (b) been the object of any disciplinary action during the last 3 years.

Adaptability and responsiveness to change orders and modifications should be discussed.

Provide a sample of an audited Consolidated Annual Financial Report previously produced.

Provide a sample of a management letter previously issued to a local unit of government.

Provide cost of Annual Report Preparation. (Use attached form)

C. OWNERSHIP

All materials submitted by the proposer as part of the proposal will be considered the property of CITY and will not be required to be returned to the proposer.

SUBMISSION OF PROPOSAL

Submit three (3) copies of the proposal to:

**Yachats City Manager
City of Yachats
PO Box 345
Yachats, OR 97498**

All copies of the proposal and associated materials must be signed by a representative of the vendor duly authorized to sign such documents. Proposals must be sealed and clearly marked "Response to CITY Audit Services RFP".

D. SUPPLEMENTAL TO PROPOSALS

If the committee's evaluation of any proposal indicates minor noncompliance with or variance from the RFP, the City may, but need not, make written request to proposer for a supplement to the proposal. The requestor will attempt to identify the noncompliance or variance, may request additional information, and will establish a date by which a supplement to a proposal must be submitted. The proposer may submit a supplement to proposal responsive to the request within the time period established in the request. The City shall receive and evaluate the supplement in conjunction with the proposal. Any supplement to the proposal submitted under this paragraph, shall be deemed as an integral part of the proposal. Except as provided by the paragraph, proposals shall not be changed, modified, or withdrawn.

E. FORM OF AGREEMENT

The Agreement shall be a Professional Services Contract.

F. PROPOSER'S BID FOR ANNUAL REPORT PREPARATION

The City is requesting a separate bid on the preparation of the Annual Financial Report for the City and Urban Renewal District. The scope of this work would include summarizing funds by type and creating the financial statement formats and disclosures for the annual report. This would include all word processing and collating of the report. The Table of Contents is attached to help identify the volume of the report. This bid is to be submitted on an annual basis.

Year 1 \$ _____

Year 2 and thereafter \$ _____

Date _____ Signature _____

Name (Please Type or Print) _____

Title _____

Firm _____

Telephone Number () _____ Fax Number () _____