



TOWN OF PLATTEVILLE

REQUEST FOR PROPOSAL

AUDITING SERVICES

September 2, 2020

SECTION 1. BACKGROUND, OVERVIEW AND GOALS

A. Background

The Town of Platteville is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal year ending December 31, 2020, with the option, on mutual agreement, of auditing the Town's financial statements for each of the four subsequent fiscal years. These audits are to be performed in accordance with applicable standards.

The Town was incorporated in 1876 and is responsible for providing a variety of Municipal Government services to a community of 3,000 citizens.

The Town is a statutory town governed by a Mayor and Board of Trustees and managed through a Town Manager.

Government departments include Administration, Police, Public Works, Library, Recreation & Seniors.

The Town has 28 Full Time Equivalent (FTE) employees and 15 part-time and seasonal employees. The Town is located at the junction of Highway 85 & Highway 66 in south central Weld County.

The Town of Platteville uses the following fund types in its financial reporting:

<u>Fund Type</u>	<u>Number of Funds</u>
General Fund	1
Special Revenue Funds	6
Enterprise Funds	2
Fiduciary Funds	1

The Town of Platteville prepares an annual budget for each fund.

The Town of Platteville's fiscal year begins on January 1 and ends on December 31.

The Town of Platteville participates in a FPPA 457 retirement plan and a PERA 401k retirement plan.

Hardware used by town departments is standardized: desktop computers or workstations are supported by networked printers. Software impacting financial records includes: Windows XP (operating system) and Asyst accounting software (general ledger, accounts payable, payroll, utility billing).

B. Overview

The Town of Platteville is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal year ending December 31, 2020, with the option of auditing its financial statements for each of the four subsequent fiscal years. These audits are to be performed in accordance with generally accepted auditing standards. The town does not anticipate a single audit will be required for the year ended December 31, 2019 or subsequent periods.

C. Goals

The Town of Platteville will expect at a minimum the following meetings, to include the Town's Board of Trustees, Town Manager and Town Clerk/Treasurer:

1. Entrance conference: The purpose of this meeting will be to discuss prior audits. This meeting will also be used to establish overall liaison for the audit and to make arrangements for needs of the auditor.
2. Exit conference: The purpose of this meeting will be to summarize the results of the field work and to review findings. In addition, the auditor shall provide written reports on the progress of the audit as determined during the entrance conference. Also, the auditor shall have representatives available on the night the Board of Trustees accepts the audit report.

Section II. STATEMENT OF WORK

A. Scope of Services

The Town of Platteville desires the auditor to express an opinion on the fair presentation of its financial statements in conformity with generally accepted accounting principles. The Town also desires the auditor to express an opinion on the fair presentation of its combining and individual fund financial statements and schedules in conformity with generally accepted accounting principals. The auditor is not required to audit the supporting schedules contained in the annual financial report. However, the auditor is to provide an "in-relation-to" opinion on the supporting schedules based on the auditing procedures applied during the audit of the basic financial statements. The town will prepare the financial statements in which an opinion is to be expressed on.

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 financial statements in conformity with generally accepted accounting principles.

- A letter to management containing comments on compliance, recommendations for improvements, and any other comments deemed pertinent by the auditors and recommendations affecting the financial statements, internal control, accounting, accounting systems, legality of actions, other instances of noncompliance with laws and regulations, and any other material matters.
- The firm is requested to make a formal presentation on the audit to the Town's Board of Trustees.

It is contemplated that the selected firm will express an unmodified opinion on the financial statements. If during the performance of the audit, it appears probable that an unmodified opinion cannot be issued, the selected auditing firm must promptly notify the Town Manager in writing, stating all matters which preclude the issuance of an unqualified opinion. The auditor shall be responsible to directly contact the Town Manager should concerns raised during the Town audit warrant such contact.

All working papers and reports must be retained at the auditor's expense, according to the appropriate statutory retention requirements, unless the firm is notified in writing by the Town of Platteville 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:

- Town of Platteville
- U.S. General Accounting Office (GAO)
- Parties designated by the federal or state governments or by the Town of Platteville as part of an audit quality review process
- Auditors of entities of which the Town of Platteville is a sub-recipient of grant funds.

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

B. Assistance To Be Provided To The Auditor & Report Preparation

Town staff including the Town Manager, Town Clerk/Treasurer, Finance Clerk and Town Contract Accountant and responsible management personnel will be available during the audit to assist the firm by providing information, documentation and explanations. The preparation of confirmation and routine letters will be the responsibility of the Town of Platteville.

The Town of Platteville will provide the auditor with reasonable workspace. The auditor will also be provided inquiry access to the Financial Management Software, at least one telephone line, photocopying facilities and fax machines.

The Town's staff will be responsible for the preparation, editing and printing of financial statements, notes and all required supplementary schedules. The auditor shall provide all recommendations, revisions and suggestions for improvement to the Town Manager. A final signed audit report shall be delivered to the Board of Trustees by no later than the last June regular board meeting, which is generally scheduled for the first and third Tuesday of the month.

The auditor or representative shall be present at this meeting to present the audit to the Board of Trustees for their approval and acceptance before statutory deadline.

C. Minimum Mandatory Qualifications

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 Town of Platteville 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 demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the request for proposals requirements.

Section III. ADMINISTRATIVE INFORMATION

A. Issuing Office

The Town's contact name listed herein is to be the sole point of contact concerning this RFP. Offerors shall not directly contact other personnel regarding matters concerning this RFP or to arrange meetings related to such.

B. Inquiries

Prospective offerors may submit inquiries concerning this RFP by e-mail prior to 4:30 pm on September 14, 2020 to obtain clarification of the requirements. No inquiries will be accepted after the deadline. Inquiries regarding this RFP should be referred to:

E-Mail: trenken@plattevillegov.org
Subject Line: Audit RFP

C. Modification or Withdrawal of Proposals:

Proposals may be modified or withdrawn by the offeror prior to the established due date and time.

D. Responsibility Determination:

The Town will make awards only to responsible vendors. The Town reserves the right to assess offeror responsibility at any time in this RFP process and may not make a responsibility determination for every offeror.

E. Acceptance of RFP Terms:

A proposal submitted in response to this RFP shall constitute a binding offer. The autographic signature of a person who is legally authorized to execute contractual obligations on behalf of the offeror shall indicate acknowledgment of this condition. A submission in response to this RFP

acknowledges acceptance by the offeror of all terms and conditions as set forth herein. An offeror shall identify clearly and thoroughly any variations between its proposal and the RFP in the cover letter. Failure to do so shall be deemed a waiver of any rights to subsequently modify the terms of performance, except as outlined or specified in the RFP.

F. Confidential/Proprietary Information:

All proposals will be confidential until a contract is awarded and fully executed. At that time, all proposals and documents pertaining to the proposals will be open for public inspection, except for the material that is proprietary or confidential. The offeror may not be given an opportunity to cure any variances after proposal opening. **Neither a proposal in its entirety, nor proposal price information will be considered confidential/proprietary.** Questions regarding the application of this procedure must be directed to the Town Manager.

G. Acceptance of Proposal Content:

The contents of the proposal (including persons specified to implement the project) of the successful contractor shall become contractual obligations into the contract award. Failure of the successful offeror to perform in accordance with these obligations may result in cancellation of the award and such offeror may be removed from future solicitations.

H. RFP Cancellation:

The Town reserves the right to cancel this RFP at any time, without penalty.

I. Negotiation of Award:

In the event only one (1) responsive proposal is received by the Town, the Town reserves the right to negotiate the award for the services with the offeror submitting the proposal in lieu of accepting the proposal as is.

J. RFP Response/Material Ownership:

All material submitted regarding this RFP becomes the property of the Town of Platteville, unless otherwise noted in the RFP.

K. Incurring Costs:

The Town is not liable for any cost incurred prior to issuance of a legally executed contract and/or a purchase order.

L. Non-Discrimination:

The offeror shall comply with all applicable state and federal laws, rules and regulations involving non-discrimination on the basis of race, color, religion, national origin, age or sex.

M. Certification of Independent Price Determination:

1. By submission of this proposal each offeror certifies, and in the case of a joint proposal each party, thereto certifies as to its own organization, that in connection with this procurement:
 - a) The prices in this proposal have been arrived at independently, without consultation, communication, or agreement, for the purpose of restricting competition, as to any matter relating to such prices with any other offeror or with any competitor;
 - b) Unless otherwise required by law, the prices which have been quoted in this proposal have not been knowingly disclosed by the offeror and will not knowingly be disclosed by the offeror prior to opening, directly or indirectly to any other offeror or to any competitor; and
 - c) No attempt has been made or will be made by the offeror to induce any other person or firm to submit or not to submit a proposal for the purpose of restricting competition.

2. Each person signing the Request for Proposal form of this proposal certifies that:
 - a) He/she is the person in the offeror's organization responsible within that organization for the decision as to the prices being offered herein and that he/she has not participated, and will not participate, in any action contrary to (1.a) through (1.c) above; or
 - b) He/she is not the person in the offeror's organization responsible within that organization for the decision as to the prices being offered herein but that he/she has been authorized in writing to act as agent for the persons responsible for such decision in certifying that such persons have not participated, and will not participate, in any action contrary to (1.a) through (1.c) above, and as their agent does hereby so certify; and he/she has not participated, and will not participate, in any action contrary to (1.a) through (1.c) above.

3. A proposal will not be considered for award where (1.a), (1.c), or (2.) above has been deleted or modified. Where (1.b) above has been deleted or modified, the proposal will not be considered for award unless the offeror furnishes with the proposal a signed statement which sets forth in detail the circumstances of the disclosure and the Town's designee, determines that such disclosure was not made for the purpose of restricting competition.

N. Assignment and Delegation:

Neither party to any resulting contract may assign or delegate any portion of the agreement without the prior written consent of the other party.

O. Standard of Conduct:

The successful firm shall be responsible for maintaining satisfactory standards of employees' competency, conduct, courtesy, appearance, honesty, and integrity, and shall be responsible for taking such disciplinary action with respect to any employee as may be necessary.

The Town may request the successful firm to immediately remove from this assignment any employee found unfit to perform duties due to one or more of the following reasons:

1. Neglect of duty.
2. Disorderly conduct, use of abusive or offensive language, quarreling, intimidation by words or actions or fighting.
3. Theft, vandalism, immoral conduct or any other criminal action.
4. Selling, consuming, possessing, or being under the influence of intoxicants, including alcohol, or illegal substances while on assignment for the City.

P. Damages for Breach of Contract:

In addition to any other legal or equitable remedy the Town may be entitled to for a breach of this Contract, if the Town terminates this Contract, in whole or in part, due to Contractor's breach of any provision of this Contract, Contractor shall be liable for actual and consequential damages to the Town.

Q. Other Statutes:

1. The signatory hereto states that he/she is familiar with Colorado Revised Statutes , 18-8-301, et seq. (Bribery and Corrupt Influence) and 18-8-401, et seq. (Abuse of Public Office) as amended, and that no violation such provisions is present.
2. The signatory hereto states that to his/her knowledge, no Town of Platteville employee has any personal or beneficial interest whatsoever in the service or property described herein. See CRS 24-18-201 and CRS 24-50-507.

Section IV. PROPOSAL SUBMISSION

A. Summary of Professional Fees and Expenses

The sealed cost proposal 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 Town of Platteville will not be responsible for expenses incurred in preparing and submitting the technical proposal or the sealed cost proposal. Such costs should not be included in the proposal.

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 cost proposal). The Proposal should be prepared simply and economically, providing a straightforward, concise description of the firm's capabilities to satisfy the requirements of the request for proposal. While additional data may be presented, the following items must be included, as they represent the criteria against which the proposal will be evaluated.

1. Independence

The firm should provide an affirmative statement that it is independent of the Town of Platteville as defined by applicable standards. The firm should provide an affirmative statement that it is independent of all of the entities included in this proposal. In addition, the firm shall give the Town of Platteville written notice of any professional relationships entered into during the period of their engagement.

2. License to Practice in Colorado

An affirmative statement should be included that the firm and all assigned key professional staff are properly licensed to practice in Colorado.

3. Firm Qualifications and Experience

The firm 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 the nature of professional staff to be employed on 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 firm 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 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 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.

4. Partner, Supervisory and Staff Qualifications and Experience

Identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement. Audit personnel may be changed at the discretion of the firm, provided that replacements have substantially the same or better qualifications or experience.

5. Similar Engagements with Other Government Entities

List the most significant engagements performed in the last five years that are similar to the engagement described in this request for proposal, based on the office that will be directly responsible for this project. 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.

6. Specific Audit Approach

The proposal shall include a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section II of this request for proposal. In developing the work plan, reference should be made to such sources of information as Town of Platteville's budget and related materials, organizational charts, manuals and programs, and financial and other management information systems.

Firms will be required to provide the following information on their audit approach:

- a. Proposed segmentation of the engagement
- b. Level of staff and number of hours to be assigned to each proposed segment of the engagement
- c. Sample size and the extent to which statistical sampling is to be used in the engagement
- d. Extent of use of EDP software in the engagement
- e. Type and extent of analytical procedures to be used in the engagement
- f. Approach to be taken to gain and document an understanding of the Town of Platteville's internal control structure
- g. Approach to be taken in determining laws and regulations that will be subject to audit test work
- h. Approach to be taken in drawing audit samples for purposes of tests of compliance

7. 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 Town of Platteville.

B. Sealed Cost Proposal

1. Summary of Professional Fees and Expenses

The sealed cost proposal 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 Town of Platteville will not be responsible for expenses incurred in preparing and submitting the technical proposal or the sealed cost proposal. Such costs should not be included in the proposal.

The first page of the sealed cost proposal should include the following information:

- a. Name of firm
- b. Certification that the person signing the proposal is entitled to represent the firm, empowered to submit the bid, and authorized to sign a contract with the Town of Platteville.
- c. A total all-inclusive maximum price for each engagement for the years 2020, 2021, 2022, 2023 and 2024.

2. Rates by staff member

Include the rate anticipated hours for each partner, specialist, supervisory and staff level expected to perform the necessary services. The second page of the proposal should include a schedule of professional fees and expenses.

3. Manner of payment

Progress payments will be made on a monthly basis.

V. EVALUATION PROCESS

A. Proposal Review & Evaluation

Proposals will be evaluated using three sets of criteria. Firms meeting the mandatory criteria will have their proposals evaluated and scored for both technical qualifications and price. The following represent the principal selection criteria that will be considered during the evaluation process.

1. Mandatory Elements

- a. The audit firm is independent and licensed to practice in Colorado.
- b. The firm has no conflict of interest with regard to any other work performed by the firm for the Town of Platteville.
- c. The firm adheres to the instructions in this request for proposal on preparing and submitting the proposal.
- d. The firm submits a copy of its last external quality control review report and the firm has a record of quality audit work.

2. Technical Quality

a. Expertise and Experience

- 1) The firm's past experience and performance on comparable government engagements.
- 2) The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation.
- 3) Experience with similar Federal or State Financial Assistance Programs.
- 4) Experience with similar computer systems.

b. Audit Approach

- 1) Adequacy of proposed staffing plan for various segments of the engagement.
- 2) Adequacy of sampling techniques.
- 3) Adequacy of analytical procedures.

3. Price

Cost will be a consideration but will not be a primary factor in making the final selection.

VI. CONTRACT

Upon final selection, a contract for services will be negotiated with the successful firm and anticipated execution between both parties by the end of December 2020.

VII. SUBMITTING PROPOSALS

Proposals are due by September 28, 2020 @ 4:30pm. All proposals shall remain the property of the Town of Platteville. Facsimile proposals will not be accepted. Please remit an electronic copy of the proposal to the Town Manager and submit any questions as follows:

Troy Renken, Town Manager
Town of Platteville
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(970) 785-2245
(www.plattevillegov.org)
