



REQUEST FOR PROPOSAL FOR
AUDIT SERVICES

Issued March 22, 2024

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SECTION 1 – PROJECT AND BACKGROUND

1.1 - Project

Tremonton City (the City) is requesting bids from qualified firms of certified public accountants to audit its annual financial statements for fiscal years ending June 30, 20XX.

1.2 - Background

The City is an incorporated municipality within the State of Utah. The City’s operations include general government, police, fire/EMS, public roads, library, senior citizen, parks and recreation, food pantry, water, sewer collection, sewer treatment, and storm drain services.

The City council consists of five elected members, which forms the legislative body of the City. The City also has an elected Mayor (part-time) and an appointed City Manager. The City is not considered to be controlled or fiscally dependent on any other entity and therefore is not a component unit of another entity. The City has oversight over the Tremonton Redevelopment Agency (RDA) which is considered a blended component unit based on control. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the governing board.

1.3 - Project Schedule

DATE	ITEM
3/22/24	Bidding information released
4/19/24 12:00pm MT	Bid submission deadline
6/5/24	Notification of award no later than
6/10/24	Contract start date no later than

SECTION 2 – BID PREPARATION AND EVALUATION

2.1 - Bidding Instructions

The Bidder shall respond to each of the requests identified in #1 - #3. Bids shall be submitted to the City by **12:00 p.m. Friday, April 19, 2024**. The bidder is required to submit an electronic copy, in one zip file, with the name and address of the Bidder clearly stated and e-mailed to Linsey Nessen, Inessen@tremontoncity.com with the subject line labeled, “AUDIT SERVICES BID.”

For ease and efficiency of review, the City has specified the numbering protocol for bidders (See #1 - #3 below). Please follow this numbering protocol exactly, and do not re-number, insert numbers, or otherwise modify the sequence. The City reserves the right to request cost or pricing data.

1) Auditor Requirements (30pts)

- a) Affirm that the auditor is independent of the City as defined by generally accepted auditing standards and government auditing standards.

- b) Provide your firms license number as proof to be able to practice in Utah.
- c) Provide the City with a copy of the most recent external quality control review report.
- d) Affirm that the auditor and the firm comply with all requirements to perform audits of government entities, including, but not limited to, continuing education requirements, independence requirements, AICPA requirements, Government Auditing Standards requirements and the laws of the State of Utah.

2) Technical Qualifications (50pts)

- a) Identify the engagement partner who will be assigned to this engagement.
- b) Identify other key personnel that will be assigned to the engagement (managers, supervisors, specialists).
- c) Provide information regarding the experience of each person identified above (2a and 2b) as it relates to auditing government entities.
- d) Provide a list of engagements performed in the last three years that provide the City with evidence that the auditor has experience auditing government entities. The list should also indicate where the audited financial statements are publicly available for inspection by the City.
- e) Submit a basic timeline of when the firm anticipates performing key parts of the audit to meet the time deadlines outlined in the scope of work.

3) Price (20pts)

- a) Submit your fee to accomplish all the tasks listed in the Scope of Work
 - i. The City anticipates that most bidders will submit an “all-inclusive” fee that includes all travel, report preparation, or other fees. If the auditor wishes to bill for any other costs separately, the auditor must indicate how those costs will be calculated and billed.
 - ii. The proposal must include a fee for each of the five years covered by this proposal. The first year to be audited will be the fiscal year ending June 30, 2024

Proposals should be organized according to the three areas previously listed. Bidders are allowed to submit additional information with their bid but must, at a minimum, submit the information listed previously.

2.2 Evaluation Criteria

All bids shall be evaluated for responsiveness and whether they demonstrate the ability to meet the requirements of the solicitation. Contract award will be made only to responsive, responsible bidders whose bids are most advantageous to the City and possess the ability to perform successfully under the terms and conditions of the proposed procurement. Evaluations and ranking will be based on the weighted factors listed above.

SECTION 3 – SCOPE OF WORK

3.1 City Finances

The City's funds consist of the General Fund, four special revenue funds, three capital project funds, four enterprise funds and the RDA which has two funds. During fiscal year 2024, the City Council authorized the creation of a new enterprise fund beginning July 1, 2024 (FY2025) to account for solid waste services. The City anticipates that this will not be a major fund. The City adopts a budget annually in accordance with the laws of the State of Utah. The City typically has three or four major governmental funds and three major enterprise funds. The City financial statements may be obtained from the website maintained by the Office of the Utah State Auditor or by emailing Linsey Nessen, lnessen@tremontoncity.com.

The City currently uses Caselle to record all the financial transactions. The City's fiscal year begins July 1st and ends June 30th.

3.2 Nature of Services Required

The City financial statements consist of the management discussion and analysis, basic financial statements, required supplementary information, and supplementary information.

The audit is required to comply with generally accepted auditing standards and Government Auditing Standards. The auditors will be expected to issue all the applicable reports based on these requirements. In addition, the auditors will be expected to perform procedures and issue a report based on the State Compliance Audit Guide issued by the Office of the Utah State Auditor.

Historically, the City's expenditures subject to federal awards are less than the threshold for an audit of the federal funds (Single Audit). If the City becomes aware of any requirements that would require additional services related to federal awards (Single Audit, special compliance reports, etc.), the City will negotiate the fee for those services separately with the successful bidder.

3.3 Assistance to be Provided to the Auditor and Report Preparation

The City prepares all of the required financial statements and schedules, the Management Discussion and Analysis and the notes as required.

The City administration staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation and explanations. Key staff include the contracted Finance Director who has over 30 years of experience as a CPA, the City Manager, the City Recorder and the City Treasurer. The preparation of confirmations will be the responsibility of the City as directed by the auditor.

Historically, the City has prepared an "Audit Binder" with reconciling schedules and other work papers supporting the balances and amounts reported in the financial statements. These

schedules include bank reconciliations, summarizing schedules of receivables, fixed asset reports and depreciation schedules, payable reconciliations and supporting documents, and reports supporting amounts reported in notes and schedules. The work papers also document how all the supporting schedules agree to the trial balance. The trial balance is also included with documentation of the grouping of balances, which agree to the amounts in the financial statements. Historically, there have been no proposed adjustments to the financial statements by the auditor. There have been minor clerical changes to the notes.

Upon request, the City will make this audit binder available for review before a proposer submits a bid.

The City typically has the audit binder prepared by November 1st and the financial statements drafted by November 15th each year.

The City will coordinate with the auditor to provide the draft of the financial statements, including notes, in a format agreeable to both the City and the auditor.

The auditor will be expected to provide 10 (ten) bound copies of the financial statements. In addition, the auditor will be expected to provide an electronic version of the financial statements in a format that is acceptable for submission to the State of Utah. The auditor will provide one electronic version including any "Management Letter" and one electronic version without any other communication of matter letters.

The City is responsible for submitting the financial statements to the State of Utah and will coordinate with the auditor to ensure that the required reports are submitted before the State required deadlines.

3.4 Time Requirements

The auditors must be able to meet the following essential dates for the audit:

Fieldwork completed and reports submitted to the State by: December 31

3.5 Work Paper Retention

All work papers and reports must be retained, at the auditor's expense, for a minimum of six years, unless the auditor is notified in writing by the City to extend the retention period. The auditor will be required to make work papers available, upon request, to the City.

Pursuant to Utah law, the Office of the Utah State Auditor (OSA) may require additional information, including all audit engagement work papers, from the private certified public accountant as the OSA deems in the public interest. The OSA may make additional examinations as the OSA deems to be in the public interest.

Additionally, the auditor may be required to make work papers available to federal or other funding agencies to satisfy any federal or other oversight requirements related to the grants of the City.

SECTION 4 – ADMINISTRATIVE AND CONTRACTUAL INFORMATION

4.1 - Notices

Complete instructions to bidders are included in this bid document. No oral, telephone, telegraphic, or facsimile bids or modifications will be considered. Award will be based on the criteria set forth in the solicitation. Discussions or negotiations may be conducted under this solicitation; however, the City reserves the right to award a contract based on the initial bid without discussions or negotiations. Award will be to the offer deemed most advantageous and of the best value to the City.

Issuance of this solicitation does not commit the City to award any contract, to pay any costs incurred in preparation of a bid, or to procure or contract for services or supplies. The City reserves the right to waive any irregularities and informalities or to reject any and all bids, to cancel and re-advertise at any time, without penalty, and to make contract awards in the best interest of the City.

For the purpose of this solicitation, “Bid” “Proposal” and “Offer” and “Bidder” “Proposer” “Offeror” and “Contractor” are synonymous. For the purpose of this solicitation and resulting contract(s), “Tremonton City,” “Tremonton” and “the City” are synonymous.

Questions or concerns regarding this solicitation shall be directed, in writing, to:

Linsey Nessen
City Recorder
Inessen@tremontonciv.com

From the issuance of this bidding information until the City selects a bid for award, Linsey Nessen, City Recorder, is the sole point of contact for the City concerning this procurement. Any violation of this condition may be cause for the City to reject the offending Proposer’s Proposal. If the City later discovers that the Proposer has engaged in any violations of this condition, the City may reject the offending Proposer’s Proposal or rescind its contract award. Proposers must agree not to distribute any part of their Proposals beyond the City. A Proposer who shares information contained in its Proposal with other City personnel, City project team members, City Council members, and/or competing Proposer personnel may be disqualified.

4.2 - Deadline for Submission

All bids must be submitted to Linsey Nessen, Inessen@tremontonciv.com by **12:00 pm MDT on Friday, April 19, 2024**. Bids will be opened and evaluated in private after the date and time stated above. A public opening will not be held. The winning bidder will be notified at the latest by June

5, 2024. Any bidder may withdraw their bid, by written request, at any time prior to the scheduled deadline for submission. Request must be in the possession of the City prior to the deadline for submission.

4.3 – Oral Presentations

During the evaluation process, the selection committee may, at its discretion, request firms to make oral presentations. Such presentations will provide firms with an opportunity to answer any questions the selection committee may have on a firm’s bid. Not all firms may be asked to make such oral presentations.

4.4 - Selection

City management will form a selection committee to evaluate the submissions in accordance with the Evaluation Criteria in Section 2. A final selection will be made no later than June 5, 2024.

4.5 – Term of Engagement

The City intends to continue the relationship with the auditor for no less than five years. The City reserves the right to terminate the contract at the end of any year at the sole discretion of the City. In addition, the City reserves the right to extend the agreement based upon mutually agreed-upon terms and fees.

4.6 - Notice of Award/Contract/Notice to Proceed

The City will give a “Notice of Award” no later than June 5, 2024. The City Manager anticipates delivering the executed contract documents no later than June 10, 2024.

If the Bidder to whom award is made fails to enter into the delivered contract, the award will be annulled and an award may be made to the Bidder whose bid is next most responsive and responsible in the opinion of the City, and such Bidder shall fulfill every stipulation herein as if it were the party to whom the award was first made.

The City will annually sign an engagement letter with the selected bidder. The engagement letter must be consistent with the terms of the contract, the bid submitted and the terms in this document.

4.7 - Payments

The successful bidder shall prepare a written invoice for services performed each month. Payment will be made to the successful bidder within 30 days after receipt of the invoice.

4.8 - Insurance

The successful bidder will have in place insurance policies that protect the interests of the City. Such policies will include, but not be limited to (1) worker's compensation for any eligible employees, and (2) general liability insurance for any damage caused by the bidder or the employees of the bidder for any reason. The coverage amounts shall be determined by the bidder but shall be adequate to protect the interests of the City.

4.9 - Workforce

The successful bidder shall guarantee in writing and take all necessary steps to ensure that any persons subject to the terms of this contract are eligible to work in the United States of America.

4.10 - Indemnification

The successful bidder will indemnify and hold harmless the City and their agents and employees from and against all claims, damages, losses and expenses, including attorney's fees arising out of or resulting from the performance of the work and is caused in whole or in part by any negligent act or omission of the successful bidder or anyone directly or indirectly employed by them. If the successful bidder fails to satisfy contractual sales obligations agreed to by contract, the City reserves the right to obtain the products and or services from another contractor and bill the bidder for the cost of such products or services. The City maintains the right to be reimbursed by the bidder for any costs incurred and all collection costs, including attorney fees.

4.11 – Subletting of Contract

The contract derived from this bidding document shall not be subcontracted except with the written consent of the City. No such consent shall be construed as making the City a party to such subcontract or subjecting the City to liability of any kind to any subcontractor. No subcontract shall, under any circumstances, relieve the contractor of his liability and obligation under this contract, and all transactions with the City must be through the City Manager.

4.12 – Assignment/Transfer of Interests

There shall be no assignment/transfer of interests or delegation of the contractor's rights, duties, or responsibilities of the contractor under the contract derived from this bidding document without the prior written approval of the City Manager.

4.13 - Changes in the Contract

The City may at any time, as the need arises, order changes to the Scope of Work, excluding substantial or cardinal changes, without invalidating any provision of this Agreement. If such changes increase or decrease the nature of the Scope of the Work, then any price changes/charges may be adjusted accordingly, as agreed to in writing by both parties and will be subject to The City's policy regarding change orders. The City reserves the right to make Amendments to this solicitation and requires that the bidder acknowledges receipt of all addendums issued. Any bid received without such acknowledgement may be deemed unresponsive.

A substantial or cardinal change is deemed to be a major deviation from the original Scope of Work or the intended method of achievement, or a revision of contract work so extensive, significant, or cumulative that, in effect, the Vendor is required to perform different work from that described in the Scope of Work in the original contract.