

**City of Moline Acres
Request for Proposal
Audit Services**

I. INTRODUCTION

A. General Information

1. General Background Information

The City of Moline Acres (hereinafter called “the City”), was established as a city in 1961. As a City, it has the power to make and enforce ordinances and regulations with respect to City’s affairs to the extent expressly permitted or implied by the Missouri Revised Statutes or specific legislation. The City is served by a five member board of aldermen including the Mayor. The Board of Aldermen appoints the City Clerk to carry out its adopted policies and ordinances. The City provides services and operational activities, including permits, to its citizens. The City employs 18 full-time employees and 13 part time.

2. Fund Structure

The City’s accounting transactions are recorded and reported within the following funds:

Fund Type	Number of Individual Funds	Number Included in Legally Adopted Annual Budget
General	1	1

B. Procedural Instruction

1. Proposal Submission Package - Acceptable proposals shall address all items identified in this request for proposal (RFP). Each proposal package shall contain the original (unbound), six (6) copies and an electronic version (PDF) of the proposal.
2. Inquiries - Questions concerning this RFP should be directed to:

City Clerk, Nina Walker
(314) 868-2433 ext. 113
Email: nwalker@molineacres.org

Inquiries should refer to specific sections and paragraphs. Written responses to an inquiry will be distributed to all proposers at the discretion of the City of Moline Acres.

3. Submission of Proposals - Proposal packages shall be submitted in sealed envelopes marked “**AUDITING SERVICES PROPOSAL**” to:

City of Moline Acres
2449 Chambers Road
Moline Acres, MO 63136

Proposals must be received prior to 4:30 PM C.S.T. on Tuesday, February 9, 2010.

All proposals shall be firm for a period of ninety (90) days following the required date of submission. Faxed proposals will not be accepted.

C. Term of Engagement

It is the intent of the City of Moline Acres to contract for services presented for a term of three (3) years.

II. SCOPE OF WORK

A. General

The City of Moline Acres is soliciting the services of qualified firms of certified public accountants with experience and interest to audit the funds of the City. The audit is to be performed in accordance with generally accepted auditing standards, the standards set forth for financial audits in the U.S. Government Accountability Office's (GAO) Government Auditing Standards, and the provisions of the Federal Single Audit of States, Local Governments, and non-profit organizations.

There is no expressed or implied obligation for the City of Moline Acres to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

During the evaluation process, the City of Moline Acres reserves the right, where it may serve the City's best interest, to request additional information or clarifications from proposers, or to allow corrections of errors or omissions. The City of Moline Acres reserves the right to reject any or all proposals submitted. At the discretion of the City, firms submitting proposals may be requested to make oral presentations as part of the final evaluation process. If a proposer makes an oral presentation, it will be at the full expense of the proposer and will not be added to the full cost already submitted.

Submission of a proposal indicates acceptance by the firm of the conditions contained in the Request for Proposal, unless clearly and specifically agree to in writing by both the City and the firm selected.

It is anticipated the selection of a firm will be completed by **February 9, 2010**. Following the notification of the selected firm, it is expected a contract will be executed by both parties within three (3) weeks.

B. Key Elements of Work to Be Performed

1. The combined financial statements shall be compiled by the Auditors from the City's computerized records. The Auditors will perform a financial and compliance audit to determine:
 - a) Whether the combined financial statements of the City present fairly the financial position and the results of financial operations in accordance with generally accepted accounting principals and
 - b) Whether the City has complied with laws and regulations that may have a material affect upon the financial statements.
2. The Auditors will examine the financial statements of the City as of and for the years ending December 31, 2009, December 31, 2010 and December 31, 2011,
3. The Auditors will examine the City's internal accounting controls and accounting procedures and render written reports of their findings and recommendations to the Mayor and Board of Aldermen.
4. The examination shall be made and reports rendered in accordance with generally accepted government auditing standards.

5. If the Auditors find indications of defalcation or other circumstances requiring an extension of procedures beyond the scope of the examination which would be sufficient under ordinary circumstances, the Auditors will provide the Mayor and Board of Aldermen with all readily ascertainable facts relative to such extraordinary circumstances together with an estimate for the additional cost of investigating same. Fees relating to such additional services are not contemplated as being within the scope of services to be performed under the paragraphs above and will be subject to approval by the Mayor and Board of Aldermen.
6. The City Clerk will be responsible for coordinating the audit process internally. The auditors will meet on a weekly basis with the City Clerk to discuss preliminary audit findings.
7. Prior to issuing their final reports, the Auditors will meet with the City Clerk. All audit reports will be addressed to the Mayor and Board of Aldermen.
8. The Auditors may be consulted occasionally throughout the year as an information resource. The Auditors may be asked to provide guidance on implementation of GASB requirements and specifics of Federal and State regulations as they may affect local government accounting.

C. Required Reports

A report is to be issued on the fair presentation of the financial statements in conformity with generally accepted accounting principles. The auditors will produce fifteen copies of the final report. The auditors will also provide to the City a PDF version of the final report. Management letter and recommendations on internal control.

III. TIME REQUIREMENTS

A. Interim Work

The City will participate in interim fieldwork as deemed necessary by the auditors.

B. Year-end Field Work

A list of all schedules to be prepared by the City, along with sample formats, if desired, should be submitted to the City Clerk as far in advance of actual fieldwork as is practicable. The schedule for completing the Auditor's field work and test of transactions should be coordinated with the City Clerk in order to meet the reporting need requirement deadlines noted below.

C. Draft Reports

Draft reports are due to the City Clerk as soon as readily available.

D. Exit Conference

An exit conference will be held between the auditors and the City Clerk prior to the delivery of the final reports. The City shall be afforded adequate opportunity to respond to all findings and to have such responses included in the reports, where applicable.

E. Final Reports

Final reports are due to the City Clerk as soon as readily available.

F. Board of Directors Presentation

Auditors will prepare for and present a brief presentation to the Mayor and Board of Aldermen if so requested.

IV. ADDITIONAL PROVISIONS

- A.** Proposer agrees that it is an independent Contractor and that its officers and employees do not become employees of the City and are not entitled to any employees' benefits as City employees as a result of the execution of the agreement.
- B.** No officer, member or employee of the City and no member of their governing bodies shall have any pecuniary interest, direct or indirect, in this agreement or the proceeds thereof. No employee of proposer nor any member of an employee's family shall serve on a City board, committee or hold any such position which either by rule, practice or action nominates, recommends, supervises proposers operations, or authorizes funding to proposer.
- C.** Proposer may not assign or transfer this agreement, any interest therein or claim there under without the prior written approval of the City.
- D.** The City may terminate this agreement at any time by giving proposer a thirty (30) day written notice of such termination and may terminate the agreement at any time without notice upon a material breach of the terms of this agreement by proposer.
- E.** Time is of the essence in each and all the provisions of this agreement.
- F.** No alteration or variation of the terms of this agreement shall be valid unless made in writing and signed by the parties hereto.
- G.** Proposer assures that it will comply with the Title VI of the Civil Rights Act of 1964 and that no person shall, on the grounds of race, creed, color, sex or national origin be excluded from participation in, be denied the benefits of, or otherwise subjected to discrimination under this agreement.

V. PROPOSAL REQUIREMENTS

A. Submission of Proposals

Proposals submitted should address the following terms:

1. The organization, size, and years in business of the firm.
2. The location of the office from which the work is to be completed and the number of professional staff, by staff level, that will work directly on the City assignment.
3. Name and brief background of the firm's designated contact; name and background of the engagement manager, if different from designated contact; and the names of key employees to be assigned to the engagement.
4. A statement that the firm is properly licensed to practice as a certified public accounting firm in Missouri.
5. A statement that the firm meets the independence requirements of the Standards for Audit of Government Organizations, Programs, Activities and Functions published by the Comptroller General of the United States.
6. A copy of the most current peer review report. If not participating in this review program, a statement to that effect and a statement that the firm does not have a record of substandard work.

B. Summary of the Firm's Qualifications

1. Proposals are to include a description of the firm's background and experience in providing auditing and management consulting services to large governmental organizations, including a list of not less than three client references from whom

services similar to those outlined herein are currently being provided. This list shall include the following information:

- i. Name of the Organization
 - ii. Approximate gross cost of the contract
 - iii. Dates services encompass
 - iv. Services provided
 - v. Name, address, and telephone number of the responsible official of the organization
2. The City reserves the right to contact these organizations regarding the auditing services performed by the firm.

C. Firm's Approach to the Engagement

1. A statement that the firm understands the engagement requirements.
2. Submit a work plan to accomplish the scope defined in Section II (Scope of Work) and to develop the reports listed.
3. A statement describing the firm's ability to identify audit costs attributable to each grant or fund which may be used to assist in charging each organization for its share of audit costs.
4. A statement that the audit work papers and related audit reports will be kept for a minimum of five years and that such work papers and reports will be made available to the City upon request.
5. A statement of the firm's ability to accomplish the engagement during normal office hours or another schedule approved by the City Clerk.
6. Any other information considered relevant to the proposal.
7. A declaration of the firm's ability and willingness to commit and maintain staffing, both number and level, to successfully conclude this engagement.
8. Names of individuals to be assigned to the engagement, their staff level, and a statement of their qualifications, including their training and experience in the auditing of large governmental units, auditing in general, knowledge of governmental accounting, any specialized expertise which is applicable to this engagement and a listing of continuing professional education courses completed within the proceeding two years.
9. Proposal must be signed by a representative having the authority to bind the firm in a contract. Also, this representative must acknowledge in writing the receipt of any and all addenda to this RFP issued by the City.

D. Audit Fees

The proposal package should present all-inclusive audit fees for each annual audit. Cost proposals should provide the 2009-11 billing rates for each class of labor to be used, the estimated hours required of each class, and extension and total resulting in a total maximum fee covering the scope of work proposed. The total maximum fee figures should be presented for each of the subsequent audit years.

E. Rates for Additional Professional Services

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 Request for Proposal 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 a written agreement signed by both the City and the audit 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 calculation of the total maximum fee figures as requested in Section D above.

F. Manner of Payment

Based on acceptance of work performed, payment shall be made within thirty (30) calendar days of receipt of the itemized invoice. The invoice should include a detailed description of all charges, dollar amount, quantity of hours worked, and any other pertinent information.

VI. Evaluation of Proposals

A. Technical Criteria

The proposals will be reviewed according to the following criteria:

- Relevant experience
- Quality of personnel
- Adequacy of staffing plan
- Adequacy of audit plan

B. Cost of Service

Cost of services will be compared to the technical criteria elements listed above.