



CITY OF WEST PLAINS

1910 HOLIDAY LN
WEST PLAINS, MO 65775

REQUEST FOR PROPOSAL Independent Financial Audit Services (including Single Audit)

Issued by:
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Date Issued	July 29, 2022
Deadline for Questions	August 12, 2022
Proposals must be Received On or Before	August 26, 2022; 4:00 p.m. CST

The City of West Plains is seeking proposals for independent financial audit services. A description of our organization, the services required, and the proposal requirements follow.

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Introduction

The City of West Plains is seeking proposals from qualified Certified Public Accounting firms or individuals (Proposer/Auditor) for engagement as the city's independent financial auditor.

LOCATION: The City of West Plains is a local government entity, located in Howell County, in south-central Missouri, serving a population of 12,128 citizens.

SERVICES: West Plains is a full-service city, providing public safety (police and fire), planning, code enforcement, municipal court, transportation (streets, airport, and public transit), culture and recreation (parks, golf, civic center, welcome center/tourism, and library) as well as administrative functions such as finance, human resources, information technology, fleet, and purchasing. The city also provides various utilities including electric, water, wastewater (sewer and storm), sanitation, and fiber.

WEST PLAINS BY THE NUMBERS:

- FY22 General Fund Budget: \$35.9 million total (\$12.2 million operating; \$23.7 million capital) – This fund encompasses most governmental activities.
- FY22 Utility Fund Budget: \$30.8 million total (\$25.0 million operating; \$5.8 million capital) – This fund encompasses most proprietary activities.
- Inventory valued at \$2.2-\$2.3 million (significant portion related to utilities)
- 205 full-time employees; 39 part-time employees including 22 seasonal workers
- 13 locations; cash collecting locations include three offices at City Hall (utility counter, municipal court, and police records), sanitation/transfer station, airport, civic center, welcome center, library, golf course, sports complex, and swimming pool (seasonal)
- 450-500 accounts payable checks per month
- 7,107 utility accounts in July 2022

OTHER INFORMATION:

- There were no audit findings proposed by our current audit firm over the last two years. The city's most recently completed audit report is for the fiscal year ending March 31, 2021 and is available online at <https://westplains.gov/administration-and-finance/>. The audit for the fiscal year ending March 31, 2022 is anticipated to be available in September 2022.
- The city has met the minimum threshold for Single Audit for the last two fiscal years and anticipates meeting this threshold for the next three fiscal years at minimum.
- The city is in the middle of transitioning its fiscal year end from March 31 to December 31. As such, the first audit of this contract will cover a nine-month fiscal year starting April 1, 2022 and ending December 31, 2022.
- The city is converting its financial software from Tyler Tech's Incode 9 (now known as ERP Pro 9) to BS&A with a go-live date set for early November 2022.

Minimum Qualifications

1. The Auditor shall be a certified public accounting firm (or accountant) whose principals are licensed to practice in the State of Missouri.
2. The Auditor shall be independent as required by generally accepted auditing standards and the General Accounting Office's Governmental Auditing Standards.
3. The Auditor shall have three (3) years of experience conducting municipal financial audits or five (5) years conducting governmental financial audits.
4. Audit partner or manager should possess at least three (3) years of related experience.
5. The Proposer shall respond to all required elements of the RFP.
6. The Auditor shall provide three references from existing clients of varying tenure.

Scope of Work

Annual Financial Audit: The audit shall include all funds of the city and its component units. The independent audit will encompass the fair presentation of the basic financial statements and ensure compliance with the Uniform Guidance of Federal Grant guidelines. The selected firm shall test internal control over financial reporting and identify any control weaknesses. Proposals must include financial audit services, single audit services, related travel expenses, and other related expenses.

Federal Single Audit: The city is expected to require a Federal Single Audit for each year in the contract. The Auditor will issue the Independent Auditor's 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, Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance, and Schedule of Findings and Questioned Costs.

Auditing Standards: The Auditor will perform financial audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the provisions of the U.S. Office of Management and Budget (OMB) Uniform Guidance, and Audits of State and Local Governments. In addition, Auditor will perform certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board (GASB), as mandated by generally accepted auditing standards (GAAS). Auditor performed audits will comply with all other applicable federal, state, and local laws and regulations.

Proposer's Experience: The city is seeking a firm familiar with governmental auditing and accounting practices, particularly a firm with expertise with municipalities of similar size and complexity to the City of West Plains. Experience should include preparation of an Annual Comprehensive Financial Report (ACFR) as well as auditing of municipal utilities, tax increment financing funds (TIFs), and community improvement districts (CIDs).

Funds to Be Audited: Funds to be audited include all governmental and proprietary funds of the city as well as its component units. Currently, the city has a General Fund, a Utility Fund, three TIF funds, two CID funds and the Library Foundation. During the conversion to a new financial software in November 2022, the city's fund structure will expand to allow for better accounting of restricted revenues and separate utilities. The city anticipates creating six additional governmental funds (capital sales tax, transportation sales tax, consolidated special revenues, grants, library, and tourism tax) and five proprietary funds (electric, water, wastewater, sanitation, fiber). This list is subject to change.

Annual Financial Audit Process: In January each year, the Auditor will provide the city a complete list of all required client (city) prepared work-papers to be made available by the city on the first day of interim field work and/or final field work. The Auditor will provide an agreed upon system for securely transferring electronic files. The Auditor will supply audit services and an audit work plan which will meet an Annual Comprehensive Financial Report (ACFR) publication date of May 31. The city's end of year close and client prepared work-papers will be completed one week before scheduled field work.

Annual Comprehensive Financial Report (ACFR): An ACFR shall be prepared in conformance with the format set forth by the Governmental Accounting Standards Board (GASB) for the express purpose of achieving a "Certificate of Achievement" from the Government Finance Officers Association (GFOA). The auditor shall provide the ACFR in both paper and electronic format. The report shall contain the auditor's opinion and submission of the report to the city shall be no later than May 31. If city requirements extend this date, the ACFR publication date will not be later than June 20.

Management Letter: A management letter and/or report which discloses weaknesses in financial controls and recommendations thereon shall accompany each annual financial report. The report shall disclose opportunities to reduce costs, enhance revenues, and/or improve efficiency if any such opportunities are noted during the audit.

Auditor Opinion. The auditor shall express an opinion on the combined financial statements of the city and the combining, individual, and account group financial statements of all funds. If unable to express an unqualified opinion, the auditor shall state the reasons for qualification or disclaimer of opinion.

Compliance. The financial statements shall be prepared in conformity with generally accepted accounting principles. Should the financial statements based upon generally accepted accounting principles differ significantly from those required to reflect compliance with legal requirements, additional supporting schedules shall be included to clearly report on legal compliance.

Report Copies Required: Fifteen (15) copies of the ACFR and Single Audit are required along with an electronic copy of the report in PDF format. Electronic files should be provided in a searchable format which maintains high quality without creating an unreasonably large file size.

Presentation to Governing Board: The Auditor will ensure that a knowledgeable representative is made available to present the ACFR and any other audit reports to the Mayor and City Council at the first regularly scheduled meeting following the receipt of the audit report if the audit report is received by the governing body at least ten (10) days prior to the meeting.

Other Services: The Auditor will provide assistance to the city's finance department in understanding and implementing GASB standards impacting the city. Such assistance might include annual training, white papers, or other publications to assist in implementing GASB standards.

In addition, the city may request the Auditor provide technical assistance regarding its applications to receive certifications or awards for its financial reporting, such as the GFOA Certificate of Achievement for Excellence in Financial Reporting. Such assistance may include advice on presentation, disclosure issues or recommendations in responding to GFOA reviewer comments.

Audit Administration and Customer Service

Key Account Representative: The Auditor will provide a principal or partner-level individual as the city's key account representative. This primary point of contact will work in collaboration with the city and will address the city's service and billing needs.

Staffing: To obtain the best results most efficiently, the Auditor will assign work to Auditor's staff in alignment with the individual's experience, skills, and training. The Auditor must provide consistent, high-quality staffing on city projects to assure timely and excellent results. In the event the Auditor pulls staff from a city project to meet the Auditor's other contracted obligations, the Auditor will take all required steps to assure that city work does not suffer as a result.

Responsiveness: The Auditor will provide the city consistent, prompt services and will meet in person with the city, at its offices, on one week notice, as required, at no additional charge.

Communication and Availability: The Auditor will be available and return communications promptly (within 8 business hours) in person, by telephone, phone conference, videoconference, and/or email. The auditor may be required to advise and participate in meetings as requested by the city.

Quality of Services: The Auditor will provide the city with best quality audit services, in compliance with all applicable, state, federal and local laws and regulations. The Auditor will stay current on all such requirements and best professional practices and will apply this knowledge to the audit. The Auditor will provide the services with care and diligence.

Invoicing: The Auditor will invoice the city for services at the conclusion of each field work and report issuance, or no more than monthly. The city's standard payment terms are net 30. Invoices will set forth separately each matter currently being handled and will identify the city employee(s) requesting such service. Each invoice will include the amount charged to date for each project/matter.

Term of Contract

The anticipated term of the proposed contract is five years subject to the annual appropriation of funds.

Insurance Requirements

The Auditor shall purchase and maintain such insurance as will protect it from claims which may arise out of, or result from, the Auditor's execution of the work, whether such execution be by the Auditor, or by anyone directly or indirectly employed by them, or by anyone for whose acts they may be liable.

Indemnification

To the fullest extent permitted by law, the Auditor agrees to indemnify, defend and hold harmless the city, its elected officials, officers, agents, volunteers, lessees, invitees and employees from and against all suits, claims damages, losses and expenses including but not limited to attorney's fees, court costs or alternative dispute resolution costs arising out of or related to any such suit, claim, damage, loss or expense involving an injury to a person or persons, whether bodily injury or other personal injury (including death), or involving an injury or damage to property (including loss of use or diminution in value), but only to the extent that such suits, claims, damages, losses or expenses were caused by the negligence or other wrongdoing of Auditor, or any supplier or subcontractor, or their agents or employees,

directly or indirectly, regardless of whether caused in part by the negligence or wrongdoing of the city or any of its agents or employees.

Timeline

RFP Release Date	July 29, 2022
Question Submission Deadline	August 12, 2022
Proposal Submission Deadline	August 26, 2022 at 4:00 p.m. CST
Interviews (if needed)	September 12-16, 2022
Award Notice	September 23, 2022
Contract Execution	October 2022

Proposal Requirements

Proposal shall include the following items:

A. **EXECUTIVE SUMMARY:**

- a. Company name, address and telephone number(s) of the firm submitting the proposal
- b. Name, title, address, email address, and telephone number of the person or persons to contact who are authorized to represent the firm and to whom correspondence should be directed
- c. Federal and state taxpayer identification numbers of the firm
- d. Briefly state your understanding of the services to be performed and make positive commitment to provide the services as specified
- e. Summary shall include unique problems perceived by Proposer and their solutions
- f. Statement which indicates "Proposal and pricing schedule shall be valid and binding for ninety (90) days following proposal due date and will become part of the contract that is negotiated by the city."
- g. Summary must be signed by a corporate officer or another individual who is legally authorized to bind the firm to both its proposal and pricing schedule

- B. **DRAFT WORK PLAN:** The Proposer shall provide a draft work plan including methodology, milestones, timelines, deliverables, and audit team experience. The work plan should also note whether the audit services will be conducted/provided on-site (in person), remotely, or in a hybrid manner. When possible, the presentation of the audit to the City Council should be completed in-person.

C. **REFERENCES AND QUALIFICATIONS:**

- a. Length of time firm has been in business as a provider of audit services
- b. Total number of public sector clients – also specify the total number of those clients located in Missouri
- c. Number of full-time personnel
- d. Location of office which would provide services to the city
- e. Background of audit team including professional qualifications and length of time at the firm. Audit Manager for this audit must be identified.
- f. Specific experience with public entity and/or municipalities.

- g. Proposer shall provide at least three (3) references from other governmental entities with varying degrees of tenure as a client of the firm.
- D. **CITY RESPONSIBILITIES:** What are the responsibilities and time commitment of city staff during the engagement? Please include as many facets as you can such as accounting, accounts payable, purchasing, payroll, utility billing, and information technology.
- E. **SIGNATURE PAGE:** Proposer must sign the proposal on the appropriate form. The proposal must be signed by a person authorized to bind the firm submitting the proposal (Attachment A).
- F. **PROPOSAL CHECKLIST:** Completed proposal checklist (Attachment B). Proposer is expected to examine the RFP carefully, understand the terms and conditions for providing the services listed herein and respond completely. Failure to complete and provide any of these documents may result in the proposal being deemed non-responsive and therefore disqualified from consideration.
- G. **PRICING SCHEDULE:** Proposer shall fill out the attached Price Sheet of professional fees and expenses that supports the total annual cost to the City of West Plains. (Attachment C)
- H. **STATEMENT ACKNOWLEDGING INSURANCE REQUIREMENTS**
- I. **STATEMENT ACKNOWLEDGING INDEMNIFICATION REQUIREMENTS**
- J. **ONE SIGNED ORIGINAL PROPOSAL AND THREE (3) COPIES OF PROPOSAL**

Proposal Submission Instructions

1. **Questions**
 - a. The city has attempted to provide comprehensive information within this RFP. However, as additional information might be required by vendors to submit their best proposal, the city will answer questions presented as follows.
 - b. Questions concerning this RFP should be directed to Earlene Rich, Finance Director, via email at Earlene.rich@westplains.gov.
 - c. The deadline for submitting questions is August 12, 2022.
 - d. Questions will be answered within three (3) business days. Answers will be posted as an addendum to the RFP on the city's website at <https://westplains.gov/bids-and-purchases/>.
 - e. Proposers may request a copy of all questions submitted by other proposers and the city's answers. The city will redact any information that is deemed by the city to be proprietary. Vendors are encouraged not to include confidential or proprietary information in their submitted questions. Requests for this information should be made by reaching out to Jeff Shipley via email at jeff.shipley@westplains.gov.
2. **Closing Submission Date**
 - a. All respondents to the RFP shall submit **one signed original proposal and three (3) copies of the proposal**. In addition, one searchable electronic copy is requested to be provided on electronic media. The proposal must be sent or delivered to and marked as follows:

City of West Plains
Jeff Shipley, Purchasing Agent
1910 Holiday Ln
West Plains, MO 65775

Sealed Proposal for:
Independent Financial Audit Services

- b. Proposals must be received at the City of West Plains (1910 Holiday Ln, West Plains, MO 65775) no later than 4:00 p.m. CST on August 26, 2022.
 - c. The proposal shall be included in a packaged and sealed envelope. The RFP shall be clearly marked on the outside of the sealed envelope. If the proposal is sent by mail or overnight delivery service, it is the responsibility of the firm to ensure that the proposal is received by the City of West Plains by the date and time specified above. **Late proposals will not be considered.**
3. **Conditions on Proposal**
- a. All costs incurred in the preparation of a proposal responding to this RFP will be the responsibility of the firm and will not be reimbursed by the City of West Plains.
 - b. Fee proposal amounts must remain firm fixed amounts for 90 days from the proposal due date and remain in effect during contract negotiations.
 - c. Additional engagement work will be negotiated separately.
 - d. By agreeing to take part in this proposal process, you agree to keep in confidence all information provided during the proposal process, not to disclose it to third parties and not to use it for any purpose other than for the proposal.

Evaluation Criteria

The City of West Plains will conduct a comprehensive, fair, and impartial evaluation of all proposals received in response to the RFP. The city will form a committee of representatives to perform the evaluation. Each proposal will be analyzed to determine overall responsiveness and qualifications under the RFP. Criteria to be evaluated may include the items listed below. The committee may select all, some, or none of the Proposers for interviews.

Evaluation criteria-: (total possible points – 100)

- A. Experience, Background, Qualifications, References (35 points)
- B. Proposed Work Plan (35 points)
- C. Pricing (30 points)

It should be specifically understood that this RFP does not create any obligation on the part of the City of West Plains to enter any contract or to undertake any financial responsibility. The city is not liable for any cost incurred by any consulting firm prior to the execution of a written contract, including efforts to generate and submit proposals, or any other costs incurred while participating in this RFP process.

The City of West Plains reserves the right to waive, alter, or disregard, all portions of this RFP where the best interest of the city would not be served.

The City of West Plains reserves the right to award a contract based upon proposals received without further discussion or negotiation. Proposers should not rely upon the opportunity to alter their qualifications during discussions.

The City of West Plains intends to notify the winning bid within 45 days of the proposal due date.

ATTACHMENT A - SIGNATURE PAGE

Proposer Warranties

1. The proposer certifies it can and will provide, as a minimum, all services set forth in the RFP.
2. Proposer warrants that it is willing and able to comply with State of Missouri Laws with respect to foreign (non-state of Missouri) corporations (if applicable).
3. Proposer warrants that it is willing and able to obtain insurance providing a prudent amount of coverage for the willful or negligent acts, or omissions of any officers, employees, or agents thereof.
4. Proposer warrants that it will not delegate or subcontract its responsibilities under its agreement with City of West Plains without the prior written permission from the city.
5. Proposer warrants that all information provided by it in connection with this proposal is true and accurate.
6. Proposer certifies the pricing provided in the Pricing Schedule on Attachment C is good for 90 days.

Firm: _____

Signature: _____

Name (printed): _____

Title: _____

Email: _____

Phone: _____ Date: _____

ATTACHMENT B – PROPOSAL CHECKLIST

This checklist is to help the Proposer ensure that all required documents have been included in its response to the Request for Proposals.

DOCUMENT	CHECK
Executive Summary	
Draft Work Plan	
References and Qualifications	
City Responsibilities	
Signature Page (Attachment A)	
Proposal Checklist (Attachment B)	
Pricing Schedule (Attachment C)	
Statement Acknowledging Insurance Requirements	
Statement Acknowledging Indemnification Requirements	
One signed original proposal and three (3) copies of proposal	

ATTACHMENT C - PRICING SCHEDULE

FAILURE TO COMPLETE THIS FORM SHALL RESULT IN THE PROPOSAL BEING DEEMED NONRESPONSIVE AND REJECTED WITHOUT ANY FURTHER EVALUATION. **THIS PRICE SHEET AND ADDITIONAL PRICE RELATED INFORMATION MUST BE SUBMITTED IN THE SEALED ENVELOPE WITH YOUR RFP SUBMISSION.**

Annual audit services:

		Financial Audit	Single Audit	Total Cost
Year 1	Ending 12/31/2022			
Year 2	Ending 12/31/2023			
Year 3	Ending 12/31/2024			
Year 4	Ending 12/31/2025			
Year 5	Ending 12/31/2026			
	Five-Year Total			

Additional services:

Define and estimate any additional charges that could be incurred: