

CITY OF LEEDS
REQUEST FOR PROPOSALS - FINANCIAL AUDIT

I. INTRODUCTION

The City is seeking an Auditor to express an opinion on the fair presentation of the City's basic financial statements in conformity with generally accepted accounting principles according to the State of Alabama and the Governmental Accounting Standards Board (GASB) starting with the fiscal year ending September 30, 2021. The Auditor is expected to apply all relevant accounting standards to their work, and to furnish all opinions, reports, checklists, and/or certifications that are required of auditors of Alabama municipalities. The Auditor is expected to provide assistance with the formatting and publishing of the City's basic financial statements. Although an annual Single Audit report and opinion has not historically been required at the City, it shall be considered in this proposal, and the costs associated with the Single Audit of Federal Funds must be separately delineated as an added cost of the services provided.

The City's selection process will rely on evaluations of the written responses to this Request for Proposals and any subsequent supplemental evaluation processes, such as requests for additional information, as may be undertaken by the City at its sole discretion.

The City reserves the right to accept or reject any or all proposals, any portions of said proposals, and the right to waive any formal defects in proposals when deemed in the best interest of the City. Further, the City reserves the right to accept a proposal higher in price than the lowest proposal, and to negotiate with any respondent concerning matters which the City determines require clarification or changes not in conformity with the specific requirements set forth herein.

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II. BACKGROUND

The City's fiscal year runs from October 1 to September 30. The City uses QuickBooks Online software for its accounting applications, such as, general ledger, accounts payable systems. Financial data, including a full trial balance, will be available through a login to the QuickBooks software that will be provided for Auditor use. Work papers that are prepared by the City will typically be in Excel format, with either pdf or paper supporting documentation.

Auditor assistance may be needed for reporting any Continuing Disclosure Filing via DAC, and any other financial reports as required by law.

Appropriate workspace for up to five audit personnel will be made available for on-site field work. Ideally, the financial statements will have an early March issue date. The City understands that the first year of an audit engagement may require additional time.

At the completion of the audit and prior to May 1st, a senior representative shall meet before the full City Council at a regular scheduled City Council meeting to discuss the final audit. The auditor shall reproduce, bind, and deliver to the mayor twelve (12) copies each of the basic audit report, the management letter and each document required under the Single Audit (if one is performed), prior to the scheduled Board meeting. A searchable pdf copy of the final financial statement reports will be required from the Auditor. The City intends to publish the report on its website.

It is expected that the Auditor will perform their duties in accordance with the directives given by the American Institute of Certified Public Accountants, the U.S. GAO *Governmental Auditing Standards*, the Governmental Accounting Standards Board and the State of Alabama Department of Revenue, among others as applicable. Failure of the City to list a task that should have been known to the Auditor will not excuse the Auditor from performing that task.

III. SCOPE OF SERVICES

The selected Auditor will be asked to perform the following:

- a. Express an opinion on the fair presentation of the City's basic financial statements in conformity with generally accepted accounting principles.
- b. Prepare financial statements in conformity with generally accepted accounting principles for governmental entities within the State of Alabama.
- c. Prepare a report on compliance and internal control over financial reporting, based on an audit of the financial statements.
- d. If needed, express an opinion, and prepare a report on compliance and internal control over compliance applicable to each major federal program (Single Audit).

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- e. At the end of the audit engagement, meet with the mayor to discuss the results of the Auditor's work.
- f. At the end of the audit engagement, publicly present the results of the Auditor's work and the financial statements to the City Council.
- g. Provide twelve (12) bound, and one pdf, copies of the final audit report.
- h. Report the results of the audit to all necessary parties, as professional standards dictate.
- i. The City expects to receive from the audit firm a variety of technical assistance throughout the fiscal year, including answers to accounting, reporting, and/or internal control questions.
- j. The City of Leeds, at its discretion, may request the following service in addition to the annual audit at no additional cost:
 - 1) Assistance with DAC Annual Continuing Disclosure Report
 - 2) Consultation on other financial matters as needed.
 - 3) Creation of general reports specific to any one of the City departments.

IV. TERMS AND CONDITIONS OF THE SERVICES

- a. **Schedule of the Services:** A mutually agreeable time schedule for completion of the services shall be as determined by the Auditor and the Mayor, prior to commencement of the services by Auditor. Changes may be mutually agreed upon between the Auditor and the Mayor.
- b. **Contract Amount:** It is agreed between the City and the Auditor that in consideration for Auditor's full and complete performance hereunder, the City shall pay to Auditor rates as detailed in Auditor's submittal for the services, as proposed by Auditor and as accepted by the City. The final amount shall be based upon actual services performed as approved by the Mayor.
- c. **Payment:** Payment will be made in two installments. The first installment will be due upon receipt of invoice following completion of pre-audit meeting. The final installment will be processed upon acceptance of audit reports and receipt of a final invoice. Payment will be made after Finance Committee has approved the submitted invoice(s) and related check disbursement.
- d. **Term:** This Agreement shall run for the length of the project(s) undertaken by Auditor unless otherwise terminated by the Auditor and/or the City upon 60 days' written notice to the other party, provided, however, that the benefits to either party hereto afforded by

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the terms and conditions of this Agreement shall inure to each party in perpetuity, including surviving any termination of this Agreement by either party.

- e. **Performance Requirements:** Auditor will perform all services under this Agreement in a timely and professional manner, using the customary level of care suitable for the services performed and in compliance with all applicable laws, rules, and regulations. All services performed under this Agreement are subject to the City's continuing rights of review, inspection, and approval.
- f. **Severability:** It is the intent of the parties to this Agreement that this Agreement be enforceable to the fullest extent permitted by law. If, however, any provision or portion thereof of this Agreement is held to be invalid or unenforceable by a court of competent jurisdiction, the balance of this Agreement and/or the surviving portion(s) of any provisions hereof will remain binding and enforceable in accordance with its terms and conditions and any provision held invalid or unenforceable will immediately be revised and amended to the minimum extent necessary in order for it to be valid and legally enforceable, consistent with the original intent of this Agreement.
- g. The City reserves the right, at its sole discretion, to include other relevant terms, conditions and specifications in any agreement resulting from this RFP.
- h. Submission of a proposal will be construed as a conclusive presumption that the Auditor is thoroughly familiar with the qualification requirements and specifications and understands and agrees to abide by each and all of the stipulations and requirements contained therein.
- i. The City reserves the right to alter, amend, or modify any provision of this RFP, or to withdraw the RFP at any time prior to the award of a contract pursuant thereto, if it is in the best interest of the City to do so.
- j. In the event the selected Auditor does not enter into the required agreement to carry out the purposes described in this RFP, the City may commence negotiations with another Auditor, without reopening the RFP process.
- k. Firms are hereby notified that all information contained in their proposal is subject to the provisions of the Alabama Open Records Act.

V. TERMS AND CONDITIONS OF THE PROPOSAL

Bidders are cautioned to comply with all the following requirements in submitting a proposal in response to this RFP:

1. Proposals must be clearly marked, "Proposal for Financial Audit Services" and must also clearly state the name of the Bidder.
2. The Bids must be delivered to: Toushi Arbitelle, City Clerk, at the following address: 1400 9th St, Leeds, AL 35094.
3. Proposals must reach Toushi Arbitelle not later than **3:00 PM (EST) on Monday, January 4, 2021**. Bids received after that date and time may not be considered.

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4. Bids submitted must include:
 - a. A cover letter describing the Auditor, including the name and address of the firm submitting the proposal, and the name, address, telephone number and email address of the person who will serve as the firm's principal contact with the city and who is authorized to make representations on behalf of the firm.
 - b. A brief description of the history of the firm, including the proportion of revenue that is derived from governmental engagements, the size of the staff that is devoted to governmental engagements and the location of the office that would serve the City.
 - c. Information on the results of any federal or state desk reviews or field reviews of audits during the past three years, if any. Include information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three years.
 - d. Proposed project team and qualifications, including the resume of each staff member to be assigned to the City's engagement. If not included in the resume, the licensure status of each staff member, and their experience in audits of similar governments, should be noted.
 - e. A minimum of three (3) client references (names and contact information) who have utilized the firm for audits of similar scope and nature.
 - f. A document that discusses the Auditor's specific audit approach.
 - g. Any other information believed to be pertinent.
5. Bidders are hereby notified that their bid, once opened, becomes a public document that is the property of the City of Leeds and, as such, may be subject to public disclosure under the State and Federal Freedom of Information statutes.
6. Prices should be outlined separately for a *potential* Single Audit.

If there will be additional charges for upcoming standards or regulatory changes, those prices should also be identified separately. Changes to pricing for subsequent years should be clearly indicated.

Prices quoted by bidders must remain open to acceptance by the City without change for not less than 90 calendar days from the due date of proposals.

VI. EVALUATION OF PROPOSALS

The Auditor will be selected based on qualifications such as technical competence, staff expertise and longevity, experience with similar projects, demonstrated timeliness in meeting deadlines, responsiveness to client needs, and competitiveness of proposed fees, as determined to be in the best interests of the city.

The City reserves the right to accept or reject any and/or all proposals, to waive any formalities or any irregularities in proposals received, and to award (or not to award at all) the contract in any manner deemed to be in the best interests of the City. The City further reserves the right to award this contract to other than the lowest bidder if, in the sole opinion of the City, such action represents the best value.