



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

State Capitol Building
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 281-6518

Rob Sand
Auditor of State

REQUEST FOR PROPOSALS (RFP)
"City Periodic Examination Services"

RFP 2021 – 2A

The Auditor of State will receive proposals for city periodic examination services for the 12 months ended June 30, 2021 for the following cities:

Battle Creek
Buck Grove
Hornick
Schleswig
Washta

Proposals requested are for periodic examinations for all cities listed above. Attached is information on specific requirements, data to be included in the proposal, evaluation criteria and city information.

Sealed proposals (3 copies) or a scanned PDF to Dana Davis at dana.davis@aos.iowa.gov will be accepted until **4:00 p.m., November 1, 2021**, at the Office of Auditor of State, located in Room 111 on the first floor of the State Capitol Building. If mailed, the proposals should be mailed to:

Rob Sand
Auditor of State
321 E. 12th Street, 2nd Floor
Des Moines, Iowa 50319-0001

Those submitting sealed proposals should indicate on the outside of the envelope in the lower left-hand corner that it is a "Sealed Proposal for City Examination Services" and the RFP number.

The contract for services will be awarded by November 15, 2021.

Further information may be obtained from Dana Davis at (515) 281-5834.

I. SPECIFIC REQUIREMENTS

1. The Office of Auditor of State reserves the right to reject any and all proposals received.
2. Any contract accepted by the Office of Auditor of State is subject to approval by the Executive Council of the State of Iowa and will be effective only when such approval is granted.
3. Only proposals received at the location described and in the time frame given will be considered.
4. Only proposals covering city examination services for all cities identified will be considered.
5. The original and one copy of the enclosed contract should be completed and manually signed by a partner of the firm submitting the proposal.
6. The examinations shall be performed in accordance with the attestation standards for agreed-upon procedures engagements issued by the American Institute of Certified Public Accountants (AICPA), the standards for attestation engagements contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the agreed-upon procedures program guide prepared by the Office of Auditor of State.
7. The fees quoted in the proposal and included in the contract will be the maximum paid per hour and in total, unless an amendment to the contract is completed and agreed to by both parties.
8. The agreed-upon procedures reports shall conform to the sample report issued by the Office of Auditor of State and attestation standards for agreed-upon procedures engagements issued by the AICPA.
9. The agreed-upon procedures reports should report all findings from the agreed-upon procedures engagement, unless clearly inconsequential, since materiality does not apply to the findings to be reported in accordance with, and as described in, AT-C 215.25 of the AICPA's attestation standards.
10. Final agreed-upon procedures reports for all cities included in this RFP must be issued by **March 31, 2022**.
11. The firm awarded the contract will prepare an electronic (PDF) copy of each report for submission to the Office of Auditor of State at SubmitReports@aos.iowa.gov.
12. One billing shall be submitted following issuance of the examination report for all cities included in the proposal. A detailed per diem statement identifying the total cost and hours for each city periodic examination, including preparation of the agreed-upon procedures report, shall be submitted with the billing.
13. Additional follow up procedures may be requested for cities with significant findings. These additional procedures, if agreed to by the CPA, will be reimbursed at the hourly rates approved in the contract.

14. Municipal Utilities - Municipal Utilities are subject to the examination requirements and follow the examination requirements of the City where they are located.

Municipal Utilities included in the City's accounting and reporting structure should be included in the scope of the City's examination.

Separate Municipal Utilities:

Separate Municipal Utilities are Municipal Utilities established under Chapter 388 of the Code of Iowa with a separate Board and not otherwise included in the City's accounting and reporting structure. These utilities may have fiscal years ending March 31 or December 31.

For consistency, the Office of Auditor of State has established required procedures for examinations. These examination procedures are also required to be used, as applicable, for examinations of separate Municipal Utilities.

Separate Municipal Utilities may file an examination report which is included in or separate from the City's examination report. Cities and separate Municipal Utilities subject to periodic examinations should discuss and determine whether they wish to be subject to separate or combined examinations. The periodic examination fee paid annually by the City for examinations of the City and the separate Municipal Utilities may be allocated as locally determined.

II. DATA TO BE INCLUDED IN PROPOSAL

In order to simplify the review process and to obtain the maximum degree of comparability, the proposals should include the following items and be organized in the manner specified below.

A. Letter of Transmittal

A letter of transmittal briefly outlining the proposer's understanding of the work and general information regarding the firm and individuals to be involved is permitted, but not required. If a transmittal letter is presented, it should clearly set forth the local address of the office that would perform the work, the telephone number and the name of the contact person.

B. Table of Contents

Include a table of contents which identifies the material by section, page number and reference to the following information to be included in the proposal. If a transmittal letter is not included, please state in the table of contents the local address of the office that would perform the work, the telephone number and the name of the contact person.

C. Profile of Firm Processing

1. State whether the firm is a local, national or international firm and a brief description of the size of the firm.
2. State whether the firm is in compliance with the requirements of Chapter 542 of the Code of Iowa in order to engage in the practice of public accounting within Iowa.
3. State whether the firm is independent of the cities to be examined in accordance with Government Auditing Standards.
4. The firm is required to submit a copy of the report on its most recent external control review, with a statement of whether that quality control review includes review of specific government engagements.

D. Qualifications

1. Include resumes of all key professional members who will be assigned to the engagements. Resumes should be included for all members of the engagement team from the engagement partner through at least the on-site in-charge. The resumes should include the amount of experience the individual has had in the auditing profession, a summary of similar engagements/audits on which the individual has worked, a summary of the continuing professional education the individual has had in governmental accounting and auditing during the last two years and a statement as to whether the individual is independent as defined by Government Auditing Standards.

E. Scope of Services and Proposed Schedule

1. Briefly describe your understanding of the scope of services to be provided.
2. Indicate a proposed time schedule for completing the work, assuming the contracts will be issued and delivered on the date given in the cover letter.
 - a. Include the approximate dates you would perform field work, office review and report preparation.
 - b. Include the latest delivery date of the final reports.

F. Fees and Compensation

Provide the following information:

1. Estimated total hours.
2. Estimated out-of-pocket expenses.
3. The hourly rate by staff classification.
4. The all-inclusive maximum fee and out-of-pocket expenses, which will not be exceeded.

G. Confidential Information in a Solicitation Response

Unless material submitted in response to a solicitation is identified as proprietary or confidential by the CPA in accordance with Iowa Code section 22.7, all submissions by a CPA are public information. To facilitate a fair and objective evaluation of proposals, submissions by CPA's will not be released to competitors or the public prior to issuance of the notice of intent to award. If a CPA's claim of confidentiality is challenged by a competitor or through a request by a citizen to view the proposal, it is the sole responsibility of the CPA to defend the claim of confidentiality in an appropriate venue. The Office of Auditor of State will not release the subject material while the matter is being adjudicated. In order to request confidentiality of specific portions of the proposal, please complete the "Request for Confidentiality" form.

III. EVALUATION CRITERIA

The proposal will be evaluated by the Office of Auditor of State and the evaluation shall be based upon the following two areas:

1. Cost

Overall cost, including out-of-pocket expenses, for performance of the examinations.

2. Qualifications

- a. Recent experience in similar types of engagements.
- b. Qualifications of the engagement team and the number of individuals experienced with City government.
- c. Understanding of work and timetable to complete the examinations.

IV. CITY INFORMATION

A. Population and fiscal year FY21 budget information for each city included in the proposal is as follows:

City	Population	FY21 Budget
Battle Creek	713	\$ 796,800
Buck Grove	43	\$ 62,431
Hornick	225	\$ 302,250
Schleswig	882	\$ 850,867
Washta	248	\$ 240,903

B. We are aware the following cities in this proposal have separate Municipal Utilities established under Chapter 388 of the *Code of Iowa*, which will require an examination:

City	Utility Name
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Contact the Office of Auditor of State any time you become aware of additional separate utilities

C. Each city budget, annual financial report (if submitted electronically) and TIF indebtedness certification, if applicable, are available on the Iowa Department of Management’s web site at <https://www.dom.state.ia.us/local/city/index.html>.

Information about each city’s receipts, disbursements, balances, budget and debt can be obtained from these documents.

Because these examinations are to be performed with little notification to the city to be examined, the cities may not be contacted prior to the bid award. A letter identifying information needed during the examination may be sent to each city no sooner than two weeks prior to the start of the examination.

Notification to the City may include the following:

“The City of _____ has been selected for periodic examination in accordance with Chapter 11.6 of the Code of Iowa. The Office of Auditor of State has contracted with our firm to perform the periodic examination which will cover the period _____ to _____. If you have questions regarding the periodic examination requirements, please contact the Office of Auditor of State at 515-281-5834.”

Request for Confidentiality

CPA FIRM CONFIDENTIALITY REQUEST

THIS FORM MUST BE COMPLETED AND INCLUDED WITH YOUR RESPONSE (PROPOSAL) TO THE REQUEST FOR PROPOSALS (RFP) If you seek to maintain any portion of your proposal as confidential.

I. Confidential Treatment Is Not Requested

A request for confidential treatment of information contained in our Proposal is not submitted.

_____	_____	_____
Firm	RFP Number	RFP Title
_____	_____	_____
Signature	Title	Date

II. Confidential Treatment Is Requested

The below information is to be completed and signed ONLY if Firm is requesting confidential treatment of any information submitted in its Proposal.

Per the paragraph labeled as Confidential Information in a Solicitation Response in section II (G) of the Request for Proposals (RFP), a Firm requesting portions of its Proposal be maintained in confidence must complete this form and submit it with its Proposal. Firms should read and familiarize themselves with chapter 22 of the Iowa Code regarding release of public records before completing this Form. Firm shall refer to the paragraph labeled as Confidential Information in a Solicitation Response in section II (G) of the RFP for instructions regarding how to request confidential treatment of portions of its proposal.

NOTE:

- 1 Completion of the Request for Confidentiality Form is the sole means of requesting confidential treatment.
- 2 A FIRM MAY NOT REQUEST PRICING PROPOSALS BE HELD IN CONFIDENCE.

Completion of the Form and AOS acceptance of Firm’s submission does not guarantee the AOS will grant Firm’s request for confidentiality. The Agency may reject Firm’s Proposal entirely in the event Firm requests confidentiality and does submit a fully completed Form or requests confidentiality for portions of its Proposal that are improper under the RFP.

To request confidentiality, Firm must provide the following information:

- 1 Firm must conspicuously mark confidential material in its Proposal in accordance with the section titled Confidential Information in a Solicitation Response. **Check box when completed.**
- 2 Firm must specifically identify and list the proposal section(s) for which it seeks confidentiality and answer the following questions for each section listed:

- Explain the specific grounds in *Iowa Code Chapter 22* or other applicable law which support treatment of the material as confidential.
- Justify why the material should be kept in confidence.
- Explain why disclosure of the material would not be in the best interest of the public.
- Provide the name, address, telephone, and email for the Firm's person authorized to respond to inquiries by the Agency concerning the status of confidential materials.

Please provide the information in the table below. Firm may add additional lines if necessary or add additional pages using the same format as the table below.

RFP Section	Firm must cite the specific grounds in <i>Iowa Code Chapter 22</i> or other applicable law which	Firm must justify why the material should be kept in confidence.	Firm must explain why disclosure of the material would not be in the best interest of the public.	Firm must provide the name, address, telephone, and email for the person at Firm's organization authorized to respond to inquiries by the Agency concerning the status of confidential materials.

3 Firm must submit a Public Copy of its Proposal from which the confidential information has been excised. The confidential material must be excised in such a way as to allow the public to determine the general nature of the material removed and to retain as much of the Proposal as possible. **Check box when completed.**

This Form must be signed by the individual who signed the Firm's Proposal. The Firm shall place this Form completed and signed in its Proposal immediately following the transmittal letter. A copy of this document shall be placed in all Proposals submitted including the Public Copy.

***Please note that this Form is to be completed and signed only if you are submitting a request for confidential treatment of any information submitted in your Proposal.**

Firm

RFP Number

RFP Title

Signature

Title

Date

AGREEMENT BETWEEN
OFFICE OF AUDITOR OF STATE
AND

THIS AGREEMENT made and entered into this _____ day of _____, 20__, by and between the Office of Auditor of State, hereinafter called "Auditor" and _____, hereinafter called "CPA".

WHEREAS, the Auditor is required by law to provide for the periodic examination of all cities, including separate municipal utilities, in the state meeting the requirements for a periodic examination; and

WHEREAS, the Auditor wishes to obtain the services of the CPA to perform periodic examinations of the cities of Battle Creek, Buck Grove, Hornick, Schleswig and Washta and the following separate Municipal Utilities of _____ for the 12 months ended June 30, 2021; and

WHEREAS, the CPA is equipped and staffed to assist in the above examinations; and

WHEREAS, this agreement is in the best interest of the public in fulfilling the requirements of Chapter 11 of the Code of Iowa.

NOW, THEREFORE, BE IT UNDERSTOOD AND AGREED:

1. The CPA will:
 - A. Provide a list of various classifications and the estimated hours by classification as detailed in this agreement.
 - B. Agree to not contact the cities subject to examination under this agreement prior to two weeks before the start of each examination.
 - C. Begin work on the examinations as specifically agreed upon with the Auditor.
 - D. Perform all work in accordance with the attestation standards for agreed-upon procedures engagements issued by the American Institute of Certified Public Accountants, the standards for attestation engagements contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the agreed-upon procedures program guide prepared by the Office of Auditor of State.
 - E. Provide access to the working papers to the Auditor and/or the Auditor's designee for five (5) years after issuance of the examination reports.
 - F. Examine previously unidentified Municipal Utilities and provide follow up with the cities, including separate Municipal Utilities, as requested and agreed to by the CPA and the Auditor, regarding the status of implementation of the examination recommendations.

2. Conditions of Payment:

A. It is understood the fees for the services set forth above shall be reimbursed at the following hourly rates:

<u>Classification</u>	<u>Hourly Rate</u>
Partner	\$ _____
Manager	\$ _____
Senior	\$ _____
Staff	\$ _____

B. The CPA shall submit one (1) invoice for services detailing the hours by staff classification for each examination report. Charges for reasonable and necessary expenses shall be shown separately for each agreed-upon procedures report.

C. Payment shall be made within 30 days of receipt of invoice.

D. The total reimbursement shall not be for more than \$ _____ for the cities of _____, _____, _____, _____, _____, and _____ except as specifically agreed by the Auditor of State and the CPA.

3. Termination of Agreement:

A. The contract may be terminated at any time by mutual agreement of both parties.

B. The Auditor may terminate this contract without notice if the CPA fails to perform the covenants or agreements contained herein.

C. The CPA shall be paid for all work satisfactorily performed to the date of termination.

IN WITNESS THEREOF, the Auditor and CPA have executed this AGREEMENT as of the dates indicated below:

CPA

By: _____
Title: _____
Date: _____

AUDITOR OF STATE

By: _____
Title: Director
Date: _____