

**City of Auburn
Request for Proposal
Independent Auditing Services**

The City of Auburn invites the submittal of written proposals from qualified firms, or teams of firms, interested in providing an annual independent audit with opinion on the financial statements of the City's governmental, enterprise, trust, agency and permanent funds. The audit will be performed in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Governmental Auditing Standards issued by the Comptroller General of the United States of the City for the fiscal years ended December 31, 2015, 2016 and 2017. In addition, the firm is to perform a federal single audit as prescribed in the **OMB Uniform Guidance** which includes OMB Circular A-133, A-87 and others, for the same fiscal year.

The initial period of performance of any contract resulting from this solicitation is expected to be three (3) years. The City may include option(s) to extend for two (2) optional years, to be exercised at the City's sole discretion.

I. SCHEDULE FOR CONSULTANT SELECTION

The selection process is outlined below. The City intends to maintain this schedule; however, reserves the right to modify as circumstances warrant.

<u>Description/Task</u>	<u>Date</u>
Advertisement for Consultant Services	September 4, 2015
Last Day to Ask Questions	September 18, 2015
Proposals Due	September 25, 2015 @ 2pm
Short-List and Notify Consultants	September 30, 2015
Consultant Team Interviews	week of October 12, 2015
Council Approval	week of October 26, 2015
Execute Contract	week of November 1, 2015

Questions must be submitted in writing to Paula Barry at pbarry@auburnwa.gov no later than September 18, 2015. Questions received after this deadline may not be considered. In order to be considered for this work, a written proposal must be received no later than 2:00 pm on September 25, 2015. All submittals shall be clearly labeled with "Request for Proposal – Independent Auditing Services."

A copy of the City's Comprehensive Annual Financial Report (CAFR) is available online at http://www.auburnwa.gov/government/fiscal_reports.htm. Should an interested firm want a hard copy of the CAFR please contact Evelyn McOsker in the Finance Department at 253-288-3136 or emcosker@auburnwa.gov for a copy. The CAFR provides information concerning the City, its accounting policies and its related entities.

II. GENERAL INFORMATION

The City of Auburn, Washington, was incorporated in 1891 and is primarily located in southern King County and in a small northeastern portion of Pierce County. It operates under the laws of the State of Washington applicable to a Non-Charter Code City under a Mayor/Council form of government. A full-time mayor and seven part-time council members administer Auburn, all elected at-large to four-year terms. The City provides a range of municipal services authorized by state law, including water services, sanitary sewer collection, solid waste collection, storm drainage, a general aviation airport, a municipal cemetery and a municipal golf course.

The accounting and reporting policies of the City of Auburn, which conform to Generally Accepted Accounting Principles (GAAP) for governments, are regulated by the Washington State Auditor's Office. The City's financial functions fall under the supervision of the Director of Finance. Please refer to a copy of the City's CAFR which is available online at http://www.auburnwa.gov/government/fiscal_reports.htm for further information.

III. SCOPE OF WORK

The consultant must render an independent Certified Public Accountants audit opinion, in accordance with prescribed industry standards, and having the breadth of resources and depth of expertise to cover the complexity of the City's business and accounting/financial reporting implications. In addition, the City is the recipient of grant funding which exceeds the threshold requirements set forth in the Single Audit Act of 1984 requiring a single audit to be performed.

The work shall be performed in accordance with auditing standards prescribed and generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and the Office of Management and Budget ("OMB"). These standards are known as **OMB Uniform Guidance** and include Circular A-133 – Audits of States, Local Governments and Non-Profit Organizations, Circular A-87-Cost Principles for State, Local, and Indian Tribal Governments, and any many others.

Although an opinion is not expressed on the management's discussion and analysis, information on postemployment benefits other than pensions, combining financial statements and supplementary information, limited auditing procedures in accordance with auditing standards generally accepted in the United States of America should be applied to these areas during the audit of the basic financial statements.

Please refer to the City's 2014 Comprehensive Annual Financial Report (CAFR) for further details about the City's finances and operations. This report is available online at http://www.auburnwa.gov/government/fiscal_reports.htm. Also, attached is the City's Schedule of Expenditures of Federal Awards (SEFA) for the year ended December 31, 2014 for further details on the City's grant funding.

Deliverable items include:

1. Independent Audit report and Opinion of the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City along with the related notes to the financial statements submitted to the City no later than May 30.
2. Single Audit report (i.e. Report of Federal Grants) submitted to the City for filing with the Federal Clearinghouse no later than May 30.

The City shall provide the space and facilities necessary for the auditors to conduct the examination. In addition, all information, data, reports, and records necessary for carrying out the audit work shall be furnished to the auditor in charge and the City shall cooperate with the auditors in every reasonable way to ensure completion of the audit. Financials will be prepared and ready for auditing no later than April 10; the Statement of Expenditures of Federal Awards (SEFA) by March 1. The audit team may begin pre-audit work prior to that time.

The City reserves the right to approve or disapprove any change to the assigned staff named in the proposal, whether such change occurs prior to or during the engagement. The City shall be provided with the resume of any proposed substitute and shall be given the opportunity to interview that person prior to its decision to approve or disapprove the proposed substitution.

IV. INSTRUCTION TO PROPOSERS

In order for the City to adequately compare and evaluate submittals objectively, firms shall comply with the content and sequenced in the order identified below:

- A. All proposals should be directed to:
City of Auburn
Attn: City Clerks
25 West Main Street
Auburn, WA 98001
- B. All proposals must be in a sealed envelope and clearly marked in the lower left-hand corner: "Request for Proposal – Independent Auditing Services". All proposals must be received by September 25, 2015 at 2:00 pm. Three (3) copies of the RFP must be presented. No faxed, emailed or telephone proposals will be accepted. Late proposals shall be returned unopened. Proposals received after the deadline will not be considered. Proposers accept all risks of late delivery, regardless of fault.
- C. Submittals shall be presented in a clear, concise manner and in accordance with the prescribed format below. Use recycled paper for responses and any printed or photocopied material created pursuant to a contract with the City whenever practicable. Use both sides of the paper for any submittal to the City whenever feasible.

- D. All proposals must include the following:
1. Letter of interest. Include a one (1) page, single-sided Letter of Interest. Include the name, phone number and email address of the point of contact for this RFP.
 2. Narrative description and staffing estimate, in terms of personnel and hours, of how the submitter would accomplish the work as noted in the Scope of Work. Descriptions should include:
 - a. The audit approach on the financial audit and single audit including audit coverage of key risk areas, meeting key challenges, and identifying potential mitigating measures to address special problems and risk in a timely manner;
 - b. In table format, provide realistic time estimates of each major segment of the work plan and the estimated number of hours for each staff level, also include the level of supervision to be exercised over the audit team by the firm's management of the team; and
 - c. In table format, provide the approximate date the audits will begin including preliminary fieldwork and the approximate date for delivery of the audit reports.
 - d. Audit fees for the first year and 2 additional years, a total of fees for a three-year contract.
 3. Brief history of the firm, number of years in business and the size of firm.
 4. Brief resumes of key individuals and staff that will provide the requested services as detailed in the Scope of Work. Resumes should include, at a minimum, the following information:
 - a. Name and title;
 - b. Proposed position on the team; and
 - c. Employment history, education and professional licenses.
 5. Representative list of the past or current projects performed by the key individuals who will provide the requested services. Include a brief description of the project, their role and how it relates to the project detailed in the Scope of Work.
 6. Client references, at minimum five references, including recent copies of the following:
 - a. An audited financial statement conducted last year for another similar entity and the point of contact, and their phone number for the entity being audited.
 - b. Single Audit of another similar entity and the point of contact and their phone number for the entity being audited.
 - c. The firm's most recent peer review, and the name and phone number of the reviewer.

V. AUDITOR SELECTION CRITERIA

Final selection of an auditing firm for this engagement will be made by the Auburn City Council, upon recommendation by staff. Although not intended to be all-inclusive, the following is a list of criteria that will be considered in making the selection:

1. Extent and quality of the governmental auditing experience of the firm, based on information provided by the firm as well as references from former and present clients;
2. Experience and qualifications of persons who will be assigned to perform the actual work;
3. The audit team will be available throughout the term of the engagement, except for unforeseen events;
4. Proven ability of the firm to meet work schedules and communicate and work effectively with government officials;
5. Auditors' demonstrated understanding of the City's requirements and the auditor's plan for meeting them;
6. Degree of assurance by the auditor that audit procedures will minimize disruption of the City's normal activities and ensure timely completion of the audit; and
7. General responsiveness to the City's request for proposal.

VI. SELECTION PROCESS

Proposals submitted in response to the RFP will be reviewed initially by the Director of Finance. Based on this review, interviews may be scheduled with the firms considered to be the best qualified, although interviews will not necessarily be scheduled prior to final selection.

During the evaluation process, the City reserves the right, where it may serve the City's best interest, to request additional information or clarifications from proposers.

Recommendations will be made to the City Council who will make the final selection. It is expected that the final selection will be made on or about October 25, 2015.

The City reserves the right to accept the proposal considered to be the most advantageous to the City and to reject any and all proposals.