

TOWN OF SPRINGFIELD

WEBSITE www.townofspringfield.colorado.gov

748 Main Street
PO BOX 4
Springfield, CO 81073
Tyler Gibson, Mayor



PHONE (719) 523-4528
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Merna McGinnis, Town Manager

REQUEST FOR PROPOSALS

PROFESSIONAL AUDIT SERVICES

DEADLINE TO SUBMIT:

September 30, 2021

LEGAL NOTICE

Notice is hereby given that the Town of Springfield, Colorado calls for Sealed Bid Proposals for:

PROFESSIONAL AUDIT SERVICES

Interested parties may secure a copy of the RFP from the contact below or by downloading from the Town of Springfield website (www.townofspringfield.colorado.gov):

Merna McGinnis, Town Manager/Treasurer
(719)523-4528
mmcginnis@springfieldco.gov

Sealed Proposals must be received by the Town of Springfield at PO Box 4, Springfield, CO 81073 or in person at 748 Main St., Springfield, CO 81073 no later than 5:00 PM local time Thursday, September 30, 2021.

INTRODUCTION

A. NOTICE OF SPRINGFIELD REQUEST FOR PROPOSALS

The Town of Springfield is requesting proposals from certified public accounting Firm to audit its financial statements for the fiscal year December 31, 2021, with the option, on mutual agreement, of auditing the Town’s financial statements for each of the two subsequent fiscal years.

Any inquiries or requests regarding this proposal should be submitted to the Town Treasurer in writing. Any questions, comments or concerns will be shared with all interested parties to this submittal. Fax or e-mail submittals will not be accepted.

II. DESCRIPTION OF THE GOVERNMENT

A. BACKGROUND

The Town of Springfield is a statutory Town located in Baca County and serves a population of approximately 1318 residents. The Town operates under a Trustee-Manager form of government and has an elected Mayor and a six-member Board.

The Town provides the following services: public safety, municipal court, code enforcement, public works, parks, general government, landfill, swimming pool, planning and zoning. The Town also owns and operates enterprise activities including electric, water, and sewer. The total annual budget for the Town is approximately \$4.5 million.

The Town uses financial software by Nebraska Municipal Power Pool. The modules include budget preparation, finance, utility billing, inventory and payroll.

B. FISCAL YEAR

The Town of Springfield’s fiscal year begins on January 1 and ends on December 31.

C. FUND STRUCTURE

At present, the Town of Springfield uses the following fund types and account groups in its financial reporting:

	<u>Number of funds</u>
General Fund	1
Conservation Trust	1
Meter Fund	1
Fire Department Fund	1
Enterprise Funds	3

Additional information may be found in the annual budget and audited financial statements which are available on the Town website.

III. NATURE OF SERVICES REQUIRED

A. SCOPE OF WORK

The Town is soliciting a Firm to audit its financial statements and to express an opinion on the fair presentation of its financial statements in conformity with generally accepted accounting principals. The audit is to be performed in accordance with generally accepted auditing standards with standards set forth for financial audits by the U.S. Comptroller General, "Government Auditing Standards", and the US Office of Management and Budget (OMB) Circular A-133, Audits of State and Local Governments. If a Single Audit is required, the selected firm will be required to complete the submission form that accompanies the Single Audit (Form SF-SAC-Data Collection form for Reporting on Audits of State, Local Government, and Non-Profit Organizations) as required by OMB 1-133.

The audit shall cover all of the Town's funds and any component or related entities which may exist at the time of the audit.

As part of performing the audit, it is expected that the audit manager, partner or other qualified staff will be available as necessary during the year at no additional charge for advice and discussion on accounting, standards interpretation, and internal control matters concerning the Town.

The Firm may also be requested to provide technical expertise in related areas, including taxation, information technology, systems implementation, and internal control. Provision of such consulting services may be arranged through separate engagements.

B. REPORTING REQUIREMENTS

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue:

1. A report of examination of the financial statements stating the scope of the examination and that the audit was performed in accordance with generally accepted auditing standards. It must include an opinion as to whether the statements conform to generally accepted accounting principles. A signed copy of the opinion plus a signed electronic copy will be required by the Town.
2. If a single audit is required, a report on internal control and compliance in accordance with the standards for financial and compliance audits contained in the Standards or Audits of Government Organizations, Programs, Activities, and Functions issued by the

U.S. General Accounting Office; the Single Audit Act of 1984 (as amended in 1996) provisions of OMB circular A-133 (as revised). Findings of ineligible expenditures must be represented in enough detail for Town management to be able to clearly understand them. An agreed upon number of copies of the Single Audit report will be provided to the Town in addition to a signed electronic copy.

3. A letter to management containing comments on compliance, recommendations for improvements, and any other comments deemed pertinent by the auditors and recommendations affecting the financial statements, internal control, accounting, accounting systems, legality of actions, other instances of noncompliance with laws and regulations, and any other material matters. An agreed upon number of copies of the management letter will be provided to the Town in addition to an electronic copy.
4. The Firm formally presents the audit to the Town during a regularly scheduled meeting which occurs on the second Thursday of the month.

C. TIME SCHEDULE

The Audit must be completed and the auditor's opinion must be dated June 15th or earlier. An approximate time schedule for the audit engagement is as follows:

Post-closing field work may begin at the beginning of April (possibly earlier) and must be completed by May 1st.

All audit adjustments and any major changes in financial statement presentation must be communicated to the Town Treasurer by the end of fieldwork. Copies of working papers which support proposed adjustments to the Town's books shall be provided to Town Treasurer before the end of post-closing fieldwork.

IV. CONDITIONS GOVERNING THE PROCUREMENT

A public log will be kept of the names of all Firms that submit proposals. The contents of the proposals will not be disclosed to competing Firm prior to contract award.

The Town will review Proposals for completeness and compliance with all requirements. If any submittal is deemed incomplete, the Firm will be notified in writing of such determination.

The Town reserves the right to amend and/or cancel this RFP at any time.

D. GENERAL REQUIREMENTS

1. **Incurring Cost:**

Any cost incurred by the Firm in preparation, transmittal, presentation of any submittal or material submitted in response to this RFP shall be borne solely by the Firm.

2. Amended Proposals:

A Firm may amend their submitted Proposal before the deadline for submission. An amended Proposals must be complete replacements for a previous submittal and must be clearly identified as such in the transmittal letter. The Town of Springfield personnel will not merge, collate, or assemble submittal materials.

3. Firm's Rights to Withdraw Proposal

Firms may withdraw their Proposal at any time.

4. Period of Offer:

Responses to this RFP, including the rate schedule, will be considered firm for a minimum of ninety (90) days after the due date for Proposals.

5. Disclosure of Submittal Contents:

Proposals will be kept confidential until a contract is awarded. Once contract is finalized with a Firm, all Proposals and documents pertaining to all Proposals will be open to the public, except any financial information that is marked **CONFIDENTIAL**.

6. Terms and Conditions

Firms must submit with their Proposals a complete set of any additional terms and conditions, which they expect to have included in a contract negotiated with the Town.

7. Contract Deviations:

Any additional terms and conditions, which may be the subject of negotiation, will be discussed only between the Town and the selected Firm and shall not be deemed an opportunity to amend the Firm's submittal.

8. Qualifications:

The Town may make such investigations as necessary to determine the ability of the Firm to adhere to the requirements specified within this RFP.

9. Right to Waive Minor Irregularities:

The Town reserves the right to waive minor Proposal irregularities.

V. RESPONSE FORMAT AND CONTENT

A. GENERAL

The Proposal should demonstrate the qualifications of the Firm and of the particular staff to be assigned to this engagement. Proposals shall also include copies of audits completed for other municipal clients.

B. PROPOSAL FORMAT

The written proposal should include the information in the format outlined below.

1. Title page
2. Table of Contents
3. Transmittal Letter. A signed letter confirming the Firm understanding of the work to be completed and a commitment to complete the work within the time frame described in the RFP.

C. PROPOSAL SUBMITTALS

One (1) complete hardcopy Proposal must be submitted along with the hardcopy audits from other municipal clients. Additionally, a complete digital submittal must be provided on a CD, flash stick or memory card.

D. PROPOSAL SUBMITTALS

The following subjects must be included in the proposal.

1. Independence:

The Firm should provide an affirmative statement that it is independent of the Town, as defined by generally accepted auditing standards and the U. S. General Account Office's "Government Auditing Standards".

2. License to Practice in Colorado:

An affirmative statement should be included indicating that the Firm and all assigned key professional staff are properly licensed to practice as a CPA in Colorado.

3. Firm Qualifications and Experiences:

The Proposal should state the size of the Firm, the size of the Firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed, and the number and level of the professional staff to be employed in this engagement on a full-time basis and the number and level of the staff to be employed on a part-time basis.

The Firm shall submit a copy of the report on its most recent external quality control review with a statement whether that quality control review included a review of specific government engagements.

The Firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three years with state regulatory bodies or professional organizations.

The Firm shall provide information on the circumstances and status of any pending litigation against the firm.

4. Partner, Supervisory and Staff Qualifications and Experience:

The Firm should identify the principal supervisory and management staff including engagement partners, manager, and other supervisors and specialists who would be assigned to this engagement and whether each person is licensed to practice as a Certified Public Accountant in Colorado. The Firm should also provide the number of staff auditors that will be assigned to this engagement. The Firm should provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past two years and membership in professional organizations relevant to the performance of this audit.

5. Similar Engagements with Other Government Entities:

The Firm should list the most significant engagements performed in the last three years that are similar to the engagement described in this RFP. Indicate the scope of work, the date, engagement partners, total hours, and the name and telephone number of the primary client contact. Samples of audits for two governmental entities shall also be submitted.

6. Audit Approach:

The Proposal should include a work plan, including an explanation of the audit methodology to be followed.

7. Report Format:

The Proposal should include sample formats for the required reports.

8. Cost:

The Proposal should include an all-inclusive price which is broken down into professional fees for the standard audit, professional fees for a Single Audit if needed, and out of pocket expenses.

The Town will not be responsible for expenses incurred in preparing and submitting the Firm's Proposal.

A total all-inclusive maximum price for each engagement for the years 2021, 2022 and 2023. This maximum price should be stated with a Single Audit and without a Single Audit.

A schedule of professional fees should include the number of hours and the hourly rate for each partner, specialist, supervisory and staff level expected to be assigned to this engagement.

VI. EVALUATION CRITERIA

The selection committee, comprised of Town Board and/or Town staff members, will evaluate the Proposals. During the evaluation process, the selection committee reserves the right to request additional information or clarifications from Firms, or to allow correction of errors or omissions. Members of the selection committee will review and rate each proposal based on the following criteria:

1. The Firm's compliance with the stated requirements of the RFP'S.
2. Prior experience in providing auditing services. Selection committee members will review the information submitted, as requested in Section V.
3. Past experience and performance on comparable government contracts.
4. The credentials of the Firm's professional personnel to be assigned to the contract and the credentials of the Firm's management support personnel to be available for technical consultation.
5. Cost Proposal.
6. The Town may request presentations from a list of selected finalists. The Town plans to complete their selection process by late October and will apprise all Firms of their decision and begin contract preparation with the selected Firm.

VII. TERMINATION OF CONTRACT

The Town may, by written notice to the successful Bidder, terminate the contract if the Bidder has been found to have failed to perform in a manner satisfactory to the Town's specifications, including delivery as specified. The date of termination shall be stated in the notice. The Town shall be the sole judge of non-performance.

The Town may cancel the contract upon 30 days written notice for reasons other than cause. This may include the Town's inability to continue with the contract due to non-appropriation or reduction of funding.

The Town reserves the right to reject any and all bids based on its sole discretion, without cause or reason.

WARRANTIES

The successful Firm shall indemnify and save harmless the Town against any and all damages to property or injuries to or death to any person or persons, including property and employees or agents of the Town, and shall defend, indemnify and save harmless the Town from any and all claims, demands, suits, actions, or proceedings of any kind, or nature, including Workers Compensation claims, of or by any whomsoever, in any way resulting from or arising out of the operation in connection herewith, including operations of subcontractors and acts or omissions of employees or agents of the successful firm or his sub-contractors.

The successful Firm shall procure and maintain, at their own cost and expense, any additional kinds and amounts of insurance that, in their own judgment, may be necessary for their proper protection in the prosecution of the work.

The successful Firm shall be required to have property, liability and workers compensation insurance with minimum limits of \$1,000,000.00 and to provide the Town with copies of the certificate of insurance upon request.

The successful Firm will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin and will comply with the Americans with Disabilities Act. The successful Firm shall adhere to acceptable affirmative action guidelines in selecting employees and shall ensure that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer, recruitment or recruitment advertising; layoff or termination, rates of pay or other forms or compensation; and selection for training, including apprenticeship.