

**CITY ANNUAL EXAMINATION
AGREED UPON PROCEDURES ENGAGEMENT RFP**

June 9, 2017

**REQUEST FOR PROPOSALS (RFP)
RFP NUMBER 2017-2**

The City of Van Meter Iowa will receive proposals to perform agreed upon procedures to satisfy the annual examination requirements of Section 11.6 of the Code of Iowa for the fiscal year ending June 30, 2017. Attached is information relating to minimum specifications of services, data to be included in the proposal, evaluation criteria and selected information relating to the City to be examined.

Sealed proposals (7 copies) will be accepted until 4:30 p.m., Friday, July 14, 2017, at the office of the Van Meter City Clerk, at City Hall, located at 310 Mill Street in Van Meter, Iowa. If mailed, the proposals should be mailed to:

City of Van Meter

PO Box 160

Van Meter, IA 50261

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 the RFP number indicated above and the name of the firm submitting the proposal.

The contract for services will be awarded on July 20, 2017.

Further information may be obtained from Jake Anderson at (515)-996-2644

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I. SPECIFIC REQUIREMENTS

1. The City reserves the right to reject any and all proposals received.
2. Only proposals received at the location described and in the time frame given will be considered.
3. The original and one copy of the enclosed contract should be completed and manually signed by a partner of the firm submitting the proposal.
4. The annual examination agreed upon procedures (AUP) engagement shall be performed in accordance with the following:
 - a) Attestation Standards for agreed upon procedures engagements issued by the American Institute of Certified Public Accountants,
 - b) The Standards for Attestation Engagements contained in Government Auditing Standards issued by the Comptroller General of the United States and
 - c) The agreed upon procedures program guide prepared by the Office of Auditor of State (AOS).
 - d) Other procedures, if any, requested by the City.
5. 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 by both parties.
6. The AUP engagement report should conform to:
 - a) Reporting formats specified by the AOS,
 - b) Attestation Standards reporting requirements and
 - c) Government Auditing Standards reporting requirements.
7. The AUP engagement report should report all findings from the AUP engagement since materiality does not apply to the findings to be reported in accordance with, and as described in, Attestation Standards, AT 201.25.
8. Bound copies of the report, in a quantity sufficient to meet the needs of the City, are required to be provided by the firm awarded the contract. In addition, the firm awarded the contract shall prepare an electronic (PDF) copy of the report for submission to the AOS at submitreports@auditor.state.ia.us.
9. Two bound copies of the report, a detailed per diem AUP engagement invoice and a copy of the news release shall be provided to AOS upon release of the report to the City.
10. Working papers shall be retained by the firm performing the AUP engagement and shall be made available to the AOS in accordance with Chapter 11 of the Code of Iowa.

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II. DATA TO BE INCLUDED IN PROPOSAL

In order to simplify the review process and to obtain the maximum degree of comparability, the proposal 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, including the local address of the office of the firm which will perform the work, the telephone number and the name of the contact person.

B. Profile of Firm Proposing

1. Provide a brief description of the size of the firm.
2. State whether the firm is in compliance with the registration requirements to engage in the practice of public accounting within Iowa.
3. State whether the firm is independent of the City in accordance with Government Auditing Standards.
4. Describe the local office from which the work will be performed.
 - a. Location of the office.
 - b. Current size of the office.
 - c. Size of professional staff by level, such as partner, manager, supervisor, senior and other professional staff.
 - d. Number of CPA's in the office.
5. Submit any other pertinent information required to describe the office which will perform the work.

C. Qualifications

1. Describe the recent local office experience in similar types of City or governmental engagements to which the proposal relates. If appropriate, include regional experience regarding similar types of entities and/or engagements.
2. Include brief resumes of all key professional members who will be assigned to the AUP engagement. The resumes should include:
 - a. The amount of experience the individual has in the profession.
 - b. A summary of similar governmental audits and/or AUP engagements on which the individual has worked.
 - c. A summary of the continuing professional education the individual has had in governmental accounting and auditing during the last two years.
 - d. A statement as to whether the individual is independent, as defined by Government Auditing Standards.

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3. Describe the firm's policy on notification of changes in key personnel to be assigned to the engagement.
4. Provide a listing of or the number of professionals in the office who are experienced in governmental audits and/or AUP engagements.
5. Describe the availability of individuals within the firm who are primarily involved in governmental audits and/or AUP engagements and reporting and with whom the AUP engagement team may consult.
6. Describe briefly the firm's system of quality control to ensure the AUP engagement is adequately performed.

D. Scope of Services and Proposed Project Schedule

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

E. Fees and Compensation

Provide the following information:

1. Estimated total hours.
2. Estimated out-of-pocket expenses.
3. Hourly rate by staff classification.
4. All-inclusive maximum fee and out-of-pocket expenses, which will not be exceeded.
5. Frequency and timing of your billing process.

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III. EVALUATION CRITERIA

The proposal will be evaluated based upon the following two areas. Therefore, it is important the proposal is responsive to the data requested.

1. Cost

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

2. Qualifications

- a. Organizational structure and size of the firm.
- b. Organizational structure and size of the office performing the AUP engagement.
- c. Recent experience in AUP engagements.
- d. Qualifications of the AUP engagement team.
- e. Individuals with whom the AUP engagement team can consult.
- f. Level of effort, understanding of work and timetable to complete the AUP engagement.

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IV. CITY PROFILE

(1) Administrative Information:

- The City of Van Meter is governed by a 5-member City Council who serve 4 year staggered terms. The Council is presided over by a Mayor who serves 4 year terms and is the City's Chief Executive. The City Council employs a City Administrator to manage the City's daily operations. The City Administrator and City Clerk are responsible to the Mayor and City Council to account for the City's finances.

- The period to be audited is July 1, 2016 through June 30, 2017.
- The term of the contract engagement should be approximately 166 hours.
- All governmental and proprietary funds of the City should be audited.
- The City's bank statements are reconciled monthly and are available for the audit.
- The City utilizes Data Technologies Summit system.
- The Iowa Auditor of State performed the audit for the fiscal year ending on June 30, 2016 and should be able to make the report and working papers available.

(2) Work and Reporting Requirements:

- The Auditing standards to be followed should conform to what is required by the Auditor of State and the Code of Iowa for municipalities.
- City staff will assist with the audit by making information available for inspection as requested.
- The scope of work should entail the field work necessary to complete the audit, the writing the audit report (including drafting the Management Discussion and Analysis portion), presenting the complete audit report to the City Council at a regularly scheduled City Council meeting (held on the third Thursday of each month at 7:00p.m.). The scope of work will also include the preparation of the City's Annual Financial Report prior to November 1, 2017.
- There will be no restrictions placed on the auditing firm. Physical access will be granted beyond office hours for the field work if necessary, copy services and a work space will also be provided.
- The auditing firm will be expected to conduct an exit conference with the Mayor and City Administrator.
- The audit should be conducting according to the minimum audit requirements under applicable laws such as Uniform Guidance, including the amendments thereto, applicable state law and generally accepted accounting principles.

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(3) Time Requirements:

- The contract will be awarded at the July 20, 2017 Council meeting.
- The City's records will be ready for the audit beginning on Monday, July 31, 2017.
- The field work and Annual Financial Report should be completed and drafted by November 1, 2017. The final audit report should be completed and presented to the City Council no later than the regular City Council meeting in April 2018.
- Working paper should be retained by the firm for a minimum of 5 years.
- Working paper must be made available to subsequent auditors, and/or the Auditor of State for cognizant or oversight if applicable.

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AGREEMENT BETWEEN

The City of Van Meter, Iowa
AND

THIS AGREEMENT made and entered into this ____ day of _____, 20__, by and between the City of Van Meter, Iowa hereinafter called "City," and _____, hereinafter called "CPA."

WHEREAS, the City wishes to obtain the services of the CPA to perform an agreed upon procedures (AUP) engagement to satisfy the annual examination requirements of Section 11.6 of the Code of Iowa, for the fiscal year ending June 30, 2017; and

WHEREAS, the CPA is equipped and staffed to perform the above AUP engagement; and

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

NOW, THEREFORE, BE IT UNDERSTOOD AND AGREED:

1. The CPA will:
 - A. Perform the AUP engagement for the estimated hours as noted in this agreement.
 - B. Begin work on the AUP engagement as specifically agreed upon with the City Administrator.
 - C. Draft all portions of the report, including any management portions, prepare the City's Annual Financial Report, and present the completed examination report to the City Council at a regularly schedule City Council meeting on or before the April 2018 City Council meeting.
 - D. Perform the procedures established by the program guide prepared by the Office of Auditor of State at a minimum.
 - E. Perform all work in accordance with Attestation Standards issued by the American Institute of Certified Public Accountants and those 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.

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- E. Immediately inform the City, the Auditor of State and the County Attorney if the AUP engagement discloses any irregularity in the collection or disbursement of public funds or other findings the CPA believes represent significant noncompliance as required by Chapter 11 of the Code of Iowa.
- F. Provide access to its working papers to the Auditor of State in accordance with Chapter 11 of the Code of Iowa.

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>Estimated Hours</u>	<u>Hourly Rate</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

- B. The CPA shall present an invoice for services in the following manner: _____

_____.

- C. Payment shall be made within 45 days of receipt of the invoice.
- D. The total reimbursement shall not be for more than \$_____, except as specifically agreed by the City and the CPA.

3. Termination of Agreement:

- A. The City may terminate this contract without notice if the CPA fails to perform the covenants or agreements contained herein.
- B. The CPA shall be paid for all work satisfactorily performed to the date of termination.

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IT WITNESS THEREOF, the City and CPA have executed this AGREEMENT as of the date indicated below:

CPA _____

City of _____

By _____

By _____

Title _____

Title _____

Date _____

Date _____

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**RECOMMENDED EVALUATION CRITERIA AND TECHNIQUES
 FOR RESPONSES TO REQUESTS FOR PROPOSALS**

Evaluation of responses to a request for proposal is based upon a 100-point rating system. A maximum of 25 points is assigned to the cost of the bid proposal, and a maximum of 75 points is assigned to the qualifications of the bidding firm or individual. The techniques used to evaluate these two components are described below.

Criteria: **COST**
Evaluation Value: 25 points
Evaluation Technique: For each firm evaluated

$$\text{Cost Score} = \left[\frac{\text{Lowest cost of all proposals received}}{\text{Proposal cost for this firm}} \right] \times 25$$

Criteria: **QUALIFICATIONS**
Evaluation Value: 75 points
Evaluation Technique: Subjective scoring for the following factors:

<u>Qualification Factor</u>	<u>Possible Points</u>
1. Organizational structure and size of the entire firm (resources available – personnel and research, existence of areas of specialization, commitment to governmental auditing and AUP engagements, etc.)	0-5
2. Organizational structure and size of office performing the AUP engagement (resources available – personnel and research, existence of area of specialization, commitment to governmental auditing and AUP engagements, etc.)	0-5
3. Recent experience in similar engagements (involvement in local governmental audits and/or AUP engagements, extensiveness, variety, length of time performing governmental examinations, etc.)	0-15
4. Qualifications of the AUP engagement team (level of experience as accountants, auditors or governmental auditors, variety of experience, % of time devoted to governmental engagements, number of CPA’s involved, training, etc.)	0-25
5. Individuals with whom the AUP engagement team can consult (level and variety of experience, number of CPA’s, training, etc.)	0-5
6. Level of effort, understanding of work and timetable to complete the AUP engagement (number of hours, projected timetable, commentary showing understanding of the City and general knowledge of what is required, etc.)	0-20
Total points – Qualifications	0-75

Each firm’s total evaluation score is the sum of its cost score plus its qualification score. The maximum score is 100 points.