

# **SHIAWASSEE COUNTY REQUEST FOR PROPOSALS**

## **Audit Services**

**ISSUED BY SHIAWASSEE COUNTY BOARD OF COMMISSIONERS**

**ISSUE DATE: October 2, 2017  
DUE DATE OF PROPOSALS: October 20, 2017**

# SHIAWASSEE COUNTY REQUEST FOR PROPOSALS

Shiawassee County is issuing this Request for Proposals (the “RFP”) to solicit proposals from qualified, licensed, and insured Certified Public Accountants for audit services. The County intends to enter into a three-year contract, with the possibility of a two-year extension, with the chosen firm in order to obtain an opinion on the fair presentation of the County’s presentation of its basic financial statements in conformity with generally accepted accounting principles. A Single Audit more than likely will be needed in each of the five years under consideration.

To be considered, four (4) copies of a proposal must be received by Patricia Fitnich, at the Surbeck Building, 201 N. Shiawassee Street, 1<sup>st</sup> Floor, Corunna, MI 48817 by 4:00 p.m. on Friday, October 20, 2017. In addition, a PDF copy is to be emailed to [pfitnich@Shiawassee.net](mailto:pfitnich@Shiawassee.net). Shiawassee County reserves the right to reject any or all proposals submitted. Proposals submitted will be evaluated by the Finance Committee with final approval by the Board of Commissioners.

All questions regarding the development of a proposal should be directed to Patricia Fitnich, by email [atpfitnich@Shiawassee.net](mailto:atpfitnich@Shiawassee.net). Financial statements and operating budgets are available online at <http://www.shiawassee.net/Administration/Financial-Information.aspx> .

## I. INTRODUCTION

### 1.1 Purpose

Shiawassee County is soliciting proposals for the general audit of its balance sheets, related statements of revenue, expenditures, and changes in fund balances, along with related Schedule of Expenditures of Federal Awards as required by Title 2 U.S. *Code of Federal Regulations*, Part 200, (i.e., Uniform Guidance) for the years ending December 31, 2017, 2018, and 2019, with the option for subsequent fourth and fifth years (2020 and 2021).

The County is seeking an Auditor to express an opinion on the fair presentation of the County’s basic financial statements in conformity with generally accepted accounting principles. 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 Michigan municipalities. The Auditor is expected to provide assistance with the preparation and publishing of the County’s basic financial statements. Out of a matter of convenience, the Auditor will draft the financial statements for County Management’s review/approval.

The County’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 County at its sole discretion.

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

## **1.2 Background**

The County's fiscal year runs from January 1 to December 31. The County currently uses Harris Open Windows software for its accounting applications, such as, general ledger, accounts payable, receipts, property taxes, payroll systems, etc. Financial data, including a full trial balance, will be available as an Excel download for Auditor use. Work papers that are prepared by the County will typically be in Excel format, with either pdf or paper supporting documentation.

Auditor assistance is not needed for the State of Michigan F-65, any Continuing Disclosure Filing, nor Municipal Finance Qualifying Statement filings.

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

20 (20) bound copies plus one PDF copy of all reports will be required from the Auditor. The County 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 *Government Auditing Standards*, Uniform Guidance, the Governmental Accounting Standards Board, and the State of Michigan Department of Treasury, among others. Failure of the County to list a task that should have been known to the Auditor will not excuse the Auditor from performing that task.

## **1.3 Objective**

### **Scope of Audit**

The audit for each year shall determine and report on whether:

1. The financial statements of the County present fairly its financial position and results of its financial operations in accordance with generally accepted accounting principles and the County has complied with laws and regulations that may have a material effect on the financial statements.
2. The County has internal accounting and administrative control systems to provide reasonable assurance that it is managing Federal financial assistance programs in compliance with applicable laws and regulations.
3. The County has complied with laws and regulations that may have a material effect upon each major Federal assistance program.
4. The audit must be performed in accordance with the applicable laws, regulations and generally accepted auditing standards as included in:
  - *Statements on Auditing Standards* published by the American Institute of Certified Public Accountants.
  - *Government Auditing Standards* developed by the Comptroller General of the United States.

## **Objective - continued**

### **Scope of Audit - continued**

- *Audit and Accounting Guide for Audits of State and Local Governmental Units* published by the American Institute of Certified Public Accountants.
- *2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).
- Audit guides and audit bulletins published by the Michigan Department of Treasury.

The selected Auditor will also be asked to prepare the financial statements in conformity with generally accepted accounting principles.

The Shiawassee County Road Commission is not part of this RFP process and should not be considered when submitting a proposal. The selected County auditor will only have to make reference to this component unit as they are audited by other auditors.

### **Scheduling**

It has been the practice of the County to make trial balances and other schedules called for by the auditors available in early November, depending on the dates on which the County Board of Commissioners meets to approve payables. Preliminary fieldwork may be conducted in mid-March if mutually agreed to by County/Auditor. This allows for the accrual of payables through 60 days subsequent to year-end and for year-end adjustments by the County to be completed. Each year, a mutually agreeable time schedule for completion of the services shall be as determined by the Auditor and the County Financial Administrator, prior to commencement of the services by Auditor. Changes may be mutually agreed upon between the Auditor and the County Financial Administrator.

While there is a legal deadline of June 30 to file the audit reports with the State of Michigan, the County, based on this generation of financial data, has a desire to target its receipt of the draft audit reports no later than May 15th of each year.

Therefore, the proposing and successful firm will be required to demonstrate through its proposal and finalizing discussion, that it has a time plan of action that will assuredly allocate the necessary resources of the firm to respond with a final audit to the County by that date.

Of course, if the County causes a delay in the availability of the audit data, a representative of the firm and the County will then mutually discuss a review of that date.

Even though this is expected to be a three (3) year agreement, with the option for 2 additional years, the County will reserve the right, based upon performance to these time standards and for other reasons, to annually review its desire to continue with the successful firm.

### **Report Requirements**

The Auditor will be responsible for preparing, typing, copying, and assembling the audited financial statements from information provided to them by the County.

## **Objective - continued**

### **Exit Conference**

The Auditors shall hold an exit conference with appropriate County officials. The Auditor shall have a draft of the financial audit report and the Single Audit Report and a draft of the Management Letter at the exit conference.

The Auditors will be required to make a presentation to the Shiawassee County Board of Commissioners no later than June each year.

### **Additional Consultation**

From time to time County staff finds it necessary to consult with external auditors on a variety of issues, i.e., IRS regulations, State requirements, special audit issues, etc. The proposal will include an outline of how this occasional consultation will be handled in regard to charges.

### **Contract Amount**

It is agreed between the County and the Auditor that in consideration for Auditor's full and complete performance hereunder, the County shall pay to Auditor the fees as detailed in Auditor's submittal for the services, as proposed by Auditor and as accepted by the County. The final amount shall be based upon actual services performed as approved by the County Financial Administrator.

### **Term**

This Agreement shall run for the length of the project(s) undertaken by Auditor unless otherwise terminated by the Auditor and/or the County upon 30 days' written notice to the other party, provided, however, that the benefits to either party hereto afforded by the terms and conditions of this Agreement shall inure to each party in perpetuity, including surviving any termination of this Agreement by either party.

### **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 County's continuing rights of review, inspection, and approval.

#### **1.4 Minimum Qualifications**

Proposals will be considered from firms who:

1. Are licensed to do business in the State of Michigan.
2. Possess necessary certifications and qualifications to perform the work proposed.

Firms that do not meet these minimum qualifications shall be deemed non-responsive and will not receive further consideration.

## 1.5 Funding

Any contract awarded as a result of this procurement is contingent upon the availability of funding, as determined by the Shiawassee County Board of Commissioners.

## 1.6 Period of Performance

The period of performance of any contract resulting from this RFP is tentatively scheduled to begin upon award of a contract. Submitted proposals should address a tentative time frame, including estimated project duration and timeline.

## II. GENERAL INFORMATION FOR CONTRACTORS

### 2.1 County Financial Administrator

The County Financial Administrator is the sole point of contact for this procurement. All communication between prospective proposers and the County upon receipt of this RFP shall be with the County Financial Administrator, as follows:

Patricia Fitnich,  
Surbeck Building  
201 N. Shiawassee Street, 1<sup>st</sup> Floor  
Corunna, MI 48817

Telephone: (989) 743-2458  
Facsimile: (989) 743-2284  
E-mail: pfitnich@Shiawassee.net

Prospective proposers are to rely on written statements issued by the County Financial Administrator. Any other communication will be considered unofficial and non-binding on the County. Communication directed to parties other than the County Financial Administrator may result in disqualification of the prospective proposer.

### 2.2 Estimated Schedule of Procurement Activities

Issue request for proposals	October 2, 2017
Single response to all questions submitted to County Financial Administrator will be issued to all	October 9, 2017
Proposals due	October 20, 2017

***Questions or clarifications regarding this RFP should be addressed to the County Financial Administrator, contact information above, by October 8, 2017. One single response including answers to all questions submitted will be sent to each firm who submitted questions on October 9, 2017. Response to this Request for Proposal is due at the Surbeck Building address above no later than 4 PM, October 20, 2017. Only written submissions hand carried or delivered by USPS or other delivery service will be considered to meet the submission deadline. Email or fax submissions on their own will be considered non-responsive due to the risk of failure of timely receipt.***

### **2.3 Submission of Proposals**

Responding agencies are required to submit four (4) copies of their proposal. In addition, a PDF copy is to be emailed to pfitnich@shiawassee.net. Each copy of the proposal should be bound or contained in a single volume. The proposal, whether mailed or hand delivered, must arrive at the County Administration office in the Surbeck Building no later than 4PM local time, on Friday, October 20, 2017.

The proposal is to be sent to the County Financial Administrator at the address noted in Section 2.1, above. The envelope submitted should be clearly marked SHIAWASSEE COUNTY AUDIT PROPOSALS and addressed to the attention of the County Financial Administrator.

Proposers who mail proposals should allow normal mail delivery time to ensure timely receipt of their proposals by the County Financial Administrator. Respondents assume the risk for the method of delivery chosen. The County assumes no responsibility for delays caused by any delivery service. *Proposals may not be transmitted using electronic media such as facsimile transmission or electronic mail only.*

Late proposals will not be accepted and will be automatically disqualified from further consideration. All proposals and any accompanying documentation become the property of Shiawassee County and will not be returned.

Respondents are requested to be brief in response. Overly elaborate packaging and the inclusion of extraneous information beyond the description of service and project approach is discouraged.

### **2.4 Proprietary Information and Public Disclosure**

Materials submitted in response to this competitive procurement shall become the property of Shiawassee County. All proposals received shall remain confidential until the deadline for submission of proposals has expired, as defined by Michigan statute (MCL 15.243(i), the Freedom of Information Act.

### **2.5 Revisions to the RFP**

In the event it becomes necessary to revise any part of this RFP, addenda will be reduced to writing and submitted to all prospective proposers known to the County. For this purpose, the published questions and answers and any other pertinent information will be considered an addendum to the RFP and will be provided to prospective proposers.

The County reserves the right to cancel or to reissue the RFP in whole or in part, prior to execution of a contract.

### **2.6 Acceptance Period**

Proposals must provide sixty (60) days for acceptance by County from the due date for receipt of proposals.

### **2.7 Responsiveness**

All proposals will be reviewed by the County Financial Administrator to determine compliance with administrative requirements and instructions specified in this RFP. Failure to comply with any part of the RFP may result in rejection of the proposal as non-responsive. The County also reserves the right, at its sole discretion, to waive minor administrative irregularities.

## **2.8 Most Favorable Terms**

The County reserves the right to make an award without further discussion of the proposal submitted. Therefore, the proposal should be submitted initially on the most favorable terms which the respondent can propose. The County does reserve the right to contact a respondent for clarification of its proposal.

The Respondent should be prepared to accept this RFP for incorporation into a contract resulting from this RFP. Contract negotiations may incorporate some or the Respondent's entire proposal. It is understood that the proposal will become a part of the official procurement file on this matter without obligation to the County.

## **2.9 Costs of Proposal**

The County will not be liable for any costs incurred by the Respondent in preparation of a proposal submitted in response to this RFP, in conducting of a presentation, or any other activities related to responding to this RFP.

## **2.10 No Obligation Contract**

This RFP does not obligate the Shiawassee County Board of Commissioners to award a contract for services specified herein.

## **2.11 Rejection of Proposals**

The County reserves the right at its sole discretion to reject any and all proposals received without penalty and not to issue a contract as a result of this RFP.

## **2.12 Failure to Comply**

The Respondent is specifically notified that failure to comply with any part of the RFP may result in rejection of the proposal as non-responsive.

## **2.13 Commitment of Funds**

The Board of Commissioners or its delegate(s) are the only individuals who may legally commit the County to the expenditures of funds for a contract resulting from this RFP. No cost chargeable to the proposed contract may be incurred before receipt of a fully executed contract.

## **2.14 Signatures**

The Letter of Submittal must be signed and dated by a person authorized to legally bind the Respondent to a contractual relationship with the County.

### **III. PROPOSAL CONTENT**

Proposals must be submitted with five (5) major categories in mind. The five (5) major categories include:

1. Letter of Submittal
2. Detailed audit proposal
3. References (at least three (3) of similar size and complexity)
4. Related Information
5. Cost Proposal

Proposals must provide information in the same order as presented in this document with the same headings. This will not only be helpful to the evaluators of the proposal, but should assist the Respondent in preparing a thorough response.

#### **3.1 Letter of Submittal**

The Letter of Submittal, and all RFP amendments must be signed and dated by a person authorized to legally bind the Respondent to a contractual relationship. Along with introductory remarks, the Letter of Submittal is to include by attachment the following information about the Respondent and any proposed subcontractors:

1. Names, addresses, telephone numbers, e-mail addresses, and fax numbers of legal entity or individual with whom contract would be written.
2. Name, address, and telephone number of each principal officer(s) that will be part of the County audit process.
3. Legal status of the Respondent (sole proprietorship, partnership, corporation, etc.).
4. Federal Employer Tax Identification number.
5. Location of the firm/office from which the Respondent would operate.
6. Identify any Shiawassee County employees or former County employees employed or on the firm's governing board as of the date of the proposal. Include their position and responsibilities within the Respondent's organization. If following a review of this information, it is determined by the County that a conflict of interest exists, the Respondent may be disqualified from further consideration for the award of a contract.
7. An expression of the firm's capabilities and experience for the examination of the County's financial activities including a brief statement of the proposer's understanding of the work to be done.
8. Firm's qualifications including names, educational, and experience backgrounds of audit team members who will be conducting on-site fieldwork.
9. An indication of the type, number, and previous experience of staff you feel would be assigned to the County's audit. Identification and a resume of the person who would be in charge of and others to be involved in the audit.
10. A work plan to include time estimates for each significant segment of the work and the staff level to be assigned, including the target date for completion and presentation.

### **3.2 Specifications**

#### **Firms submitting proposals shall:**

1. Be authorized to do business in the State of Michigan.
2. Have a favorable business reputation.
3. Have a sound financial condition.
4. Have the ability and capacity to service the audit process herein requested.
5. Assign as principal to the audit only a certified public accountant duly licensed by the State of Michigan.
6. Spend the necessary time to understand the extent and complexities of the County of Shiawassee as it relates to rendering an opinion and preparing final audit documents.

The firm selected will be an independent contractor and not an agent of the County. The contractor will be the sole employer of all persons used in the audit and will accept full responsibility for all lost or damaged property and injury to persons resulting from the execution of the contract, as well as for any claims made by or on behalf of the contractor's agents, servants, and employees arising out of their employment or work pertaining to the operation of the contract.

The County reserves the right to reject any or all proposals or to waive any irregularities in proposals. The award will not split years among different firms.

### **3.3 References**

List names, addresses, telephone numbers, e-mail addresses, and fax numbers of at least three references for whom similar work for a municipality has been accomplished and briefly describe the type of service provided. The Respondent must grant permission to the County to contact the references.

### **3.4 Related Information**

1. If the Respondent or any subcontractor contracted with Shiawassee County during the past twenty-four (24) months, provide a project description and/or other information available to identify the contract.
2. If the Respondent's staff or subcontractor's staff was an employee of Shiawassee County during the past twenty-four (24) months, or is currently an Shiawassee County employee, identify the individual by name, the department previously or currently employed by, job title or position held and separation date.
3. If the Respondent has had a contract terminated for default in the last five (5) years, describe such incident. Termination for default is defined as notice to stop performance due to the Respondent's non-performance or poor performance and the issue of performance was either (a) not litigated due to inaction on the part of the Proposer, or (b) litigated and such litigation determined that the Proposer was in default.
4. Submit full details of the terms for default including the other party's name, address, and phone number. Present the Respondent's position on the matter. The County will evaluate the facts and may, at its sole discretion, reject the proposal on the grounds of the past experience. If no such termination for default has been experienced by the Respondent in the past five years, so indicate.

### **3.5 Cost Proposal**

The evaluation process is designed to award this procurement not necessarily to the Respondent of least cost, but rather to the Respondent whose proposal best meets the requirements of this RFP.

Identify all costs including expenses to be charged for performing the services necessary to accomplish the objectives of the contract. The Respondent is to submit a fully detailed budget including staff costs and any expenses necessary to accomplish the tasks and to produce the deliverables under the contract.

Costs for subcontractors are to be broken out separately.

## **IV. EVALUATION AND CONTRACT AWARD**

### **4.1 Evaluation Procedure**

This document is a Request for Proposal which means the County is seeking a solution not a bid/quote for the lowest price. As such, the lowest price proposal will not guarantee an award. Proposals will be evaluated based around features of service, qualifications, experience, timeliness, technical competence, staff expertise and longevity, experience with similar projects, demonstrated timeliness in meeting deadlines, responsiveness to client needs, and competitiveness of proposed fees, and what is determined by the Shiawassee County Board of Commissioners to be the best solution for the County.

The County may select a limited number of respondents with whom to schedule interviews. Recommendation for a selection will be made to the Shiawassee County Board of Commissioners and final approval lies with the Commission.

Responsive proposals will be evaluated strictly in accordance with the requirements stated in this solicitation and any addenda issued. All proposals received by the stated deadline will be reviewed by the County Administrator to ensure that Respondents meet all minimum requirements. Respondents that fail to meet stated qualifications or any proposal that does not contain all of the required information will be rejected as non-responsive.