



Grain Valley City Hall
711 Main Street
Grain Valley, MO 64029
816-847-6284
Fax: 816-847-6209
www.cityofgrainvalley.org

INVITATION TO BID

RFP # 2017-04

The City of Grain Valley will accept separate sealed bids from qualified persons or firms interested in providing the following:

AUDITING SERVICES IN ACCORDANCE WITH THE ATTACHED SPECIFICATIONS

BIDS MUST BE RECEIVED BY AND WILL BE OPENED AT:

3:00 P.M. CDT on July 20, 2017

PLEASE MARK THE ENVELOPE "AUDITING SERVICES SEALED BID" AND RETURN IT TO:

City of Grain Valley, Finance Department
Attention: Cathy Bowden; Finance Director
711 Main Street
Grain Valley, Mo 64029
(816)-847-6281

Direct all questions regarding this bid to the Finance Director. The City reserves the right to reject any and all bids, to waive technical defects in bids, and to select the bid(s) deemed most advantageous to the City.

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I. Introduction

A. General Information

The City of Grain Valley is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal year ending December 31, 2017, with the option of auditing its financial statements for each of the four subsequent fiscal years. These audits are to be performed in accordance with generally accepted auditing standards, the standards set forth for financial audits in the General Accounting Office's (GAO) Government Auditing Standards, the provisions of the Federal Single Audit Act of 1984 (as amended in 1996) and U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States and Local Governments, and Non-Profit Organizations.

There is no expressed or implied obligation for the City of Grain Valley to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

To be considered, Cathy Bowden, Finance Director, must receive four (4) copies of a proposal at 711 Main Street, Grain Valley, Missouri 64029 by 3:00 PM on Thursday, July 20, 2017. The City of Grain Valley reserves the right to reject any or all proposals submitted.

Proposals submitted will be evaluated by a selection committee selected by the City of Grain Valley consisting of 3 to 5 management level City staff and/or elected officials.

It is anticipated the selection of a firm will be completed in September 2017. Following the notification of the selected firm it is expected a contract will be executed between both parties.

The Consultant shall comply with the requirements of Section 285.530 RSMo, which prohibits any business entity or employer from knowingly employing, hiring for employment, or continuing to employ an unauthorized alien to perform work within the State of Missouri. The Consultant hereby affirms its enrollment and participation in a federal work authorization program with respect to the employees working in connection to the contracted services. In connection therewith, Consultant covenants that it is not knowingly in violation of Section 285.530 RSMo; that it will not knowingly employ, hire for employment, or continue to employ any unauthorized aliens to perform work on the Project; and that its employees are lawfully eligible to work in the United States. Before commencing work on the project, the Consultant shall provide an Affidavit of Work Authorization in the form set forth on page 13 and adequate documentation of participation in a federal work authorization program (such as E-Verify).

B. Term of Engagement

A five-year contract is contemplated, subject to 1) the annual review and recommendation of City staff, 2) the satisfactory negotiation of terms (including a price acceptable to both the City of Grain Valley and the selected firm), the concurrence of the Board of Aldermen of the City of Grain Valley and 3) the annual availability of an appropriation.

II. Nature of Services Required

A. General

The City of Grain Valley is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal year ending December 31, 2017, with the option of auditing its financial statements for each of the four subsequent fiscal years. These audits are to be performed in accordance with the provisions contained in this request for proposals.

B. Scope of Work to be Performed

The City of Grain Valley desires the auditor to express an opinion on the fair presentation of its basic financial statements in conformity with generally accepted accounting principles and the fair presentation of its combined and individual fund financial statements and schedules in conformity with generally accepted accounting principles.

C. Auditing Standards to be Followed

To meet the requirements of this request for proposals, the audit shall be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, the standards for financial audits set forth in U.S. General Accounting Office's Government Auditing Standards (2003), the provisions of the Single Audit Act (As amended in 1996) and the provisions of U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, Audits of State and Local Governments.

D. Reports to be Issued

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

A report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with Government Auditing Standards (if a single audit applies).

A report on compliance with requirements applicable to each program and internal control over compliance in accordance with OMB Circular A-133.

The auditor shall communicate in a letter to management any significant deficiencies or material weaknesses found during the audit. A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control. A material weakness is a significant deficiency, or combination of significant

deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control. Non-significant deficiencies discovered by the auditors may be reported in a separate letter to management, which shall be referred to in the report on internal controls.

The report on compliance shall include all material instances on noncompliance. All nonmaterial instances of noncompliance shall be reported in a separate management letter, which shall be referred to in the report on compliance.

E. Working Paper Retention and Access to Working Papers

All working papers and reports must be retained, at the auditor's expense, for a minimum of three (3) years, unless the firm is notified in writing by the City of Grain Valley of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the City itself, its cognizant agency, the U.S. General Accounting Office or auditors of entities of which the City is a recipient of grant funds.

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

The auditor will be required to provide assistance to the City throughout the contract period as deemed necessary.

III. Description of the Government

A. Background Information

The City of Grain Valley serves an area of 6 square miles with a population of approximately 14,500. The City of Grain Valley operates on a calendar year, January 1 thru December 31. In fiscal year 2017, the General Fund budget is \$3.6 million, and the Water/Sewer Fund (Enterprise Fund) is \$5.7 million with a total budget of \$14.2 million.

The City of Grain Valley provides the following services:

- Police Protection
- Animal Control
- Water and Sewer Services
- Street and Storm Water Maintenance
- Parks and Recreation Programs
- General Governmental Services

The Accounting and financial reporting functions of the City are centralized in the Finance Department consisting of 5 employees. The City of Grain Valley has an average bi-weekly payroll of \$215,000 covering approximately 62 FTE's.

B. Fund Structure

The City of Grain Valley uses the following fund types and account groups in its financial reporting:

GOVERNMENTAL FUND TYPES

GENERAL FUND

SPECIAL REVENUE FUNDS

- Park Fund
- Transportation Sales Tax
- Capital Sales Tax

SPECIAL ALLOCATION FUNDS

- TIF Fund
- NID Fund
- CID Fund

DEBT SERVICE FUNDS

- Debt Service Fund

CAPITAL PROJECTS FUNDS

- Capital Improvement Projects
- GO Bond Fund

PROPRIETARY FUND TYPES

ENTERPRISE FUND

- Water/Sanitary Sewer

C. Pension Plans

The City of Grain Valley civilian non-police staff and sworn police officers participate in Missouri LAGERS.

D. Magnitude of Finance Operations

The finance department is operated under the direction of the Finance Director and consists of 5 employees. Approximately 1,850 payroll checks, 2,860 accounts payable checks, 60,000 sewer utility bills, 1,000 business licenses, and other various payments are processed annually.

Accounting System

The City currently uses Microsoft Windows 2012 for Server operations and the governmental operating software is provided by Tyler Technologies / Incode for budgeting/accounting, utility customer processing and payroll/personnel information.

E. Availability of Prior Reports and Working Papers

Interested applicants can look at previous year's audits on the City web site, <http://www.cityofgrainvalley.org>, or contact Cathy Bowden at 711 Main Street, Grain Valley, Missouri 64029, 816-847-6281. The City of Grain Valley will use its best efforts to make prior audit reports and supporting working papers available to applicants to aid their response to this request for proposals.

IV. Proposal Calendar

The following is a list of key dates (subject to change):

Mail RFP Notification	May 31, 2017
Receive Proposals	July 20, 2017
Interviews (If necessary)	August, 2017
Board of Aldermen	September 25, 2017
Pre-audit Meeting	Week of December 4th

V. Assistance to be provided to the Auditor and Report Preparation

A. Finance Department and Clerical Assistance

The Finance Department staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation and explanations. The preparation of confirmations will be the responsibility of the auditor.

B. Statements and Schedules to be Prepared by the City of Grain Valley

Bank reconciliations for all bank accounts
Investment balances at year-end and accrued interest
Inventory schedules
Prepaid Insurance Schedule
Accounts receivable reconciliations to subsidiary ledgers
Tax schedules
Sewer receivable schedules – A/R reconciliation, Sewer tap revenue,
Sewer average bill calculation
Accounts Payable schedules
Payroll Liabilities, Municipal Court Bond Liability, Other Liabilities
Grant Schedules
Capital Asset Schedules
Debt schedules
Auditor's trial balance report

If the audit firm requests other schedules, please list them in your response to this proposal.

C. Work Area, Telephone, Photocopying, and Fax Machines

The City of Grain Valley will provide the auditor with reasonable workspace, desks and chairs. The auditor will also be provided with access to telephone lines, photocopying equipment and fax machines as needed.

D. Reporting

City staff will complete the review of the draft report as expeditiously as possible. It is not expected that this process should exceed one week. During that period, the auditor should be available for any meetings that may be necessary to discuss the audit reports. Once all issues for discussion are resolved, the final signed report shall be delivered to the Finance Director. It is anticipated that this process will be completed and the final report delivered by May 31 of each year.

The final report in 15 bound, signed copies, one unbound copy, and an electronic version should be delivered to Cathy Bowden, Finance Director, City of Grain Valley, 711 Main Street, Grain Valley, MO.

It is expected that the auditor will have a representative available to present the report to the Board of Aldermen by the first meeting in June, give a verbal summary of the report, and answer questions from the board.

Except preparation of the Transmittal Letter, and Management's Discussion and Analysis, report preparation, editing and printing shall be the responsibility of the auditor.

VI. Instructions to Respondents

A. Minimum Qualifications

This section lists the criteria to be considered in evaluating the ability of the firms interested in providing the services specified to be considered for award of the bid. It is expected that the successful firm will exceed these qualifications. Firms shall:

Have provided services similar to those specified herein to at least five (5) clients (preferably local government entities) in the past five (5) years; and

Discuss any current and/or ongoing litigation that may cause conflicts or affect the ability of the applicant to provide services.

VII. Proposal Requirements

A. General Requirements

i. Inquiries

Inquiries concerning this request for proposal must be made in writing to:

Cathy Bowden
Director of Finance
711 Main Street
Grain Valley, MO 64029
816-847-6281

ii. Submission of Proposals

The following material is required to be received by 3:00 p.m. CDT, July 20, 2017:

Proposals (four sets) are to be submitted to Cathy Bowden, Finance Director, Grain Valley, Missouri in a sealed envelope clearly marked “Proposal for Auditing Services”. A separate, sealed envelope, clearly marked “Professional Fee” must contain all fee related information.

The proposal must include the following:

- a. Title Page
- b. Table of Contents
- c. Transmittal Letter
- d. Addenda (If Applicable)
- e. Provider Profile
- f. Key Outside Consultants (sub-consultants)
- g. Experience & References – List those projects your firm has completed within the past five years that are similar in size and scope to those requested in this RFP. Include company name, address, persons to contact, telephone numbers, email addresses, and a brief description of the size and scope of the engagement and the completion date.
- h. Key Personnel – those to be assigned to this engagement. List the person’s name, title, previous experience, years of experience, and any other qualifications relevant to the engagement.
- i. Narrative on Project Approach – Describe the schedule of events necessary to complete the engagement while clearly defining the responsibilities of all parties involved. Outline familiarity with the engagement and identify critical or unique issues specific to this engagement. Outline the communications process and explain unique approaches used in previous engagements.
- j. Sealed Dollar Cost Bid – Identify all costs related directly or indirectly to the engagement, including but not limited to, employee classification, hourly rate, travel time, out-of-pocket expenses, etc. for each of the years ending December 31, 2017, 2018, 2019, 2020, and 2021. Cost bid should also include the hourly rate for services provided outside the scope of the audit. Applicant shall submit four (4) copies of the dollar cost in a separate sealed envelope clearly marked as professional fee.

PROFESSIONAL AUDITING SERVICES

Applicants should send the completed proposal, clearly marked audit bid, consisting of the two separate sealed envelopes to the following address:

**CITY OF GRAIN VALLEY
FINANCE DIRECTOR
711 MAIN STREET
GRAIN VALLEY, MISSOURI 64029**

B. Additional Audit Services Bid

The City of Grain Valley is also bidding audit services on behalf of the Community Improvement Districts (CID) within the City. Currently the City has one operating CID and one developer researching the establishment of a CID. The CID is a political subdivision of the State of Missouri. The annual audit of the CID is to be completed by a certified public accounting firm within 180 days of the year end, December 31. The auditor shall deliver to the Trustee a certificate that the firm discovered no failure on the part of the District to comply with the requirements of the Financing Agreement, or, if such failure was noted the specifying nature of the failure.

Please submit separate sealed audit proposals and sealed dollar cost bids clearly marked for the CID audit by 3:00 PM, July 20, 2017 to:

**CITY OF GRAIN VALLEY
FINANCE DIRECTOR
711 MAIN STREET
GRAIN VALLEY, MISSOURI 64029**

VIII. Selection Process

A selection committee comprising of selected City personnel will evaluate the proposals.

Firms may be invited to make presentations to this committee or be requested to provide additional information. Their recommendation will be submitted to the entire Board of Aldermen for their consideration. The Board of Aldermen will approve the auditing firm and award the contract.

A. Evaluation of Proposals

Members of the selection committee will review and rate each responsive proposal based upon the following criteria:

1. Prior Audit Experience
2. Staff Qualifications
3. Peer Review considerations
4. Audit Approach
5. Single Audit Act Experience
6. Governmental Accounting and Auditing Commitment
7. References
8. Pricing

Additionally, ensure the proposal addresses the firm profile, governmental experience, timing, any additional information considered essential, and audit fees. Please provide single audit and generally accepted government auditing standards (GAGAS) pricing.

B. Short List of Interviews

The written evaluation will produce a list of the top rated proposals that may be selected for interviews. Oral interviews may be conducted in order to make a final decision.

Upon selection of the top rated firms, the City will negotiate the specific terms of the contract including final costs.

The award of a contract will be made to the provider which the City believes best meets its needs.

IX. General Conditions

- A. The City of Grain Valley reserves the right to retain all proposals submitted and use any idea. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposal unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City of Grain Valley and the firm selected;
- B. The firm should provide an affirmative statement that is independent of the City of Grain Valley as defined by the U.S. General Accounting Office's Government Auditing Standards (1994);
- C. The City of Grain Valley will not be responsible for expenses incurred in preparing and submitting the technical proposal or the sealed dollar cost bid. Such costs should not be included in this proposal;
- D. Respondent, if selected, will be required to enter into an Agreement subject to Standard Terms and Conditions that are available upon request.
- E. The proposal must remain valid for at least ninety (90) days from submittal date.

INCLUSIONS

A complete proposal must include the following assurances and schedules, with a signed attestation by an authorized representative of the proposing firm.

PROPOSER GUARANTEES

The proposing firm certifies it can and will provide and make available, as a minimum, all services set forth in Section II, Nature of Services Required.

PROPOSER WARRANTIES

Proposing firm warrants that it is willing and able to obtain an error and omissions insurance policy providing a prudent amount of coverage for the willful or negligent acts or omissions of any officers, employees or agents thereof.

Proposing firm warrants that it will not delegate or subcontract its responsibilities under an agreement without the prior written permission of the City of Grain Valley.

Proposing firm warrants that all information provided by it in this proposal is true and accurate.

AFFIDAVIT OF WORK AUTHORIZATION

Comes now _____ (name of person signing affidavit) as _____ (title of person signing affidavit) first being duly sworn, on my oath, affirm _____ (company name) is enrolled and will continue to participate in a federal work authorization program in respect to employees that will work in connection with the contracted services related to _____ (project name) for the duration of the contract, if awarded in accordance with RSMo Section 285.530(2). I also affirm that _____ (company name) does not and will not knowingly employ a person who is an unauthorized alien in connection with the contracted services related to _____ (project name) for the duration of the contract, if awarded.

Attached hereto is documentation affirming enrollment and participation in a federal work authorization program with respect to the employees working in connection with the contracted services.

In affirmation thereof, the facts stated above are true and correct (the undersigned understands that false statements made in this filing are subject to the penalties provided under Section 575.040, RSMo).

Signature

Printed Name: _____

Title: _____

Company: _____

Date: _____

Subscribed and sworn to before me this ____ day of _____, 2017. I am commissioned as a notary public within the County of _____, State of Missouri, and my commission expires on _____.

Signature of Notary

Date: _____

City of Grain Valley Audit firm Rating:

Understanding of scope of services (0-15)		
a. Does the proposal exhibit a clear understanding of the extent of work and coordination involved in the audit engagement?	0-10	_____
b. Is the hourly breakdown sufficient to provide for adequate audit work and supervision?	0-5	_____
2. Qualifications of staff to be assigned to the audit engagement (0-40)		
a. Do the audit supervisors, i.e. seniors, managers and partners have prior City or other local government audit experience within the last three years?	0-8	_____
b. Do the audit supervisors have CPA certificates?	0-2	_____
c. Is the firm registered with the Missouri Accountancy Board?	0-3	_____
d. Does the firm provide its staff with continuing education in the government sector that meets the requirements of <u>Government Auditing Standards</u> ?	0-6	_____
e. Are the key staff to be assigned to the audit engagement located so that they will be available for consultation throughout the year?	0-3	_____
f. Has the firm submitted an external quality control system review and any letter of comments?	0-3	_____
g. Are there any deficiencies in the external quality control system review program?	0-15	_____
3. Commitment to government accounting and auditing (0-15)		
a. Is the proposing office involved in governmental organizations such as GFOA, GFOA of Missouri and Missouri Municipal League?	0-2	_____
b. Does the proposing office exhibit a clear understanding of GAAP for government?	0-3	_____
c. Does the proposing office have City and other local governments in Missouri as favorable references for their audit services?	0-10	_____

- | | | | |
|----|--|-----|-------|
| 4. | Audit approach and plan (0-13) | | |
| | a. Is the audit plan specific and tailored to the City? | 0-4 | _____ |
| | b. Does the proposal exhibit an appreciation for the City's needs? | 0-3 | _____ |
| | c. Is the firm able to meet the time deadlines? | 0-3 | _____ |
| | d. Does the firm have a clear understanding of the extent of participation in the audit work by City staff? | 0-3 | _____ |
| 5. | Single Audit (0-7) | | |
| | a. Has the proposing office performed single audits in Missouri or elsewhere? | 0-3 | _____ |
| | b. If yes to (a) above, is the person who was in charge of that engagement available regularly to assist in the City's single audit? | 0-2 | _____ |
| | c. Does the firm exhibit a clear understanding of single audit requirements? | 0-2 | _____ |
| 6. | Other considerations (0-10) | | |
| | a. Is the proposing office sufficiently staffed with experienced accountants needed to conduct the audit engagement? | 0-4 | _____ |
| | b. Is the proposal neat and well organized? | 0-2 | _____ |
| | c. Is the proposal in the format and order recommended in the RFP? | 0-2 | _____ |
| | d. Did the firm follow all instructions in submitting the proposal and sealed "Cost Information" envelopes? | 0-2 | _____ |