

MEMORANDUM OF INSTRUCTION TO AUDIT FIRMS REQUESTING RFPs

DATE: September 30, 2020

TO: Audit Firms Having Expressed Interest in Responding to a Request for Proposals

FROM: Sarah Karlsson, Finance Director

SUBJECT: Notification of Interest

The City of River Falls is soliciting proposals from qualified firms of certified public accountants to audit the City of River Falls' financial statements for the fiscal years ending December 31, 2020, 2021 and 2022 with the option of auditing the City of River Falls' financial statements for the two subsequent fiscal years.

Enclosed for your consideration is a Request for Proposal (RFP).

To be considered for this engagement, your firm must meet the qualifications and satisfy the requirements set forth in the RFP. Please indicate your intent to submit a proposal by completing the attached Notification of Interest and returning it to the address listed below by October 7, 2020. Returning the Notification of Interest Form, although not required, will ensure that you receive any additional information that may be relevant to this RFP.

Diane Odeen, Comptroller
Audit Committee
City of River Falls
222 Lewis Street
River Falls, WI 54022

Completed proposals must be received at that address by October 23, 2020.

All questions and correspondence should be directed to Sam Hosszu in writing at the above address or by calling (715) 426-3430. Contact with City of River Falls personnel other than Sam Hosszu regarding this RFP may be grounds for elimination from the selection process.

NOTIFICATION OF INTEREST

[ACCOUNTING FIRM'S LETTERHEAD]

Ms. Diane Odeen, Comptroller
Audit Committee
City of River Falls
222 Lewis Street
River Falls, WI 54022

NOTIFICATION OF INTEREST

Dear Ms. Odeen:

Our firm is interested in submitting a proposal to audit the City of River Falls' financial statements for the fiscal years ending December 31, 2020, 2021 and 2022 with the option of auditing the City of River Falls' financial statements for the two subsequent fiscal years, as set forth in the request for proposal (RFP) dated September 30, 2020.

Yours very truly,

[AUDIT FIRM]

CITY OF RIVER FALLS, WISCONSIN
AUDIT COMMITTEE
REQUEST FOR PROPOSALS
FOR
PROFESSIONAL AUDITING SERVICES
SEPTEMBER 30, 2020

222 Lewis Street, River Falls, Wisconsin 54022

CITY OF RIVER FALLS, WISCONSIN

REQUEST FOR PROPOSALS

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CITY OF RIVER FALLS, WISCONSIN
REQUEST FOR PROPOSALS

I. INTRODUCTION

A. General Information

The City of River Falls is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal year ending December 31, 2020, 2021 and 2022 with the option of auditing its financial statements for each of the two 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 (GAS), the provisions of the federal Single Audit Act and U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

There is no expressed or implied obligation for the City of River Falls to reimburse responding firms for any expenses incurred in preparing proposals in response to this request. Any inquiries concerning the request for proposals should be addressed to Sam Hosszu.

To be considered, five copies of a proposal must be received by Diane Odeen, Comptroller at 222 Lewis Street by 5:00 p.m. on Friday, October 23, 2020. The City of River Falls reserves the right to reject any or all proposals submitted.

Proposals submitted will be evaluated by a four member Audit Committee. During the evaluation process, the Audit Committee and the City of River Falls reserve the right, where it may serve the City of River Falls' best interest, to request additional information or clarifications from proposers, or to allow corrections of errors or omissions. At the discretion of the City of River Falls or the Audit Committee, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

The City of River Falls reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City of River Falls and the firm selected.

It is anticipated the selection of a firm will be completed by November 30, 2020. Following the notification of the selected firm it is expected a contract will be executed between both parties by December 15, 2020.

B. Term of Engagement

A three year contract plus a two year extension is contemplated, subject to the annual review and recommendation of the Audit Committee, the satisfactory negotiation of terms (including a price acceptable to both the City of River Falls and the selected firms), the concurrence of the City of River Falls City Council and the annual availability of an appropriation.

C. Subcontracting

Firms submitting proposals are encouraged to consider subcontracting portions of the engagement to small audit firms or audit firms owned and controlled by socially and economically disadvantaged individuals. If this is to be done, that fact, and the name of the proposed subcontracting firms, must be clearly identified in the proposal. Following the award of the audit contract, no additional subcontracting will be allowed without the express prior written consent of the City of River Falls.

II. NATURE OF SERVICES REQUIRED

A. General

The City of River Falls is soliciting the services of qualified firms of certified public accountants to audit its financial statements for the fiscal year ending December 31, 2020, 2021 and 2022 with the option to audit the City of River Falls' financial statements for each of the two 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

1. The combined financial statements shall be compiled by the Auditors from the City's computerized records. The Auditors will perform a financial and compliance audit to determine
 - a) whether the combined financial statements of the City present fairly the financial position and the results of financial operations in accordance with generally accepted accounting principals and
 - b) whether the City has complied with laws and regulations that may have a material effect upon the financial statements.
2. The Auditors will examine the City's internal accounting controls and accounting procedures and render written reports of their findings and recommendations to the Audit Committee.

3. The examination shall be made and reports rendered in accordance with generally accepted government auditing standards.
4. Prior to issuing their final reports, the Auditors will meet with representatives of the Finance department.
5. The Auditors may be consulted occasionally throughout the year as an information resource. The Auditors may be asked to provide guidance on implementation of GASB requirements and specifics of Federal and State regulations as they may affect local government accounting. Costs associated with occasional consulting should be included in the total price proposal.

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 the U.S. General Accounting Office's (GAO) Government Auditing Standards (GAS), the provisions of the Single Audit Act and the U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments and Non-Profit Organizations.

D. Reports to be issued

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

1. Independent auditors report (15 copies)
2. Management letter of comments and recommendations (15 copies)
3. Federal Awards supplemental information report with auditor's opinions, schedule of federal awards expenditures, comments and recommendations (15 copies) if required
4. Annual Tax Increment Reports (5 copies)
5. Tax Increment Audits (5 copies) if required

The auditor shall communicate in a letter to management any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Report all irregularities and illegal acts. Auditors shall be required to make an immediate, written report of all irregularities and illegal acts of which they become aware to the following parties:

Dan Toland, Mayor, City of River Falls
Diane Odeen, Comptroller, City of River Falls
Scot Simpson, City Administrator

Reporting to the audit committee. Auditors shall assure themselves that the City of River Falls' audit committee is informed of each of the following:

1. The auditor's responsibility under generally accepted auditing standards
 2. Significant accounting policies
 3. Management judgments and accounting estimates
 4. Significant audit adjustments
 5. Other information in documents containing audited financial statements
 6. Disagreements with management
 7. Management consultation with other accountants
 8. Major issues discussed with management prior to retention
 9. Difficulties encountered in performing the audit
- E. Special Considerations
1. A list of findings and other weaknesses from the City of River Falls' most recent financial statement audit are available upon request. Management believes that all matters have been or are being resolved.
- F. 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 following audit completion, unless the firm is notified in writing by the City of River Falls of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the following parties or their designees:

City of River Falls, Wisconsin
Wisconsin Department of Transportation
U.S. General Accounting Office (GAO)

Parties designated by the federal or state governments or by the City of River Falls as part of an audit quality review process

Auditors of entities of which the City of River Falls is a subrecipient 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.

III. DESCRIPTION OF THE GOVERNMENT

A. Name and Telephone Number of Contact Persons/Organizational Chart/Location of Offices

The auditor's principal contact with the City of River Falls will be Sam Hosszu, Senior Accountant, or a designated representative, who will coordinate the assistance to be provided by the City of River Falls to the auditor.

A list of key personnel with the location of their principal offices (Appendix A) is attached.

B. Background Information

The City of River Falls serves an area of 6.5 square miles with a population of 15,835. The City of River Falls' fiscal year begins on January 1 and ends on December 31.

The City of River Falls provides full services to its citizens. Services include police safety; fire safety; ambulance services (to be transitioned to a third party in the 4th quarter of 2020); community development; building and housing inspection; planning; engineering; public library; general administrative services; street and park maintenance; street lighting, stormwater; recreation; water, sewer and electric utilities; solid waste and taxi service.

The City of River Falls has a total payroll of \$8,702,000 covering 115 full-time, 54 part-time and casual, 0 seasonal and 9 temporary employees.

More detailed information on the government and its finances can be found in 2020 – 2021 Budget, 2019 Financial Statements and Audit Report, available on the City's website www.rfcity.org.

C. Fund Structure

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

<u>Number of Fund Type/Account Group</u>	<u>Number With Individual Funds</u>	<u>Legally Adopted Annual Budgets</u>
General Fund	1	1
Special Revenue Funds	24	24
Debt Service Funds	8	8
Capital Projects Funds	2	2
Enterprise Funds	5	5
Internal Service Funds	4	4
Tax Agency Fund	1	0

D. Budgetary Basis of Accounting

The City of River Falls prepares its budgets on a basis consistent with generally accepted accounting principles.

E. Federal and State Financial Assistance

During the fiscal year to be audited, the City of River Falls received the following financial assistance:

<u>Federal CFDAH</u>	<u>Program Name</u>
20.507	Urban Mass Transit Operating Grant
21.019	Routes to Recovery Reimbursement Grant (CARES Act)
93.438	HHS CARES Act Provider Relief Fund
16.554	National Criminal History Improvement Program
16.607	DOJ Bullet Proof Vest Grant Program
FTA 5339	Bus & Bus Facilities Capital Program Grant

F. Pension Plans

The City of River Falls participates in the following pension plan:

<u>Plan</u>	<u>Single-Employer</u>	
	<u>Defined Benefit</u>	<u>Defined Contrib.</u>
Wisconsin Retirement Plan		X

G. Component Units

The management of the City of River Falls identified the following component units for inclusion in the City of River Falls financial statements:

1. BUSINESS IMPROVEMENT DISTRICT

Improve vitality of River Falls Business Improvement District, to build communication, attract customers, and enhance the visual and functional qualities of the Business Improvement District.

Contact official:

Joleen Larson, President
502 E Elm Street
River Falls, WI 54022
(715) 425-7776

This component unit is to be audited as part of the audit of the City of River Falls' financial statements.

H. Joint Ventures

The City of River Falls participates in a joint venture with other regional municipalities to jointly operate the West Central Wisconsin Biosolids Facility for the treatment, storage, disposal, recycling and/or sale of biosolids.

I. Magnitude of Finance Operations

The finance department is headed by Sarah Karlsson, Finance Director and consists of 7 employees. The principal functions performed and the number of employees assigned to each is as follows:

<u>Function</u>	<u>Number of Employees</u>
Finance Director	1
Accountants	2
Account Clerks	4

J. Computer Systems

Hardware

<u>Type of Equipment</u>	<u>Number</u>	<u>Make of Equipment</u>
Desktop Computers/laptops	183	Dell, various
Servers	22	Various

Software

<u>Name</u>	<u>Vendor</u>	<u>Major Applications</u>
Munis	Tyler Technologies	Payroll, Accounts Payable, General Ledger, Asset Mgmt Accounts Receivable, Work Orders, Project Acctg, Inventory
TriTech	Records Mgmt System	Police Software
Clancy	Clancy Systems	Parking Tickets
TIPSS	Titan Public Safety	Municipal Court
Harris	Wisconsin Public Power	Utility Billing
Liberty	Liberty Recording Solutions	Police Software

K. Availability of Prior Audit Reports and Working Papers

Interested proposers who wish to review prior years' audit reports may obtain them from the City's website www.rfcity.org.

IV. TIME REQUIREMENTS

A. Proposal Calendar

The following is a list of key dates up to and including the date proposals are due to be submitted:

Request for proposal issued	09/30/2020
Due date for proposals	10/23/2020

B. Notification and Contract Dates

Selected firm notified	11/30/2020
Contract date	12/15/2020

C. Date Audit May Commence

The City of River Falls will have all records ready for audit and all management personnel available to meet with the firm's personnel as of 2/26/2021.

D. Schedule for the 2020 Fiscal Year Audit (A similar time schedule will be developed for audits of future fiscal years.)

Each of the following should be completed by the auditor no later than the dates indicated unless mutually agreed upon by the City and the auditor.

1. Detailed Audit Plan

The auditor shall provide City of River Falls by 1/1/2021 both a detailed audit plan and a list of all schedules to be prepared by the City of River Falls.

2. Fieldwork

The auditor shall complete all fieldwork by 3/15/2021 including adjusting entries.

3. Draft Reports

The auditor shall have drafts of the audit report and recommendations to management available for review by the Audit Committee and the chief financial officer by 5/31/2021.

E. Entrance Conferences, Progress Reporting and Exit Conferences (A similar time schedule will be developed for audits of future fiscal years.)

At a minimum, the following conferences should be held by the dates indicated on the schedule:

	<u>Week of</u>
Entrance conference with Finance Director	To be determined
Entrance conference with key finance Personnel and management - The purpose of this meeting will be to discuss prior audit problems and the interim work to be performed. This meeting will also be used to establish overall liaison for the audit and to make arrangements for work space and other needs of the auditor	To be determined
Commence audit work	To be determined
Exit conference with Finance Director and department heads of key offices or programs - The purpose of this meeting will be to summarize the results of the field work and to review significant findings.	To be determined

F. Date Final Report is Due

1. The auditor shall provide a draft report, all recommendations, revisions and suggestions for improvement to the Audit Committee by May 31, 2021. A final report, including 15 signed copies shall be delivered to the audit committee by June 30, 2021. Similar schedule is expected for all future years.

The City Staff and the Audit Committee will complete their review of the draft report as expeditiously as possible. It is not expected that this process should exceed two weeks. During that period, the auditor should be available for any meetings that may be necessary to discuss the audit reports.

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 auditing firm.

B. Statements and Schedules to be prepared by the Staff of the City of River Falls

The staff of City of River Falls will prepare or have available detailed year to date trial balances, balance sheets, statements of revenues, expenditures and changes in fund balances and other necessary schedules as determined by the City and the auditor prior to the audit.

C. Work Area

The City of River Falls will provide the auditor with reasonable work space, desks and chairs. The auditor will also be provided with internet access as well as access to the Munis Software programs.

D. Report Preparation

Report preparation, editing and printing shall be the responsibility of the auditor.

VI. PROPOSAL REQUIREMENTS

A. General Requirements

1. Inquiries

Inquiries concerning the request for proposals and the subject of the request for proposals must be made to:

Sam Hosszu, Senior Accountant
222 Lewis Street
River Falls, WI 54022
(715) 426-3430

CONTACT WITH PERSONNEL OF THE CITY OF RIVER FALLS
OTHER THAN THE ABOVE NAMED OFFICIAL REGARDING THIS
REQUEST FOR PROPOSALS MAY BE GROUNDS FOR
ELIMINATION FROM THE SELECTION PROCESS.

2. Submission of Proposals

The following material is required to be received by October 23, 2020 for a proposing firm to be considered:

a. A master copy (so marked) of a Technical Proposal and 4 copies to include the following:

i. Title Page

Title page showing the request for proposals subject; the firm's name; the name, address and telephone number of the contact person; and the date of the proposal.

ii. Table of Contents

iii. Transmittal Letter

A signed letter of transmittal briefly stating the proposer's understanding of the work to be done, the commitment to perform the work within the time period, a statement why the firm believes it to be best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for Fiscal Year 2020 - 2022.

iv. Detailed Proposal

The detailed proposal should follow the order set forth in Section VI B of this request for proposals.

- v. Executed copies of Proposer Guarantees and Proposer Warranties, attached to this request for proposal (Appendix B and Appendix C)

- b. The proposer shall submit an original and 4 copies of a dollar cost bid in a separate sealed envelope marked as follows:

SEALED DOLLAR COST BID
PROPOSAL
FOR
CITY OF RIVER FALLS
FOR
PROFESSIONAL AUDITING SERVICES
September 30, 2020

- c. Proposers should send the completed proposal consisting of the two separate envelopes to the following address:

Diane Odeen, Comptroller
City of River Falls Audit Committee
222 Lewis Street
River Falls, WI 54022

B. Technical Proposal

1. General Requirements

The purpose of the Technical Proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit of the City of River Falls in conformity with the requirements of this request for proposals. As such, the substance of proposals will carry more weight than their form or manner of presentation. The Technical Proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the request for proposals requirements.

THERE SHOULD BE NO DOLLAR UNITS OR TOTAL COSTS INCLUDED IN THE TECHNICAL PROPOSAL DOCUMENT.

The Technical Proposal should address all the points outlined in the request for proposals (excluding any cost information which should only be included in the sealed dollar cost bid). The Proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the request for proposals. While additional data may be presented, the following subjects,

items Nos. 2 through 10, must be included. They represent the criteria against which the proposal will be evaluated.

2. Independence

The firm should provide an affirmative statement that is independent of the City of River Falls as defined by [generally accepted auditing standards/the U.S. General Accounting Office's Government Auditing Standards (1988)]

The firm also should provide an affirmative statement that it is independent of all of the component units of the City of River Falls as defined by those same standards.

The firm should also list and describe the firm's (or proposed subcontractors') professional relationships involving the City of River Falls or any of its [agencies or component units/agencies, component units or oversight unit] for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

In addition, the firm shall give the City of River Falls written notice of any professional relationships entered into during the period of this agreement.

3. License to Practice in Wisconsin

An affirmative statement should be included that the firm and all assigned key professional staff are properly licensed to practice in Wisconsin.

4. Firm Qualifications and Experience

The proposer should describe how its service philosophy differs from other firms.

The proposer 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 nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis.

If the proposer is a joint venture or consortium, the qualifications of each firm comprising the joint venture or consortium should be separately identified and the firm that is to serve as the principal auditor should be noted, if applicable.

The firm is also required to 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 also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations.

5. Partner, Supervisory and Staff Qualifications and Experience

Identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement. Indicate whether each such person is registered or licensed to practice as a certified public accountant in Wisconsin. Provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit.

Provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. Describe the firm's audit staff turnover experience. Indicate how the quality of staff over the term of the agreement will be assured.

Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of the City of River Falls. However, in either case, the City of River Falls retains the right to approve or reject replacements.

Consultants and firm specialists mentioned in response to this request for proposal can only be changed with the express prior written permission of the City of River Falls, which retains the right to approve or reject replacements.

Other audit personnel may be changed at the discretion of the proposer provided that replacements have substantially the same or better qualifications or experience.

6. Prior Engagements with the City of River Falls

List separately all engagements within the last five years, ranked on the basis of total staff hours, for the City of River Falls by type of engagement (i.e., audit, management advisory services, other). Indicate the scope of work, date, engagement partners, total hours, the location of the firm's office from which the engagement was performed, and the name and telephone number of the principal client contact.

7. Similar Engagements with Other Government Entities

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum - 5) performed in the last five years that are similar to the engagement described in this request for proposal. These engagements should be ranked on the basis of total staff hours. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

8. Specific Audit Approach

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section II of this request for proposal. In developing the work plan, reference should be made to such sources of information as City of River Falls' budget and related materials, organizational charts, manuals and programs, and financial and other management information systems.

Proposers will be required to provide the following information on their audit approach:

- a. Proposed segmentation of the engagement
- b. Level of staff and number of hours to be assigned to each proposed segment of the engagement

NO DOLLARS SHOULD BE INCLUDED IN THE TECHNICAL PROPOSAL

- c. Sample size and the extent to which statistical sampling is to be used in the engagement
- d. Type and extent of analytical procedures to be used in the engagement
- e. Approach to be taken to gain and document an understanding of the City of River Falls' internal control structure
- f. Approach to be taken in determining laws and regulations that will be subject to audit test work
- h. Approach to be taken in drawing audit samples for purposes of tests of compliance

9. Identification of Anticipated Potential Audit Problems

The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from the City of River Falls.

10. Report Format

The proposal should include sample formats for required reports.

NO DOLLARS SHOULD BE INCLUDED IN THE TECHNICAL PROPOSAL

C. Sealed Dollar Cost Bid

1. Total All-Inclusive Maximum Price

The sealed dollar cost bid should contain all pricing information relative to performing the audit engagement as described in this request for proposal. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs including all out-of-pocket expenses.

The City of River Falls 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 the proposal.

The first page of the sealed dollar cost bid should include the following information:

- a. Name of Firm
- b. Certification that the person signing the proposal is entitled to represent the firm, empowered to submit the bid, and authorized to sign a contract with the City of River Falls.
- c. A Total All-Inclusive Maximum Price for the 2020 - 2022 audit engagement for all funds. A breakdown of costs per year is required.

2. Rates by Partner, Specialist, Supervisory and Staff Level Times Hours Anticipated for Each

The second page of the sealed dollar cost bid should include a schedule of professional fees and expenses, presented in the format provided in the attachment (Appendix D) that supports the total all-inclusive maximum price. The cost of special services described in Section I E of this request for

proposal should be disclosed as separate components of the total all-inclusive maximum price.

3. Out-of-pocket Expenses Included in the Total All-inclusive Maximum Price and Reimbursement Rates

Out-of-pocket expenses for firm personnel (e.g., travel, lodging and subsistence) will be reimbursed at the rates used by the City of River Falls for its employees. All expense reimbursements will be charged against the total all-inclusive maximum price submitted by the firm.

In addition, a statement must be included in the sealed dollar cost bid stating the firm will accept reimbursement for travel, lodging and subsistence at the prevailing City of River Falls rates for its employees.

4. Rates for Additional Professional Services

If it should become necessary for City of River Falls to request the auditor to render any additional services to either supplement the services requested in this RFP or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between City of River Falls and the firm. Any such additional work agreed to between City of River Falls and the firm shall be performed at the same rates set forth in the schedule of fees and expenses included in the sealed dollar cost bid.

5. Manner of Payment

Progress payments will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the firm's dollar cost bid proposal. Interim billing shall cover a period of not less than a calendar month. Ten percent (10%) will be withheld from each billing pending delivery of the firm's final reports.

VII. EVALUATION PROCEDURES

A. Audit Committee

Proposals submitted will be evaluated by a four member Audit Committee.

B. Review of Proposals

The Audit Committee will use a point formula during the review process to score proposals. Each member of the Audit Committee will first score each technical proposal by each of the criteria described in Section VII C below. The full Audit Committee will then convene to review and discuss these evaluations and to combine the individual scores to arrive at a composite technical score for each firm.

At this point, firms with an unacceptably low technical score will be eliminated from further consideration.

After the composite technical score for each firm has been established, the sealed dollar cost bid will be opened and additional points will be added to the technical score based on the price bid. The maximum score for price will be assigned to the firm offering the lowest total all-inclusive maximum price. Appropriate fractional scores will be assigned to other proposers.

The City of River Falls reserves the right to retain all proposals submitted and use any idea in a proposal regardless of whether that proposal is selected.

C. Evaluation Criteria

Proposals will be evaluated using three sets of criteria. Firms meeting the mandatory criteria will have their proposals evaluated and scored for both technical qualifications and price. The following represent the principal selection criteria which will be considered during the evaluation process.

1. Mandatory Elements

- a. The audit firm is independent and licensed to practice in Wisconsin
- b. The firm has no conflict of interest with regard to any other work performed by the firm for the City of River Falls
- c. The firm adheres to the instructions in this request for proposal on preparing and submitting the proposal
- d. The firm submits a copy of its last external quality control review report and the firm has a record of quality audit work.

2. Technical Quality: (Maximum Points -80)

- a. Expertise and Experience (maximum points -50)
 - (1) The firm's past experience and performance on comparable government engagements
 - (2) The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation
- b. Audit Approach (Maximum points -30)

- (1) Adequacy of proposed staffing plan for various segments of the engagement
- (2) Adequacy of sampling techniques
- (3) Adequacy of analytical procedures

3. Price: (Maximum Points -20)

COST WILL NOT BE THE PRIMARY FACTOR IN THE SELECTION OF AN AUDIT FIRM

D. Oral Presentations

During the evaluation process, the Audit Committee may, at its discretion, request any one or all firms to make oral presentations. Such presentations will provide firms with an opportunity to answer any questions the Audit Committee may have on a firm's proposal. Not all firms may be asked to make such oral presentations.

E. Final Selection

The River Falls City Council will select a firm based upon the recommendation of the Audit Committee.

It is anticipated that a firm will be selected by November 30, 2020. Following notification of the firm selected, it is expected a contract will be executed between both parties by December 15, 2020.

F. Right to Reject Proposals

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 River Falls and the firm selected.

The City of River Falls reserves the right without prejudice to reject any or all proposals.

APPENDICES

- A. List of Key Officials, Office Locations and Telephone Numbers
- B. Proposer Guarantees
- C. Proposer Warranties
- D. Format for Schedule of Professional Fees and Expenses to Support the Total All-inclusive Maximum Price

APPENDIX A

LIST OF KEY PERSONNEL, OFFICE LOCATIONS AND
TELEPHONE NUMBER

<u>Name and Title</u>	<u>Location of Office</u>	<u>Telephone</u>
Dan Toland Mayor	222 Lewis St, River Falls, WI	(715) 425-0900
Diane Odeen Comptroller	222 Lewis St, River Falls, WI	(715) 425-0900
Scot Simpson City Administrator	222 Lewis St, River Falls, WI	(715) 425-0900
Jason Stroud Assistant City Administrator	222 Lewis St, River Falls, WI	(715) 425-0900
Gordon Young Chief of Police	125 E Elm St, River Falls, WI	(715) 425-0909
Sarah Karlsson Finance Director	222 Lewis St, River Falls, WI	(715) 425-0900
Amy White City Clerk	222 Lewis St, River Falls, WI	(715) 425-0900
Amy Peterson Community Development Director	222 Lewis St, River Falls, WI	(715) 425-0900
Kevin Westhuis Utility Director	222 Lewis St, River Falls, WI	(715) 425-0906
Crystal Raleigh City Engineer	222 Lewis St, River Falls, WI	(715) 425-0900

APPENDIX B

PROPOSER GUARANTEES

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

Signature of Official: _____

Name (typed): _____

Title: _____

Firm: _____

Date: _____

APPENDIX C

PROPOSER WARRANTIES

- A. Proposer warrants that it is willing and able to comply with State of Wisconsin laws with respect to foreign (non-state of Wisconsin) corporations.
- B. Proposer warrants that it is willing and able to obtain an errors 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.
- C. Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the prior written permission of the City of River Falls.
- D. Proposer warrants that all information provided by it in connection with this proposal is true and accurate.

Signature of Official: _____

Name (typed): _____

Title: _____

Firm: _____

Date: _____

APPENDIX D

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Total All Inclusive Maximum Price

All-Inclusive Maximum Price by Report	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022
City Audit	\$ _____	\$ _____	\$ _____
Single Audit(if necessary)	\$ _____	\$ _____	\$ _____
Tax Increment Annual Report	\$ _____	\$ _____	\$ _____
Tax Increment Audit (if necessary)	\$ _____	\$ _____	\$ _____
Total	\$ _____	\$ _____	\$ _____

Note: The rate quoted should not be presented as a general percentage of the standard hourly rate or as a gross deduction from the total all-inclusive maximum price.