



**REQUEST FOR PROPOSALS FOR  
FINANCIAL AUDIT SERVICES**

**PROPOSALS DUE: No later than August 11, 2016, 2:00 PM EST in hard copy.  
Electronic submissions via e-mail or fax will NOT be accepted.**

Questions should be directed in writing to City of Anniston Finance Department,  
via e-mail to:

[csalley@anniston.al.gov](mailto:csalley@anniston.al.gov)

**Submit Proposals to:  
City of Anniston  
Purchasing Division  
1128 Gurnee Ave  
Anniston, AL 36201**

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## PROPOSAL LETTER

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**(FAILURE TO INCLUDE THIS SIGNED PROPOSAL LETTER AND PROPOSAL CERTIFICATION MAY RESULT IN THE REJECTION OF YOUR PROPOSAL.)**

We propose to furnish and deliver any and all of the deliverables and services named in the attached Request for Proposals for Financial Audit Services for the City of Anniston for which prices have been set. The price or prices offered herein shall apply for the period of time stated in the RFP.

It is understood and agreed that this proposal constitutes an offer, which when accepted in writing by Finance Department, City of Anniston, and subject to the terms and conditions of such acceptance, will constitute a valid and binding contract between the undersigned and the City of Anniston ("City").

It is understood and agreed that we have read the City's specifications shown or referenced in the RFP and that this proposal is made in accordance with the provisions of such specifications. By our written signature on this proposal, we guarantee and certify that all items included in this proposal meet or exceed any and all such City specifications described in this RFP. We further agree, if awarded a contract, to deliver goods and services which meet or exceed the specifications. The City reserves the right to reject any or all proposals, waive technicalities, and informalities, and to make an award in the best interest of the City.

It is understood and agreed that this proposal shall be valid and held open for a period of one hundred twenty (120) days from proposal opening date.

### PROPOSAL SIGNATURE AND CERTIFICATION

I certify that this proposal is made without prior understanding, agreement, or connection with any corporation, firm, or person submitting a proposal ("Offeror") for the same materials, supplies, equipment, or services and is in all respects fair and without collusion or fraud. I understand collusive bidding is a violation of state and federal law and can result in fines, prison sentences, and civil damage awards. I agree to abide by all conditions of the proposal and certify that I am authorized to sign this proposal for the Offeror.

Authorized Signature for Offeror \_\_\_\_\_

Date \_\_\_\_\_

Print/Type Name \_\_\_\_\_

Print/Type Offeror Name Here \_\_\_\_\_

## SCHEDULE OF EVENTS

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<u>EVENT</u>	<u>DATE</u>
RFP Issue Date .....	July 8, 2016
Deadline for Receipt of Written Questions .....	July 25, 2016 (2:00 PM)
Deadline for Posting of Written Answers to City’s Website .....	July 27, 2016
RFP Response Due Date .....	August 11, 2016 (2:00 pm)
RFP Opening – RFP Participants Declared .....	August 11, 2016 (2:30 pm)
Oral Presentations (if necessary).....	August 22 <sup>nd</sup> and 23 <sup>rd</sup> , 2016
Anticipated Award Date .....	September 2016

## PROJECT OVERVIEW

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In accordance with the Code of Alabama § 45-8A-23.069, the City of Anniston (The Client) requires an independent annual audit. The City is therefore issuing this Request for Proposals to establish a contract for the professional services of a qualified Certified Public Accountant (the “auditor”) for financial and compliance audits performed in accordance with generally accepted auditing standards (GAAS) as set forth by the American Institute of Certified Public Accountants, and performed in accordance with generally accepted government auditing standards (GAGAS) issued by the Comptroller General of the United States. The contract will be for an initial term of three (3) years with the automatic renewal annually for an additional seven (7) years not to exceed ten (10) years total. This Request for Proposals includes the same services on behalf of selected component or potential component units of the City, as described later in this request.

## SECTION 1: RFP INSTRUCTIONS

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### 1.1 Single Point of Contact

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From the date this Request for Proposals (the “RFP”) is issued until an Offeror is selected, **Offerors are not allowed to communicate with any staff (other than designee below) or elected officials of the City regarding this solicitation.** Any unauthorized contact may disqualify the Offeror from further consideration. Contact information for the single point of contact is as follows:

Single Point of Contact	Cory Salley
Address:	1128 Gurnee Ave Anniston, AL 36201
Telephone Number:	256-231-7780
E-mail Address:	<a href="mailto:csalley@anniston.al.gov">csalley@anniston.al.gov</a>

### 1.2 Required Review

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- 1.2.1 **Review RFP:** Offerors should carefully review this RFP in its entirety including all instructions, requirements, specifications, and terms/conditions and promptly notify the Single Point of Contact, identified above, in writing or via e-mail of any ambiguity, inconsistency, unduly restrictive specifications, or error that may be discovered upon examination of this RFP.
- 1.2.2 **Addenda:** The City of Anniston may revise this RFP by issuing an addendum prior to its opening. The addendum will be posted on the City’s Purchasing Division’s website alongside the posting of the RFP at <http://www.anniston.al.gov>. Addenda will become part of the proposal documents and subsequent contract. Offerors must sign and return any addendum with their RFP response. Failure to propose in accordance with an addendum may be cause for rejection. In unusual circumstances, the City of Anniston may postpone an opening in order to notify vendors and to give Offerors sufficient time to respond to the addendum.
- 1.2.3 **Form of Questions:** Offerors with questions or requiring clarification or interpretation of any section within this RFP must address these questions in writing or via e-mail to the Single Point of Contact referenced above on or before **July 25, 2016 at 2:00 PM**. Each question must provide clear reference to the section, page, and item in question. Questions received after the deadline may not be considered.
- 1.2.4 **The City of Anniston’s Answers:** The City of Anniston will provide by **July 27, 2016**, an official written answer to all questions received within the period stipulated under *Section 1.2.3*. The City of Anniston’s response will be by formal written addendum. Any other form of interpretation, correction, or change to this RFP will not be binding upon the City of Anniston. Any formal written addendum will be posted on the City’s Purchasing Division’s website alongside the posting of the RFP at

<http://www.anniston.al.gov> by the close of business on the date listed. Offerors must sign and return any addendum with their RFP response.

### 1.3 Pre-Proposal Conference

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There is no pre-proposal conference scheduled for this RFP.

### 1.4 Submitting a Sealed Proposal

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1.4.1 **Organization of Proposal:** Each proposal shall be prepared simply and economically, providing straight-forward, concise delineation of the Offeror's capabilities to satisfy the requirements of this RFP. Fancy bindings, colored displays, and promotional material are not required. Emphasis in each proposal shall be on completeness and clarity of content. To expedite the evaluation of proposals, it is essential that Offerors follow the format and instructions contained herein.

Proposals shall be submitted in two parts: Technical Proposal and Cost Proposal. Offerors must organize their proposals in the following format with tabs separating each section:

A. Technical Proposal

1. Proposal Letter – Offeror's authorized representative(s) shall complete and sign the Proposal Letter on page 4 of this RFP and return it with the proposal.
2. *Section 4, Offeror Qualifications/Services* – Offeror shall respond comprehensively and clearly to the requirements of *Section 4.2* and shall include all documents, information, exceptions, clarifications, etc., as requested therein. Number the responses so they are keyed to the paragraph of the RFP that the response addresses. If the Offeror cross-references supplemental materials as enclosures or appendices or annexes to the proposal, be sure that this information is numbered in the supplemental materials showing exactly what paragraph in the RFP the supplemental material is addressing.
3. Standard Forms – Offeror's authorized representative(s) shall complete the standard forms attached to the contract provided upon award.
4. Addenda – if any addenda have been issued, complete, sign and return Page 1, Addendum Acknowledgement (for each addenda issued) with proposal.
5. THE TECHNICAL PROPOSAL MUST NOT INCLUDE ANY COST FIGURES.

B. Cost Proposal

1. Cost Proposal Format – Offerors must present a Cost Proposal response as outlined in *Section 5*. The Cost Proposal format outlined in *Section 5* will be used as the primary representation of each Offeror's cost/price, and will be used extensively during proposal evaluations. Additional information should be included as necessary to explain in detail the Offeror's cost/price. Do not qualify the Cost Proposal with "If ..., then" statements. A qualified Cost Proposal may be rejected and not be further considered.

2. Proposal Price Certification - Offeror's authorized representative(s) shall complete and sign the Proposal Price Certification contained in *Section 4* and return it with the Cost Proposal.

1.4.2 **Failure to Comply with Instructions:** Offerors failing to comply with these instructions may be subject to scoring reductions. The City of Anniston may also choose not to evaluate, may deem non-responsive, and/or may disqualify from further consideration any proposals that do not follow this RFP format, are difficult to understand, are difficult to read, or are missing any requested information.

1.4.3 **Multiple Proposals:** Offerors may, at their option, submit multiple proposals, in which case each proposal shall be evaluated as a separate document. Multiple proposals must be submitted in separate envelopes and marked plainly to notify that each envelope contains a separate and single proposal response.

1.4.4 **Copies Required and Deadline for Receipt of Sealed Proposals:** All proposals must be received in sealed opaque packaging. Offerors must submit the following number of copies to the address set forth on the Cover Page:

A. Technical Proposal:

- i. One (1) unbound hard copy (3-ring binder OK) marked "Original" with original signatures; and
- ii. One (1) electronic copy. The electronic copy shall be submitted in pdf format (OCR) and organized in the same format as the original submission with each Chapter or Section of the original having a corresponding Electronic File.

B. Cost Proposal:

- i. One (1) hard copy marked "Original" with original signatures shall be submitted in a separate, sealed opaque envelope marked "Cost Proposal" with the Offeror's name, address, RFP #, RFP Name, and Due Date/Time. Additional Cost Proposal sheets shall not be included in proposal original or copies.

C. Proposals must be received sealed and at the Purchasing Office of the location noted on the Cover Page prior to **2:00 PM (EST), on August 11, 2016**. Facsimile or e-mail responses to requests for proposals are NOT accepted.

1.4.5 **Late Submissions, Withdrawals, and Corrections:**

A. **Late Proposal:** Regardless of cause, late proposals will not be accepted and will automatically be disqualified from further consideration. It shall be the Offeror's sole risk to assure delivery to the Purchasing Office by the designated time. Late proposals will not be opened and may be returned to the Offeror at the expense of the Offeror or destroyed if requested.

B. **Proposal Withdrawal:** An Offeror requesting to withdraw its proposal prior to the RFP due date and time may submit a letter to the Single Point of Contact requesting to withdraw. The letter must be on company letterhead and signed by an individual authorized to legally bind the firm.

- C. **Proposal Correction:** If an obvious clerical error is discovered after the proposal has been opened; the Offeror may submit a letter to the Single Point of Contact within two business days of opening, requesting that the error be corrected. The letter must be on company letterhead and signed by an individual authorized to legally bind the firm. The Offeror must present clear and convincing evidence that an unintentional error was made. The Single Point of Contact will review the correction request and a judgment will be made. Generally, modifications to opened proposals for reasons other than obvious clerical errors are not permitted.

## 1.5 Cost of Preparing a Proposal

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- 1.5.1 **Anniston Not Responsible for Preparation Costs:** The costs for developing and delivering responses to this RFP and any subsequent presentations of the proposal as requested by the City of Anniston are entirely the responsibility of the Offeror. The City of Anniston is not liable for any expense incurred by the Offeror in the preparation and presentation of its proposal.
- 1.5.2 **All Timely Submitted Materials Become Anniston's Property:** All materials submitted in response to this RFP become the property of the City of Anniston and are to be appended to any formal documentation, which would further define or expand any contractual relationship between the City of Anniston and Offeror resulting from this RFP process.

## SECTION 2: RFP RECEIPT AND EVALUATION PROCESS

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### 2.1. Authority

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This RFP is issued under the authority of the City of Anniston.

### 2.2. Receipt of Proposals and Public Inspection

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- 2.2.1 **Public Information:** During the opening of sealed proposals, only the name of each Offeror shall be announced. No other information will be disclosed nor shall the proposals be considered open record until after council award. All information received in response to this RFP, including copyrighted material, is deemed public information and will be made available for public viewing and copying shortly after the council award with the following four (4) exceptions: (1) bona fide trade secrets meeting confidentiality requirements that have been properly marked, separated, and documented; (2) matters involving individual safety as determined by the City of Anniston; (3) any company financial information requested by the City of Anniston to determine vendor responsibility, unless prior written consent has been given by the Offeror; and (4) other constitutional protections.
- 2.2.2 **Single Point of Contact's Review of Proposals:** Upon opening the sealed proposals received in response to this RFP, the Single Point of Contact in charge of the

solicitation will review the proposals and separate out any information that meets the referenced exceptions in *Section 2.2.1* above, providing the following conditions have been met:

- Confidential information is clearly marked and separated from the rest of the proposal;
- Proposal does not contain confidential material in the cost/price section; and
- An affidavit from an Offeror's legal counsel attesting to and explaining the validity of the trade secret claim is attached to each proposal containing trade secrets.

Information separated out under this process will be available for review only by the Single Point of Contact, the Evaluation Committee members, and limited other designees. Offerors must be prepared to pay all legal costs and fees associated with defending a claim for confidentiality in the event of a "right to know" (open records) request from another party.

## 2.3. Classification and Evaluation of Proposals

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- 2.3.1 **Initial Classification of Proposals as Responsive or Nonresponsive:** All proposals will initially be classified as either "responsive" or "nonresponsive". Proposals may be found nonresponsive at any time during the evaluation process or negotiations if: any of the required information is not provided; the submitted price is found to be excessive or inadequate as measured by criteria stated in the RFP; or the proposal is not within the plans and specifications described and required in the RFP. Proposals found nonresponsive may not be considered further.
- 2.3.2 **Determination of Responsibility:** The Single Point of Contact will determine whether an Offeror has met the standards of responsibility. Such a determination may be made at any time during the evaluation process and through negotiation if information surfaces that would result in a determination of non-responsibility. If an Offeror is found non-responsible, the determination must be in writing and made a part of the procurement file.
- 2.3.3 **Evaluation of Proposals:** The Evaluation Committee will evaluate the remaining proposals and recommend the highest-scored Offeror or, if necessary, to seek discussion/negotiation or a "best and final offer" in order to determine the highest-scored Offeror. Responsive proposals will be evaluated based on stated evaluation criteria (*Section 5*). In scoring against stated criteria, the Evaluation Committee may consider such factors as accepted industry standards and a comparative evaluation of all other qualified RFP responses in terms of differing price, quality, and contractual factors. These scorings will be used to determine the most advantageous offering.
- 2.3.4 **Completeness of Proposals:** Selection and award will be based on the Offeror's proposal and other items outlined in this RFP. Submitted responses may not include references to information located elsewhere, such as Internet websites or libraries, unless specifically requested. Information or materials presented by Offerors outside the formal response or subsequent discussion/negotiation or "best and final offer," if requested, will

not be considered, will have no bearing on any award, and may result in the Offeror being disqualified from further consideration.

- 2.3.5 **Opportunity for Discussion/Negotiation and/or Oral Presentation:** After receipt of all proposals and prior to the determination of the award, the City of Anniston may initiate discussions with one or more Offerors should clarification or negotiation be necessary. Offerors may also be required to make an oral presentation to clarify their RFP responses or to further define their offer. In either case, Offerors should be prepared to send qualified personnel to the City of Anniston to discuss technical and contractual aspects of their proposals. Oral presentations, if requested, shall be at the Offeror's expense.
- 2.3.6 **Best and Final Offer:** The "best and final offer" is an option available to the City of Anniston under the RFP process which permits the City of Anniston to request a "best and final offer" from one or more Offerors if additional information is required to make a final decision. The decision to seek "best and final offer" is at the sole discretion of the City. Offerors may be contacted asking that they submit their "best and final offer", which must include any and all discussed and/or negotiated changes.
- 2.3.7 **Negotiation:** Upon recommendation from the Evaluation Committee, the Single Point of Contact may begin negotiations with the responsive and responsible Offeror whose proposal achieves the highest scoring and is, therefore, the most advantageous to the City of Anniston. If negotiation is unsuccessful or the highest-scored Offeror fails to provide necessary documents or information in a timely manner, or fails to negotiate in good faith, the City of Anniston may terminate negotiations and begin negotiations with the next highest-scored Offeror.
- 2.3.8 **Contract Award:** Award, if any, will be made to the highest-scored Offeror who provides all required documents and successfully completes the negotiation process.

## 2.4. **Anniston's Rights Reserved**

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While the City of Anniston has every intention to make an award as a result of this RFP, issuance of the RFP in no way constitutes a commitment by the City of Anniston to award and execute a contract. Upon a determination such actions would be in its best interest, the City of Anniston, in its sole discretion, reserves the right to:

- Cancel or terminate this RFP at any time. A notice of cancellation will be issued on the Anniston website. If the RFP is cancelled, the City of Anniston will not reimburse any Offeror for the preparation of its proposal. Proposals may be returned upon request if unopened;
- Reject any or all proposals received in response to this RFP,
- Make a contract award, based directly on the proposals received, determined to be in the best interest of the City, in its sole discretion,
- Enter into further discussions with one or more Offerors;
- Waive and/or amend any undesirable, inconsequential, or inconsistent provisions/specifications of this RFP which would not have significant impact on any proposal;
- Not award if it is in the best interest of the City of Anniston; or
- Terminate any contract if the City of Anniston determines adequate funds are not available.

## SECTION 3: SCOPE OF PROJECT/SPECIFICATIONS

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### 3.1 Project Overview and Background

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#### City History

Anniston has a Council/Manager form of municipal government. The City Council consists of four council members elected from four wards and the Mayor, who is elected at large. This legislative body establishes policy to guide the various City departments in providing services to citizens. The City Manager is the chief executive officer of the City, directing and managing the daily activities of the City government.

The City of Anniston, Alabama was incorporated in 1883 and is located in northeast Alabama between Birmingham and Atlanta. The City has a population of 23,000 and employs approximately 390 persons full-time and approximately 30 on a part-time or temporary basis.

The City provides a full range of services to its citizens, including: police and fire protection, court system; detention facility; solid waste collection; the construction of highways, streets, and other infrastructure; parks, recreational and cultural programs and facilities; community information services; alcohol and business licenses ; and building inspection and code enforcement.

The city government is organized into the following nine (9) departments.

Office of the City Manager	Police	Planning and Development Services
Finance	Public Works	
Parks and Recreation	Economic Development	
Fire	Museum Operations	

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#### City Fund Structure

- **General Fund**
- **Special Revenue Funds** – Fire Tax, Anniston Museum of Natural History, Berman Museum, Longleaf Botanical Gardens, Corrections Fund, Federal Seized Assets, State Seized Assets, Alabama Trust Fund, Public Safety Grant, Bulletproof Vest Grant, Airport Fund, Gasoline, Seven Cent Gas, Industrial Development Authority, Downtown Development Authority, 2015 JAG Grant, 2014 JAG Grant, City Court, Special Drug Task Force, Drug Task Force Office, CDBG, HOME, and UDAG Revolving Loan.
- **Capital Projects Fund** – McClellan Compact Construction and Grants
- **Debt Service Fund**
- **Enterprise Funds** – Museum Store and Stormwater User Fee
- **Internal Service Funds** – Liability, Health Insurance, and Workers' Compensation
- **Fiduciary Funds** – Municipal Court and Police & Firefighter Pension Fund (separate audit)

The following component units are discretely presented in the reporting entity (responsible for their own audit):

- Anniston City Board of Education
- Public Library of Anniston and Calhoun County
- Anniston Museum Endowment Corporation
- Museum League

The following are blended component units in the reporting entity:

- Public Building Authority
- Downtown Development Authority
- Industrial Development Authority

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### **City Accounting System and Records**

The City's accounting records are maintained through Tyler Munis Financial Software. This governmental system is a fully integrated accounting system that includes purchasing, budgeting, cash receipts, payroll, and human resources. The City is reviewing proposals to add business licenses, garbage billing, and quarterly miscellaneous tax payments to the Munis system. Currently, these functions are all on separate systems.

The City's accounting records are maintained on the accrual or modified accrual basis, and the City records all payables and receivables at year-end. The City has some internal control procedures formally documented in writing, but primarily the City has narrative responding to an internal control questionnaire, which clearly states procedures.

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### **City Staff's Audit Participation**

In terms of performing the audit, the auditor's principal day-to-day contact with the City will be the Finance Director and City Accountant who will coordinate City staff's assistance to be provided to the auditor. The City of Anniston does not have an audit committee.

Following the format provided by the auditors, City staff will prepare confirmation letters to banks, paying agents, and grantors. City staff will prepare supporting detail schedules for General Ledger account balances. Staff will prepare reconciliations of Due To and Due From accounts and Inter-fund Transfer accounts among funds. City staff will pull and re-file any requested documents, including journal entries and accounts payable vouchers.

Adequate audit workspace will be provided in close proximity to accounting records. The auditors will have access to copier, telephone, and facsimile equipment. The auditors will be provided with copies of Tyler Munis reports, including Fund Trial Balances, Detailed General Ledger, and other reports as requested. Prior year audit reports and working papers, as well as management letters will be made available upon request.

## **3.2 Scope of Services**

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Proposals are requested for an examination and expression of opinion on the fair presentation of the basic financial statements in conformity with generally accepted accounting principles (GAAP). The examination must be performed in accordance with generally accepted auditing standards (GAAS) as set forth by the American Institute of Certified Public Accountants, and in accordance with Government Auditing Standards issued by the Comptroller General of the United States.

If a Single Audit is required as part of the annual audit, the audit shall also be performed in accordance with the Single Audit Act of 1984, the Single Audit Amendments of 1996, the 2 CFR 200, Office of

Management and Budget (OMB) Circular A-133, Audits of State and Local Governments, and Non-Profit Organizations and any other requirements that are specifically pertinent and mandated.

The audit must also meet the requirements of the applicable laws of the State of Alabama. The auditor will audit the financial statements of the governmental activities, the business –type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information and the respective changes in financial position and, where applicable, cash flows, thereof [and the respective budgetary comparison for each governmental fund] in conformity with the Governmental Accounting Standards Board as mandated by generally accepted auditing standards.

In addition, to determine whether the combining and individual non-major fund financial statements are fairly stated in all material aspects in relation to the basic financial statements taken as a whole.

The following Required Supplementary Information (RSI) will be subjected to certain limited procedures but will not be audited:

- Management’s Discussion and Analysis (MD&A).
- Schedule of Funding Progress – Retirement Plan.
- Statistical Section.
- Budgetary comparisons for the General Fund.

Supplementary information other than RSI also accompanies the basic financial statements. The following supplementary information will be subjected to the auditing procedures applied in the audit of the basic financial statements and the auditor will provide an opinion on it in relation to the basic financial statements:

- Schedule of expenditures of federal awards.
- Combining and individual fund statements.

The following additional information accompanying the basic financial statements will not be subjected to the auditing procedures applied in the audit of the basic financial statements, and no opinion will be expressed on them:

- Introductory section.
- Statistical section.

Each discretely presented component unit is responsible for obtaining their own audit.

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### **Preparation of Financial Statements**

Currently, the City does not issue a Comprehensive Annual Financial Report (CAFR) prepared in accordance with generally accepted government accounting principles and all applicable federal and state requirements. However, that is something it would like to do beginning with the FY2016 audit. The selected offeror will be expected to provide guidance and assistance with the submittal of the CAFR to the Government Finance Officers Association (GFOA)

City Finance Department staff will provide adjusted trial balances for all funds. The auditors will format the information into a working trial balance based on management's chart of accounts to prepare the trial balance for use during the audit.

The auditors will prepare the draft financial statements, schedule of expenditures of federal awards, and related notes. Management will be responsible for making all management decisions and performing all management functions related to the financial statements, schedule of expenditures of federal awards, and related notes, and will approve and accept responsibility for them prior to their issuance.

City Finance Department staff will prepare the Introductory Section and Management Discussion and Analysis of the report and provide the statistical information for the preparation of the Statistical Section of the report for inclusion in the CAFR.

Throughout the contract period, the auditor shall advise the City on implementation of new accounting standards as promulgated by authoritative bodies. The auditor shall also give advice to the City on specialized accounting questions that may arise. The City acknowledges its responsibility for the reliability, accuracy, and completeness of all financial preparations.

The preparation of financial statements for the blended component units is similar as to what is required by the City of Anniston.

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### **Required Audit Reports**

The City will require the following reports for each year of the audit contract:

- A. A report on the fair presentation of the basic financial statements in the audit report (or CAFR).
- B. A report on the Schedule of Federal Financial Assistance, and all reports on compliance and internal control necessary to meet the Single Audit Act Amendments of 1996, 2 CFR 200 and OMB Circular A-133. A report on State Statutory Grants, if applicable.
- C. A report on compliance and on internal controls over financial reporting based on an audit of financial statements performed in accordance with government auditing standards.

Recommendations for improving the City's accounting procedures, internal accounting controls, and related areas should be developed by the auditor during the course of the examination. Areas in need of improvement should be communicated regularly. In conjunction with the issuance of the CAFR and audit report, the findings and recommendations for improvement should be summarized in a draft report (Management Letter). The draft is to be delivered to the Finance Director for review and a work plan will be prepared to address the recommendations.

Following the review, the auditors may be required to participate in a conference with the Finance Director to discuss the management letter and the work plan drafts. Also, the auditors may be required to present the management letter to the City Council in a regularly scheduled meeting or work session.

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## Required Audit Time Schedule

Please note that work under this proposed contract will be effective for Fiscal Year Ending September 30, 2016.

Anniston's fiscal year runs from October 1 through September 30. For each fiscal year, the audit is to be scheduled so that the CAFR is issued prior to March 31, with goal date being March 15<sup>th</sup>. All funds will be closed and ready for audit by the end of the first week of January of each year, with an adjusted trial balance available at that time.

Following the signing of the audit contract, a pre-audit conference will be held by the selected firm and the City finance staff. At this time a detailed schedule for the FY 2016 audit will be developed. A similar conference will be held each year of the contract. The City reserves the right to specify the order in which Funds are to be audited each year. Proposed bond issues or other events may require that a particular fund be given priority.

In April of each year the audit firm must provide the City with an estimated breakdown by service of audit costs for the following fiscal year, for budgetary purposes.

When the audit is billed, the actual breakdown by service must be provided. Audit costs shall be billed after service is provided and will be paid within 30 days of receipt of invoice. Audit working papers are to be retained for at least five years and are to be made available for examination by authorized representatives of the City of Anniston and other governmental agencies. Working papers are also to be available for review by successor auditors, and the audit firm shall respond to reasonable inquiries from a successor firm.

The selected auditing firm shall prepare draft financial statements, notes and all required supplementary schedules, with the exception of the transmittal letter, Management Discussion & Analysis, and statistical data by February 5. The Finance Director shall provide all recommendations, revisions and suggestions for improvement to the reports to the selected auditing firm by February 20. City will provide draft of Management Discussion & Analysis to selected auditing firm by February 20 for auditors review. A revised report, along with reviewed Management Discussion & Analysis, shall be delivered to the City by February 28.

The City will complete the review of the City's final 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 and shall provide any additional work paper support for any financial statements in the report, which will include government-wide conversion worksheets. Once all issues for discussion are resolved, the final signed report shall be delivered to the City of Anniston within five working days. It is anticipated that this process will be completed and the final report delivered to the City by March 15<sup>th</sup>.

The selected firm will be responsible for printing and binding the final report. The City will need five (5) hard copies and a PDF copy.

The City of Anniston will submit required reports to the State of Alabama and to the Government Finance Officers Association for the Certificate of Achievement for Excellence in Financial Reporting program.

The City of Anniston will also prepare and submit all Continuing Disclosure requirements for any bond issues requiring such disclosure.

Audit time schedule for component units should be developed with the goal to submit required tax reports in a timely matter.

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### **Audit Objectives**

The audits shall be designed to accomplish the following objectives:

- A. To determine whether the general purpose financial statements present fairly the financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information , and the changes in financial position and cash flows, where applicable, in conformity with generally accepted accounting principles.
- B. To determine whether the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements taken as a whole.
- C. To obtain an understanding of internal control over financial reporting sufficient to plan the audit by performing procedures to understand both the design of controls relevant to an audit of financial statements and whether they have been placed in operation, and assess control risk, in accordance with the American Institute of Certified Public Accountants Statement on Auditing Standards (SAS) Number 55, Consideration of Internal Control in a Financial Statement Audit, as amended by SAS Number 78, Consideration of Internal Control in a Financial Statement Audit: An Amendment to SAS No. 55; and SAS No. 94, The Effect of Information Technology on the Auditor's Consideration of Internal Control in a Financial Statement Audit.
- D. To provide reasonable assurance that the financial statements are free of material misstatements resulting from violations of laws and regulations that have a direct and material effect on the determination of financial statement amounts in accordance with SAS Number 54, Illegal Acts by Clients, as described in SAS Number 74, Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance, and to provide reasonable assurance about whether the financial statements are free of material misstatements (whether caused by error or fraud), as described in SAS Number 99, Consideration of Fraud in a Financial Statement Audit (as amended by SAS Nos. 82, 96 and 98). The Codification of Statements on Auditing Standards, Section AU 317 requires the auditor to consider laws and regulations that are generally recognized by auditors to have a direct and material effect on the determination of financial statement amounts. The auditor's responsibility to detect and report misstatements resulting from illegal acts having a direct and material effect on the determination of financial statement amounts is the same as that for misstatements caused by error or fraud. In addition, the auditor should be aware of the possibility that illegal acts that may, in particular circumstances, be regarded as having

material but indirect effects on financial statements may have occurred. If specific information comes to the auditor's attention that provides evidence concerning the existence of possible illegal acts that could have a material indirect effect on the financial statements, the auditor should apply audit procedures specifically directed to ascertaining whether an illegal act has occurred.

- E. To provide reasonable assurance of detecting material misstatements resulting from violations of provisions of contracts or grant agreements that have a direct and material effect on the determination of financial statement amounts or other financial data significant to audit objectives. If specific information comes to the auditors' attention that provides evidence concerning the existence of possible violations of provisions of contracts or grant agreements that could have a material indirect effect on the financial statement amounts or other financial data significant to the audit objectives, auditors should apply audit procedures specifically directed to ascertaining whether violations of provisions of contracts or grant agreements have occurred or are likely to have occurred. In addition, auditors should be alert to situations or transactions that could be indicative of abuse, and if indications of abuse exist that could significantly affect the financial statement amounts or other financial data, auditors should apply audit procedures specifically directed to ascertain whether abuse has occurred and the effect on the financial statement amounts or other financial data.
- F. To consider the results of previous audits and attestation engagements and follow up on known significant findings and recommendations that directly relate to the objectives of the audit being undertaken.
- G. To ensure that audit documentation related to planning, conducting, and reporting on the audit contains sufficient information to enable an experienced auditor who has had no previous connection with the audit to ascertain that sufficient evidence supporting the auditors' significant judgments and conclusions was examined. The audit documentation should contain support for findings, conclusions, and recommendations before auditors issue their report.
- H. To determine whether the government entity complied with laws, regulations, and the provisions of contracts or grant agreements pertaining to federal awards that have a direct and material effect on each major program. With regard to internal control over compliance, the auditor is required to do the following (in addition to the requirements of Government Auditing Standards): (1) perform procedures to obtain an understanding of internal control over federal programs that is sufficient to plan the audit to support a low assessed level of control risk for major programs, (2) plan the testing of internal control over major programs to support a low assessed level of control risk for the assertions relevant to the compliance requirements for each major program, and (3) perform tests of internal control (unless the internal control is likely to be ineffective in preventing or detecting noncompliance).

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#### **Detailed Services Required: Reporting Requirements**

- A. The auditor will prepare the required audit reports including those required by Government Auditing Standards and Office of Management and Budget Circular A-133, the 2 CFR 200, and the Official Code of Georgia Annotated at the completion of the audit.

- B. Standard report on the financial statements for government entity and its component units. Reference should be made that the audit was conducted in accordance with generally accepted government auditing standards. Auditors should include in their report on the financial statements either (1) description of the scope of the auditors' testing of internal control over financial reports and compliance with laws, regulations and provisions of contracts or grant agreements and the results of those tests or (2) reference to the separate report(s) containing this information and state that the separate report is an integral part of the audit and should be considered in assessing the results of the audit.
- C. Reference: Audit in Accordance with Government Auditing Standards Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards. The report should describe the scope of the auditor's testing of compliance with laws and regulations and present the results of those tests. The report should also describe the scope of the auditor's testing of internal control and present the results of those tests. Also separate identification and written communication of all reportable conditions, including those reportable conditions that are individually or cumulatively material weaknesses, is required. As stated in paragraph 5.12 of Government Auditing Standards, "auditors should report, as applicable to the objectives of the audit (1) deficiencies in internal control considered to be reportable conditions as defined in AICPA standards, (2) all instances of fraud and illegal acts unless clearly inconsequential, and (3) significant violations of provisions of contracts or grant agreements and abuse".
- D. Reference: Report on Internal Controls for Audit in Accordance with Generally Accepted Auditing Standards. A report on reportable conditions is required in accordance with the American Institute of Certified Public Accountants' Codification of Statements on Auditing Standards, Section AU 325.
- E. Single Audit: Reference Audit in Accordance with Government Auditing Standards. Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133 and the 2 CFR 200. The auditor is required to express an opinion on whether the government entity complied with laws, regulations, and with the provisions of contracts or grant agreements which could have a direct and material effect on each major program and, where applicable, refer to a separate schedule of findings and questioned costs. The report on internal control over major programs should describe the scope of testing internal control and the results of the tests, and, where applicable, refer to a separate schedule of findings and questioned costs.
- F. Single Audit: In accordance with OMB Circular A-133 and 2 CFR 200, the auditor's report(s) may be in the form of either combined or separate reports. The auditor's report(s) shall include an opinion as to whether the financial statements are presented fairly in all material respects in conformity with generally accepted accounting principles and an opinion as to whether the schedule of expenditures of federal awards is presented fairly in all material respects in relation to the financial statements taken as a whole. Auditors should follow the guidelines contained in the American Institute of Certified Public Accountants' Audit Guide: Audits of States, Local Governments, and Not-for-Profit Organizations Receiving Federal Awards (Chapter 10 contains guidance on auditor reporting requirements and other communication considerations).
- G. Single Audit: In accordance with OMB Circular A-133 and 2 CFR 200, a schedule of findings and questioned costs is required and should include the following three components: (1) a summary of the auditor's results; (2) findings related to the financial statements which are required to be

reported in accordance with generally accepted government auditing standards; and (3) findings and questioned costs for federal awards.

- H. The City of Anniston would like to send its comprehensive annual financial report to the Government Finance Officers Association of the United States and Canada for review in its Certificate of Achievement for Excellence in Financial Reporting program. The auditor must possess a certain level of knowledge and experience in order to assist governments in achieving this reporting milestone. The City has received the Certificate of achievement for each of the previous 25 years.
- I. The City will require the auditor's to provide information relating to regulation changes that would affect the City and its operations, such as changes proposed by GASB, FASB, AICPA or GAO.
- J. The City will request the auditor's overall evaluation of the efficiency and adequacy of accounting procedures, assistance with the implementation of any new GASB statements and educational/training to staff on an as needed basis.
- K. The City will request the accounting firm to grant permission to use the Auditor's Opinion in the Official Statement of any future bond issues. In addition, the auditor shall be required, if requested by the City, fiscal advisor and/or underwriter, to issue a "consent and citation of expertise" as the auditor and any necessary "comfort letters". The City may request assistance in preparing official statements or other documents or disclosure related to sales of debt instruments for any future bond issues.
- L. A written Management Letter containing matters not included in the auditor's report on compliance and on internal control over financial reporting shall be prepared and presented to the government entity's Director at the conclusion of each audit. This letter shall address all exceptions in accounting practices, immaterial instances of noncompliance with laws and regulations, and deficiencies in the internal control that are not reportable conditions as defined in American Institute of Certified Public Accountants Codification of Statements on Auditing Standards, § AU 325. Such immaterial instances of noncompliance and deficiencies in internal control that are not reportable conditions should be referred to in the report on compliance and on internal control over financial reporting (see Government Auditing Standards, paragraphs (5.16 and 5.20). It is important to note that all audit findings required to be reported under OMB Circular A-133 must be included in the schedule of findings and questioned costs; a separate letter may not be used to communicate such matters to top management in lieu of reporting them as audit findings in accordance with OMB Circular A-133 and 2 CFR 200. The auditor must offer recommendations for appropriate corrective action for each item contained in the management letter.
- M. Any other reports required shall be submitted to the government entity upon request.
- N. At the conclusion of the engagement, the auditors will complete the appropriate sections of the Data Collection Form that summarizes the audit findings, and will coordinate with Finance staff the electronic submission and certification.
- O. The City may request the auditor's presence at the Mayor and Council presentation of the fiscal year financial information as presented in the City's Comprehensive Annual Financial Report.

- P. Specific timelines must be satisfied in order to meet required reporting dates established by State Statute and the Government Finance Officers Association certificate program. Auditors must be prepared to schedule sufficient time in order to assist client in meeting these specific timelines.
- Q. All working papers and reports must be retained, at the auditor's expense, for a minimum of five (5) years, unless the firm is notified in writing by the City of the need to extend the retention period. The auditor will be required to make working papers available, upon request by the City. In addition, the firm shall respond to the reasonable inquires of successor auditors and allow successor auditors to review working papers relating to matters on continuing accounting significance.
- R. A preliminary draft of all reports shall be submitted to the government entity prior to their release. The government entity will review and approve the release of all draft reports.

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### **Other Audit Provisions**

The City may, at any time during the contract period, make changes within the general scope of the contract and its technical provisions. If such change causes any increase or decrease in the audit firm's cost of performance, an adjustment will be made in contract price, or in time allowed for performance, or both, and a written memorandum of such adjustment shall be made. Any claim by the firm for such an adjustment must be made in writing and prior to proceeding with the service for which an adjustment is requested. Nothing in this clause shall excuse the firm from proceeding with performance of this contract in accordance with its original terms and conditions and any approved changes.

The City of Anniston Finance Department is constantly seeking better more efficient ways of implementing its policies and procedures. We are continually seeking ways to improve and it is important that Anniston's audit firm be prepared to actively participate in the improvement process. The City welcomes constructive suggestions, both during the audit and in the management letter.

Additional information about the City's accounting policies is contained in the Notes to Financial Statements in the CAFR.

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## **SECTION 4: OFFEROR QUALIFICATIONS/SERVICES**

### **4.1 City's Right to Investigate**

The City may make such investigations as deemed necessary to determine the ability of the offeror to provide the supplies and/or perform the services specified.

### **4.2 Offeror Experience/Qualifications**

In determining the capabilities of an offeror to perform the services specified herein, the following informational requirements must be met by the offeror. (Note: Each item must be thoroughly addressed. Offerors taking exception to any requirements listed in this section may be found non-responsive or be subject to ranking reductions.)

## **BASIC INFORMATION AND EXPERIENCE OF THE FIRM**

**Firm Experience:** Submittals should provide information about the firm and should address the qualifications and depth of experience of the firm in conducting governmental audits of cities of similar size, including Single Audits and CAFR preparation (please identify GASB-34 CAFR preparation experience).

- Name of Firm:
- Address of Firm Headquarters:
- Number of Employees:
- Firm: Total Government Audit Staff
- Founding Date:
- List audits performed for local governmental units in last three years. List name of government, specify fiscal year for which audit performed, whether CAFR prepared, whether GFOA certificate received, and whether Single Audit was performed.
  
- Does Your Firm Have a Local Office? If no, please provide the distance of the nearest location. If yes, please provide the following information.
- Local Office: Total Government Audit Staff
- Number of audits for local governmental units in which local office participated in the last three years:
- Number of these that were Single Audits:
- Number of CAFRs prepared for local governmental units by local office in last three years:
- Number of these which received GFOA Certificate of Achievement for Excellence in Financial Reporting.
- Attach an affirmation of proper licensing for public practice as a Certified Public Accountant in the State of Alabama.

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## **QUALITY CONTROL AND PEER REVIEW**

**Quality Control and Peer Review:** Submittals should address the firm's participation in quality-control programs, either AICPA-sponsored or comparable. Include the results of peer reviews during the past three years, and a description of any regulatory action taken by any oversight body against the firm and/or its staff in the last three years.

Describe your firm's participation in AICPA-sponsored or comparable quality control programs. Include results of peer reviews during the last three years.

Describe any regulatory action taken by any oversight body against the firm and/or any staff members in the last three years.

Describe any lawsuits in the last three years involving the firm's audit services.

Attach an affirmation that firm members meet the independence requirements of the GAO Auditing Standard.

Include a copy of your firm's most recent peer review report, the related letter of comments, and the firm's response to the letter of comments.

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### **QUALIFICATIONS OF STAFF ASSIGNED TO ANNISTON**

**Licensed and Independent:** It is mandatory that a proponent be properly licensed for public practice in the State of Alabama as a Certified Public Accountant, and that a proposer meets the independence requirements of the GAO Audit Standards.

**Resumes and Qualifications of Staff Assigned to City's Audit:** Identify the partner, manager, and in-charge accountant who will be assigned to our job if you are successful in your proposal, and provide biographies.

Name:

Title:

Position On Anniston Audit:

Degree(s):

Certification(s):

Added Training:

Years of Professional Experience:

Years With Your Firm:

Audits Performed/CAFRs Prepared For Local Governments In Last Three Years:

Responsibility On Each Engagement Listed:

Other Qualifications:

Please note that the City has requested information on each senior or higher level person to be assigned to the audit. If your firm is not yet ready to make an assignment, you should give information on current staff that may be assigned. At a time closer to the audit, replacements may be made, subject to approval by the Finance Director.

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### **CLIENT REFERENCES**

**References:** Offeror shall provide a minimum of three (3) references of previous and/or current governmental clients who the City may contact for a candid appraisal of the firm's services. The most effective references will come from entities, comparable in size to Anniston, for which your firm has provided services very similar to those Anniston is requesting. References should all preferably be within the last three (3) years.

At a minimum, the offeror shall provide the company name, the location where the services were provided, contact person(s), customer's telephone number, a complete description of the service type, and dates the services were provided. Indicate those governmental clients for whom you have prepared CAFRs and which of those CAFRs have received the GFOA Certificate of Achievement. These references may be contacted to verify offeror's ability to perform the services requested. The City reserves the right to use any information or additional references deemed necessary to establish the ability of the offeror to perform the conditions of this request. Negative references may be grounds for proposal disqualification.

Name of Client Government Service(s) Provided to Client (Audit/Single Audit/CAFR Prep)

Date(s) of Service:

Client Contact Person:

Telephone Number:

Attach a signed letter or statement authorizing the City to contact the listed clients.

Identify the five largest clients your firm (or office) has lost in the past three years and the reasons. Also, discuss in instances where loss of the client was due to an unresolved auditing or accounting matter and the process of attempting to resolve the issue(s).

### **APPROACH AND METHODOLOGY TO AUDIT**

Describe how your firm will approach the audit of the organization, including the use of any association or affiliate member firm personnel and the areas that will receive primary emphasis. Address the type of audit program, statistical sampling techniques, and analytical procedures that will be used. Discuss the proposed organization of the audit team and segmentation of the engagement, including estimated time to be spent on each segment by each level of staff. Use this section to address your firm's understanding of the City's objectives and requirements for the audit and CAFR preparation and explain how your audit approach would meet those objectives and requirements. Also, discuss the firm's use of technology in the audit. Finally, discuss the communication process used by the firm to discuss issues with the management and audit committees of the board. Provide a timeline of the work plan and methods to be used that will convincingly demonstrate to the City what the offeror intends to do, the timeframes necessary to accomplish the work, and how the work will be accomplished.

## **SECTION 5: SUBMITTALS**

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### **5.1 Technical Proposal**

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Each response to this RFP shall include the information described in this section. Failure to include all of the elements specified may be cause for rejection. Additional information may be provided, but should be **succinct** and **relevant** to the goals of this RFP. Excessive information will not be considered favorably. Document pages shall be 8-1/2 inches by 11 inches in size or folded to such a size. Be sure to follow and clearly mark each section of your proposal according to the sections below.

- A. Introduction (1 page)
- B. Basic Information and Experience of the Firm (5 pages)
- C. Quality Control and Peer Review (5 pages)
- D. Qualification of Staff Assigned to Anniston (10 pages)
- E. Client References (5 pages)
- F. Firm Approach and Methodology (5 pages)

The specific submittal requirements are outlined in Section 4.2 Offeror Experience/Qualifications. Page references listed above are maximums.

## 5.2 Cost Proposal

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Please submit a lump sum annual price for the Financial Audit Services. The price is inclusive of all costs including travel, training, materials, supplies, and other items necessary to complete the project. The Cost Proposal must be delivered in a separate, sealed opaque envelope marked "Cost Proposal" with the Offeror's name, address, RFP #, RFP Name, and Due Date/Time. It should be marked "Original" and have original signatures.

## SECTION 6: EVALUATIONS

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### 6.1 Initial Single Point of Contact Review

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All proposals received will be reviewed by the Single Point of Contact to ensure that all administrative requirements of the RFP package have been met, such as all documents requiring a signature have been signed and submitted. Failure to meet these requirements may be cause for rejection. All proposals that meet the administrative requirements will be turned over to the Evaluation Committee for further evaluation.

### 6.2 Evaluation Committee and Criteria

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The Evaluation Committee will review all proposals received and determine a scoring based on the information provided in Section 4 of this RFP.

Proposals will be evaluated and scored based upon the following categories:

A.	Technical Requirements	
	a. Firm's Experience	20 points
	b. Quality Control and Peer Review	15 points
	c. Staff Experience Assigned to Anniston	25 points
	d. Firm Approach and Methodology	10 points
	<u>Subtotal</u>	<u>70 points</u>
B.	Oral Presentation	10 points
C.	Price	20 points
	<u>TOTAL</u>	<u>100 points</u>

### 6.3 Oral Presentations

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In the City's discretion, short-listed Offerors will be required to give an oral presentation to the evaluation committee to demonstrate their understanding of the project and their ability to meet the specifications of the proposal. The presentations are **tentatively** scheduled for **August 22<sup>nd</sup> and 23<sup>rd</sup>, 2016**. The City reserves the right to change these dates. **It is the Offeror's responsibility to ensure the necessary personnel are available for the presentation.**

## SECTION 7: TERMS AND CONDITIONS

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The City of Anniston's Terms and Conditions are set forth below. Offerors should notify the City of Anniston of any Terms and Conditions that either preclude them from responding to the RFP or add unnecessary cost. This notification must be made by the deadline for receipt of written/e-mailed questions or with the Offeror's RFP response. Any requests for material, substantive, important exceptions to the standard terms and conditions will be addressed by formal written addendum issued by the Single Point of Contact. The City of Anniston reserves the right to address any non-material, minor, insubstantial exceptions to the terms and conditions with the highest-scored Offeror at the time of contract negotiation.

### 7.1 Additional Contract Provisions and Terms

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This RFP, including all RFP documents and any addenda, the Offeror's proposal, including any amendments, a best and final offer, any clarification question responses, and any negotiations shall be included as part of the contract upon award. In the event of a dispute as to the duties and responsibilities of the parties under the contract, the contract, along with any attachments prepared by the City of Anniston, will govern in the same order of precedence as listed in the contract.

### 7.2 Performance Prior to Contract Execution

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The successful Offeror shall not begin performance of the project prior to the execution of a formal written contract by the City of Anniston and the Offeror. Any Offeror beginning performance prior to the execution of the contract shall be deemed to be proceeding at the Offeror's risk, and shall not be entitled to any compensation for such performance. In addition, the City of Anniston reserves the right to withdraw or cancel the award of the proposal.

### 7.3 Contract Term

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The contract term for Financial Audit Services for the City of Anniston is for an initial term of three (3) years with the automatic renewal annually for an additional seven (7) years not to exceed ten (10) years total.

### 7.4 General Insurance Requirements

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The Contractor shall provide the City of Anniston with a certified copy of each of the policies or binders to the address listed under *Section 1.1* indicating the existence of the policies prior to the beginning of the contract term. In the event a binder is delivered, it shall be replaced within ten (10) days by a certified copy of the policy. Each policy shall contain a valid provision or endorsement that the policy may not be canceled without giving sixty (60) days written notice thereof to the City of Anniston representative named in the contract. A renewal policy or certificate shall be delivered to the City of Anniston at least thirty (30) days prior to the expiration date of each expiring policy. If at any time, any of the policies shall be or become unsatisfactory to the City of Anniston as to form or substance, or any of the carriers issuing such policies shall be or become unsatisfactory to the City of Anniston, the Contractor shall deliver to the City of Anniston representative upon demand a certified copy of any policy required herein for review. The Certificates of Insurance shall state that the City of Anniston is additionally insured.

▪ **Statutory Workers' Compensation Insurance:**

Employers Liability:

- Bodily Injury by Accident \$100,000 each accident
- Bodily Injury by Disease \$500,000 policy limit
- Bodily Injury by Disease \$100,000 each employee

▪ **Comprehensive General Liability Insurance:**

- (a) \$1,000,000 limit of liability per occurrence for bodily injury and property damage Owner's and Contractor's Protective
- (b) Blanket Contractual Liability
- (c) Blanket "X", "C", and "U"
- (d) Products/Completed Operations Insurance
- (e) Broad Form Property Damage
- (f) Personal Injury Coverage

▪ **Professional Liability Insurance:**

- (a) \$1,000,000 limit of liability for claims arising out of professional services caused by the Officer's errors, omissions, wrongful acts, or negligent acts.
- (b) Network Security/ Privacy Liability

▪ **Comprehensive Automobile Liability Insurance:**

- (a) \$1,000,000 limit of liability
- (b) Comprehensive form covering all owned, non-owned and hired vehicles

▪ **Excess Umbrella Liability Insurance:**

- (a) \$1,000,000 limit of liability
- (b) Coverage at least as broad as primary coverage as outlined under Items 1, 2 and 3 above

## 7.5 Compliance with Workers' Compensation Act

The Contractor is required to supply the City of Anniston with proof of compliance with the Workers' Compensation Act while performing work for the City of Roswell. Neither the Contractor nor its employees are employees of the City of Anniston. Proof of compliance must be received at the address listed under *Section 1.1* within acceptable time limits established by the contract. If the Contractor does not meet the State's requirement for workers' compensation coverage, the certificate of insurance shall state that the contractor waives subrogation in regard to workers' compensation.

## 7.6 Compliance with Laws

The Offeror must, in performance of work under the contract, fully comply with all applicable federal, state, or local laws, rules and regulations, including, but not limited to, the Civil Rights Act of 1964, the Age Discrimination Act of 1975, the Americans with Disabilities Act of 1990, and Section 504 of the Rehabilitation Act of 1973. Any subletting or subcontracting by the Offeror subjects subcontractors to the same provision. The Offeror agrees that the hiring of persons to perform the contract will be made on the basis of merit and qualifications and there will be no discrimination based upon race, color,

religion, creed, political ideas, sex, age, marital status, physical or mental disability, or national origin by the persons performing the contract.

## 7.7 Substitutions and Change Orders

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NO substitutions of material, schedule cancellations, or change orders are permitted after contract award without written approval by the City Manager. Where specific employees are proposed by the Offeror for the work, those employees shall perform the work as long as those employees work for the Contractor, either as employees or subcontractors, unless the City of Anniston agrees to a replacement. Requests for any substitution will be reviewed and may be approved by the City of Anniston at its sole discretion. Verbal agreements to the contrary will not be recognized.

## 7.8 Contract Termination

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The City of Anniston may, by written notice to the Offeror, terminate any resulting contract without cause. The City of Anniston must give notice of termination to the Offeror at least 30 days prior to the effective date of termination.

## 7.9 Invoicing and Payment

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The City of Anniston agrees to pay the Offeror in current funds for the performance of the contract subject to additions and deductions as provided in the General Conditions of the contract. Upon completion of work and acceptance of the items, the Offeror shall submit an invoice detailing the appropriate charges as currently allowed.

Invoices shall be submitted to:

City of Anniston  
Attn: Accounts Payable  
P.O. Box 2168  
Anniston, AL 36202

Upon receipt of invoice and inspection and acceptance of the project work, the City of Anniston will render payment. All such invoices will be paid within thirty (30) days by the City of Anniston unless any items thereon are questioned, in which event payment will be withheld pending verification of the amount claimed and the validity of the claim. The Offeror will provide complete cooperation during any such investigation.

**EXHIBIT A – RFP RESPONSE**

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RFP Financial Audit Services: Technical Proposal Sections A through F

**EXHIBIT B – REQUIRED STANDARD FORMS**

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Proposal Letter (page 3 of RFP)  
Addendums (if any)

**EXHIBIT C – COMPENSATION AND PAMENT FOR SERVICES (SEPARATE ENVELOPE)**

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Cost Proposal  
Price Proposal Certification

**Proposal Price Certification**

The undersigned offers and agrees that if this proposal is accepted by the Mayor and City Council within one hundred twenty (120) days of the date of proposal opening, that the undersigned will furnish any or all of the deliverables upon which prices are quoted, at the price set opposite each, to the designated point(s) within the time specified.

COMPANY \_\_\_\_\_

ADDRESS \_\_\_\_\_

AUTHORIZED SIGNATURES \_\_\_\_\_

PRINT / TYPE NAME \_\_\_\_\_