

Date _____

REQUEST FOR PROPOSALS (RFP)
RFP NUMBER _____

City of Baxter will receive proposals for examination services relating to the examination for the FY24, FY25, and FY26 years ending June 30, 2025, 2026, and 2027. Attached is information relating to minimum specifications of services, data to be included in the proposal, evaluation criteria, and selected information relating to the entity to be examined.

Note: The Annual Examination shall follow procedures issued by the Iowa Auditor of State and is not a full audit under GAAS or GAGAS standards.

Sealed proposals (_____ copies) will be accepted until 4:30 p.m., _____, 20__, at the office of the _____ in _____, Iowa. If mailed, the proposals should be mailed to:

Those submitting sealed proposals should indicate on the outside of the envelope in the lower left-hand corner that it is a sealed proposal for the RFP number indicated above and the name of the firm submitting the proposal.

The contract for services will be awarded by _____, 20__.

Further information may be obtained from _____ at (____)-____-____

NOTE: This form is available on the Auditor of State's website at <https://auditor.iowa.gov>. On the home page, navigate to FAQs/Request for Proposals (RFP).

I. SPECIFIC REQUIREMENTS

1. _____ reserves the right to reject any and all proposals received.
2. Only proposals received at the location described and in the time frame given will be considered.
3. The original and one copy of the enclosed contract should be completed and manually signed by a partner of the firm submitting the proposal.
4. The engagement must be conducted in accordance with the procedures prescribed by the Iowa Auditor of State for an Annual Examination under Iowa Code Section 11.6(1)(a).
5. The fees quoted in your proposal and included in the contract will be the maximum paid per hour and in total, unless an amendment to the contract is completed by both parties.
6. The Annual Examination report should include a management letter, if appropriate, which includes recommendations related to the financial statements, internal control, accounting systems, and compliance issues.
7. An electronic (PDF) copy of the report shall be provided to _____.
8. An electronic (PDF) of the report, including the management letter, a detailed per diem Annual Examination bill, and a copy of the news release shall be submitted to the Auditor of State at SubmitReports@aos.iowa.gov upon release of the reports to the entity.

II. DATA TO BE INCLUDED IN PROPOSAL

In order to simplify the review process and to obtain the maximum degree of comparability, the proposal should include the following items and be organized in the manner specified below.

A. Letter of Transmittal

A letter of transmittal briefly outlining the proposer's understanding of the work and general information regarding the firm and individuals to be involved is permitted, but not required, if it is limited to not more than two pages. If a transmittal letter is presented, it should clearly set forth the local address of the office of the firm which will perform the work, the telephone number and the name of the contact person.

B. Table of Contents

Include a table of contents which identifies the material by section, page number and a reference to the following information to be contained in the proposal. If a transmittal letter is not submitted, please include in the table of contents the local address of the office which will perform the work, the telephone number and the name of the contact person.

C. Profile of Firm Proposing

1. State whether the firm is a local, national or international firm and a brief description of the size of the firm.
2. State whether the firm is in compliance with the registration requirements to engage in the practice of public accounting within Iowa.
3. State whether the firm is independent of the entity to be examined.
4. Describe the local office which will perform the Annual Examination, including:
 - a. Location of the office.
 - b. Current size of the office.
 - c. Size of professional staff by level, such as partner, manager, supervisor, senior and other professional staff.
 - d. Number of CPA's in the office.
5. Submit any other information required to describe the office which will perform the work.

D. Qualifications

1. Describe the recent local office examination experience in similar types of examinations to which the proposal relates. If appropriate, include regional experience in examining similar types of entities. If desired, it is permissible to include your five largest clients who are not governmental clients.

II. DATA TO BE INCLUDED IN PROPOSAL

(Continued)

A. Qualifications (continued)

2. Include resumes of all key professional members who will be assigned to the examination. Resumes should be included for all members of the examination team from the examination partner through at least the on-site in-charge examination. The resumes should include:
 - a. The amount of experience the individual has had in the examination profession.
 - b. A summary of similar examinations on which the individual has worked.
 - c. A summary of the continuing professional education the individual has had in governmental accounting and examination during the last two years.
 - d. A statement as to whether the individual is independent of the entity, as defined by Government Auditing Standards.
3. Describe the firm's policy on notification of changes in key personnel.
4. Provide a listing of the number of professionals in the office who are experienced in governmental examinations.
5. Describe the availability of individuals within the firm who are primarily involved in governmental examinations and reporting and with whom the examination team may consult.
6. Describe briefly the firm's system of quality control to ensure the audit is adequately performed.
7. Has the firm been subject to disciplinary action or litigation related to financial audits or examination services in the last five (5) years.

E. Scope of Services and Proposed Schedule

Briefly describe your understanding of the scope of services to be provided. Indicate a proposed time schedule for completing the work, assuming the contract is issued on the date given in the cover letter. Include the approximate dates you would perform fieldwork, office review, and report preparation and the latest delivery date of the final report. Describe what deliverables the Firm will provide the City (e.g., reports, letters, training).

F. Fees and Compensation

Provide the following information:

1. Estimated total hours.
2. Estimated out-of-pocket expenses.
3. Hourly rate by staff classification.

4. All-inclusive maximum fee and out-of-pocket expenses, which will not be exceeded.
5. Frequency and timing of your billing process.

III. EVALUATION CRITERIA

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

1. Cost

Overall cost, including out-of-pocket expenses, for performance of the Annual Examination.

2. Qualifications

- a. Organizational structure and size of the firm.
- b. Organizational structure and size of the office which will perform the examination.
- c. Recent experience in similar examinations.
- d. Qualifications of the examination team.
- e. Individuals with whom the examination team can consult.
- f. Level of effort, understanding of work and timetable to complete the examination.

IV. ENTITY PROFILE

Suggested information to include:

(1) Administrative Information:

- Background information on the entity;
- Period to be examined;
- Term of contract engagement;
- Schedule of government funds by project or grant to be examined;
- Description and magnitude of the entity's accounting records;
- Description of the entity's computer system(s), if applicable;
- Name and telephone number of a contact person at the federal cognizant or oversight agency; and
- Availability of prior examined reports and working papers.

(2) Work and Reporting Requirements:

- Examination standards to be followed;
- Extent to which the entity would be required to assist the firm;
- Specific scope of examination work to be performed;
- Number and types of reports required;
- List of restrictions, such as copy services or work space;
- Exit conference requirements;
- Specific examination guides or programs to be followed; and
- Minimum examination requirements under applicable laws, such as Uniform Guidance, including the amendments thereto.

(3) Time Requirements:

- Date of contract award;
- Date records would be ready for examination;
- Dates for completing interim phases, such as fieldwork completion and draft report preparation;
- Date final report is due;
- Working paper retention requirements; and
- Working paper availability requirements for cognizant or oversight agency, when applicable.

AGREEMENT BETWEEN
THE CITY OF BAXTER, IOWA

AND

THIS AGREEMENT is made and entered into this ____ day of _____, 20__, by and between The City of Baxter, Iowa, a municipal corporation organized and existing under the law of the State of Iowa, (the “City”) and _____, hereinafter referred to as “CPA” and collectively referred to as the “Parties”.

WHEREAS, the City wishes to obtain the services of the CPA to perform a financial examination in accordance with Section 11.6 of the Code of Iowa for the fiscal year(s) ending June 30, 20__; and

WHEREAS, the CPA holds a license in good standing with the State of Iowa, and is equipped and staffed to perform the above examination; and

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

NOW, THEREFORE, BE IT UNDERSTOOD AND AGREED:

ARTICLE I
SCOPE OF SERVICES

The CPA shall perform that following accounting and financial services for the City.

1. CPA shall conduct a financial examination of the City’s accounts, funds, budget, and records for the period of ____ through _____. Such examination shall be conducted in accordance with Iowa Code Chapter 11 and rules set forth by the Iowa State Auditor, Government Auditing Standards, and any additional agreed-upon procedures approved by the Parties.
2. Prepare and submit a draft examination report for review by the City Council and prepare a management letter identifying internal control deficiencies, compliance issues, or other findings with recommendations for corrective action.
3. Immediately inform the Auditor of State and the County Attorney if the examination discloses any significant irregularity in the collection or disbursement of public fund and make available all working papers in accordance with Chapter 11 of the Iowa Code.

ARTICLE II CITY RESPONSIBILITIES.

The City shall provide CPA will access to all relevant financial records, documents, and staff necessary to perform the services outlined in Article I. The City shall designate a representative to coordinate and schedule with the CPA and shall timely respond to all inquiries and requests for information from the CPA.

ARTICLE III CONTRACT TERM AND COMPLETION

1. The CPA shall begin performing services on _____, and such services shall be completed no later than _____. The completion date may be extended upon the written consent of the Parties.
2. The City may elect to terminate this Agreement immediately upon written notice if Contractor:
 - a. Materially breaches any provision of this Agreement and fails to cure such breach within ten (10) calendar days after receiving written notice from the City;
 - b. Fails to maintain required licensure or insurance; or
 - c. Engages in fraud, misrepresentation, or gross negligence in the performance of the Services.
3. Upon termination, Contractor shall promptly deliver to the City all work papers, records, reports, and other materials related to the Services, whether complete or in progress.
4. Termination under this section shall be without prejudice to any other rights or remedies available to either party under this Agreement or applicable law.

ARTICLE IV COMPENSATION

The City shall pay CPA for services performed based on the hourly rate of _____. Invoices shall be submitted by CPA, to the City, outlining the fees for all services performed within thirty (30) days of the completion of the Agreement. City shall provide CPA with full payment of the invoice within thirty (30) days of receipt of such invoice.

The City shall reimburse CPA for all travel expenses, materials, and other expenses not exceeding _____. This amount may be amended upon the written approval of the Parties.

ARTICLE V INDEPENDENT CONTRACTOR

CPA is engaged as an independent contractor and not as an employee or agent of the City. CPA has no authority to bind the City to any third party agreement or obligation.

ARTICLE VI PROFESSIONAL STANDARDS AND LICENSING

CPA represents and warrants to the City that:

- A) CPA maintains in good standing a license as a Certified Public Accountant in the State of Iowa,
- B) That CPA will perform Services in accordance with professional accounting standards and all applicable laws,
- C) All personnel assigned to the Services are qualified and competent, and
- D) CPA maintains professional liability insurance in the amount of _____.

ARTICLE VII GOVERNING LAW

This Agreement shall be governed by the laws of the State of Iowa. Venue for any disputes shall lie exclusively in the District Court for Story County, Iowa.

ARTICLE VIII SEVERABILITY

If any provisions of this Agreement are declared invalid or unenforceable, the remainder of the Agreement shall continue in full force and effect.

ARTICLE IX ENTIRE AGREEMENT

This Agreement represents the entire understanding of the parties and supersedes all prior discussions or agreements, whether written or oral, regarding the subject matter hereof. This Agreement may only be amended in writing signed by both Parties.

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

CPA

City of Baxter, Iowa

By _____

By _____

Title _____

Title _____

Date _____

Date _____

EVALUATION CRITERIA AND TECHNIQUES FOR RESPONSES TO REQUESTS FOR PROPOSALS

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

Criteria: **COST**

Evaluation Value: 25 points

Evaluation Technique: For each firm evaluated

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

Criteria: **QUALIFICATIONS**

Evaluation Value: 75 points

Evaluation Technique: Subjective scoring for the following factors:

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

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