

Van Meter

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Request for Proposal (RFP) for Audit Services

**Issued by:
City of Van Meter**

For further information regarding this RFP, please contact
Jessica Drake at 515-996-2644 or jdrake@vanmeteria.gov.

Issue Date: August 13, 2024

REQUEST FOR PROPOSAL – AUDIT SERVICES

The City of Van Meter will receive proposals for audit services relating to the audit for the fiscal years beginning July 1, 2023 and ending June 30, 2024. 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 audited.

Sealed proposals will be accepted until 11:00 a.m., Tuesday, September 17, 2024, at the office of the City Clerk in Van Meter, Iowa. If mailed, the proposals should be mailed to:

City of Van Meter
310 Mill Street, PO BOX 160
Van Meter, IA 50261

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 audit RFP and the name of the firm submitting the proposal.

The contract for services will be awarded on October 14, 2024.

I. SPECIFIC REQUIREMENTS

1. The City of Van Meter 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 audit shall be performed in accordance with US generally accepted auditing standards, standards for financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and the Single Audit Act Amendment of 1996 and OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, when applicable.
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 audit report should conform to the Reporting formats specified by the Auditor of States office, AICPA Audit Guides and Governmental Accounting Standards Board reporting requirements.
Reporting formats specified by the Auditor of State's office.
AICPA Audit Guides.
7. The audit report should include a management letter, if appropriate, which includes recommendations related to financial statements, internal control, accounting systems, and compliance issues. Additionally, supplemental information showing all non-major funds with a column for each fund. This should be in the form of one report for all governmental funds and one for all proprietary funds.
8. Bound copies of the report, including the management letter, in a quantity sufficient to meet the needs of the City Council are required to be provided by the firm awarded the contract. In addition, the report must be available in electronic format.
9. Three bound copies of the report, including the management letter, a detailed per diem audit bill, and a copy of the news release shall be provided to the Auditor of State 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 to be performing 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 on the table of contents the local address of the office to be performing 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 audited in accordance with Government Auditing Standards.
4. Describe the local office from which the work is to be performed including location, size of office, size of professional staff by level (such as partner, manager and supervisor, senior and other professional staff), and # of CPAs in the office.
5. Submit any other information required to describe the office which will be performing the work.

D. Qualifications

1. Describe the recent local office auditing experience in similar types of audits to which the proposal relates. If appropriate, include regional experience in auditing similar types of entities. If desired, it is permissible to include your five largest clients that are not governmental clients.
2. Include resumes of all key professional members who will be assigned to the audit. Resumes should be included for all members of the audit team from the audit partner through at least the on-site in-charge accountant. The resumes should include:
 - a. The amount of experience the individual has had in the auditing profession.
 - b. A summary of similar audits on which the individual has worked.
 - c. A summary of the continuing professional education the individual has had in governmental accounting and auditing during the last two years.
 - d. A statement as to whether the individual is independent, as defined by Government Auditing Standards.
3. Describe the firm's policy on notification of changes in key personnel.
4. Provide a listing of or the number of professionals in the office who are experienced in governmental auditing.
5. Describe the availability of individuals within the firm who are primarily involved in governmental auditing and reporting and with whom the audit team may consult.
6. Describe briefly the firm's system of quality control to ensure that the audit is adequately performed.
7. Provide Certificate of Insurance demonstrating City of Van Meter minimum requirements are met (see exhibit A).

E. Scope of Services and Proposed Project 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 will be 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.

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 that your proposal be responsive to the data requested.

1. Cost - Overall cost, including out-of-pocket expenses for performance of the audit.
2. Qualifications
 - a. Organizational structure and size of the firm.
 - b. Organizational structure and size of the office performing the audit.
 - c. Recent experience in similar audits.
 - d. Qualifications of the audit team.
 - e. Individuals with whom the audit team can consult.
 - f. Understanding of work and timetable to complete the audit.

IV. ENTITY PROFILE

Suggested information to include:

- (1) Administrative Information:
 - Van Meter's population is 1,587 and is located in Dallas County. The City of Van Meter operations include: police, fire, library, recreation. The City also operates two utilities which include water and sanitary sewer.
 - Period to be audited: Fiscal Year 2024
 - City records are computerized using software purchased from gWorks in Nebraska.
 - Total actual revenues for fiscal year:
 - o 2019: \$ 2,742,789
 - o 2020: \$ 2,784,358
 - o 2021: \$ 2,607,556
 - o 2022: \$ 6,408,235
 - o 2023: \$ 5,456,131
 - Outstanding Debt as of 6/30/23: G.O. \$ 2,570,000
 - Two Tax Increment Finance Rebate Agreements
 - Most current audit: Fiscal Year 2023
- (2) Work, Reporting, and Time Requirements:
 - The City Clerk is available Monday – Thursday from 8:00 AM to 5:00 PM and will provide available information as requested

- The City has copies of all prior audits. Work papers will be provided to the selected firm.
- Number of reports required: 12, one for each council member, Mayor, Administrator, Clerk, and 4 for permanent file
- Exit conference required
- Contract award date is October 14, 2024
- Year-end documents will be available by July 15, 2024.
- Final report is due no later than December 15, 2024

**AGREEMENT FOR AUDIT SERVICES BETWEEN
CITY OF VAN METER AND _____**

THIS AGREEMENT made and entered into this 14TH day of October, 2024 by and between the City of VAN METER ("City") and _____, hereinafter called "CPA."

WHEREAS, the City wishes to obtain the services of the CPA to perform an audit in accordance with Section 11.6, Code of Iowa, for the fiscal year ending 6/30/24. Upon successful completion the City may consider extending the agreement to include FY25, FY26 and FY27.

WHEREAS, the CPA is equipped and staffed to perform the above audit; 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:

1. That the CPA will:
 - A. Provide auditors of various classifications and for the estimated hours as detailed in 2.A of this agreement.
 - B. Begin work on the audit as specifically agreed upon with the City.
 - C. Perform all work in accordance with U.S. generally accepted auditing standards, Government Auditing Standards, and applicable federal requirements.
 - D. Immediately inform the City, the Auditor of State, and County Attorney if the audit discloses any irregularity in the collection or disbursement of public funds.
 - E. Provide access to the working papers to any appropriate federal agencies for the period of time specified in relevant agreements entered into by the City.
 - F. Provide access to the working papers to the Auditor of State in accordance with Chapter 11 of the Code of Iowa.

2. Conditions of Payment:
 - A. It is understood that the fees for the services set forth above shall be reimbursed at the following hourly rates:

Staff		
Classification	Estimated Hours	Hourly Rate
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

- B. The CPA shall present an itemized invoice for services rendered.
- C. Payment shall be made within 30 days of receipt of invoice or after approval at a council meeting following receipt of the invoice.
- D. The total reimbursement shall not be for more than \$_____, except as specifically agreed by the City and the CPA.

3. Termination of Agreement:

- A. The City may terminate this contract without notice if the CPA fails to perform the covenants or agreements contained herein.
- B. The CPA shall be paid for all work satisfactorily performed to the date of termination.

IT WITNESS THEREOF, the City of Van Meter and CPA have executed this AGREEMENT as of the date indicated below:

CPA

City

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
 Cost Score = $\text{Lowest cost of all bids received} / \text{Bid cost for this Firm} \times 25$

Criteria: **QUALIFICATIONS**
 Evaluation Value: 75 points
 Evaluation Technique: Subjective scoring for the following factors:

Qualification Factor	Possible Points
1. Organizational structure and size of entire firm (resources available – personnel and research, existence of areas of specialization, commitment to governmental auditing, etc.)	(0-5)
2. Organizational structure and size of office performing the audit (resources available – personnel and research, existence of area of specialization, commitment to governmental auditing, etc.)	(0-5)
3. Recent experience in similar audits (involvement in local governmental audits – extensiveness, variety, length of time performing audits, etc.)	(0-15)
4. Qualifications of the audit team (level of experience as accountants, auditors, governmental auditors, variety of experience, % of time devoted to governmental audits, number of CPA's involved, training, etc.)	(0-25)
5. Individuals with whom the audit team can consult (level and variety of experience, number of CPA's, training, etc.)	(0-5)
6. Understanding of work and timetable to complete audit (number of hours, projected timetable, commentary showing understanding of entity and general knowledge of what is required, etc.)	(0-20)

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

Exhibit A
INSURANCE REQUIREMENTS

A. The Firm shall purchase and maintain such insurance as will protect the Firm from claims set forth below which may arise out of, or result from the Firm's operations under the agreement, whether such operation be by the Firm or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable. The insurance to be maintained by the Firm shall be written as follows:

1. Workers' Compensation and Employers Liability Insurance as prescribed by Iowa law or the minimum limits shown below;

- a. Iowa Benefits- Statutory
- b. Employers Liability Bodily Injury by Accident \$500,000 Each Accident
Bodily Injury by Disease \$500,000 Each Accident
Bodily Injury by Disease \$500,000 Each Employee

The Workers Compensation policy shall include a waiver of subrogation clause in favor of the owner.

2. Commercial General Liability Insurance combined single limits shown below covering Bodily Injury, Property Damage and Personal Injury;

General Aggregate Limit	\$2,000,000
Products-Completed Operations Aggregate Limit	\$2,000,000
Personal & Advertising Injury Limit	\$1,000,000
Each Occurrence Limit	\$1,000,000
Fire Damage Limit (for any one fire)	\$100,000
Medical Damage Limit (any one person)	\$5,000

This insurance must include the following features:

- a. Coverage for all premises and operations. The policy shall be endorsed to provide the aggregate Per Project Endorsement.
- b. Personal and Advertising Injury
- c. Operations by independent contractors,
- d. Contractual Liability coverage
- e. Coverage for property damage underground or damage by explosion or collapse (XCU).

3. Automobile Liability Insurance covering all owned, non-owned, hired and leased vehicles with a minimum combined single limit for Bodily Injury and Property Damage of \$1,000,000 per accident. Insurance must include Contractual Liability.

4. Umbrella/Excess Liability Insurance at Contractor's option, the limits specified may be satisfied with a combination of Primary and Umbrella/Excess Insurance.

5. Additional Insured: The Contractor will include the City as additional Insured on all policies except Workers' Compensation as respects all work performed.

6. Insurance Certificates: Each policy noted above shall be issued by an insurance company authorized to write such insurance in the State of Iowa and shall be reasonably acceptable to the City. These insurance policies shall not be cancelled without at least 30 days prior written notice to the City. A properly executed Certificate of Insurance showing evidence of these insurance requirements shall be delivered to the City prior to the permit being issued.

7. Government Immunity: The following clauses will be added to all liability coverages:

- a. The company and the insured expressly agree and state that the purchase of this policy of insurance by the insured does not waive any of the defenses of governmental immunity available to the insured under Iowa Code Section 670.4 as it now exists and as it may be amended from time to time.
- b. The company and the insured further agree that this policy of insurance shall cover only those claims not subject to the defense of governmental immunity under Iowa Code Section 670.4 as it now exists and as it may be amended from time to time.

8. Subrogation, To the extent that such insurance is in force and collectible and to the extent permitted by law, the City and Firm each hereby releases and waives all right of recovery against the other or anyone claiming through or under each of them by way of subrogation or otherwise. The forgoing release and waiver shall apply to damage to contractor's equipment, tools and other personal property as well as automobiles.

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**REQUEST FOR PROPOSAL – AUDIT SERVICES
ADDENDUM**

1. QUESTION DEADLINE: Questions pertaining to the RFP must be received by the City of Van Meter as follows:

Due Date: Tuesday, September 3, 2024

Time: No later than 11:00am

Deliver to: Jessica Drake

City Cleark

310 Mill Street

Van Meter, IA 50261

jdrake@vanmeteria.gov

Submission: Please submit electronically to jdrake@vanmeteria.gov.