



City of Oxford, Georgia

REQUEST FOR PROPOSAL – ANNUAL AUDIT SERVICES 5-YEAR TERM CONTRACT WITH OPTION TO RENEW

Issue Date: May 13, 2021

Issued By: City of Oxford
110 W. Clark Street
Oxford, GA 30054

Inquiries: Marcia Brooks
City Clerk/Treasurer
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Proposals Due: Monday, June 14, 2021 by 10 AM, EST

Bid Opening: Monday, June 14, 2021 at 10 AM, EST

The City of Oxford, Georgia

REQUEST FOR PROPOSAL – AUDIT SERVICES

INTRODUCTION

The **City of Oxford**, Georgia, located 35 miles east of Atlanta, on Interstate 20, invites proposals from qualified Certified Public Accounting firms, licensed in the State of Georgia, to provide Audit Services for the fiscal years ending June 30, 2021 through June 30, 2026 (FY2021-2025 audits), with the option to renew on a year-by-year basis for two additional years (FY2026 and FY2027 audits), with the approval of Council and the Bidder. The City employs 17 full-time employees providing a wide range of municipal services in the areas of general government, public safety, public works, and community development.

BACKGROUND

The City has contracted with Treadwell, Tamplin & Co. from Madison, Georgia, for Audit services for the past several years. The Audited Financials for the last several years are available for review on the City's website at www.oxfordgeorgia.org under the Government.

SPECIAL TERMS AND CONDITIONS

A. Instructions for Submitting Bids

TIME AND DATE DUE: Two (2) signed copies of the proposal must be received no later than 10:00 a.m., Monday, June 14, 2021, at which time they will be publicly opened. The proposal may be mailed to: City Oxford, City Manager's Office, 110 W. Clark Street, Oxford, Georgia 30054, or delivered in person to the same address.

The purpose of this *Request for Proposal* (RFP) is to permit the evaluation of services and pricing. All bids must be received in the City Manager's Office no later than 10:00 a.m. Monday, June 14, 2021 **Bids submitted after the 10:00 a.m. deadline will not be accepted.** Proposals should be submitted in two (2) original copies in a sealed envelope marked "**Audit Services Bid.**" Copies of the RFP may be picked up at the City Clerk's Office, 110 West Clark Street, Oxford, Georgia, or accessed at www.oxfordgeorgia.org Inquiries should be directed to Marcia Brooks, City Clerk/Treasurer (contact person) at 770-786-7004 or via e-mail at mbrooks@oxfordgeorgia.org.

Questions and comments must be received no later than close of business, Monday, June 7th. Bidders, their agents and associates shall not contact or solicit any City Councilmember, City employee (with the exception of the City Clerk to answer bid questions), or official regarding this RFP during any phase of this RFP. Failure to comply with this provision may result in

disqualification of the Bidder, at the option of the City. Only that individual listed as the contact person in the specifications shall be contacted.

B. Reserved Rights

The City reserves the right to accept or reject any and/or all proposals, to waive irregularities and technicalities, and to request resubmission. Any sole response received by the first submission date may or may not be rejected by the City, depending on available competition and timely needs of the City. The City reserves the right to award the contract to a responsible Bidder submitting a responsive proposal, with a resulting negotiated agreement which is most advantageous and in the best interests of the City. The City shall be the sole judge of the proposal, and the resulting negotiated agreement that is in its best interest and its decision shall be final. Also, the City reserves the right to make such investigation or to request clarifications, as it deems necessary, to determine the ability of any Bidder to perform the work or service requested. The Bidder shall provide information the City deems necessary to make this determination. Such information may include, but shall not be limited to, current financial statements prepared by an independent CPA; verification of availability of equipment and personnel; and past performance records including contact with references provided by the bidder.

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

C. Evaluation of Bids

Awarding of bid shall be based upon, but not limited to, the factors listed below (not necessarily in the order of their importance):

1. Price;
2. Experience with governmental audits, including audits in accordance with *Government Auditing Standards* and the Uniform Guidance;
3. Knowledge of governmental accounting and audit standards;
4. Understanding of Georgia law as it relates to city governments;
5. Ability of the bidder to fulfill contract and specifications;
6. Qualified/Certified personnel;
7. Value added services; and
8. Responsiveness to specifications and special terms and conditions set forth in this RFP.

D. General Conditions

Upon submission of a bid, the Bidder hereby certifies on behalf of his company or organization that:

1. This bid is genuine and not made in the interest of, or on behalf of, an undisclosed person, firm or corporation.
2. This bid is not submitted in conformity with any agreement or rules of any group, association, organization or corporation.
3. The Bidder has not directly or indirectly induced or solicited any other Bidder to submit a false or sham bid.
4. The Bidder has not solicited or induced any person, firm, or corporation to refrain from bidding.
5. The Bidder has not sought by collusion to obtain for itself any advantages over any other Bidder or over the City of Oxford.

E. Contract Award

Each proposal may be rated on various factors by a team of City employees. From those ratings, the top two or three firms will be selected and may be invited to make a presentation to the team. Once bid information is complete, a recommendation will be made to Council for bidder selection. The award is expected within twenty (20) days after submission to Council.

BIDDERS MUST COMPLY WITH THE FOLLOWING INSTRUCTIONS TO BE CONSIDERED FOR SELECTION

Bidders may make on-site inspections of any City office in connection with preparing proposals. The time and extent of such inspections shall be set and coordinated by the City Clerk/Treasurer.

PROPOSAL DELIVERY REQUIREMENTS

Proposals received after the stated time and date will not be considered. It shall be the sole responsibility of the Bidder to have their proposal delivered to the City of Oxford for receipt on or before the stated time and date. If proposals are sent via U.S. Mail, the Bidder shall be responsible for their timely delivery to the City of Oxford City Clerk's Office. Proposals delayed by the U.S. mail shall not be considered or opened at the public opening.

CLARIFICATION & ADDENDA

Each Bidder shall examine all RFP documents and shall judge all matters relating to the adequacy and accuracy of such documents. Any inquiries, suggestions or requests concerning interpretation, clarification or additional information pertaining to the RFP shall be made through the City Clerk/Treasurer. The City shall not be responsible for oral interpretations given by the City Clerk/Treasurer. The issuance of a written addendum is the only official method whereby interpretation, clarification or additional information can be given. If any addenda are issued to this RFP, the City will attempt to notify all prospective Bidders who have secured the same; however, it shall be the responsibility of each Bidder, prior to submitting their proposal, to contact the City of Oxford City Clerk's Office at 770-786-7004 to determine if addenda were issued.

LEGAL NAME

Proposals shall clearly indicate the legal name, address and telephone number of the Bidder (company, firm, partnership, individual). Proposals shall be signed above the typed or printed name and title of the signer. The signer shall have the authority to bind the Bidder to the submitted proposal.

PROPOSAL EXPENSES

All expenses for making proposals to the City are to be borne by the Bidder.

DISCLOSURE

Upon receipt, responses become "Public Records" and shall be subject to public disclosure consistent with Georgia Statutes (O.C.G.A. § 50-18-72(a)(10)).

APPLICABLE LAWS

The Bidder must be authorized to transact business in the State of Georgia. The Bidder must be licensed to practice as a Georgia certified public accounting firm. All applicable laws and regulations of the State of Georgia and ordinances and regulations of the City of Oxford will apply to any resulting agreement. Any involvement with any City procurement shall be in accordance with City Procurement Code Ordinances and Policies, as amended. Any actual or prospective Bidder who is aggrieved in connection with the solicitation or award of a contract may appeal the award decision by submitting a written protest to the Oxford City Clerk/Treasurer within five (5) business days of the date of the award notice.

CODE OF ETHICS

With respect to this proposal, if any Bidder violates or is a party to a violation of the State of Georgia per Georgia Statutes, Code of Ethics 45-10-1, such Bidder may be disqualified from performing the work described in this proposal or from furnishing the goods or services for which the proposal is submitted and shall be further disqualified from submitting any future proposals for work or for goods or services for the City of Oxford.

COLLUSION

By offering a submission to this RFP, the Bidder certifies the Bidder has not divulged, discussed or compared his proposal with other Bidders and has not colluded with any other Bidder or parties to this proposal whatsoever. In addition, Bidder certifies, and in the case of a joint proposal, each party thereto certifies, as to their own organization, that in connection with this proposal:

1. Any data submitted has been arrived at independently, without consultation, communication or agreement, for the purpose of restricting competition, as to any matter relating to such data, with any other Bidder or with any competitor;
2. No attempt has been made or will be made by the Bidder to induce any other person or firm to submit or not to submit a proposal for the purpose of restricting competition;
3. The only person or persons interested in this proposal as principal or principals is/are named therein and that no person other than therein mentioned has any interest in this proposal or in the contract to be entered into; and
4. No person or agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, except bona fide employees or established commercial agencies maintained by the Bidder for the purpose of doing business.

PROPOSAL TERM

The Proposal shall remain in effect for five (5) years, with the option to renew on a year-by-year basis for two (2) additional years, with the approval of both the City and the bidder.

EQUAL EMPLOYMENT OPPORTUNITY

The City of Oxford, in accordance with the provisions of Title VI of the Civil Rights Act of 1964 and the Regulations of the Department of Commerce (15 CFR, Part 8) issued pursuant

to such Act, hereby notifies all prospective Bidders that they will affirmatively ensure that in any contract entered into pursuant to this advertisement, minority business enterprises will be afforded full opportunity to participate in response to this advertisement and will not be discriminated against on the grounds of race, color, creed, sex, age or national origin in consideration for an award.

INSURANCE REQUIREMENTS

In regards to the successful bidder, prior to the signing of a contract and before starting any work on this project, and depending on the scope of services, the following insurance will be required at the time of contract:

The Bidder shall procure, maintain and require each joint vendor and/or sub vendor to procure and maintain, during the life of this project, the insurance coverage listed below. The policies of insurance shall be primary and written on forms acceptable to the City and placed with insurance carriers approved and licensed by the Insurance Department in the State of Georgia.

Professional Liability

Bidder shall purchase and maintain insurance for claims under workers' or workmen's compensation acts and other employee benefit acts, claims for damages because of bodily injury, including death, and from claims for damages, other than to work itself, to property which may arise out of or result from the Bidder's operation under this Contract, whether such operations be by himself or by any Sub-Contractor or anyone directly or indirectly employed by any of them. This insurance shall be written by a company or companies approved by the City of Oxford, and for not less than One Million Dollars, (\$1,000,000.00) of General Liability. The Bidder shall maintain such insurance for at least two (2) years from the termination of this project.

INDEMNIFICATION

The Bidder shall pay on behalf of or indemnify and hold harmless the City, its employees, officers, agents and volunteers from and against any and all claims, actions, damages, fees, fines, penalties, defense costs (including attorney fees and court costs, whether such fees and costs are incurred in negotiations, collection of attorneys' fees or at the trial level or on appeal), suits or liabilities which may arise out of any actual or alleged negligent act, error, omission, or default of the Bidder or (or Bidder's officers, employees, agents, volunteers and sub-contractors, if any) performance or failure to perform under the terms of this contract. This indemnification and hold harmless agreement shall survive the termination or expiration of this agreement.

Nature of Services Required

GENERAL

The City of Oxford is soliciting the services of qualified firms of certified public accountants to audit its financial statements for the fiscal years ending June 30, 2021, 2022, 2023, 2024, 2025, with the option to renew on a year-by-year basis for two (2) additional fiscal years. These audits are to be performed in accordance with the provisions contained in this RFP.

SCOPE OF WORK TO BE PERFORMED

The City desires the auditor to express an objective and unbiased opinion on the fair presentation of its general-purpose financial statements in conformity with generally accepted accounting principles (GAAP), generally accepted auditing standards in the United States, and generally accepted governmental auditing standards (GAGAS).

Services required include, but are not limited to:

- A. Scope of Audit - An audit of, and an auditor's report on, the City's financial statements in accordance with GAGAS as specified in the Georgia Code (OCGA Section 36-81-7, as amended) and other applicable laws, rules and guidelines (including special purpose sales tax requirements and the Uniform Guidance, if applicable). Additionally, the audit will also be performed in accordance with generally accepted auditing standards in the United States. Any adverse remarks from the State Department of Audits must be corrected by auditor. The audit firm will create the City's annual financial statements in accordance with GASB standards. The City will review and assume responsibility for those financial statements; the City may use an outside consultant to assist with the review of the financial statements. The City will prepare the management discussion and analysis and provide the same to the auditor for review. The audit firm will use appropriate safeguards to maintain its independence as required by GAGAS.
- B. Management Letter - The audit shall include a review of internal controls for the purpose of planning the audit. The audit firm will make recommendations for remediating any internal control weaknesses or compliance violations.
- C. MEAG Auditor's Questionnaire - Auditors are required to complete an auditor's questionnaire for the Municipal Electric Authority of Georgia each year. This questionnaire pertains to assessed valuations of property, tax digest and tax collections and uncollected taxes. This is separate from the Audit, but should be included in the proposal.
- D. Copies of Report - The auditor shall deliver two (2) copies of the audit report on 8½ x 11 paper appropriately bound, along with one (1) electronic version of the entire final report on CD, flash drive, or some other type of electronic media.

- E. Working Papers - All working papers will be retained for a least five years and be available for examination by the City and any appropriate federal or state agencies.

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance. The auditor shall also be responsible for performing certain limited procedures involving required supplementary information and audit procedures related to supplementary information (e.g., special purpose sales tax schedule) as mandated by generally accepted auditing standards in the United States.

AUDITING STANDARDS TO BE FOLLOWED

To meet the requirements of this RFP, the audit shall be performed in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and, if applicable, the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

PROFILE OF THE CITY

Financial Structure

- A. The City's records include the following funds. The City currently has four (4) major funds in addition to the General Fund and two (2) nonmajor funds.
 - 1. The General Fund (100) is the principal fund of the City and is used to account for all activities not included in other funds. The General Fund provides for the normal recurring activities of the City such as General Government, Public Safety, Streets & Right-of-Way Maintenance, and Parks and Recreation. All payroll and accounts payable activities for the City are contained in the General Fund.
 - 2. The Grant Fund (220) is used to account for grants received from state and federal sources. Monies paid from this fund must be accounted for separately in order to ensure transparency and fiscal responsibility. Monies received in this grant fund may be subject to single audit requirements.
 - 3. The Capital Project Fund (350) is used to account for resources segregated for acquisition or construction of major capital facilities and equipment with a life expectancy of at least one year and costing \$5,000 or more. The funding is through transfers from the General Fund.
 - 3. The Special Purpose Local Option Sales Tax Fund (322) are used to account for financial resources used for the acquisition or construction of major capital equipment or facilities that are legally restricted for specified purposes. Ending balances are carried over each year for budgeting/spending purposes.

4. The Electric Fund (510) is used to account for resources received to fund the operation, maintenance, and development of the City's electrical system.
5. The Water and Sewer Fund (505) is used to account for resources received to fund the operation, maintenance, and development of the City's water and sewer system.

Nonmajor Funds:

1. The Downtown Development Authority (DDA) (200). The Authority is appointed by the City's governing body and there is substantial financial dependency by the DDA upon the City for various financial transactions and is included in the City's request for proposal for auditing services. The DDA is a blended component unit.
 2. The Solid Waste Fund (540) is used to account for resources received to fund the operation and maintenance of the city's solid waste services.
- B. Basis of Accounting - The City uses the modified accrual basis of accounting for its governmental funds. Revenues are recorded when measurable and available to finance operations. Expenses are recorded as the liability is incurred. Appropriations are reflected in the general ledger. ***The auditors will be required to complete the GASB conversion required for the annual report.*** The accrual basis of accounting is used for all enterprise funds.
- C. Banking - The City uses one checking account for operating expenses and revenues along with several other checking accounts for specific purposes or as required by law to be separate. Other investments are made with the State of Georgia local government shared investment pool (Georgia Fund 1).
- D. Debt - The City of Oxford has an outstanding loan from the Georgia Environmental Finance Authority. At this time, the City does not anticipate any bond issuances during the period of this contract.
- E. Transaction Volume - The following estimates are provided to give proposing firms a picture of the volume of transactions reflected in the City's records.
- | | |
|---|-------|
| a. Number of Employees (includes part time) | 17 |
| b. Annual number of Payroll Checks | 956 |
| c. Number of Vendors | 760 |
| d. Annual Number of Accounts Payable Checks | 2,100 |
| e. Annual Number of Occupational Tax Certificates | 240 |
| f. Annual Number of Property Tax Transactions | 40 |
- F. Reference Material - Copies of all prior audits are available online at <https://www.oxfordgeorgia.org/financialreports.aspx>.

- G. Fiscal Year/Timing of Engagement - The City's Fiscal Year is from July 1 – June 30. The City Clerk/Treasurer will close the general ledger and complete all year-end adjustments by September 15th of each year, with electronic submission of all worksheets/files as completed. Additional supporting information will be supplied as necessary during field work. The timeline for completion of the Fiscal Year 2021 audit will be agreed to both parties in the initial executed contract. For Fiscal Year 2022 and each year thereafter, the selected audit firm must provide a client assistance checklist, by June 1st each year outlining all necessary information that the City will be expected to provide the auditor. All electronic worksheets required by the auditors should also be emailed to the City Clerk/Treasurer for completion at this time.

The first draft of the audit will be due to the City by December 1st of each year, with the final document due to the City by December 15th. The first draft must include all conversion worksheets and notes. No exceptions to this requirement will be tolerated. Failure to meet this deadline may result in cancellation of the contract in its entirety for non-compliance. December 31st is the deadline for final submission to the Georgia Department of Audits and Accounts and the Georgia Department of Community Affairs. Auditors may be required to appear before City Council to present the audit report and findings, if any.

ASSISTANCE AVAILABLE TO THE AUDIT FIRM

- A. Previous Auditor - The Fiscal Year 2020 audit was prepared by the firm of Treadwell, Tamplin & Co. in Madison, Georgia.
- B. City Staff - The City Clerk's Office staff (4 positions total) are available for limited assistance in the engagement, due to limited resources. The MD&A will be reviewed by the City Manager upon receipt of the 1st draft and submitted electronically to the auditors. Other supporting schedules, worksheets and analysis may be provided by City staff if the need for such data is known well enough in advance to avoid interference with the normal workload. The firm selected is encouraged to submit their electronic worksheets (by year-end) to the City Clerk/Treasurer for completion in order to avoid duplication of efforts. These electronic files would then be returned via secure electronic transmission to the auditors upon completion. Audit confirmations will be prepared by the audit firm and provided to the City in August of each year.
- C. Data Processing - The City's financial functions are maintained using a common municipal application. The system is backed up daily and is configured according to the application provider's best practices. Remote access can be provided using a secure web browser-based utility.
- D. Auditor work accommodations - The City will provide the auditor with reasonable work space, desks, and chairs. The auditors will be provided with access to a telephone and copy machine. Additionally, auditors will have inquiry access to our systems for verification/testing purposes during field work, in an effort to decrease time spent retrieving information for testing.

- E. City records - The City accrues payables at year-end and holds out the supporting invoices for the auditor's review. Bank accounts are reconciled on a monthly basis; year-end bank reconciliations are available for audit. All significant balance sheet accounts are reconciled to details at year-end; this supporting documentation will be available to the auditor. The general ledger can be provided as a searchable PDF document. All interfund and transfer accounts are reconciled at year-end; a summary of the year-end balances will be available to the audit firm. The City's June 30, 2020 depreciation schedule will be provided to the audit firm. The audit firm is expected maintain the depreciation schedule, including updating capital asset additions during the year and providing depreciation entries to the City.

PROFILE OF THE AUDIT FIRM

A. Qualifications:

1. The proposing firm must be properly licensed for public practice in Georgia as a certified public accountant and possess all skills, training, and qualifications. **Preference will be given to those firms who show specific current governmental auditing and GASB experience. The proposing firm must provide a copy of their most recently issued relevant licenses/certifications with issuing authority license/certification number, issue date, and expiration date clearly indicated. The firm must also provide a copy of their most recent peer review report. Firms with membership in the AICPA's Governmental Audit Quality Center should provide evidence of that membership.**
2. The proposing firms should indicate the personnel who would be assigned to this engagement, their role in Oxford's audit, and the qualifications of each member of the audit team. In addition, the proposing firm must state the size of the firm and the location of the office from which the audit work will be performed.
3. The firm must represent that neither the firm nor any employee to be involved in the engagement has a record of substandard audit work. Firms with *pass with deficiency* or *fail* peer review reports is evidence of substandard audit work.
4. The firm must represent that no employee who has been associated with the City of Oxford within the past five (5) years in either a contractual or employment relationship will be assigned to any work associated with any auditing activities for the duration of the contractual engagement.
5. The firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations.

6. Consultants or other firm specialists mentioned in response to this RFP can only be changed with the express prior written consent of the City of Oxford, which retains the right to approve or reject replacements.
7. Other audit personnel may be changed at the discretion of the Bidder provided the replacements have substantially the same or better qualifications or experience.

B. Experience

The proposal must include references from at least three (3) local government clients, who may be contacted for references. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact. These individuals may be contacted by the City to provide references. The proposal should include copies of the most recent deliverables provided to the clients listed as references.

BIDDER'S APPROACH TO THE EXAMINATION

The proposal must contain a work plan to accomplish the audit. The plan should include time estimates for each significant segment of the work and the staff to be assigned. Where possible, individual staff members should be identified, along with their qualifications. Any use of outside specialists should be specified. Commencement of field work prior to the close of the fiscal year, such as walkthroughs of internal controls, is encouraged. Council minutes will be electronically submitted to the auditors at the end of the year. If field work starts prior to year-end, the City will provide requested minutes through the commencement date.

Reminder: A first draft of the audit must be provided to the City Clerk's Office for review by December 1st of each year prior to production of the final document. No exceptions to this requirement will be tolerated! If this deadline is not met, the contract may be cancelled in its entirety by the City for non-compliance.

COMPENSATION

Compensation for auditing services shall be as follows:

As billed monthly through 50% of the contract amount, 75% upon presentation of first draft of the financial statements, 90% upon presentation of final report to the City and the remaining 10% paid on acceptance of the report by the Georgia Department of Audits and Accounts.

PROPOSAL FORMAT

All proposals must include the following:

- A. Title Page (including name & contact person)
- B. Table of Contents
- C. Letter of Transmittal
- D. Profile of Audit Firm
- F. Bidder's Approach to audit with expected time schedule.
- G. Total Cost of Services (in a sealed envelope separate from, but together with, the proposal)
- H. Completed Bidder Questionnaire (Attached)
- I. Copies of Final Deliverables provided to clients listed as references.
- J. Copy of most recent peer review report.
- K. Evidence of membership in AICPA's Audit Quality Center (only required if the firm is a member).

Bidder Questionnaire (return with proposal)
City of Oxford Audit Services

Firm Name: _____

Location: _____

Firm's number of years experience with governmental audits? _____

In addition to the engagement partner, how many other staff members do you anticipate working on the engagement? Are they CPAs? Indicate their years of experience with governmental audits.

Have all members of the firm's staff received and completed all training related to GAGAS (Yellow Book CPE) and its related requirements? _____

How many governmental audits do you perform annually? _____

List three local government clients with contact information (who may be contacted for reference):

1. _____ 2. _____

3. _____

Total bid price of annual audit? _____ (Detail and break-down must be included in proposal document)