

CITY OF BIGGS
REQUEST FOR PROPOSALS
FOR AUDIT SERVICES

The City of Biggs is soliciting proposals from qualified certified public accounting firms to conduct the annual independent audit of the City's financial transactions and to express an opinion on the fairness of the presentation of the City's financial statements and the statements of Federal Financial Awards. The contract period will be for up to three (3) years starting with the period ending June 30, 2016. The audit fee should be stated separately for each year, and the fee should be individually stated as to the following components:

Audit of General-Purpose Financial Statements

Preparation of All Applicable Financial Statements and all related notes, disclosures and schedules

Single Audit Procedures

Component Unit Audit Procedures pertaining to expenditures of Funds under the State Transportation Improvement Program, if applicable.

Assurance Services Pertaining to Appropriation Limitation Calculations.

All other components which are required of the City of Biggs by state and federal funding sources.

Production of all reports related to the items above.

To be considered, one copy of a sealed proposal must be received by 4:00 p.m. on June 7, 2016. Postmark dates will not be considered. On the outer envelope in which the proposals are submitted should be marked, " Proposal for Audit for the City of Biggs." The City reserves the right to reject any or all proposals submitted and to request additional information if necessary.

Information necessary to submit a responsive proposal is contained in this document. Copies of prior years' audit reports are available at the City offices and on the City web site www.biggs-ca.gov.

I. GENERAL INFORMATION

A. City Address and Submittal Information

City of Biggs
PO Box 307
465 C Street
Biggs, CA 95917

Any questions concerning this Request for Proposals should be directed to:

Mark Sorensen
City Administrator
PO Box 307
465 C Street
Biggs, CA 95917
530-868-0100
mark@biggs-ca.gov

B. Evaluation and Notification of Selected Audit Firm

Proposals will be evaluated on the basis of:

1. Responsiveness to the Request for Proposal and understanding of the scope of work.
2. Qualifications and experience of the firm and individual staff members who will be assigned to perform this audit.
3. References.

4. Costs.

C. Contract Period and Terms

A three (3) year contract is contemplated, subject to satisfactory performance. The City reserves the right to award the contract for less than a three-year period.

D. Anticipated Proposal and Audit Engagement Schedule

June 7, 2016	Deadline for proposals to City
June 14, 2016	Contract awarded by the City Council
<u>2016, 2017, 2018</u>	
Late August/Early Sept.	Commencement of field work
October, November	Completion of draft audit and Receipt of all required opinions and reports
December or January	Presentation of audit report to City Council

II. DESCRIPTION OF THE CITY AND RECORDS TO BE AUDITED

A. General Description

The City of Biggs is a general law city with a population of 1800. The City is governed by an elected five member City Council, with the Mayor appointed from among the five Council members to serve a one year term.

The City employs 8 employees. The City operates a water system, sewer system and electric utility. The City contracts with others to provide various services including police, fire, animal control, planning, engineering, building and other services.

B. Description of Systems, Records and Procedures

The City maintains its accounting records through an integrated software package developed by Corbin Willits Systems, Inc., known as the Multiple Operations Manager (MOM). The software is installed on a networked based computer system.

III. NATURE OF SERVICES REQUIRED

A. General

The City is soliciting the services of qualified firms of certified public accountants to audit its financial statements for the fiscal years ending June 30, 2016, 2017 and 2018. These audits are to be performed in accordance with the provisions contained in this Request for Proposal.

B. Scope of Work to be Performed

The purpose of this audit is to express an opinion as to the fair presentation of the general purpose financial statements of the City in conformity with generally accepted accounting principles. In addition, the scope of the audit should encompass Audit of General-Purpose Financial Statements, preparation of all applicable financial statements and all related notes, disclosures, schedules and reports, single audits, procedures component unit audit procedures pertaining to expenditures of funds under the State Transportation Improvement Program, assurance services pertaining to appropriation limitation calculations, and all other components and reports which are required of the City of Biggs by state and federal funding sources.

C. Auditing Standards to be Followed

The examination will be performed in accordance with generally accepted principles and auditing standards, as set forth by the American Institute of Certified Public Accountants, and as described the Governmental Accounting Standards Board, and the standards for financial audits set forth in the Single Audit Provisions of OMB Circular A-133, and the Government Auditing Standards issued by the Comptroller General.

D. Reports to be Issued

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

1. Financial Statements and Schedules (Office of Management and Budget Circular A-133)

General Purpose Financial Statements (including Notes)
Schedule of Federal Financial Assistance

2. Auditor's Reports:

- Opinion on the General Purpose Financial Statements.
- Independent auditor's report on the supplemental schedule of Federal Financial Assistance.
- Independent auditor's compliance and internal controls in accordance with Government Auditing Standards.
- Independent auditor's report on compliance requirements in accordance with OMB Circular A-133.
- Other reports as may be required.

3. Report on the City's Appropriations Limit calculations.

The audit firm should issue a management report advising the City of any material weakness in accounting controls, opportunities observed for economies in operations, improvements or identification of weaknesses in internal controls, recommendations for financial management improvements, or improvements in the effectiveness of the City's utilization of financial resources if any such findings are observed. A letter indicating no material weaknesses or areas for improvement would be required if no findings exist.

Auditors shall be required to make an immediate, written report of any Fraud or other illegal acts or indications of illegal acts of which they become aware, to the City Administrator.

IV. Proposal Requirements

A. General Requirements

1. The purpose of this proposal is to demonstrate the qualifications, competence, and capacity of the firms seeking to undertake an independent audit of the City in conformity with the requirements

of this Request for Proposal. As such, the substance of proposals will carry more weight than their form or manner of presentation. The proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the Request for Proposal requirements.

The proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the RFP. While additional information may be presented, the following subjects items 2 through 6, must be included. They represent the criteria against which the proposal will be evaluated.

2. Independence

The firm should provide an affirmative statement that it is independent of the city.

3. License to Practice in California

A statement should be included indicating that the firm, and all assigned key professional staff, are properly licensed to practice in the State of California.

4. Firm Qualifications, Experience and Education

The proposal should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement on a full time basis and the number and nature of the staff to be so employed on a part time basis. Please also provide a synopsis of governmental accounting continuing education completed in the last 24 months.

5. Partner, Supervisory and Staff Qualifications and Experience

The firm should identify the principal and management staff, including engagement partners, manager, other supervisors, and specialists, who would be assigned to the engagement.

6. Peer Review Report

The firm should include its most recent Peer Review Report (as mandated by the AICPA).

B. Similar Engagement with Other Public Agencies

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements performed in the last five years that are similar to the engagement described in this Request for Proposal.

Indicate the scope of work, date, engagement partners, and the name and telephone number of the principal client contact.

C. Compensation

Provide the firm's audit fee stated separately by fiscal year on a not-to-exceed basis. The form or manner in which the fee is to be proposed has been previously outlined in the Request for Proposal. It is further understood that if a certain portion of the audit and/or reporting services are not required for a given year, then the fee pertaining to that audit/reporting task becomes inapplicable. The audit firm will not be reimbursed for any travel, per diem, photocopying, telephone bills, or other related expenses unless incurred at the specific request of the City.