

CITY OF NORMAN, OKLAHOMA

REQUEST FOR PROPOSALS

FOR

PROFESSIONAL AUDITING SERVICES

FEBRUARY 28, 2018

RFP #1718-55

BOX 370  
NORMAN, OKLAHOMA 73070

THE CITY OF NORMAN, OKLAHOMA

REQUEST FOR PROPOSALS

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CITY OF NORMAN, OKLAHOMA  
REQUEST FOR PROPOSALS

I. INTRODUCTION

A. General Information

The City of Norman is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal year ending June 30, 2018, and two subsequent fiscal years with two one-year renewal options. These audits are to be performed in accordance with generally accepted auditing standards, and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller of the United States and, the provisions of the federal Single Audit Act of 1996 and U.S. Office of Management and Budget (OMB) Uniform Guidance, Audits of States, Local Governments and Non-Profit Organizations.

There is no expressed or implied obligation for the City of Norman to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

To be considered, three copies of a proposal must be received by Anthony Francisco, Director of Finance, at 201 West Gray, Building C, Norman, Oklahoma, 73069 by 2:00 p.m. on April 5, 2018. The City of Norman reserves the right to reject any or all proposals submitted.

Proposals submitted will be evaluated by a Selection Committee selected by the City Manager, including the City Manager, Director of Finance, and Chief Accountant. During the evaluation process, the Selection Committee and the City of Norman reserve the right, where it may serve the City of Norman's best interest, to request additional information or clarifications from proposers, or to allow corrections of errors or omissions. At the discretion of the City of Norman or the Selection Committee, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

The City of Norman 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 request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City of Norman and the firm selected.

It is anticipated the selection of a firm will be completed by April 12, 2018. Following the notification of the selected firm it is expected a contract will be executed between both parties by April 24, 2018.

B. Term of Engagement

A three-year contract with two one-year renewal options is contemplated, subject to the annual review and recommendation of the Selection Committee, the satisfactory negotiation of terms (including a price acceptable to both the City of Norman and the selected firm), the approval of the City of Norman Council and related trusts and the annual availability of an appropriation of funds.

II. NATURE OF SERVICES REQUIRED

A. General

The City of Norman is soliciting the services of qualified firms of certified public accountants to audit its financial statements for the fiscal year ending June 30, 2018, with the option to audit the City of Norman's financial statements for each of the four subsequent fiscal years. These audits are to be performed in accordance with the provisions contained in this request for proposals.

B. Scope of Work to be Performed

The City of Norman (and its various trusts) desires the auditor to express an opinion on the fair presentation of its financial statements of governmental activities, business-type activities, each major fund and aggregate remaining fund information in conformity with generally accepted accounting principles.

The auditor shall also be responsible for performing certain limited procedures involving required supplementary information, other supplementary information and statistical information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards.

The auditor is required to express an opinion on the schedule of expenditures of federal awards.

The auditor shall also be responsible performing certain compilation services in connection with the City's Annual Survey of City and Town Finances as prescribed by the Office of the State Auditor.

The auditor shall provide additional services as requested and negotiated between the City and the auditor.

C. Auditing Standards To Be Followed

To meet the requirements of this request for proposals, the audit shall be performed in accordance with generally accepted auditing standards as set forth by

the American Institute of Certified Public Accountants, the standards for financial audits set forth in the Comptroller General's Government Auditing Standards, the provisions of the Single Audit Act of 1996 and the provisions of U.S. Office of Management and Budget (OMB) Uniform Guidance, Audits of State, Local Governments, and Non-Profit Organizations.

D. Reports to be Issued

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

1. A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles.
2. A report on compliance and on internal control over financial reporting based upon the audit performed in accordance with Government Auditing Standards.
3. A report on compliance and internal control over compliance applicable to each major federal award program and on the schedule of expenditures of federal awards.
4. A schedule of Findings and Questioned Costs.
5. A Data Collection Form for Reporting on Audits of States, Local Governments, and Non-profit Organizations.
6. A compilation report for State Auditor and Inspector form SA&I 2643.

E. Special Considerations

1. The City of Norman will send its Comprehensive Annual Financial Report to the Government Finance Officers Association of the United States and Canada for review in their Certificate of Achievement for Excellence in Financial Reporting program. It is anticipated that the auditor will be required to provide special assistance to the City of Norman to meet the requirements of that program.
2. The City of Norman currently anticipates it will prepare one or more official statements in connection with the sale of debt securities which will contain the general purpose financial statements and the auditor's report thereon. The auditor shall be required, if requested by the fiscal advisor and/or the underwriter, to issue a "consent and citation of expertise" as the auditor and any necessary "comfort letters."
3. The City of Norman has determined that the United States Department of



Housing and Urban Development (HUD) will function as the cognizant agency in accordance with the provisions of the Single Audit Act of 1996 and U.S. Office of Management and Budget (OMB) Uniform Guidance, Audits of State, Local Governments, and Non-Profit Organizations.

4. The schedule of federal financial assistance is to be issued as part of the Comprehensive Annual Financial Report. The related auditor's report, as well as the reports on the internal controls and compliance are not to be included in the Comprehensive Annual Financial Report, but are to be issued separately.
5. If difficulties are anticipated in implementing and complying with requirements recently mandated by the GASB, the City of Norman may require the auditor's assistance to comply with these reporting requirements.
6. The auditor's fee should also include approximately 10-20 hours of additional time to address technical questions/issues that may arise during the year.

F. Working Paper Retention and Access to Working Papers

All working papers and reports must be retained, at the auditor's expense, for a minimum of three (3) years, unless the firm is notified in writing by the City of Norman of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the following parties or their designees:

- State of Oklahoma
- U.S. Department of HUD
- U.S. General Accounting Office (GAO)
- Parties designated by the federal or state governments or by the City of Norman as part of an audit quality review process
- Auditors of entities of which the City of Norman is a sub-recipient of grant funds

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.

III. DESCRIPTION OF THE GOVERNMENT

A. Name and Telephone Number of Contact Persons/Organizational Chart/Location

of Offices

The auditor's principal contact with the City of Norman will be Anthony Francisco, Director of Finance, or a designated representative, who will coordinate the assistance to be provided by the City of Norman to the auditor.

Address: 201 West Gray, Building C, Norman, Oklahoma, 73069  
Telephone: (405) 366-5413

An organizational chart is attached. (Appendix A)

B. Background Information

The City of Norman serves an area of 190 square miles with an estimated population of 122,000. The City of Norman's fiscal year begins on July 1 and ends on June 30.

The City of Norman provides the following services to its citizens:

- Police and fire protection
- Water, wastewater and sanitation utility services
- Cultural and recreational facilities and services
- Street and drainage construction and maintenance services

The City of Norman has a total payroll of approximately \$58 million covering 913 employees.

The City of Norman is organized into fourteen departments. The accounting and financial reporting functions of the City of Norman are centralized. More detailed information on the government and its finances can be found in the FYE 18 Budget Document, the FYE 17 Comprehensive Annual Financial Report, the Personnel Manual, the Affirmative Action and Sexual Harassment Manual, and the City of Norman Code of Ordinances. These documents may be found at the Norman Public Library or by contacting Anthony Francisco or Clint Mercer at 405-366-5413 or 405-217-7720.

C. Fund Structure

The City of Norman uses the following fund types and account groups in its financial reporting:

Number of Individual	Number with Legally Adopted
----------------------	-----------------------------

<u>Fund Type / Account Group</u>	<u>Funds</u>	<u>Annual Budgets</u>
General Fund	1	1
Special Revenue Funds	7	7
Debt Service Funds	1	1
Capital Projects Funds	3	3
Enterprise Funds	4	4
Internal Service Funds	1	1
Pension Trust Fund	2	N/A
Agency Funds	1	N/A

D. Budgetary Basis of Accounting

The City of Norman prepares its budgets on a modified cash basis.

E. Federal and State Financial Assistance

During the FYE 17 fiscal year audited, the City of Norman received the following financial assistance:

Community Development Block Grant	CFDA No. 14.218
Pass-Through Community Development Block Grant – DR	CFDA No. 14.228
HOME	CFDA No. 14.239
Pass-Through Continuum of Care (CoC) Program	CFDA No. 14.267
Water Desalination Research and Development	CFDA No. 15.506
Pass-Through OK State Historic Preservation Office	
Certified Local Government	CFDA No. 15.904
Edward Byrne Memorial JAG Program	CFDA No. 16.738
Pass-Through Oklahoma District Attorneys Council/Paul	
Coverdell Forensic Sciences Improvement Grant Program	CFDA No. 16.742
Equitable Sharing Program	CFDA No. 16.922
Pass-Through OK State Department of Civil Emergency	
Management / Disaster Grants – Public Assistance	CFDA No. 97.036
Pass-Through OK State Office of Homeland Security	
Hazard Mitigation Grant Program	CFDA No. 97.039
Homeland Security Grant Program	CFDA No. 97.067
Pass-Through OK State Highway Safety Office	
State and Community Highway Safety	CFDA No. 20.600
Pass-Through OK State Dept. of Transportation	
Highway Planning and Construction	CFDA No. 20.205
Pass-Through Association of Central OK Governments	
Highway Planning and Construction	CFDA No. 20.205
Pass-Through OK Water Resources Board	
Clean Water State Revolving Fund	CFDA No. 66.458

F. Pension Plans

The City of Norman participates in the following pension plans:

<u>Plan</u>	<u>Multiple-Employer</u>		<u>Single-Employer</u>	
	<u>Cost-Sharing</u>	<u>Agent</u>	<u>Defined Benefit</u>	<u>Defined Contribution</u>
Police System	X			
Firefighters	X			
Other Employees				
Active				X
Retirees			X	

Actuarial services for these plans are provided by the State of Oklahoma for the police and firefighters plans, and by the plan administrator for other employees.

G. Component Units

The City of Norman is defined, for financial reporting purposes, in conformity with the Governmental Accounting Standards Board's Codification of Governmental Accounting and Financial Reporting Standards, Section 2100. Using these criteria, component units, if any, are included in the City of Norman's financial statements.

H. Joint Ventures

The City of Norman does not participate in joint ventures with other governments.

I. Magnitude of Finance Operations

The finance department is headed by Anthony Francisco, Director of Finance and consists of 24 employees. The principal functions performed and the number of employees assigned to each are as follows:

<u>Function</u>	<u>Number of Employees</u>
Accounting and Budget	5
Administration	2
Office Services	2
Payroll	1
Purchasing / Accounts Payable	2
Treasury	5
Utility / Customer Service	7

J. Computer Systems

**Hardware**

<b><u>Type of Equipment</u></b>	<b><u>Number</u></b>	<b><u>Make of Equipment</u></b>	<b><u>Networked?</u></b>
Mid-range	1	IBM iSeries AS400 Model 520	Yes
Servers - physical	22	HP, CISCO, EMC	Yes
Servers - virtual	184	HP, CISCO, EMC	Yes
Desktop PC workstations	520	Hewlett Packard	Yes
Laptop PC	255	Hewlett Packard, Dell, Panasonic	Yes
Ipads	25	Apple	Yes

**Software**

<b><u>Make</u></b>	<b><u>Vendor</u></b>	<b><u>Major Applications</u></b>
Sunguard Public Sector (SPS)	Sunguard Public Sector, Inc.	General Ledger / Budgetary Accounting Accounts Payable Purchasing / Inventory Control Budget Preparation / Tracking Payroll / Personnel Utility Billing / Customer Service Cash Receipts Miscellaneous Billing / Accounts Receivable Click-2-Gov Online Utility Account Inquiry & Payment Building Permits Land / Parcel Management Occupational / Business Licensing Municipal Court System
Voice Permits	Selectron Tech.	Interactive Voice Response System for Building Permits
Voice Utilities	Selectron Tech.	Interactive Voice Response System for Utility Billing & Customer Service
ArcInfo	ESRI	Geographic Information System (Mapping database)
ArcView	ESRI	Geographic Information System (Mapping inquiry)

MS Office	Microsoft	Word (word processing) Excel (spreadsheet) Access (database) Power Point (presentation graphics) Outlook (electronic mail)
Client Access	IBM	PC-to-AS/400 connectivity / emulation
Police Records Management	Global Software	Police Department records management system
City Works	Azteca Systems	Work Order System
Emergency Services Computer Aided Dispatch	Global Software	Police / Fire / EMS Computer Aided Dispatch (CAD) system
Fortis SE	Westbrook Tech.	Document scanning and archiving application
Spoolview	Data Trade	Report archiving application

We also have individually licensed copies of other PC based software such as Microsoft Publisher, PrintShop, PhotioShop, FrontPage, Microsoft Project, etc. Installed on various PC systems throughout the City.

#### Databases

<u>Type</u>	<u>Uses</u>	<u>Access</u>
IBM DB2/400	SPS applications	City only
Microsoft SQL	Police records management & CAD, City Works work order system	City only
ArcInfo	GIS application	City only
MS Access	Individual's personal use	City only

#### K. Internal Audit Function

The City of Norman does not maintain an internal audit function.

#### L. Availability of Prior Audit Reports and Working Papers

Interested proposers who wish to review prior years' audit reports and management letters should contact Anthony Francisco, Director of Finance at 201-C West Gray, Norman, Oklahoma, Telephone 405-366-5413. The City of

Norman will use its best efforts to make prior audit reports and supporting working papers available to proposers to aid their response to this request for proposals.

#### IV. TIME REQUIREMENTS

##### A. Proposal Calendar

The following is a list of key dates up to and including the date proposals are due to be submitted:

Request for Proposal issued	February 28, 2018
Due date for proposals (2:00 P.M.)	April 5, 2018

##### B. Notification and Contract Dates

Selected firm notified	April 12, 2018
Contract date	April 24, 2018

##### C. Date Audit May Commence

The City of Norman will have all records ready for audit and all management personnel available to meet with the firm's personnel as of April 25, 2018.

##### D. Draft Report is Due

A draft report is due November 8, 2018.

##### E. Date Final Report is Due

The final report and 100 signed copies should be delivered to the Director of Finance, at 201-C West Gray, Norman, Oklahoma by November 22, 2018.

#### V. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION

##### A. Finance Department and Clerical Assistance

The Finance Department staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation and explanations. The preparation of confirmations will be the responsibility of the City of Norman. In addition, clerical support will be made available to the auditor for the preparation of routine letters and memoranda.

##### B. Statements and Schedules to be prepared by the Staff of the City of Norman

The Finance Department will prepare audit schedules as requested by the auditor. Such schedules shall include roll-forwards, summary schedules and other schedules, as needed.

C. Work Area, Telephones, Photocopying and FAX Machines

The City of Norman will provide the auditor with reasonable work space, tables and chairs. The auditor will also be provided with access to telephone lines, internet, photocopying facilities and FAX machines subject to restricting such access and use to the conduct of the audit.

D. Report Preparation

The Finance Department staff will prepare the Comprehensive Annual Financial Report.

VI. PROPOSAL REQUIREMENTS

A. General Requirements

1. Inquiries

Inquiries concerning the request for proposals and the subject of the request for proposals must be made to:

Anthony Francisco, Director of Finance, or  
Clint Mercer, CPA, Chief Accountant  
201-C West Gray  
Norman, Oklahoma  
405-217-7720

CONTACT WITH PERSONNEL OF THE CITY OF NORMAN OTHER THAN ANTHONY FRANCISCO, DIRECTOR OF FINANCE OR CLINT MERCER, CHIEF ACCOUNTANT REGARDING THIS REQUEST FOR PROPOSALS MAY BE GROUNDS FOR ELIMINATION FROM THE SELECTION PROCESS.

The Finance Department may provide information provided in response to inquiries to other interested proposers.

2. Submission of Proposals

The following material is required to be received by April 5, 2018, for a proposing firm to be considered:

- a. A master copy (so marked) of a Technical Proposal and two copies



to include the following:

i. Title Page

Title page showing the request for proposals subject; the firm's name; the name, address and telephone number of the contact person; and the date of the proposal.

ii. Table of Contents

iii. Transmittal Letter

A signed letter of transmittal briefly stating the proposer's understanding of the work to be done, the commitment to perform the work within the time period, a statement why the firm believes itself to be best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for ninety (90) days.

iv. Detailed Proposal

The detailed proposal should follow the order set forth in Section VI B of this request for proposals.

v. Executed copies of Proposer Guarantees and Proposer Warranties, attached to this request for proposal (Appendix B and Appendix C)

- b. The proposer shall submit an original and two copies of a dollar cost bid in a separate sealed envelope marked as follows:

SEALED DOLLAR COST BID  
PROPOSAL  
FOR  
CITY OF NORMAN, OKLAHOMA  
FOR  
PROFESSIONAL AUDITING SERVICES  
APRIL 5, 2018

- c. Proposers should send the completed proposal consisting of the two separate envelopes to the following address:

Anthony Francisco, Director of Finance  
201 West Gray, Building C  
Box 370

B. Technical Proposal

1. General Requirements

The purpose of the Technical Proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit of the City of Norman in conformity with the requirements of this Request For Proposals. As such, the substance of proposals will carry more weight than their form or manner of presentation. The Technical 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.

THERE SHOULD BE NO DOLLAR UNITS OR TOTAL COSTS INCLUDED IN THE TECHNICAL PROPOSAL DOCUMENT.

The Technical Proposal should address all the points outlined in the request for proposals (excluding any cost information which should only be included in the sealed dollar cost bid). The Proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the Request For Proposals. While additional data may be presented, the following subjects, items Nos. 2 through 10, 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 of Norman as defined by generally accepted auditing standards.

The firm should also list and describe the firm's professional relationships involving the City of Norman or any of its agencies for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

In addition, the firm shall give the City of Norman written notice of any professional relationships entered into during the period of this agreement.

3. License to Practice in Oklahoma

An affirmative statement should be included that the firm and all assigned key professional staff are properly licensed to practice in Oklahoma.

4. Firm Qualifications and Experience

The proposer 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.

If the proposer is a joint venture or consortium, the qualifications of each firm comprising the joint venture or consortium should be separately identified and the firm that is to serve as the principal auditor should be noted, if applicable.

The firm is also required to submit a copy of the report on its most recent external quality control review, with a statement whether that quality control review included a review of specific government engagements.

The firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years. In addition, 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.

5. Partner, Supervisory and Staff Qualifications and Experience

Identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement. Indicate whether each such person is registered or licensed to practice as a certified public accountant in Oklahoma. Provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit.

Provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. Indicate how the quality of staff over the term of the agreement will be assured.

The proposer should identify the extent to which staff to be assigned to the audit reflect the City of Norman's commitment to Affirmative Action.

Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are

assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of the City of Norman. However, in either case, the City of Norman retains the right to approve or reject replacements.

Consultants and firm specialists mentioned in response to this Request For Proposal can only be changed with the express prior written permission of the City of Norman, which retains the right to approve or reject replacements.

Other audit personnel may be changed at the discretion of the proposer provided that replacements have substantially the same or better qualifications or experience.

6. Prior Engagements with the City of Norman

List separately all engagements within the last five years, ranked on the basis of total staff hours, for the City of Norman by type of engagement (i.e., audit, management advisory services, other). Indicate the scope of work, date, engagement partners, total hours, the location of the firm's office from which the engagement was performed, and the name and telephone number of the principal client contact.

7. Similar Engagements With Other Government Entities

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum - 5) performed in the last five years that are similar to the engagement described in this request for proposal. These engagements should be ranked on the basis of total staff hours. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

8. Specific Audit Approach

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section II of this request for proposal. In developing the work plan, reference should be made to such sources of information as the City of Norman's budget and related materials, organizational charts, manuals and programs, and financial and other management information systems.

Proposers will be required to provide the following information on their audit approach:

- a. Proposed segmentation of the engagement

- b. Level of staff and number of hours to be assigned to each proposed segment of the engagement
- c. Sample size and the extent to which statistical sampling is to be used in the engagement
- d. Extent of use of EDP software in the engagement
- e. Type and extent of analytical procedures to be used in the engagement
- f. Approach to be taken to gain and document an understanding of the City of Norman's internal control structure
- g. Approach to be taken in determining laws and regulations that will be subject to audit test work
- h. Approach to be taken in drawing audit samples for purposes of tests of compliance

9. Identification of Anticipated Potential Audit Problems

The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from the City of Norman.

10. Report Format

The proposal should include sample formats for required reports.

C. Sealed Dollar Cost Bid

1. Total All-Inclusive Maximum Price

The sealed dollar cost bid should contain all pricing information relative to performing the audit engagement as described in this request for proposal. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs including all out-of-pocket expenses. Additionally, the auditor's fee should include approximately 10-20 hours of additional time to address technical questions/issues that may arise during the year.

The City of Norman will not be responsible for expenses incurred in preparing and submitting the technical proposal or the sealed dollar cost bid. Such costs should not be included in the proposal. The first page of the sealed dollar cost bid should include the following information:

- a. Name of Firm

- b. Certification that the person signing the proposal is entitled to represent the firm, empowered to submit the bid, and authorized to sign a contract with the City of Norman.
  - c. A Total All-Inclusive Maximum Price for the 2018 engagement.
2. Rates by Partner, Specialist, Supervisory and Staff Level Times Hours Anticipated for Each

The second page of the sealed dollar cost bid should include a schedule of professional fees and expenses, presented in the format provided in the attachment (Appendix D), that supports the total all-inclusive maximum price. The cost of special services described in Section I E of this request for proposal should be disclosed as separate components of the total all-inclusive maximum price.

3. Out-of-pocket Expenses Included in the Total All-inclusive Maximum Price and Reimbursement Rates

Out-of-pocket expenses for firm personnel (e.g., travel, lodging and subsistence) will be reimbursed at the rates used by the City of Norman for its employees. All estimated out-of-pocket expenses to be reimbursed should be presented on the second page of the sealed dollar cost bid in the format provided in the attachment (Appendix D). All expense reimbursements will be charged against the total all-inclusive maximum price submitted by the firm.

In addition, a statement must be included in the sealed dollar cost bid stating the firm will accept reimbursement for travel, lodging and subsistence at the prevailing City of Norman rates for its employees.

4. Rates for Additional Professional Services

If it should become necessary for the City of Norman to request the auditor to render any additional services to either supplement the services requested in this RFP or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between the City of Norman and the firm. Any such additional work agreed to between the City of Norman and the firm shall be performed at the same rates set forth in the schedule of fees and expenses included in the sealed dollar cost bid.

5. Manner of Payment

Progress payments will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the firm's dollar cost bid proposal. Interim billing shall cover a period of not less than a calendar month. Ten percent (10%) will be withheld from each billing pending delivery of the firm's final reports.

## VII. EVALUATION PROCEDURES

### A. Selection Committee

Proposals submitted will be evaluated by a Selection Committee selected by the City Manager, including the City Manager, Director of Finance, and the Chief Accountant.

### B. Review of Proposals

The Selection Committee will use a point formula during the review process to score proposals. Each member of the Selection Committee will first score each technical proposal by each of the criteria described in Section VII C below. The full Selection Committee will then convene to review and discuss these evaluations and to combine the individual scores to arrive at a composite technical score for each firm. At this point, firms with an unacceptably low technical score will be eliminated from further consideration.

After the composite technical score for each firm has been established, the sealed dollar cost bid will be opened and additional points will be added to the technical score based on the price bid. The maximum score for price will be assigned to the firm offering the lowest total all-inclusive maximum price. Appropriate fractional scores will be assigned to other proposers.

The City of Norman reserves the right to retain all proposals submitted and use any idea in a proposal regardless of whether that proposal is selected.

### C. Evaluation Criteria

Proposals will be evaluated using three sets of criteria. Firms meeting the mandatory criteria will have their proposals evaluated and scored for both technical qualifications and price. The following represent the principal selection criteria which will be considered during the evaluation process:

#### 1. Mandatory Elements

- a. The audit firm is independent and licensed to practice in Oklahoma
  - b. The firm has no conflict of interest with regard to any other work performed by the firm for the City of Norman
  - c. The firm adheres to the instructions in this request for proposal on preparing and submitting the proposal
  - c. The firm submits a copy of its last external quality control review report and the firm has a record of quality audit work.
2. Technical Quality: (Maximum Points - 60)
- a. Expertise and Experience
    - (1) The firm's past experience and performance on comparable government engagements
    - (2) The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation
    - (3) Experience with the Government Finance Officers Association certification program for Excellence in Financial Reporting
  - b. Audit Approach
    - (1) Adequacy of proposed staffing plan for various segments of the engagement
    - (2) Adequacy of planning for first engagement
    - (3) Adequacy of sampling techniques
    - (4) Adequacy of analytical procedures
3. References: (Maximum Points - 20)
4. Price: (Maximum Points - 20)

COST WILL NOT BE THE PRIMARY FACTOR IN THE SELECTION OF AN AUDIT FIRM



D. Oral Presentations

During the evaluation process, the Selection Committee may, at its discretion, request any one or all firms to make oral presentations. Such presentations will provide firms with an opportunity to answer any questions the Selection Committee may have on a firm's proposal. Not all firms may be asked to make such oral presentations.

E. Final Selection

The Norman City Council will select a firm based upon the recommendation of the Selection Committee.

It is anticipated that a firm will be selected by April 12, 2018. Following notification of the firm selected, it is expected a contract will be executed between both parties by April 24, 2018.

F. Right to Reject Proposals

Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposal unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City of Norman and the firm selected.

The City of Norman reserves the right without prejudice to reject any or all proposals.

## APPENDICES

- A. Organizational Chart
- B. Proposer Guarantees
- C. Proposer Warranties
- D. Format for Schedule of Professional Fees and Expenses to Support the Total All-inclusive Maximum Price

APPENDIX A

ORGANIZATIONAL CHART

THE GOVERNMENT SHOULD PROVIDE A COPY OF ITS MOST RECENT ORGANIZATIONAL CHART.

APPENDIX B

PROPOSER GUARANTEES

- I. The proposer certifies it can and will provide and make available, as a minimum, all services set forth in Section II, Nature of Services Required.

Signature of Official: \_\_\_\_\_

Name (typed): \_\_\_\_\_

Title: \_\_\_\_\_

Firm: \_\_\_\_\_

Date: \_\_\_\_\_

APPENDIX C

PROPOSER WARRANTIES

- A. Proposer warrants that it is willing and able to comply with State of Oklahoma laws with respect to foreign (non-state of Oklahoma) corporations.
- B. Proposer warrants that it is willing and able to obtain an errors and omissions insurance policy providing a prudent amount of coverage for the willful or negligent acts, or omissions of any officers, employees or agents thereof.
- C. Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the prior written permission of the City of Norman.
- D. Proposer warrants that all information provided by it in connection with this proposal is true and accurate.

Signature of Official: \_\_\_\_\_  
Name (typed): \_\_\_\_\_  
Title: \_\_\_\_\_  
Firm: \_\_\_\_\_  
Date: \_\_\_\_\_

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES  
FOR THE AUDIT OF THE 2018 FINANCIAL STATEMENTS

Note: The rate quoted should not be presented as a general percentage of the standard hourly rate or as a gross deduction from the total all-inclusive maximum price.

	<u>Hours</u>	<u>Standard Hourly Rates</u>	<u>Quoted Hourly Rates</u>	<u>Total</u>
Partners	_____	_____	_____	_____
Managers	_____	_____	_____	_____
Supervisory staff	_____	_____	_____	_____
Staff	_____	_____	_____	_____
Technical assistance during year	_____	_____	_____	_____
Other (specify)	_____	_____	_____	_____
Subtotal	_____	_____	_____	_____
 Total for services described in Section IIE of the RFP (detail on subsequent pages)				_____
Out of pocket expenses				_____
Meals and lodging				_____
Transportation				_____
Other (specify):				_____
Total all-inclusive maximum price for 2018 audit				_____

Note: The rate quoted should not be presented as a general percentage of the standard hourly rate or as a gross deduction from the total all-inclusive maximum price.

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES  
FOR THE AUDIT OF THE 2018 FINANCIAL STATEMENTS:  
COMBINING SCHEDULE - ALL SERVICES  
DESCRIBED IN RFP SECTION II E

<u>Nature of service to be provided</u>	<u>Total Price</u>	<u>Schedule</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____