



Sealed Dollar Cost Bid
RFP# 1213-69

Submitted by: **BKD, LLP**
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Date of Proposal: March 21, 2013

City of Norman, Oklahoma

COPY

C. Sealed Dollar Cost Proposal

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

BKD, LLP

b. Certification that the person signing the proposal is entitled to represent the firm, empowered to submit the proposal and authorized to sign a contract with the City of Norman.

As a partner of BKD, Don Williams is entitled to represent the firm, empowered to submit the bid and authorized to sign a contract with the City of Norman (the City).

c. A Total All-inclusive Maximum Price for the 2013 engagement.

Proposed All-Inclusive Maximum Fees

City of Norman, Oklahoma	
For the Year Ending June 30	2013
Financial Statement Audit & Compliance Audit of the City in Accordance with <i>Government Auditing Standards</i> & OMB Circular A-133, including Comprehensive Annual Financial Report Review & Preparation Assistance	
Separate Audit of the Norman Tax Increment Finance Authority in Accordance with <i>Government Auditing Standards</i>	
Assistance in the Compilation of the City's Annual Survey of City & Town Finances as Prescribed by the Office of the State Auditor	
Additional Technical Assistance, as Needed by the City During the Year	
	\$89,780

2. Rates by Partner, Specialist, Supervisory & 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.

Included in our fees is an administrative fee of three percent to cover items such as copies, postage and other delivery charges, supplies, technology-related costs, such as computer processing, software licensing, research and library databases and similar expense items.

APPENDIX D Page 1

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES FOR THE AUDIT OF THE 2013 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	35	\$250 - \$350	\$210	\$7,350
Managers	120	\$190 - \$225	\$156	\$18,750*
Supervisory staff	267	\$145 - \$165	\$115	\$30,705
Staff	273	\$120 - \$145	\$90	\$24,570
Technical assistance during year	15	\$190 - \$300	\$155 - 200	\$2,325
Other (specify) Word Processing	10	\$75	\$60	\$600
Subtotal	720			\$84,300
Total for services described in Section IIE of the RFP (detail on subsequent pages)				See Appendix D, page 2
Out of pocket expenses				\$0
Meals and lodging				\$900
Transportation				\$2,060
Other (specify): Administrative Fee 3%				\$2,520
Total all-inclusive maximum price for 2013 audit				\$89,780

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

* Denotes rounded number

3. Out-of-Pocket Expenses Included in the Total All-Inclusive Maximum Price & 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.

The fees on page one of this cost proposal are all inclusive of out-of-pocket expenses and therefore will not be separately billed, including any required services described in section II.E of the RFP, with the exception of the review of bond offering documents or comfort letters.

APPENDIX D

Page 2

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES

FOR THE AUDIT OF THE 2013 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>
Review of Bond Offering Documents(per each bond issuance)	\$5,000	

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.

If engaged, should any expenses be incurred for out-of-scope work, BKD affirms we will accept reimbursement at the prevailing rates for the City employees.

Our hours and related fees to complete the requested audits as provided on the previous pages are also based on the following assumptions:

- ▲ Audit schedules to support all significant balance sheet and certain other accounts will be provided in advance of the beginning of final fieldwork
- ▲ We will receive timely responses to our audit inquiries
- ▲ Assistance will be provided by City staff in the preparation of confirmation and other letters
- ▲ Requested documents will be provided on a timely basis
- ▲ Assistance will be provided in helping to resolve differences or exceptions noted, if any
- ▲ There will be no required restatements, and required audit adjustments, if any, will be limited in volume and complexity
- ▲ Single Audit major programs/clusters, as determined by OMB Circular A-133 requirements, will be limited to two. Additional major programs will generally require an additional \$5,000 per program
- ▲ City staff will provide a completed draft of the financial statements, notes to financial statements and supplemental schedules upon the beginning of our final fieldwork, currently anticipated to begin in October 2013
- ▲ Any assistance with the implementation of new significant accounting standards will be limited to general guidance and inquiries.
- ▲ No significant growth in the operations of the City or additions of major funds, component units or joint ventures occurs

In the event additional hours are required because one or more of the assumptions are not met, we will communicate with you in advance and make you aware of any additional fees that may be incurred. Historically, BKD has seen professional fee increases of three percent annually. If there are significant changes in your operations or changes in auditing standards in future years, we will meet with you to discuss how these changes will affect your fees and will be included annually in our engagement letter to be agreed to by both the City and BKD.

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.

BKD understands any additional work required outside the scope of this RFP, would be set forth in addendum to the contract between the City and BKD. We agree those additional services will be performed at the same quoted rates set in the schedule of fees and expenses included in this sealed dollar cost bid proposal, Appendix D, in the Quoted Hourly Rates column.

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.

We understand that progress payments will be made on the basis of actual hours of work completed during the billing period. BKD is absorbing all out-of-pocket expenses to be incurred in connection with our in-scope services to be performed for the City. Interim billings shall cover a period of no less than one calendar month and 10 percent will be withheld from each billing pending delivery of the firm's final reports.

Our acceptance of this engagement is subject to completion of our normal client acceptance procedures. Upon acceptance, the actual terms of our engagement will be documented in a separate letter to be signed by you and us. All information contained within this proposal is proprietary and confidential. All statistics, numbers and representative clients presented in this proposal are as of May 31, 2012. © 2013