



SEALED DOLLAR COST BID RFP #1718-55

CITY OF NORMAN, OKLAHOMA

Submitted by BKD, LLP
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ORIGINAL

BKD^{LLP}
CPAs & Advisors

YOUR INVESTMENT

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 bid, and authorized to sign a contract with the City of Norman.

As a managing director of BKD, Joel Haaser is entitled to represent the firm, empowered to submit the bid and authorized to sign a contract with the City of Norman, Oklahoma (City of Norman).

c. A Total All-Inclusive Maximum Price for the 2018 engagement.

BKD knows our clients do not like fee surprises. Neither do we. Our goal is to be candid and timely, and we want to answer your questions about fees upfront. We determine our fees by evaluating a number of variables: the complexity of the work, the project's scope, the time we will spend and the level of professional staff needed.

PROPOSED ALL-INCLUSIVE MAXIMUM FEES

City of Norman, Oklahoma

For the Year Ending June 30	2018
Financial Statement Audit in Accordance with <i>Government Auditing Standards</i> & Title 2 U.S. Code of Federal Regulations Part 200, <i>Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards</i>	
Assistance in the Compilation of the City of Norman's Annual Survey of City & Town Finances as Prescribed by the Office of the State Auditor & Inspector	
Additional Technical Assistance, as Needed During the Year	
Expenses	
Total	\$117,300

FUTURE-YEAR FEES

Historically, BKD has seen professional fee increases of 3 to 5 percent annually. If there are significant changes in your operations or changes in accounting or auditing standards, we will meet with you to discuss how these changes will affect your fees.

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 proposed fees are travel costs and an administrative fee of 4 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. Our fees may increase if our duties or responsibilities change because of new rules, regulations and accounting or auditing standards. We will consult with you should this happen.

APPENDIX D

Page 1

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	45	\$300-\$400	\$295	\$13,275
Managers	75	\$225-\$300	\$210	\$15,750
Supervisory staff	240	\$185-\$225	\$150	\$36,000
Staff	340	\$155-\$185	\$130	\$44,200
Technical assistance during year	10	\$225-\$400	\$240	\$2,400
Other (specify)	10	\$135	\$87.50	\$875
Subtotal	720			\$112,500
Total for services described in Section IIE of the RFP (detail on subsequent pages)				See Appendix D, Page 2
Out of pocket expenses				-
Meals and lodging				-
Transportation				\$300
Other (specify):				\$4,500
Total all-inclusive maximum price for 2018 audit				\$117,300

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.

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.

APPENDIX D
Page 2

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>
Review of Bond Offering Documents (per each bond issuance)	\$6,500	

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.

BKD affirms we will accept reimbursement at the prevailing rates for the City of Norman employees.

Our hours and related fees to complete the requested audits as provided on the previous pages also are 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 the City of Norman 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 Uniform Guidance requirements, will be limited to two. Additional major programs will generally require an additional \$6,500 per program
- ▶▶ The City of Norman staff will provide a completed draft of the financial statements, notes to financial statements and supplemental schedules upon the beginning of our fieldwork, currently anticipated to begin in October 2018
- ▶▶ 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 of Norman or additions of major funds, component units or joint ventures occur

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.

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.

If there are significant changes in your operations, changes in auditing standards in future years or requested additional work, 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 of Norman and BKD.

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.

Our pricing for this engagement and our fee structure are based upon the expectation our invoices will be paid promptly. We will issue monthly progress billings during the course of our engagement, and payment of our invoices is due upon receipt. Interest will be charged on any unpaid balance after 45 days at the rate of 10 percent per annum.

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. The information provided in this proposal is intended for informational purposes only and may not be copied, used or modified, in whole or in part, without BKD's prior written approval. All information in this proposal is as of May 31, 2017, unless otherwise noted.