



CITY OF NEVADA, MISSOURI  
REQUEST FOR PROPOSAL  
FOR  
PROFESSIONAL AUDITING SERVICES

August 4, 2017

110 South Ash Street  
Nevada, Missouri 64772

CITY OF NEVADA, MISSOURI  
REQUEST FOR PROPOSAL  
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CITY OF NEVADA, MISSOURI  
REQUEST FOR PROPOSALS

I. INTRODUCTION

A. General Information

The City of Nevada is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal year ending **December 31, 2017**, with the option of auditing its financial statements for each of the four subsequent fiscal years. These audits are to be performed in accordance with generally accepted auditing standards, the standards set forth for financial audits in the General Accounting Office's (GAO) Government Auditing Standards, the provisions of the federal Single Audit Act of 1984 (as amended in 1996) and U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

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

A preproposal conference for all the firms interested in submitting a proposal will be held at **10:00 a.m. on August 17, 2017** at 110 South Ash Street, Nevada, MO to answer questions about the engagement. Any inquiries concerning the request for proposal should be addressed to Kristie Modlin, City Treasurer.

To be considered, four copies of a proposal must be received by Kristie Modlin, City Treasurer, at 110 South Ash Street, Nevada, MO 64772 by **1:00 p.m. on August 25, 2017**. The City of Nevada reserves the right to reject any or all proposals submitted.

Proposals submitted will be evaluated by an Audit Committee selected by the City Manager. During the evaluation process, the Audit Committee and the City of Nevada reserve the right, where it may serve the City of Nevada'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 Nevada or the Audit Committee, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

The City of Nevada 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 Nevada and the firm selected.

It is anticipated the selection of a firm will be completed by *August 30, 2017*. Following the notification of the selected firm it is expected a contract will be submitted to the City of Nevada for council review by *September 5, 2017*.

B. Term of Engagement

A one year contract with the option of four additional years is contemplated, subject to the annual review, the satisfactory negotiation of terms (including a price acceptable to both the City of Nevada and the selected firm), concurrence of the City Council and the annual availability of an appropriation.

II. NATURE OF SERVICES REQUIRED

A. General

The City of Nevada is soliciting the services of qualified firms of certified public accountants to audit its financial statements for the fiscal year ending **December 31, 2017**, with the option to audit the City of Nevada 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

The City of Nevada desires the auditor to express an opinion on the fair presentation of its basic financial statements in conformity with generally accepted accounting principles.

The City of Nevada also desires the auditor to express an opinion on the fair presentation of its combining and individual fund financial statements and schedules in conformity with generally accepted accounting principles. The auditor shall provide an "in-relation-to" opinion on the supporting schedules based on the auditing procedures applied during the audit of the basic financial statements and the combining and individual fund financial statements and schedules. The auditor is not required to audit the introductory section of the report.

The auditor is not required to audit the schedule of expenditures of federal awards. However, the auditor shall provide an "in-relation-to" report on that schedule based on the auditing procedures applied during the audit of the financial statements.

C. Auditing Standards

To meet the requirements of this request for proposals, the audit shall be performed in accordance with generally accepting auditing standards as set forth by the American Institute of Certified Public Accountants, the standards for financial audits set forth in the U.S. General Accounting Office's Government Auditing Standards, the provisions of the Single Audit Act of 1984 (as amended in 1996) and the provisions of U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, Audits of State and Local Governments.

D. Reports

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; including an opinion on the fair presentation of the supplementary schedule of expenditures of federal awards "in-relation-to" the audited financial statements.
2. A report on compliance and internal control over financial reporting based on an audit of the financial statements.
3. A report on compliance and internal control over compliance applicable to each major federal program.

The auditor shall communicate in a letter to management any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. In addition, the following conditions shall be considered reportable:

Reportable conditions that are also material weaknesses shall be identified as such in the report. Nonreportable conditions discovered by the auditors shall be reported in a separate letter to management, which shall be referred to in the report on compliance and internal controls.

Irregularities and illegal acts. Auditors shall be required to make an immediate, written report of all irregularities and illegal acts of which they become aware to the following parties:

Mayor and City Council  
City Manager  
City Treasurer

Reporting to the City Council. Auditors shall assure themselves that the City of Nevada City Council is informed of each of the following:

1. The auditor's responsibility under generally accepted auditing standards
2. Significant accounting policies
3. Management judgments and accounting estimates
4. Significant audit adjustments
5. Other information in documents containing audited financial statements
6. Disagreements with management
7. Management consultation with other accountants
8. Major issues discussed with management prior to retention
9. Difficulties encountered in performing the audit

E. Special Considerations

The Schedule of Expenditures of Federal Awards and related auditor's reports are to be issued separately.

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 Nevada 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:

1. City of Nevada
2. Missouri State Auditor
3. Parties designated by the federal or state governments or by the City of Nevada as part of an audit quality review process
4. Auditors of entities of which the City of Nevada is a subrecipient 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. City of Nevada, Missouri, 110 South Ash Street, Nevada, MO 64772.

The following is a list of Finance personnel:

1. Kristie Modlin, City Treasurer 417-448-5503
2. Jennifer Payne, Finance Dept. Manager 417-448-5510
3. Linda Breeden, Accounts Payable 417-448-5511
4. Bailey Herbst, Billing 417-448-5512
5. Cindy Winters, Cashiering 417-448-5513
6. Jessica Wilson, Payroll (Human Resources) 417-448-5507

The auditor's principal contact with the City of Nevada will be Kristie Modlin, City Treasurer, or a designated representative, who will coordinate the assistance to be provided by the City of Nevada to the auditor.

A list of key personnel is attached as Appendix A.

#### B. Background Information

The City of Nevada serves an area of approximately nine square miles with a population of 8,386. The City of Nevada fiscal year begins on January 1 and ends on December 31.

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

1. General Governmental Services
2. Police and Fire Protection (Public Safety)
3. Public Transportation
4. Street Maintenance, Snow Removal and Construction
5. Code Enforcement
6. Water and Sewer Services
7. Parks and Recreation Programs
8. Airport

The City of Nevada has a total annual payroll of \$5 million for 83 full time and 71 seasonal and part time employees.

The City of Nevada accounting and financial reporting functions are centralized. More detailed information on the government and its finances can be found in the annual budget report issued by the City of Nevada. The budget report may be viewed at the City of Nevada's website:

<http://nevadamo.gov/departments/finance/financial-reports-budgets/>

C. Fund Structure

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

Governmental Funds

General Fund

Special Revenue Funds

- Special Projects Fund
- POST Commission Training Fund
- Judicial Education Fund
- Street Fund
- Library Fund
- Airport Fund
- Parks and Recreation Fund
- Parks Construction Fund
- Tourism Fund
- Neighborhood Improvement District (NID) Funds

Proprietary Funds

Water and Sewer Fund

Landfill Fund

D. Budgetary Basis of Accounting

The City of Nevada prepares its budgets on a basis consistent with generally accepted accounting principles.

E. Federal and State Awards

During the fiscal year to be audited, Federal expenditures incurred are expected to be less than \$750,000. The City is projected to receive grants from the following sources:

1. U.S. Department of Justice-various police grants
2. U.S. Department of Transportation- police and rural transit

F. Pension Plans

The City participates in the following pension plan:

Missouri Local Government Employees Retirement System (LAGERS)  
Actuarial services for these plans are provided by LAGERS.

G. Component Units

The City of Nevada 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. There are currently no component units of the City of Nevada.

H. Magnitude of Finance Operations

The finance department is headed by Kristie Modlin, City Treasurer. The department employs five full time staff, and the following principal functions are performed:

1. Accounts Payable
2. Accounts Receivable
3. Payroll Processing (Human Resources)
4. Budget Preparation and Management
5. Cash Receipts and Cash Management
6. Investment Management
7. Water and Sewer Billing and Collection
8. Rural Fire Billing and Collection
9. Occupational and Liquor Licensing
10. Miscellaneous Accounting Functions

I. Computer Systems

The City of Nevada utilizes Incode software for its Financial Accounting System. Applications include:

1. General Ledger
2. Accounts Payable
3. Accounts Receivable
4. Payroll
5. Fixed Assets
6. Cash Collections
7. Check Reconciliation
8. Business License
9. Inventory
10. Utility Billing
11. Project Accounting
12. Municipal Court

J. Availability of Prior Audit Reports and Working Papers

Interested proposers who wish to review prior years' audit reports and

management letters should contact Kristie Modlin, City Treasurer at 110 South Ash Street, Nevada, MO 64772 or call 417-448-5503. The City of Nevada will use its best efforts to make prior audit reports and supporting working papers available to proposers.

IV. TIME REQUIREMENTS

A. Proposal Calendar

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

Request for proposal issued	<b>August 4, 2017</b>
Pre-proposal conference	<b>August 17, 2017</b>
Proposals due	<b>August 25, 2017</b>

B. Projected Notification and Contract Dates

Firm Selected / notified by	<b>August 31, 2017</b>
Council first reading	<b>September 5, 2017</b>
Council second reading	<b>September 19, 2017</b>
Audit plan and discussions begin	<b>October 2017</b>

D. Entrance Conferences, Progress Reporting and Exit Conferences (a similar time schedule will be developed for audits of future fiscal years if the City of Nevada exercises its option for additional audits).

At a minimum, the following conferences should be held:

Entrance conference with all key finance department personnel -  
The purpose of this meeting will be to discuss prior audit issues and interim work to be performed. This meeting will also be used to establish overall liaison for the audit and to make arrangements for work space and other needs of the auditor. Discuss work to be performed and when to commence year-end audit work.

Progress conference with the City Treasurer -  
The purpose of this meeting will be to summarize the results of the preliminary review and to identify the key internal controls or other matters to be tested. In addition, the auditor shall provide weekly progress communications.

Exit conference with the City Manager and the City Treasurer -  
The purpose of this meeting will be to summarize the results of field work and to review significant findings.

- D. Schedule for the 2017 Fiscal Year Audit (a similar time schedule will be developed for audits of future fiscal years if the City of Nevada exercises its option for additional audits).

Each of the following should be completed by the auditor no later than the dates indicated.

1. Detailed Audit Plan

The auditor shall provide City of Nevada by **December 1, 2017** a detailed audit plan and a list of all schedules to be prepared by the City.

2. Interim Work

The City of Nevada will have all records ready for audit by **April 2, 2018**.

3. Fieldwork

The auditor shall complete all fieldwork by **April 30, 2018**.

4. Draft Reports

The auditor shall have drafts of the audit report and recommendations to management available for review by the City Treasurer. The auditor should be available for any meetings that may be necessary to discuss the audit reports.

- E. Final Report Due

The City Treasurer shall prepare the transmittal letter, and the management discussion and analysis. The auditor shall provide recommendations, revisions and suggestions for improvement to the City Treasurer along with a draft auditor's report.

The final report in PDF format and 5 bound copies should be delivered to the City Treasurer, at 110 South Ash Street, Nevada, MO 64772 by **June 15, 2018** and the audit will be presented at the **June 20, 2018** Council meeting.

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

- A. Finance Department Staff 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 Nevada personnel. In addition support will be made available to the auditor for the preparation of routine letters and memoranda.

B. Statements and Schedules Prepared by the Staff of the City of Nevada

The Staff of City of Nevada will prepare the following statements and schedules for the auditor and other schedules as necessary:

Audit Area	Description
General	Trial Balance
	Accounts payable open items detail report
	Budget and amendments
	End of year journal entries
	City Council minutes for fiscal year will be available
	Personnel Policies
	Finance-related Policies
	Schedule of insurance in force will be available
	Development agreements
Confirmations	Related parties
	Revenue
	Cash
	Debt
	Investments
	Attorney
Cash	Bank Reconciliations for all bank accounts
	Outstanding checks list
	Bank statements for the year under review
	Schedule of pledged collateral at year end
	Pooled cash report
	Analysis of interest income
	List of subsequent cash receipts
	List of subsequent cash disbursements
Investments	Schedule of investments at year end
	Schedule of accrued interest income

Fixed Assets	Schedule of all capitalized/fixed assets
	Schedule of capitalized/fixed asset acquisitions
	Schedule of capitalized/fixed asset disposals
	Construction in progress analysis at December 31
	Schedule of donated capital assets

Grants	Schedule of grants awarded during the year
	Schedule of expenditure of federal awards
	Schedule of grant revenue and receivables

Debt	Debt and lease agreements
	Schedule of inter-fund loans
	Summary of debt payments
	Compensated absences

Fund Balance	Schedule of inter-fund transfers
	Schedule of inter-fund receivables/payables (due to/due from)

Revenues	Schedule of tax assessed value
	Schedule of taxes receivable roll forward
	Calculation of property tax receivable
	Schedule of sales tax receipts
	Schedule of gasoline and vehicle taxes received
	Schedule of franchise tax receipts
	Schedule of water and sewer revenue accrual

Payroll	Schedule of payroll accrual as of December 31
	Form 941 Reconciliation
	Report of vacation, sick leave, comp time and floating holiday accrual

C. Work Area, Telephones, Photocopying and FAX Machines

The City of Nevada will provide the auditor with reasonable work space, desks and chairs. The auditor will also be provided with access to a telephone line, internet, photo copying and FAX machine subject to reasonable usage.

VI. PROPOSAL REQUIREMENTS

A. General Requirements

1. Preproposal Conference

A conference for firms interested in submitting proposals will be held on **August 17, 2017 at 10:00a.m.** at 110 South Ash Street, Nevada, Missouri.

Both verbal and written questions will be accepted during the conference.

Minutes of the preproposal conference will be available upon request.

3. Inquiries

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

Kristie Modlin, City Treasurer  
City of Nevada  
110 S Ash Street  
Nevada, MO 64772  
kmodlin@nevadamo.gov

4. Submission of Proposals

The following material is required to be received by **August 25, 2017** for a proposing firm to be considered:

a. Four copies of the Technical Proposal to include the following:

- i. 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 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 it to be best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for the **December 31, 2017** engagement with the option of four subsequent years.

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)



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

SEALED DOLLAR COST BID  
PROPOSAL  
FOR  
CITY OF NEVADA, MISSOURI  
FOR  
PROFESSIONAL AUDITING SERVICES

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

City of Nevada, Missouri  
RFP Professional Auditing Services  
Kristie Modlin, City Treasurer  
110 South Ash Street  
Nevada, MO 64772

B. Technical Proposal

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

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 Nevada 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 proposals requirements.

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 is independent of the City of Nevada as defined by [generally accepted auditing standards/the U.S. General Accounting Office's Government Auditing Standards]

The firm should also list and describe the firm's professional relationships involving the City of Nevada or any of its [agencies/ agencies or component units/ agencies, component units or primary government] 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 Nevada written notice of any professional relationships entered into during the period of this agreement.

3. License to Practice in Missouri

An affirmative statement should be included that the firm and all assigned key professional staff are properly [registered/licensed] to practice in Missouri.

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.

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 Missouri. 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 Nevada'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 Nevada. However, in either case, the City of Nevada 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 Nevada, 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 Nevada

List separately all engagements within the last five years, ranked on the basis of total staff hours, for the City of Nevada 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 City of Nevada'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. Type and extent of analytical procedures to be used in the engagement
- e. Approach to be taken to gain and document an understanding of the City of Nevada's internal control structure
- f. Approach to be taken in determining laws and regulations that will be subject to audit test work
- g. 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 Nevada.

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 for each year. Single audit fees should be listed separately.

The City of Nevada 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 Nevada.
- c. Total fee for the 2017 engagement and pricing for each of the four subsequent years.
- d. Total fee for Federal single audit per year if required.

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 C) that supports the total all-inclusive maximum price. The cost of special services described in Section II E of this request for proposal should be disclosed as separate components of the total all-inclusive maximum price.

3. Rates for Additional Professional Services

If it should become necessary for City of Nevada 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 City of Nevada and the firm. Any such additional work agreed to between City of Nevada 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.

4. Manner of Payment

Progress payments will be made on the basis of hours of work completed during the course of the engagement in accordance with the firm's dollar cost bid proposal. Interim billing shall cover a period of not less than a calendar month.

VII. EVALUATION PROCEDURES

A. Audit Committee

Proposals submitted will be evaluated by an Audit Committee selected by the City Manager.

B. Review of Proposals

The Audit Committee will objectively review each proposal to determine which proposal will best meet the City of Nevada's needs and the criteria presented in the Request for Proposal.

The City of Nevada 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 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 Missouri.
- b. The firm has no conflict of interest with regard to any other work performed by the firm for the City of Nevada.
- c. The firm adheres to the instructions in this request for proposal on preparing and submitting the proposal.
- d. 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 Qualifications

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) List References of other City Audits:
  - Entity
  - Contact Person
  - Phone Number

b. Audit Approach

- (1) Adequacy of proposed staffing plan for various segments of the engagement
- (2) Adequacy of sampling technique
- (3) Adequacy of analytical procedures

3. Cost will not be the primary factor in the selection of an audit firm

D. Oral Presentations

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

E. Final Selection

The City Council will select a firm based upon the recommendation of the Audit Committee. The City of Nevada has the option to make additional negotiations regarding cost and services with the selected firm.

It is anticipated that a firm will be selected by **August 30, 2017**. Following Council approval of the firm selected, a contract will be executed between both parties by **September 2017**.

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 Nevada and the firm selected.

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

APPENDICES

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

Current Budgets and Audited Financial Statements are available on the City of Nevada website:

<http://nevadamo.gov/departments/finance/financial-reports-budgets>



APPENDIX A

CITY OF NEVADA, MISSOURI  
LIST OF PRINCIPAL ELECTED AND APPOINTED OFFICIALS  
AS OF AUGUST 4, 2017

ELECTED OFFICIALS

TITLE	NAME
Mayor	Brian L. Leonard
Council Member-Chairman Pro-Tem	Ryan Watts
Council Member	Blake Hertzberg
Council Member	Jayne Novak
Council Member	Carol Clyde-Gallagher

APPOINTED OFFICIALS

City Manager	JD Kehrman
Assistant City Manager / IT Director	Mark Mitchell
Deputy City Clerk / Planning Director	Johnna Williams
City Treasurer	Kristie Modlin
Administrative Director	Randy Marti
Municipal Court Judge	Brian Breckenridge
Municipal Court Administrator	Cindy Dye
Municipal Prosecutor	Lynn Ewing III
Municipal Attorney	William McCaffree
Police Chief	Casey Crain
Fire Chief	William Thornton
Public Works Field Operations Manager	Tom Hutchison
Alliance Water Resources Local Manager	Eric McPeak
Parks and Recreation Director	Kevin Crump

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.

PROPOSER WARRANTIES

- A. Proposer warrants that it is willing and able to comply with State of Missouri laws with respect to foreign (non-state of Missouri) 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 Nevada.
- D. Proposer warrants that all information provided by it in connection with this proposal is true and accurate.

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

APPENDIX C

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES

FOR THE AUDIT OF THE 2017 FINANCIAL STATEMENTS

	Hours	Standard Hourly Rates	Quoted Hourly Rates	Total
Partners	_____	\$_____	\$_____	\$_____
Managers	_____	_____	_____	_____
Supervisory staff	_____	_____	_____	_____
Staff	_____	_____	_____	_____
Other (specify)	_____	_____	_____	_____
Subtotal				_____
Total for services described in Section II (E)				_____
Out-of-pocket expenses:				
Meals and lodging				_____
Transportation				_____
Other (specify): _____				_____
Total all-inclusive maximum price for 2017 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.