



Town of Lake Placid

ANNOUNCEMENT OF RFP/RECEIVING OF BIDS

2016-03 External Audit Services

RFP NUMBER AND TITLE

Administration

TOWN DEPARTMENT

To establish a contract for the professional services of a Certified Public Accountant (the "auditor") for financial and compliance audits for the fiscal year ending September 30, 2017, with the option of auditing its financial statements for each of the four subsequent fiscal years

DESCRIPTION BRIEF OF PRODUCT OR SERVICE

12/01/2016 5PM

DATE OPEN

01/18/2017 2PM

DATE CLOSED

Town Administrator

DEPARTMENT HEAD AUTHORIZATION

TOWN OF LAKE PLACID, FLORIDA

REQUEST FOR PROPOSAL - EXTERNAL AUDIT SERVICES

RFP # 2016-03

The purpose of this Request for Proposals is to establish a contract for the professional services of a Certified Public Accountant (the "auditor") for financial and compliance audits for the fiscal year ending September 30, 2017, with the option of auditing its financial statements for each of the four subsequent fiscal years (and is subject to annual review). 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 (1994), the provisions of the federal Single Audit Act of 1984 (as amended in 1996), U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, Florida Single Audit Act, Chapter 27D-1 and the State of Florida, Rules of the Auditor General (in a timely manner).

DESCRIPTION OF THE GOVERNMENT

General Information

The Town of Lake Placid is a small central Florida community, located in Highlands County. The Town serves a population of about 2,200. The government is a Mayor, Council form with an appointed town staff of approximately 47 full time employees and less than 12 part time/reserve employees.

The Town has an operating budget of approximately 6.5 million. The Town is the first township on the Southern end of the Florida Lake Wales Ridge. The Town serves a greater population of about 30,000 and as such is has most of the local businesses and six school within its limits.

The Town is the local supplier to its residents and a greater Regional Utilities System of water and sewer services. The Town also collects garbage within the Town limits; portion of the collection fee is access through the County tax roll on an annual basis. Recreational, parks and cemetery services are other services the Town offers to the general public.

More detailed General Information can be found by visiting our website www.lakeplacidfl.net.

Fund Structure

The Town of Lake Placid uses the following fund types and account groups in its financial reporting:

- Governmental Funds
- Special Revenue Funds
- Proprietary Funds

Point of Contact

The Finance Manager manages the daily accounting functions and operations of accounts payable, payroll, accounts receivable, cashiering, billing and fixed assets. The Finance Manager is responsible for the preparation of unaudited financial reports, assists in annual audits, budget preparation and all other financial functions. The Finance Manager is the point of contract during the annual audits.

Computer Software

The Town's Finances are operated using American Data Group, Inc (ADG) software; a web based software accessed via the internet.

NATURE OF SERVICES REQUIRED

Scope of Work to be Performed

The Town of Lake Placid desires the auditor to express an opinion on the fair presentation of its general purpose financial statements in conformity with generally accepted accounting principles.

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

Reports to be issued:

The Auditor shall issue all reports of its audit of the financial statements in accordance with laws, regulation and professional standards applicable to such audits and shall address all such reports to the Mayor and members of the Town Council and/or other addressees in accordance with the laws, regulations and professional standards applicable to such audits and shall contain the following:

1. **Independent Auditor's Report:** A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles.
2. **Management Letter:** The Auditor shall make a study and evaluation of the Town's system of internal control to the extent considered appropriate to evaluate the system as required by generally accepted auditing standards and Section 11.45(3) (a) 4 Florida Statutes and defined in Rule 10.554(1) (F), Rules of the Auditor General. If weaknesses are noted, appropriate recommendations should first be discussed with the appropriate Town officials. If it is determined that a material weakness does exist, the Auditor shall include such comments and recommendations in a Management Letter to the Town Council.
3. **Report on Financial and Compliance Audit of Federal and/or State-Assisted Programs:** The Auditor shall issue separate reports as required by the Single Audit Act or the State of Florida and any additional reports as may be required from time to time.
4. **Financial Statements:** The Auditor shall prepare audited financial statements/notes and provide these along with all adjusting entries, supporting schedules and the management letter. The Finance Manager will be responsible for the reviewing and approval of those financial statements prior to their issuance. Final report printing and binding will be the responsibility of the auditing firm. An electronic copy of the Audited Financial Statements will also be provided in a timely manner.

5. **Presentation to Council:** The Auditor shall have a pre-Town Council meeting with Town Staff regarding the audit to point out insufficiencies. The Auditor shall attend a Town Council Meeting and shall make presentation to Town Council of the annual audit after furnishing the finalized audit to the Finance Supervisor at least three days before the Town Council meeting. If an abnormality or financial concern is found during the audit, the information must be immediately discussed or disclose with the Town Administrator or Mayor.

The Accounting staff will be available during the audit to assist the firm by providing information, documentation and reasonable explanations.

Statements and Schedules to be prepared by the Staff:

- Physical Inventory
- Trial Balance
- Accrued Payroll Summary
- Accounts Receivable Accruals
- Bank Reconciliation Summaries
- Accounts Payable Accruals
- State Revenue Reconciliation
- Fixed Asset Schedules
- Compensated Absence Schedules
- Contracts & Grants Schedules
- Various Compliance documentation
- Management Discussion Analysis

The auditor shall provide the Town of Lake Placid by October 1, 2017 both a detailed audit plan and a list of all schedules to be prepared by the Town of Lake Placid.

Working Paper Retention and Access to Working Papers

The Town of Lake Placid is bound by the rules and regulations promulgated by the Division of Archives, History and Records Management (a division of the Florida Department of State). 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 Town of Lake Placid 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. The Town of Lake Placid
2. Auditors of entities of which the Town is a sub recipient of grant funds and other federal or state agencies as necessary
3. 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.
4. The Auditor shall provide a complete copy of the working papers related to Adjusting Year End Journal Entries written by the Auditor to the Town of Lake Placid at the completion of the audit, prior to the final payment of the auditing fees, by the Town of Lake Placid.

INSTRUCTIONS FOR PROPOSALS:

Contact

The Auditor's request for proposal contact, with the Town of Lake Placid, is Town Administrator Phil Williams. Any inquiries concerning this request for proposal should be addressed in writing or e-mailed:

Lakeplacidinfo@gmail.com

Town Administrator
Town of Lake Placid
311 West Interlake Boulevard
Lake Placid, Fl. 33852

Proposals submitted will be evaluated by an Audit Selection Committee. A recommendation by the Committee to the Town Council will be presented. Final selection will be made by the Town Council.

PROPOSAL REQUIREMENTS

To be considered, one (1) original (marked "ORIGINAL") and 3 copies of a proposal must be marked "RFP #2016-03" and received by the Town Administrator's Office, located at 311 West Interlake Boulevard, Lake Placid, Fl. 33852 by 2:00 pm on January 18, 2017. All proposals received after the specified time and date *will not* be accepted. The time and date for receipt of proposals will be scrupulously observed. The Town shall not be responsible for late deliveries or mail delays. The time/date entered on the proposal received in the Office of the Town Clerk shall be the official authority for determining late proposals. The Town of Lake Placid reserves the right to reject any or all proposals submitted.

The Town of Lake Placid reserves the right to retain all proposals submitted 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 Town of Lake Placid and the firm selected.

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

Proposals must include the following at a minimum:

- a. Relevant government auditing experience of the firm.
- b. Not less than three (3) references for which the firm has performed similar work. Please submit one copy of a recent CAFR from one of the references. ***In addition, include a listing of municipal audits completed in the past two years, including contact information.***
- c. Total staff available for this audit and the anticipated percent of audit work to be performed by various levels of staff.
- d. A brief description of the audit procedure to be followed. This should include:
 1. Proposed segmentation of the engagement
 2. Level of staff and number of hours to be assigned to each proposed segment of the engagement
 3. Type and extent of analytical procedures to be used in the engagement

4. Approach to be taken to gain and document an understanding of the Town of Lake Placid's internal control structure
- e. A tentative schedule for performing key aspects of the audit.
- f. The auditor is free to include any promotional material pertaining to the auditor or audit firm; however, the promotional material shall not be considered the proposal in and of itself.
- g. Location of the office from which the audit will be conducted.
- h. Copy of the two most recent external quality control reviews (peer reviews), which included a review of specific government engagements.
- i. Results of any Federal or State desk review or field audits during the past three years.
- j. Circumstances and status of any disciplinary actions taken or pending against the firm or any partners or employees of the firm by the State regulatory bodies or professional organizations.
- k. Signed statement on public entity crimes as provided in Florida Statutes Chapter 287.133(2) (a).
- l. Description of insurance coverage maintained by the firm. Copy of declarations page from current policies for each of the following types of insurance must be attached:
 1. Worker compensation
 2. General commercial Liability
 3. Professional Liability, Malpractice and Errors and Omissions
- m. Description of any instance that the firm withdrew from an engagement prior to the agreed expiration date.

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

In a separate sealed envelope, labeled “FEE SCHEDULE” provides a fee schedule for the complete audit and an hourly rate fee schedule identified by staff level to be used for any additional work which may be requested by the Town, which is outside the scope of this contract.

1. 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 Town of Lake Placid.
 - c. A Total All-Inclusive Maximum Price for the 2017 engagement. This total price to be bid is to contain all direct and indirect costs including all out-of-pocket expenses.
2. Rates for additional Professional Services: If it should become necessary for the Town 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 Town of Lake Placid and the firm. Any such additional work agreed to between the Town 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.
3. The Town of Lake Placid 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.

MINIMUM QUALIFICATIONS TO BID

1. Auditor must maintain a permanent office in the Greater Central Florida area.
2. Auditor and audit firm must be licensed by the State of Florida, Department of Business & Professional Regulation, and State Board of Accountancy, to practice in the State of Florida.
3. A minimum of 2 full-time CPA's must be employed and assigned to the audit for the Town. These CPA's must also be employed at a permanent office in the Greater Central.
4. Auditor must have experience in governmental auditing; preferably municipal.
5. The firm should provide an affirmative statement that is independent of the Town of Lake Placid as defined by generally accepted auditing standards and the U.S. General Accounting Office's *Government Auditing Standards* (1994).

SCHEDULE OF EVENTS

The schedule as listed below is the Town's intended course of action for this project. The Town will follow the schedule to the extent possible; however, the Town reserves the right to change both the sequence and timing if deemed necessary.

12/01/16	Advertise bid and distribute bid packages
01/18/17	Deadline for submission, 2:00 PM
01/19/17	Public Bid opening, 9:00 AM
01/19-31/17	Review, evaluate, and rank firms
02/27/17	Oral presentations by firms if deemed necessary by the Audit Selection Committee
02/13/17	Committee presents top ranked proposals to Town Council for final selection and approval for staff to negotiate a contract
03/13/17	Town Council approves contract
03/17/17	Contract executed on or before

EVALUATION PROCEDURES

Proposals submitted will be evaluated by an Audit Selection Committee (committee meetings shall be noticed as public meetings). The top ranked proposals will then be submitted to the Town Council for consideration of proposal award.

During the evaluation process, the Audit Selection Committee and the Town of Lake Placid reserves the right, where it may serve the Town's best interest, to request additional information or clarifications from proposers, or to allow corrections of errors or omissions.

Firms submitting proposals should be prepared to make oral presentations as part of the evaluation process. The presentation shall include, but not be limited to:

- a) Qualifications and competency of professional personnel
- b) Ability to meet time requirements
- c) Expertise and experience in municipal audits
- d) Past performance with the Town and other local governments
- e) Current and projected workloads
- f) Ancillary services

All interested parties are instructed and cautioned not to contact Town staff or Council members, as attempts to lobby or persuade may result in disqualification. All inquirers and questions should be directed in writing or by e-mail to the bid contact listed above.

Evaluation Procedures

Each member of the Audit Selection Committee will score each technical proposal by each of the criteria described below. The Committee will convene on January 23, 2017, to review and discuss these evaluations and to combine the individual scores to arrive at a composite score for each firm (by January 26, 2017). Once the evaluations are complete and the composite scores are determined, the Sealed Dollar Cost Bids will be opened. The costs will be incorporated into the scoring (by January 31, 2017). During the evaluation process, the Audit 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 Audit Selection Committee may have on a firm's proposal. Not all firms may be asked to make such oral presentations. If asked to make an oral presentation, this will take place on February 27, 2017, at the Lake Placid Town Hall, 311 West Interlake Boulevard, Lake Placid, FL.

The factors which will be considered during the evaluation process are as follows:

- a) The audit firm shall not otherwise be affiliated with the Town.
- b) The audit firm shall be duly licensed to practice in the State of Florida, pursuant to chapter 473, Florida Statutes.
- c) The audit firm's professional personnel shall be current in all continuing professional education credits for the two (2) years preceding the proposed contract effective date.
- d) Any other audits being performed by the audit firm shall not create a conflict of interest with respect to the firm's audit of the Town.
- e) The audit firm shall have a history of performing quality audits as demonstrated by recent external quality control reviews.
- f) The audit firm shall adhere to the instructions in the Request for Proposals in preparing and submitting the proposal.
- g) The audit firm shall demonstrate its past experience and performance with the Town, if applicable, and other comparable government engagements.
- h) The audit firm shall demonstrate the quality and competency of its professional personnel to be assigned to the engagement, and the quality of its management support personnel available for technical consultation.
- i) The audit firm shall demonstrate its ability to furnish the required services to the Town based upon its recent, current and projected workload.
- j) The audit firm shall demonstrate experience with applicable state and federal grant programs.
- k) The audit firm shall demonstrate the adequacy of its proposed staffing for various segments of the engagement.
- l) The audit firm shall demonstrate the adequacy of its analytical procedures to be used in the engagement.
- m) The compensation proposed by the audit firm for its audit services will be considered in ranking the audit firms, but such fees will not be the sole or predominant factor used to evaluate proposals.

Final Selection

It is anticipated that a firm will be selected by February 13, 2017. Following notification of the firm selected, it is expected a contract will be executed between both parties by March 17, 2017.