

City of North Port



Financial Auditing Services

Request for Proposal No. 2007-11

**CITY OF NORTH PORT
REQUEST FOR PROPOSAL NO. 2007-11
FINANCIAL AUDITING SERVICES**

PART I – GENERAL INSTRUCTIONS

1. PURPOSE

- A. Intent of RFP:** It is the intent of the City of North Port, Florida, to select an experienced and qualified Auditing Firm (Auditor) to provide professional FINANCIAL AUDITING SERVICES for the City, as required by Florida Statute 11.45, for the fiscal years ending September 30, 2007; 2008; and 2009.
- B. Time and Due Date:** The City of North Port will accept initial proposals from qualified firms consisting of individuals, corporations, partnerships, and other legal entities authorized to conduct business in the State of Florida **no later than 5:00 pm Thursday, May 24, 2007.**
- C. Background:** The City of North Port is a political subdivision of the State of Florida located in Sarasota County. The City is comprised of 103 square miles and 939 miles of paved road, North Port is the third largest city in the state and is the second largest municipality in population in Sarasota County. In 2006, the City's population was estimated at 48,000.

The City is managed under a Commission-City Manager form of government. The legislative and governing body of the City is a five (5) member Commission led by a Commission Chairperson. Each Commissioner is elected to a four (4) year staggered term with a limit of two (2) consecutive terms.

The City of North Port provides a range of municipal services. The public safety operation includes police and fire protection, as well as building inspections, code enforcement and zoning. Recreational services include neighborhood parks, a skate park facility and a recreational center. Public Works provides the essential street and highway maintenance, signalization, landscape maintenance and solid waste collection. Water and Sewer Utilities provide water and sewer service and reclaimed water for irrigation. Other services provided include planning, engineering, community development and general administrative services.

2. CONTRACT AWARDS/TERM OF CONTRACT

The City anticipates entering into one (1) contract with the firm who submits the proposal judged to be most advantageous to the City.

The proposer understands that this RFP does not constitute an agreement or a contract with the proposer. A proposal is not binding until proposals are reviewed and accepted by the North Port City Commission and both parties execute a contract.

This contract will become effective immediately upon approval of the contract by the City Commission and will remain in effect through the completion of work for fiscal year ended September 30, 2009.

3. DEVELOPMENT COSTS

The City shall not be liable for any expense incurred in connection with preparation of a response to this Request for Proposal. Proposers should prepare a straightforward and concise description of the proposer's ability to meet the requirements of the RFP.

4. INQUIRIES

The City will not respond to oral inquiries. Proposers may submit written, e-mailed or faxed, inquiries regarding this RFP to the Purchasing fax number at (941) 429-7173 or the Purchasing e-mail address at Purchasing@cityofnorthport.com. The City will respond to written, e-mailed or faxed, inquiries received at least five (5) working days prior to the RFP due date.

The City will record its responses to inquiries and any supplemental instructions in the form of written addenda. All written addenda will be issued through DemandStar's website at www.demandstar.com. It shall be the responsibility of the proposer, prior to submitting their proposal, to contact the Purchasing Office to determine if addenda were issued, acknowledging and incorporating them into their proposal.

5. PROPOSAL SUBMISSION AND WITHDRAWAL

The City will receive proposals at the following address and clearly marked on the outside: **RFP 2007-11: FINANCIAL AUDITING SERVICES:**

City of North Port
Purchasing Manager
4970 City Hall Boulevard, Suite 128
North Port, Florida 34286

Proposals received after the established deadline will not be opened. Proposers may withdraw their proposals by notifying the City in writing at

any time prior to the due date. Proposals not so withdrawn shall, upon opening, constitute an irrevocable offer for a period of one hundred and eighty (180) calendar days to provide the City the services set forth in these specifications until one or more of the proposals have been accepted by the City Commissioners. Upon opening, proposals become "public records" and shall be subject to public disclosure in accordance with Chapter 119, Florida Statutes.

6. PUBLIC PRESENTATIONS

The Professional Services Committee may conduct discussions with and may require public presentations by no less than three (3) firms, regarding their qualifications, approach to the project, and ability to furnish the required services. The City shall not be responsible for any expenses incurred for public presentations.

7. PROPOSAL RESTRICTIONS

In order to control the cost of preparation, submittal will be restricted to the requirements as described in Part III – Instructions for Preparing Proposals contained within this RFP.

8. DRUG FREE WORKPLACE

The City of North Port is a Drug Free Workplace. It is strongly suggested that the attached Drug Free Workplace Form be signed and returned to this office with the proposal.

9. PUBLIC ENTITY CRIMES STATEMENT

In accordance with Florida Statutes Sec. 287.133(2)(a), "A person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid on a contract to provide any goods/services to a public entity, may not submit a bid on a contract with a public entity for construction or repair of a public building or public work, may not submit bids on leases of real property to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any public entity in excess of the threshold amount provided in Section 287.017, for Category Two, for a period of 36 months from the date of being placed on the convicted vendor list."

10. CANCELLATION

The City shall have the right to unilaterally cancel, terminate or suspend this contract, in whole or in part, by providing the firm thirty (30) days written notice by certified mail.

11. FISCAL NON-FUNDING CLAUSE

In the event sufficient funds are not budgeted for a new fiscal period, the City shall notify the successful proposer of such occurrence and the contract shall terminate on the last day of the current fiscal year without penalty or expense to the City.

12. RESERVED RIGHTS

The City reserves the right to accept or reject any/or all submissions, to accept all or any part of the submission, to waive irregularities and technicalities, and to request resubmission, if it is deemed in the best interest of the City. M/WBEs are encouraged to participate in the proposal process.

The City, in its sole discretion, may expand the scope of work to include additional requirements. The City reserves the right to investigate, as it deems necessary, to determine the ability of any firm to perform the work or services requested. The firms upon request shall provide information the City deems necessary in order to make a determination.

13. EQUAL EMPLOYMENT OPPORTUNITY CLAUSE

City of North Port, Florida, in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252) and the Regulations of the Department of Commerce (15 CFR, Part 8) issued pursuant to such Act, hereby notifies all proposers that it will ensure that in any contract entered into pursuant to this advertisement, minority business enterprises will be afforded full opportunity to submit proposals in response to this advertisement and will not be discriminated against on the ground of race, color or national origin in consideration for an award.

14. PERFORMANCE EVALUATION

At the end of the contract, the receiving department will evaluate the successful proposer's performance. This evaluation will become public record.

15. INSURANCE REQUIREMENTS

The successful firm shall be required to supply, at their cost, the following minimum insurance coverage:

- A. Workers Compensation: Coverage to apply for all employees for Statutory Limits in compliance with the applicable state and federal laws. The policy must include Employers' Liability with a limit of \$500,000 each accident; \$500,000 each employee; and \$500,000 policy limit for disease.

- B.** Professional Liability Insurance: with minimum \$1,000,000 per occurrence for this project with a \$2,000,000 policy term general aggregate. Coverage shall be extended beyond the policy year term either by a supplemental extended reporting period (ERP) with as great of duration as available, with no less coverage and reinstated aggregate limits, or by requiring that any new policy provide a retroactive date no later than the inception date of claims made.
- C.** Comprehensive Commercial General Liability Insurance: Occurrence from required. Aggregate must apply separately to this contract/job. Minimum \$500,000 each occurrence; \$1,000,000 general aggregate; \$1,000,000 products and completed ops; and \$100,000 fire damage.
- D.** Automobile Insurance: To include all vehicles owned, leased, hired and non-owned vehicles with limits of not less than \$1,000,000 per each accident and for property damage and bodily injury, with contractual liability coverage for all work performed under this agreement.
- E.** City of North Port is to be named additional insured on Comprehensive Commercial General Liability Policy and the Business Auto Policy. Certification of same shall be required along with a stand-alone Hold Harmless Agreement. All certificates of insurance and the City's Hold Harmless Agreement must be on file with and approved by the City before commencement of any work activities under this agreement.
- F.** Any and all deductibles to the above referenced policies are to be the responsibility of the successful firm.
- G.** Hold Harmless: The City shall be held harmless against all claims for bodily injury, sickness, disease, death or personal injury or damage to property, or loss of use resulting from or arising out of performance of this agreement or contract, unless such claims are a result of the City's sole negligence. The City shall also be held harmless against all claims for financial loss with respect to the provision of or failure to provide professional or other services resulting in professional, malpractice, or errors or omissions liability arising out of performance of this agreement or contract, unless such claims are a result of the City's sole negligence.

A City stand-alone Hold Harmless Agreement is required and shall be submitted along with all certificates of insurance.

END OF PART I

**CITY OF NORTH PORT
REQUEST FOR PROPOSAL NO. 2007-11
FINANCIAL AUDITING SERVICES**

PART II – SCOPE OF SERVICES

1. SCOPE OF SERVICES

The entity to be audited under this RFP is the City of North Port, Florida including all departments/divisions of the City. The funds to be audited are those included or includable in the City's CAFR.

A. Financial Information

The City's accounting system is fully automated. The City's integrated financial system is HTE, using GMBA (Budgeting and Accounting), Purchasing/Inventory, Payroll/Personnel, Building Permits, Customer Information Systems (Utility Billing), Fixed Assets, Business Licenses, Fleet Management and Cash Receipts. Approximately, seventeen (17) HTE modules are used City-wide.

The City of North Port reported in fiscal year ended September 30, 2006 on a combined total of twenty-eight (28) funds, fourteen (14) of which had budgets. Funds included were:

Fund Type	Number
General Fund	1
Major Special Revenue Funds	5
Non-major Special Revenue Funds	8
Major Capital Projects Fund	1
Non-major Capital Projects Fund	1
Enterprise Funds (reported as one activity)	4
Pension Trust Funds	2
Clearing Funds	4
Agency Funds	2

There are no joint ventures. For fiscal year ended September 30, 2005, there was no single audit required. The City of North Port does not anticipate a single audit for fiscal year ended 2006.

The City prepares its budgets on a modified accrual basis.

The City of North Port participates in the following pension plans:

- One cost-sharing multi-employer public employee retirement plan: Florida Retirement System (FRS).

- Two single employer defined benefit plans: Municipal Police Officers' Pension Trust Fund and Municipal Firefighters' Pension Trust Fund.

The Florida Retirement System (FRS) is administered by the State of Florida and is available to the City's non-uniformed (general) employees. The North Port Police Officers' and Firefighters' Pensions are administered and operated by a five (5) member Board of Trustees and the pension boards are also responsible for investment management of the funds. The North Port Police Officers' and Firefighters' Pensions issue financial reports that include financial statements and required supplementary information. These reports may be obtained from the City of North Port's Finance Department.

The Police Officers' and Firefighters' Pension Plans are currently audited under a separate audit engagement by Purvis Gray & Company, 2201 Cantu Court, Suite 100, Sarasota, FL 34232, (941) 379-2800.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of North Port for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2005. This was the tenth consecutive year that the City has received this prestigious award. Prior years' Comprehensive Annual Financial Reports are available for review at the City of North Port's Finance Department, 4970 City Hall Boulevard, North Port, Florida 34286 and on the City of North Port's website at www.cityofnorthport.com.

B. Reporting Requirements

1. Criteria – Section 11.45, Florida Statutes, requires each local government entity to have completed, within twelve (12) months of the fiscal year-end, an annual financial audit of its accounts and records. The City is soliciting proposals from qualified certified public accounting firms to audit its financial statements for the three (3) fiscal years ending September 30, 2007 to September 30, 2009. These audits are to be performed in accordance with:
 - 1.1 Section 11.45, Florida Statutes, and other applicable statutes;
 - 1.2 Regulations of the Florida Department of Banking and Finance;

- 1.3** Rules adopted by the Auditor General for form and content of local government entity audits (Chapter 10.550 and 10.600, Rules of the Auditor General);
 - 1.4** Statements issued and adopted by the Governmental Accounting Standards Board;
 - 1.5** Statements on Auditing Standards issued by the American Institute of Certified Public Accountants;
 - 1.6** Government Auditing Standards published by the Comptroller General of the United States;
 - 1.7** Audit and Accounting Guide – Audits of State and Local Government Entities published by the American Institute of Certified Public Accountants;
 - 1.8** Single Audit Act of 1984, Public Law 98-502 and amendments of 1996, Public Law 104-156;
 - 1.9** United States Office of Management and Budget (OMB), Circular No. A-133, and any other applicable circular issued by OMB;
 - 1.10** Florida Single Audit Act;
 - 1.11** Statements and interpretations issued by the Financial Accounting Standards Board, if applicable;
 - 1.12** Provisions of any other rule, regulation, statute, ordinance, or order which may pertain to the engagement.
- 2.** The City will send its Comprehensive Annual Financial Report to the Government Finance Officers Association for review in their Certificate of Achievement for Excellence in Financial Reporting program. It is anticipated that the Auditor will not be required to provide assistance to the City to meet the requirements of this program, other than completion of their responsibilities and delivery of all audit opinions and reports in a timely manner to allow for the City to deliver with applicable deadlines. The deadline for this submittal is March 31. Timing of work shall be coordinated in order to allow the City to assemble the Comprehensive Annual Financial Report to meet this deadline.

- 3.** If required by the Single Audit Act, the schedule of federal financial assistance and related Auditor's report, as well as the reports on internal and state controls and compliance.
- 4.** The accounting personnel of the City will prepare and provide copies of working trial balances used to prepare the financial statements. The financial statements and footnotes will also be prepared by the City's Finance Department. The City's accounting personnel will be available during the audit to assist the Auditor by providing information, documentation, and explanations.
- 5.** Office space will be provided in close proximity to the financial records. Telephones will be made available as well as the use of a copier and fax machine during the engagement. The Auditor will be required to provide its own equipment and other office materials.
- 6.** The Auditor shall provide the following:
 - 6.1** A Report of Independent Auditors on the basic financial statements of the City, in conformity with generally accepted accounting principals.
 - 6.2** Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting based on an Audit of Basic Financial Statements performed in accordance with *Government Auditing Standards*.
 - 6.3** If required by the Single Audit Act, Schedules of Federal and State Financial Assistance.
 - 6.4** If required by the Single Audit Act, Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program, Internal Control over Compliance in Accordance with OMGB Circular A-133 and Schedule of Expenditures of Federal Awards.
 - 6.5** If required by the Single Audit Act, Independent Auditor's Report on Examination of Management's Assertion about Compliance with Specified Requirements.
 - 6.6** If required by the Single Audit Act, a report on the Schedule of State Grant and Aid Appropriations.

- 6.7 If required by the Single Audit Act, Data Collection Form for Reporting on Audits of States, Local Governments, and Non-Profit Organizations.
- 6.8 A Management Letter as required by Section 11.45(3)(a)5, Florida Statutes and defined in Rule 10.554, Rules of the Auditor General. The draft of the management letter is to be discussed with key staff members before its issuance in final form.

7. *Time table*: All reports applicable to this RFP shall be delivered based on a schedule as agreed to by the City and the Auditor.

C. Reports to be Issued

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

- 1. A report of the fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America.
- 2. A report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with government auditing standards.
- 3. A report on compliance with requirements applicable to each major Federal program and state project and on internal control over compliance in accordance with OMB Circular A-133 and the Florida Department of Financial Services *State Projects Compliance Supplement*.
- 4. A schedule of findings and questioned costs.
- 5. Any other required reports and schedules required by Federal and State Single Audit Acts.

In the required report(s) on internal controls, the Auditor shall communicate 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.

Reportable conditions that are also material weaknesses shall be identified as such in the report. Non-reportable conditions discovered by the Auditors shall be reported in a separate management letter.

The report on compliance shall include all material instances of noncompliance. All nonmaterial instances of noncompliance shall be reported in a separate management letter.

The separate management letter shall include, but not be limited to:

- 1.** A statement as to whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report.
- 2.** A statement as to whether or not the City complied with Section 218.415, Florida Statutes, regarding the investment of public funds.
- 3.** Any recommendations to improve the City's financial management, accounting procedures, and internal controls.
- 4.** Matters that are not clearly inconsequential, considering both quantitative and qualitative factors, including the following:
 - 4.1** Violations of laws, rules, regulations, and contractual provisions or abuse that have occurred, or were likely to have occurred, and were discovered within the scope of the audit.
 - 4.2** Improper or illegal expenditures discovered within the scope of the audit that may or may not materially affect the financial statements.
 - 4.3** Deficiencies in internal control that are not reportable conditions, including, but not limited to:
 - 4.3.1** Improper or inadequate accounting procedures (i.e., the omission of required disclosures from the annual financial statements).
 - 4.3.2** Failures to properly record financial transactions.
 - 4.3.3** Other inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the Auditor.

5. A statement as to whether or not the City has met one or more of the financial emergency conditions described in Section 218.503(l), Florida Statutes, and identification of the specific condition(s) met.
6. A statement as to whether or not the financial report filed with the Florida Department of Financial Services pursuant to Section 218.32(l)(a), Florida Statutes, is in agreement with the annual financial audit report for the current audit period and, if not, explanations of any significant differences.
7. The following information regarding the Auditor's application of financial condition assessment procedures pursuant to Rule 10.556(7):
 - 7.1 A statement that the Auditor applied financial condition assessment procedures pursuant to Rule 10.556(7).
 - 7.2 If deteriorating financial conditions are noted, a statement that the City's financial condition is deteriorating and a description of conditions causing the Auditor to make this conclusion. Findings regarding deteriorating financial condition must be prepared in accordance with Rule 10.557(6).

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

City Commission
City Manager
City Finance Director

D. Special Considerations

1. *Assistance in Implementing Government Accounting Standards Board Statements:* The Auditor shall assist the City in implementing all applicable Government Accounting Standards Board (GASB) accounting and reporting standards, as issued or revised. In particular, the Auditor shall assist the City in planning for and implementing GASB Statement No. 43, "Financial Reporting for Post-employment Benefit Plans other than Pension Plans" and Statement No. 45, "Accounting and Financial Reporting by Employers for Post-employment Benefits other than Pensions."

2. The Auditor shall assist the City in preparing the Comprehensive Annual Financial Report. The City shall retain ultimate responsibility for preparation of this document; however, the Auditor shall provide the following assistance:
 - 2.1 Proof reading of entire document.
 - 2.2 Overall review including layout, design, and suggested improvements.
3. Timeliness is critical in the performance of the audit. The Auditor should coordinate with the Finance Director and endeavor to accomplish the audit in a phased-in approach throughout the year in order to reduce the year-end workload on both the audit firm and City staff. The City will make necessary records available to the Auditor through the year to assist in this regard. In addition, the City will make end-of-year records available to the Auditor on or before November 1 after the end of the fiscal year under audit.
4. The City currently anticipates it will prepare one or more official statements in connection with the sale of debt securities, which will contain the financial statements and the Auditor's report thereon. The Auditor shall be required, if requested by the financial advisor and/or the underwriter, to issue a "consent and citation of expertise" as the Auditor and any necessary "comfort letters."
5. The schedule of federal awards and state financial assistance and related Auditor's report, as well as the reports on the internal control over financial reporting and compliance, are to be issued as part of the Comprehensive Annual Financial Report.

E. Availability of Prior Audit Reports and Working Papers

Interested proposers who wish to review prior years' audit reports and management letters should contact Terri Gould, Finance Director at 4970 City Hall Boulevard, North Port, Florida, (941) 429-7107. The audit report is also available on the City's website at www.cityofnorthport.com. The City 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.

F. Other Considerations

Irregularities and Illegal Acts: Auditors shall be required to make an immediate, written report to the City Manager, or appropriate elected

official, of any irregularities and illegal acts or indications of illegal acts of which they become aware.

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 the need to extend the retention period. The Auditor will be required to make working papers available, upon request, to the City of North Port. 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.

Other Audit Services: Periodically the City of North Port may require separate audits and/or consulting engagements to be performed. The Auditor will be expected to perform these audits and/or consulting engagements requested by the City outside of the standard audit at a mutually agreed upon hourly rate.

G. PROJECT GUIDELINES AND CRITERIA

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. However, in either case, the City will retain the right to approve or reject replacements.

Auditors mentioned in response to this Request for Proposal can only be changed with the express prior written permission of the City, which will retain the right to approve or reject replacements.

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

END OF PART II

**CITY OF NORTH PORT
REQUEST FOR PROPOSAL NO. 2007-11
FINANCIAL AUDITING SERVICES**

PART III – INSTRUCTIONS FOR PREPARING PROPOSALS

1. RULES FOR PROPOSALS

- A.** The proposal must name all persons or entities interested in the proposals as principals of the Project Team. The proposal must declare that it is made without collusion with any other person or entity submitting a proposal pursuant to this RFP.
- B.** Any questions regarding a project or submittal shall be directed to Purchasing. There shall not be any contact between a proposer and any member of the selection committee or negotiating committee or any member of the City Commission regarding the project or proposal submitted by any proposer. Any proposer contacting any committee member or member of the City Commission regarding a submitted proposal, is subject to sanctions up to and including having the City disqualify that firm's submittal.

2. PROPOSAL FORMAT

Firms shall prepare their proposals using the format outlined in the Auditor Evaluation Form on pages 20-21.

3. PROPOSAL REQUIREMENTS

In addition to the information required in the Auditor Evaluation Form, provide the following information:

- A.** PROJECT: FINANCIAL AUDITING SERVICES
(City of North Port, Florida)
- B.** FIRM NAME:
ADDRESS:
TELEPHONE #:
CONTACT PERSON:
- C.** If this is to be a joint venture, or sub-consultants will be used, give name, address, telephone number, and contact person.
- D.** *Independence:* The Auditor shall provide an affirmative statement that it is independent of the City as defined by generally accepted auditing standards and the U.S. General Accounting Office's

Government Auditing Standards. The firm has no conflict of interest with regard to any other work performed by the firm for the City.

- E.** *Licensing:* An affirmative statement shall be included that the Auditor and all assigned key professional staff are properly licensed to practice in Florida.
- F.** *Expertise and Experience:* The firm's past experience and performance on comparable government engagements. A minimum of seven (7) years experience in local government financial audits is required.
 - 1.** The Auditor will 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; the number, governmental experience, and nature of the professional staff to be employed in this engagement on a full-time basis; and the number of staff to be so employed on a part-time basis.
 - 2.** If the Auditor 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.
 - 3.** *Similar Engagements with Other Governmental 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 (5) years that are similar to the engagement described in the proposal. These engagements should be ranked on the basis of total staff hours. Indicate a summary of the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.
 - 4.** *Prior Engagements with the City:* List separately all engagements with the City for the last five (5) years, ranked on the basis of total staff hours, by type of engagement (i.e., audit, management advisory services, other). Indicate a summary of 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.
 - 5.** 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 governmental engagements.

6. Provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years.
 7. 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, if applicable.
 8. Provide a summary of any litigation filed against the Auditor in the past three (3) years that is related to the services that Auditor provides in the regular course of business. The summary shall state the nature of the litigation, a brief description of the case, the outcome or projected outcome, and the monetary amounts involved.
- G. *Partner and Supervisory Staff Qualifications and Experience:*** Partner and supervisory staff members on the project must have at least six (6) months experience, and have completed one (1) local government entity (as defined in Florida Statute Section 11.45(l)(d)) annual financial audit.
1. Identify the principal supervisory and management staff, including engagement partners, manager, other supervisors, and specialists who would be assigned to the engagement. Indicate whether each such person is licensed to practice as a certified public accountant in Florida. 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.
 2. Provide all relevant information regarding the number, qualification, 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 a three (3) year term of the contract will be assured.
- H. *Identification of Anticipated Potential Audit Problems:*** Identify and describe any anticipated potential audit issues or considerations, the firm's approach to resolving these issues, and any special assistance that will be requested from the City.
- I. *Specific Audit Approach:*** The Auditor should set forth a work plan, including an explanation of the audit methodology to be followed, to

perform the services required. In developing the work plan, reference should be made to such sources of information as the City's budget and related materials, organizational charts, manuals and programs, and financial and other management information systems.

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

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 City's internal control structure.
5. Approach to be taken in determining laws and regulations that will be subject to audit test work.
6. Firm's philosophy on staff rotation.
7. Submit a time schedule.

NOTE: All responses to this letter of interest shall be made in this format. Do not attach firm brochures or any other documents as exhibits.

Proposals are to be typed on the firm's letterhead, specifically referring to the project and the scope of services, containing all required information. That information is to be submitted in one (1) original form plus six (6) signed copies and placed in a sealed package clearly marked on the outside "**RFP 2007-11: FINANCIAL AUDITING SERVICES**" and addressed to:

City of North Port
Purchasing Manager
4970 City Hall Boulevard, Suite 128
North Port, Florida 34286

END OF PART III

**CITY OF NORTH PORT
REQUEST FOR PROPOSAL NO. 2007-11
FINANCIAL AUDITING SERVICES**

PART IV – EVALUATION OF PROPOSALS

1. EVALUATION METHOD AND CRITERIA

A. General

The City shall be the sole judge as to the merits of the proposal, and the resulting agreement. The City's decision will be final.

The City's evaluation criteria will include, but shall not be limited to, considerations listed under Part II – Scope of Services. As mentioned in Proposal Format, the proposals should be prepared using the format outlined in the Auditor Evaluation Form on pages 20-21. Auditors are advised, and should take into account in the preparation of their proposals, that in the evaluation of Auditors, qualifications by the Professional Services Review Committee shall include, but are not limited to, consideration of such factors as: experience; capabilities; past record; past performance; adequacy of personnel; ability of professional personnel; willingness and ability to meet time and budget requirements; recent, current and projected workload; and the volume of work previously awarded to each firm by the City, with the object of effecting an equitable distribution of contracts among qualified firms; location; approach to the project; ability to furnish the required services; ability to coordinate and control the production and quality of work required for this project; and such other factors as may be determined by the Professional Services Review Committee to be applicable to the particular requirements of the project for which the professional services have been requested.

EVALUATION CRITERIA	PERCENTAGE (WEIGHT)
<u>EXPERTISE AND EXPERIENCE</u>	
A. Size of firm/governmental staff, full/part time staff, nature of staff	
B. Qualifications of joint venture or consortium firms	
C. Similar engagements with governmental entities	
D. Prior engagements with City of North Port (deduct for prior work with City of North Port)	30
E. Quality control	
F. Federal/state desk review results, field review results	
G. Disciplinary actions	
H. Litigation against firm	

LOCATION/FACILITIES OF WORKING OFFICE(S) PROJECT

A. Prime firm/local	
B. Prime firm/non-local	5

PARTNER & SUPERVISORY STAFF QUALIFICATIONS & EXPERIENCE

A. At least six (6) months experience	
B. Completion of at least one (1) city agency annual financial audit	
C. Florida CPA	30
D. Continuing professional education	
E. Membership in relevant professional organizations	
F. Assurance of quality of staff	

SPECIFIC AUDIT APPROACH

A. Work plan	
B. Proposed segmentation of the engagement	
C. Staff level/hours of each segment	
D. Type/extent of analytical procedures	
E. Approach to understand City's internal control structure	25
F. Approach to determine laws/regulations to be subject to audit test work	
G. Firm philosophy on staff rotation	
H. Reference to information sources	

<u>FIRM'S CURRENT WORKLOAD</u>	10
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TOTAL EVALUATION	100
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B. Selection: The Professional Services Review Committee shall evaluate and rank the proposals submitted by all firms. Presentations may be requested by the Professional Services Review Committee from the top three (3) ranked firms. Contract negotiations would then commence with the top ranked Project Team.

C. Schedule: The anticipated schedule for this project is as follows:

May 24, 2007:	Proposals due by 5:00 pm
May 31, 2007:	Professional Services Review Committee ranks firms
June 1, 2007:	Begin negotiations with top ranked firm, if presentations are not requested
July 23, 2007:	City Commission to approve negotiated contract

END OF PART IV

PROPOSAL SUBMITTAL SIGNATURE FORM

The undersigned attests to his/her authority to submit this proposal and to bind the firm herein named to perform as per contract, if the firm is awarded the contract by the City.

The undersigned further certifies that he/she has read the Request for Proposal, Terms and Conditions, Insurance Requirements and any other documentation relating to this request and this proposal is submitted with full knowledge and understanding of the requirements and time constraints noted herein.

As addenda are considered binding as if contained in the original specifications, it is critical that the firm acknowledge receipt of same. The submittal may be considered void if receipt of an addendum is not acknowledged.

Addendum No. _____ Dated _____ Addendum No. _____ Dated _____

Addendum No. _____ Dated _____ Addendum No. _____ Dated _____

Company Name

Telephone #

Fax #

Main Office Address

City

State

Zip Code

Address of Office Servicing City of North Port, if different than above

City

State

Zip Code

Name & Title of Firm Representative

Telephone #

Fax #

Signature

Date

DRUG FREE WORKPLACE FORM

The undersigned vendor in accordance with Florida Statute 287.087 hereby certifies that _____ does:
(Company Name)

1. Publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and specifying the actions that will be taken against employees for violations of such prohibition.
2. Inform employees about the dangers of drug abuse in the workplace, the business's policy of maintaining a drug free workplace, any available drug counseling, rehabilitation, and employee assistance programs, and the penalties that may be imposed upon employees for drug abuse violations.
3. Give each employee engaged in providing the commodities or contractual services that are under bid a copy of the statement specified in subsection (1).
4. In the statement specified in subsection (1), notify the employees that, as a condition of working on the commodities or contractual services that are under bid, the employee will abide by the terms of the statement and will notify the employer of any conviction of, or plea of guilty or nolo contendere to, any violation of Chapter 893 or of any controlled substance law of the United States or any state, for a violation occurring in the workplace no later than five (5) days after such conviction.
5. Impose a sanction on, or require the satisfactory participation in a drug abuse assistance or rehabilitation program if such is available in the employee's community, by any employee who is so convicted.
6. Make a good faith effort to continue to maintain a drug free workplace through implementation of this section.

As the person authorized to sign the statement, I certify that this firm complies fully with the above requirements.

Signature

Date

PUBLIC ENTITY CRIME INFORMATION

A person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid on a contract to provide any goods or services to a public entity, may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work, may not submit bids on leases of real property to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any public entity in excess of the threshold amount provided in Section 287, for CATEGORY TWO for a period of 36 months from the date of being placed on the convicted vendor list.

I, _____, being an authorized
representative of the firm of _____,
located at _____ City: _____
State: _____ Zip Code: _____, have read and understand the
contents above.

Signature: _____ Date: _____

Telephone #: _____ Fax #: _____

Federal ID #: _____

NON-COLLUSIVE AFFIDAVIT

State of _____ }
County of _____ } SS.

_____ being first duly sworn, deposes and says that:

He/She is the _____ (Owner, Partner, Officer, Representative or Agent) of _____ the offeror that has submitted the attached proposal;

He/She is fully informed respecting the preparation and contents of the attached proposal and of all pertinent circumstances respecting such proposal;

Such proposal is genuine and is not a collusive or sham proposal;

Neither the said offeror nor any of its officers, partners, owners, agents, representatives, employees or parties in interest, including this affiant, have in any way colluded, conspired, connived or agreed, directly or indirectly, with any other offeror, firm, or person to submit a collusive or sham proposal in connection with the work for which the attached proposal has been submitted; or have in any manner, directly or indirectly sought by agreement or collusion, or communication or conference with any offeror, firm, or person to fix the price or prices in the attached proposal or of any other offeror, or to fix any overhead, profit, or cost elements of the proposal price or the proposal price of any other offeror, or to secure through any collusion, conspiracy, connivance, or unlawful agreement any advantage against (Recipient), or any person interested in the proposal work.

Signed, sealed and delivered in the presence of:

By: _____

(Printed Name)

(Title)

STATEMENT OF ORGANIZATION

Each proposer must state whether he/she is an individual, joint venturer, corporation, or partnership. Partnerships shall show the names, titles, and original signatures of all partners with authority to bind the company. Corporations must be signed in the name and with the seal of the corporation, followed by the original signature and title of the person authorized to bind the corporation. Each joint venturer shall be required to sign for each individual, partnership, and corporation that is a party to the joint venture. The proposer is the company that would execute a contract with the City for this project.

If proposer is an INDIVIDUAL:

Individual's Name: _____

DBA: _____

Signature: _____

Business Address: _____

City: _____ State: _____ Zip Code: _____

Phone: _____ Fax: _____

If proposer is a PARTNERSHIP: (Provide names & signatures of all partners)

Firm Name: _____

Partner(s): _____

Signature: _____

Partner(s): _____

Signature: _____

Business Address: _____

City: _____ State: _____ Zip Code: _____

Phone: _____ Fax: _____

(Attach additional sheets if necessary)

If proposer is a CORPORATION:

Corporation Name: _____

State of Incorporation: _____

Name/Title of person authorized to bind the corporation: _____

Name/Title of person authorized to bind the corporation: _____

Name/Title of person authorized to bind the corporation: _____

Business Address: _____

City: _____ State: _____ Zip Code: _____

Phone: _____ Fax: _____

If proposer is a JOINT VENTURE:

Name/Title: _____

Business Address: _____

City: _____ State: _____ Zip Code: _____

Phone: _____ Fax: _____

Name/Title: _____

Business Address: _____

City: _____ State: _____ Zip Code: _____

Phone: _____ Fax: _____

Name/Title of persons authorized to bind the venture: _____

(Attach additional sheets if necessary)

INDEMNIFICATION AGREEMENT

The Elected Firm shall be fully liable for the actions of its directors, officers, members, partners, or subcontractors, and the employees and agents of each of them, and shall fully indemnify and hold harmless the City of North Port, its employees, agents and assigns from claims, suits, actions, damages, and costs of every type and description, including attorneys' fees (at both trial and appellate levels), arising from or relating to personal injury or death, and damage to real property or tangible personal property alleged to be caused in whole or in part by the Elected Firm, its officers, directors, members, partners, or subcontractors, and employees or agents of any of them; provided, however, that the Elected Firm shall not indemnify for that portion of any loss or damages proximately caused by the negligent act or omission of the City of North Port.

To the extent applicable, the Elected Firm shall fully indemnify and hold harmless the City of North Port, and its agents, employees assigns from any claims, suits, actions, damages, and costs of every type and description, including attorneys' fees (at both trial and appellate level), arising from or relating to violation or infringement of a trademark, copyright, patent, trade secret or intellectual property right; provided, however, that the foregoing obligation shall not apply to the misuse or modification of Elected Firm's products by the City of North Port or any of its agents, employees, and assigns, or to the operation or use of Elected Firm's products by the City of North Port or any of its agents, employees, and assigns in a manner not contemplated by the Contract or the purchase order.

In the event of a claim, the City of North Port shall promptly notify the Elected Firm in writing by prepaid certified mail (return receipt requested), or by delivery through any nationally recognized courier service (such as Federal Express or UPS) which provides evidence of delivery, at the following address:

Such notification may also be provided by fax transmission to the following fax number:

The City of North Port shall provide all available information and assistance that the Elected Firm may reasonably require regarding any claim.

The City of North Port may, in addition to other remedies available to it at law or equity, and upon written notice to the Elected Firm, retain such monies from amounts due the Elected Firm as may be deemed by the City of North Port to be necessary to satisfy any claim for damages, penalties, costs and the like asserted by or against it. The City of North Port may set off any liability or other obligation of the Elected Firm or its affiliates to the City of North Port against any payments due the Elected Firm under any contract with the City of North Port.

This agreement for indemnification shall continue in force for five (5) years from the date of full completion of all obligations of the Elected Firm under the Contract or Purchase Order.

In the event that there is a conflict between this agreement and any other applicable indemnification agreement between the City of North Port and the Elected Firm, the agreement which provides the most protection for the City of North Port shall take precedence. The provisions of this Contract are severable, and if any one or more provisions may be determined to be illegal or otherwise unenforceable by a court of competent jurisdiction, in whole or in part, the remaining provisions, and any partially unenforceable provisions to the extent enforceable, shall nevertheless be binding and enforceable.

I, _____, being an authorized representative of the firm of _____ ("the Elected Firm"), having read and understood the contents above, hereby enter into this indemnification agreement as of this date, _____, 200__.

Signature of Representative of Elected Firm

Printed name

As: _____

Contact Information for Elected Firm:

Street Address

City, State and Zip Code

Phone: _____

Fax: _____

ACCEPTED BY THE CITY OF NORTH PORT ON _____, 200__.

By: _____

Printed Name: _____

As: _____