



REQUEST FOR PROPOSAL

RFP 102015

Bay County Finance Department
Auditing Services

THOMAS HICKNER
BAY COUNTY EXECUTIVE

REQUEST FOR PROPOSAL – THIS IS NOT AN ORDER OR OFFER

IF FOR ANY REASON YOU CANNOT RETURN THIS PROPOSAL, PLEASE RETURN THIS FORM INDICATING SO TO INSURE THAT YOUR NAME MAY BE RETAINED ON OUR BIDDER LIST

DATE OF REQUEST	SEPTEMBER 21, 2015
REFERENCE PROPOSAL NUMBER	RFP 102015
DEADLINE FOR VENDOR QUESTIONS	SEPTEMBER 25, 2015 5:00 PM
RESPONSES DUE FROM COUNTY	SEPTEMBER 30, 2015 5:00 PM
PROPOSED DATE/TIME REQUIRED	OCTOBER 9, 2015 11:00 AM
SUBMIT PROPOSAL TO:	BAY COUNTY FINANCE DEPARTMENT PURCHASING DIVISION ATTN: FRANCES MOORE BAY COUNTY BUILDING 515 CENTER AVENUE 7 TH FLOOR BAY CITY, MI 48708-5128
MARK PROPOSAL:	“BAY COUNTY AUDITING SERVICES - DELIVER TO PURCHASING IMMEDIATELY”

The County of Bay is requesting proposals from qualified firms of certified public accountants to perform an audit on its financial statements for the fiscal years ending December 31, 2015, 2016, 2017 with the option for subsequent fourth and fifth years (2018 and 2019).

The accounting policies of the County of Bay conform to generally accepted accounting principles (GAAP) as applicable to governmental units. These audits are to be conducted in accordance with the American Institute of Certified Public Accountants, Audits of State and Local Governmental Units, General Accounting Office (GAO) set by the Comptroller General of the United States, the standards applicable to financial units and governmental audits contained in the Federal Single Audit Act, and Office of Management and Budget's (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

The purpose of this document is to ultimately select the services of a professional firm to provide the County of Bay with consulting and auditing services for its financial and compliance audits. The County of Bay has provided specifications and requirements which will assist in the selection of the highest quality services possible to meet the requirements and needs of the County.

With a view to obtaining the most acceptable services, these specifications cover the general requirements. Recommendations from firms are encouraged and will be reviewed and evaluated based on the best interests

of the County.

This document is a Request for Proposal. It differs from a Request for Bid/Quotation in that the County is seeking a solution as described herein, not a bid/quotation meeting audit specifications for the lowest price. As such, the lowest price proposal will not guarantee an award recommendation. Competitive sealed proposals will be evaluated upon criteria formulated around the most important features of service, qualifications, experience, methodology, timelines, and price; however, price may not be determinative in the issuance of a contract or award. The proposal evaluation criteria should be viewed as standard, which measure how well a firm's approach meets the desired requirements and needs of the County.

A. BACKGROUND

Additional information concerning the County's Finance Department or financial statements may be found at:

<http://www.baycounty-mi.gov/Finance/>

The Michigan legislature created Bay County in 1857 from territory that today constitutes Arenac County, and parts of Midland and Saginaw counties. Bay County assumed its present proportions in 1883, including 443 square miles of land and 30 miles of shoreline. Many streams and two main rivers—the Kawkawlin and Saginaw rivers—are found in Bay County.

Bay County is made up of 14 townships and 4 cities. It is home to around 107,771 people, making it the 20th most populace county in the State of Michigan.

The Bay County executive and legislative government consists of seven (7) elected officials, including the Bay County Executive who are elected to four (4) year terms and the seven-member Bay County Board of Commissioners, each elected to a two (2) year term. Other elected County officials include the County Clerk, Treasurer, Register of Deeds, Drain Commissioner, Sheriff and Prosecutor.

Bay County government is set up under Public Act 139 of 1973. This format provides for an elected County Executive who, as chief administrator, has influence over all departments, except those headed by other elected officials. In that manner, the County Executive appoints and supervises all Act 139 department heads. It is the duty of the County Executive to coordinate all county activities and unify the management of county affairs, enforce all orders, rules and ordinances passed by the Board of Commissioners and all laws enacted by the state. In addition, the County Executive must submit to the Board of Commissioners a recommended budget each year. The county government operates the jail, maintains rural roads, operates the major local courts, keeps files of deeds and mortgages, maintains vital records, administers public health regulations, and participates with the state in the provision of welfare and other social services.

The County Executive directs and oversees twelve departments. The County Board of Commissioners is the legislative branch and Circuit and District Courts constitute the judicial branch. Six other County-wide elected officials direct and operate the following County offices:

- County Clerk
- Drain Commissioner
- Prosecutor
- Register of Deeds
- Sheriff
- Treasurer

The County provides the following services to its citizens:

- Public Safety
- Judicial and Court Services
- Health and Welfare
- Community & Economic Development
- Parks and Recreational Services
- Public Works
- General Government Services

To view the organization chart of the Bay County government please follow the attached link (if the link will not work please cut and paste into your browser):

[Government Organization Charts](#)

<http://www.baycounty-mi.gov/AboutBayCounty/>

For more information relating to departments that comprise Bay County government please click on the link below:

[Guide to County Government](#)

<http://www.baycounty-mi.gov/AboutBayCounty/>

FUND STRUCTURE AS OF DECEMBER 31, 2014

The County of Bay reported the following fund types by the primary government (including the funds of blended component units) including the discretely presented component units:

Fund Type/Account Group	Approximate Number of Individual Funds	Approximate Number of Legally Adopted Annual Budgets
General Fund	1	1
Special Revenue	23	22
Debt Service Funds	4	4
Capital Projects Funds	7	0
Enterprise Funds	6	0
Fiduciary Funds	9	0
Internal Service Funds	2	0

BUDGET

The County adopts its budget in accordance with generally accepted accounting principles on a function level. Although spending estimates are produced for each item, budgetary control is exercised at the activity level. The 2015 budget is approximately \$152,516,124.

The County has a total payroll approximating \$61,376,464 and employs approximately 1348 employees.

BASIS OF ACCOUNTING

The County uses the flow of current financial resources measurement focus and the modified accrual basis of accounting for all governmental funds and full accrual basis of accounting for all proprietary funds and fiduciary funds.

FEDERAL AWARDS

In 2013, the County of Bay received federal financial assistance as follows:

Federal Agency	Grant Revenue	Program Expenditures
U.S. Department of Agriculture	\$502,545	\$502,545
U.S. Department of Commerce/National Oceanic Atmosphere Administration	\$24,478	\$24,478
U.S. Department of Justice	\$220,740	\$220,740
U.S. Department of Transportation	\$198,427	\$198,427
U.S. Department of Veterans Affairs/VA Health Administration Center	\$17	\$17
U.S. Environmental Protection Agency	\$3,705,652	\$3,705,652
U.S. Department of Health and Human Services	\$2,316,449	\$2,316,449
U.S. Department of Homeland Security	\$1,247,501	\$1,247,501

U.S. Department of Housing and Urban Development	\$14,374	\$14,374
Total Federal Revenue	\$8,230,183	\$8,230,183

PENSION PLANS

The County has a multiple-employer contributory defined benefit pension plan, the Bay County Employee’s Retirement System (“BCERS” or “the Plan”) covering substantially all employees. Entities that participate in the BCERS include the Road Commission, Bay Arenac Behavioral Health, Bay Medical Care Facility, Library System and Department of Water and Sewer. In accordance with the Bay County retirement ordinance, members are required to contribute four (4) percent of their annual compensation. The County pays the member contribution for some employee groups.

The Plan provides its members various benefits, including regular retirement, early retirement, deferred retirement, non-duty death in service, duty death in service, non-duty disability and duty disability.

The Plan is reported as a Pension Trust Fund and is funded annually based on an independent annual actuarial valuation performed by Gabriel, Roeder, Smith and Company.

The County general pension plan has approximately \$308,000,000 at the end of December 31, 2014. The Voluntary Employees’ Beneficiary Association (“VEBA”) has approximately \$42,300,000 in assets as of December 31, 2014.

COMPONENT UNITS

The County is defined as a primary government, for financial reporting purposes, in conformity with the Governmental Accounting Standards Board’s (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, Section 2100. Using these criteria, component units are included in the County’s financial statements.

The management of the County identified the following units for inclusion in the County’s financial statements as of December 31, 2014:

Blended Component Unit

- Bay County Building Authority

Discretely Presented Component Units

- Bay County Economic Development Corporation
- Bay County Road Commission
- Bay County Library System
- Bay County Department of Water and Sewer
- Bay County Drain Commissioner
- Bay Area Narcotics Enforcement Team (BAYANET)
- Bay County Land Bank.

The following discretely presented component units are audited by outside certified public account firms:

- Bay County Road Commission
- Bay County Department of Water and Sewer

The CPA firms will provide the needed information for inclusion in the County's audit.

The following blended component/discretely presented component units are to be audited as part of the County's financial statements and the financial records are located within the County's Finance Department:

- Bay County Building Authority
- Bay County Economic Development Corporation (inactive)
- Bay County Drain Commissioner

The following discretely presented component units are to be audited as part of the audit of the County's financial statements and their financial records are located in their offices:

- Bay County Library System
- Bay Area Narcotics Enforcement Team
- Bay County Land Bank
- Bay County Road Commission (Effective 2016 Audit)

JOINT VENTURES

The County of Bay does not currently participate in any joint ventures with local communities.

COMPUTER SYSTEMS

Bay County uses Tyler Technologies' MUNIS ERP system for financial software. Bay County runs a DELL Compellent system utilizing Microsoft Windows Server 2008 R2 and Microsoft SQL Server 2008. The County computer system also runs BS&A, OnBase, Deketo software for Register of Deeds and ESRI ArcGIS products. In addition to the DELL Compellent system, the County runs IBM iSeries AS/400 to support New World, Judicial Information Systems and Judicial Management Systems. The DELL Compellent system was implemented in September and the beginning of October 2014. It was built to grow with the County and allow for future expansion of additional services. The County provides a shared service for Information Systems where there is a central location for information technology provided by the County. The network system is being expanded and improved over the next 12 months to provide better speed and reliability for users. Any additional questions about the County computer system can be answered if required.

B. SCOPE OF WORK

WORK TO BE PERFORMED

The County is seeking a firm that will conduct an audit that allows reports to be issued including the Comprehensive Annual Financial Report (CAFR) on the entire operations of the County, required financial statements for its component units, as well as any single audit reports as required for all entities. The

printing and binding of the financial statements will be provided by the firm selected for all CAFRs and Single Audit Financial Statements prepared by the firm. The number of printed reports varies by entity.

The firm will perform audits in order to express an opinion on whether the basic financial statements are presented fairly in conformity with generally accepted accounting principles (GAAP) in the United States of America and the standards applicable to financial audits contained in the Government Auditing Standards as issued by the Comptroller General of the United States. Each year the firm should review all updated compliance with laws, regulations, pronouncements, internal controls and with all changes in Governmental Accounting Standards.

Management letters must be prepared for each entity audited with all finding, comments and recommendations.

It is imperative to issue and prepare all audit reports by their deadline dates.

BAY COUNTY HOUSING DEPARTMENT – CENTER RIDGE ARMS (CRA) REQUIREMENTS

This fund of the County has monies provided by the Housing & Urban Development Department (HUD) and, although the submission of a proposal for the CRA portion of this proposal will not increase nor eliminate a potential firm’s opportunity; any firm submitting a proposal for CRA **MUST** be fully versed in all requirements of a HUD funded facility.

REPORTS TO BE ISSUED

Following the completion of the audit of the fiscal year’s financial statements, the firm shall prepare and issue the following reports:

- Comprehensive Annual Financial Report for Bay County. The County may, at its discretion, prepare and bind the County’s CAFR.
- Report on the fair presentation of the financial statements in conformity with generally accepted accounting principles in the United States and standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.
- Financial Statements for the following component units/entities:
 - Bay Area Narcotics Enforcement Team
 - Bay County Land Bank
 - Bay Medical Care Facility
 - Bay County Road Commission (Effective 2016 Audit)
 - Bay County Housing Department – Center Ridge Arms (HUD Funded)
- Report on internal control over financial reporting and on compliance and other matters based on an audit of the financial statements in accordance with Government Auditing Standards.
- Single Audit Report of Federal Awards (as required for the County and its component units).

- Independent Certified Public Accountant “in-relation-to” report on the schedule of major and non-major federal financial awards and a report on Compliance and Internal Control over Financial Reporting in accordance with auditing standards generally accepted in the United States of America, and standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and as required by OMB A- 133, Audits of State and Local Governments.
- Management Letter on Internal Controls and Recommendations.
- Other Reports as deemed necessary by our Audit.

In the required reports on compliance and internal controls, the firm shall communicate in a letter to management and the Board of Commissioners 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.

All non-reportable conditions discovered by the firm shall be reported in a separate management letter, which shall be referred to in the reports on compliance and internal controls.

The reports on compliance and internal controls shall include all material instances of non-compliance. All non-material instances on non-compliance shall be reported in a separate management letter, which shall be referred to in the report on compliance and internal controls.

All reports shall be prepared, reproduced and assembled by the firm unless other arrangements are made.

IRREGULARITIES AND ILLEGAL ACTS

The firm 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:

- Bay County Board of Commissioners
- Bay County Executive
- Bay County Finance Officer

REPORTING TO THE FINANCE OFFICER AND BOARD OF COMMISSIONERS’ FINANCIAL ANALYST

The firm shall ensure that the County’s Finance Officer and Board of Commissioner’s Financial Analyst are each informed of the following:

- The auditor’s responsibility under generally accepted auditing standards.
- Significant accounting policies
- Management judgments and accounting estimates
- Significant audit adjustments

- Other information in documents containing audited financial statements
- Disagreements with Management
- Management consultation with other accountants
- Major issues discussed with management prior to working papers retention
- Difficulties encountered in performing the audit.

ADDITIONAL SERVICES

Governmental accounting consulting services may be required on an “as-needed” basis. From time to time there may be a question for clarity requiring the firm’s advice and/or other additional services required by the County. Additional work will be agreed upon through an addendum outlining the scope of services and at the same rates as provided in the schedule of fees and expenses included in the firm’s proposal.

SPECIAL CONSIDERATIONS

The County will submit its Comprehensive Annual Financial Report to the Government Finance Officers Association (GFOA) of the United States and Canada for review in their Certificate of Achievement for Excellence in Financial Reporting program. The firm may be required to provide special assistance to the County to meet the requirements of that program, inclusive of facilitating responses to the comments and suggestions from the GFOA on the county’s previous year submission.

The County currently anticipates it will prepare one or more official statements in connection with the sale of debt securities, which will contain the general purpose financial statements and the auditor’s report thereon. The firm shall be required, if requested by the county fiscal advisor and/or underwriter, to issue a “consent and citation of expertise” as the auditor and any necessary “comfort letters.”

The County has determined that the U.S. Department of Health and Human Services will function as the cognizant agency in accordance with the provisions of the Single Audit Act of 1984 (as amended) and U.S. Office of Management and Budget (OMB) Circular A-133 as amended, *Audits of States, Local Governments, and Non-Profit Organizations*.

The schedule of federal financial assistance and related auditor’s report, as well as the reports of the internal control structure and compliance are not to be included in the Comprehensive Annual Financial Report, but are to be issued separately.

The County may require the firm’s consultation and/or assistance to comply with any new reporting requirements.

The firm shall be responsible for preparing all the financial statements from the books of the County and related notes, in addition to those schedules which are not prepared by the County.

The firm will complete the auditing procedures report required by the State of Michigan and submit the report with the County’s CAFR and the financial statements.

WORKING PAPERS RETENTION AND ACCESS TO WORKING PAPERS

All working papers, including electronic formats and reports must be retained, at the firm’s expense, for a minimum of seven (7) years, unless the firm is notified in writing by the County of the need to extend the

retention period. The firm will be required to make working papers available, upon request, to the following parties or their designees:

- U.S. General Accounting Office (GAO)
- County of Bay
- U.S. Department of Health and Human Services
- Parties designated by the federal or state governments or by the County of Bay as part of an audit quality review process
- Auditors of entities of which the County of Bay is a sub recipient 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.

TIME REQUIREMENTS

The following are a list of key dates:

Request for Proposal Issued:	September 21, 2015
Due Date for Proposals:	October 9, 2015
Evaluation Process:	October 9-19, 2015
Interviews:	October 21, 2015 (Notice for any interviews will be given with as much prior notice as possible, please plan on having this day set aside for all relevant staff)
Final Selection:	October 23, 2015

SCHEDULE FOR THE FISCAL YEAR AUDIT

Each of the following shall be completed by the firm no later than the dates indicated for December 31 year end entities:

December 1	The firm shall provide the County by December 1, both a detailed audit plan and a list of all schedules to be prepared by the County.
December 31	The firm may perform pre-audit work by December 31
April 1 to April 30*	The County will have all records ready for audit and all management personnel available to meet with the audit firm's personnel between April 1 and April 30 of each year next following the fiscal year end.
May 15	The audit firm shall provide preliminary drafts of the Comprehensive Annual Financial report (if they prepare it), the financial statement of indicated component units and entities and the Management Letter prior to final production. The drafts will be reviewed by the Finance Officer, Board of Commissioner's Financial Analyst or designee.

May 31	The firm will review the final draft of the Comprehensive Annual Financial Report and the Management Letter with the County Executive, Finance Officer and Board of Commissioners' Financial Analyst.
June	The final report and electronic copy of the Comprehensive Annual Financial Report indicated financial statements and the Federal Award Single Audit Reports (as required) shall be delivered to the Board of Commissioner's Financial Analyst, Robert Redmond, 515 Center Ave., 4 th Floor, Bay City, MI 48708.

*The County intends to move up its audit process gradually such that records will be available in March. The expectation is that the remainder of the schedule will also move up approximately one month.

ENTRANCE CONFERENCES, PROGRESS REPORTING AND EXIT CONFERENCES

At a minimum, the following conferences should be held:

Entrance Conference – Date will be determined by the County's finance officer and representative of the successful firm no later than December 15, 2015. The entrance conference will be held with the finance officer and finance department personnel. The purpose of this meeting will be to discuss the 2015 Audit calendar and the date of the exit conference.

Progress Conference – Several meetings will be held with the finance officer and board financial analyst. The purpose of these meeting will be for the firm to summarize the progress of the audit and identify problems that may impact the scope and timing of the audit.

Exit Conference – The final report shall be presented to the County's Board of Commissioners and meet all legal reporting requirements. The purpose of this meeting will be to summarize the results of the audit and review any significant findings.

ASSISTANCE TO BE PROVIDED TO THE AUDIT FIRM

The County's Finance Department and appropriate personnel for the component units and other entities will provide direct assistance during the audit. The Finance Department will be available to provide information and supporting documentation to the firms to perform all field work. All responsible management personnel will be available during the audit.

The firms will be provided with space to perform all field work.

Report preparation, editing and printing shall be the responsibility of the selected firm. All final reports shall be printed on county letterhead and report covers.

C. GENERAL REQUIREMENTS

The purpose of proposing firms' proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit of the County and indicated component units and entities in conformity with the requirements of the Request for Proposal. As such, the substance of proposals will carry more weight than their form or manner of presentation. The 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 proposal should address all the points outlined in the Request for Proposals including cost information. The proposal should be prepared simply and economically, providing a straightforward, concise description of the firm's capabilities to satisfy the requirements of the Request for Proposal. While additional data may be presented, the following subjects must be included. They represent the criteria against which the proposal will be evaluated.

No subcontracting, joint ventures of consortium or cooperative arrangements with other auditing firms are allowed.

1. Independence

The firm should provide an affirmative statement that is independent of the County or any of its component units as defined by Generally Accepted Auditing Standards/the U.S. General Accounting Officer's Government Auditing Standards (1994).

The firm should also list and describe the firm's professional relationships involving the County or any of its component units 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 County written notice of any professional relations entered into during the period of this agreement.

2. License to Practice in the State of Michigan

An affirmative statement should be included that the firm and all assigned key professional staff are properly licensed to practice in the State of Michigan.

3. Firm Qualifications and Experience

The firm should state their overall size the size of the 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 on a part-time basis.

The firm is also required to submit a copy of the report on its most recent external control review, with a statement whether the quality control review included a review of specific governmental engagements.

The firm shall also provide information on the results of any federal or state desk reviews of field reviews of its audits during the last 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.

4. Partner, Supervisory and Staff Qualifications and Experience

The firm shall identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement and indicate whether each such person is registered or licensed to practice as a certified public accountant in

Michigan. The firm also shall 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 governmental organizations relevant to the performance of the audit.

The firm shall 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. The firm also shall indicate how the quality of staff over the term of the agreement will be assured.

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 County of Bay. However, in either case, the County retains the right to approve or reject replacements.

Other audit personnel may be changed at the discretion of the proposed provided that replacement have substantially the same or better qualifications or experience and with the approval of the County.

5. Prior Engagements with the County or its Component Units

List separately all engagements within the last five years, ranked on the basis of total staff hours, for the County 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 County contact person.

6. Similar Engagements with Other Governmental Entities

For the firm's office that will be assigned responsibility for the audit, list all municipal engagements performed in the last five years. 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.

7. 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 this Request for Proposal. In developing the work plan, reference should be made to such sources of information as the County budget and related materials, organization, charts, manuals and programs, and financial and other management information systems.

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

- Proposed segmentation of the engagement
- Level of staff and number of hours to be assigned to each proposed segment of the engagement
- Sample size and the extent to which statistical sampling is to be used in the engagement
- Type and extent of analytical procedures to be used in the engagement
- Approach to be taken to gain and document an understanding of the County's internal control

structure

- Approach to be taken in determining laws and regulations that will be subject to audit test work
- Timeline of audit process

8. Cost Proposal

The cost proposal shall contain all pricing information relative to performing the audit engagement as described in the Request for Proposals. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs including all out-of-pocket expenses.

The County will not be responsible for expenses incurred in preparing and submitting the proposal. Such costs should not be included in the proposal.

The following shall be included in the cost proposal:

- A total all-inclusive maximum price for the 2015, 2016, and 2017 engagement, and options for 2018 and 2019 for each entity audited. The prices should separate the price of actual statement/CAFR preparation as these may be prepared by the County or its component units.
- Rates by Partner, Manager, Specialist, Supervisory, and Other Staff Levels with hours anticipated for each.
- A schedule of professional fees presented in the format provided in the attachment Appendix B, which supports the total all-inclusive maximum price.
- Out-of-pocket expenses included in the all-inclusive price and reimbursement rates.
- Out-of-pocket expenses for firm personnel (e.g. travel, lodging and subsistence) will not be reimbursed.
- Rates for Additional Professional Services
If it should become necessary for the County to request the firm 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 the report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between the County and the firm. Any such additional work agreed to between the County and the firm shall be performed at the same rates set forth in the schedule of fees and expenses included in the firm's Proposal.
- Manner of Payment
Progress payments will be made on the basis of hours of work completed during the course of the engagement. Interim billing shall cover a period of not less than a calendar month. Final payment will be made after presentation to the County's Board of Commissioners.

COST WILL NOT BE THE PRIMARY FACTOR IN THE SELECTION OF AN AUDIT FIRM

9. Oral Presentation

Firms who submit a proposal may be required to make an oral presentation to the Evaluation Committee. These presentations will provide an opportunity for the respondent to clarify its proposal to ensure mutual understanding of its contents. The Evaluation Committee will schedule any such

presentations. **October 21, 2015 (Notice for any interviews will be given with as much prior notice as possible, please plan on having this day set aside for all relevant staff)**

10. In addition to numbers 1-9 above your proposal must include the following:

1. Certification – provided
2. Proposal Cover Sheet – provided
3. Firm Questionnaire – provided

D. QUALIFICATIONS, EXPERIENCE AND TRAINING

Proposals will be evaluated and ranked. The County reserves the right to reject any and all proposals to make an award based directly on the proposals or to negotiate further with one or more firms. The County reserves the right to interview any number of qualifying firms as a part of the evaluation process. The decision of which firm to contract (if any) will be based on the selection criteria outlined in the document and as determined in the evaluation process. The County reserves the right to select, and subsequently recommend for award, the proposed services which best meets its required needs, quality levels and budget constraints.

1. Mandatory Elements

- The firm is properly licensed for public practice in the State of Michigan as a certified public accountant.
- The firm has no conflict of interest with regard to any other work performed by the firm for the County.
- The firm meets the independence requirement of the Government Auditing Standards issued by the Comptroller General of the United States.
- The firm's staff working on or associated with the engagement must meet the continuing education requirements of the Government Auditing Standards.
- The firm and/or its staff do not have a record of substandard work.
- The firm adheres to the instructions in this Request for Proposal on preparing and submitting the proposal and agrees to the terms and conditions established herein.
- The firm submits a copy of its last external quality control review report and the firm has a record of quality audit work.

2. Qualifications, Experience and Training

Outline why the County should select your firm to provide the required services. Provide a profile of your firm, including history. Firm should clearly identify who shall be assigned to this project. Identify the role he/she will play and include a resume and brief overview of his/her involvement (include experience with public sector). Additionally, please address the following:

A. Expertise and Experience

- The firm's past experience and performance on comparable government engagements
- The quality of the firm's professional personnel to be assigned to the engagement and quality of the firm's management support personnel to be available for technical consultation
- The firm's past experience and performance auditing similar federal or state financial assistance programs
- The firm's computer expertise

B. Audit Approach

- Adequacy of proposed staffing plan for various segments of the engagement
- Adequacy of sampling techniques
- Adequacy of analytical procedures

C. Methodology: Provide the firm's method of approach or work plan summary to meet the County's objectives.

9. Comparable Projects

Provide a list of comparable projects that have been successfully completed by your firm. Include municipal related work.

E. GENERAL CONDITIONS

1. No proposal will be accepted from, or contract awarded to any person, firm, or corporation that is in arrears or is in default to the County upon any debt or contract, or that is in default as surety or otherwise, or failed to perform faithfully any previous contract with the County.
2. All data, specifications, calculations, estimates, plan, summaries, reports, memoranda and other documents, instruments, information and material prepared or accumulated by the selected firm (or by such sub-consultants and specialty consultants) in rendering services hereunder shall be the sole property of the County, who may have access to the reproducible copies at no additional cost other than printing. Provided that the selected firm shall in no way be liable or legally responsible to anyone for the County's use of any such materials for another project, or following termination.
3. The firm will provide competent, suitable and qualified personnel to perform the work as required by the specifications. The firm will designate a representative who will be present on site as required, and will have the authority to act on behalf of the audit firm.
4. The firm's representative will not be replaced without prior written notice to the County. All communications given the firm's representative will be binding as if given to the firm.
5. The County reserves the right to have the firm's representative replaced if it is in the best interest of the County.
6. The firm shall not subcontract any or all portions of the work.
7. All work shall meet with the approval of the Finance Officer or his/her authorized representative, as conforming to the provisions and requirements of this contract.
8. Advanced payments will not be authorized. Payments will be made on a time and materials basis and acceptance of services rendered.
9. The firm is an independent contractor and as such will be responsible for paying his/her own Federal

income tax and self-employment tax, or any other taxes applicable to the compensation paid under the agreement.

10. It shall be the firm's responsibility to make inquiry as to the changes or addenda issued. All such changes or addenda shall become a part of the contract and all contractors shall be bound by such changes or addenda. All addenda will be posted on the MITN website.
11. Firm should note that the Request for Proposals is considered to be under evaluation from the opening date until contract award. The Audit Selection Committee is restricted from giving any information relative to the progress of the evaluation during this time, except as required to administer the evaluation process. Firms will be notified when an award is made.

GENERAL INFORMATION:

1. **CHANGES TO RFP:** All additions, corrections or changes to the solicitation documents will be made in the form of a written Change Form signed by Purchasing Agent, Frances Moore, only. Firms shall not rely upon interpretations, corrections, or changes made in any other manner, whether by telephone or in person. Additions, corrections, and changes shall not be binding unless made by such a written, signed Change Form. All written, signed Change Forms issued shall become part of the Agreement documents. Change Forms will be sent to all known potential firms by e-mail.
2. **CONTACT INFORMATION:** To receive future communications related to this RFP, possible firms are asked to immediately send contact information by email to Frances Moore, Bay County Purchasing Agent, at mooref@baycounty.net; failure to do so may limit your ability to submit a complete, competitive proposal.
3. **RIGHT TO WITHDRAW BIDS:** By submitting a Proposal in response to this RFP, Firm agrees to be bound by this RFP's terms and conditions. Proposals may be withdrawn by the Firm without penalty at any time before notification that the Firm's Proposal has been selected. However, if the Firm withdraws after selection of its Proposal but before executing the Contract for any reason ("Late Withdrawal"), Firm shall pay liquidated damages to the County in an amount equal to five percent (5%) of the amount of the Proposal ("Liquidated Damages"). The County and Firm intend these Liquidated Damages to constitute compensation and not a penalty. The parties acknowledge and agree that the harm caused to the County by such a Late Withdrawal of a Proposal would be impossible or very difficult to accurately estimate at the time of the Late Withdrawal and that the Liquidated Damages are a reasonable estimate of the anticipated or actual harm that might arise from such a Late Withdrawal. Firm's payment of the Liquidated Damages shall be Firm's sole liability and entire obligation and County's exclusive remedy for Late Withdrawal of Firm's Proposal.
4. **RFP, PROPOSALS AND ACCEPTANCE DO NOT OBLIGATE:** The parties agree that they will not consider either distribution of this RFP or receipt of Proposals by the County or even notification of Proposal acceptance by the County as an obligation or commitment by the County to enter into a contractual agreement. Rather, the parties understand that the County will have no binding obligation until it signs the Contract approved by its legal counsel.
5. **TAX-EXEMPT STATUS:** The County is a tax exempt entity. A tax exempt form will be provided to the

successful firm.

6. FOIA: All bids are confidential until the listed bid opening time and date; however, as a public entity, the County is subject to the Michigan Freedom of Information Act (FOIA). Information contained in proposals may be subject to FOIA requests.
7. RESPONSIBILITY: Firms are solely responsible for ensuring their bid is received by the Bay County Purchasing Agent in accordance with the solicitation requirements, before the date and time specified in this Request, and at the place specified.

The Bay County Purchasing Agent shall not be responsible for any delays in mail or by common carrier or mistaken delivery. Delivery of proposal shall be made to the Bay County Purchasing Agent, Bay County Building, 7th Floor, Bay City, MI 48708.

Deliveries made before the due date and time but to the wrong office will be considered non-responsive unless re-delivery is made to the office specified before the due date and time specified in this request.

8. INSURANCE: The Firm shall purchase and maintain insurance sufficient to protect it from any and all claims which may arise out of or result from the Firm's services related to this RFP and any resultant contract, whether such service be by the Firm individually or by anyone directly or indirectly employed by Firm, or by anyone for whose acts Firm may be liable, including independent contractors. Insurance policies purchased and maintained shall include, but are not limited to, the following:
 - a. Worker's compensation insurance for claims under Michigan's Workers' Compensation Act or other similar employee benefit act of any other state applicable to an employee in the minimum amount as specified by statute;
 - b. Employer's liability insurance, in conjunction with workers' compensation insurance, for claims for damages because of bodily injury, occupational sickness or disease or death of an employee when workers' compensation may not be an exclusive remedy, subject to a limit of liability of not less than \$100,000 each incident;
 - c. Motor vehicle liability insurance required by Michigan law including no-fault coverage for claims arising from ownership, maintenance or use of a motor vehicle with liability limits of not less than \$1,000,000 per occurrence. Coverage shall include all owned vehicles, all non-owned vehicles, and all hired vehicles.
 - d. Commercial General Liability insurance for claims for damages because of bodily injury or death of any person, other than the Firm's employees, or damage to tangible property of others, including loss of use, which provides coverage for contractual liability, with a limit of not less than \$1,000,000 each occurrence and a mandatory \$2,000,000 annual aggregate.

Insurance required shall be in force until acceptance by the County of the entire completed work, and shall be written for not less than any limits of liability specified above. Certificates of insurance, acceptable to the County, shall be provided to the County's Department of Corporation Counsel no less than ten (10) working days prior to commencement of the project.

All coverage shall be with insurance carriers licensed and admitted to do business in Michigan, and are subject to the approval of the County.

All Certificates of Insurance and duplicate policies shall contain the following clauses:

1. "It is understood and agreed that thirty (30) days advance written notice of cancellation, non-renewal, reduction and/or material change in coverage will be mailed to Bay County's Department of Corporation Counsel, 515 Center Avenue, Suite 402, Bay City, MI 48708"; and
 2. "It is understood and agreed that the following are listed as additional insureds: The County of Bay, including all elected and appointed officials, all employees and volunteers, all boards, commissions, departments and/or authorities and their board members, employees and volunteers."
9. COST OF DEVELOPING PROPOSAL: The Firm shall be responsible for all costs incurred in the development and submission of its Proposal.
10. PROPOSAL DELIVERY: Proposals must be returned no later than **October 9, 2015, @ 11:00 A.M.** in a sealed envelope clearly marked "**Bay County Finance Department Audit Services**"--- **Deliver to Nicole LaDouce in the Purchasing Office immediately.** Please provide four (4) printed copies of the submission as well as an electronic PDF file, provide one separate envelope for cost proposal. The same should be mailed or hand delivered to the Bay County Purchasing Office, Bay County Building, 7th Floor, Bay City, Michigan 48708.

The County will not accept proposals sent by FAX machine or E-mail.

11. NON-DISCRIMINATION: In the performance of the proposal and resultant contract, firm agrees not to discriminate against or grant preferential treatment to any individual or group on the basis of race, sex, color, ethnicity, or national origin in the operation of public employment, public education, or public contracting. Firm shall not discriminate against any employee or applicant for employment to be employed in the submission of this Proposal or in performance of the duties necessitated by an award of the proposed contract with respect to his or her hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of his or her race, color, religion, national origin, ancestry, gender, height, weight, marital status, age, except where a requirement as to age is based on a bona fide occupational qualification, or disability that is unrelated to the individual's ability to perform the duties of a particular job or position. Any breach of this provision will be regarded as a material breach of the contract.
12. PROPOSAL OPENING: There will be a public proposal opening immediately following the deadline to receive proposals in the Bay County Finance Department conference room located in the Bay County Building, 7th Floor, 515 Center Avenue, Bay City, Michigan. All firms are invited to attend and hear the proposals read.
13. PROPOSAL REJECTION/ACCEPTANCE: The County reserves the right to accept or reject any or all proposals, to waive any irregularities and to make the final determination as to the best low qualified proposal.
14. PROPOSAL AWARD: In the event the proposal is awarded directly by the Finance Officer, a Notice of Intent to Award will be used to notify all firms of her intent to award the proposal to the Firm providing

the best value to the County.

15. **CONTRACT:** The County's award of any proposal is subject to and conditioned upon execution of a formal agreement for products and services between the successful firm and the County. In submitting a proposal, the firm acknowledges that the contents of the RFP will become incorporated within any formal agreement. This RFP does not include every term and provision which shall be included in the formal agreement. In the event that the firm fails to execute the formal agreement within 14 days of its presentment by the County, the County may reject the selected firm, and proceed to accept another qualified proposal, or reject all proposals.

A copy of a firm's suggested terms and conditions may be submitted with firm's Proposal, however, neither the County's acceptance of any proposal nor award of any contract pursuant to this RFP shall be construed as any definitive acceptance by the County of Firm's suggested terms and conditions. In the event of a conflict in terms, the order of precedence to resolve the conflict will be as follows: Michigan State law, the terms and conditions of the signed contract, the terms and conditions of the RFP, and last, the Firm's Proposal.

16. **DISPUTES:** In the event a firm disagrees with the recommendation of the Bay County Finance Officer concerning this award, the firm may obtain a Bid Protest Form from the Purchasing Office which must be completed and returned to Frances Moore, Bay County Purchasing Agent, Bay County Purchasing Division, 7th Floor, Bay County Building, 515 Center Avenue, Bay City, MI 48708-5128, **within ten (10) working days from the date of the notice of intent to award.**
17. **QUESTIONS:** All questions about this RFP must be directed by September 25, 2015, 5:00 p.m. in writing, via email, to:

Frances Moore
Purchasing Agent
mooref@baycounty.net

Responses to any inquires will be issued in one (1) Addendum no later than September 30, 2015 and will be sent to all known firms. Every attempt to answer your inquiries will be made however Bay County has the right to not answer any questions received after the September 25, 2015 due date.

Correspondence or inquiries made directly to firms regarding their proposals from all other persons are to be directed to those County employees designated above for appropriate review and response. Contact with other County staff or County Board Commissioner could be reason for disqualification.

Any significant explanation desired by a firm, regarding the meaning or interpretation of the Request for Proposals must be requested with sufficient time allowed for a reply to reach all prospective firms to submit their proposals. Any information giving to a prospective firm concerning the Request for Proposal will be furnished to all prospective firms as an amendment or addendum to the Request for Proposal, if such information would be of significance to uninformed firms. The County shall make the sole determination as to the significance to uninformed firms.

ADA ASSISTANCE: The County of Bay will provide necessary and reasonable auxiliary aids and services, such as signers for the hearing impaired and audio tapes of printed materials being considered, to individuals with disabilities upon two days' notice to the County of Bay. Individuals with disabilities requiring auxiliary aids or services should contact the County of Bay by writing or calling:

Tim Quinn
Director of Personnel and Employee Relations
Bay County Building
515 Center Ave. 3rd Floor
Bay City, MI 48708-5128
(989) 895-4098
(989) 895-4049 TDD

Frances Moore, Purchasing Agent
Bay County Finance Department
Purchasing Division
Bay County Building
515 Center Ave. 7th Floor
Bay City, MI 48708
989-895-4037
mooref@baycounty.net

This proposal process will be conducted in conformity with the Bay County Purchasing Policy as found on the Bay County website www.baycounty-mi.gov.

CERTIFICATION

The individual signing below certifies:

1. They are fully authorized to submit this bid, including all assurances, understanding and representations contained within it which shall be enforceable as specified.
2. The individual has been duly authorized to act as the official representative of the firm, to provide additional information as required and, if selected, to consummate the transaction subject to additional, reasonable standard terms and conditions presented by County.
3. This proposal was developed solely by the Firm indicated below and was prepared without any collusion with any competing firm or County employee.
4. The content of this proposal has not and will not knowingly be disclosed to any competing or

potentially competing firm prior to the proposal opening date, time, and location indicated.

- 5 No action to persuade any person, partnership, or corporation to submit or withhold a bid has been made.

Signature: _____

Print Name: _____

Title: _____

Company Name: _____

Company Address: _____

Phone Number: _____

Fax Number: _____

E-mail Address: _____

Date: _____

ATTACHMENT

Proposal Response Cover Sheet

ALL PROPOSALS MUST INCLUDE THIS COVER SHEET (OR THIS SHEET REPRODUCED ON LETTERHEAD) AS A COVER SHEET OR PAGE 1 OF THE PROPOSAL

TO: County of Bay
515 Center Ave, 7th Floor
Bay City, MI 48708

FROM: _____

Company Name

an individual,

a corporation

(Please mark appropriate box),

Duly organized under the laws of the state of _____

The undersigned, having carefully read and considered the Request for Proposal to provide Auditing Services for the County, does hereby offer to perform such services on behalf of the County in the manner described and subject to the terms and conditions set forth in the attached proposal, including, by reference here, the County's RFP document. Proposals must be signed by an official authorized to bind the provider to its provisions for at least a period of 120 days.

BY: _____

(Signature of authorized representative)

(Please Print Name and Title)

PRINCIPAL OFFICE ADDRESS:

Street Address: _____

City: _____

County: _____

State _____

Zip Code: _____

Telephone: _____

Fax: _____

Email: _____

Taxpayer Identification Number: _____

DUNS #: _____

**ATTACHMENT
FIRM QUESTIONNAIRE**

Date: _____

Firm Name: _____

Address: _____

County/State/Zip Code: _____

Telephone Number: _____

Fax Number: _____

Email Address: _____

Year Firm Established: _____

Years in Business: _____

Type of Organization:

_____ Individual

_____ Partnership

_____ Corporation

_____ Other (please describe)

License to practice in the State of Michigan YES: _____

NO: _____

1. Provide an affirmative statement that the firm is independent of the County as defined by Generally Accepted Auditing Standards/the U. S. General Accounting Office's Government Auditing Standards (1994).
2. Provide a list and describe the firm's professional relationships involving the County or any of its component units 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.
3. How many public sector (governmental) clients has your company served? _____
Please provide current listing, indicating when services were provided for each agency, scope of work, engagement partners, total hours and the name and telephone number of the principal contact.
4. How many municipal clients does your organization currently serve with the type of services described?

Explain the capacity for the services being provided.
5. How many employees does your company employ?
Full-time employees: _____
Part-time employees: _____
CPAs: _____
Number of employees in governmental section: _____
6. Describe the resources you are capable of bringing to the County. Submit profiles of staff to be assigned to this project and examples of similar work performed by each staff member.
7. Has your firm received any federal or state desk reviews or federal audits in the past three (3) years? If so, provide information on the circumstances and the status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations.
8. Provide the following information on the firm's audit approach:
 - Proposed segmentation of the engagement
 - Level of staff and number of hours to be assigned to each proposed segment of the engagement
 - Sample size and the extent to which statistical sampling is to be used in the engagement
 - Extent of use of EDP software in the engagement
 - Type and extent of analytical procedures to be used in the engagement
 - Approach to be taken to gain and document an understanding of the County's internal control structure
 - Approach to be taken in determining laws and regulations that will be subject to audit test work
 - Timeline of audit process
9. Describe the firm's experience with federal or state financial assistance programs (single audit).

10. Does your organization have experience with submitting Comprehensive Annual Financial Reports to Government Finance Officers Association?
11. Describe your firm's internal audit review process prior to the issuance of the opinion.
12. How does your staff keep up-to-date on new laws, standards, and pronouncements in governmental accounting?
13. Which municipal finance organizations do your organization/personnel participate?
14. Please outline your requirements relative to physical work conditions to be provided by the County for on-site work?
15. Is a contract required? If so, please attach a copy of your standard contract.
16. What are your billing procedures?
17. Identify three (3) of your most recent municipal audits and provide contact information for the municipality.

The undersigned hereby declares that he/she has carefully examined the general conditions and specifications and will provide professional financial and compliance auditing services for the price set forth in this Proposal. Any changes to the specifications and its impact on the final cost will be discussed and mutually agreed upon before the delivery of the services.

The submission of a proposal hereunder shall be considered evidence that the firm is satisfied with respect to the terms and conditions established in this document and the conditions to be encountered and the character, quantity and quality of the work to be performed.

Representative's Name:

Title: _____

Signature: _____

ATTACHMENT

**SCHEDULE OF PROFESSIONAL FEES AND EXPENSES
FOR THE COUNTY OF BAY**

COUNTY CAFR AND SINGLE AUDIT

Position	Hours	Rate per Hour		2015	2016	2017	2018	2019
Partners								
Managers								
Supervisory Staff								
Staff								
Other (specify):								
Subtotal:								

DRAIN COMMISSIONER

Position	Hours	Rate per Hour		2015	2016	2017	2018	2019
Partners								
Managers								
Supervisory Staff								
Staff								
Other (specify):								
Subtotal:								

ROAD COMMISSION

Position	Hours	Rate per Hour		2015	2016	2017	2018	2019
Partners				N/A				
Managers				N/A				
Supervisory Staff				N/A				
Staff				N/A				
Other (specify):				N/A				
Subtotal:				N/A				

LIBRARY SYSTEM

Position	Hours	Rate per Hour		2015	2016	2017	2018	2019
Partners								
Managers								
Supervisory Staff								
Staff								
Other (specify):								
Subtotal:								

MEDICAL CARE FACILITY

Position	Hours	Rate per Hour		2015	2016	2017	2018	2019
Partners								
Managers								
Supervisory Staff								
Staff								
Other (specify):								
Subtotal:								

BAY COUNTY LAND BANK

Position	Hours	Rate per Hour		2015	2016	2017	2018	2019
Partners								
Managers								
Supervisory Staff								
Staff								
Other (specify):								
Subtotal:								

BAY AREA NARCOTICS ENFORCEMENT TEAM (BAYANET)

Position	Hours	Rate per Hour		2015	2016	2017	2018	2019
Partners								
Managers								
Supervisory Staff								
Staff								
Other (specify):								
Subtotal:								

BAY COUNTY HOUSING DEPARTMENT – CENTER RIDGE ARMS*

Position	Hours	Rate per Hour		2015	2016	2017	2018	2019
Partners								
Managers								
Supervisory Staff								
Staff								
Other (specify):								
Subtotal:								

*this portion of the proposal is optional.

TOTAL FEES

Location	2015	2016	2017	2018	2019
County CAFR and Single Audit					
Drain Commission					
Road Commission	N/A				
Center Ridge Arms/Housing Department					
Library System					
Bay County Land Bank					
Medical Care Facility					
Bay Area Narcotics Enforcement Team (BAYANET)					
TOTAL ANNUAL FEES					

Out of Pocket Expenses:	2015	2016	2017	2018	2019
Meals & Lodging					
Transportation					
Other (specify):					
TOTAL ANNUAL EXPENSES					

Signature: _____

Print Name: _____

Title: _____

Company Name: _____

Company Address: _____

Phone Number: _____

Fax Number: _____

E-mail Address: _____

Date: _____