

# **CITY OF BEAUFORT**

## **REQUEST FOR PROPOSALS**

### **FINANCIAL STATEMENT PREPARATION (Part I)**

#### **AND**

### **FINANCIAL AUDIT SERVICES (Part II)**

#### **RFP**

The City of Beaufort is soliciting sealed proposals from qualified vendors for financial services for the fiscal periods ending June 30, 2007, 2008, and 2009. Sealed proposals are due by **1:00 PM, March 14, 2007**. Sealed proposals should be hand carried or delivered by traceable means to the Finance Department at 302 Carteret St., P.O. Box 1167, Beaufort, SC 29901. All proposals should be clearly marked "RFP Financial Services", and state which Part the response covers. Proposals must address all the issues reflected in the attached requirements document/questionnaire and the proposal price summary attachment to be considered responsive.

The proposal evaluation process will be completed within sixty days of receipt of proposals, and the prospective provider of this service will be identified. The pricing data reflected in your proposal must be good through May 31, 2007.

All offerors may submit questions or requests for clarification in writing no later than February 23, 2007. After that date, no more questions or requests will be accepted.

The City reserves the right to accept or reject any or all proposals received as a result of this request for proposals or to negotiate with all qualified offerors, or to cancel, in part or in its entirety, this request for proposals if it is in the City's best interest to do so.

This solicitation does not commit the City to award a contract or to pay for any costs incurred in the preparation of your proposal or to procure or contract for any goods or services.

Your proposal must be signed by an official of your company authorized to commit to and enter into a formal contract for goods and services.

The City does not discriminate on the basis of race, color, national origin, sex, religion, age or disability in employment or in the provision of goods and services.

## **1.0 SPECIAL INSTRUCTIONS TO OFFERORS:**

### **1.1 Purpose of RFP**

This request solicits proposals from Certified Public Accountants (CPAs) to provide the City of Beaufort, South Carolina, hereinafter referred to as “the City”, financial statement preparation services (Part I) and auditing services (Part II) for the fiscal periods ending June 30, 2007, 2008, and 2009 (with options to renew for up to five (5) additional single year terms). RFP requirements can be found in Section 4.0 of this document.

It is the City's intent to select the most qualified vendors based on an evaluation of the proposals utilizing the following selection criteria:

- **Depth of the firm’s governmental auditing experience**
- **Firm size and organizational structure**
- **Qualifications of staff assigned to the City**
- **On-going training programs provided to the firm’s staff**

**Please note: No vendor will be awarded both services.**

The City has determined that it is in its best interest to award financial preparation services (Part I) and audit services (Part II) to separate and non-related CPAs or CPA firms.

### **1.2 Information about the City of Beaufort**

The City of Beaufort is located on the Atlantic coast of South Carolina, about 45 miles from Savannah, Georgia, and about 70 miles from Charleston, South Carolina. More information about the City can be found on the website at [www.cityofbeaufort.org](http://www.cityofbeaufort.org).

### **1.3 General Background Information**

The Finance Department provides the following core services:

Provide strong financial leadership in all areas of activity undertaken by the City. Promote the use of technology to ensure the efficient use of the City’s resources. Develop and manage the City’s financial policies and exercise budgetary controls over all expenditures. Provide effective cash and debt management for the City ensuring strong bond ratings are maintained. Compile accurate comprehensive annual financial reports and budgets in compliance with governmental standards, practices and recommendations. Ensure the department is committed to providing the highest quality customer services.

Provide administration of the City’s general ledger, payroll, accounts payable, and collections, financial audits, State reporting and grants. Responsible for maintaining all City funds including the following: General, Parks and Tourism, Tax Increment Financing Districts (TIF 1 and 2), Capital Improvements Program (CIP), Accommodations Tax, Recycling Fund and Storm-water Utility Fund. Provide effective accounting support to staff and committees.

Provides for collection of City-wide funds including business license fees, hospitality taxes,

accommodations taxes, and franchise fees. Maintain the City's business license database, and ensure compliance with the business license ordinance through on-site inspections and audits. Perform audits of County tax records to ensure the accuracy of the City's assessed property valuations. Perform audits of the City's building permits to ensure that contractors are appropriately licensed with the City.

## **2.0 ADMINISTRATIVE AND CONTRACTUAL INFORMATION**

### **2.1 Inquiries**

All inquiries for information regarding procurement procedures, selection criteria, proposal submission requirements, technical operating environment, or other fiscal/administrative concerns shall be directed to:

Shirley D. Hughes, CPFO  
Chief Financial Officer  
City of Beaufort  
P. O. Box 1167  
302 Carteret St.  
Beaufort, SC 29901-1167

843-525-7009

[shughes@cityofbeaufort.org](mailto:shughes@cityofbeaufort.org)

### **2.2 RFP Specifications**

This RFP is intended to describe the City's requirements and provide a response format in sufficient detail to secure comparable proposals.

### **2.3 Implied Requirements**

All products and services not specifically mentioned in this RFP, but which are necessary to provide the functional capabilities described by the vendor, must be included in the proposal.

### **2.4 Vendor-Supplied Materials**

Any material submitted by a vendor shall become the property of the City unless otherwise requested at the time of submission. Any material considered confidential in nature must be so marked.

### **2.5 Vendor's Proposals**

Vendors must submit a sealed response to this RFP in writing. The vendor's proposal must follow the format provided in Section 4 of this document. Any proposals that do not follow the format outlined in this RFP will be deemed non-responsive. Each proposal must be submitted with one (1) original and four (4) copies.

### **2.6 Economy of Preparation**

Proposals should be prepared simply and economically. Emphasis should be placed on clarity and content. All of the questions in the requirements sections of this RFP must be completed in their entirety. Any proposal that fails to respond to all the questions will be deemed non-responsive.

### **2.7 Response Date**

Sealed proposals to be considered must arrive at City Hall on or before the date and time specified in this RFP.

Proposals not received by the City by proposal closing time will be returned, after receipt, unopened to the vendor

## **3.0 RFP EVALUATION PROCESS**

### **3.1 Review of Proposals**

The review of submitted proposals will occur as soon as practical following the date they are due. The review process will involve evaluating all proposals for completeness, conformity, clarity, and compliance to the RFP requirements. Proposals not meeting minimum requirements will be considered non-responsive and excluded from further consideration.

### **3.2 Oral Presentation**

Vendors whose proposals are responsive may be selected to make an oral presentation. The City will select the most qualified proposals from those received and schedule on-site presentations. The City anticipates the presentations will take place on or about the week of March 26, 2007.

### **3.3 Vendor Selection**

After the oral presentations have been completed, the vendor who mostly closely meets the city's needs, utilizing the published selection criteria will be identified for final negotiations.

Resident vendor preference.

1. A competitive procurement made by the city shall be made from responsive and responsible resident vendors in the city for procurement, if the bid from such responsive and responsible resident vendor does not exceed the lowest qualified bid from a nonresident vendor by more than one percent or two thousand five hundred dollars (\$2,500.00), whichever is less. The resident vendor has the discretion to match the bid submitted by the non resident vendor and receive the contract award. If no city resident vendor qualifies, then a Beaufort County resident vendor shall have the same opportunity as provided to a city vendor.

2. A vendor shall be deemed to be a resident of the city or county if such vendor is an individual, partnership, association or corporation that is authorized to transact business within the state, maintains an office in the city/county, has a business license issued by the City of Beaufort, Beaufort County, or one of the other municipalities of Beaufort County, maintains a representative inventory of commodities within the city/county on which the bid is submitted, and has paid all taxes duly assessed.

3. If the procurement is to be made pursuant to state or federal guidelines which prohibit or restrict a local or state preference, there shall be no local or state preference unless a more restricted variation is allowed under the guidelines. Local/state preference as provided herein shall not be applied to the procurement of construction services.

The evaluation team will forward a recommendation to the City Council outlining the final ranking of those vendors who participated in the on-site interviews and recommend the vendor most qualified to provide the City with Financial Auditing Services. The successful offeror will be required to accept the terms and conditions of the City's standard contract for these services. The content of this RFP and the successful vendor's proposal will become a part of the final contract documents. Any additional documentation required by the vendor should be included as part of the proposal for review by the City.

#### **4.0 RFP REQUIREMENTS AND GENERAL INFORMATION**

##### **4.1 General Information**

The City of Beaufort, South Carolina, operates under a Council/Manager form of government and provides the normal services including police protection, fire protection, sanitation, codes & planning, and parks and street maintenance.

The City's accounting system is on a network server and uses the MUNIS accounting software program. The City is in the process of adding additional MUNIS modules related to Business Licenses and Permits/Codes.

##### **4.2 Scope of Services**

###### **PART I:**

The funds that comprise the financial statements includes those listed in Exhibit A of this proposal. The City, with assistance from the CPAs, shall have closed and balanced all accounts for all funds to be examined under Part II by **September 1 of each year.**

The CPAs shall assist the City in preparing twenty-five (25) bound copies and one electronic copy of the City's Comprehensive Annual Financial Report. The financial statements shall be prepared in conformance with the generally accepted accounting principles applicable to government entities for General Purpose Financial Statements and on an individual basis for all funds and account groups as described in statements issued by the Governmental Accounting Standards Board and Auditor General and any amendments thereto with supplemental schedules for sub-funds and consistent with GFOA Certificate of Achievement Standards and Practices.

The CPAs will be responsible for the preparation of Governmental Accounting Standards Board 34 (GASB 34) Financial Report and all related supporting schedules for GASB 34 reporting.

In addition to preparing the required statements, the City is requesting training assistance of eight hours annually. By the end of the contract term, the City expects to be in a position to

prepare the financial statements using City staff.

## **PART II:**

The Audit Services shall include an opinion on the General Purpose Financial Statements and “in relation to” opinion on individual funds and supplementary schedules. Special reports shall be prepared concurrently with the report on the General Purpose Financial Statements required above or at other times as specifically required by law, and contracts. The following reports shall be required.

- Report on Internal Auditing Controls and other matters based solely on a study and evaluation made as part of the examination of the General Purpose Financial Statements.
- Report on compliance based on the examination of the General Purpose Financial Statements performed in accordance with the standards for audit issued by the U.S. General Accounting Office and Government Auditing Standards.
- Report on compliance with laws and regulations related to major Federal financial assistance programs, if applicable.
- Report on internal controls (accounting and administrative) based on a study and evaluation made as part of the examination of the General Purpose Financial Statements and the additional test required by the Single Audit Act, if applicable.
- Schedule of Municipal Fines, Assessments and Surcharges.
- Any other required disclosures or report.

The auditors shall observe the adequacy of the system of internal control. If weaknesses are noted, appropriate recommendations should first be reviewed with the appropriate officials and included in a separate letter to the City Council.

### **4.3 Auditing Standards**

The examination shall be conducted in accordance with (a) generally accepted auditing standards as promulgated by the American Institute of Certified Public Accountants (AICPA) including the AICPA’s Industry Audit Guide, Audits of State and Local Governmental Units; (b) Standards for Audit of Governmental Organizations, Programs, Activities and Functions (excluding the review of economy and efficiency of operations and program results) as published by the Comptroller General of the United States; (c) OMB Circular A-128; (d) Rules of the South Carolina State Auditor; and (e) any other applicable Federal, State, Local Regulations or Professional Guidance not specifically listed above.

### **4.4 Certificate of Achievement for Excellence in Financial Reporting**

Auditor shall provide advice, consultation and assistance in connection with the preparation and submission of the City’s Comprehensive Annual Financial Report to the Government Finance Officers Association (GFOA) for that organization’s review and determination of the City’s eligibility to receive a GFOA Certificate for Excellence in Financial Reporting. **This service is not intended to be construed as extra work or additional services.**

### **4.5 Completion of Work**

The auditor must complete all audit work and provide a “Draft” Audit Report to the City by November 1. A Final Audit Report shall be provided by November 30.

#### **4.6 Information to be Requested from the Proposer**

In order to get a uniform review process and to obtain the maximum degree of comparability, it is required that proposals be organized in the manner specified. Please provide a separate sheet for each part (clearly marked and identified).

1. Title Page

Show the RFP subject, the name of the proposer’s firm, local address, telephone number, name of the contact person and the date.

2. Table of Contents

Include a clear identification of the material by section and by page number.

3. Letter of Transmittal

Limit to one or two pages.

Briefly state the proposer’s understanding of the work to be done and make a positive commitment to perform the work within the time period. Give the names of the persons who will be authorized to make representation for the proposer, their titles, addresses and telephone numbers.

4. Profile of the Proposer

State whether the firm is local, national or international.

Give the location of the office from which the work is to be done and the number of partners, managers, supervisors, seniors, and other professional staff employed at that office.

Describe the range of activities performed by the local office such as audit, accounting, tax service, or management services.

5. Summary of the Proposer’s Qualifications (in addition to minimum qualification)

Part I

Identify the partners, managers, and supervisors who will work on the financial preparation services, including staff from other than the local office. Resumes for each supervisory person to be assigned to Part I should be included. (The resumes may be included in the appendix.)

Describe recent local and regional office experience similar to the type of preparation services requested and provide the list of names, telephone numbers, and the contact person of the municipalities for whom your local and regional office has performed these services in the **last (5) years only**.

Provide a list of your government clients, the number of years that you have been completing these services and the number of times they have received the GFOA award. Provide at least one copy (electronic is preferred) of a CAFR from at least one government client who has applied for and received the GFOA Award for Excellence in Financial Reporting.

## Part II

Identify the partners, managers, and supervisors who will work on the audit, including staff from other than the local office. Resumes for each supervisory person to be assigned to the audit should be included. (The resumes may be included in the appendix.)

Describe recent local and regional office auditing experience similar to the type of audit requested and provide the list of names, telephone numbers, and the contact person of the municipalities for whom your local and regional office has performed the audit in the **last (5) years only**.

Provide a list of your government clients, the number of years that you have been completing their audits and the number of times they have received the GFOA award. Provide at least one copy (electronic is preferred) of a CAFR from at least one government client who has applied for and received the GFOA Award for Excellence in Financial Reporting.

### 6. Fee Schedule

Clearly describe the scope of the required services to be provided.

The CPAs shall familiarize themselves with and comply with the provisions of any and all federal, State County and Municipal Orders, Statutes, Ordinances, Charter, Bond Covenants, Administrative Code and Orders, Rules and Regulations which may pertain to the work required in the engagement.

### 7. The Proposal Summary Sheet.

## 4.7 **Evaluation of Proposals**

Proposals will be evaluated to ascertain which proposer best meets the needs of the requester.

1. Responsiveness of the proposal, in clearly stating the understanding of the work to be performed.

2. Technical experience of the firm.
3. Experience and professional activities of the team.
4. Size and structure of the firm.
5. Total fee including all direct and indirect costs and out-of-pocket expenses and a schedule of hourly rates for additional services, preferably for each year for the next three years.

The City Council will make the final decision.

#### **4.8 Additional Information and Contact**

1. The City will not be liable for any costs incurred in the preparation of the proposals.
2. The proposer shall furnish the City such additional information as the City may reasonably require.
3. The City will not be liable for any costs which were not included in the proposal and, subsequently, contracted for costs.
4. The City will not be liable for any costs incurred by the proposer in connection with doing an on-site presentation (i.e. travel, accommodations, etc.)
5. Proposers wishing additional information or clarification of information provided herein should contact Shirley Hughes, CFO at 302 Carteret St., Beaufort, SC 29901 (843-525-7009).

## EXHIBIT A

### Major Governmental Funds

- General Fund
- Parks and Tourism Fund
- Municipal Center Capital Project Fund
- Waterfront Park Restoration Project

### Major Proprietary Fund

- Recycling Fund

### Non-Major Governmental Funds

#### Special Revenue Funds

- Accomodations Tax
- Community Development Block Grant
- Police Lab and Equipment Fund
- Drug Seizure Fund
- Stormwater Utilities Fund

#### Debt Service Funds

- Tax Increment Financing Bond - I Fund
- Tax Increment Financing Bond - II Fund

#### Permanent Fund

Evergreen Cemetery Fund

#### Agency Fund

Trustee Fire Fund

#### Account Groups

- General Fixed Assets
- General Long Term Debt

#### Other Information

- Investment Accounts \_\_\_\_\_3\_\_\_\_\_
- Checking Accounts \_\_\_\_\_9\_\_\_\_\_
- Number of Purchase Orders \_\_\_\_\_4,726\_\_
- Number of Accounts Payable Checks \_\_\_\_\_4,419\_\_

#### **Payroll**

- Number of City Employees (FTEs) 160
- Mayor and Council 5
- Number of City Payroll Checks 1,087\_\_\_\_\_

#### **Frequency of Payroll**

City Council Stipend	monthly
City Council Salary	bi-weekly
City Staff	bi-weekly

# City of Beaufort

## Audit Proposal Summary Sheet

### PART \_\_

Name of the firm: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Phone number: \_\_\_\_\_

Contact person: \_\_\_\_\_

<b>Persons responsible for audit</b>	<b># years with the firm</b>
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Partner: _____	_____
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Manager: _____	_____
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Auditor: _____	_____
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Other: _____	_____
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<b>Fee</b>	<b>Additional hourly rate</b>
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2006 – 2007 _____	_____
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2007 – 2008 _____	_____
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2008 – 2009 _____	_____
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**Comments:**

\_\_\_\_\_

\_\_\_\_\_

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**REFERENCES**

Name	Contact Person	Phone Number #	Years of Engagement
1.			
2.			
3.			
4.			

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date