



CITY OF PAPIILLION

AUDIT COMMITTEE

REQUEST FOR PROPOSALS

FOR

PROFESSIONAL AUDITING SERVICES

May 18, 2021

**122 EAST THIRD STREET
PAPIILLION, NE 68046**

CITY OF PAPILLION
REQUEST FOR PROPOSALS

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CITY OF PAPIILLION
REQUEST FOR PROPOSALS

I. INTRODUCTION

A. General Information

The City of Papillion is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal year ending September 30, 2021, with the option of auditing its financial statements for each of the three subsequent fiscal years. These audits are to be performed in accordance with auditing standards accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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

Any inquiries concerning the request for proposals should be addressed to Nancy Hypse, Finance Director or Sally Jones, Deputy Finance Director.

To be considered, seven copies of a proposal must be received by Nancy Hypse at 145 W 2nd Street, Papillion, Nebraska 68046 by 2:00 p.m. on June 30, 2021. The City of Papillion reserves the right to reject any or all proposals submitted.

Proposals submitted will be evaluated by a four member Audit Committee consisting City Council members.

During the evaluation process, the Audit Committee and the City of Papillion reserve the right, where it may serve the City of Papillion's best interest, to request additional information or clarifications from proposers, or to allow corrections of errors or omissions. At the discretion of the City of Papillion or the Audit Committee, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

The City of Papillion reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City of Papillion and the firm selected.

It is anticipated the selection of a firm will be completed July 20, 2021. Following the notification of the selected firm it is expected a contract will be presented to the City Council for approval on August 3, 2021.

B. Term of Engagement

A four year contract is contemplated, subject to the annual review and recommendation of the Audit Committee, the satisfactory negotiation of terms (including a price acceptable to both the City of Papillion and the selected firm), the concurrence of the Papillion City Council and the annual availability of an appropriation.

C. Subcontracting

Firms submitting proposals are encouraged to consider subcontracting portions of the engagement to small audit firms or audit firms owned and controlled by socially and economically disadvantaged individuals. If this is to be done, that fact, and the name of the proposed subcontracting firms, must be clearly identified in the proposal. Following the award of the audit contract, no additional subcontracting will be allowed without the express prior written consent of the City of Papillion.

II. NATURE OF SERVICES REQUIRED

A. General

The City of Papillion is soliciting the services of qualified firms of certified public accountants to audit its financial statements for the fiscal year ending September 30, 2021 with the option to audit the City of Papillion's financial statements for each of the three subsequent fiscal years. These audits are to be performed in accordance with the provisions contained in this request for proposals.

B. Scope of Work to be performed

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

The City of Papillion also desires the auditor to express an opinion on the fair presentation of its combining and individual fund financial statements and schedules in conformity with generally accepted accounting principles. The auditor is not required to audit the supporting schedules contained in the comprehensive annual financial report. However, the auditor is to provide an "in-relation-to" opinion on the supporting schedules based on the auditing procedures

applied during the audit of the basic financial statements and the combining and individual fund financial statements and schedules. The auditor is not required to audit the introductory section of the report or the statistical section of the report. The auditor shall also be responsible for performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards.

C. Auditing Standards to Be Followed

To meet the requirements of this request for proposals, the audit shall be performed in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

D. Reports to be issued

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

1. A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles.
2. A report on compliance and internal control over financial reporting based on an audit of the financial statements

In the required report[s] on compliance and 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. In addition, the following conditions shall be considered reportable:

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

The report on compliance and internal controls shall include all material instances of noncompliance. All nonmaterial instances of noncompliance shall be reported in a separate management letter, which shall be referred

to in the report on compliance and internal controls.

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

1. Audit Committee,
2. Mayor,
3. City Administrator,
4. Deputy City Administrator,
5. City Attorney,
6. Finance Director

Reporting to the audit committee. Auditors shall assure themselves that the City of Papillion's audit committee is informed of each of the following:

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

E. Special Considerations

1. The City of Papillion 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 auditor shall be required, if requested by the fiscal advisor and/or the underwriter, to issue a "consent and citation of expertise" as the auditor and any necessary "comfort letters."

2. The City of Papillion intends on participating in the Government Finance Officers Association award program for Excellence in Financial Reporting. The City has received the award for ten consecutive years and is awaiting results on the September 30, 2020 Comprehensive Annual Finance Report which was filed in March 2021.

F. Working Paper Retention and Access to Working Papers

All working papers and reports must be retained, at the auditor's expense, for a minimum of three (3) years, unless the firm is notified in writing by the City of Papillion of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the following parties or their designees:

City of Papillion

U.S. General Accounting Office (GAO)

Auditor of the State of Nebraska

Parties designated by the federal or state governments or by the City of Papillion as part of an audit quality review process

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

III. DESCRIPTION OF THE GOVERNMENT

- A. City of Papillion
122 East Third Street (currently under major renovation)
Papillion, NE 68046

Finance Director – Nancy Hypse 402-597-2039
Deputy Finance Director - Sally Jones 402-597-2079

The auditor's principal contact with the City of Papillion will be Nancy Hypse, Finance Director or Sally Jones, Deputy-Finance Director, who will coordinate the assistance to be provided by the City of Papillion to the auditor.

A list of key personnel with the location of their principal offices (Appendix A) is attached.

B. Background Information

The City of Papillion serves an area of 11.87 square miles with a population of 20,471. The City of Papillion's fiscal year begins on October 1st and ends on September 30th.

The City of Papillion provides the following utility services to its citizens:

- 1. Water Service
- 2. Sewer Service

The City of Papillion gross payroll on a bi-weekly basis is approximately \$750,000 covering 223 full-time employees, 182 part time employees and 161 seasonal employees.

The City of Papillion is organized into 28 departments and agencies. The accounting and financial reporting functions of the City of Papillion are centralized. More detailed information on the government and its finances can be found in our 2020 Comprehensive Annual Financial Report. The report can be found at www.papillion.org finance department.

C. Fund Structure

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

Fund Type	Number of Individual Funds	Number With Legally Adopted Annual Budgets
General fund	1	1
Debt service funds	1	1
Capital Project funds	2	2
Special revenue funds	3	3
Proprietary funds	4	4
Pension(and other employee benefits) trust funds	1	
Expendable Trust Fund	1	

D. Budgetary Basis of Accounting

The City of Papillion does not prepare its budgets on a basis consistent with generally accepted accounting principles. Budget is prepared using the cash basis as required by state statutes.

E. Federal and State Awards – Fiscal 2021 are expected to reach \$750,000 exceeding single audit act requirement with State of Nebraska reporting Federal Highway Funds directly.

F. Pension Plans

The City of Papillion participates in the following pension plans:

(refer to 2021 notes to the financial statements)

- 457
- Police
- Fire

G. Magnitude of Finance Operations

The finance department is headed by Nancy Hypse, Finance Director and consists of six employees. The principal functions performed and the number of employees assigned to each is as follows:

<u>Function</u>	<u>Number of Employees</u>
Administration	1
Accounts Payable	1
Cash Receipting	1
General Ledger/Bank Reconciliation	1
Payroll (Human Resources Department)	HR- 1
Special projects/compliance/reporting	1
Utility Billing	1

H. Computer Systems

Software

<u>Vendor</u>	<u>Major Applications</u>
Caselle	GL, Accounts Payable, Utility Billing, Accounts Receivable, Cash Receipting, Fixed Assets
Laserfiche	Forms Purchase Order Process
Invoice Cloud	Online Payments and Credit card processing
UKG	payroll and timekeeping
IBS	Point of Sale system for golf courses
Accela Online	Building Permitting Software with Payments through PayPal
CivicRec	Point of Sale system used by the recreation department
Open Edge	card processing used with CivicRec system

I. Availability of Prior Audit Reports and Working Papers

Interested proposers who wish to review prior years' audit reports should contact Nancy Hypse or Sally Jones at 145 West Second Street, Papillion, NE 68046. Phone 402-597-2039. The City of Papillion 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. All prior Comprehensive Annual Financial Reports can be found online at www.papillion.org under the finance department.

IV. TIME REQUIREMENTS

A. Proposal Calendar

Due date for notification of interest	6/15/2021
Due date for proposals	6/30/2021

B. Notification and Contract Dates

Selected firm notified	on or before 7/21/2021
Contract date	8/3/2021

C. Date Audit May Commence

The City of Papillion will have all records ready for audit and all management personnel available to meet with the firm's personnel as of December 6, 2021 except for the draft report.

D. Schedule for the 2021 Fiscal Year Audit (A similar time schedule will be developed for audits of future fiscal years if the City of Papillion exercises its option for additional audits).

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

1. Detailed Audit Plan

The auditor shall provide City of Papillion by September 20, 2021 both a detailed audit plan and a list of all schedules to be prepared by the City of Papillion.

2. Fieldwork

The auditor shall complete all fieldwork by December 23, 2021.

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

At a minimum, the following conferences should be held by the dates indicated on the schedule:

	<u>Week of</u>
Entrance conference with the audit committee and all key finance department personnel and department heads of key offices or programs	August 17, 2021
- The purpose of this meeting will be to discuss prior audit problems, and year-end work to be performed. This meeting will also be used to establish overall liaison	

for the audit and to make
arrangements for workspace and
other needs of the auditor

Exit conference with Nancy Hypse
and department heads of key
offices or programs

December 23, 2021

- The purpose of this meeting
will be to summarize the
results of the field work
and to review significant
findings

Briefing of Mayor – while report is in draft format.

F. Date Final Report is Due

The Finance Director shall prepare draft financial statements, notes and all required supplementary schedules [and statistical data} by January 10, 2022. The auditor shall provide all recommendations, revisions, and suggestions for improvement to the Finance Director by January 28, 2022. A revised report, including [a] draft auditor's report(s) shall be delivered to the audit committee by February 10, 2022.

The Finance Director and the Audit Committee will complete their review of the draft report as expeditiously as possible. It is not expected that this process should exceed one week. During that period, the auditor should be available for any meetings that may be necessary to discuss the audit reports. Once all issues for discussion are resolved, the final signed report shall be delivered to the Nancy Hypse within five working days. It is anticipated that this process will be completed, and the final report delivered by February 24, 2022, to be presented to the City Council on March 1, 2022.

The final report in pdf format and 15 signed hard copies should be delivered to Nancy Hypse, Finance Director at 122 East Third Street, Papillion, NE 68046.

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

A. Finance Department and Clerical Assistance

The finance department staff and responsible management personnel will be available during the audit to assist the firm by providing information,

documentation and explanations. The preparation of confirmations will be the responsibility of City of Papillion. In addition, clerical support will be made available to the auditor for the preparation of routine letters and memoranda.

B. Statements and Schedules to be prepared by the Staff of the City of Papillion

The staff of City of Papillion will prepare the following statements and schedules for the auditor by the dates indicated:

<u>Statement or Schedule</u>	<u>Date</u>
Trial Balance	12/3/2021
Cash (Multiple lists)	
Accounts Receivable (Multiple list)	
Fixed Assets/Infra-Structure & Depr Sch	
Accounts Payable (list)	
Other schedules as agreed upon	
Confirmation Letters	week of 10/11/2021

C. Work Area, Telephones, Photocopying and FAX Machines

The City of Papillion will provide the auditor with reasonable work space, desks and chairs. The auditor will also be provided with access to telephone lines, photocopying facilities and FAX machines subject to the following restrictions: Telephones may not be available in the room where field work is performed.

D. Report Preparation

Report preparation from draft provided by the city, editing and printing shall be the responsibility of the auditor.

VI. PROPOSAL REQUIREMENTS

A. General Requirements

1. Inquiries concerning the request for proposals and the subject of the request for proposals must be made to:

Nancy Hypse, Finance Director or
 Sally Jones, Deputy Finance Director
 145 West Second Street
 Papillion, NE 68046
 402-597-2039

CONTACT WITH PERSONNEL OF THE CITY OF PAPILLION
OTHER THAN NANCY HYPSE, FINANCE DIRECTOR OR SALLY
JONES, DEPUTY FINANCE DIRECTOR REGARDING THIS
REQUEST FOR PROPOSALS MAY BE GROUNDS FOR
ELIMINATION FROM THE SELECTION PROCESS.

2. Submission of Proposals

The following material is required to be received by June 30, 2021 for a proposing firm to be considered:

a. A master copy (so marked) of a Technical Audit Proposal and two copies to include the following:

i. Title Page

Title page showing the request for proposals subject; the firm's name; the name, address and telephone number of the contact person; and the date of the proposal.

ii. Table of Contents

iii. Transmittal Letter

A signed letter of transmittal briefly stating the proposer's understanding of the work to be done, the commitment to perform the work within the time period, a statement why the firm believes itself to be best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for 30 days.

iv. Detailed Proposal

The detailed proposal should follow the order set forth in Section VI B of this request for proposals.

v. Executed copies of Proposer Guarantees and Proposer Warranties, attached to this request for proposal (Appendix D and Appendix E)

b. The proposer shall submit an original and two copies of a dollar cost bid in a separate sealed envelope marked as follows:

SEALED DOLLAR COST BID
PROPOSAL
FOR
CITY OF PAPIILLION
FOR
PROFESSIONAL AUDITING SERVICES
9/30/2021

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

MAILING ADDRESS (USPS)
NANCY HYPSE, FINANCE DIRECTOR
122 EAST THIRD STREET
PAPILLION, NE 68046

TEMPERARY ADDRESS FOR IN-PERSON DELIVERY
NANCY HYPSE, FINANCE DIRECTOR
145 WEST SECOND STREET
PAPILLION, NE 68046

B. Technical Proposal

1. General Requirements

The purpose of the Technical Proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit of the City of Papillion in conformity with the requirements of this request for proposals. As such, the substance of proposals will carry more weight than their form or manner of presentation. The Technical Proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the request for proposals requirements.

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

The Technical Proposal should address all the points outlined in the request for proposals (excluding any cost information which should only be included in the sealed dollar cost bid). The Proposal should be prepared simply and economically, providing a straightforward, concise

description of the proposer's capabilities to satisfy the requirements of the request for proposals. While additional data may be presented, the following subjects, items Nos. 2 through 10, must be included. They represent the criteria against which the proposal will be evaluated.

2. Independence

The firm should provide an affirmative statement that is independent of the City of Papillion as defined by [generally accepted auditing standards/*Government Auditing Standards* issued by the Comptroller General of the United States.

The firm should also list and describe the firm's (or proposed subcontractors') professional relationships involving the City of Papillion the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

In addition, the firm shall give the City of Papillion written notice of any professional relationships entered into during the period of this agreement.

3. License to Practice in Nebraska.

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

4. Firm Qualifications and Experience

The proposer should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis.

If the proposer 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.

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

The firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations.

5. Partner, Supervisory and Staff Qualifications and Experience

Identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement. Indicate whether each such person is registered or licensed to practice as a certified public accountant in Nebraska. Provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit.

Provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. Indicate how the quality of staff over the term of the agreement will be assured.

The proposer should identify the extent to which staff to be assigned to the audit reflect the City of Papillion's commitment to Affirmative Action.

Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of the City of Papillion. However, in either case, the City of Papillion retains the right to approve or reject replacements.

Consultants and firm specialists mentioned in response to this request for proposal can only be changed with the express prior written permission of the City of Papillion, which retains the right to approve or reject replacements.

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

6. Similar Engagements with Other Government Entities

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum - 5) performed in the last five years that are similar to the engagement described in this request for proposal. These engagements should be ranked on the basis of total staff hours. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact. Please indicate whether the other entities participated in and received the Government Finance Officers Association award of Certificate of Achievement for Excellence in Financial Reporting.

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 Section II of this request for proposal. In developing the work plan, reference should be made to such sources of information as City of Papillion's budget and related materials, organizational charts, manuals and programs, and financial and other management information systems.

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

- a. Proposed segmentation of the engagement
- b. Level of staff and number of hours to be assigned to each proposed segment of the engagement

NO DOLLARS SHOULD BE INCLUDED IN THE TECHNICAL PROPOSAL

- c. Sample size and the extent to which statistical sampling is to be used in the engagement
- d. Extent of use of EDP software in the engagement
- e. Type and extent of analytical procedures to be used in the engagement
- f. Approach to be taken to gain and document an understanding of the City of Papillion's internal control structure
- g. Approach to be taken in determining laws and regulations that will be subject to audit test work

h. Approach to be taken in drawing audit samples for purposes of tests of compliance

8. Identification of Anticipated Potential Audit Problems

The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from the City of Papillion.

9. Report Format

The proposal should include sample formats for required reports.

NO DOLLARS SHOULD BE INCLUDED IN THE TECHNICAL PROPOSAL

C. Sealed Dollar Cost Bid

1. Total All-Inclusive Maximum Price

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

The City of Papillion will not be responsible for expenses incurred in preparing and submitting the technical proposal or the sealed dollar cost bid. Such costs should not be included in the proposal.

The first page of the sealed dollar cost bid should include the following information:

- a. Name of Firm
- b. Certification that the person signing the proposal is entitled to represent the firm, empowered to submit the bid, and authorized to sign a contract with the City of Papillion.
- c. A Total All-Inclusive Maximum Price for the 2021 engagement.

2. Rates by Partner, Specialist, Supervisory and Staff Level Times Hours Anticipated for Each

The second page of the sealed dollar cost bid should include a schedule of professional fees and expenses, presented in the format provided in the attachment (Appendix F) that supports the total all-inclusive maximum price. The cost of special services described in Section I E of this request for proposal should be disclosed as separate components of the total all-inclusive maximum price.

3. Out-of-pocket Expenses Included in the Total All-inclusive Maximum Price and Reimbursement Rates

Out-of-pocket expenses for firm personnel (e.g., travel, lodging and subsistence) will be reimbursed at the rates used by the City of Papillion for its employees. All estimated out-of-pocket expenses to be reimbursed should be presented on the second page of the sealed dollar cost bid in the format provided in the attachment (Appendix F). All expense reimbursements will be charged against the total all-inclusive maximum price submitted by the firm.

In addition, a statement must be included in the sealed dollar cost bid stating the firm will accept reimbursement for travel, lodging and subsistence at the prevailing City of Papillion rates for its employees.

4. Rates for Additional Professional Services

If it should become necessary for the City of Papillion to request the auditor to render any additional services to either supplement the services requested in this RFP or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between the City of Papillion and the firm. Any such additional work agreed to between the City of Papillion and the firm shall be performed at the same rates set forth in the schedule of fees and expenses included in the sealed dollar cost bid.

5. Estimated Hours for Completion of Audit

Professional fees per engagement for September 30, 2020 - \$49,400
Plus \$6,000 for federal single audit
Professional fees per engagement for September 30, 2019 - \$48,000
No federal single audit

6. Manner of Payment

Progress payments will be made on the basis of hours of work completed

during the course of the engagement and out-of-pocket expenses incurred in accordance with the firm's dollar cost bid proposal. Interim billing shall cover a period of not less than a calendar month. Ten percent (10%) will be withheld from each billing pending delivery of the firm's final reports.

VII. EVALUATION PROCEDURES

A. Audit Committee

Proposals submitted will be evaluated by a four-member Audit Committee consisting of four City Council members.

B. Review of Proposals

The Audit Committee will use a point formula during the review process to score proposals. Each member of the Audit Committee will first score each technical proposal by each of the criteria described in Section VII C below. The full Audit Committee will then convene to review and discuss these evaluations and to combine the individual scores to arrive at a composite technical score for each firm. At this point, firms with an unacceptably low technical score will be eliminated from further consideration.

After the composite technical score for each firm has been established, the sealed dollar cost bid will be opened and additional points will be added to the technical score based on the price bid. The maximum score for price will be assigned to the firm offering the lowest total all-inclusive maximum price. Appropriate fractional scores will be assigned to other proposers.

The City of Papillion reserves the right to retain all proposals submitted and use any idea in a proposal regardless of whether that proposal is selected.

C. Evaluation Criteria

Proposals will be evaluated using three sets of criteria. Firms meeting the mandatory criteria will have their proposals evaluated and scored for both technical qualifications and price. The following represent the principal selection criteria which will be considered during the evaluation process.

1. Mandatory Elements

- a. The audit firm is independent and licensed to practice in Nebraska

- b. The firm has no conflict of interest with regard to any other work performed by the firm for the City of Papillion
 - c. The firm adheres to the instructions in this request for proposal on preparing and submitting the proposal
 - d. The firm submits a copy of its last external quality control review report and the firm has a record of quality audit work.
2. Technical Quality: (Maximum Points – 75)
- a. Expertise and Experience - 40
 - (1) The firm's past experience and performance on comparable government engagements
 - (2) The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation
 - b. Audit Approach - 35
 - (1) Adequacy of proposed staffing plan for various segments of the engagement
 - (2) Adequacy of sampling techniques
 - (3) Adequacy of analytical procedures
3. Price: (Maximum Points – 25)
COST WILL NOT BE THE PRIMARY FACTOR IN THE SELECTION OF AN AUDIT FIRM

D. Oral Presentations -

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

E. Final Selection

The Papillion City Council will select a firm based upon the recommendation of the Audit Committee.

It is anticipated that a firm will be selected by July 21, 2021. Following notification of the firm selected, it is expected a contract will be executed between both parties by August 3, 2021.

F. Right to Reject Proposals

Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposal unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City of Papillion and the firm selected.

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

APPENDICES

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

APPENDIX A

LIST OF KEY PERSONNEL, OFFICE LOCATIONS AND TELEPHONE NUMBER

<u>Name and Title</u>	<u>Location of Office</u>	<u>Telephone</u>
Nancy Hypse, Finance Director	145 West Second Street	402-597-2039
Sally Jones, Deputy Finance Director	145 West Second Street	402-597-2022
David P. Black, Mayor	122 East Third Street	402-827-1111
Amber Powers, City Administrator	330 West Halleck Street	402-597-2032
Phil Green, Deputy City Administrator	330 West Halleck Street	402-829-1184
Alan Thelen, City Attorney	330 West Halleck Street	402-331-6463
Nicole Brown, City Clerk	330 West Halleck Street	402-597-2021
Jeff Thompson, Public Works Director/ City Engineer	9909 Portal Road	402-898-9092
Tony Gowan, Parks Director	305 East Lincoln Street	402-597-2049
Chris Whitted, Chief of Police	1000 E First Street	402-597-2034
Tracy Stratman, Recreation Director	1100 W Lincoln Street	402-597-2026
Bill Bowes, Fire Chief	10727 Chandler Rd, LaVista	402-339-8617
Rob Spomer, Golf General Manager	501 Eagle Hills Drive	402-592-7788
Mark Stursma, Planning Director 402-597-2060	1330 West Halleck Street 22 East Third Street	
Shawn Hovseth, Chief Building Official	145 W Second Street	402-597-2027
Matt Kovar, Library Director	222 N Jefferson Street	402-597-2042
Carrie Svendsen, HR Director	330 West Halleck Street	402-827-7065

APPENDIX B

PROPOSER WARRANTIES

- A. Proposer warrants that it is willing and able to comply with State of Nebraska laws with respect to foreign (non-state of Nebraska) corporations.
- B. Proposer warrants that it is willing and able to obtain an errors and omissions insurance policy providing a prudent amount of coverage for the willful or negligent acts, or omissions of any officers, employees or agents thereof.
- C. Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the prior written permission of the City of Papillion.
- D. Proposer warrants that all information provided by it in connection with this proposal is true and accurate.

Signature of Official:

Name (typed):

Title:

Firm:

Date: _____

APPENDIX C

Page 1

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES

FOR THE AUDIT OF THE [YEAR] FINANCIAL STATEMENTS

	<u>Hours</u>	<u>Standard Hourly Rates</u>	<u>Quoted Hourly Rates</u>	<u>Total</u>
Partners				
Managers				
Supervisory staff				
Staff				
Other (specify):				
Subtotal				
Total for services Described in Section II E of the RFP (Detail on subsequent pages)				
Out-of-pocket expenses:				
Meals and lodging				
Transportation				
Other (specify): _____				
Total all-inclusive maximum price for 2021 audit				

Note: The rate quoted should not be presented as a general percentage of the standard hourly rate or as a gross deduction from the total all-inclusive maximum price.

APPENDIX C
Page 2

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES
FOR THE AUDIT OF THE [YEAR] FINANCIAL STATEMENTS:
COMBINING SCHEDULE - ALL SERVICES
DESCRIBED IN RFP SECTION II E

<u>Nature of Service to Be Provided</u>	<u>Schedule</u>	<u>Total Price</u>
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EACH SERVICE DESCRIBED IN RFP SECTION II E SHOULD BE SUPPORTED BY AN INDIVIDUAL SCHEDULE IN THE FORMAT PROVIDED ON PAGE 3 OF THIS APPENDIX.

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES
FOR THE AUDIT OF THE [YEAR] FINANCIAL STATEMENTS:
SUPPORTING SCHEDULE FOR [NAME OF SERVICE]

	Standard	Quoted	
	Hourly	Hourly	
<u>Hours</u>			<u>Rates</u>
			<u>Rates</u>
			<u>Total</u>
Partners			
Managers			
Supervisory staff			
Staff			
Other (specify): _____			
Subtotal			
Out-of-pocket expenses:			
Meals and lodging			
Transportation			
Other (specify): _____			
Total price for 2021 Audit			

Note: The rate quoted should not be presented as a general percentage of the standard hourly rate or as a gross deduction from the total all-inclusive maximum price