



**City of Hardeeville
Request for Proposals
AUDIT SERVICES**

1. PURPOSE

The City of Hardeeville, South Carolina is seeking proposals from interested and qualified firms of certified public accountants to audit its financial statements. These audits are to be performed in accordance with generally accepted auditing standards and the US Office of Management and Budget (OMB) Circular A-133. The target start date for performing these services is August 2021.

The City intends to award one contract to the firm that presents the proposal considered to be of the best value to the City for a period of four (4) years.

2. GENERAL BACKGROUND INFORMATION

The City of Hardeeville was founded in 1911 and is in the southern Lowcountry region of South Carolina, just north of Savannah, Georgia. The City currently occupies a land area of 56 square miles and has a population of approximately 7,700 residents. The City is empowered to levy a property tax on both real and personal properties located within its boundaries.

The City operates under the Council-Manager form of government. Policymaking and legislative authority are vested in a governing council consisting of five members. The governing council is responsible, among other things for passing ordinances, adopting the budget, appointing committees, and hiring the government's manager, municipal judge, and attorney. The City Manager is responsible for carrying out policies and ordinances of the governing council, for overseeing the day-to-day operations of the City, and for appointing the heads of various departments.

The City provides its citizens a full range of services including police and fire protection, recreational infrastructure, recreational activities, cultural events, court services, planning, building & development services, code enforcement and economic development.

More detailed information on the government and its finances can be found in the 2020 Budget document and/or the Audited Financial Statements. These documents are available on the City's website at www.hardeevillesc.gov.

Additional information about the City can be found on the website at www.hardeevillesc.gov.

3. SOLICITATION TERMS and CONDITIONS

A. Proposer Responsibilities:

While the City has used considerable efforts to ensure an accurate representation of information in this RFP, each prospective Proposer is urged to conduct its own investigations into the material facts and the City shall not be held liable or accountable for any error or omission in any part of this RFP.

Before submitting a proposal, each Proposer shall make all investigations and examinations necessary to ascertain site conditions and requirements affecting the full performance of a contract and to verify any representations made by the City upon which the Proposer will rely. If the Proposer receives an award because of its submission, failure to have made such investigations and examinations will in no way relieve the Proposer from its obligations to comply in every detail with all provisions and requirements of the contract, nor will a plea of ignorance of such conditions and requirements be accepted as a basis for any claim by the Proposer for additional compensation or relief.

A Proposer, by submitting a proposal represents that the Proposer has read and understands the Request for Proposals requirements and its response is made in accordance therewith, and that the Proposer is familiar with the local conditions under which the awarded Proposer must perform.

It is incumbent upon each prospective Proposer to carefully examine these requirements, terms, and conditions. Any inquiries, suggestions, or requests concerning interpretation, clarification or additional information shall be made in writing in accordance with procedures set forth herein. The City will not be responsible for any oral representation given by any employee, representative or others. The issuance of a written addendum is the only official method by which interpretation, clarification or additional information can be given.

B. Questions and Inquiries:

Questions and inquiries must be received seven (7) calendar days prior to the submittal due date. Replies considered necessary or critical to the solicitation will be issued through an addendum within the Bid Opportunities section of the City's website at www.hardeevillesc.gov. It is the Proposer's responsibility to check the website periodically to determine if an addendum has been issued. Only questions answered by formal written addenda will be binding. Oral and other interpretations or clarifications will be without legal effect and may not be relied upon by potential firms in submitting their qualifications statement. Receipt of all addenda shall be acknowledged by the firm signing and enclosing said addendum acknowledgement with their proposal.

Questions and inquiries regarding this solicitation shall be submitted to:

John Boyle
Finance Director
City of Hardeeville jboyle@hardeevillesc.gov

C. Restricted Discussions:

All prospective Proposers are hereby instructed not to contact any member of the City of Hardeeville Council, the City Manager or City of Hardeeville staff members, other than the noted contact person. Any such contact shall be cause for rejection of your submittal.

D. Submittal of Proposals:

Sealed proposals shall be received by or prior to:

2:00 p.m. on Monday, February 8, 2021

The closing date and time shall be scrupulously observed. Packages containing submittals shall be presented so they may be easily identified as responses to this RFP. The outside of the package shall be identified as follows:

**City of Hardeeville
Audit Services RFP Response
Attention: Lori Pomarico, City Clerk
P.O. Box 609 (US MAIL)
205 Main Street (COURIER)
Hardeeville, SC 29927**

Electronic responses will not be accepted.

E. Public Opening of Proposals:

The public opening will be held immediately following the deadline and at the address, on the date and time specified below:

2:30 p.m. on Monday, February 8, 2021

**City Hall
205 Main Street
Hardeeville, SC 29927**

Packages must be submitted to the City Hall location prior to the deadline to be considered.

The names of the firms submitting proposal packages will be read aloud and recorded. No other information will be provided to the public until after a final contract has been awarded.

F. Late Submittals:

Under no circumstances shall proposals be delivered after the time specified; such submittals will be returned unopened to the submitting firm. The City will not be responsible for late deliveries or delayed mail. It is the firm's sole responsibility to assure that his/her submittal is complete and delivered at the proper time and place prior to the deadline. Submittals which for any reason are not delivered will not be considered.

Offers by facsimile, telegram or telephone are not acceptable.

G. Acceptance / Rejection:

The City reserves the right to accept or reject any or all proposals. The City also reserves the right to waive any irregularities, informalities, or technicalities and may at its discretion, request a new solicitation.

Receipt of a proposal does not indicate that the City of Hardeeville has pre-determined a company's qualifications to receive an award or contract. Such determination will be made after the opening and will be based on the City's evaluation of the proposals compared to the specific requirements and qualifications of a firm as contained and described in this document.

The City of Hardeeville reserves the right to negotiate with all qualified Proposers. The City may cancel this solicitation in part or in its entirety at any time during the solicitation process if it is in the City's best interest to do so.

H. Proprietary and/or Confidential Information:

A proposal is a public document under the South Carolina Freedom of Information Act (FOIA), except as to information that may be treated as confidential as an exception to disclosure under the FOIA. A firm that cannot agree to this standard should not submit a proposal.

All information that is to be treated as confidential and/or proprietary must be CLEARLY identified, and each page containing confidential and/or proprietary information, in whole or in part, must be stamped and/or denoted as CONFIDENTIAL, in bold, in a font of at least 12-point type, in the upper right hand corner of the page. All information not so denoted and identified may be subject to disclosure by the City.

I. Award:

Award will be made to the Proposer who submits the overall proposal that is judged to provide the most advantageous and best value to the City. In determining the most advantageous proposal, the City reserves the right to consider criteria, such as, but not limited to, cost, quality, workmanship, experience, ability, capability, reputation, and past performance. The City may opt to establish alternate selection criteria to protect its best interest or meet performance or operational standards.

J. Conflict of Interest:

The independent auditor shall have no personal interest, direct or indirect, in the fiscal affairs of the Municipality or of any of its officers. Any such conflict arising from this solicitation and / or the award of a contract shall be disclosed by the firm in its original proposal.

Failure to disclose could deem the respondent's proposal non-responsive and disqualify the firm from consideration.

Failure to disclose this information by an awarded firm could be grounds for termination of the executed contract.

4. QUALIFICATIONS

At a minimum, and to be considered a responsible proposer, the individuals and/or firm must:

- A.** Be a Licensed Certified Public Accounting Firm; please affirm that the Proposer is a properly licensed certified public accounting firm for the State of South Carolina.
- B.** Have a minimum of five (5) years documented past, proven, and positive experiences in municipal governmental audits and operations.
- C.** Provide at least five (5) references of clients for whom the firm has provided similar services; and
- D.** Thoroughly demonstrate the ability to provide the requested services.

5. SCOPE OF SERVICES

This Scope of Services defines the minimal acceptable performance by the Proposer in providing the defined services at all the identified locations and related areas identified below. The successful offeror will demonstrate in its proposal the ability to perform these services for the City of Hardeeville. Offerors are encouraged to propose alternate approaches and/or enhancements to the process as part of the methodology and approach of the submittal package. The target date for performing these services is August of 2021 .

A. Term of Contract:

This contract shall be effective for four (4) years following the date of execution.

B. Scope of Audit:

The City shall have closed and balanced all accounts for all funds to be examined by the auditor by, on or around **September 15th of each year. Audit preparation lists should be provided to the City no later than August 1.**

The primary requirement will be an examination and expressed opinion in accordance with generally accepted auditing standards and the single audit act (if applicable), of the financial statements of the City of Hardeeville for the Fiscal Years Ending June 30, 2021, 2022, 2023 and 2024. The auditor shall assist the City in preparing one electronic copy of the City's Comprehensive Annual Financial Report and 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 Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards made as part of the examination of the General Purpose Financial Statements.
- Report on compliance with laws and regulations related to major Federal financial assistance programs, if applicable.
- Any other required disclosures or report.

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

The auditors will also provide guidance and support to City staff in the implementation of proper accounting procedures and keep City staff informed of newly issued applicable accounting pronouncements.

The firm selected may also be asked to perform other services for an additional fee.

C. Auditing Standards:

The audit and all submitted reports shall be made in accordance with the most recent standards available, including the following:

- 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;
- Standards for financial audits as set forth in the U.S. Government Accountability Office's Government Auditing Standards (2003), known as the Yellow Book;

- Provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*;
- Rules of the South Carolina State Auditor;
- Reporting requirements established by the Governmental Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting program; and
- Any other applicable Federal, State, Local Regulations or Professional Guidance not specifically listed above.

D. Audit Completion:

The auditors must complete all audit work and provide a “Draft” Audit Report to the City on or before **November 10th**. The City requests that audit work be performed at a minimum of one (1) full concurrent work week in the field and with a minimum of an audit senior and staff to ensure limited external communication of open items and consistent understanding of financial matters. A Final Audit Report shall be provided on or before **November 20th**. If deemed necessary, the auditors will be available to attend a post-audit conference and will be available to present the audit to City Council.

6. SUBMITTALS and FORMAT

By submitting a proposal, the firm certifies that it has full knowledge of the scope, nature, and quality of work to be performed. Submittals should be prepared simply and economically, providing a straightforward, concise description of the respondent's ability to fulfill the requirements of the scope of work and a solution that is viable and within the City's best interests.

The City reserves the right to award a contract pursuant to this RFP without further discussion with proposers. Therefore, it is important that each submittal is complete, adheres to the format and instructions contained herein, and is submitted in the most favorable manner possible. Failure to provide the requested information will render your proposal as non-responsive.

The submittal package shall contain five (5) copies of the respondent's proposal, consisting of one (1) signed original; three (3) complete copies; and one (1) electronic copy [flash drive or CD]. The submittal package along with the appropriate number of copies shall be sealed and delivered no later than date and time listed above.

The proposal shall include the following sections and contents:

A. Letter of Transmittal

Limit to one (1) or two (2) printed pages.

- Briefly state the firms understanding of the work to be done and the commitment to perform the work.
- Give the names of the persons who will be authorized to make representations for the firm, their titles, and contact information.
- The letter must be signed by an authorized representative of the company who has the authority to commit the company to their proposal as submitted.

B. Firm's Profile

- 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 staff to be employed on a full-time basis and the number and nature of the staff to be employed on a part-time basis.
- 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 person is licensed to practice as a certified public accountant in South Carolina. The firm should also provide information on the governmental 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. The firm should also indicate how the quality of staff will be assured over the term of the engagement.
- Submit the CV or professional resume of each individual whom the firm will designate as project manager or as a technical support team member, identifying the nature of the service each will provide, the tasks or sub-tasks to which he/she will be assigned.
- Disclose any potential conflict of interest that may or may not affect, directly or indirectly, the services to be provided as described in Section 3(J) of this solicitation.
- Provide a copy of the firm's most recent external quality control review, with a statement whether that quality control review included a review of specific governmental engagements.

C. Firm's Experience and Performance (Past and Current)

- Indicate and identify the firm's most significant engagements (maximum of ten) performed in the last five years that are similar to the engagement described in this request for proposals. These engagements should be ranked on the basis of total staff hours. Indicate the scope of work, date, engagement partners, total hours, name and telephone number of the principal client contact, the number of days spanning between the substantive testing and exit conference, and whether the engagement included a federal award audit. Also, indicate whether any of these audit reports have been awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association.
- 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 agencies.
- Provide at least five (5) references of clients for whom the firm has provided similar services. Give dates and other particulars of the jobs, contact persons with contact information.

D. Firm's approach and methodology to executing performance

- Provide a concise description demonstrating an understanding of the methodology, approach and process the firm will employ to successfully complete the services to be performed. At a minimum, the following information shall be provided:

1. Proposed segmentation of the engagement;
 2. Operational plans and work procedures;
 3. Processing systems and equipment resources;
 4. Level of staff and number of hours to be assigned to each proposed segment of the engagement.
 5. Statistical sampling to be used in the engagement.
 6. Extent of use of Electronic Data Processing software in the engagement.
 7. Approach to be taken to gain and document an understanding of the City’s internal control structure.
 8. Approach to be taken in determining laws and regulations that will be subject to audit test work.
- Exceptions – clearly describe any exceptions the firm may have regarding any requirements stated in the Scope of Services.

E. Pricing Schedule

Firms shall provide a Summary and Pricing Schedule based on the scope of services to be provided. The pricing schedule of this solicitation defines the requirements of the services to be purchased and must be completed and submitted with the proposal. Use of any other form(s) or alteration of the included schedule may result in rejection of the proposal.

	FY 2021	FY 2022	FY 2023	FY 2024
Financial Statement Audit	\$	\$	\$	\$
Single Audit	\$	\$	\$	\$
TOTAL	\$	\$	\$	\$

7. EVALUATION, SELECTION, NEGOTIATION and AWARD

In addition to the materials provided in the written responses to this RFP, the City may utilize site visits or may request additional material, information, interviews, presentations, or references from the respondent(s) submitting a proposal or offer.

A. Evaluation Criteria:

Proposals will be evaluated on the following criteria:

- a. **Proposed Costs**
- b. **Firm’s Relevant Experience**
- c. **Firm’s Qualified Personnel**
- d. **Size, Ability and Capacity of the Firm**

A points system will be given to each criterion listed through the identified weighting system:

EVALUATION CRITERIA	MAX POINTS
Proposed Costs	35
Firm’s Relevant Experience	35
Firm’s Qualified Personnel	15
Size, Ability and Capacity of the firm	15
TOTAL POSSIBLE POINTS	100

B. Evaluation Method:

All responsive submittals will be reviewed and evaluated by a Review and Selection Team. This three (3) member committee will evaluate the submittals through the following processes:

- Individually provide a detailed review and thorough evaluation of each submittal;
- Individually score each submittal utilizing the scoring method given;
- Combining the scores of each individual team member to form an overall team score;
- Eventual participation in a team discussion, including in-depth evaluations and group interaction after individual review and scores are achieved.

The City reserves the right to request additional information and/or clarification of any information submitted by any respondent at any time during the evaluation process. This includes, but is not limited to, information that indicates financial resources as well as the ability to provide and maintain the services as requested. The City reserves the right to make investigations of the qualifications of the respondent as it deems appropriate, including but not limited to background investigations.

Firms exhibiting the ability to provide and maintain the services requested; submits a proposal that is formatted correctly; and is inclusive of all the required forms will be considered a responsive and responsible proposer.

C. Selection Method:

In general, the City of Hardeeville wishes to avoid the expense (to the City and to presenting firms) of unnecessary presentations. Therefore, the City will make every reasonable effort to achieve the ranking using written submittals alone.

If no single top ranked firm can be clearly identified by review of the written submittals alone, then the Review and Selection Team shall request the Purchasing Administrator to schedule the top ranked firms for presentations / interviews.

The City may choose to conduct oral interviews with, or receive oral presentations from, one or more of the Proposers. If the City chooses to allow oral interviews and/or presentations, such interviews or oral presentations will be open to the public. The City will not be liable for any costs incurred by a Proposer in connection with such interviews/presentations (i.e., travel, accommodations, etc.)

The Selection and Review team will rank all complete submittals received and/or formal oral presentations/interviews in order of preference and outcomes will be based on the determination of which firm will meet the needs and provide the best overall value to the City as it pertains to the requirements of the scope of work.

D. Negotiations:

The City reserves the right to negotiate a final agreement with the top ranked proposal that meets the needs and is considered the best value to the City of Hardeeville. If a contract cannot be negotiated with the highest ranking firm, negotiations may be conducted with the second, and then the third, and so on until a satisfactory contract can be agreed upon and executed. Additionally, should the City choose to do so, it reserves the right to provide all responsive and responsible Proposers an opportunity to submit their best and final offers.

E. Award and Contract

Award will be made in accordance with the City of Hardeeville's purchasing policy and procedures. A contract resulting from an award shall be the City of Hardeeville's purchase order and/or contract, containing the City's terms and conditions.