



Purchasing Department
140 Stonewall Avenue West, Ste 204
Fayetteville, GA 30214
Phone: 770-305-5420
www.fayettecountyga.gov

March 7, 2018

Subject: Request for Proposals #1465-P: Audit Services

Gentlemen/Ladies:

Fayette County, Georgia is seeking proposals from qualified firms for Auditing Services. You are invited to submit a proposal in accordance with the specifications and information contained herein. All required information should be included with your proposal.

Questions concerning this request for proposals should be addressed in writing to Trina Barwicks, Contract Administrator via email to: tbarwicks@fayettecountyga.gov or fax to (770) 719-5515. Questions will be accepted until 3:00pm, Tuesday, March 27, 2018.

The Purchasing Department office hours are Monday through Friday 8:00am to 5:00pm excluding holidays. The office telephone number is (770) 305-5420.

Proposals will be received at the address below until 3:00pm, Thursday, April 5, 2018 in the Purchasing Department, Suite 204. Proposals will be opened at that time, and the names of the responding companies will be read.

Fayette County Purchasing Department
140 Stonewall Avenue West, Suite 204
Fayetteville, Georgia 30214

Request for Proposals #1465-P
Request for Proposals Name: Audit Services

Your envelope must be sealed, and should show your company's name and address. Proposals must be signed to be considered. Late proposals, faxed proposals, or emailed proposals cannot be considered.

Please note that a **Notification of Interest** to submit a proposal is requested as stated in the Request for Proposals by March 22, 2018.

If you download this Request for Proposals from the county's web site, it will be your responsibility to check the web site for any addenda that might be issued for this solicitation. The county cannot be responsible for a vendor not receiving information provided in any addenda.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ted L. Burgess", enclosed within a blue oval.

Ted L. Burgess
Director of Purchasing

TLB/tcb

Attachment

Request for Proposals #1465-P Audit Services

OBJECTIVE

Fayette County, Georgia is seeking proposals from qualified firms for Auditing Services. This includes the Annual Financial Audit, Single Audit if needed, and Comprehensive Annual Financial Report (CAFR).

Please indicate your intent to submit a proposal by completing a **Notification of Interest** in accordance with the sample format shown in Attachment D of this Request for Proposals. Return this Notification of Interest by 10:00 a.m., Thursday, March 22, 2018 via email to: tbarwicks@fayettecountyga.gov, fax to (770) 719-5515 or address to:

Fayette County Government
Purchasing Department
140 Stonewall Avenue West, Suite 204
Fayetteville, Georgia 30214

Attention: Trina Barwicks, Contract Administrator

Note that failure to return the Notification of Interest does not preclude prospective responders from submitting a proposal within the specified time period. The purpose is to improve the efficiency of the proposal process and communicate timely information to interested parties.

INTRODUCTION

The purpose of this Request for Proposals is to establish a contract for the professional services of a Certified Public Accountant (the "auditor") for financial and compliance audits. The contract will be for five consecutive fiscal years with the first fiscal year covering July 1, 2017 through June 30, 2018, and the last fiscal year beginning July 1, 2021 and ending June 30, 2022, subject to annual review, agreement by both parties to renew, and the annual availability of an appropriation for audit services by the government entity.

Information regarding government entity records, systems, procedures, expenditure levels, and other relevant data is included as Attachment A to this Request for Proposals. Copies of prior audit reports, management letters, budgets and other documents relevant to the audit engagement available for download from the Fayette County website at: <http://www.fayettecountyga.gov/finance/cafr.htm>.

ANTICIPATED SCHEDULE OF EVENTS

| <u>Activity</u> | <u>Target Date</u> |
|---------------------------------------|---|
| Issue Request for Proposals | Wednesday, March 7, 2018 |
| Due Date for Notification of Interest | 10:00 a.m., Thursday, March 22, 2018 |
| Deadline for Questions | 3:00 p.m., Tuesday, March 27, 2018 |
| Proposals Due | 3:00 p.m., Thursday, April 5, 2018 |
| Selection Recommendation(s) | 3:00 p.m., Friday, April 20, 2018 (Tentative) |
| Board Award of Contract | Thursday, May 24, 2018 (Tentative) |

STATEMENT OF NEED – AUDIT REQUIREMENTS

As required by the Official Code of Georgia Annotated, the audit shall be conducted in accordance with auditing standards generally accepted in the United States of America, promulgated by the American Institute of Certified Public Accountants (AICPA) and in accordance with the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. If a Single Audit is required as a part of the annual audit, the audit shall be performed in accordance with American Institute of Certified Public Accountants (AICPA) Standards, Government Auditing Standards, the Single Audit Act Amendments of 1996, and the Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

The audit shall be designed to accomplish the following objectives:

1. To determine whether the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information and the respective changes in financial position and, where applicable, cash flows, thereof in conformity with accounting principles generally accepted in the United States of America. In addition, to determine whether the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements taken as a whole.
2. To obtain an understanding of the five components of internal control that is sufficient to assess the risks of material misstatement of the financial statements whether due to error or fraud, and to design the nature, timing, and extent of further audit procedures. Because an audit of a government's financial statements is based on opinion units, the auditor's consideration of internal control in assessing the risks

of material misstatement should address each opinion unit. The auditor should obtain a sufficient understanding by performing risk assessment procedures to (a) evaluate the design of controls and (b) determine whether they have been implemented. The auditor should use such knowledge to identify types of potential misstatements; consider factors that affect the risks of material misstatement; and design tests of controls, when applicable, and subsequent procedures. In acquiring an understanding of and assessing internal control, the auditor should consider computer controls as well as the controls over manual portions of the system.

3. To plan and perform the audit to obtain reasonable assurance about whether the financial statements, including note disclosures, are free of material misstatement, whether caused by error or fraud, and material misstatements arising from illegal acts that have a direct and material effect on the determination of financial statement amounts. Illegal acts are defined in auditing standards as violations of laws or governmental regulations. Although not explicitly stated in auditing standards, the phrase “laws and governmental regulations” generally has been interpreted to implicitly include the provisions of contract and grant agreements. The AICPA Codification of Statements on Auditing Standards, Section AS 2405 requires the auditor to consider laws and regulations that are generally recognized by auditors to have a direct and material effect on the determination of financial statement amounts. The auditor’s responsibility to detect and report misstatements resulting from illegal acts having a direct and material effect on the determination of financial statement amounts is the same as that for misstatements caused by error or fraud. In addition, the auditor should be aware of the possibility that illegal acts that may, in particular circumstances, be regarded as having material but indirect effects on financial statements may have occurred. If specific information comes to the auditor’s attention that provides evidence concerning the existence of possible illegal acts that could have a material indirect effect on the financial statements, the auditor should apply audit procedures specifically directed to ascertaining whether an illegal act has occurred.
4. To provide reasonable assurance of detecting material misstatements that result from violations of provisions of contracts or grant agreements that could have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives. If specific information comes to the auditor’s attention that provides evidence concerning the existence of possible violations of provisions of contracts or grant agreements that could have a material indirect effect on the financial statements, the auditor should apply audit procedures specifically directed to ascertaining whether such violations have occurred. If during the course of the audit, auditors become aware of abuse that could be quantitatively or qualitatively material to the financial statements, the auditor should

apply audit procedures specifically directed to ascertain the potential effect on the financial statements or other financial data significant to the audit objectives.

5. To evaluate whether the government entity has taken appropriate corrective action to address findings and recommendations from previous engagements that could have a material effect on the financial statements. Auditors should use this information from previous engagements in assessing risk and determining the nature, timing, and extent of current audit work, including determining the extent to which testing the implementation of the corrective actions is applicable to the current audit objectives.
6. To ensure that audit documentation is prepared in sufficient detail to provide a clear understanding of the nature, timing, and extent of auditing procedures performed to comply with generally accepted government auditing standards and other applicable standards and requirements; the results of the audit procedures performed and the audit evidence obtained; the conclusions reached on significant matters; and that the accounting records agree or reconcile with the audited financial statements. Auditors should also document, before the audit report is issued, evidence of supervisory review of the work performed that supports findings, conclusions, and recommendations contained in the audit report.
7. If applicable, to determine whether the government entity complied with laws, regulations, and the provisions of contracts or grant agreements pertaining to federal awards that may have a direct and material effect on each major program. With regard to internal control over compliance, the auditor is required to do the following (in addition to meeting the requirements of Government Auditing Standards): (1) perform procedures to obtain an understanding of internal control over federal programs that is sufficient to plan the audit to support a low assessed level of control risk for major programs, (2) plan the testing of internal control over major programs to support a low assessed level of control risk for the assertions relevant to the compliance requirements for each major program, and (3) perform tests of internal control (unless the internal control is likely to be ineffective in preventing or detecting noncompliance). With regard to submission of the Data Collection Form (Form SF-SAC) and the Single Audit Reporting package using the Federal Audit Clearinghouse Internet Data Entry System, the auditor will be responsible for certifying the accuracy of the information included in Parts II and III of the form.
8. To verify and test expenditures of the government's Special Purpose Local Option Sales Tax proceeds. In accordance with the Official Code of Georgia Annotated, Section 48-8-121, a schedule shall be included in each annual audit which shows for

each project in the resolution or ordinance calling for imposition of the Special Purpose Local Option Sales Tax the original estimated cost, the current estimated cost if it is not the original estimated cost, amounts expended in prior years, and amounts expended in the current year. The auditor shall verify and test expenditures sufficient to provide assurance that the schedule is fairly presented in relation to the financial statements. The auditor's report on the financial statements shall include an opinion, or disclaimer of opinion, as to whether the schedule is presented fairly in all material respects in relation to the financial statements taken as a whole.

9. To verify and test expenditures of the government's proceeds from the Governor's emergency fund or a special project appropriation in accordance with the Official Code of Georgia Annotated, Section 36-81-8.1. A properly completed grant certification form shall be filed on each grant with the annual audit report for each year in which such grant funds are expended or remain unexpended. If required under this Code section, the auditor shall certify that the grant funds were used solely for the express purpose or purposes for which the grant was made. The Georgia Department of Audits and Accounts can assist with the identification of grants subject to these reporting requirements and has a Grant Certification package available containing instructions and example formats.
10. To certify that funds were expended in compliance with the expenditure requirements of the Official Code of Georgia Annotated, Section 46-5-134 for governments collecting or expending any 9-1-1 charges or wireless enhanced 9-1-1 charges. This Code section requires that an annual report of collections and expenditures be prepared and certified by the recipient local government as well as the local government auditor.

SCOPE OF WORK

The auditor will prepare the required audit reports including those required by Government Auditing Standards and (If Applicable) Office of Management and Budget Circular A-133 and the Official Code of Georgia Annotated at the completion of the audit.

1. a. Standard report on the financial statements.
Reference should be made that the audit was conducted in accordance with generally accepted government auditing standards. In separate report(s), the auditor should include a description of the scope of the auditor's testing of internal control over financial reporting and compliance with laws, regulations, and provisions of contracts or grant agreements. Auditor should state in the

report whether the tests performed provided sufficient, appropriate evidence to support an opinion on the effectiveness of internal control over financial reporting and on compliance with laws, regulations, and provisions of contracts or grant agreements. When auditor reports separately (including separate reports bound in the same document) on internal control over financial reporting and on compliance with laws and regulations and provisions of contracts or grant agreements, they should state in the financial statement audit report that they are issuing those additional reports.

The auditor's report on the financial statements should include an opinion, or disclaimer of opinion, as to whether the Schedule of Projects Constructed With Special Purpose Local Option Sales Tax Proceeds is presented in accordance with the American Institute of Certified Public Accountants' Codification of Statements on Auditing Standards, Section AS 3305.25.

- b. Report on Internal Controls. Control deficiencies identified during the audit that upon evaluation are considered significant deficiencies or material weaknesses under the American Institute of Certified Public Accountants' Codification of Statements on Auditing Standards, Section AS 1305 must be communicated in writing to management and those charged with governance as a part of each audit, including significant deficiencies and material weaknesses that were communicated to management and those charged with governance in previous audits, and have not yet been remediated.

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. The report should include a description of the scope of the auditor's testing of internal control over financial reporting and compliance with laws, regulations, and provisions of contracts or grant agreements. The auditor should report, as applicable to the objectives of the audit, and based upon the audit work performed, (1) significant deficiencies in internal control, identifying those considered to be material weaknesses; (2) all instances of fraud and illegal acts unless inconsequential; and (3) violations of provisions of contracts or grant agreements and abuse that could have a material effect on the financial statements.

- c. Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133. This report should include an opinion (or disclaimer of opinion) on whether the auditee complied with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on

each major program, and where applicable, refer to the separate schedule of findings and questioned costs. The report on internal control related to major programs should describe the scope of testing of internal control and the results of the tests and, where applicable, refer to the separate schedule of findings and questioned costs.

- d. In accordance with OMB Circular A-133, the auditor's report(s) may be in the form of either combined or separate reports. The auditor's report(s) shall include an opinion (or disclaimer of opinion) on whether the financial statements are presented fairly in all material respects in conformity with generally accepted accounting principles and an opinion (or a disclaimer of opinion) on whether the schedule of expenditures of federal awards is presented fairly in all material respects in relation to the financial statements taken as a whole. Auditors should follow the guidance contained in the American Institute of Certified Public Accountants' Audit Guide: Government Auditing Standards and Circular A-133 Audits.
 - e. In accordance with OMB Circular A-133, a schedule of findings and questioned costs is required and should include the following three sections: (1) a summary of the auditor's results; (2) findings related to the financial statements that are required to be reported in accordance with generally accepted government auditing standards; and (3) findings and questioned costs for federal awards.
 - f. A Comprehensive Annual Financial Report (CAFR) for both Fayette County, GA and Fayette County Water System.
 - g. Report on Grants to Counties program, as defined in the Official Code of Georgia Annotated, Sections 48-14-3 and 36-17-1.
 - h. Report on the Schedule of Special Purpose Local Option Sales Tax
 - i. Report on State of Georgia Grant Certification Form(s).
 - j. Report on Annual Report of 9-1-1 Collections and Expenditures.
2. Landfill Assurance. Apply certain agreed-upon procedures to selected records and transactions of the County with respect to the Financial Assurance Requirements for Solid Waste Handling and Processing Facilities as applicable to the County; such procedures and requirements being established and agreed to by the United States Environmental Protection Agency and the Georgia Department of Natural Resources, Environmental Protection Division; as well as being agreed to by the

County and in accordance with the attestation standards for agreed-upon procedures engagements of the American Institute of Certified Public Accountants (AICPA).

3. A written management letter should be used to communicate violations of provisions of contracts or grant agreements or abuse that have an effect on the financial statements that is less than material but more than inconsequential; the management letter should also communicate information about ways to improve operational efficiency and effectiveness or otherwise improve internal control or other policies or procedures (other than those for which communication is required by generally accepted auditing standards or Government Auditing Standards). If the management letter contains items required to be communicated to officials by auditing standards, the auditor should refer to the management letter in the 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. It is important to note that the schedule of findings and questioned costs should include all audit findings required to be reported under OMB Circular A-133; a separate communication (such as a management letter) may not be used to communicate such matters.
4. The auditor must offer recommendations for appropriate corrective action for each item reported in accordance with AICPA Statement on Auditing Standards No. 112; or included in the 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 or in the Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance In Accordance with OMB Circular A-133; or contained in the management letter.
5. Any other reports required shall be submitted to the government entity upon request.
6. A preliminary draft of all reports shall be submitted to the government entity prior to their release. The government entity will review and approve the release of all draft reports. Draft reports should be submitted to Sheryl Weinmann, Assistant CFO, 140 Stonewall Avenue West, Suite 101, Fayetteville, GA, 770-305-5186.
7. The auditor shall send copies of the reports listed above directly to Sheryl Weinmann, Assistant CFO, 140 Stonewall Avenue West, Suite 101, Fayetteville, GA 30214.

PROPOSAL RESPONSE REQUIREMENTS

In order to be considered for award of a contract resulting from this RFP, responders must include a completed Mandatory Pre-Qualification Form, Attachment B. This requirement will not be waived, and is not subject to negotiation. The purpose of the Mandatory Pre-Qualification Form is to determine if the auditor meets the following mandatory criteria:

1. The proposer is properly licensed for public practice as a certified public accountant.
2. The proposer meets the independence requirements of the Government Auditing Standards issued by the Comptroller General of the United States.
3. The auditor's staff working on or associated with the engagement must meet the continuing education requirements of the Government Auditing Standards.
4. The auditor does not have a record of substandard audit work.
5. The proposer agrees to abide by the terms and conditions included in this RFP.

Failure to meet the mandatory criteria will result in immediate rejection of the entire proposal and no evaluation of the remainder of the technical component or of the cost proposal will be made.

To be considered responsive, proposals shall include and/or address all submittal requirements of the Fayette County Purchasing Department as well as the following information, preferably in the order listed below.

1. **Cover Page:** Show the Request for Proposal number (#1465-P) and title (*Audit Services*). Include the name of the proposer's firm, local address, and telephone number.
2. **Letter of Transmittal:** Include the names of the persons who will be authorized to make representations for the proposer, their titles, addresses, and telephone numbers. State that the person signing the letter will be authorized to bind the proposer.
3. **Table of Contents**
4. **Required Documents:** Provide documents as specified in the "Checklist of Required Documents" form, which is included in the RFP.
5. **Understanding and Approach:**
Briefly state your understanding of the work to be done. Make a positive statement that deadlines specified in the RFP will be met. Provide the following information on your audit approach:
 - a. Sampling techniques and the extent to which statistical sampling may be used in the engagement;
 - b. Extent of the use of EDP software in the engagement;
 - c. Type and extent of analytical procedures that may be used in the engagement;

- d. Approach to be taken to gain and document an understanding of the government entity's internal control;
- e. Approach to be taken in determining laws and regulations that will be subject to audit test work; and
- f. Approach to be taken in drawing audit samples for purposes of tests of compliance.
- g. Description of the methodology to be used in performing the “risk based” approach in determining major Federal programs.

The proposal should identify and describe anticipated audit problems (if any), the firm's approach to resolving these problems and any special assistance that will be requested from the government entity.

6. Audit Team:

State the name of the partner assigned to this engagement and the name of the partner assigned the responsibility for the quality of the report and working papers. State the identity of other employees who will work on the audit, including staff from other than the local office. Include resumes with relevant experience and continuing education for each supervisory person to be assigned to the audit.

Specify governmental CPE attended in the past 24 months by the partner(s) and each person to be assigned to this engagement.

Include the firm's policy on notifying the government entity of changes in key personnel assigned to the engagement.

7. Firm's Background and Experience:

State whether the firm is local, regional, national or international. State 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 auditing, accounting, tax service, or management services.

Describe the recent local office auditing experience similar to the type of audit requested. Rank these audit engagements according to total staff hours. Include relevant knowledge of, and experience in, applying applicable federal and state regulations. Indicate the scope of work, dates when work was performed, engagement partner(s), total hours, and the name and telephone number of the client contact. A minimum of three (3) of the most significant audit engagements performed in the last three (3) years similar to the engagement described in this request for proposals should be provided.

8. Proposed Schedule: Submit a work plan to accomplish the scope of work described in this RFP. Specify any planned use of specialists. In developing the work plan, make

reference to such sources as the government entity's budget and related materials, organizational charts, programs, and financial and other management information systems. The work plan must include time estimates for, and identify, each significant segment of the work and the staff level to be assigned. Include the approximate dates the audit will begin and end for the first year, and approximate dates for delivery of the required reports.

9. **Price Schedule:** All price schedules shall be enclosed in a *separate, sealed envelope* as stated in the General Terms and Conditions. Using the Pricing Sheet (Attachment C), state your total, all-inclusive prices individually for the Financial Audit, the Single Audit, and the Comprehensive Annual Financial Report for each Fiscal Year indicated on the Pricing Sheet. In this price, include travel, supplies and materials, out-of-pocket costs, and any other costs that would be incurred in the course of audit performance.

EVALUATION PLAN

An Evaluation Committee will review and evaluate proposals. The points earned for technical merit will comprise 70% of your evaluation score. Evaluation criteria and other information is contained in Numbers 5 through 8 above. Criteria for technical merit are, in priority order, as follows:

| | Max Points |
|-------------------------------------|------------|
| 1. Understanding and approach | 35 |
| 2. Audit team | 25 |
| 3. Firm's background and experience | 30 |
| 4. Proposed schedule | 10 |

PRICING

The remaining 30% of your score will be determined by your proposed annual cost, as compared to other responding entities. Proposed prices will be assigned points earned through use of a "variance" weighting method. The lowest offered price will earn the maximum number of points for the Pricing portion of the score. Other proposals' price scores will be calculated based on the variance of their prices from the lowest offered price.

PRESENTATIONS

The county may, at its discretion, choose one or more of the best-scoring companies to make in-person presentations. If more than one company makes a presentation, the Evaluation Committee will evaluate the presentations, and score up to an additional 50 points, which will also be weighted 70%, to the technical score for each company that makes a presentation.

GENERAL TERMS AND CONDITIONS
Request for Proposals #1465-P: Auditing Services

1. **Definitions:** The term "contractor" as used herein and elsewhere in these Terms and Conditions shall be used synonymously with the terms "consultant" or "successful offeror." The term "county" shall mean Fayette County, Georgia.
2. **Preparation of Offers:** It shall be the responsibility of the offeror to examine specifications, scope of work, schedule and all instructions that are part of this request for proposal. Failure to observe any of the instructions or conditions in this request for proposal may result in rejection of the offer.

All of the specifications and information contained in this request for proposal, unless specifically excepted in writing by the offeror and such exceptions being included with the offer, will form the basis of the contract between the successful offeror and the county. The offeror should take care to answer all questions and provide all requested information.

3. **Submission of Offers:** Offerors must submit their proposal, along with any amendments issued by the county, in a sealed opaque envelope with the following information written on the outside of the envelope:
 - a. The offeror's company name,
 - b. The Request For Proposals (RFP) number, which is **1465-P**, and
 - c. The "reference" which is **Audit Services**

Price schedules shall be placed in an additional sealed opaque sealed envelope, identified as the price schedule, and enclosed in the sealed envelope with the proposal.

Mail or deliver one (1) unbound original proposal (paperclip or binder clip acceptable, no staples), signed in ink by a company official authorized to make a legal and binding offer, five (5) paper copies, and a copy on a flash drive to:

Fayette County Government
Purchasing Department
140 Stonewall Avenue West, Suite 204
Fayetteville, GA 30214

Attention: Contracts Administrator

4. **Timely Receipt:** Offers not received by the time and date of the scheduled proposal opening will not be considered, unless the delay is a result of action or inaction of the county.
5. **Costs of Proposal Preparation:** Costs incurred to prepare a proposal are solely those of the proposer. Nothing contained within this RFP is indicative of an intent by the government entity to reimburse the proposer, in whole or in part, for any costs associated with preparation, submission, or presentation of proposals.
6. **Open Offer:** The offer, once submitted and opened, shall remain open for acceptance for a period of at least ninety days from the date of the opening unless this time-frame is specifically excepted to in your offer.

7. **Corrections or Withdrawals:** The offeror may correct a mistake, or withdraw a proposal before the proposal opening date by sending written notification to the Director of Purchasing. Proposals may be withdrawn after the opening only with written authorization from the Director of Purchasing.

The county reserves the right to waive any defect or irregularity in any proposal received. In case of discrepancy between the unit price and the extended or total price, the unit price shall prevail.

8. **Trade Secrets – Confidentiality:** If any person or entity submits a bid or proposal that contains trade secrets, an affidavit shall be included with the bid or proposal. The affidavit shall declare the specific included information which constitutes trade secrets. Any trade secrets must be either (1) placed in a separate envelope, clearly identified and marked as such, or (2) at a minimum, marked in the affidavit or an attached document explaining exactly where such information is, and otherwise marked, highlighted, or made plainly visible. See Georgia law at O.C.G.A. § 50-18-72 (A)(34).
9. **Site Conditions:** Offerors are urged to visit the site to familiarize themselves with site conditions. Upon submission of an offer, it is understood that the offeror is acknowledging his acceptance of all site conditions.
10. **References:** Offerors shall submit with proposals a list of three (3) jobs the offeror has done that are of the same or similar nature to the work described herein. For each job listed include a brief description of the work, a contact person, mailing address, valid telephone number, email address and the date job was completed.
11. **Ethics in Public Contracting:** Auditors specifically certify by submitting their proposal that they are not in violation of the Official Code of Georgia Annotated, Sections 16-10-2 and 16-10-22, for acts of bribery and/or conspiracy in restraint of free and open competition in transactions with state or political subdivisions. Auditors contracting with the State of Georgia (as defined in the Official Code of Georgia Annotated, Section 45-10-20) further certify that Official Code of Georgia Annotated, Title 45, Chapter 10, Article 2, which prohibits certain public officials and employees of the State of Georgia from transacting business with certain state agencies, has not been and will not be violated in any respect by execution of this proposal and any contract resulting therefrom.
12. **Ethics – Disclosure of Relationships:** Before a proposed contract in excess of \$10,000.00 is recommended for award to the Board of Commissioners or the County Administrator, or before the County renews, extends, or otherwise modifies a contract after it has been awarded, the contractor must disclose certain relationships with any County Commissioner or County Official, or their spouse, mother, father, grandparent, brother, sister, son or daughter related by blood, adoption, or marriage (including in-laws). A relationship that must be reported exists if any of these individuals is a director, officer, partner, or employee, or has a substantial financial interest in the business, as described in Fayette County Ordinance Chapter 2, Article IV, Division 3 (Code of Ethics).

If such relationship exists between your company and any individual mentioned above, relevant information must be presented in the form of a written letter to the Director of Purchasing. You must include the letter with any bid, proposal, or price quote you submit to the Purchasing Department.

In the event that a contractor fails to comply with this requirement, the County will take action as appropriate to the situation, which may include actions up to and including rejection of the bid or offer, cancellation of the contract in question, or debarment or suspension from award of a County contract for a period of up to three years.

13. **Evaluation of Offers:** The evaluation of offers and the determination as to acceptability of services offered shall be the responsibility of the county. Accordingly, to insure that sufficient information is available, the offeror may be required to submit literature, samples, or other information prior to award. The county reserves the right to obtain clarification or additional information from any firm regarding its proposal. The county reserves the right to select a responsive, responsible firm on the basis of best value that is deemed to be most advantageous to the owners. The county further reserves the right to reject any proposal, or all proposals, and to re-release the request for proposals.
14. **Non-Collusion:** By responding to this request for proposals, the offeror shall be deemed to have represented and warranted that the proposal is not made in connection with any other offeror submitting a separate response to this request for proposals, and is in all respects fair and without collusion or fraud.
15. **Debarment Status:** By submitting their proposals, all auditors certify that they are not currently debarred from submitting bids or proposals on contracts by any agency of the State of Georgia or the federal government, nor are they an agent of any person or entity that is currently debarred from submitting bids on contracts by any agency of the State of Georgia or the federal government.
16. **Ability To Perform:** The offeror may be required, upon request, to provide to the satisfaction of the county that he/she has the skill, experience and the necessary facilities, as well as sufficient financial and human resources, to perform the contract in a satisfactory manner and within the required time. If the available evidence is not satisfactory to the county, the county may reject the offer.
17. **Notice to Proceed:** The County shall not be liable for payment of any work done or any costs incurred by any offeror prior to the county issuing a written notice to proceed.
18. **Term of Contract:** The term of this agreement shall begin on the Effective Date of July 1, 2018 and continue through June 30, 2019. Thereafter, this agreement will automatically renew for four additional one-year renewal terms (each a "Renewal Term" and together with the Initial Term, the "Term), unless the county notifies the contractor thirty (30) days prior to expiration of the Initial Term or the then-current Renewal Term. This agreement is subject to the multi-year contractual provisions of O.C.G.A. 36-60-13(a).
19. **Payment Terms:** The government entity will make payment within 30 days of receipt of a proper invoice for interim and final billings, provided that the billing has been approved by the government entity.
20. **Unavailability of Funds:** This contract will terminate immediately and absolutely at such time as appropriated and otherwise unobligated funds are no longer available to satisfy the obligations of the county under the contract.
21. **Severability:** The invalidity of one or more of the phrases, sentences, clauses or sections

contained in the contract shall not affect the validity of the remaining portion of the contract. If any provision of the contract is held to be unenforceable, then both parties shall be relieved of all obligations arising under such provision to the extent that the provision is unenforceable. In such case, the contract shall be deemed amended to the extent necessary to make it enforceable while preserving its intent.

22. **Indemnification:** The contractor shall defend, indemnify and save the county and all its officers, agents and employees harmless from all suits, actions, or other claims of any character, name and description brought for or on account of any injuries or damages received or sustained by any person, persons, or property on account of any negligent act or fault of the successful offeror, or of any agent, employee, subcontractor or supplier in the execution of, or performance under, any contract which may result from proposal award. The contractor shall pay any judgment with cost which may be obtained against the county growing out of such injury or damages.
23. **Workers' Compensation:** The auditor shall be required at all times during the term of this agreement to subscribe and comply with the Workers' Compensation laws of the State of Georgia and to save harmless the government entity from any and all liability from or under said act.
24. **Social Security / Employment Taxes:** The auditor shall be and remain an independent contractor with respect to all services performed hereunder and shall accept full exclusive liability for the payments of any and all contributions or taxes for Social Security, Unemployment Benefits, pensions, and annuities now or hereafter imposed under any State or Federal laws which are measured by the wages, salaries, or other remuneration paid to persons employed by the auditor on work performed under the terms of this agreement.
25. **Federal or State Laws:** The auditor further shall obey or satisfy all lawful rules, regulations, and requirements issued or promulgated under said respective laws by any duly authorized State or Federal officials. The auditor shall indemnify and save harmless the government entity from any contributions, taxes, or liability referred to in this article.
26. **Non-Assignment:** Assignment of any contract resulting from this request for proposal will not be authorized without prior written consent from the county.
27. **Changes to the Contract:** The government entity may order changes within the general scope of the contract at any time by written notice to the auditor. Changes within the scope of the contract include, but are not limited to, things such as the place of delivery. The auditor shall comply with the notice upon receipt. The auditor shall be compensated for any additional costs incurred as the result of such order and shall give the government entity a credit for any savings. Said compensation shall be determined by mutual agreement between the government entity and the auditor in writing.
28. **Termination for Cause:** The County may terminate the contract for cause by sending written notice to the contractor of the contractor's default in the performance of any term of this agreement. Termination shall be without prejudice to any of the county's rights or remedies by law.
29. **Termination for Convenience:** The County may terminate the contract for its convenience at any time with 10 days' written notice to the contractor. In the event of termination for convenience, the county will pay the contractor for services performed. The county will compensate partially completed performance based upon a signed statement of completion submitted by the contractor, which shall itemize each element of performance completed.

30. **Force Majeure:** Neither party shall be deemed to be in breach of the contract to the extent that performance of its obligations is delayed, restricted, or prevented by reason of any act of God, natural disaster, act of government, or any other act or condition beyond the reasonable control of the party in question.
31. **Governing Law:** This agreement shall be governed in accordance with the laws of the State of Georgia. The parties agree to submit to the jurisdiction in Georgia, and further agree that any cause of action arising under this agreement shall be required to be brought in the appropriate venue in Fayette County, Georgia.

SPECIAL TERMS AND CONDITIONS

Request for Proposals #1465-P: Audit Services

1. **Audit:** The auditor hereby agrees to retain all books, records, working papers, and other documents relative to this contract for five (5) years after final payment. The auditor further acknowledges that the AICPA's Statement on Auditing Standards No. 103 requires the auditor to adopt reasonable procedures to retain and access audit documentation for a period of time sufficient to meet the needs of his or her practice and to satisfy any applicable legal or regulatory requirements for records retention. Such retention period, however, should not be shorter than five years from the report release date. The government entity, its authorized agents, and federal and state regulatory and grantor agencies, including the Georgia Department of Audits and Accounts, shall have full access to and the right to examine any of said materials during said period at no cost to either the government entity or any other entity authorized to examine said materials.
2. **Review & Monitoring:** The government entity reserves the right to conduct any review it may deem advisable to assure services conform to the specifications. An employee of the government entity will be designated as audit monitor to discuss issues that need to be resolved and may require periodic progress reports. The monitor will review the financial statements and may provide limited assistance to the auditor by way of comments and suggestions for enhancements to the report prior to its preparation in final form. The monitor will also be available for technical assistance concerning the interpretation of state laws, regulations and policies.
3. **Contract Limitations:** During the contract period, the auditor agrees not to submit proposals on or perform any accounting, consulting, compilation and review, or any other services outside the scope of this contract for the government entity without the prior written approval of the government entity.
4. **Additional Audit Work:** In the event during the course of the audit it is determined by any party a change in the scope of the audit work is necessary, the discovering party shall promptly notify the other parties in writing. The parties shall then determine whether the contract shall be amended to provide for an adjustment in the audit work to be performed by the auditor. In no event shall any payment be made for audit work beyond the scope of the original contract until the contract has been amended as provided elsewhere in the Request for Proposals.
5. **Sub-Contracts:** No portion of the work shall be subcontracted without prior written consent of the government entity. In the event that the auditor desires to subcontract some part of the work specified herein, the auditor shall furnish the government entity the names, qualifications and experience of their proposed subcontractors. The auditor shall, however, remain fully liable and responsible for the work/service to be performed by his/her subcontractor(s) and shall assure compliance with all requirements of the contract.

6. **Office Hours / Location / Parking:** Office space and a telephone will be provided for the representative of the auditor to perform all field work. The location of this space will be as close as possible to the location of the accounting records and accounting staff. To the extent possible, schedules and other data will be prepared by the government entity's accounting department. It is the government entity's policy to aid in the audit process where deemed feasible and appropriate to help reduce costs. The audit monitor designated by the government entity will be responsible for notifying the contractor of the location of the accounting and financial records, government entity office hours, and the availability of parking at the government entity location.
7. **Higher Level Audit Services:** If the auditor becomes aware that the government entity is subject to audit requirements that may not be encompassed in the terms of the contract, he or she shall communicate this situation immediately to the government entity's audit monitor, that in accordance with the established contract certain relevant legal, regulatory, or contractual requirements may not be met.
8. **Changes in Auditing Standards / Federal Requirements:** As professional auditing standards or Federal auditing requirements change, the auditor shall adjust his/her auditing techniques and reporting formats and criteria so the new standards and requirements are met. Any additional hours used by the auditor as a result of such changes that would cause the auditor to exceed the proposed hours as submitted in the Cost Proposal shall be treated as provided by Section VII, Item G, Additional Audit Work and Section VII, Item M, Integrated Agreement.
9. **Rates for Additional Professional Services:** If it should become necessary for the government entity to request the auditor to render any additional services to either supplement the services requested in this request for proposals 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 government entity and the firm.

**Fayette County, Georgia
Checklist of Required Documents**

*(Please Return This Checklist with your proposal and
the Required Documents in the order listed below)*

RFP #1465-P: AUDIT SERVICES

Company Information Form _____

Mandatory Pre-Qualification Form (Attachment B) _____

Contractor Affidavit under O.C.G.A. § 13-10-91(b)(1) _____

List of exceptions, if any – on the form provided _____

References – on the form provided _____

Signed addenda to the RFP, if any are issued _____

*Pricing shall be submitted in a separate, sealed envelope as stated in the General Terms and
Conditions section of the Request for Proposals.*

AUDIT FIRM NAME: _____

RFP #1465-P: Audit Services

COMPANY INFORMATION

COMPANY

Company Name: _____

Physical Address: _____

Mailing Address (if different): _____

AUTHORIZED REPRESENTATIVE

Signature: _____

Printed or Typed Name: _____

Title: _____

Email Address: _____

Phone Number: _____ Fax Number: _____

PROJECT CONTACT PERSON

Name: _____

Title: _____

Office Number: _____ Cellular Number: _____

Contractor Affidavit under O.C.G.A. § 13-10-91(b)(1)

By executing this affidavit, the undersigned contractor verifies its compliance with O.C.G.A. § 13-10-91, stating affirmatively that the individual, firm or corporation which is engaged in the physical performance of services on behalf of Fayette County, Georgia has registered with, is authorized to use and uses the federal work authorization program commonly known as E-Verify, or any subsequent replacement program, in accordance with the applicable provisions and deadlines established in O.C.G.A. § 13-10-91. Furthermore, the undersigned contractor will continue to use the federal work authorization program throughout the contract period and the undersigned contractor will contract for the physical performance of services in satisfaction of such contract only with subcontractors who present an affidavit to the contractor with the information required by O.C.G.A. § 13-10-91(b). Contractor hereby attests that its federal work authorization user identification number and date of authorization are as follows:

Federal Work Authorization User Identification Number

Date of Authorization

Name of Contractor

#1465-P: AUDIT SERVICES

Name of Project

FAYETTE COUNTY, GEORGIA

Name of Public Employer

I hereby declare under penalty of perjury that the foregoing is true and correct.

Executed on _____, _____, 2018 in (city) _____, (state) _____

Signature of Authorized Officer or Agent

Printed Name and Title of Authorized Officer or Agent

SUBSCRIBED AND SWORN BEFORE ME

ON THIS THE _____ DAY OF _____, 2018.

NOTARY PUBLIC

My Commission Expires:

REFERENCES

RFP #1465-P: AUDIT SERVICES

Please list three (3) references for current or recent customers who can verify the quality of service your company provides. Projects of similar size and scope are preferable.

1. Government/Company Name _____

City & State _____

Work or Service Provided _____

Approximate Completion Date _____

Contact Person and Title _____

Phone _____ Email _____

2. Government/Company Name _____

City & State _____

Work or Service Provided _____

Approximate Completion Date _____

Contact Person and Title _____

Phone _____ Email _____

3. Government/Company Name _____

City & State _____

Work or Service Provided _____

Approximate Completion Date _____

Contact Person and Title _____

Phone _____ Email _____

AUDIT FIRM'S NAME _____

ATTACHMENT A: GOVERNMENT ENTITY AND RECORDS INFORMATION

1. Fayette County, Georgia serves an area of 199.5 square miles with an estimated current population of 111,627. The County is governed by a five-member board of commissioners who serve on a part-time basis. The County Administrator is responsible for the day to day operations. Fayette County's fiscal year begins on July 1 and ends on June 30. The 2018 budget for the County was \$101,455,687. The financial statements of the County include the Department of Public Health and Development Authority both of which have the same fiscal year as the County. These organizations are audited by other auditors whose report is provided to us.
2. In the 2017 audit report, the county reported 4 major governmental funds, 7 nonmajor governmental funds, 1 major enterprise fund, 2 non-major enterprise funds, 4 internal service funds, and 7 agency funds. All governmental funds use the modified accrual basis of accounting and the enterprise, internal service, and agency funds use the accrual basis of accounting. An "in relation to opinion" is required for required supplementary and combining and individual nonmajor fund financial statements and schedules. The budgetary comparisons for the general fund and each major special revenue fund are shown as required supplementary information.
3. The original approved budget as well as any revisions to the budget are recorded in the accounting system. In addition, encumbrances are also recorded in the accounting system. The County currently has 64 bank accounts; 19 at Wells Fargo, 2 LGIP accounts, 6 at Heritage Bank, 4 at the Bank of New York Mellon, 3 at Regions Bank, and 30 at United Community Bank. The County has a total annual payroll of \$35.7 million that cover approximately 741 employees.
4. Describe systems, records, and procedures:
 - a. All procedures for the Finance Department are maintained electronically on the Finance server. These procedures cover all primary functions of the Department.
 - b. All accounting records are maintained through the MUNIS software package.
 - c. The finance department is composed of 3 accounting technicians, 1 senior accounting technician, 1 part-time senior accounting technician, 4 financial analysts, 1 senior financial analyst, 1 CIP project manager, 1 accounting manager, 1 budget officer, an Assistant CFO, and CFO. Each of these staff is responsible for specific areas of the day to day operations. The payroll process is divided between Human Resources and Finance with payroll computations being generated by Human Resources and Finance responsible for transmission of deposits and payroll reports.
5. The most recent audit report and budget report can be accessed on the county website at <http://www.fayettecountyga.gov/finance/cafr.htm>.
6. The most recent audit was completed by Nichols Cauley & Associates. The audit was for the fiscal year ended June 30, 2017. An unmodified opinion was issued on December 21, 2017 for the 2017 fiscal year. The prior year audit papers are available for inspection at the office of Nichols Cauley & Associates.

7. Finance staff is available to prepare schedules, reproduce documents, pull documents, and otherwise assist as necessary with the annual audit. The County does have outside legal counsel available. There is no internal audit department within the County.
8. Representation letters will be issued by Mary Parrott, CFO and Steve Rapson, County Administrator.
9. All interfund and interdepartmental reconciliations are completed prior to the start of final fieldwork by the auditors.
10. Work space for the auditors will be provided in the Finance Department at 140 Stonewall Avenue West, Fayetteville, GA 30214.
8. The county has been subject to a single audit for the last five years; however, there have been no grant certification forms completed during these past five years.
9. These are the anticipated dates related to the audit. The dates are firm unless waived in writing by an authorized person.
 - a. Proposal submission: 3:00pm, Thursday, March 29, 2018
 - b. Proposer interviews, if desirable: TBD
 - c. Contract award: No later than 3:00pm, Thursday, June 14, 2018
 - d. Dates audit work can be commenced:
 1. Preliminary work prior to closing accounts: June 25-29, 2018
 2. Postclosing work: Begin October 22, 2018
 3. Weekly progress reporting should be held. The reporting can be done either verbally or written with Mary Parrott, CFO or Sheryl Weinmann, Assistant CFO.
 - e. Exit conference should be held on the last day of field work. The CAFR will be submitted by the County to the auditors for review 3 weeks after the end of fieldwork.
 - f. The final report must be completed by December 20, 2018 and submitted to the County.

ATTACHEMENT B
RFP #1465-P: AUDIT SERVICES
MANDATORY PRE-QUALIFICATION FORM

Section A - Company Information

1. Firm Name: _____
Contact Person: _____ Telephone Number: _____
2. Address: _____

3. Firm FEI Number: _____
4. Firm's Georgia CPA State License Registration Number: _____
5. Type of Accounting Practice (place an "X" next to the appropriate response)
 - a. _____ Individual
 - b. _____ Partnership
 - c. _____ Corporation: name of the State where incorporated: _____

Section B - Company's Quality Program for Audits

Please answer each question below by placing an "X" in the proper column at the right.

| | <u>CHECK ONE</u> | |
|---|------------------|----|
| | YES | NO |
| <p>1. Quality Control: Does the Contractor Firm have internal procedures to ensure proper quality control for its governmental audit assignments? (If yes, ATTACH A DESCRIPTION OF THE PROCESS) _____</p> | | |
| <p>2. Quality Review: Does Contractor Firm participate in an External Quality review program every 3 years? (If yes, ATTACH A COPY OF LAST PEER REVIEW OR QUALITY REVIEW REPORT <u>AND LETTER OF COMMENT</u>. PLEASE ENTER ENDING DATE OF LAST PERIOD COVERED BY REVIEW _____) If no, explain the reason and your plan to participate. _____</p> | | |

CHECK ONE

YES NO

3. Professional Membership: Do the partners of the Contractor Firm belong to either the AICPA or the Georgia Society of CPAs? _____
4. Proper License: Is Contractor Firm properly licensed to practice public accounting in Georgia? _____
5. Special Governmental Audit Requirements: Is Contractor Firm familiar with the AICPA's ethical ruling called Interpretation 501-3, "Failure to Follow Standards and/or Procedures or other Requirements in Governmental Audits"? (According to this ruling, if a CPA agrees to follow specified standards, guides, rules and procedures in addition to GAAS, then the CPA is OBLIGATED to follow all such requirements. Also, the auditor must report any deviations from the agreed-upon engagement procedures.) _____
6. Subcontracts: Does Contractor Firm agree not to subcontract any work required without the prior express written consent of the auditee? _____
7. Federal Audit Laws and Rules: If federal audit work is required, does Contractor Firm agree to perform the audit work in accordance with the Single Audit Act Amendments of 1996, the provisions of OMB Circular A-133 and AICPA Audit Guide "*Government Auditing Standards* and Circular A-133 Audits", as necessary? _____
8. Confidentiality: Does Contractor Firm agree not to publish or distribute any information concerning work done for auditee, except as provided by law or rule? _____

CHECK ONE

YES NO

9. Access to Records and Workpapers: Does Contractor Firm agree to keep workpapers and reasonable records to support work claims for at least **5 years** and make them available for audit or review by any authorized parties? _____
10. Other Federal and State Laws and Rules: Does Contractor Firm agree to comply with all other Federal and State laws, rules and regulations which pertain to this engagement? _____
11. Independence: Does Contractor Firm meet the independence standards of the current "Government Auditing Standards", issued by the Comptroller General of the United States? (If "No", attach a brief summary of facts.) _____
12. Continuing Education: Does Contractor Firm have sufficient staff who meet continuing professional education requirements for government audits as set forth in "Government Auditing Standards"? _____
13. Conflict of Interest: Does Contractor Firm declare that there is no public or private interest which would conflict in any manner with performance of an audit for the auditee or would violate any laws of the State of Georgia? _____
14. No Substandard Work: Do Contractor Firm and all proposed Audit Team Members have a record of an acceptable standard of audit work? (Contractor Firm must answer this question "No" if the Firm or any Audit Team Member has received an enforcement action for substandard audit work during the past three years or has a related investigation pending by a professional or regulatory group. Attach a brief summary of any enforcement actions.) _____

CHECK ONE

YES NO

15. Ethics: Does Contractor Firm certify that its proposals are made without collusion or fraud and that it has not offered or received any kickbacks or inducements from any other auditor, supplier, manufacturer or subcontractor in connection with their proposals, and that it has not conferred on any government entity employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value was exchanged; that it is not in violation of the Official Code of Georgia Annotated, Sections 16-10-2 and 16-10-22, for acts of bribery and/or conspiracy in restraint of free and open competition in transactions with state or political subdivisions?

16. Provisions of RFP: Does Contractor Firm agree to abide by all General Terms and Conditions and Special Terms and Conditions specified in the RFP?

FIRM'S CERTIFICATION STATEMENT

I (we) certify that the information contained herein is true and correct to the best of my (our) knowledge, and that the person submitting the RFP on behalf of the proposer has the authority to submit this RFP and make all representations contained herein. I (we) understand that the inclusion of false information may result in rejection of the proposal submitted in response to this RFP.

Contractor Firm Name

Date

Signature of Preparer

**ATTACHMENT C
PRICING SHEET
RFP #1454-P: AUDIT SERVICES**

| Fiscal Year | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 |
|---------------------------------------|---------|---------|---------|---------|---------|
| Financial Audit | | | | | |
| Single Audit * | | | | | |
| Comprehensive Annual Financial Report | | | | | |
| TOTAL | \$ - | \$ - | \$ - | \$ - | \$ - |

1. Proposed pricing shall include all charges, including travel, supplies and materials, out-of-pocket expenses, and any other costs.
2. Pricing identified above shall include up to 15 hours of work outside the normal audit.

* Single Audit will be contingent upon the County meeting the requirements to have a single audit. The audit is expected and has occurred for the past five years.

AUDIT FIRM NAME:

**ATTACHMENT D: SAMPLE FORMAT FOR NOTIFICATION OF INTEREST
LETTER**

Ms. Trina Barwicks, Contract Administrator
Fayette County Purchasing Department
140 Stonewall Avenue West, Suite 204
Fayetteville, Georgia 30214

Subject: Notification of Interest – RFP #1465-P

Dear Ms. Barwicks:

Our (my) firm is interested in submitting a proposal in response to Request for Proposals #1465-P, Audit Services, to audit the county's financial statements for the fiscal year ended 2018, 2019, 2020, 2021, and 2022 as set forth in the Request for Proposals issued March 7, 2018.

Sincerely,

[Audit Firm]