

EXTERNAL AUDIT SERVICES
EVENT NO. 6648

SECTION II
SCOPE OF WORK

- 2.0 Broad Description of Project:** The purpose of this event is to receive proposals from qualified contractors for services for external audit services. Electronic submissions will not be accepted for this proposal.
- 2.1 General Information:** The City of Savannah is a municipal corporation incorporated in 1789 under the laws of the State of Georgia. The City operates under a Council-Manager form of government. The 2010 census indicated a City population of 136,286. The 2018 General Fund budget is \$182,246,578. The City's fiscal year ends December 31.

The primary financial functions of the City are divided among three departments. The Finance Department is responsible for accounting and financial reporting, fixed assets reporting, idle cash management, debt management, and the disbursement activities of the City including accounts payable and payroll. The Revenue Department is responsible for billing, collecting and depositing the majority of revenues due the City, including property taxes. The Research and Budget Department is responsible for preparing the City's annual budget and for monitoring budgetary compliance.

Reporting Entity: The City of Savannah reporting entity includes the Resource Recovery Development Authority (RRDA). The RRDA consists of a board of five members appointed by the Mayor and Alderman of the City. The RRDA provides services solely to the City. The RRDA is treated as a blended component unit of the City, and is reported as an enterprise fund in the City CAFR. The RRDA has had no financial activity for the past several years.

2.2 Scope and Objectives of the Audit

The initial period under audit is the City's fiscal year of January 1, 2018 to December 31, 2018. This agreement may be renewed for up to four (4) additional twelve (12) month periods, if all contracting parties so agree and services provided by the vendor have been satisfactory. A separate contract shall be entered into for each audit period prior to the end of the year to be audited.

The audit shall be conducted in accordance with generally accepted auditing standards, promulgated by the American Institute of Certified Public Accountants (AICPA) and in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States and with the *Official Code of Georgia Annotated*. The examination shall be made in compliance with applicable laws of the State of Georgia, the City of Savannah, and Chatham County.

The City will require a single audit report as part of this engagement. This audit should be performed in accordance with American Institute of Certified Public Accountants (AICPA) standards (GAAS), 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 (for federal grants awarded prior to December 26, 2014) (or for federal grants awarded

after December 26, 2014) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 2 CFR 200 (Uniform Grant Guidance (UGG)) Subpart F.

With professional standards frequently changing, the auditor shall be required to comply with the applicable standards as they exist at the time of the audit.

The audit shall be designed to accomplish the following objectives:

- A. 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 cash flows, where applicable, and the respective budgetary comparison for the major governmental funds in conformity with accounting principles generally accepted in the United States of America. In addition, to determine whether the financial statements presented as supplementary information present fairly, in all material respects, the respective financial position of each of the government's non-major governmental, non-major enterprise, internal service, and fiduciary funds and the respective changes in financial position and cash flows, where applicable, thereof in conformity with accounting principles generally accepted in the United States of America.
- B. 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.
- C. 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. U.S. Auditing Standards – AICPA (Clarified) AU-C Section 250 paragraph .13 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.

- D. To provide reasonable assurance of detecting material misstatements resulting from noncompliance with provisions of contracts or grant agreements that have a direct and material effect on the determination of financial statement amounts. If specific information comes to the auditor's attention that provides evidence concerning the existence of possible noncompliance that could have a material indirect effect on the financial statements, the auditor should apply audit procedures specifically directed to ascertaining whether noncompliance has occurred.
- E. To consider the results of previous audits and attestation engagements and follow up on known significant findings and recommendations that directly relate to the objectives of the audit being undertaken.
- F. To prepare working papers containing sufficient information to enable an experienced auditor having no previous connection with the audit to ascertain from them the evidence that supports the auditor's significant conclusions and judgments.
- G. To determine whether the City complied with laws, regulations, and the provisions of contracts or grant agreements pertaining to federal awards that have a direct and material effect on each major program for years in which a single audit is required.
- H. To verify and test expenditures of the City'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.

2.3 Reporting Requirements

The City anticipates that the auditor will prepare the following reports:

- 2.3.1 Independent auditor's report on the examination of the financial statements of the Reporting Entity of the City of Savannah, Georgia including all funds and component units in accordance with generally accepted auditing standards and with Government Auditing Standards.
- 2.3.2 Independent auditor's report on the examination of the financial statements of the Industrial and Domestic Water Supply Fund (I&D Fund) of the City of Savannah, Georgia, in accordance with generally accepted auditing standards. (Note: City accounting records segregate the assets, liabilities, equity, revenues, and expenses of the Industrial and Domestic Water System in an I&D Fund. The I&D transactions are reported as part of the Water and Sewer enterprise fund in the CAFR; however, a separate audit report and financial statements covering the I&D Fund are required. This separate accounting and reporting is done for rate making purposes.)

2.3.3 Single audit reports to include the following reports in accordance with Government Auditing Standards, OMB Circular A-133 and Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 2 CFR 200 Subpart F:

- Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
- Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with *OMB Circular A-133* and Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 2 CFR 200 Subpart F
- Schedule of Findings and Questioned Costs that includes (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.

2.3.4 Other reports and auditor letters: State statutes require the auditor to incorporate in the independent auditors' report an opinion as to whether the Schedule of Projects Funded with Special Sales Tax Proceeds, Schedule of Hotel/Motel Tax, and the Schedule of Rental Motor Vehicle Tax are presented fairly in all material respects in relation to the financial statements taken as a whole. This is a required reporting element under this Request for Proposal.

State statutes further require that the auditor issue independent auditor's report(s) on any grant funds received by the City from the governor's emergency fund or from a special project state appropriation. This is also a required reporting element under this Request for Proposal.

State statutes further require that the auditor issue independent auditor's report(s) and letters regarding the City's landfill and the related financial assurances required by the Georgia Department of Natural Resources. This is also a required reporting element under this Request for Proposal.

Additionally, the City may require comfort letters or consent letters from time to time as the City engages in various financial transactions. The auditor shall prepare such letters in formats provided by the City. All documentation necessary for the preparation of such letters will be provided by the City.

A preliminary draft of all reports shall be submitted to the City prior to their release. The City will review and approve the release of all draft reports.

In addition to the reports listed above, the auditor may supply the City with a written management letter containing matters not included in the auditor's report on compliance and on internal control over financial reporting. This letter may address all exceptions in accounting practices, immaterial instances of noncompliance with laws and regulations, and deficiencies in the internal control that are not reportable conditions as defined by the AICPA in Codification of Statements on Auditing Standards, Section AU 325. Such immaterial instances of noncompliance and deficiencies in internal control that are not reportable conditions should be referred to in the report on compliance and

on internal control over financial reporting. The management letter should be submitted to the Finance Director at the conclusion of each audit. The auditor should offer suggestions for appropriate corrective action for each item listed in the management letter.

2.4 Financial Report Preparation

- 2.4.1 Comprehensive Annual Financial Report: The City will prepare the combined and combining financial statements including notes for the Comprehensive Annual Financial Report (CAFR) with the exception of all combined and combining statements of cash flows. The Auditor shall prepare all combined and combining statements of cash flows for the CAFR. The City will be responsible for printing the CAFR. The City is an active participant in the Government Finance Officer's Award Program for the Certificate of Excellence in Financial Reporting and therefore requires that the auditor provide guidance and technical expertise to ensure that its CAFR continues to meet the standards of this program. The auditor shall also provide technical assistance for compliance with any new GASB pronouncements, as they become effective.
- 2.4.2 Industrial and Domestic Water Supply Fund Report: The City will prepare the Industrial and Domestic Water Supply Fund financial statements including notes, with the exception of the statement of cash flows. The auditor will be responsible for preparing the statement of cash flows. The auditor will also be responsible for printing the financial report. The City will require 20 bound copies of this report each year.
- 2.4.3 Single Audit Report: The auditor will prepare the single audit report, which is issued separately from the CAFR, and will be responsible for printing the report. The City will require 25 bound copies of this report each year. The City will provide the auditor with the Schedule of Expenditures of Federal Awards, the Summary Schedule of Prior Audit Findings, and the Corrective Action Plan. Additionally, the auditor will complete the Federal Audit Clearinghouse Data Collection Form and submit it to the City Finance Department separate from the bound single audit report.

2.5 Calendar

Key estimated dates on the City's audit calendar for its fiscal year 2018 audit are:

- November 20, 2018 Audit contract on City Council agenda for approval
- December 1, 2018: Interim work may begin
- December 31, 2018: End of City fiscal year
- April 1, 2019: I & D Fund draft financial statements (excluding cash flow statements) delivered to auditor by City
- April 15, 2019: Draft combining and combined CAFR financial statements (excluding notes and cash flow statements) delivered to auditor by City
- May 1, 2019: Combined and combining statements of cash flow for

CAFR delivered by auditor to City

- May 1, 2019: Draft notes for CAFR delivered to auditor by City
- June 1, 2019: Final auditor's report and financial statements for I&D Fund delivered by auditor to City
- June 1, 2019: Final auditor's report for the 2018 CAFR delivered by auditor to City
- June 15, 2019: Single audit report delivered by auditor to City

It is anticipated that future years' calendars will closely pattern this schedule. The audit calendar will be incorporated into the annual contract for auditing services signed by the City and the selected auditor. In addition, the City anticipates that the selected auditor will meet with City staff by December prior to the end of each fiscal year to plan the audit, schedule the mailing of confirmations, and to request provided-by-client schedules.

2.6 Fund and Records Information

2.6.1 Fund Information: The City's CAFR currently presents financial information for the following fund types. The number of individual funds is bracketed:

- General Fund (1)
- Special Revenue Funds (10)
- Debt Service Funds (2)
- Capital Projects Funds (8)
- Permanent Fund (1)
- Enterprise Funds (6)
- Internal Service Funds (2)
- Pension and OPEB Trust (3)
- Agency Funds (2)

2.6.2 Federal Awards: The 2017 City of Savannah Single Audit included the following programs that were tested as major programs.

- Disaster Grant CFDA #17.274
- State Revolving Loan Fund CFDA #66.458

The threshold for distinguishing Types A and B programs was \$1,033,494 for 2017.

2.6.3 Budget Information: The City adopts budgets for all governmental fund types on a basis consistent with generally accepted accounting principles. General, Special Revenue, and Debt Service Fund budgets are adopted annually. Capital Projects budgets are project-length budgets. Adopted budgets and encumbered funds are reflected in the City's general ledger system. The City's Service Program and Budget has received the Distinguished Budget Presentation Award from the Government Finance Officers Association for the past 20 years and is available for review as needed.

2.6.4 Records Information: The City's accounting system is comprised of three software systems. Currently, the functions of billing for special assessments and miscellaneous accounts receivable are processed in a Unix-based on-line system developed by Creative Computer Systems, Inc. (CCS). The CCS system feeds general ledger transactions to the City's general ledger, which is stored in the Lawson software system. The Lawson ERP system is an integrated accounting package used by the City for the following functions: payroll, purchasing, central warehouse, general ledger, accounts payable, asset management, capital project and activity management and payroll. The third system, Govern, is used for property tax billing, utility billing and self-reported tax collections and also feeds transactions to the Lawson general ledger.

The City maintains a pooled cash account that consists of one concentration account, approximately five zero-balance accounts and one compensating balance account. There are approximately five other City bank accounts.

The City has previously engaged the firm of Karp, Ronning and Tindol to audit its financial statements for the fiscal years 2013 to 2017. For each year audited, the firm issued an unqualified opinion on the City's financial statements.

For information purposes, a listing of year end journal entries made by City staff is shown as an attachment to this RFP.

Relevant volume levels for 2017 were:

-	Number of Paychecks	85,353
-	Number of Pension Checks	17,400
-	Number of Vendor Checks	27,500
-	Number of AR Invoices	1,695
-	Number of Property Tax Bills	112,000
-	Number of Cashier Transactions	512,000
-	Number of Utility Bills	475,000

It is anticipated that future volume levels should not deviate substantially from these amounts.

2.6.5 City Staff: Members of the City's Finance Department will be available to provide needed information, documentation, and explanations during the audit. The financial operations of the City are directed by the Finance Director. The primary contact for external auditors during the course of the audit and field work will be the Finance Director. The City also has other accounting professionals who may be relied upon to provide supporting documentation and information.

2.6.6 Work Space: The City will provide adequate work space to the auditor that will be convenient to necessary records and City personnel. The auditor will also be provided a system login ID and password to enable access to computerized financial records.

2.7 Proposal Requirements

2.7.1 A complete proposal shall consist of the following elements:

- Technical Proposal - Submit one (1) original, five (5) copies, and one (1) electronic copy on a flash drive. Use the outline set forth in this section.
- Price Proposal - Use the Price Proposal Form attached to this RFP. Enclose the Price Proposal in a separate sealed envelope per Section 3 of this RFP.
- Executed Non-Discrimination Statement - This form is attached to this RFP.
- If you plan to subcontract a portion of the work for this engagement, then submit a completed Proposed Schedule of Disadvantaged Business Enterprise Participation form. If you do not plan to subcontract any portion of the work for this engagement, then submit the form with a notation that no subcontracting is anticipated. This form is attached to this RFP document.

2.7.2 Proposals should be as thorough and detailed as possible so the City may properly evaluate the auditor's capabilities to provide the required services. Required proposal contents are outlined below. The Technical Proposal should be organized as follows:

- Cover letter stating the intent of the Proposer for this event. Cover letter must include acknowledgement of all addenda issued for this proposal. If addenda are not acknowledged in the cover letter, proposals will not be considered further. Cover letter must show the RFP subject, the name of the proposer's firm, local address, email address, telephone number, name of contact person, and date.
- Table of Contents – Clearly identify the material by section and page number.
- Letter of Transmittal – Limit to two (2) pages.
 - a. Briefly state the proposer's understanding of the work to be done and make a positive commitment to perform the work within the time period.
 - b. Give the names of the persons who will be authorized to make representations for the proposer, their titles, addresses, and telephone numbers.
 - c. Include a statement that the proposer meets the independence requirements of the *Government Auditing Standards* (1994 Revision).
 - d. Include a statement that the proposer is a properly licensed Certified Public Accountant as described by generally accepted government auditing standards.
 - e. Include a statement that the proposer does not have a record of substandard audit work.
- Profile of the Proposer
 - a. State whether the firm is local, regional, national, or international, the number of years in business, and the number of employees in the local office.
 - b. State whether the local office will be assigned responsibility for the audit. If not, state which office will be assigned responsibility for the audit and give its address.
 - c. Give the number of partners, managers, supervisors, seniors, and other professional staff employed at the local office. If the local office will not be assigned responsibility for the audit, also describe the number of partners, manager, supervisors, seniors, and other professional staff employed at the responsible office.
 - d. Provide a list of the firm's current and prior government audit clients

- indicating the type(s) of services performed and the number of years served for each. For the firm's office that would be assigned responsibility for the City's audit, list the most significant audit engagements, maximum of five (5), performed in the last three (3) years that are similar to the engagement described in the request for proposals. These engagements should be ranked on the basis of total staff hours. Indicate the scope of the work, date, engagement partner(s), total hours, and the name and telephone number of the client contact.
- e. Describe the local office's experience in providing additional (non-audit) services to government clients by listing the name of each government, the type(s) of service performed and the year(s) of engagement.
 - f. Describe the firm's participation in AICPA Peer Review Program and attach the most recent review.
- Summary of the Proposer's Qualifications – State the specific individuals who will be assigned to this engagement for each of the following:
- a. State staff classification of each individual.
 - b. Describe the experience in government audits including years on each job and their position while on each audit.
 - c. Describe relevant educational background including seminars and courses attended within the past three years. Particularly note governmental accounting seminars and courses attended during the past two (2) years.
 - d. Describe experience in auditing relevant governmental organizations, programs, activities, or functions (e.g., utilities, solid waste, transit, airports, or motor pool operations).
 - e. Describe any specialized skills, training, or background in public finance which include participation in state or national professional organizations, speaker or instructor roles in conferences or seminars, or authorship of articles and books.
 - f. State your organization's intention of complying with the yellow book educational standards for all individuals.
- Work Plan and Approach to the Audit – Submit a work plan to accomplish the scope as defined in section 2.2 of this RFP. The work plan must include identification of and time estimates for each significant segment of the work, and the staff level to be assigned. Planned use of specialists or subcontractors must be specified. The work plan should address the following information on the audit approach:
- a. Type of audit program used (tailor-made, standard government, or standard commercial).
 - b. Use of sampling techniques and the extent to which statistical sampling may be used in the engagement.
 - c. Extent of the use of EDP software in the engagement.
 - d. Type and extent of analytical procedures that may be used in the engagements.
 - e. Approach to be taken to gain and document an understanding of the government entity's internal control.
 - f. Approach to be taken in determining laws and regulations that will be subject to audit test work.
 - g. Approach to be taken in drawing audit samples for purposes to tests of

compliance.

- h. Number of hours to be allocated to this engagement for each team member identified in Summary of Qualifications above.
- i. For senior level hours estimated above, state approximately how many hours will be on-site.
- j. Typical assistance expected from government's staff.
- k. Tentative schedule for completing audit within specified deadlines of the RFP.
- l. Include a statement that if any of the audits are judged to be unacceptable by the State, the cognizant agency, or any other government agency, that you will do whatever is necessary to satisfy the agency which rejected the audit at no extra cost to the City.
- m. Describe briefly how you would conduct the audit for the years 2019, 2020, 2021, and 2022, if engaged for those years.

- Additional Data – Since the preceding selections are to contain only data that is specifically requested, any additional information considered essential to the proposal should be included in this section. The proposer's general information publication, such as directories or client lists, should not be included unless specifically requested. If there is no additional information to present, state "There is no additional information we wish to present."

2.7.3 Price Proposals should be submitted in addition to the technical proposal. The price proposals must be submitted in a separate sealed envelope. Price Proposals shall be made using the Price Proposal Form attached to this RFP. Proposers must furnish a breakdown of the audit fee to show persons assigned by classification, the billing rate for the classification, the number of hours to be performed by each person, and the extended fees.

The fee should be broken down between the financial audit and the single audit. The billing rates should be designed to include all out-of-pocket expenses. No additional out-of-pocket expense reimbursements will be made by the City.

The Price Proposal must arrive at a total not-to-exceed fee. For each of the audits after the initial engagement year, indicate the not-to-exceed fee for each year in 2018 dollars. Fees will be adjusted for each year after the initial year by the percentage increase in the CPI (United States - All Urban Consumers) from June, 2018, to the CPI for June of the year to be audited.

No payment shall be made for audit work beyond the original scope of the contract until the contract has been amended to reflect changes in the scope.

2.8 Selection Process

2.8.1 The proposals will be evaluated by a selection committee which will make a recommendation to the City Manager. The City Manager will make a recommendation to the Mayor and Aldermen, which shall make the final award decision. The Audit Proposal Evaluation Committee shall consist of professional members of the City Staff.

2.8.2 Basis of Award

Proposals shall be evaluated based on the following criteria and weights:

- a. Total not-to-exceed fees for the years 2018 through 2022. *(20 points)*
- b. Skill, experience, and the amount of time of the specific persons committed to perform the requested services. *(25 points)*
- c. Completeness of the Auditor's plan for meeting the requirements as well as its demonstrated understanding of the City's needs. *(25 points)*
- d. Prior experience in city and/or other local government audits. *(25 points)*
- e. Local vendor participation *(5 points)*

A short list may be developed and interviews conducted with those proposers deemed to be most qualified. The City reserves the right to conduct interviews of any or all proposers at the City's discretion. The City also reserves the right to request a best and final offer (BFO) and to re-score evaluations based on the best and final offer. Proposers may be required to provide clarification of their proposal as part of the BFO response.

- 2.8.3 This being a request for proposals for professional services, the City may enter into negotiations with the firm(s) making the most attractive proposals. The award will be made to the firm making the most favorable proposal the City taking into account all the above criteria. The award will not necessarily be made to the firm offering the lowest cost proposal.

2.9 Additional Considerations

- 2.9.1 The auditor will arrange meetings at least monthly while the audit is in progress with appropriate City personnel to review audit progress and to discuss any problems which may arise.
- 2.9.2 The auditor will retain their work papers for a period of not less than seven years and make the work papers available to the cognizant agency or any other persons the City authorizes to review the papers, including a successor audit firm. The auditor shall supply the City with copies of work papers if requested by the City.
- 2.9.3 The auditor will notify the City in writing of any changes in audit personnel. Resumes of substitute personnel will be submitted to, and approved by, the City.
- 2.9.4 The auditor will bill the City on a monthly basis beginning in January following the year under audit until the audit is completed. The City will pay the bills within 30 days of receipt. Unless otherwise agreed to by the City under the terms of this RFP or the contract, the sum of progress billings shall not exceed the not-to-exceed fee proposed in response to this RFP.
- 2.9.5 The City will not pay more than 90% of the not-to-exceed-fee for the applicable audit until the audit is completed, and all required reports are delivered to the City. Unless caused by action or inaction of the City, failure to deliver the reports prior to or on the due date will result in the forfeiture of 10% of the audit fee.
- 2.9.6 A sample audit contract is attached.

2.10 Changes in Auditing Standards/Federal Requirements

If professional auditing standards or Federal auditing requirements change, the auditor shall adjust necessary auditing techniques and reporting formats and criteria to comply with new requirements. If additional hours are required by the auditor as a result of such changes that would cause the auditor to exceed the proposed hours as outlined in the Fee Proposal, an equitable adjustment to the not-to-exceed fee shall be negotiated and a contract amendment agreed to by both parties.

- 2.11 Contacts: Proposers must submit proposals in accordance with the instructions contained in this RFP. All requested information must be submitted with the proposal. Instructions for preparation and submission of proposals are contained in this package. All questions regarding this request for proposal should be submitted in writing and emailed to the person listed on the summary event page
- 2.12 Fees: Proposer shall submit fees based on the detailed listing in Section 3 of the RFP.
- 2.13 Acknowledgement of Addenda: Vendor is responsible for determining and acknowledging any addenda issued in connection with this RFP. Addenda must be acknowledged in order for proposals to be considered.
- 2.14 Local Vendor Definition
A bidder or business shall be considered a local vendor if it meets all of the following requirements:
- a) The bidder or business must operate and maintain a regular place of business with a physical address within the corporate limits of the city, and
 - b) The bidder or business must at the time of bid or quotation submission, have a current city business tax certificate issued by the City for at least one (1) year prior to the issuance of the requested competitive quote, bid, or proposal by the City (a post office box or temporary office shall not be considered a place of business), and
 - c) The bidder or business performs quantifiable services in the ordinary course and scope of its business with the skills, qualifications, and expertise necessary to execute its contractual obligations to the City.

SECTION III

FEE PROPOSAL

*****PROPOSALS MUST BE SUBMITTED ON THIS FORM IN A SEPARATE, SEALED ENVELOPE*****

- PLEASE REGISTER AS A CITY SUPPLIER AT WWW.SAVANNAHGA.GOV.
- ALL PROPOSERS MUST BE REGISTERED SUPPLIERS ON THE CITY'S WEBSITE TO BE AWARDED AN EVENT.
- DUE TO THE NATURE OF THIS EVENT, ELECTRONIC PROPOSAL SUBMISSIONS WILL NOT BE ACCEPTED.

Instructions:

Fee proposals shall be submitted on this form in a **separate, sealed envelope** clearly marked on the outside as "*Fee Proposal for External Audit Services, RFP Event #6648.*" Also include the name of the proposer on the outside of the envelope. Fee proposals will only be opened if after the initial evaluation, proposer is deemed to be qualified. Fee proposals will then be considered in relation to the qualification points awarded to determine the overall best proposal in terms of fees and qualifications.

ALL PROPOSERS MUST BE REGISTERED SUPPLIERS ON THE CITY'S WEBSITE TO BE AWARDED AN EVENT. PLEASE REGISTER AT WWW.SAVANNAHGA.GOV. ELECTRONIC SUBMISSIONS WILL NOT BE ACCEPTED.

The not-to-exceed fee proposed for the audit services for the fiscal year ended December 31, 2018, described in the Request for Proposal, and our response thereto dated _____ is as follows:

Financial Audit

<u>Individual Names</u>	<u>Staff Classification</u>	<u>Estimated Hours</u>	<u>Billing Rate</u>	<u>Total Fee</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Sub-Total				\$ _____

Single Audit

<u>Individual Names</u>	<u>Staff Classification</u>	<u>Estimated Hours</u>	<u>Billing Rate</u>	<u>Total Fee</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Sub-Total				\$ _____

2018 Grand Total Not-To-Exceed Fee for 2018 audit and single audit \$ _____

Not-to-Exceed Fees for years after the initial year in 2018 dollars (subject to adjustment as described in Section 2.7.3 of the RFP) are as follows:

<u>For Year Ended</u>	<u>Not-to-Exceed Fee</u> <u>2018 Dollars</u>
December 31, 2019	\$ _____
December 31, 2020	\$ _____
December 31, 2021	\$ _____
December 31, 2022	\$ _____
Sum of Not-to-Exceed Fees for audit and single Audit Years 2019 through 2022	\$ _____

NAME OF FIRM: _____

SUBMITTED BY: _____

PROPOSER: _____

SIGNED: _____

NAME (PRINT): _____

ADDRESS: _____

CITY/STATE: _____ ZIP _____

TELEPHONE: (_____) _____
Area Code

EMAIL ADDRESS: _____

FAX: (_____) _____
Area Code

I certify this proposal complies with the General and Specific Specifications and Conditions issued by the City except as clearly marked in the attached copy.

Please Print Name

Authorization Signature

Date

**SECTION 01310
DISADVANTAGED BUSINESS EMPLOYMENT PROVISIONS**

The City of Savannah actively encourages employment and participation of small and disadvantaged businesses in all City contracts. Attention of the bidders is called to contract conditions contained herein pertaining to non-discrimination, equal employment opportunity, subcontracts, and opportunities for project area residents.

It is the policy of the City of Savannah that disadvantaged business enterprises (DBEs) be given fair opportunity to participate in the performance of services for the City, and that prime contractors utilize DBE subcontractors and suppliers to the fullest extent possible consistent with the efficient performance of the contract. The City of Savannah has not established a DBE goal for this project.

In order to determine compliance, bidders shall **submit the following completed documents in a separate sealed envelope** clearly marked with the bid number, project name and number and **marked (Section 1310 Disadvantaged Business Employment Provisions)** with their bid:

1. Non-discrimination statement (Sec. 01310-3) and;
2. Proposed schedule of disadvantaged business enterprise participation (Sec. 01310-4)
and;
3. Documentation of Good Faith Efforts [**Submit only if the goals are not met.**]

Failure to submit the required documents shall result in the bid not being read or considered.

Suggestions to help meet the goal:

- ✓ Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation of DBEs.
- ✓ Advertising in general circulation media, trade association publications, or disadvantaged business enterprise media to solicit bids from DBE subcontractors or suppliers. **[Advertisement should appear at least 10 days prior to bid due date, unless the City's solicitation period is shortened.]**
- ✓ Designating portions of the work for DBE subcontracting in trades with established availability of DBE subcontractors.
- ✓ Providing a minimum of 10 days notice prior to the Bid due date to DBEs when requesting bids or proposals for furnishing material or services as a subcontractor or supplier.

Any attempt to submit false information, will result in a recommendation that the bidder be debarred from participating in future City contracts.

The contractor is required to fulfill any DBE utilization commitments made unless good cause is demonstrated for any failure to fulfill such commitment. **Written approval is required prior to**

any substitution.

The contractor will maintain records and information necessary to document compliance with Good Faith Effort requirements, and the City shall have the right to inspect such records.

Any DBE listed in the completed form entitled "Proposed Schedule of DBE Participation" (Section 01310-4) must be certified by an approved agency such as USDOT, GDOT, or SBA 8(a) prior to the due date of this bid. Proof of DBE certification such as a certificate or letter from the certifying agency is required to accompany the bid. A firm that has submitted an application for DBE certification or an application for DBE certification under review but has not been certified is not qualified as a certified DBE and will not be recognized as such during the City's evaluation process.

No bidder shall enter into an agreement with any DBE that would in any way limit the DBE's opportunities to sell to, or act as subcontractor for, any other party. Violation of this requirement would be grounds to deem the bidder non-responsive to this bid solicitation.

The following resources are available to aid bidders in complying with this section:

The State of Georgia Department of Transportation maintains a website listing of Disadvantaged Business Enterprises located at www.dot.ga.gov/PS/Business/DBE

Chatham County Purchasing Department maintains a listing of Disadvantaged Business Enterprises to include Contractors, Consultants and Suppliers. Contact (912) 652-7860.

GA Tech Procurement Assistance Center maintains a listing of Disadvantaged Business Enterprises to include Contractors, Consultants and Suppliers. Contact (912) 963-2524.

Savannah/Hilton Head International Airport Commission maintains a listing of Disadvantaged Business Enterprises to include Contractors, Consultants and Suppliers. Contact (912) 964-0514 or visit the website at www.savannahairport.com

Small Business Assistance Corporation maintains a listing of Disadvantaged Business Enterprises to include Contractors, Consultants and Suppliers. Contact (912) 232-4700 or visit the website at www.sbacsav.com.

NON-DISCRIMINATION STATEMENT

The prime contractor / bidder certifies that:

- (1) No person shall be excluded from participation in, denied the benefit of, or otherwise discriminated against on the basis of race, color, national origin, or gender in connection with any bid submitted to the City of Savannah or the performance of any contract resulting therefrom;
- (2) That it is and shall be the policy of this Company to provide equal opportunity to all business persons seeking to contract or otherwise interested in contracting with this Company, including those companies owned and controlled by racial minorities, cultural minorities, women, and individuals belonging to other socially and economically disadvantaged groups;
- (3) In connection herewith, we acknowledge and warrant that this Company has been made aware of, understands and agrees to take affirmative action to provide such companies with the maximum practicable opportunities to do business with this Company;
- (4) That this promise of non-discrimination as made and set forth herein shall be continuing in nature and shall remain in full force and effect without interruption;
- (5) That the promises of non-discrimination as made and set forth herein shall be and are hereby deemed to be made as part of and incorporated by reference into any contract or portion thereof which this Company may hereafter obtain and;
- (6) That the failure of this Company to satisfactorily discharge any of the promises of non-discrimination as made and set forth herein shall constitute a material breach of contract entitling the City of Savannah to declare the contract in default and to exercise any and all applicable rights and remedies including but not limited to cancellation of the contract, termination of the contract, suspension and debarment from future contracting opportunities, and withholding and or forfeiture of compensation due and owing on a contract.

Signature

Title

PROPOSED SCHEDULE OF DBE PARTICIPATION

Any DBE listed in this completed form must be certified by an approved agency such as USDOT, GDOT, or SBA 8(a) prior to the due date of this bid. Proof of DBE certification such as a certificate or letter from the certifying agency is required to accompany the bid. A firm that has submitted an application for DBE certification or an application for DBE certification under review but has not been certified is not qualified as a certified DBE and will not be recognized as such during the City's evaluation process.

Name of Bidder/Proposer: _____ Bid No. _____

Project Title: _____.

NOTE: Proof of DBE certification must be attached to this completed form for all firms listed in the table below.

Name of DBE Participant	Telephone	Email	Address (City, State)	DBE? (Y/N)	Type of Work Sub-Contracted	Sub-contract Value (%)	Sub-contract Value (\$)
						%	
						%	
						%	
						%	
						%	
						%	
Total Base Bid							\$
Total Proposed DBE Subcontracts							\$
Bidder's Proposed DBE Participation							%

The undersigned will enter into a formal agreement with the DBE Subcontractors/Proposers identified herein for work listed in this schedule conditioned upon executing of a contract with the Mayor and Aldermen of the City of Savannah. The Prime's subcontractors' subcontractors must enter into a formal agreement with the tier subcontractor identified herein for work listed in this schedule. It is the responsibility of the Prime contractor to ensure compliance by all subcontractors.

Joint Venture Disclosure

If the prime bidder is a joint venture, please describe below the nature of the joint venture and level of work and financial participation to be provided by the disadvantaged joint venture firm.

Joint Venture Firms	Level of Work	Financial Participation

Printed name (company officer or representative): _____

Signature: _____

Title: _____ Email: _____

Telephone: _____ Fax: _____

Disadvantaged Business Enterprise

GOOD FAITH EFFORT

Prime Company Name

Bid Date

Project Name

Event Number

If you have failed to secure DBE participation or if your DBE participation is less than the City's project goal, you MUST complete this form.

If the bidder's method of compliance with the DBE goal is based upon demonstration of a good faith effort, the bidder will have the burden of correctly and accurately preparing and submitting the documentation required by the City. Compliance with each item, 1 through 4 below, shall satisfy the Good Faith Effort requirement absent proof of fraud, intentional and/or knowing misrepresentation of the facts or intentional discrimination by the bidder.

This form must be submitted in its entirety with supporting documentation in a separate sealed envelope with your bid prior to the time of bid opening. Failure to comply will result in the bid being considered non-responsive and the bid will not be read or considered.

- 1.) Please list each and every subcontracting and/or supplier opportunity (DO NOT LIST NAMES OF FIRMS) which will be used in completion of this project, regardless of whether it is to be provided by a DBE or non DBE.

(Use additional sheets, if necessary)

List of:
Subcontracting Opportunities

List of:
Supplier Opportunities

2.) Did you obtain a current list of DBE firms?

_____ Yes

Date of Listing ____/____/

_____ No

Source _____

3.) Please indicate subcontract or supplier list categories for which potential DBE bidder lists were provided? Provide detail of how these DBEs were solicited.

_____	_____
_____	_____
_____	_____

4.) **Please attach the following:**

(1) Completed Good Faith Effort Log see: 1310-7 Log

(2) Evidence of solicitation to prospective DBE firms, such as advertisements, copies of solicitation letters, faxes, emails and other to substantiate efforts.

DEMONSTRATION OF GOOD FAITH EFFORTS MUST INCLUDE ALL ITEMS OUTLINED IN THIS SECTION.

SECTION 01437
DBE PARTICIPATION REPORT

IMPORTANT NOTICES

- The DBE Participation Report (Form 01437) must be submitted to the City of Savannah **Contract Analyst and the Office of Business Opportunity** with each pay request. Failure to submit this form can result in no credit toward contracted DBE requirements and a possible delay in monthly progress payments.
- The Prime Contractor/Consultant **may not change DBE firms without prior written approval of the City.** Contractors/Consultants may use the Add/Change of DBE Subcontractor Form (Section 01438) to request changes to the Proposed Schedule of DBE Participation (Section 01310). Any unauthorized substitution of DBE subcontractors can result in withholding of payments for up to 30 days until compliance is reestablished.
- **Documentation providing proof of payments to DBEs for work on this project shall be kept on file and available for inspection by City staff.**

PROJECT NAME & NUMBER: _____ DATE _____ REPORT NO. _____

PRIME CONTRACTOR/CONSULTANT _____ CONTRACT AMOUNT (\$) _____

This is the final project report. End Date: _____

DBE INFORMATION					DBE PAYMENTS			
APPROVED DBEs	DESCRIPTION OF WORK or SUPPLIES	DBE CONTACT PERSON	DBE CONTACT PHONE #	DBE CONTACT EMAIL	ORIGINAL SUBCONTRACT AMOUNT	PAYMENT DATE(S)	TOTAL PAID THIS PERIOD	TOTAL PAID TO-DATE

Total DBE Paid To Date: \$ _____ %

CONTRACTOR: I hereby certify this information is true and correct; and supporting documentation is on file and available for inspection by the City at any time.

SIGNED _____ TITLE _____ DATE _____

This report has been reviewed for DBE contract compliance.

SBO Compliance Coordinator _____ DATE _____

ing with the first payment request. An additional copy of this section must be submitted to the **SBO Compliance Coordinator**. The Office of Business Opportunity may be contacted by phone at (912) 652-3582 or by fax at (912) 651-3175. **Failure to submit this form may result in no credit toward the contract DBE requirements and a delay in**

monthly progress payment.

1. Project Name: The official name of the project as stated on the contract
2. Date: Date Report is being submitted
3. Report Number: Reports must be consecutively numbered.
4. Contract Amount: Total amount of the contract to be paid to the Prime Contractor/Consultant by the City of Savannah for completion of the project.
5. DBE Goals: Enter the contracted DBE Goals per the signed agreement.
6. Final Project Report: Place an "X" or checkmark in this box when the project has been completed and the report submitted is the final payment report. Enter the date of project completion.
7. DBE Information: ONLY DBEs that have been verified and approved by the City of Savannah DBE Office, from the Prime Contractor's/Consultant's "Proposed Schedule of DBE Participation" may be included on the payment report. NO SUBSTITUTIONS OR CHANGES IN GOALS MAY BE MADE without prior written approval by the City.
8. DBE Payments: Enter the actual amount of the subcontract agreement for each approved DBE, the date of any payments occurring within the report period, the amount of the payments to each DBE during this period and the total each DBE has been paid-to-date.
9. Earnings-to-date: Enter the total amount paid to date to all DBE subcontractors.
10. Contractor Certification: The contractor or his authorized representative must sign this form prior to submittal. Signature indicates that all information is true and correct and documented proof of all information is on file and available for City of Savannah review at any time.

GENERAL INFORMATION

The prime contractor/consultant may not change DBE firms without prior written approval of the City of Savannah Office of Business Opportunity. Approval cannot be obtained from the City's Project Manager, Contract Analyst or other City of Savannah employees. Contractors/Consultants must use the Add/Change of DBE Subcontractor Form (Section 01438) to request changes to the Proposed Schedule of DBE Participation (Section 01310). **Any proposed changes must meet established DBE goals and conform to contract regulations and DBE Program Requirements.**

If the prime contractor/consultant in its bid/proposal included any second or lower tier subcontractor/sub-consultant/supplier towards meeting the goal, it is the sole responsibility of the prime contractor/consultant to ensure all DBE firms have been reviewed and approved by the City of Savannah and to document all subcontracting/sub-consulting and/or supplier participation dollars counted towards the goal, irrespective of tier level. Upon completion of the work, a final "DBE Participation Report" will be required and submitted with the final pay request.

As per the City's contract, the City's SBO policy, and signed participation reports: the prime contractor/consultant certifies all DBE payment information to be true and correct, to have all supporting documentation on file and to make copies of this documentation available to the City of Savannah. **Prime contractors/consultants will periodically be required to provide copies of payment documentation** for DBEs being counted toward the DBE goal (including the prime contractor/consultant, if it is a DBE and being counted toward the goal). Failure to comply with the City's request to provide the required documentation may cause the City to withhold payments due the prime contractor/consultant until compliance is attained. Payment documentation includes but is not limited to:

- signed sub-contracts with DBEs being utilized in meeting the project's DBE goals
- DBE invoices for payment related to the project
- proof of payment of DBE invoices related to the project

CONTRACTOR AFFIDAVIT AND AGREEMENT
Employment Eligibility Verification

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 contracting with the City of Savannah has registered with and is participating in a federal work authorization program* [any of the electronic verification of work authorization programs operated by the United States Department of Homeland Security or any equivalent federal work authorization program operated by the United States Department of Homeland Security to verify information of newly hired employees, pursuant to the Immigration Reform and Control Act of 1986 (IRCA), P.L. 99-603], in accordance with the applicability provisions and deadlines established in O.C.G.A. 13-10-91.

The undersigned further agrees that, should it employ or contract with any subcontractor(s) in connection with the physical performance of services pursuant to this contract with the City of Savannah, contractor will secure from such subcontractor(s) similar verification of compliance with O.C.G.A. 13-10-91 on the Subcontractor Affidavit provided in Rule 300-10-01-.08 or a substantially similar form. Contractor further agrees to maintain records of such compliance and provide a copy of each such verification to the City of Savannah at the time the subcontractor(s) is retained to perform such service.

EEV / Basic Pilot Program* User Identification Number

BY:

Contractor Name

Date

Signature of Authorized Officer or Agent

Printed Name of Authorized Officer or Agent

Title of Authorized Officer or Agent of Contractor

*As of the effective date of O.C.G.A. 13-10-91, the applicable federal work authorization program is the "EEV / Basic Pilot Program" operated by the U. S. Citizenship and Immigration Services Bureau of the U.S. Department of Homeland Security, in conjunction with the Social Security Administration (SSA).

* * * * *

Instructions for Completing Contractor Affidavit and Agreement Form

As required under Senate Bill 529 – “Georgia Security and Immigration Compliance Act” of 2006, O.C.G.A. Section 2, Article 3 13-10-91, public employers, their contractors and subcontractors are required to verify the work eligibility of all newly hired employees through an electronic federal work authorization program. The Georgia Department of Labor has added a new Chapter 300-10-1, entitled "Public Employers, Their Contractors and Subcontractors Required to Verify New Employee Work Eligibility Through a Federal Work Authorization Program," to the Rules and Regulations of the State of Georgia. (See website: http://www.dol.state.ga.us/pdf/rules/300_10_1.pdf.) The new rules designate the “Employment Eligibility Verification (EEV) Basic Pilot Program” operated by the U.S. Citizenship and Immigration Services Bureau of the U.S. Department of Homeland Security as the electronic federal work authorization program to be utilized for these purposes. The EEV/Basic Pilot Program can be accessed at: <https://everify.uscis.gov/enroll/StartPage.aspx?JS=YES>. Bidders shall comply with this new rule and submit with your bid the attached “Contractor Affidavit and Agreement.”

Affidavit Verifying Status for City of Savannah Benefit Application

By executing this affidavit under oath, as an applicant for a City of Savannah, Georgia Business License or Occupation Tax Certificate, Alcohol License, Taxi Permit, Contract or other public benefit as reference in O.C.G.A. Section 50-36-1, I am stating the following with respect to my bid for a City of Savannah contract for _____. [Name of natural person applying on behalf of individual, business, corporation, partnership, or other private entity]

1.) _____ I am a citizen of the United States.

OR

2.) _____ I am a legal permanent resident 18 years of age or older.

OR

3.) _____ I am an otherwise qualified alien (8 § USC 1641) or nonimmigrant under the Federal Immigration and Nationality Act (8 USC 1101 *et seq.*) 18 years of age or older and lawfully present in the United States.*

In making the above representation under oath, I understand that any person who knowingly and willfully makes a false, fictitious, or fraudulent statement or representation in an affidavit shall be guilty of a violation of Code Section 16-10-20 of the Official Code of Georgia.

Signature of Applicant:

Date

Printed Name:

SUBSCRIBED AND SWORN
BEFORE ME ON THIS THE
____ DAY OF _____, 20____

* _____
Alien Registration number for non-citizens.

Notary Public

My Commission Expires:

***Instruction for Completing Systematic Alien Verification
for Entitlement (SAVE) Form***

O.C.G.A. § 50-36-1, requires Georgia's cities to comply with the federal **Systematic Alien Verification for Entitlements (SAVE) Program**. SAVE is a federal program used to verify that applicants for certain "public benefits" are legally present in the United States. Contracts with the City are considered "public benefits." Therefore, the successful bidder will be required to provide the Affidavit Verifying Status for City of Savannah Benefit Application prior to receiving any City contract. The affidavit is included as part of this bid package but is only required of the successful bidder.