

Request for Proposal



BID NUMBER 2020-029

Auditing Services 2020-2021 Fiscal Year

Prepared by:

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Mayor

CITY OF PIKEVILLE
243 Main Street
Pikeville, Kentucky 41501
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City Manager

www.pikevilleky.gov

The City of Pikeville is an Equal Opportunity Employer

REQUEST FOR PROPOSAL

BID NUMBER 2020-029

Auditing **Services 2020-2021 Fiscal Year**

Bid Opening Date: January 29, 2021

Bid Opening Time: 10:00 a.m.

Address: 243 Main Street, Pikeville, Kentucky 41501

Proposal/Bid Category: Administration

Pre-Bid Meeting: N/A

Pre-Bid Date: N/A

Pre-Bid Time: N/A

Address: N/A

Sealed proposals will be received by the City of Pikeville for the above referenced project until **10:00 a.m.** prevailing local time on **January 29, 2021**. Bids must be received by the above-mentioned date and time. Mailed bids should be sent to:

City of Pikeville
ATTN: Robbi Bentley, City Clerk
243 Main Street
Pikeville, Kentucky 41501

The Contract Documents may be examined at the same location or at: www.pikevilleky.gov/bids

Proposals or bids received shall be publicly opened and read aloud in the meeting room of City Hall immediately after the close of the bid period. **Proposals or bids delivered after the stated time and date will be rejected and will be returned.** The City of Pikeville assumes no responsibility for submissions that are not properly addressed and/or delivered to the office of the City Clerk. The City of Pikeville does not prescribe the method by which submissions are to be transmitted; therefore, it cannot be held responsible for any delay, regardless of the reason, in transmission of the submission by carriers. Bidders have the option of hand deliver to insure timely delivery. All sealed bids shall state the name of the bid on the outside of the envelope, along with the company name and address. The City does not disclose the names of other bidders or the number thereof prior to the opening of the bids.

Check One:		Proposed Price:	Proposed Delivery:
_____ Bid Specifications Met	_____ Exceptions to Bid Specifications <i>(Exceptions shall be itemized and attached to submittal.)</i>	<i>If a purchase contract, include price below. If not, see Bid Form if applicable.</i> \$ _____	_____ days after acceptance of bid.

Submitted by: _____
(Company)

Signature: _____

Address: _____

Name (Typed/
Printed): _____

City, State
& Zip: _____

E-Mail: _____

Phone: _____

Date: _____

ADDITIONAL ENCLOSED DOCUMENTS

BID NUMBER 2020-029

<u>Documents</u>	<u>Enclosed</u>
I. Instructions to Bidders	<input checked="" type="checkbox"/>
II. Advertisement	<input checked="" type="checkbox"/>
III. Bid Form	<input type="checkbox"/>
IV. Scope of Work	<input checked="" type="checkbox"/>
V. Technical Specifications	<input type="checkbox"/>
VI. Contract or Construction Agreement	<input type="checkbox"/>
VII. Request for Proposal Details	<input checked="" type="checkbox"/>
VIII. Request for Qualifications Details	<input type="checkbox"/>
IX. Exhibits/Plans	<input type="checkbox"/>

INSTRUCTIONS TO BIDDERS

GENERAL INSTRUCTIONS

NOTE TO PROPOSERS OR BIDDERS: Proposal or Bid submission does not constitute an agreement or a contract with the City of Pikeville.

ALTERNATE PROPOSALS OR BIDS: It is not the intention of the specifications contained herewith to eliminate any proposer or bidder; however, quoted items must equal or exceed stated specifications.

ADDITIONAL INFORMATION: While not necessary, the proposer or bidder may include any product brochures, software documentation, sample reports, or other documentation that may assist the City of Pikeville in better understanding and evaluating the proposer's or bidder's response. Additional documentation shall not serve as a substitute for other documentation which is required to be submitted with the proposal or bid.

At the time of submission, each proposer or bidder will be presumed to have inspected the site, if necessary, and to have read the scope and to be thoroughly familiar with the project plans and contract documents (including any and all addenda). The failure or omission of any proposer or bidder to examine any form, instrument, or document shall in no way relieve them from any obligation with respect to this request or bid.

All proposals or bids and any additional submitted information becomes the property of the City of Pikeville and will not be returned to the proposer or bidder regardless of any provision contained in the bid document to the contrary.

PROPOSAL OR BID SUBMISSION: All pages of the original proposal or bid shall be signed. Typed quotation sheets are preferred; however, if hand written, the sheets must be legible and in ink. Any pricing information that is illegible may result in the rejection of the proposal or bid.

The proposer or bidder must submit one original signed hardcopy unless otherwise instructed in the Request for Proposal, Scope of Work, or Specifications. The submission must be sealed in a container with the project name, the proposer or bidder's name and the opening date clearly marked on the outside of the envelope. The proposal or bid shall be addressed and delivered to: City of Pikeville, ATTN: City Clerk, 243 Main Street, Pikeville, KY 41501 prior to the bid opening scheduled time.

ANY BIDS NOT RECEIVED PRIOR TO THE SCHEDULED OPENING DATE AND TIME WILL BE REJECTED AND RETURNED UNOPENED.

FAILURE TO SUBMIT REQUIRED DOCUMENTATION: Failure to submit ALL forms and information required may be grounds for disqualification.

LIABILITY: The City of Pikeville is not liable for any expenses incurred in connection with the preparation of proposals or bids.

ADDENDA AND INTERPRETATIONS: No interpretation of the meaning of the plans, specifications, or other pre-bid documents will be made to any bidder orally.

Each request for such interpretation should be in writing addressed to: City of Pikeville, Attn: City Clerk, 243 Main Street, Pikeville, KY 41501 or by e-mail to: robby.bentley@pikevilleky.gov and to be given consideration must be received at least three (3) days prior to the date fixed for the opening of bids. Any and all such interpretations and any supplemental instructions will be in the form of written addendum to the specifications which, if issued, will be emailed to prospective bidders and posted to the City's website: www.pikevilleky.gov. Failure of any bidder to receive any such addendum or interpretation shall not relieve such bidder from any obligation under his/her bid as submitted. All addenda so issued shall become part of the contract documents.

WARRANTY: Bidder warrants said goods and services for a period of at least one (1) year after installation, unless otherwise specified in the bid documents and warrants that such goods and services shall meet all City and State specifications. Part of the City of Pikeville's bid or RFP/RFQ evaluation includes an evaluation of any product or service warranties offered in the submittal. Any warranty offered with your products and/or services should be fully outlined and disclosed within your bid or RFP/RFQ submittal. Any warranty information provided in the bid or RFP/RFQ submittal is considered to be the final warranty unless changes are negotiated and included in the final contract. Absolutely no alterations initiated by the vendor will be considered following execution of the contract and no additional warranty signatures or similar documents will be required from the vendor for completion of any work or delivery of any products

KENTUCKY OPEN RECORDS LAW: At the time a proposal or bid is submitted to the City, the proposer or bidder shall identify any information that is submitted as part of the bid that is proprietary or confidential in nature and not subject to release for public inspection. The City of Pikeville will protect any proprietary or confidential information to the extent allowable under the Kentucky Open Records Act.

NEW GOODS, FRESH STOCK: Unless otherwise specifically stated, all Contractors will provide new commodities, fresh stock, latest model, design, or package.

COMPLIANCE WITH LAWS AND REGULATIONS: Each bidder shall comply with all Federal, State, and Local regulations concerning this type of service.

METHOD OF AWARD: For bids, award will be made to the lowest responsive (compliance with specifications) and responsible bidder meeting specifications. The City of Pikeville reserves the right to consider as a part of the bid evaluation the qualifications and experience of the bidder, the stated warranty, stated delivery schedule, service, features, upgrades, and payment terms in addition to any other criteria specifically set out in the Scope of Work or Specifications. For proposals and statements of qualification, the request will outline the award mechanism.

The City of Pikeville reserves the right in its sole discretion to reject any and all proposals or bids, to award any proposal or bid in whole or in part, and/or to waive any irregularities or minor immaterial defects the bidding process or in any and all proposals or bids. The right is also reserved to award proposals or bids based on the best interest and/or a determination as to which is most advantageous to the City. The City of Pikeville may also consider any alternative proposal or bid that meets its basic needs.

PRE-AWARD INTERVIEW: An interview with all or some subset of proposers or bidders may be required. This will be specified in the request or bid documents.

PRICING: All prices shall be quoted exclusive of any taxes. The City of Pikeville is exempt from Federal excise, transportation, and/or Kentucky sales tax. Any items supplied directly to the City from a supplier/manufacturer are exempt from sales tax. Any items purchased by a contractor that will be used in the fulfillment of a contract are not exempt from sales tax.

VALID PROPOSAL OR BID PERIOD: Proposals and Bids shall remain firm and open to acceptance by the City of Pikeville for a minimum period of sixty (60) days after the proposal or bid opening. If the time period has expired, the City of Pikeville could request a letter from proposers or bidders asking to extend the time period.

DELIVERY SCHEDULE: The proposer or bidder is expected to fulfill the delivery as specified in the Construction Agreement.

DEFAULT; TERMINATION OF CONTRACT: In the event that any of the provisions of this Contract are violated by the proposer or bidder such breach shall constitute a default. In the event of a default, the Owner may serve written notice upon the proposer or bidder of its intention to terminate the Contract, such notice is to contain the reasons for such intention to terminate the Contract, and unless within ten (10) days after the serving of such notice upon the bidder, such violation or delay shall cease and satisfactory arrangement of correction be made, the Contract shall, upon the expiration of said ten (10) days, cease and terminate.

LIMITATIONS ON CIVIL JURISDICTION AND LIABILITY. The City of Pikeville does not agree to waive civil litigation jurisdiction and venue outside of Pike County or concede to jurisdiction outside of Pike County, waive its right to a jury trial, accept limitations on liability for professional services, products, or any other items or services procured.”

CONSTRUCTION SPECIFIC INSTRUCTIONS

The following instruction are intended primarily for construction projects. However, where applicable, they will apply unless otherwise excepted or modified in the Scope of Work or Specifications.

SAFETY: The successful bidder must perform work in a safe and timely fashion, maintain a clean and safe work environment, follow safety requirements established by OSHA and the City of Pikeville, and may be required to provide safety equipment. If, in the opinion of the City, safety precautions are not in existence, work will cease immediately until corrective action is taken. Work will begin again only when vendor demonstrates to the satisfaction of the City that conditions are without risk.

INSURANCE REQUIREMENTS: The successful bidder covenants and agrees to the insurance requirements documented in the City of Pikeville's Construction Agreement included within the contract documents.

BONDING REQUIREMENTS: Unless otherwise stated in the Contract Documents, bid, performance, and payment bonds are not required for this project. However, the final payment will not be released without assurance that all sub-contractors and material suppliers providing labor or materials to perform the contract are paid and submittal, to the City Engineer, of a Contractor's Release of Liens and an Affidavit of Release of Liens obtained by the Contractor from all subcontractors and material suppliers providing labor or materials to perform the contract unless the Contractor has posted a Payment bond and Performance bond. In-lieu of an executed Affidavit of Release of Liens, the Contractor may submit paid receipts as proof of payment if the receipt is sufficient to verify that all labor and/or materials used to complete the contract have been paid.

In the event that the Contractor has posted a Payment bond and Performance bond, the contractor only needs to submit a Contractor's Release of Liens verifying that all of the sub-contractors and material suppliers providing labor or material to perform the contract and certifying that each have been paid in full.

HOLD HARMLESS AGREEMENT: The bidder covenants to save, defend, keep harmless, and indemnify the City of Pikeville and all of its officers, department, agencies, agents, and employees from and against all claims, loss, damage, injury, fine, penalties, and costs including court costs and attorney's fees, charges, liability, and exposure however caused resulting from, arising out of, or in any way connected with the bidder's negligent performance or non-performance of the terms of the contract.

CONTRACTOR STATUS: Bidder understands and agrees that its employees, agents, and/or sub-bidders are not employees of City of Pikeville for any purpose whatsoever.

BIDDER'S QUALIFICATIONS: Contractor must demonstrate to the satisfaction of the City of Pikeville that he/she has adequate equipment, personnel, experience and understanding of the specifications to perform service under the contract.

No contract will be awarded to any bidder who, in the opinion of the City, is not qualified to perform satisfactorily due to a previously unfavorable performance, reputation or lack of experience, capital, organization, equipment, and/or personnel to conduct and complete the services in accordance with the terms and conditions of the contract.

Successful bidder must comply with all City of Pikeville ordinances including those relating to Occupational License Fees, Business Licenses, payroll and net profits and any other ordinances which may apply to any particular bid package.

“OR EQUAL” CLAUSE: Whenever a material, article, or piece of equipment is identified on the plans or in the specifications by reference to manufacturer’s or vendors’ names, trade names, catalog numbers, etc., it is intended merely to establish a standard; and, any materials, article or equipment of other manufacturers and vendors which will perform adequately the duties imposed by the general design will be considered equally acceptable provided the material, article or equipment so proposed, is, in the opinion of the Owner of equal substance and function.

**REQUEST FOR PROPOSAL
FOR
AUDITING SERVICES 2020-2021 FISCAL YEAR**

The City of Pikeville is accepting proposals for auditing services for fiscal year 2020-2021.

Sealed proposals will be received at Pikeville City Hall (243 Main Street, Pikeville, KY) until Friday
, January 29, 2021 at 10:00 a.m.

The sealed proposals should be addressed to: City of Pikeville, Attn: City Clerk, 243 Main Street,
Pikeville, Kentucky 41501. For more information or complete specifications, please visit
<http://pikevilleky.gov/bids>.

The City of Pikeville holds the right to reject any and all bids and proposals or to re-advertise for
additional bids or proposals.

City of Pikeville

Request for Proposals (RFP) Auditing Services 2020-2021

BIDDING PROCESS:

Due to the state and local orders relating to COVID-19, the following two changes will be implemented for this bidding process:

1. Bids may be mailed as outlined in the original bid instructions or bids that can be placed in an 8 ½ x 11 inch or smaller folder may be dropped in the utility payment drop box located near the parking area adjacent to Scott Avenue.
2. The bid opening will still be held on January 29, 2021, but will not be open to the public in the traditional sense. The bid opening will be held via video conference using Zoom Video Communications software. Individuals who wish to be invited to this video conference should email the City Clerk at robby.bentley@pikevilleky.gov.
3. Questions regarding the request for proposals should be directed to the Executive Finance Director at tonya.taylor@pikevilleky.gov.

BACKGROUND/INFORMATION RELEVANT TO SERVICES

1. The City of Pikeville is located in Eastern Kentucky with an approximate population of 7,000.
2. The City uses the following fund types in its financial reporting:
 - a. Governmental, including general, police forfeitures, coal severance, capital improvement, individual debt service funds, tourism; and
 - b. Proprietary Funds - utility funds (gas, inside water, outside water, inside sewer, outside sewer, sanitation) and individual debt service funds for budget, consolidated with utility funds for financial statement presentation.
3. Component Units: The City has two component units.
4. A single audit will be required for fiscal year 2021.
5. The City prepares budgets for governmental fund types on the modified accrual basis of accounting. Budgets for proprietary funds are prepared on the accrual basis modified to include debt service principal payments.
6. The City will prepare working trial balances, an accounts payable list, bank reconciliations, worksheets, fixed asset records, and reconciliations of other asset and liability accounts. In addition, the City will prepare the schedule of expenditures of federal awards. Any additional schedules that the audit firm would like City staff to provide should be identified in the firm's proposal.
7. A draft of the fully assembled financials, audit including all notes, single audit and accompanying schedules is due to the City by November 26, 2021 with the final report due by December 6, 2021. The Auditor's presentation to City of Pikeville Board of Commissioners is expected December 13, 2021 at the regular scheduled commission meeting.
8. Copies of previous audits can be found at www.pikevilleky.gov/audit/.

SCOPE OF WORK:

The audit should 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. A Single Audit is required as a part of the annual audit, and the audit shall be performed in accordance with AICPA Standards, GAAS, the Single Audit Act of 1984, 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.

Note: Auditors are reminded the professional standards are constantly changing and it is the auditor's responsibility to ensure that the appropriate standards are followed.

The audit should be designed to accomplish the following objectives/requirements:

1. To determine whether the financial statements present fairly the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, blended component units, each major fund, and the aggregate remaining fund information and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the major funds in conformity with accounting principles generally accepted in the United States of America.
2. To obtain an understanding of internal control over financial reporting sufficient to plan the audit by performing procedures to understand both the design of controls relevant to an audit of financial statements and whether they have been placed in operation, and assess control risk, in accordance with the American Institute of Certified Public Accountants Statement on Auditing Standards.
3. To provide reasonable assurance that the financial statements are free of material misstatements resulting from violations of laws and regulations that have a direct and material effect on the determination of financial statement amounts.
4. 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 or other financial data significant to the audit objectives.
5. To determine whether the government entity 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. With regard to internal control over compliance, the auditor is required to do the following (in addition to 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).
6. The auditor shall also be responsible for performing certain limited procedures involving supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards.

7. All working papers and reports must be retained at the auditor's expense for a minimum of five (5) years, unless the firm is notified in writing by the City of the need to extend the retention period. Work papers will be made available to the City upon request.
8. Reporting and Delivery Requirements:
The auditor will prepare the required audit reports including those required by Government Auditing Standards and Office of Management and Budget Circular A-133:
 - a. Prepare, edit, and print the financial statements, notes, and all required supplementary schedules and statistical data, including individual major fund financial statements and schedule of the city's proportionate share of the net pension liability-county employee retirement system including assistance with the net pension liability entries, combining financial statements.
 - b. Standard report on the financial statements.
 - c. Report on Internal Controls. As stated in Government Auditing Standards, "auditors should report, as applicable to the objectives of the audit (1) deficiencies in internal control considered to be reportable conditions as defined in AICPA standards, (2) all instances of fraud and illegal acts unless clearly inconsequential, and (3) significant violations of provisions of contracts or grant agreements and abuse".
 - d. Report on Compliance with Requirements applicable to each major program and on internal control over compliance in accordance with OMB Circular A-133 and Government Auditing Standards. In accordance with OMB Circular A-133, a schedule of findings and questioned costs is required and should include the following three components: (1) a summary of the auditor's results; (2) findings related to the financial statements which are required to be reported in accordance with generally accepted government auditing standards; and (3) findings and questioned costs for federal awards.
 - e. Provide 1 electronic searchable PDF copy and 15 bound copies of full report.
9. Assist in the filing of the audit to the federal audit clearinghouse.

EVALUATION CRITERIA

The proposals will be reviewed by the City Manager, Executive Director of Finance, and other applicable staff as deemed necessary by the City Manager. Final evaluation and selection may be based on, but not limited to, any or all of the following:

- *Information presented in the proposal.
- *Knowledge of the reporting requirements.
- *Service reliability and consistency of quality.
- *Experience of the firm and audit team in performing audits of local governments including single audit.
- *Pricing / total cost.

REQUEST FOR PROPOSALS: The proposal needs to:

1. State the firm's qualifications to perform the City's audit, including an affirmative statement that the firm is, in fact, independent of the City and is licensed by the State of Kentucky to perform such auditing services.
2. Demonstrate the firm's commitment to stay current with government accounting issues, to providing quality audit and advisory service.
3. Describe services to be provided by the firm and provide an estimate of what portion of the firm's business is derived from performing municipal audits.
4. Specify the size, composition and location of the firm's office from which the staff working on the audit are based.
5. Provide a list of governmental entities in Kentucky that have been audited by the firm, the dates of the audit engagement and the names and telephone numbers of the current key contact persons at the entity.
6. Specify the date of the firm's last peer review and provide a copy of the firm's most recent peer review letter.
7. Provide the nature and status of any and all disciplinary actions undertaken against the firm.
8. Provide brief resumes of the key individuals who will be assigned to this engagement. Include any areas of specialization likely to be of particular interest or concern of the City, including information technology, governmental accounting and auditing, continuing professional education and current municipal audit assignments.
9. Comprehensive Not-to-Exceed Fee-Supply the billing rates, estimated number of billable hours, other billable expenses and a comprehensive "not-to-exceed" fee for the audit including travel and out of pocket.
10. Estimated time schedule for setting up and starting field work and detail how the reporting deadline requirements will be met.
11. Provide a list documents and schedules needed from City to complete audit.

CONTRACT: The successful proposer shall be required to enter into a written contract with the City in the form of an engagement letter.