

TOWN OF PALM BEACH



RFP NO 2010-15

AUDIT SERVICES

Purchasing Division

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Finance Department

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TOWN OF PALM BEACH * 951 OLD OKEECHOBEE ROAD * WEST PALM BEACH *
* FLORIDA * 33401



TOWN OF PALM BEACH

**RFP NO. 2010-15
AUDIT SERVICES**

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TOWN OF PALM BEACH

Advertisement for Request for Proposals

RFP No. 2010-15

AUDIT SERVICES

Proposals for **Audit Services** will be received by the Town of Palm Beach at the Office of the Purchasing Agent, 951 Old Okeechobee Road, Suite D, West Palm Beach, Florida 334501, **until May 21, 2010 at 2:00 P.M.**

The Town of Palm Beach is soliciting Requests for Proposals (RFP) for a qualified independent Certified Public Accountant firm(s) licensed to practice in the State of Florida for the purpose of providing an annual examination of the financial statements and records of the Town of Palm Beach and its related component unit, the Town of Palm Beach General Employees Pension Trust Fund.

Time is of the essence and any proposal received after **2:00 p.m. on May 21, 2010**, whether by mail or otherwise, will be returned unopened. Proposers are responsible for insuring that their proposal is stamped by Purchasing Office personnel by the deadline indicated.

An original and seven (7) copies of the proposal shall be submitted in sealed envelopes/packages addressed to Lynda S. Venne, Purchasing Agent, Town of Palm Beach, Florida, and marked "**RFP No. 2010-15 – AUDIT SERVICES**". Proposers desiring information for use in preparing proposals may obtain a set of such documents by visiting the Town's website at www.townofpalmbeach.com, (click "Doing Business," click "Sealed Bids / Request for Proposals" and follow the instructions). The Purchasing Office is located at 951 Old Okeechobee Road, Suite D, West Palm Beach, Florida 33401. Telephone (561) 838-5406.

Lynda S. Venne, CPPB
Purchasing Agent

Dated: **April 25, 2010**
 May 2, 2010

Published: **Palm Beach Post**

TOWN OF PALM BEACH

RFP No. 2010-15 AUDIT SERVICES

PART I

PROPOSAL GUIDELINES

1-1 Introduction: The Town of Palm Beach, Florida is soliciting Requests for Proposals (RFP) from qualified independent Certified Public Accountants and/or firms licensed to practice in the State of Florida for the purpose of providing an annual examination of the financial statements and records of the Town of Palm Beach and its related component unit, the Town of Palm Beach General Employees Pension Trust Fund.

1-2 Proposal Submission and Withdrawal: The Town must receive all proposals by **2:00 P.M. on May 21, 2010**. The proposals shall be submitted at the following address:

TOWN OF PALM BEACH
Purchasing Office
951 Old Okeechobee Road Suite "D"
West Palm Beach, Florida 33401

To facilitate processing, please clearly mark the outside of the proposal package as follows: **RFP No. 2010-15 – Audit Services**. This package shall also include the Proposer's return address.

Proposers may withdraw their proposals by notifying the Town in writing at any time prior to the deadline for proposal submittal. After the deadline, the proposal will constitute an irrevocable offer, for a period of six (6) months. Once opened, proposals become a record of the Town and will not be returned to the Proposer.

The Town cautions Proposers to assure actual delivery of mailed or hand-delivered proposals directly to the Town's Purchasing Division at 951 Old Okeechobee Road, Suite "D", West Palm Beach, Florida prior to the deadline set for receiving proposals. Telephone confirmation of timely receipt of the proposal may be made by calling (561) 838-5406, before proposal closing time. Any proposal received after the established deadline **will not** be considered and will be returned unopened to the Proposer(s).

1-3 Number of Copies: Proposers shall submit an **original and seven (7) copies** of the proposal in a sealed, opaque package marked as noted above. The Proposer will be responsible for timely delivery, whether by personal delivery, US Mail or any other delivery medium.

1-4 Development Costs: Neither the Town nor its representatives shall be liable for any expenses incurred in connection with preparation of a response to this Request for Proposal. Proposers should prepare their proposals simply and economically, providing

a straightforward and concise description of the Proposer's ability to meet the requirements of the RFP.

1-5 Inquiries: Interested Proposers may contact the Town's Purchasing Agent, Lynda S. Venne, CPPB, regarding questions about the proposal by telephone at (561) 227-7001 or by facsimile at (561) 835-4688. The Purchasing Division is located at 951 Old Okeechobee Road, Suite "D", West Palm Beach, FL 33401.

The Purchasing Agent will receive written requests for clarification concerning the meaning or interpretations of the RFP, until eight (8) days prior to the submittal date. Town personnel are authorized only to direct the attention of prospective Proposers to various portions of the RFP so that they may read and interpret such for themselves.

No employee of the Town is authorized to interpret any portion of this RFP or give information as to the requirements of the RFP in addition to what is contained in the written RFP document.

1-6 Addendum: The Town may record its response to inquiries and any supplemental instructions in the form of written addenda. The Town may provide written addenda up to seven (7) calendar days before the date fixed for receiving the proposals. Proposers shall contact the Town to ascertain whether any addenda have been issued. Failure to do so could result in an unresponsive proposal. Any oral explanation given before the RFP opening will not be binding.

All Proposers are expected to carefully examine the proposal documents. Any ambiguities or inconsistencies should be brought to the attention of the Town Purchasing Agent through written communication prior to the opening of the proposals.

1-7 Contract Awards: The Town anticipates entering into an Agreement with the Proposer who submits the proposal judged by the Town to be most advantageous.

The Town reserves the right to accept or reject any or all proposals, with or without cause, to waive technicalities or to accept the proposal which, in its sole judgment, best serves the interest of the Town, or to award a contract to the next most qualified proposal if the successful proposal does not execute a contract within sixty (60) days after the award of the proposal. The Town also reserves the right to abandon the project and/or to solicit and re-advertise for other proposals.

The Proposer understands that this RFP does not constitute an offer or an Agreement with the Proposer. An offer or Agreement shall not be deemed to exist and is not binding until proposals are reviewed, accepted by appointed staff, the best proposal has been identified, approved by the appropriate level of authority within the Town and executed by all parties.

Any proposal may be withdrawn until the date and time set above for the submission of the proposals. Any proposal not so withdrawn shall constitute an irrevocable offer for a

period of six (6) months to provide to the Town the services set forth in this Request for Proposals.

1-8 Contractual Agreement: This RFP shall be included and incorporated in the final award. The order of contractual precedence will be the Contract or Price Agreement document, original Terms and Conditions, and contractor response. Any and all legal action necessary to enforce the award will be held in Palm Beach County and the contractual obligations will be interpreted according to the laws of Florida. **Any additional contract or agreement requested for consideration by the Proposer must be attached and enclosed as part of the proposal.**

1-9 Selection Process: The proposals will be evaluated and assigned points; the firm with the highest number of points will be ranked first. However, nothing herein will prevent the Town from assigning work to any firm deemed responsive and responsible.

The Town reserves the right to further negotiate any proposal, including price, with the highest rated Proposer. If an agreement cannot be reached with the highest rated Proposer, the Town reserves the right to negotiate and recommend award to the next highest Proposer or subsequent Proposers until an agreement is reached.

1-10 Public Records: Upon award recommendation or ten (10) days after opening, whichever occurs first, proposals become “public records” and shall be subject to public disclosure consistent with Chapter 119 Florida Statutes. Proposers must invoke the exemptions to disclosure provided by law in the response to the RFP, and must identify the data or other materials to be protected, and must state the reasons why such exclusion from public disclosure is necessary. Document files may be examined, during normal working hours.

1-11 News Releases: The Proposer shall obtain the prior approval of the Town Manager’s Office of all news releases or other publicity pertaining to this RFP, the service, or project to which it relates.

1-12 Insurance: The Proposer shall, at its sole expense, agree to maintain in full force and effect at all times during the life of this RFP, insurance coverages, limits, including endorsements, as described herein. The requirements contained herein, as well as TOWN’S review or acceptance of insurance maintained by the awarded service provider are not intended to and shall not in any manner limit or qualify the liabilities and obligations assumed by the Proposer under the contract.

- (a) Commercial general liability in the amount of \$1,000,000 per occurrence and \$2,000,000 aggregate covering bodily injury and property damage resulting from the activities connected with this service. The Town of Palm Beach shall be endorsed as an Additional Insured to the Commercial General Liability. The Additional Insured endorsement shall read “Town of Palm Beach, Including Police Department, all Officers, Employees, Elected and Appointed Committees, and Commission are endorsed as an additional insured. The Proposer shall agree the Additional Insured endorsements provide coverage on a primary basis.

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- (b) Professional Liability or the equivalent Errors & Omissions Liability at a limit of liability not less than \$1,000,000 Per Occurrence. When a self-insured retention (SIR) or deductible exceeds \$25,000 the TOWN reserves the right, but not the obligation, to review and request a copy of the Proposer's most recent annual report or audited financial statement. For policies written on a Claims-Made@ basis, the Proposer warrants the Retroactive Date equals or precedes the effective date of this contract (Certificate of Insurance shall specify: Retro date- Full prior acts coverage applies). In the event the policy is canceled, non-renewed, switched to an Occurrence Form, retroactive date advanced; or any other event triggering the right to purchase a Supplemental Extended Reporting Period (SERP) during the life of this Contract, the Proposer shall agree to purchase a SERP with a minimum reporting period not less than three (3) years. The Proposer shall agree this coverage shall be provided on a primary basis. The Certificate of Insurance must indicate whether coverage is written on an occurrence or claims-made basis and must indicate the amount of any SIR or deductible.
 - (c) Workers' Compensation and Employers Liability Insurance covering all employees engaged in the work under the Agreement, in accordance with the laws of the State of Florida. The amount of Employers Liability Insurance shall not be less than \$100,000 each accident, \$100,000 each employee for disease, and \$500,000 disease aggregate.
 - (d) Automobile Liability at a limit of liability not less than \$1,000,000 Each Occurrence for all owned, non-owned and hired automobiles. In the event the Proposer does not own any automobiles, the Business Auto Liability requirement shall be amended allowing the Proposer to agree to maintain only Hired & Non-Owned Auto Liability. This amended requirement may be satisfied by way of endorsement to the Commercial General Liability, or separate Business Auto coverage form. The Proposer shall agree this coverage shall be provided on a primary basis.

The Proposer shall agree, by entering into this RFP, to a Waiver of Subrogation for each required policy. When required by the insurer, or should a policy condition not permit an Insured to enter into an pre-loss agreement to waive subrogation without an endorsement, then the Proposer shall agree to notify the insurer and request the policy be endorsed with a Waiver of Transfer of Rights of Recovery Against Others, or its equivalent. This Waiver of Subrogation requirement shall not apply to any policy, in which a condition to the policy specifically prohibits such an endorsement, or voids coverage should enter into such an agreement on a pre-loss basis.

The TOWN, by and through its Risk Management Office, in cooperation with the contracting/hiring department, reserves the right to review, modify, reject or accept any required policies of insurance, including limits, coverages, or endorsements, herein from time to time throughout the life of this RFP. The TOWN reserves the right, but not the obligation, to review and reject any insurer providing coverage because of its poor financial condition or failure to operate legally

During the life of the Contract, the successful Proposer shall provide at its own cost and expense and maintain all insurance listed above. Proof of insurance is required before the contract is signed. It shall be the responsibility of the successful Proposer to ensure that all subcontractors comply with all of the insurance requirements.

A 30 day written notice of cancellation, non-renewal or modification of any stipulated insurance shall be mailed to the hiring department via registered, return receipt requested mail. Note: 10 day Notice of Non-Payment is acceptable if Certificate of Insurance indicates 30 day notice for cancellation, non-renewal, or modifications.

The successful Proposer's liability insurance coverage shall extend to and include the following contractual indemnity and hold harmless agreement:

The Proposer shall indemnify, hold harmless and defend at its sole cost the Town of Palm Beach and any other person or entity that becomes a Named Insured, as outlined herein, their respective officers, agents, and employees, against and assume all liability for any and all claims, suites, actions, damages, liabilities, expenditures, or causes of action of any kind arising from the services authorized in this Agreement and resulting or occurring from any alleged negligence, act omission or error of the Proposer, its agents or employees and/or arising from the failure of the Proposer, its agents, or employees to comply with each and every requirement of this Agreement or with any Town, county, state, or federal law or regulation applicable to the service provided resulting in or relating to bodily injury, loss of life or limb, or damage to property sustained by any person, firm, corporation, or other business entity.

The foregoing indemnity agreement shall apply to any and all claims and suits other than claims and suits arising out of the sole and exclusive negligence of the Named Insured, their officers, agents, and employees as determined by a court competent jurisdiction. The successful Proposer shall obtain and maintain contractual liability insurance in adequate limits for the sole purpose of protecting the Town and the Named Insured under the hold harmless agreement from any and all claims arising out of the operations authorized by this Agreement.

Insurance coverage required by this Request for Proposals shall be in force throughout the Agreement term. Should the successful Proposer fail to provide acceptable evidence of current insurance within seven (7) days of receipt of written notice at any time during the term of the Agreement, the Town shall have the right to consider the Agreement breached and shall have the right to immediately terminate the Agreement.

1-13 Licenses: Proposers, both corporate and individual must be fully licensed and certified in the State of Florida at the time of RFP submittal. The proposal of any Proposer that is not fully licensed and certified shall be rejected.

1-14 Public Entity Crimes: Award will not be made to any person or affiliate identified on the Department of Management Services' "Convicted Vendor List". This list is defined as consisting of persons and affiliates who are disqualified from public contracting and purchasing process because they have been found guilty of a public entity crime. No public entity shall award any contract to, or transact any business in excess of the threshold amount provided in Section 287.017 Florida Statutes for

Category Two (currently \$25,000⁰⁰) with any person or affiliated on the "Convicted Vendor List" for a period of thirty-six (36) months from the date that person or affiliate was placed on the "Convicted Vendor List" unless that person or affiliate has been removed from the list. By signing and submitting the RFP proposal forms, Proposer attests that they have not been placed on the "Convicted Vendor List".

1-15 Code Of Ethics: If any Proposer violates or is a party to a violation of the code of ethics of the Town of Palm Beach or the State of Florida with respect to this proposal, such Proposer may be disqualified from performing the work described in this proposal or from furnishing the goods or services for which the proposal is submitted and shall be further disqualified from submitting any future proposals for work, goods or services for the Town of Palm Beach.

1-16 Drug-Free Workplace: Preference shall be given to businesses with Drug-Free Work Place (DFW) programs. Whenever two or more proposals which are equal with respect to price, quality, and service are received by the TOWN for the procurement of commodities or contractual services, a proposal received from a business that completes the attached DFW form certifying that it is a DFW shall be given preference in the award process.

1-17 Rights and Privileges: Rights and privileges granted by the Town shall not be assigned or transferred in any manner whatsoever without written approval of the Town Council. At all times during the term of the contract the Contractor shall act as an independent contractor and at no time shall the Contractor be considered an agent or partner of the Town. The Contractor shall obtain and pay for all permits, licenses, Federal, State and Local taxes chargeable to its operation.

1-18 Lobbying Prohibited: Proposers are not to contact or lobby any Town personnel related or involved with this Request for Proposals. All oral or written inquiries are to be directed to the Purchasing Division as instructed herein. Any violation of this condition may result in rejection and/or disqualification of the Proposer.

1-19 Disclosure and Disclaimer: Any action taken by the Town in response to proposals made pursuant to this RFP or in making any award or failure or refusal to make any award pursuant to such proposals, or in any cancellation of award, or in any withdrawal or cancellation of this RFP, either before or after issuance of an award, shall be without any liability or obligation on the part of the Town or their advisors.

In its sole discretion, the Town may withdraw this RFP either before or after receiving proposals, may accept or reject proposals, and may accept proposals which deviate from the RFP. In its sole discretion, the Town may determine the qualifications and acceptability of any party or parties submitting proposals in response to this RFP (each such party being hereinafter a "Proposer").

Following submission of a proposal, the Proposer agrees to promptly deliver such further details, information and assurances, including, but not limited to, financial and disclosure data, relating to the proposal and/or the Proposer, including the Proposer's

affiliates, officers, directors, shareholders, partners and employees, as requested by the Town.

The information contained herein is provided solely for the convenience of proposers. It is the responsibility of a Proposer to assure itself that information contained herein is accurate and complete. Neither the Town, nor their advisors provide any assurances as to the accuracy of any information in this RFP. Any reliance on the contents of this RFP, or on any communications with Town representatives or advisors, shall be at each Proposer's own risk. Proposers should rely exclusively on their own investigations, interpretations and analyses in connection with this matter. The RFP is being provided by the Town without any warranty or representation, express or implied, as to its content; accuracy or completeness and no proposer or other party shall have recourse to the Town if any information herein contained shall be inaccurate or incomplete. No warranty or representation is made by the Town that any proposal conforming to these requirements will be selected for consideration, negotiation or approval.

The Town, and its representatives shall have no obligation or liability with respect to this RFP, or the selection and award process contemplated hereunder. Neither the Town nor its representatives warrant or represent that any award or recommendation will be made as a result of the issuance of this RFP. All costs incurred by a Proposer in preparing and responding to this RFP are the sole responsibility of the Proposer. Any recipient of this RFP who responds hereto fully acknowledges all the provisions of this Disclosure and Disclaimer and agrees to be bound by the terms hereof. Any proposal submitted pursuant to this RFP is at the sole risk and responsibility of the party submitting such proposal.

This RFP is made subject to correction of errors, omissions, or withdrawal without notice. Information contained in the RFP is for guidance only and each recipient hereof is cautioned and advised to independently verify all of such information. In the event of any differences between this Disclosure and Disclaimer and the balance of the RFP, the provisions of this Disclosure and Disclaimer shall govern.

1-20 Proposal Contents: All material submitted becomes the property of the Town of Palm Beach. The Town has the right to use any or all ideas presented in any reply to this RFP. Selection or rejection of the proposal does not affect this right.

TOWN OF PALM BEACH

RFP No. 2010-15

AUDIT SERVICES

PART II

NATURE OF SERVICES REQUIRED

2-1 PURPOSE AND SCOPE OF WORK

The Town of Palm Beach, Florida was incorporated in 1911 and is located on a barrier island in the eastern part of Palm Beach County. The Town serves a full-time resident population of approximately 9,700 plus an estimated 15,000 additional seasonal residents.

The Town of Palm Beach (hereinafter known as "Town") seeks proposals from qualified independent Certified Public Accountants and/or firms licensed to practice in the State of Florida for the purpose of providing an annual examination of the financial statements and records of the Town of Palm Beach and its related component unit: the Town of Palm Beach General Employees Pension Trust Fund.

The audit shall be conducted for the purpose of forming an opinion of the general purpose financial statements taken as a whole and to determine whether operations were conducted in accordance with legal and regulatory requirements.

The term of the engagement shall be for a five (5) year contract, renewable annually beginning with fiscal year end financials dated September 30, 2010 and ending September 30, 2014 with renewals subject to the mutual consent of the Town and the Proposer.

The Town of Palm Beach operates under a Council – Manager form of government and provides the following services as authorized by its Charter: public safety (police and fire), public works (streets, roads), planning, zoning, building inspections, sanitation, parks, recreation, general administrative services, and storm water management. As of the 2000 Census, the Town's estimated population was 9,676.

The FY2010 General Fund Operating Budget is \$66,853,300. The Town has 400 FTE employees. Copies of the Comprehensive Annual Financial Report (CAFR), Annual Report and Summarized Budget Information can be found on the Town's website – www.townofpalmbeach.com.

The Government Finance Officers Association awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Palm Beach, Florida for its comprehensive annual financial report for the fiscal year ended September 30, 2008. This was the twenty first consecutive year that the Town of Palm Beach has received

this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements. The Town of Palm Beach expects to apply to GFOA for the certificate for each year covered under this agreement.

Audits for the past 16 years have been completed by Caler, Donten, Levine, Drucker, Porter, & Veil, P.A. The Town of Palm Beach does not have an internal audit department. During FY2010, the Town hired the auditing firm of Crowe Horwath to provide the following internal audits: Investments; Construction Project Bidding and Construction Accounting; Procurement/Accounts Payable; Human Resources; Grant Compliance Monitoring; General Accounting; and Information Technology.

2-2 WORK TO BE PERFORMED

1. Audit shall be performed in compliance with the requirements of:
 - a. Applicable Florida Statutes
 - b. Regulations of the State of Florida Department of Financial Services
 - c. Rules of the Auditor General, State of Florida, Chapter 10.550 (Local Government Audits) and Chapter 10-600 (Audits of State Grants).
 - d. Audits of State and Local Government Units, issued by the American Institute of Certified Public Accountants.
 - e. Circular A-133, Audits of States, Local Governments, and Non-profit Organizations, Office of Management and Budget
 - f. United States Single Audit Act and Amendments
 - g. State of Florida Single Audit Act
 - h. Generally accepted governmental accounting standards
 - i. Statements on Auditing Standards (GAAS)
 - j. Government Auditing Standards, issued by the Comptroller General of the United States
 - k. Any other applicable federal, state, local regulations or professional guidance not specifically listed above as well as any additional requirements which may be adopted by these organizations in the future.
2. The Town expects the auditor to express an opinion on the fair presentation of its general-purpose financial statements in conformity with applicable generally accepted accounting principles. The auditor is to also provide an opinion on the combining and individual fund statements. The auditor is not required to audit the supplementary information.
3. The audit shall be an annual financial audit as defined in Section 218.3(17), Florida Statutes, and shall be conducted in accordance with generally accepted auditing standards as well as the standards listed above. The contract shall cover the period beginning with fiscal year end financials dated September 30, 2010 and ended with fiscal year September 30, 2012 with the expectation that an additional contract will be awarded for one (2) two-year period subject to the mutual consent of the Town and the proposer.

4. A Single Audit in accordance with the Federal and State Single Audit Acts and related professional guidance shall be conducted as required. The auditor shall provide the Town with any required letters and schedules related to this audit. A “single audit” was performed for the fiscal years ended 9/30/05, 9/30/06 and 9/30/08. The Town does not anticipate that a “single audit” will be required for fiscal year ended 2010.

5. The auditor shall prepare and submit to the Town of Palm Beach, not later than February 1st following the end of the fiscal year under audit, a report on the financial condition of the Town of Palm Beach, or deterioration thereof, in accordance with the rules of the Auditor General.

6. The audit shall also include a review of the financial report provided to the Department of Financial Services to assure consistency with the CAFR.

7. A final and complete opinion letter on the financial statements taken as a whole as well as any additional letters required by the United States or State of Florida Single Audit Act shall be delivered to the Town of Palm Beach by February 1st following the end of the fiscal year under audit. These letters shall be included in the Comprehensive Annual Financial Report by the Town.

8. The auditor shall submit not later than February 1st following the end of the fiscal year under audit a full and complete management letter which shall identify any management weaknesses observed, assess their effect on financial management and propose steps to correct or eliminate those weaknesses. A draft of the management letter is to be discussed with the administrator before issuance. It is the Town's intent that all fieldwork related to the audit shall be completed by December 31 following the end of the fiscal year under audit.

9. The partner in charge of the audit and the audit manager or other CPA assigned to the audit shall be free to attend one or more public meetings for discussion of the audit report as deemed necessary by the Town.

10. The auditor shall prepare the Comprehensive Annual Financial Report for the Town of Palm Beach, compliant with GASB Statement 34.

a. All financial statement audit reports required by: generally accepted auditing standards issued by the American Institute of Certified Public Accountants; generally accepted government auditing standards (GAGAS) as issued by the Comptroller General of the United States; and audit reports and management letters required by Section 218.39, Florida Statutes, and Chapter 10.550, Rules of the Auditor General. The annual financial statement audit shall include the Government Wide financial statements and the individual fund financial statements including all applicable GASB 34 statements, required Supplementary Financial Information and Notes to the Financial Statements.

b. All audit reports required by the Single Audit Act of 1984 and the Single Audit Act Amendments of 1996, Public law 104-156 (31 U.S.C.A., ss7501

to 7507) and U. S. Office Management and Budget (OMB) Circular No. A-133.

- c. Audit reports required by Section 215.97, Florida Statutes, the Florida Single Audit Act. A minimum of 75 copies of the Comprehensive Annual Financial Report will be provided to the Town, one camera ready copy and a copy in digital PDF format. All costs of production except covers will be borne by auditor.

11. The Town will be responsible for the preparation of the Transmittal Letter, Management's Discussion and Analysis, and Statistical section of the Comprehensive Annual Financial Report.

12. Timeliness is critical in the performance of the audit. The auditor should coordinate with the Finance Director and endeavor to accomplish the audit in a phased in approach throughout the year in order to reduce the year-end workload on both the audit firm and Town staff. The Town will make necessary records available to the auditor through the year to assist in this regard. In addition, the Town will make end-of-year records available to the auditor on or before November 15th after the end of the fiscal year under audit.

13. The auditor shall report to the Town at least bi-weekly the status of any potential audit adjustments so that the Town may have adequate opportunity to investigate, gather information and respond if necessary. Final audit adjustments shall be submitted to the Town of Palm Beach no later than February 1 following the end of the fiscal year under audit.

14. The Town may issue one or more official statements for the sale of bonds during the term of this agreement. The official statement will contain the general-purpose financial statements or an extraction from the Comprehensive Annual Financial Report. The auditor shall be required to issue, upon request, a consent and citation of expertise as auditor "comfort letters" and other documents necessary to issue the bonds. Unless significant additional staff time is required of the auditor, fees for such requests made by the Town of Palm Beach shall be included in the base fee submitted by proposer.

15. The work papers are the property of the auditors and shall be held locally for a period of five years. Work papers shall be available for examination or duplication without charge to authorized Town personnel, representatives of Federal or State Agencies upon request of that Agency or the Town of Palm Beach in accordance with Federal Law, State Law and other regulations. Working papers will also be made available for examination, at no charge, or duplication, at a reasonable charge, to subsequent auditors engaged by the Town.

16. The auditors agree to notify the Town immediately if any regulatory or other government agencies request a review of the audit work papers concerning the Town of Palm Beach or any other government client audited by the audit firm.

17. The auditor agrees to notify the Town immediately should any disciplinary actions be taken or complaints filed with any regulatory bodies against any of the firm's staff or the firm itself. Auditor shall be required to make an immediate written report of all irregularities and illegal acts.

18. The auditor must designate two (2) "key" members of the audit team. The Town shall reserve the right to approve any substitutions or changes in those staff designated as "key".

19. Auditor shall provide the Town of Palm Beach with a copy of each external quality control review (peer review) conducted during the time period engaged by the Town of Palm Beach.

20. The proposal should set forth a detailed work plan, including an explanation of the audit methodology to be followed, and estimated hours needed to perform the services required in the request for proposal.

All requirements and conditions set forth in this RFP shall be incorporated into the Contract between the Town and the selected firm unless otherwise specified in the Contract.

2-3 PROPOSAL REQUIREMENTS

This document is intended to be used as the instrument to transmit proposals and to define the terms, conditions and specifications desired by the Town to receive proposals from qualified independent Certified Public Accountants and/or firms licensed to practice in the State of Florida for the purpose of providing an annual examination of the financial statements and records of the Town of Palm Beach. It is the intent of the Town to select a single proposer to supply the services necessary for successful completion of the proposal as defined herein. Nothing in this RFP is intended to restrict the Town of Palm Beach in any way in the selection of the proposal that best meets the needs of the Town. The Town reserves the right to reject any or all offers and to negotiate changes in proposals or best and final offers.

- A. Proposals must include the following at a minimum:
- Description and history of the make-up and composition of the firm.
 - Relevant government auditing experience of firm.
 - Not less than three (3) Florida Municipal references for which the firm has performed similar work. Please note that one copy of a CAFR with GASB 34 Reporting requirements from one of the references must be submitted.
 - Total staff available for this audit and the anticipated percent of audit work to be performed by various levels of staff.
- B. Resumes of partners, managers, supervisory and other staff assigned to this audit, including the following information:
- Formal education.
 - Supplemental education relative to governmental accounting and auditing.

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- Experience in public accounting in general.
 - Experience in private business or government.
 - Experience in auditing governmental units.
 - Membership in various national and state governmental accounting boards, committees, or associations (past and present).
 - Professional recognition, such as awards, etc.
 - Copy of CPA license for all individual CPA's assigned to the audit and for the firm in the State of Florida.
- C. Total staff available for this audit and the anticipated percent of audit work to be performed by various levels of staff.
- D. A statement setting forth the proposers understanding of the work to be done and a positive commitment to meet or exceed specifications stated herein and a positive commitment to perform the work within the time period specified.
- a. The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section B of the request for proposal.
- Proposers will be required to provide the following information on their audit approach:
- Proposed segmentation of the engagement.
 - Level of staff and number of hours to be assigned to each proposed segment of the engagement.
 - Sample size and the extent to which statistical sampling is to be used in the engagement.
 - Extent of use of EDP software in the engagement.
 - Type and extent of analytical procedures to be used in the engagement.
 - Approach to be taken to gain and document an understanding of the internal control structure.
 - Approach to be taken in determining laws and regulations that will be subject to audit test work.
- b. A tentative schedule for performing key aspects of the audit.
- c. A fee schedule for the complete audit. Completion of attached Schedule of Professional Fees and Expenses for the audit including fees for FY10 through FY14 and staff hourly rates to be used for any additional work which may be requested by the Town which is outside the scope of this contract.
- d. The auditor is free to include any promotional material pertaining to the auditor or audit firm; however, that promotional material shall not be considered the proposal in and of itself.
- e. Positive affirmation that all CPA's assigned to the engagement have properly maintained CPE in governmental accounting as required by the Board of Accountancy.

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- f. Documentation from Florida's Board of Accountancy that the licenses described above are indeed active and in good standing.
 - g. Location of the office from which the audit will be conducted and number of personnel in that office who would be working on the audit.
 - h. Copy of the two most recent external quality control reviews (peer reviews) which include a review of specific government engagements.
 - i. Results of any Federal or State desk review or field audits during the past three years.
 - j. Circumstances and status of any disciplinary actions taken or pending against the firm or any partners or employees of the firm by the State regulatory bodies or professional organizations.
 - k. The firm must agree to use town staff in preparation of supporting schedules, reconciliations and document retrieval. Prior planning and explicit instruction are paramount for timely performance in this regard. The auditor shall provide the Town with a list of all schedules to be prepared by the Town. Finance Department staff will be available during the audit to provide information, documentation and explanation to the auditors.
 - l. Provide evidence of required insurance coverage on Certificate of Insurance.
 - m. Description of your office's experience in preparing GASB 34 compliant governmental financial statements, and in providing assistance in obtaining the Certificate of Achievement.
 - n. Promotional materials may be included as supplemental information.

2-4 MINIMUM QUALIFICATIONS

- A. Auditor must maintain a permanent office in Palm Beach or Broward County.
- B. Auditor and audit firm must be licensed by the State of Florida, Department of Business & Professional Regulation, State Board of Accountancy, to practice in the State of Florida.
- C. A minimum of 2 full-time CPA's must be employed and assigned to the audit for the Town of Palm Beach. These CPA's must also be employed at a permanent office in Palm Beach or Broward County.
- D. Auditor must have experience in governmental auditing preferably municipal and must clearly indicate its governmental expertise.
- E. The firm should indicate its approach to peer review and provide a report of the most recent peer review. Indicate whether that peer review included a review of local government client activities.
- F. The firm should indicate any disciplinary actions that have been instituted or proposed against the firm during the last three years.
- G. The firm should describe the results of any State or Federal reviews during the past three years of the firm's governmental client audit work.

2-5 INFORMATION TO BE PROVIDED BY THE TOWN

The Town will provide, at a minimum, the following information to assist the auditor in performing the annual audit:

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1. General Ledger/Trial Balance printouts of September 30 and any other time periods requested by auditor.
 2. Statements of Revenues, Expenditures, Estimated vs. Actual Revenues, and Expenditures vs. Appropriations as of September 30, and any other time periods requested by auditor.
 3. Various schedules and worksheets designed to assist and provide backup information to the auditor.
 4. Electronic file containing end of year general ledger, revenue and expenditure balances for all accounts in the Town's accounting system for download into auditor software.
 5. Electronic file containing year-to-date detail information for all general ledger, revenue and expenditure accounts in the Town's accounting system.
 6. The Town will prepare confirmation letters for the auditor.
 7. The Town will provide paid invoices, canceled checks and other supportive documentation as requested by the firm.
 8. Other information requested by the auditor and mutually agreed upon by the Finance Director.

2-6 CONTRACTS, BILLING AND PAYMENT

1. The Town of Palm Beach expects to sign a firm fixed price contract with the successful proposer for a three (3) year period with the expectation that an additional contract will be awarded for one additional (2) two year period subject to the mutual consent of the Town and the proposer.
2. The proposer shall submit a flat fee for each of the five years covered by the request for proposals. Fees for the option years and significant extenuating circumstances will be considered by the Town of Palm Beach in determining whether any adjustment should be made to the proposed rates for future years.
3. A progress payment not to exceed 75% of the total fee may be made upon the request of the proposer upon completion of the audit fieldwork. Final payment shall be made upon receipt and acceptance of the final audit report by the Town Council and upon request by proposer.

2-7 TOWN CONTRACT COORDINATOR

The Town Contract Coordinator for this project will be Jane Struder, Finance Director at (561) 227-5400 or jstruder@townofpalmbeach.com. After Notice to Proceed/Purchase Order is issued, all communications and correspondence shall be directed to Ms. Struder, with copies of the correspondence to the Purchasing Division at 951 Old Okeechobee Road, Suite "D", West Palm Beach, FL 33401.

2-8 CONTRACT

The selected Proposer will be expected to enter into a formal agreement at the time of contract award.

The selected Proposer will also be expected to submit a scope of services for the purpose of entering into a formal contract. Scope of services and pricing shall be negotiated and decided prior to award of contract and become part of the contract document at award.

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AUDIT SERVICES

PART III

PROPOSAL REQUIREMENTS

3-1 RULES FOR PROPOSALS

Proposer shall submit one (1) original and five (5) copies in a clear, concise format, on 8 ½ " x 11" paper, in English. The proposal shall contain tabbed sets of the information required herein to be considered for award. Omission of required data may be cause for disqualification. Any other information thought to be relevant, but not applicable to the enumerated sections, should be provided as an appendix to the proposal. If publications are supplied by a Proposer to respond to a requirement, the response should include reference to the document number and page number. Proposals not providing this reference will be considered to have no reference materials included in the additional documents.

Proposals must be properly signed in ink by the owner/principal having the authority to bind the firm to this agreement.

The proposal must name all persons or entities interested in the proposal as principals. The proposal must declare that it is made without collusion with any other person or entity submitting a proposal pursuant to this RFP.

3-2 SUBMISSION OF PROPOSALS

An **original copy** (so marked) and **seven (7) copies** to include the following shall be submitted for a proposing firm to be considered:

1. Title Page. Title page shall provide the request for proposals' subject, the firm's name, the name, address and telephone number of contact person, and the name, address, principal place of business and telephone number of legal entity with whom the contract is to be written.
2. Table of Contents. The table of contents of the proposal should include a clear and complete identification of the materials submitted by section and page number.
3. Transmittal Letter. This letter will summarize in a brief and concise manner the Proposer understands of the work to be performed, the commitment to perform the work within the anticipated time period, a statement why the firm believes itself to be best qualified to provide the services, and a statement that the proposal remains in effect for one hundred twenty (120) days. An authorized agent of the Proposer must sign the Letter of Transmittal indicating the agent's title or authority.

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4. Detailed Technical Proposal. The detailed proposal should follow the order set forth in this Request for Proposal.
 5. Executed copy of Drug Free Workplace.
 6. Statement acknowledging receipt of each addendum issued by the Town.

Proposals must be submitted in a sealed envelope/package clearly marked with the name of the proposing firm and the following: **“Request for Proposal – RFP No. 2010-15 - Audit Services”**.

3-3 TECHNICAL PROPOSAL

General Requirements - The purpose of the technical proposal is to demonstrate the qualifications, competence, capacity and methodology of the firms seeking to provide the services in conformity with the requirements of this Request for Proposal. As such the substance of proposals will carry more weight than their form or manner of presentation. The technical proposal should demonstrate the combined qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an approach that will meet the Request for Proposal requirements.

The technical proposal should address all of the points outlined in the Request for Proposal. The proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer’s capabilities to satisfy the requirements of the Request for Proposal. While additional data may be presented, the following subjects must be included.

Section 1: INTRODUCTION LETTER

An introduction letter introducing the Company including the corporate name (if applicable), address and telephone number of principal office, number of years in business and size of staff. Include a reproduction of Corporate Charter Registration, if applicable. Indicate the primary person responsible for this project. Introduction shall be signed by an individual authorized to bind the firm. Briefly state that the Proposer understands of the work to be done, and make a positive commitment to perform and complete the project.

Section 2: APPROACH TO THE PROJECT

The proposal shall include a description of the proposed service, with any exhibits or documentation deemed essential, addressing the following phases of the proposed service:

- Overall approach and methods to achieve a fully functional project
- Describe involvement of Town staff;
- Describe the current work load;
- Methodology intended to implement and accomplish the audit.
- All fees and charges.

Section 3: PAST EXPERIENCE

The proposal shall include past performance, including the total number of similar locations successfully operated. Proposals will only be considered from qualified firms.

The following information shall be included regarding the Company's experience in governmental auditing:

Provide a minimum of five (5) references for which you provided a similar service within the past five years of the scope and nature required by this RFP similar in size to the Town of Palm Beach. These references must include, as a minimum: name of company, contact person, address, and telephone number. References shall include the general description of the project, the dates, and whether time lines were met.

Letters of Commendations or Recommendation may be included in this section.

Section 4: OPERATIONAL INFORMATION

Proposers shall submit the following information as described in the sections below:

- A) Hours of operation;
- B) Proposed staffing levels;
- C) Provide resumes of all persons who will be involved in the business and the actual operations.

Section 5: COST DETAIL

Propose a fee schedule for use of the service and schedule of fees

PART IV **EVALUATION OF PROPOSALS**

4-1 EVALUATION AND AWARD

The Town will select proposals deemed most qualified based on the submittal criteria. The Selection Committee will rank those Proposers whose proposals are deemed most qualified.

The Town reserves the right to select the proposal which in the opinion and sole discretion of the Town will be in the best interest of and/or most advantageous to the Town. The Town reserves the right to waive any irregularities and technicalities and

may at its discretion request re-submittal of proposals.

4-2 SELECTION COMMITTEE - A Selection Committee, consisting of one Town Council member and Town personnel, will convene, review and discuss all proposals submitted.

4-3 REVIEW OF PROPOSALS - The Selection Committee will use a point/percentage formula during the review process to score proposals.

4-4 EVALUATION CRITERIA - The criteria and weights as shown herein shall be utilized in the evaluation of the proposals. The Selection Committee will evaluate all responsive written proposals to determine which proposals best meet the needs of the Town, based on the evaluation criteria. It is expected that a contract will be executed between both parties for the services as may be necessary. The evaluation criteria will be based on Qualifications and Experience of the Firm and Staff, Technical Approach to the Project/Scope of Work, and Fees.

4-5 SELECTION - Auditor selection and award of contract shall be done in accordance with the State of Florida and Town policies and procedures. The Selection Committee will evaluate, rank all qualified proposers, and prepare a shortlist. Additionally the Committee may receive presentations and recommend to the Town Council one or more firms determined to be the most qualified to provide the consulting services required. The Town will negotiate contract (s) with the top ranked firm (s), or succeeding ranked firms should negotiations fail. Award (s) shall be based on all the information submitted by the firms and a thorough review of all references provided based upon criteria set forth herein.

4-6 ORAL PRESENTATIONS - Upon completion of the evaluation of all written proposals, the Selection Committee shall determine whether to recommend award to the Proposer with the highest score, or to invite those firms in the "Competitive Range" to give an oral presentation. Only those firms with the highest rated scores in accordance with the stated criteria and their weights will be invited to give oral presentations. The Evaluation Criteria may be changed for the oral presentations evaluation phase. References and site visits (if completed) shall be included in the final evaluation criteria, along with other criteria and weights as determined by the Selection Committee. Additionally, during the oral presentations, the proposers shall include (but not be limited to) their approach to the project. The proposed Project Manager should be in attendance. Finalists will be informed as to the revised criteria prior to their oral presentation.

4-7 FINAL SELECTION - The Selection Committee will submit the recommended award to the highest ranked proposers (with all proposers in ranked order) to the Town Council for final approval. The Town will select the firm that meets the best interests of the Town. The Town shall be the sole judge of its own best interests, the proposals, and the resulting negotiated agreement. The Town's decisions will be final. Upon Council authorization, contract negotiations will be initiated with the first ranked firm. If

those negotiations are unsuccessful, the Town will formally terminate negotiations with the first ranked firm and will commence contract negotiations with the next ranked firm, etc. Upon successful contract negotiations with the prevailing firm, the remaining firms will be notified that the process has been completed and that they were not selected. The Boards of the pension fund(s) have the right to select an audit firm independent of the Town Council's decision.

TOWN OF PALM BEACH

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AUDIT SERVICES

PROPOSAL PAGE

Acknowledgement is hereby made of the following Addenda received since issuance of this Request for proposals:

Addendum No. _____ Dated: _____ Addendum No. _____ Dated: _____

Addendum No. _____ Dated: _____ Addendum No. _____ Dated: _____

Addendum No. _____ Dated: _____ Addendum No. _____ Dated: _____

The hereby undersigned representative submits this proposal and certifies that they are an authorized representative of the proposer who may legally bind the proposer:

***SIGNATURE:** _____

Name: _____ **Title:** _____
Printed

Company: _____ **Address:** _____
Legally registered name

City: _____ **State:** _____ **Zip:** _____

Telephone No: _____ **Fax No:** _____

***Failure to affix signature will result in disqualification of proposal.**

Name of Contact Person: _____

Address: _____

Phone Number: _____ **Fax Number:** _____

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AUDIT SERVICES

PROPOSERS QUALIFICATIONS

The Vendor, as a result of this proposal, must hold a County and/or Municipal Contractor's Occupational License in the area of their fixed business location. Each proposer must complete the following information and submit with their proposal in order to be considered:

1. Legal Name and Address:

Name: _____

Address: _____

City, State, Zip: _____ Phone/Fax: _____

2. Check One: Corporation () Partnership () Individual ()

3. If Corporation, state:

Date of Incorporation: _____ State in which Incorporated: _____

4. If an out-of-state Corporation, currently authorized to do business in Florida, give date of such authorization: _____

5. Name and Title of Principal Officers

Date Elected:

6. The Vendor's length of time in business: _____ years

7. The Vendor's length of time (continuous) in business as a service organization in Florida: _____ years

8. Provide a list of at least five commercial or government references that the proposer has supplied services as described herein, during the last twenty-four months.

9. A copy of County and/or Municipal Occupational License(s) held by Vendor

Note: Information requested herein and submitted by the proposers will be analyzed by the Town of Palm Beach and will be a factor considered in awarding any resulting contract. The purpose is to insure that the Proposers, in the sole opinion of the Town of Palm Beach, can sufficiently and efficiently perform all the required services in a timely and satisfactory manner as will be required by the subject contract. If there are any terms and/or conditions that are in conflict, the most stringent requirement shall apply.

TOWN OF PALM BEACH
LIST OF CURRENT & PERTINENT PROFESSIONAL REFERENCE
RFP No. 2010-15
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The following is a list of at least **five (5)** current and pertinent professional references that the Town can contact in relation to Proposer's qualifications, financial stability, and experience. Failure to furnish this information may be grounds for rejection of the proposal.

1. Name and Address of Firm, City, County, or Agency	Scope of Work:	
	Date(s):	
	Amount:	
	Contact:	
	Telephone No:	
For Town Use Only: Comments: Reference Verified: Yes No		

2. Name and Address of Firm, City, County, or Agency	Scope of Work:	
	Date(s):	
	Amount:	
	Contact:	
	Telephone No:	
For Town Use Only: Comments: Reference Verified: Yes No		

3. Name and Address of Firm, City, County, or Agency	Scope of Work:	
	Date(s):	
	Amount:	
	Contact:	
	Telephone No:	
For Town Use Only: Comments: Reference Verified: Yes No		

4. Name and Address of Firm, City, County, or Agency	Scope of Work:	
	Date(s):	
	Amount:	
	Contact:	
	Telephone No:	
For Town Use Only: Comments: Reference Verified: Yes No		

5. Name and Address of Firm, City, County, or Agency	Scope of Work:	
	Date(s):	
	Amount:	
	Contact:	
	Telephone No:	
For Town Use Only: Comments: Reference Verified: Yes No		

Company Name: _____



**TOWN OF PALM BEACH
RFP No. 2010-15
AUDIT SERVICES**

DRUG-FREE WORK PLACE CERTIFICATION

Whenever two (2) or more bids/proposals, which are equal with respect to price, quality, and service, are received by the Town of Palm Beach for the procurement of commodities or contractual services, a bid/proposal received from a business that certifies that it has implemented a drug-free workplace program shall be given preference in the award process. In order to have a drug-free workplace program, a business shall:

1. Publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of controlled substances is prohibited in the workplace and specifying the actions that will be taken against employees for violations of such prohibition.
2. Inform employees about the dangers of drug abuse in the workplace, the business's policy of maintaining a drug-free workplace, any available drug counseling, rehabilitation, and employee assistance programs, and the penalties that may be imposed upon employees for drug abuse violations.
3. Give each employee engaged in providing the commodities or contractual services that are under bid a copy of the statement specified in number (1).
4. In the statement specified in number (1), notify the employees that as a condition for working on the commodities or contractual services that are under bid, the employee will abide by the terms of the statement and will notify the employer of any conviction on or plea of guilty or nolo contendere to any violation of Chapter 893, Florida Statutes or of any controlled substance law of the United States or any singular state, for a violation occurring in the workplace no later than five (5) days after such conviction.
5. Impose a sanction on, or require the satisfactory participation in a drug abuse assistance or rehabilitation program if such is available in the employee's community by any employee who is so convicted.
6. Make a good faith effort to continue to maintain a drug-free workplace through implementation of Section 287.087, Florida Statutes.

***This Certification is submitted by _____ the
(Individual's Name)***

_____ of _____
(Title/Position with Company/Vendor) (Name of Company/Vendor)

Who does hereby certify that said Company/Vendor has implemented a drug-free workplace program, which meets the requirements of Section 287.087, Florida Statutes, which are identified in numbers (1) through (6) above.

Date

Signature

**TOWN OF PALM BEACH
LIST OF PROPOSED SUBCONTRACTORS**

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AUDIT SERVICES

The undersigned Proposer hereby designates, as follows, all major subcontractors whom he/she proposes to utilize for the major areas of work for the project. The bidder is further notified that all subcontractors shall be properly licensed, bondable and shall be required to furnish the Town with a Certificate of Insurance in accordance with the contract general conditions. Failure to furnish this information shall be grounds for rejection of the bidder's proposal. (If no subcontractors are proposed, state "None" on first line below.)

Name and Address of Subcontractor	Scope of Work	License #
1.		
2.		
3.		
4.		
5.		

Signature and Date _____

Title/Company _____

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AUDIT SERVICES

EVALUATION CRITERIA

Criteria	Weight
Qualifications and Experience / Ability of Professional Personnel / Financial • Availability of qualified personnel • The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's support personnel and continuity of staff. • Ability to perform additional services and provide technical support throughout the period of engagement • Ability to meet set standards • Previous contracting experience with the Town and other governmental agencies • Evidence of a capable and well-organized engagement team and management plan • Evidence of insurance and/or bonding capacity • Demonstrated experience performing municipal audits, including single audits	30%
Quality of Services • Conveyance of a willingness to work with Town staff to maximize resources • The ability to satisfactorily convey, via the completeness and responsiveness of their Proposal, a depth of understanding of the Scope of Work and the firm's capacity to accomplish it successfully • High quality level of services to be provided to Town	30%
Technical Approach to the Project/Scope of Work • Approach to the Project and Methodology • Understanding of Town needs • Technical Soundness of the proposal • Applicability of the services offered • Meeting the Town's operational requirements	25%
Fee • Pricing Structure • Fee Schedule work sheet • Any other Costs	7.5%
Other • Overall completeness, clarity and quality of proposal • Location of firm • Time frames and delivery dates / Project Schedule • Volume of Work in process	7.5%