



Request for Proposals: Auditing Services

The City of Parkville, Missouri ("City") is pleased to issue this Request for Proposals ("RFP") for auditing services for the fiscal year ending December 31, 2018, with the option for up to two (2), one-year (1 year) renewals for fiscal years 2019 and 2020.

1. INTRODUCTION

The City of Parkville is a fourth-class city located in the southern portion of Platte County, Missouri along the Missouri River. The population of Parkville was 6,772 based on the 2017 census estimate. Parkville is home to Park University, Parkville Commons, English Landing Park, the National Golf Club, Riss Lake, and the historic downtown Main Street area. The City of Parkville has 45 permanent employees supplemented by various contracted, seasonal, and intern employees. The City offers a full range of municipal services including street maintenance, public parks, sewer utility, community development, police, and municipal court. The 2018 City Budget and 2017 Audit are available online: <http://parkvillemo.gov/financialdocuments/>.

The City of Parkville is soliciting proposals for the City's annual audit beginning with the fiscal year ending December 31, 2018 and related audit and accounting advice services during and throughout the course of the year. It is the intent of the City to engage professional accounting services from a qualified certified public accountant (CPA) firm through: 1) an evaluation and comparison of past performance, appropriate references, prior experience in other municipalities and counties and expertise related to the City's specifications. Specifications pertaining to the scope of the City's audit are outlined below, as well as the criteria that will be used in evaluating the qualifications of firms submitting proposals.

2. SCOPE OF SERVICES

Note: The final Scope of Services is subject to change following the selection process and contract negotiations with the selected firm. Therefore, the City reserves the right to make revisions.

- A. Comprehensive Annual Audit. The City of Parkville desires the auditor to conduct an audit of the general-purpose financial statements and supplemental information as it relates to the general-purpose financial statements taken as a whole, in a manner and format that complies with the criteria established by generally accepted accounting principles (GAAP).
- B. Prepare Final Audit Report. The selected firm will audit the financial statements of the City of Parkville for the year-ended December 31, 2018, including: government-wide financial statements; fund financial statements; proprietary fund financial statements; agency fund financial statements; notes to basic financial statements; required supplementary information; management's discussion and analysis; and other supplementary information. City staff will assist with compilation of relevant information and review/edit of the report, but the auditor is responsible to draft and finalize the document.
- C. Availability of Consulting Services. The City requires that the auditing firm remain accessible and available throughout the year for consultation purposes, to answer questions, provide clarifications and offer professional opinions and recommendations regarding new General Accounting Standards Board (GASB) Statements and other financial procedures, tax laws, interpretations, and any other accounting expertise that may be required by the City from time to time. Please provide clarification as to the

availability and hours included in your quote and any other necessary explanations pertaining to these consultations.

- D. Timely Audits. The City requires that the auditing firm agrees to produce the audit within the allowed 180 day period following the City's fiscal year end.
- E. Management Letter. The City requests a Management Letter addressing all noncompliance with City procedures, recommendations for improvements, or other findings noted by the firm during its audit.
- F. Record Retention. The Auditor must retain all work papers and reports obtained during the course of the audit in accordance with applicable laws and regulations.
- G. Public Meetings. The Auditor will present periodic updates on the status of the audit to the Board of Aldermen's Finance/Audit Committee and will make a presentation of the final audit report to the Board of Aldermen concurrent with a recommendation for formal adoption. Four public meetings should be estimated for planning purposes only. Additional meetings may be required depending on the complexity of any issues identified or requests by the governing body.

3. **PROPOSAL AND EVALUATION CRITERIA**

A. Instructions to Applicants:

1. The response to this RFP should be delivered as follows: Four (4) hard copies plus one (1) electronic PDF file version (on a CD, flash drive or via email) shall be submitted to the address below in a sealed package clearly marked to the attention of Matthew Chapman and must be received at the address below by 12:00 PM (noon) Central Time on October 12, 2018.

Matthew Chapman
Finance/Human Resources Director
City of Parkville
8880 Clark Ave.
Parkville, MO 64152
mchapman@parkvillemo.gov

2. Any proposals received after the specified date and time will be rejected and returned unopened. Proposals may not be modified or withdrawn after the submittal deadline. However, a respondent may withdraw one's proposal from the selection process at any time prior to the submittal deadline. The City reserves the right to extend the time for submittals.
3. Additional promotional materials/brochures may be included in addition to the proposal but may not substitute for any of the content requirements of the proposal itself. This additional material need not be submitted in an electronic format.
4. Communication (other than through the process described herein) with the City, the selection committee, or the general public relative to this RFP prior to the announcement of a selection is strictly prohibited.
5. The City reserves the right to request a change in any proposed sub-consultants, if applicable.
6. The City reserves the right to waive any irregularities and/or reject any and all submittals. The City is under no obligation to award a contract to any firm submitting a proposal.
7. The City shall not be responsible for any costs incurred in the preparation, submittal, and presentation of proposals.
8. All materials submitted shall become the property of the City and shall be subject to the laws and regulations relating to the disclosure of public information. No guarantee of privacy or confidentiality is offered or implied.

B. Proposal Requirements and Evaluation Criteria

The following are the contents that all proposals must include. The following categories and criteria will be major considerations in the evaluation and determination of the most qualified and capable individual and/or firm. Note: The sequence of the listing is not intended to reflect relative weight of each category:

1. **Interest and Relevant Experience:** A statement of interest for the scope of services (not to exceed two pages) including a narrative describing the respondent's capabilities, relevant experience, and interest in the scope of work.
2. **Availability:** A statement on the availability and commitment of the respondent to undertake the scope of services.
3. **Background and Training:** Proposal shall include resumes for personnel who may perform services, including the lead contact who will act as the primary auditor. Resumes should list all relevant educational background/training and experience.
4. **References:** The name, address and telephone number of at least three references, preferably clients, who can attest to the respondent's ability to perform the services. Proposal shall include a description of the relationship between each reference and the respondent.
5. **Disclosure:** Proposal will disclose any professional or personal financial interest which could be a possible conflict of interest in contracting with the City.
6. **Fee:** Proposal shall include a total annual fee for the scope of services for fiscal year 2018 and any fee escalators for subsequent contract years (if renewed). Proposal should clearly state basis for the proposed fee (hourly, monthly, lump sum, other) and the method for billing additional services beyond those listed in the scope. The fee proposal shall, if applicable, itemize the methodology for billing reimbursable expenses such as mileage, production of documents, etc. The City reserves the right to negotiate a final fee and scope of services as part of contract negotiations following the selection process.
7. **Adherence to Contract:** The City's standard Professional Services Agreement is included as Attachment 1. Respondent shall thoroughly review the agreement and state an ability to comply with its terms and/or state any terms for which it will request re-negotiation.

4. PROPOSED PROCESS AND TIMELINE (subject to change)

The following selection process will be utilized to determine the recommendation to the Board of Aldermen.

- September 14, 2018 RFP issued and posted on the City of Parkville website.
- October 12, 2018 Receipt of proposals due by 12:00 PM Central Time.
- October 22, 2018 A selection committee comprised of city officials will evaluate the proposals and select a preferred respondent to begin contract negotiations. If multiple firms have exceptional proposals, the selection committee will select a short-listed group of finalists for interviews.
- October 29, 2018 Short-listed firms are interviewed (at City's option)
- October 31, 2018 Preferred firm is notified of selection and contract negotiations.
- November 12, 2018 Finance Committee takes action on recommended contract.
- November 20, 2018 Board of Aldermen takes action on recommended contract.
- January 1, 2019 Notice to Proceed

By submitting a proposal in response to this RFP, the respondent expresses its intent to comply with the established timeline. In addition, the respondent accepts the evaluation process and methodology, as well as acknowledges and accepts that the determination of "the most qualified and capable" firm(s) will require

subjective judgments by the selection committee and the City. Thank you in advance for your interest in the City of Parkville.

ATTACHMENT

1. Draft Professional Services Agreement

END OF REQUEST FOR PROPOSALS

AUDITING SERVICES PROFESSIONAL SERVICES AGREEMENT

THIS SERVICE AGREEMENT, entered into on this ____ day of _____ 2018, by and between the CITY OF PARKVILLE, MISSOURI ("City") and _____ ("Service Provider").

WHEREAS, the City requires an annual audit of the financial statements and

WHEREAS, Service Provider was chosen through a qualifications-based selection process and has demonstrated the necessary expertise, experience, and personnel to complete the Project.

NOW THEREFORE, IN CONSIDERATION of the mutual covenants and agreements set forth herein, the parties mutually agree as follows:

I. SCOPE OF SERVICES

- A. The term "Services" when used in this Agreement shall mean any and all auditing services provided by the Service Provider in accordance with this Agreement.
- B. The City agrees to retain Service Provider and Service Provider agrees to perform and complete the Services described as follows:
 - i. Prepare the audited financial statements of the City of Parkville for the year ended December 31, 2016, including: government-wide financial statements; fund financial statements; proprietary fund financial statements; agency fund financial statements; notes to basic financial statements; required supplementary information; other supplementary information.
 - ii. The audited financial statements will be summarized in a final audit report that includes management's discussion and analysis and is accompanied by a letter from the auditor to management to summarize the findings and any recommendations for city staff and elected officials.
 - iii. Service Provider will make a formal presentation of the final audit report to the Board of Aldermen at a scheduled legislative meeting. Service Provider will also make updates as are necessary throughout the process to the Finance/Audit Committee.
 - iv. Services will be provided in accordance with generally accepted auditing principles (GAAP) guidance standards issued by the Governmental Accounting Standards Board (GASB), and any other applicable industry standards or best practices.
- C. The City reserves the right to direct revision of the Services at the City's discretion. Service Provider shall advise the City of additional costs and time delays, if any, in performing the revision, before Service Provider performs the revised services.
- D. Service Provider shall provide Services under this Agreement only upon written request of the City and only to the extent defined and required by the City. Any additional services or materials provided by the Service Provider without the City's prior written consent shall be at the Service Provider's own risk, cost, and expense, and Service Provider shall not make a claim for compensation from the City for such work.

II. STANDARD OF CARE

- A. Service Provider shall exercise the same degree of care, skill, and diligence in the performance of all Services to the City that is ordinarily possessed and exercised by reasonable, prudent, and experienced professionals under similar circumstances.
- B. Service Provider represents it has all necessary licenses, permits, knowledge, and certifications required to perform the Services described herein.

III. COMPENSATION

- A. As consideration for providing the Services, the City shall pay Service Provider as follows:
 - a. Services will be billed in a lump sum amount of _____.
 - b. Service Provider is not eligible for reimbursement for miscellaneous expenses including travel, transportation, postage, etc.
- B. Service Provider shall submit an itemized invoice to the City at the completion of the auditing engagement. The City agrees to pay the balance of an approved invoice, or undisputed portions of a disputed invoice, within 30 days of the date of receipt by the City. In the event of a dispute, and prior to the invoice's due date, City shall pay the undisputed portion of the invoice and notify Service Provider of the nature of the dispute regarding the balance.
- C. Service Provider shall maintain accounts and records, including personnel, property, and financial records, adequate to identify and account for all costs pertaining to the Agreement and such other records as may be deemed necessary by the City to assure proper accounting for all funds. These records will be made available for audit purposes to the City or any authorized representative, and will be retained for three years after the expiration of this Agreement unless permission to destroy them is granted by the City.

IV. SCHEDULE

- A. Unless otherwise directed by the City, Service Provider shall commence performance of the Services upon execution of this Agreement.
- B. Services shall be completed within six (6) months of receiving the notice to proceed, after which point liquidated damages in the amount of ___ per day will accrue.
- C. Neither the City nor the Service Provider shall be in default of the Agreement for delays in performance caused by circumstances beyond the reasonable control of the non-performing party.
- D. If Service Provider's performance is delayed due to delays caused by the City, Service Provider shall have no claim against the City for damages or payment adjustment other than an extension of time to perform the Services.

V. LIABILITY AND INDEMNIFICATION

- A. Service Provider shall indemnify, defend and hold harmless the City and its departments, elected officials, officers, employees and agents, from and against all liability, suits, actions, proceedings, judgments, claims, losses, damages, and injuries (including attorneys' fees and other expenses of litigation, arbitration, mediation or appeal), which in whole or in part arise out of or have been connected with Service Providers' negligence, error, omission,

recklessness, or wrongful or criminal conduct in the performance of Services, including performance by Service Provider's employees and agents; or arising from any claim for libel, slander, defamation, copyright infringement, invasion of privacy, piracy and/or plagiarism related to any materials related to materials Service Provider creates or supplies to the City, except to the extent that such claims arise from materials created or supplied by the City.

- B. Service Provider's obligation to indemnify and hold harmless shall remain in effect and shall be binding on Service Provider whether such injury shall accrue, or may be discovered, before or after termination of this Agreement.

VI. INSURANCE

- A. The Service Provider shall secure and maintain, at its expense, through the duration of this Agreement Commercial General Liability Insurance on an occurrence basis with minimum limits of \$1,000,000 per occurrence and \$1,000,000 aggregate coverage. Service Provider shall also secure and maintain Worker's Compensation and Employer's Liability Insurance, when applicable, at the limits required by state and/or federal law. The City will only accept coverage from an insurance carrier that offers proof that it :
 - a. Is licensed to do business in the State of Missouri;
 - b. Carries a Best's policy holder rating of A or better; and
 - c. Carries at least a Class X financial rating.
- B. Service Provider shall furnish the City with a Certificate of Insurance on a standard ACORD form, indicating types of insurance, policy numbers, dates of commencement and expiration of policies and carriers. Service Provider shall cause the City to be included as an Additional Insured, and shall require its insurer to provide the City with at least 30 days advance notice of cancellation. Service Provider shall deliver to the City a copy of an Additional Insured Endorsement, using ISO Additional Insured Endorsement (CG 20 10), edition date 11/85, or an equivalent (e.g., CG 20 10, edition date 10/93, plus CG 20 37, edition date 04/13 or other carrier form) and a Notice of Cancellation Endorsement, using CNA form G-140327-B (Ed. 07/11), Travelers Form IL T4 00 (12/09) or other equivalent carrier forms. A copy of the Notice of Cancellation Endorsement and Additional Insured Endorsement must be furnished to the City prior to commencement of any services on City property.

VII. ASSIGNMENT OF AND RESPONSIBILITY FOR PERSONNEL

- A. Service Provider's assignment of personnel to perform the Services shall be subject to the City's oversight and general guidance. The City reserves the right to request qualifications and/or reject service from any and all employees of the Service Provider.
- B. While upon City premises, the Service Provider's employees and agents shall be subject to the City's rules and regulations respecting its property and the conduct of employees thereon.

VIII. OWNERSHIP OF WORK PRODUCT

Service Provider agrees that any documents, materials and work products produced in whole or in part through it under this Agreement, any intellectual property rights of Service Provider therein (collectively the "Works") are intended to be owned by the City. Accordingly, Service Provider hereby assigns to the City all of its right title and interest in and to such Works.

IX. RELATIONSHIP OF THE PARTIES

- A. Service Provider represents that it has, or will secure at Service Provider's own expense, all personnel required in performing the Services under this Agreement. Such personnel shall not be employees of or have any contractual relationship with the City.
- B. All of the Services required hereunder will be performed by the Service Provider or under Service Provider's supervision, and all personnel engaged in the work shall be fully qualified and shall be authorized or permitted under State and Local law to perform such services.
- C. None of the work or services covered by this Agreement shall be subcontracted without the prior written approval of the City. Any work or services subcontracted hereunder shall be specified by written contract or agreement and shall be subject to each provision of this Agreement.

X. NOTICES

- A. All notices required by this Agreement shall be in writing, and unless otherwise directed by this Agreement, shall be sent to the addresses as set forth in this Section:
- B. Notices sent by Service Provider shall be sent to:
 - City of Parkville
 - Attn: Finance/HR Director
 - 8880 Clark Ave.
 - Parkville, MO 64152
 - mchapman@parkvillemo.gov
- C. Notices sent by the City shall be sent to:
 - Firm
 - Address

XI. TERM AND TERMINATION

- A. The effective date of this Agreement shall be the date of execution, when the Agreement is signed by both parties.
- B. The term of this Agreement shall be until all Services are satisfactorily completed and accepted by the City.
- C. The City reserves the option to extend the auditing services agreement for up to two (2), one-year (1 year) renewals for fiscal years 2019 and 2020.
- D. Notwithstanding Article XI, Paragraph B, the City reserves the right and may elect to terminate this Agreement at any time, with or without cause, by giving at least ten (10) days written notice to the Service Provider. The City shall compensate Service Provider for the Services that have been completed to the City's satisfaction as of the date of termination. Service Provider shall perform no activities other than reasonable wrap-up activities after receipt of notice of termination.

XII. MISCELLANEOUS PROVISIONS

- A. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Missouri.
- B. Assignability. Service Provider shall not assign any interest on this Agreement, and shall not transfer any interest in the same (whether by assignment or invitation), without the prior

written consent of the City thereto. Provided, however, that the claims for money by Service Provider from the City under this Agreement may be assigned to a bank, trust company, or other financial institution without such approval. Written notice of any such assignment or transfer shall be furnished promptly to the City.

- C. Media Announcements. Service Provider shall not be authorized to make statements to the media or otherwise on behalf of the City without express direction and consent of the City
- D. Compliance with Local Laws. Service provider shall comply with all applicable laws, ordinances, and codes of the State and local governments, and shall save the City harmless with respect to any damages arising from any tort done in performing any of the work embraced by this Agreement.
- E. Equal Employment Opportunity. During the performance of this Agreement, Service Provider agrees as follows:
 - i. Service Provider will not discriminate against any employee or applicant for employment because of race, creed, color, national origin, religion, or sex. Service Provider will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, national origin, religion, or sex. Such action shall include, but not be limited to, employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.
 - ii. Service Provider will, in all solicitation or advertisements for employees placed by or on behalf of Service Provider, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, national origin, religion, or sex.
 - iii. Service Provider will cause the foregoing provisions to be inserted in all subcontracts for any work covered by this Agreement so that provisions will be binding upon each subcontractor, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.
- F. Authorized Employees. Service Provider acknowledges that Section 285.530, RSMo, prohibits any business entity or employer from knowingly employing, hiring for employment, or continuing to employ an unauthorized alien to perform work within the State of Missouri. Service Provider therefore covenants that it will not knowingly be in violation of subsection 1 of Section 285.530, RSMo, and that it will not knowingly employ, hire for employment, or continue to employ any unauthorized aliens to perform Services related to this Agreement, and that its employees can lawfully to work in the United States.
- G. Interest of Members of a City. No member of the governing body of the City and no other officer, employee, or agent of the City who exercises any functions or responsibilities in connection with the planning and carrying out of this Agreement, shall have any personal financial interest, direct or indirect, in this Agreement, and Service Provider shall take appropriate steps to assure compliance.
- H. Interest of Service Provider and Employees. Service Provider covenants that he/she presently has no interest and shall not acquire interest, direct or indirect, in the scope of work associated with this Agreement or any other interest which would conflict in any

manner or degree with the performance of his/her services hereunder. Service Provider further covenants that in the performance of this Agreement, no person having any such interest shall be employed.

- I. Entire Agreement. This Agreement represents the entire Agreement and understanding between the parties, and this Agreement supersedes any prior negotiations, proposals, or agreements. Unless otherwise provided in this Agreement, any amendment to this Agreement shall be in writing and shall be signed by the City and Service Provider, and attached hereto.
- J. Severability. If any part, term or provision of this Agreement, or any attachments or amendments hereto, is declared invalid, void, or enforceable, all remaining parts, terms, and provisions shall remain in full force and effect.
- K. Waiver. The failure of either party to require performance of this Agreement shall not affect such party's right to enforce the same. A waiver by either party of any provision of breach of this Agreement shall be in writing. A written waiver shall not affect the waiving party's rights with respect to any other provision or breach.
- L. Third Parties. The Services to be performed by the Service Provider are intended solely for the benefit for the City. Nothing contained herein shall create a contractual relationship with, or any rights in favor of, any person or entity not a signatory to this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

CITY OF PARKVILLE, MISSOURI

By: _____
Nanette K. Johnston, Mayor

ATTEST:

Melissa McChesney, City Clerk

Audit Firm

By: _____

EXHIBIT A