

TOWN OF WIGGINS, COLORADO

**REQUEST FOR PROPOSAL
PROFESSIONAL AUDITING SERVICES**

December 17, 2018

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PROFESSIONAL AUDITING SERVICES**

OVERVIEW AND INSTRUCTIONS

The Town of Wiggins, Colorado (Town) is soliciting proposals from qualified public accounting firms (Bidder) interested in providing auditing services for the Town for fiscal calendar years 2018, 2019, and 2020 with the option of auditing its financial statements for each of the two subsequent years thereafter. Renewals will be automatic unless either party terminates the agreement prior to August 1st of each subsequent fiscal year by giving the other party written notice. Either party shall have the right to terminate the agreement. The audits are to be performed in accordance with generally accepted auditing standards the Colorado Local Government Audit Law, C.R.S. § 29-1-601 et. seq., the standards, set forth for financial audits in the U.S. General Accounting Office's (GAO), Governmental Auditing Standards and the provisions of the federal Single Audit Act and U.S. Office of Management and Budget (OMB) Circular A-128 Audits of the State and Local Governments.

To be considered, proposals must be received at the Town of Wiggins Offices: Attention Paul Larino, Town Manager 304 Central Avenue, Wiggins, CO 80654 no later than 2:00 PM, Thursday, January 3, 2019.

The Town shall reserve the right to reject any or all proposals, and to waive any informalities or irregularities therein and request new proposals when required.

Any questions or clarifications concerning this "Request for Proposal" (RFP) shall be submitted by email to Paul Larino, Town Manager, at e-mail address: Larino@wigginsco.com. The Town will not be bound or responsible for any explanations or interpretations other than those given in writing as set forth in this RFP. No oral interpretations shall be binding on the Town.

Proposals submitted will be evaluated by the Board of Trustees. The Town's Board of Trustees will review materials submitted with the RFP and select a list of Bidders for further consideration. Bidders may be interviewed or requested to make an oral presentation as part of the evaluation process.

Evaluation factors include, but are not limited to: qualifications, demonstrated ability with similar governmental entities, the firm's workload and availability, experience, credentials of the firm's project team members and cost. The Town reserves the right to request additional information or clarifications from firms, and/or to allow corrections of errors or omissions.

Submission of a proposal indicates acceptance by the firm of the conditions contained in this "Request for Proposal".

It is anticipated that selection of a firm will be completed by January 14, 2019.

All materials submitted in connection with the proposal document become the property of the

Town. Any and all information received by the Town shall become public record and shall be open to public inspection should an award of contract result from this solicitation, except to the extent the bidding entity designates trade secrets or other proprietary data to be confidential.

The following information must be included with your proposal in this order:

1. Signature Page (page 2) (must be the front page of your proposal).
2. Addenda Acknowledgments (if any). Note: if addenda are issued, the same will be posted to the Rocky Mountain Bid Net System, as set forth on page 1 of this RFP.
3. Firm Qualifications and Experience.
4. Audit Personnel.
5. Proposed Approach to Providing the Services Requested.
6. References.
7. General Fee Statement/Schedule, for each year.
8. Hourly Rate / Fee to draft miscellaneous documents that are not a part of the annual audit (i.e. financial statements, debt service ratios for lenders, etc.).

The Town of Wiggins has the following Fund Structures:

1. General Fund.
2. Capital Projects Fund.
3. Water Enterprise Fund.
4. Sewer Enterprise Fund.
5. Conservation Trust Fund.

KEY DATES

A tentative schedule of key dates for the project has been established as follows:

1. Proposal Calendar

Due date for proposals	January 3, 2019
Anticipated Town Board decision	January 9, 2019
Selected firm notified	January 14, 2019

2. Date Audit May Commence

The Town will have all records ready for audit and all management personnel available to meet with the firm’s personnel by March 18, 2019. Preliminary field work may be performed prior to that date.

3. Detailed Audit Plan

The auditor shall provide the Town a detailed audit plan by March 1, 2019, or earlier, at the auditor's convenience.

4. Fieldwork

The auditor shall complete all fieldwork, including any recommended adjusting journal entries, by May 23, 2019.

5. Date Final Report is Due

The auditor shall prepare and have available for review a draft of the annual audit report, including transmittal letter, financial statements and management discussion and analysis, notes, and all required supplementary schedules by first the Tuesday in June, or sooner.

SCOPE OF SERVICES

- ✓ Audit the financial statements of the Town's governmental and business-type activities, each major fund, and the aggregate remaining fund information in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, and express an opinion as to the compliance of these statements with generally accepted accounting principles.
- ✓ Issue a report in accordance with Government Auditing Standards on the Town's internal control over financial reporting and results of testing regarding the Town's compliance with provisions of laws, regulations, contracts, grant agreements, and/or other matters.
- ✓ All working papers and reports must be retained, at the auditor's expense, for a minimum of three (3) years, unless the firm is notified in writing by the Town of the need to extend the retention period.
- ✓ The auditor will be required to make working papers available, upon request, to the following parties or their designees:
- ✓ U.S. General Accounting Office (GAO), parties designated by the Federal or Colorado State governments, or by the Town as part of an audit quality review process.
- ✓ In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

ASSISTANCE TO BE PROVIDED TO THE AUDITOR

The Town Manager, Finance Officer, Town Clerk, and other staff will be available throughout the audit to assist the firm by providing information, documentation and explanations.

The staff of the Town will prepare or provide all statements, subsidiary ledgers, detailed schedules and backup documentation deemed necessary by the audit firm. The Town will provide the auditor with reasonable workspace, tables and chairs. The auditor will also be provided

access to telephone, wireless internet, photocopying facilities and facsimile.

The auditor's principal contact with the Town will be Paul Larino, Town Manager. The Town's Clerk and Accountant will also be available when necessary.

DESCRIPTION OF THE TOWN OF WIGGINS

The Town of Wiggins is located about an hour's drive from the Denver Metro Area and the Front Range, the Town of Wiggins can be found on the Northeastern Plains of Colorado. Wiggins has become a thriving gateway to the rolling plains and majestic Rocky Mountains since its incorporation in 1974. The Town has a population of approximately 1,250 and is growing at a rate of 12% per year.

The Town of Wiggins is surrounded by various agricultural productions, and offers boating, fishing, camping, hunting, as well as family recreation nearby. Jackson Lake State Park, the scenic Pawnee Buttes and the Pawnee National Grasslands are located a short distance north of town limits. Wiggins is home to many local businesses, such as Country Hardware, Wiggins Super Foods Market, Baer Insurance Agency, Wiggins Auto Supply, High Plains Bank, Rudy's G.T.O., and several local restaurants. Family-owned businesses have been an integral part of developing the small community lifestyle that is enjoyed by so many community members.

The Town of Wiggins is home to its own pre-k thru 12th grade school district; providing stellar academics and extracurricular activities for each grade level.

The Town operates under the Board of Trustees – Town Manger form of government. Policy-making and legislative authority are vested in the Town Board of Trustees, which consists of a Mayor and a six-member council. The Town Board of Trustees is responsible for passing ordinances, adopting the budget, appointing a Town Attorney, Town Clerk, and Town Treasurer. The Town Manager is the Chief Administrator and Executive Officer of the Town; responsible for carrying out the policies and ordinances of the Board of Trustees and overseeing the day-to-day operations of the Town.

The Town is a statutory town (municipality) empowered to levy a property tax on the assessed value of real property located within the Town. By voter approval, the Town collects a 2% sales tax on all retail sales which are equally divided between a Capital Improvement Fund and the General Fund. In addition, the Town also receives a sales tax distribution per a formula from Morgan County.

The Town has the power by state statute to extend its corporate limits by annexation, which is done periodically when deemed appropriate by the Town Board of Trustees. The Town provides a range of municipal services including the police department, maintenance of parks, streets and roads, water and sanitary sewer services, community planning and zoning, and general administrative services. The Town has a variety of intergovernmental and operation agreements primarily associated with water service needs.

PROPOSAL REQUIREMENTS

Proposals shall include the following:

- 1) Title Page.** Title page showing the Request for Proposal's subject; the firm's name; name, mailing address, telephone number, and email address of the primary firm contact person; and the date of the proposal submission.
- 2) Table of Contents.**
- 3) Transmittal Letter.** A signed letter of transmittal briefly stating the firm's understanding of the work to be conducted, the commitment to perform the work within the time period specified, a statement why the firm believes itself to be the best qualified firm to perform the engagement and a statement that the proposal is a firm and irrevocable offer for the engagement covering the 2019, 2020 and 2021 fiscal years.
- 4) Technical Proposal.** The technical proposal should follow the order and include the content set forth below. The purpose of the technical proposal is to demonstrate the qualifications, competence and capacity of the audit firm. As such, the substance will carry more weight than the form or manner of presentation. The technical proposal should demonstrate the qualifications of the firm and of the designated staff to be assigned to this engagement. It should also specify an audit approach that will meet the Request for Proposal's requirements.

The technical proposal should address all the points outlined in the Request for Proposal. The proposal should be prepared simply and economically, providing a straightforward, concise description of the firm's capabilities to satisfy the requirements of the Request for Proposal. While additional data may, at the discretion of the proposer, be included, the following items A through I, must be included:

- a) **Independence.** The firm should provide an affirmative statement that it is independent of the Town of Wiggins. The firm should also list and describe the firm's professional relationships involving the Town of Wiggins for the past five (5) years. Should there be any involvement, a statement explaining why such relationship does not constitute a conflict of interest relative to performing the proposed audit must be included.
- b) **License to Practice in Colorado.** An affirmative statement should be included indicating that the firm and all assigned key professional staff are properly licensed to practice in Colorado.
- c) **Firm Qualifications and Experience.** The proposal shall state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis.

The firm shall also provide information on the results of any federal or state desk

reviews or field reviews of its audits during the past three (3) years. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years, including the name and address of any regulatory agency or professional organization involved.

- d) **Partner, Supervisory and Staff Qualifications and Experience.** The firm shall identify the principal supervisory and management staff, including engagement partners, managers, and other supervisors and specialists, who would be assigned to the engagement and indicate whether such person is licensed by the State of Colorado to practice as a certified public accountant. The firm also shall provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit.

The firm shall provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. The firm shall indicate how the quality of staff over the term of the agreement will be assured.

Engagement partners, managers, and other supervisory staff may be changed if those personnel leave the firm, are promoted or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of the Town. However, in either case, the Town retains the right to approve or reject replacements. Consultants and firm specialists mentioned in response to this Request for Proposal can only be changed with the express prior written permission of the Town which retains the right to approve or reject replacements.

- e) **Similar Engagements with Other Government Entities.** For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum of 5) performed in the last three (3) years that are similar to the engagement described in this Request for Proposal. These engagements should be ranked on the basis of total staff hours and list the staff assigned to these engagements. The firm should indicate whether or not it continues to perform the services involved in these engagements. Indicate the name and contact information for the principal client contact.
- f) **Specific Audit Approach.** The proposal shall set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required under this request for proposal. Proposers shall also provide the firm's experience relating to and the approach to performing any Single Audit which may be required.
- g) **Quality Control.** The firm must submit a copy of its most recent external quality control review report and a statement indicating the firm's record for quality work.

- h) **Total Not-to-Exceed Cost.** The proposal shall contain all pricing information relative to performing the audit engagement as described in this Request for Proposal. The total not-to- exceed cost to be proposed is to contain all detailed direct and indirect costs including all out-of- pocket expenses.
- i) **Manual Signature.** Bid proposals must contain a manual signature of an authorized agent of the Bidder.

The accuracy of the bid proposal is the sole responsibility of the Bidder. No changes in the proposal shall be allowed after the submission deadline, except when the Bidder can show clear and convincing evidence that an unintentional factual mistake was made, including the nature of the mistake and the price actually intended. Alternate bids will not be considered.

TERMINATION OF CONTRACT

The Town may, by written notice to the successful Bidder, terminate the contract if the Bidder has been found to have failed to perform in a manner satisfactory to the Town's specifications, including delivery as specified. The date of termination shall be stated in the notice. The Town shall be the sole judge of non-performance.

The Town may cancel the contract upon 30 days written notice for reasons other than cause. This may include the Town's inability to continue with the contract due to non- appropriation or reduction of funding.

The Town reserves the right to reject any and all bids based on its sole discretion, without cause or reason.

WARRANTIES

The successful firm shall indemnify and save harmless the Town against any and all damages to property or injuries to or death to any person or persons, including property and employees or agents of the Town, and shall defend, indemnify and save harmless the Town from any and all claims, demands, suits, actions, or proceedings of any kind, or nature, including Workers Compensation claims, of or by any whomsoever, in any way resulting from or arising out of the operation in connection herewith, including operations of subcontractors and acts or omissions of employees or agents of the successful firm or his sub-contractors.

The successful firm shall procure and maintain, at their own cost and expense, any additional kinds and amounts of insurance that, in their own judgment, may be necessary for their proper protection in the prosecution of the work.

The successful firm shall be required to have property, liability, and workers compensation insurance with minimum limits of \$1,000,000.00 and to provide the Town with copies of the certificate of insurance upon request.

The successful firm will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin and will comply with the Americans with Disabilities Act. The successful firm shall adhere to acceptable affirmative action guidelines in selecting employees and shall ensure that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer, recruitment or recruitment advertising; layoff or termination, rates of pay or other forms or compensation; and selection for training, including apprenticeship.

Pursuant to Section 8-17.5-102(1), C.R.S., the Bidder will certify that, as of the date of its Proposal, it does not knowingly employ or contract with an illegal alien and it has participated or attempted to participate in the Basic Pilot Employment Verification Program (as such term is defined in Section 8-17.5-101(1), C.R.S.) in order to verify that it does not employ any illegal aliens.

GENERAL QUESTIONS AND INFORMATION

What is the reason for the change in auditors?

The Town has used the same auditor for more than 15 years. The Town believes it is good practice to have some diversity and more accountability for services.

What software does the Town use?

Caselle.

Timing and personnel of previous auditors:

Two (2) auditors approximately four (4) days on site for review and time to complete the audit.

Did previous auditors also draft the financial statements, and is that expected?

Yes, they did. That decision going forward can be agreed upon based off of an hourly rate charge.

When has your auditor traditionally done fieldwork?

Mid-March.

Have any new bonds been issued in 2018?

No.

Any expected issues with TABOR for 2018?

No.

Does the City draft their own financial statements?

Not historically.

Does the City plan to submit a CAFR to the GFOA for a certificate?

No.

What was the nature of audit adjustments in the previous year, if any?

Accruals, adjustments to inventory, change coding of the expense accounts.

QUESTIONS AND COMMENTS:

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