



CITY OF RAINIER, OREGON

REQUEST FOR MUNICIPAL AUDITING SERVICE PROPOSALS

INTRODUCTION

The City of Rainier, (hereinafter called “the City”) invites proposals from qualified independent licensed municipal auditors (hereinafter called “auditor”) having sufficient governmental and auditing experience in performing an audit in accordance with the specifications outlined in this Request for Proposal (RFP).

It is the intent of the City to negotiate a three-year contract, with the second and third year contingent on the successful, timely completion of the first year of the contract. Submissions must be received by 4 p.m. May 13, 2024.

Table of Contents

- I. CITY BACKGROUND AND ACCOUNTING SYSTEM.....3
- II. GENERAL INFORMATION AND SUBMISSION OF PROPOSALS.....4
- III. AUDIT OBJECTIVES AND SCOPE OF SERVICES5
- IV. PROPOSAL REQUIREMENTS.....7
- V. PRICE.....8
- VI. EVALUTION CRITERIA AND SELECTION PROCEDURE8
- VII. OTHER.....11

I. BACKGROUND

The City of Rainier is an Oregon municipal corporation with city limits covering approximately 2.6 square miles. The population of the City is approximately 1,982. The City is located in Columbia County, 52 miles northwest of I-5. The City Council consists of the Mayor and seven council members elected from the city at large. The City operates under a City Administrator form of government.

The City has a \$18.9 million budget for the 2023-25 biennium, with revenue from a variety of sources. The funding is derived primarily from property tax support, fees, grants and contracts.

The City provides a full range of municipal services including but not limited to street, water, wastewater, police services, municipal court, planning, building and general administration. The City has 16 full-time employees and one part-time employee under the direction of the City Administrator.

The City prepares a Comprehensive Annual Financial Report. The City operates on a cash basis of accounting. All prescribed procedures of the State of Oregon in the preparation and adoption of the City's annual budget are followed.

Financial accounting records are computerized using Springbrook Software. Software modules include: Accounts Payable, Bank Reconciliation, Cash Receipts, Clearing House, General Ledger, Licenses and Permits, Payroll, and Utility Billing.

The City currently maintains 11 total funds. They are as follows: General, Debt Service, Sewer, Sewer Capital, Water, Water Capital, Timber, Street, Transportation Capital, Special Projects and Library Trust. Within the General Fund, the expenditures are organized by Department. Our financial statements are prepared in accordance with a cash-based system.

II. GENERAL INFORMATION AND SUBMISSION OF PROPOSALS

All information and data furnished to the audit firm by the City and all other documents to which the audit firm's employees have access during the preparation and submittal of the proposal shall be treated as confidential by the successful audit firm. Any oral or written disclosure to unauthorized individuals is prohibited.

The City of Rainier requires all audit firms to comply with equal opportunity policies. The City of Rainier's programs, services, employment opportunities, volunteer positions and contracts are open to all persons without unlawful regard to race, religion, color, gender, sexual orientation, national origin, age, disability, genetic information, veterans' status, marital status, or any other status protected by applicable federal, Oregon or local law.

A. All proposals must be submitted to:

Mailing Address:

W. Scott Jorgensen, City Administrator
City of Rainier
P.O. Box 100
Rainier, OR 97048

For questions or additional information contact W. Scott Jorgensen at 503-556-7301 or email sjorgensen@cityofrainier.com.

All submissions must be physically received by the City prior to 4 p.m. on May 12, 2024.

Faxes and email submissions will not be accepted.

- B. Four (4) copies of the proposal are required, not to be opened until after the final submission date and hour noted above. These submissions shall become the property of the City of Rainier without obligation.
- C. The City of Rainier reserves the right to reject any and all proposals, with or without cause, and has the right, in its sole discretion, to accept the proposal it considers most favorable to the City's interests. The City reserves the right to seek clarification of any proposal submitted. The City also reserves the right to require other evidence of technical, financial, or other abilities prior to selection. The City of Rainier may make an award based upon initial proposals received without discussion of such proposals with the submitting entity.
- D. The selection of the external auditor will be based upon responses received to the criteria included in Part VI of this proposal.
- E. Work under this municipal auditing services agreement shall begin with the fiscal year 2024 audit and shall commence with the adoption of the contract by City Council (anticipated to be on or before June 1, 2024). Any agreement initiated as a result of this RFP will be effective through June

30, 2027 with an option to renew annually up to a maximum of (4) years unless otherwise terminated as provided for by the term and conditions of the agreement.

Proposal and Award Schedule:

April 2, 2024	Publish notice and distribute RFP
May 12, 2024	Proposal Due Date
May 19, 2024	Selection of Finalists
May 22-26, 2024	Interview finalists if necessary
May 29-31, 2024	Complete Contract Process
June 1, 2024	Contract Award by Council

III. AUDIT OBJECTIVES AND SCOPE OF SERVICES

The City of Rainier is requesting proposals for the services of a qualified Certified Public Accounting firm to audit the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements of the City of Rainier. Services will include, but not be limited to: planning and performing the audit; performing tests of documentary evidence, evaluating internal controls; preparing the draft and final Audit Report (includes approximately 10 copies and an electronic copy); preparing and filing State Documents; and providing technical assistance throughout the fiscal year.

- A. The auditing services performed by the auditor shall allow the firm to:
 - Express an opinion on whether the financial statements of the City present fairly the financial operations in conformity with Generally Accepted Accounting Principles (GAAP);
 - Express an opinion on whether the City has complied with laws and regulations that may have a material effect on the audited financial statements in accordance with Government Auditing Standards;
 - Report on internal controls related to the financial statements and major programs and issue an opinion on compliance with laws, regulations and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133; and
 - Issue a management letter.
- B. A minimum standard for audits of Oregon Municipal Corporations, adopted by the Secretary of State and approved by the State Board of Accountancy, shall govern the audit.
- C. The financial and compliance audit shall apply industry standards for auditing, and shall be made in accordance with all of the following:
 - Generally accepted governmental procedures as prescribed in the American Institute of CPAs (AICPA) Industry Audit Guide – Audits of State and Local Government Units and in Governmental Accounting, Auditing, and Financial Reporting (GAAFR);
 - Generally accepted auditing standards, Government auditing standards, and Oregon minimum standards;

- The Single Audit Act and OMB A-133: and
 - Applicable laws and regulations.
- D.** Recommendations based upon the auditing firm’s review of the adequacy of internal accounting controls and other audit investigations shall be made a part of a formal management report separate from the financial audit. Such associated costs shall be included in the audit fee. The discussion of these recommendations shall be with the City Administrator. Recommendations to management, opinion, comments or recommendations relating to internal controls, accounting systems, compliance with laws, rules and regulations, or any other matters that come to the attention of the auditor during the course of the audit must be discussed with appropriate City officials prior to publication.
- E.** The auditor shall meet with the City Administrator prior to the commencement of each audit to discuss the planned approach to the audit work and to provide a list of schedules to be prepared by City personnel prior to the beginning of field work. An exit conference is required of the auditing firm on completion of all field work so as to inform the City Administrator of pertinent findings. A summary presentation of the audit findings shall be made to the City Council.
- F.** The City will make available the information and work papers necessary in conjunction with the financial and compliance audit engagement.
- G.** Expectation of services to be provided by auditors not already outlined above:
- The Auditor should be familiar with and prepared to advise City staff on how best to implement both current and proposed GASB Statements. In addition, the Auditor is also expected to provide informal advice and consultation throughout the year on matters relating to accounting and financial reporting.
 - Provide the City with adjusting entries and a final trial balance upon completion of the field work.
 - Draft and prepare final audit report – Auditor will be expected to prepare the final audit report and provide (10) hard copies and an electronic copy to the City.
 - Prepare and file all required State Documents.
 - Prepare the “Oregon Audits Division Summary of Revenues and Expenditures” form for the City and each of the City’s component units.
 - Prepare a report on compliance with specific requirements applicable to major federal financial assistance programs, if required.
 - All working papers and reports must be retained, at the auditor’s expense, for a minimum of ten (10) years, unless the firm is notified in writing by the City of Rainier of the need to extend the retention period.
- H.** Any unusual conditions encountered during the course of the audit, where services of the auditing firm must be extended beyond the normal work anticipated, will require written notification to the City Administrator who will respond in writing concerning the additional services.
- I.** The firm shall respond to the reasonable inquires of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

IV. PROPOSAL REQUIREMENTS

In order to achieve a uniform review process and to obtain the maximum degree of comparability, it is required that proposals include the items noted below and be organized in the manner specified in this part.

1. **Title Page** – The name of the proposal’s firm, firm address, telephone number, name of contact person, email address, and the date.
2. **Table of Contents** – include a clear identification of the material by section and by page number.
3. **Organization and Assigned Personnel** – State whether your audit organization is national, regional, or local. Include the names of local partners/principals and the number of local personnel on the Oregon Municipal roster. Provide a list of partners, managers, and other key staff people who will be assigned to the City’s account.
4. **Local Office Technical Qualifications** – Provide resumes of persons who will be performing professional work and indicate their experience in auditing governmental jurisdictions. Provide a list of the local office’s current and prior government audit clients indicating the type(s) of services performed and the number of years served for each.
5. **Quality Control** - Describe your audit organization’s participation in AICPA-sponsored or comparable quality control programs. Include a copy of your most recent peer inspection report.
6. **Compliance** - Disclose any and all judgments, pending or expected litigation, or other real or potential financial reversals that might materially affect the viability or stability of the proposing organization, or warrant that no such condition is known to exist. If the proposer is a national firm, it must disclose the above information for its region and all material judgments and pending or expected litigation on a nation-wide basis. If the proposer has had a contract terminated for default during the past five (5) years, all such incidents must be described. The audit firm must not have a record of substandard work. The City will verify this requirement by communication with the Oregon State Board of Accountancy.
7. **Use of Subcontractors** – State whether subcontractors will be used and provide the above information for each subcontractor.
8. **Audit Approach** - Describe staffing level that will be assigned to the City of Rainier’s field work. Outline a work plan and related time schedule for each significant segment of the work. Describe the organization of the audit team. Describe use of statistical sampling and use of computer and programs to assist in the audit process. Describe your policy on rotation of personnel to be assigned to the City the first year and each year thereafter.
9. **Use of City Personnel** - Describe how you would propose to use City personnel, if at all, to assist you during the audit and indicate the approximate time requirement.
10. **Reporting Deadlines** – Provide detailed information on how the audit firm proposes to meet the anticipated timelines and reporting deadline of the engagement.
11. **References** – Proposers must demonstrate successful past performance of the firm’s ability to provide services as set for in this specification. Proposers must detail five (5) references to document experience with at least three (3) of the references being governmental entities.

V. PRICE

Provide the firm's proposed all-inclusive audit fee and a statement regarding determination of increases in succeeding years should the contract be extended. Include the hourly rates for each staff employee classification, and any other fees associated with the completion of the audit. The auditing firm shall include in their auditing fee the following:

- The cost of providing (10) copies of the audit document and (1) PDF copy.
- Cost of conducting a single audit covering the City's Federal grants as required by the Single Audit Act and the Office of Management and Budget Circular A-133, if required (an additional fee may be charged for this service).

Any unusual conditions encountered during the course of the audit where services of the auditing firm must be extended beyond the normal work anticipated will require written notification to the Finance Administrator who will respond in writing concerning the additional services. Additional fees must be approved by the City Council.

VI. EVALUATION CRITERIA AND SELECTION PROCEDURE

A. EVALUATION CRITERIA

Proposals meeting the above minimum qualifications will be evaluated by the City using the following criteria:

	Maximum Points
1) Specialized experience in the type of work to be performed, specifically including work in a city of similar size.	(25)
2) Qualifications and experience of the staff assigned by proposer to perform these services.	(15)
3) Past experience of proposer and project team members with relevant county, state, and federal regulatory and funding agencies.	(10)

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| 4) | Quality of proposed scope of work, including the proposed management techniques and practices for City service needs. | (10) |
| 5) | Familiarity with the City and City locale. | (10) |
| 6) | Distance from City. | (10) |
| 7) | Availability and capability to perform the engineering services described in this RFP on an ongoing basis, including flexibility to perform services on projects of projects of widely varying sizes. | (15) |
| 8) | References. | (5) |

<u>Maximum Total Points</u>	<u>100</u>
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B. SELECTION

The City is using a qualifications based selection (QBS) process as mandated for contracts anticipated to exceed \$100,000 by ORS 279C.110. As a result, selection of the most qualified candidate will be made without regard to the price of the services. Only after selection of the most qualified candidate will the City and selected candidate enter into contract negotiations for the price of the services.

The evaluation committee will consist of 3 members. Each member shall complete an evaluation sheet ranking each qualified proposer against the weighted criteria set forth in Article III.B of this RFP. Completed evaluations shall be combined and tallied. The City reserves the right to interview one or more of the highest ranked candidates. Upon completion of its evaluation process, the evaluation committee shall provide the results of the scoring and ranking to the City Council, with an awardee recommendation.

If the Council does not cancel the RFP after receipt of the evaluation committee's scoring results and recommendation, the City will begin negotiating a contract with the highest ranking candidate. The City shall direct negotiations toward obtaining written agreement on the Engineer's performance obligations, a payment methodology that is fair and reasonable to the City, and any other provisions the City believes to be in the City's best interest to negotiate.

If the City and the selected candidate are unable for any reason to negotiate a contract at a compensation level that is reasonable and fair to the City, the City shall, either orally or in writing, formally terminate negotiations with the selected candidate. The City may then negotiate with the next most qualified candidate. The negotiation process may continue in this manner through successive candidates until an agreement is reached or the City terminates this RFP.

It is the desire of the City to have a new auditing contract in place no later than July 1, 2024.

C. CONTRACT

The City desires to enter into a professional services agreement in the form attached, which includes all services necessary for this position, whether or not the services are specifically outlined in this RFP.

The selected proposer will be expected to sign the attached written agreement, which will incorporate this RFP and awardee's proposal. Submittal of a proposal indicates a proposer's agreement with the terms of the attached contract. Any open terms in the attached contract will be completed, based upon awardee's proposal. Negotiations shall be limited to cost and any other terms the City chooses to negotiate, in City's sole discretion.

The City anticipates payment for services on an hourly basis. However, the City will also consider alternative proposals. The City reserves the right to negotiate a compensation package that is fair and reasonable to the City, as determined solely by City.

It is anticipated that the City of Rainier will enter into a one (1) year agreement, which thereafter may be extended upon written consent of both parties for additional three (3) year terms.

Any contract requires that awardee will comply with all applicable federal and state laws, rules and regulations. This solicitation is not an implied contract and may be modified or revoked without notice.

The City of Rainier is an Equal Opportunity/Affirmative Action
Employer

Women, Minorities and Disabled Persons are encouraged to apply

THIS SOLICITATION IS NOT AN IMPLIED CONTRACT AND
MAY BE MODIFIED OR REVOKED WITHOUT NOTICE.

VII. OTHER

Meetings and Progress Reports:

1. Pre-audit conferences with City Administrator will be held to discuss audit schedules, working paper requirements, and report deadlines, as well as the audit program. A written list of information to be provided by the City staff to the auditors should be provided at this time.
2. Progress report meetings will be held with key audit firm personnel and the City Administrator at regular intervals mutually agreed upon.
3. An exit conference is required with key audit firm personnel on completion of the preliminary draft report to inform the City Administrator of pertinent findings.
4. Formal report presentation by the Audit firm management will be required before the City Council upon completion of the final report.

Use of Audit

Ownership of the audit report belongs to the City of Rainier and it is expressly understood that publication of the audit, in whole or in part, or reference to the audit, will be at the sole discretion of the City.

Contract Termination

Either party may cancel the contract for an audit year by giving notice in writing to the other party at least ninety (90) days prior to July 1 of any year.