

REQUEST FOR PROPOSAL

Calhoun County is soliciting sealed proposals for audit services from qualified Certified Public Accountant (CPA) firms for fiscal years ending June 30, 2019 and June 30, 2020, with renewal available for fiscal year 2021 (June 30, 2021).

Three (3) copies of proposals must be submitted NOT LATER THAN 2:00 PM, March 22, 2019. Proposals may be mailed or delivered to:

Mr. Boyce Till
Procurement Director
Calhoun County
102 Courthouse Drive Ste. 112
St. Matthews, SC 29135

Please indicate on the envelope of the sealed bid that a "Proposal for Audit Services" is enclosed. The sealed bids will be opened promptly at 2:01 PM on March 22, 2019. Any proposals received after the specified time will not be considered. No consideration of bid award will be made at the time of the opening. Evaluation of each bid will be made as soon as possible with the award contingent upon approval of the Calhoun County Council no later than March 26, 2019.

Calhoun County reserves the right to accept or reject, any or all, responses as a result of this solicitation, to negotiate with all qualified vendors, or to cancel in part or in its entirety this solicitation if it is in the best interest of the County.

All proposals will be treated as public information unless it is specifically requested that portions of the bid be treated as trade secrets under the Freedom of Information Act. These trade secrets must be clearly marked.

Any questions relating to this proposal must be submitted in writing to Ms. Denise Christmas, CGFO (email is acceptable to dchristmas@calhouncounty.sc.gov) through Tuesday, March 19, 2019. Questions and answers will be supplied to all bidders upon request.

Fiscal years 2019 and 2020 are the years to be audited under this contract. The proposal should cover the fiscal years ending June 30, 2019, June 30, 2020 and June 30, 2021 (if renewal is desired) with fees established for each of the three years.

The contract may be canceled at any time by the County in the event the audit contract has been violated or the quality of the audit is unacceptable.

In the case of duplicate, similar or equal proposals, the decision of Calhoun County Council will be final.

This solicitation does not commit the County to award a contract, to pay any costs incurred in preparation of a proposal, nor to procure any services that may be offered.

RFP OBJECTIVES

While specific requirements are provided within the respective sections of this document, the County's overall objectives for this RFP are to:

- 1) Select a firm that can provide an annual audit of all governmental and proprietary funds of the County, including a single audit of federal awards (at least for the 2019 fiscal year.)
- 2) Complete the audit in a timely manner in accordance with statutory-required deadlines as outlined by the State of South Carolina.
- 3) Establish optimal pricing while obtaining the most complete audit.

SECTION I

A) General Requirements

- 1) The County requires an audit of all County funds to include governmental and proprietary funds as well as a special purpose district. Revenues for fiscal year 2018 were:

Fund	Amount
General Fund	\$11,738,357
Special Revenue Fund	\$779,759
Debt Service Funds	\$541,817
School Building Fund	\$573,290
Proprietary Funds	\$1,476,000
Fiduciary Fund	\$11,639,365

- 2) The County requires a financial and compliance audit. Specifically, the reporting method will be the "single audit concept" as detailed in the U.S. Office of Management and Budget (OMB) Uniform Grant Guidance (2 CFR Part 200). The County does not require a CAFR, only basic annual financial reports.
- 3) The proposal should address the fiscal years ending June 30, 2019, June 30, 2020 and the renewal option for June 30, 2021 if so desired.

B) Description of Calhoun County

Background

Calhoun County is the third smallest county in South Carolina. There are approximately 14,700 residents. The County's budgets include disbursements of over \$15 million annually, including payroll for its 150+ employees.

Financial Information

The primary sources of funding for the County are local funding through property taxes, funding provided by the State of South Carolina, and funding provided by the federal government.

The County has several major governmental funds consisting of the General Fund, Special Revenue Fund (divided between Special Revenue – Grants and Special Revenue), Capital Projects Fund and Debt Service Fund. There is also a component unit of the county, the Sandy Run Fire District, in

which a separate audit will need to be performed for the same years requested in this RFP. Please include a separate proposal/cost for this component unit.

C) Report Requirements

- 1) The audit work must be performed in accordance with generally accepted auditing standards as established by the American Institute of Certified Public Accountants and generally accepted government auditing standards as established by the United States General Accounting Office Comptroller General of the United States.
- 2) An opinion on compliance with applicable regulations must be rendered as discussed in the SDE's *Audit Guide*.

D) Time Considerations

- 1) All proposals must be submitted to Calhoun County no later than 2:00 PM, Friday March 22, 2019.
- 2) The County may elect to interview representatives from selected firms.
- 3) The contract should be awarded no later than March 26, 2019.
- 4) The County's financial statements are available on our website www.calhouncounty.sc.gov under "financials"
- 5) Not later than December 1st, a preliminary report in draft format must be delivered to the CFO for review by County staff.
- 6) The auditor will be expected to make a presentation of the audit report to County Council.
- 7) During the on-site field work, periodic briefings shall be held with the CFO (schedule to be established with the audit supervisor).
- 8) Ten hard copies and an electronic version of the final report must be delivered to the CFO no later than December 31.

E) Contractual Arrangements

- 1) The 2018-2019 fiscal year is the year to be audited under this contract. The County's fiscal year begins July 1st and ends June 30th.
- 2) The contract covers up to two years, with an additional one year option. The audits will cover fiscal years from July 1, 2018 to June 30, 2019, from July 1, 2019 to June 30, 2020, and if opted from July 1, 2020 to June 30, 2021.

SECTION II

The following outline suggests how the proposal should be organized to include all information called for in the Request For Proposal.

A) Title Page

Show the RFP subject, name of firm, address, telephone number, name of contact person and the date.

B) Table of Contents

Include a clear identification of the material by section and page number.

C) Letter of Transmittal (limit of one to two pages):

- 1) Briefly state your understanding of the requested services and make a positive statement of your firm's ability, willingness and technical competence to perform such services.
- 2) List the person or persons who are authorized to make presentations for your firm, their titles, addresses, phone numbers and e-mail addresses.
- 3) State an all-inclusive fee for which the work will be done.

D) Profile of the firm:

- 1) State whether your firm is local, regional or national.
- 2) Give the location of your office from which the work is to be done and the number of partners, managers, supervisors, seniors and other professional staff employed at that office.

E) Summary of proposer's qualifications:

- 1) Identify the partner and supervisors who will work on the audit. Resumes for each supervisory person to be assigned to the audit should be included.
- 2) Describe the firm's recent audit experience, if any, with public sector clients, especially South Carolina counties.
- 3) Describe the firm's experience and success with the certificate programs of GFOA. Include the name of the governmental entity, date of certificate, contact person at the governmental entity, and their contact information.
- 4) If other auditors are to participate in the audit, information on those auditors must be provided.

F) Scope Section:

Clearly describe the scope of the required services to be provided. Since the requested services include both an examination of the financial statements and compliance with applicable laws and regulations, define the scope of the services to be provided in terms of the matters discussed in the following subsections:

- 1) *Financial Audit.* State whether the examination will be made in accordance with generally accepted auditing standards.
- 2) *Compliance Audit.* State that in accordance with generally accepted auditing standards, the proposer will select the necessary procedures to test compliance and express an opinion regarding compliance with specified laws, regulations, and contracts.

G) Approach to the examination:

Submit a work plan to accomplish the scope defined in Section II – F of these guidelines. The work plan should include time estimates for each significant segment of the work and staff level to be assigned. Where possible, individual staff members should be named and their titles provided. The planned use of specialists should be clearly stated. The audit work plan should demonstrate the auditor's understanding of the audit requirements.

H) Compensation:

- 1) Estimate the total hours, estimated out-of-pocket costs, and the resulting all-inclusive maximum fees for which the requested work will be done. State the hourly rate to be charged for each staff classification. Fees for subsequent years should be included with a firm not-to-exceed amount.
- 2) List the average hourly rate of the firm. Adjustments may be negotiated for changes in South Carolina or federal requirements or for services in addition to the base audit. These adjustments will be billed at the average hourly rate proposed by the firm. Additional services will be approved by the CFO prior to the performance of the services.

I) Additional Information:

Provide answers to the following questions:

- 1) What are the advantages of using your accounting firm?
- 2) What is the range of management and other consulting services you can offer without affecting your independence?
- 3) What type of support services and information consultation can your firm provide?
- 4) When was your firm last peer reviewed, and what was the nature of the report rendered?
- 5) Does your firm have a record of substandard work?
- 6) How can your firm help the County improve its financial performance?

All offerors must visibly mark as "Confidential" each part of their proposal which they consider to contain proprietary information.

SECTION III

Evaluation of Proposals. The County reserves the right to reject any and all proposals submitted and/or to request additional information from proposers. The award will be made to the firm which, in the opinion of the County, is the best qualified.

Evaluation considerations will include the following:

A) Mandatory Criteria

- 1) Affirm the proposer is a properly licensed certified public accountant, or a licensed public accountant who was licensed on or before December 1, 1970.
- 2) Affirm that the proposer meets the independence standards of the GAO's *Government Auditing Standards, Standards for Auditing of Governmental Organizations, Programs, Activities, and Functions (as revised)* by the Comptroller General of the United States.
- 3) Affirm that the proposer does not discriminate in employment of persons upon the basis of race, color, creed, national origin, sex, age, or physical handicap.
- 4) Affirm that the proposer does not have a record of substandard work.
- 5) Affirm that the audit will be completed by December 1st.
- 6) Provide a copy of the most recent peer review report.

B) Technical Factors

Responses to the proposal must clearly state an understanding of the work to be performed. As a result, evaluators will consider:

- 1) Comprehensiveness of audit work plan.
- 2) Reasonableness of time estimates.
- 3) Location of the firm and its branches.
- 4) Timeliness of expected completion.
- 5) Technical experience of the firm.
- 6) Qualifications of the staff.
- 7) Experience with South Carolina counties' and single audit reports.
- 8) Cost – while not a sole factor, cost will be given more importance when all other factors are relatively equal. Any offer that is unclear as to the total annual cost per year to the County will be rejected.

SECTION IV

Contractual Arrangements. The proposal must specify the maximum fee applicable to the audit (for both the county-wide audit as well as said component unit listed herein) of the financial statements for each of the two years under consideration, with optional third year if desired.

An award letter will be issued by the County to the successful proposer. The award letter will specify the maximum fee to be paid by the County and by the Sandy Run Fire District, separately, for performance of the proposed audit as set forth in the successful proposal and will be for the fiscal year ended June 30, 2019.

The contract may be renewed for the succeeding fiscal years ending June 30, 2021.

Any expansion of services beyond the maximum fee of the audit must have the prior written approval of the CFO

SECTION V

Working Papers. Working papers shall be retained by the successful proposer for five (5) years. The working papers must be made available for examination by representatives of the State Treasurer's Office, the State Auditor's Offices and other county auditors. In addition, the successful proposer must make all working papers physically available at the audit site to the auditor who audits the subsequent contract period.