

**CALHOUN COUNTY
SUBMITTING BIDS/PROPOSALS
INSTRUCTIONS**

Vendors submitting a bid/proposal to Calhoun County **must follow these 3 steps:**

1. **Register as a vendor** with the County by means of this link:

<http://www.calhouncountymi.gov/vendors/registration>

After completing a brief company profile, you be asked to categorize the product(s) and/or services you provide. For this project, register (at a minimum) under this code: **946.20**. Completing this registration will add you to the County's vendor database. Once registration is complete, you can be assured of receiving emailed notice of all addenda or questions/answers pertaining to this project, and of future solicitations within your category(s) of commodity/services.

If already registered, review your on-line profile and revise to current information.

2. **Download the bid document** by accessing the following link:

http://www.calhouncountymi.gov/government/administrative_services/bid_opportunities

3. **Register your intent to bid** on this project at the site of the above link. (Registration of intent does not need to occur at the time of the document download.) Should you elect not to submit a bid after registering your intent to bid, notify the Purchasing Office of your change in status at: lobrig@calhouncountymi.gov

**VENDORS ARE ENCOURAGED TO REGISTER WITH THE COUNTY
UPON RECEIPT OF THIS SOLICITATION**

**CALHOUN COUNTY
REQUEST FOR PROPOSAL
CALHOUN COUNTY ADMINISTRATOR'S OFFICE
PURCHASING DIVISION
(269) 781-0981**

ISSUE DATE: *WEDNESDAY, AUGUST 28, 2019*

DUE DATE: *WEDNESDAY, SEPTEMBER 18, 2019*

PROJECT: *AUDITING SERVICES - RFP#114-19*

This Request for Proposal with all pages, documents, and attachments contained herein or subsequently added or made a part hereof, submitted as a fully and properly executed proposal, shall constitute a contract between the County of Calhoun and the successful and most responsible bidder, as determined by the County when approved and accepted by the County of Calhoun.

PART I - INSTRUCTIONS, TERMS, & CONDITIONS

1.1 PROPOSAL SUBMISSION:

Proposals must be submitted in complete original form by mail or by messenger in a sealed envelope/packet to the following address:

CALHOUN COUNTY BUILDING
ADMINISTRATOR'S OFFICE, PURCHASING DIVISION
315 WEST GREEN STREET
MARSHALL, MI 49068

All proposals received shall be noted as such on the outside of the envelope:

PROPOSAL: *AUDITING SERVICES - RFP#114-19*

DUE DATE: *WEDNESDAY, SEPTEMBER 18, 2019; 3:00 PM (Local Time)*

1.2 CIVIL RIGHTS COMPLIANCE

The Contractor agrees to abide by the provisions of the Elliott-Larsen Civil Rights Act, as amended, being sections 37.2101 et seq. of the Michigan Compiled Laws, and the Michigan Persons with Disabilities Civil Rights Act, as amended, being sections 37.1101 et seq. of the Michigan Compiled Laws, and specifically agrees and covenants not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex, height, weight, marital status, or a handicap that is unrelated to the individual's ability to perform the duties of a particular job or position. A breach of this covenant shall be regarded as a material breach of the contract.

1.3 LEGAL STATUS OF BIDDER

The bidder shall indicate the legal status of the business firm by filling in the appropriate section below and by striking out the two nonapplicable sections.

1.3.1 An INDIVIDUAL whose signature is affixed to this contract doing business under the name of:

REGISTRATION NUMBER: _____

1.3.2 A PARTNERSHIP doing business under the firm name of:

All of the members of which are as follows:

NAME _____ ADDRESS

REGISTRATION NUMBER: _____

1.3.3 A CORPORATION duly organized and doing business under the laws of the

State of _____

REGISTRATION NUMBER: _____

1.4 INSTRUCTIONS FOR EXECUTING CONTRACT

1.4.1 If the bidder is an INDIVIDUAL, the trade name, if applicable, shall be indicated in the contract signed by such individual. If signed by any one other than the bidder, there shall be attached to the contract a duly authenticated Power-of-Attorney, evidencing the signer's authority to execute such a contract for and in behalf of the individual.

1.4.2 If the bidder is operating as a PARTNERSHIP, each partner shall sign the contract. If the contract is not signed by each partner, there shall be attached to the contract a duly authenticated Power-of-Attorney evidencing the signer's or signers' authority to sign such contract for and in behalf of the partnership.

1.4.3 If the bidder is a CORPORATION the Certificate of Authorization for Contract Execution (attached) shall be completed in full.

1.5 INDEMNIFICATION AND HOLD HARMLESS

To the fullest extent permitted by law, the contractor agrees to defend, pay on behalf of, indemnify, and hold harmless Calhoun County, its elected and appointed officials, employees, and volunteers, and others working on behalf of Calhoun County against any and all claims, demands, suits, or loss, including all costs connected therewith, and for any damages which may be asserted, claimed, or recovered against or from Calhoun County, its elected and appointed officials, employees and volunteers, and others working on behalf of Calhoun County by reason of personal injury, including bodily injury or death and/or property damage, including loss of use thereof, which arises out of or is in any way connected or associated with this Contract. The Contractor will not be liable for any damages arising out of an act of negligence by the County, its elected and appointed officials, employees, and volunteers, and others working on its behalf.

1.6 RIGHTS AND REMEDIES

No provision in this document or in the Contractor's proposal shall be construed, expressly or by implication as a waiver by either party of any existing or future right and/or remedy available by law in the event of any claim or default or breach of contract. The failure of either party to insist upon the strict performance of any term or condition of the contract or to exercise or delay the exercise of any right or remedy provided in the contract, or by law, or the acceptance of materials or services, obligations imposed by this contract or by law, and shall not be deemed a waiver of any right of either party to insist upon the strict performance of the contract.

1.7 WARRANTIES

Contractor warrants that all material or service delivered under this contract shall conform to the specifications of this contract. Mere receipt of shipment of the material or service specified and any inspection incidental thereto by the County, shall not alter or affect the obligations of the Contractor or the rights of the County under the foregoing warranties. Additional warranty requirements may be set forth in this document.

1.8 INSURANCE REQUIREMENTS

The successful contractor shall not commence work under this contract until he/her has obtained the insurance required under this paragraph and provided copies to the Calhoun County Purchasing Department. All coverage shall be with insurance companies licensed and admitted to do business in the State of Michigan. All coverages shall be with insurance carriers acceptable to Calhoun County.

- 1.8.1 **Workers' Compensation Insurance:** The Contractor shall procure and maintain during the life of this contract, Workers' Compensation Insurance, including Employers' Liability Coverage, in accordance with all applicable statutes of the State of Michigan.
- 1.8.2 **Commercial General Liability Insurance:** The Contractor shall procure and maintain during the life of this contract, Commercial General Liability Insurance on an "Occurrence Basis" with limits of liability not less than \$ 500,000 per occurrence and/or aggregate combined single limit, Personal Injury, Bodily Injury, and Property Damage. Coverage shall include the following extensions: (A) Contractual Liability; (B) Products and Completed Operations; (C) Independent Contractors Coverage; (D) Broad Form General Liability Extensions or equivalent; (E) Deletion of all Explosion, Collapse, and Underground (XCU) Exclusions, if applicable.
- 1.8.3 **Motor Vehicle Liability:** The Contractor shall procure and maintain during the life of this contract Motor Vehicle Liability Insurance, including Michigan No-Fault Coverages, with limits of liability not less than \$ 500,000 per occurrence combined single limit, Bodily Injury, and Property Damage. Coverage shall include all owned vehicles, all non-owned vehicles, and all hired vehicles.
- 1.8.4 **Additional Insured:** Commercial General Liability and Motor Vehicle Liability Insurance, as described above, shall include and endorsement stating that the following shall be ***Additional Insureds:*** The Calhoun County, all elected and appointed officials, all employees and volunteers, all boards, commissions, and/or

authorities and board members, including employees and volunteers thereof.

1.8.5 **Cancellation Notice:** Workers' Compensation Insurance, Commercial General Liability Insurance, and Motor Vehicle Liability Insurance, as described above, shall include an endorsement stating the following: "It is understood and agreed that Thirty (30) days Advance Written Notice of Cancellation, Non-Renewal, Reduction, and/or Material Change shall be sent to: (Purchasing Department, Calhoun County, 315 West Green Street, Marshall, MI 49068).

1.8.6 If any of the above coverages expire during the term of this contract, the Contractor shall deliver renewal certificates and/or policies to Calhoun County at least ten (10) days prior to the expiration date. Include current certificates of insurances with your proposal. The successful contractor may be required to have the County added as an additional insured to their insurance policy.

1.9 TAXES

Except as may be otherwise provided in the RFP, the County is exempt from Federal Excise and State Sales Tax, and such taxes shall not be included in the bid process. Federal Exemption Certificates will be furnished if so requested.

1.10 GRATUITIES

The County may, by written notice to the Contractor, cancel this contract if it is found that gratuities, in the form of entertainment, gifts or otherwise, were offered or given by the contractor or any agent or representative of the Contractor, to any officer or employee of the County amending, or making any determinations with respect to the performing of such contract.

1.11 INDEPENDENT SERVICE COST DETERMINATION BY CONTRACTOR

By submission of a proposal, the prospective contractor certifies that in connection with the proposal:

1.11.1 The proposed service cost was determined independently, without consultation, communication, or agreement for the purpose of restricting competition.

1.11.2 The service cost quoted in the proposal has not nor will be knowingly disclosed by the prospective contractor to anyone prior to the contract award.

1.11.3 No attempt has been made or will be made to induce other individuals or firms to submit or not submit a proposal.

1.11.4 Each person signing the proposal certifies that he/she is authorized to bind the contractor to its provisions.

1.12 DISCLOSURE

1.12.1 All information in proposals received is subject to disclosure under the provisions of MCL 15.231 et seq., known as the "Freedom of Information Act". This Act also provides for the complete disclosure of contracts and attachments thereto.

1.12.2 If a person believes that any portion of a proposal, bid, offer, specification, protest or correspondence contains information that should be withheld, then the Purchasing Department should be so advised in writing (price is not confidential and will not be withheld). The County shall review all requests for confidentiality and provide a written determination. If the confidential request is denied, such information shall be disclosed as public information.

1.13 CONTRACT NEGOTIATIONS

At the completion of the evaluation process, the County may enter into discussions with the offeror finalist(s) determined to be reasonably susceptible to being selected for award, to identify any needed revisions to the original proposal. Best and final offers may be requested of each of the finalists, or after careful consideration, the offeror that gives the most advantageous proposal may be recommended for award. In the event only one proposal is received, the County may require that the offeror submit a cost proposal in sufficient detail for the County to perform a cost/price analysis to determine if the contract price is fair and reasonable. Award shall be made by the Purchasing Department to the offeror whose proposal is most advantageous to the County.

1.14 CONTRACT

The contract shall be based upon the Request for Proposal issued by the County and the offer submitted by the Contractor in response to the Request for Proposal. The offer shall substantially conform to the terms, conditions, specifications and other requirements set forth within the text of the Request for Proposal. The County reserves the right to clarify any contractual terms with the concurrence of the Contractor; however, any substantial non-conformity in the offer, as determined by the County, shall be deemed non-responsive and the offer rejected. The contract shall contain the entire agreement between the County and the Contractor relating to this requirement and shall prevail over any and all previous agreements, contracts, proposals, negotiations, purchase orders, or master agreements in any form.

1.15 AWARD OF CONTRACTS

UPON NOTICE OF INTENT TO AWARD: The apparent successful offeror shall sign and file with the County, within ten (10) days after receiving a fully executed Offer and Acceptance form (if included in the RFP), all documents necessary to the successful execution of the contract.

1.15.1 The contract will be awarded to the most responsible bidder whose proposal conforming to this solicitation will be most advantageous to the County; price and other factors considered.

1.15.2 The County reserves the right to accept or reject any or all proposals and to waive informalities and irregularities in proposals or bidding procedures, and to accept any proposal determined by the County to be in the best interests of the County, even though not the lowest proposal.

1.15.3 The County reserves the right to postpone the proposal opening for its own convenience.

1.15.4 The County reserves the right to reissue the request for proposal.

1.15.5 NON-EXCLUSIVE CONTRACT: Any contract resulting from this solicitation shall be awarded with the understanding and agreement that it is for the sole convenience of Calhoun County. The County reserves the right to obtain like goods or services from another source when necessary.

1.16 PRIME CONTRACTOR RESPONSIBILITIES - SUBCONTRACTING

The selected contractor will be required to assume responsibility for all services offered in the proposal whether or not parts of the contract are subcontracted. Further, the County will consider the selected contractor to be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the contract. If any part of the work is to be subcontracted, the prime contractor must provide complete description of work subcontracted and descriptive information about subcontractors' organization and capabilities. The contractor is totally responsible for adherence by the subcontractor to all provisions of the contract.

1.17 INDEPENDENT CONTRACTOR

1.17.1 It is clearly understood that each party shall act in its individual capacity and not as an agent, employee, partner, joint venturer, or associate of the other. An employee or agent of one party shall not be deemed or construed to be the employee or agent of the other party for any purpose whatsoever.

1.17.2 Contractor shall not be entitled to compensation in the form of salaries, or to paid vacation or sick days by the County, and that such days do not accumulate for the

use of same at a later date.

1.17.3 The County will not provide any insurance coverage to Contractor, including Workmen's Compensation coverage. The Contractor is advised that taxes or social security payments shall not be withheld from a County payment issued hereunder and that Contractor should make arrangements to directly pay such expenses, if any.

1.18 NON-ASSIGNMENT

The contractor may not assign, subcontract, or otherwise transfer this agreement without the express prior written approval of the Calhoun County Purchasing Department.

1.19 SUBCONTRACTS

No subcontract shall be entered into by the Contractor with any other party to furnish any of the material/service specified herein without the advance written approval of the County. All subcontracts shall comply with Federal and State laws and regulations which are applicable to the services covered by the subcontract and shall include all the terms and conditions set forth herein which shall apply with equal force to the subcontract, as if the subcontractor were the Contractor referred to herein. The Contractor is responsible for contract performance whether or not subcontractors are used. The County shall not unreasonably withhold approval and shall notify the Contractor of the County's position within 15 days of receipt of written notice by the Contractor.

1.20 ASSIGNMENT - DELEGATION

No right or interest in this contract shall be assigned by the contractor without prior written permission of the County, and no delegation of any duty of Contractor shall be made without prior written permission of the County. The County shall not unreasonably withhold approval and shall notify the contractor of the County's position within 15 days of receipt of written notice by the Contractor.

1.21 CONTRACT PAYMENT

Payment for the proper performance of services under a contract entered into as a result of this RFP shall be commensurate with the scheduled progress of the work and shall be made upon receipt of a detailed invoice for payment. A separate invoice shall be issued for each shipment of material or service performed, and no payment shall be issued prior to receipt of material or service and correct invoice.

1.22 LENGTH OF CONTRACT

The term of the contract shall be for a *Five (5) year period, with the possibility of two one-year extensions*, upon mutual agreement by both parties. The County reserves the right to delay the commencement of this contract for the purposes of allowing the County and/or the Contractor sufficient time to make the proper preparations and acclimation in anticipation of providing the services as referenced herein.

1.23 CANCELLATION

CANCELLATION OF CONTRACT by the County may be for; a) default by the contractor or b) lack of further need for the service or commodity at the location named in the contract. Default is defined as the failure of the contractor to fulfill the obligations of their quotation or contract. In case of default by the contractor, the County may cancel the contract immediately and procure the articles or services from other sources and hold the contractor responsible for any excess costs occasioned thereby. Either the contractor or the County may terminate this agreement with a 120 day written notification to the other party. In the event the County no longer needs the service or commodity specified in the contract due to relocation of offices, or lack of funding, the County may cancel the contract by giving the contractor written notice of such cancellation 30 days prior to the date of cancellation without penalty or fine.

1.24 EXCEPTIONS TO CONTRACT TERMS AND SPECIFICATIONS

The offeror shall clearly identify any proposed deviations from the contract terms or specifications in the Request for Proposal. Each exception must be clearly defined and referenced to the proper paragraph in this RFP. The exception shall include, at a minimum, the offeror's proposed substitute language and opinion as to why the suggested substitution will provide equivalent or better service and performance. If no exceptions are noted in the offeror's proposal, the County will assume complete conformance with this specification and the successful offeror will be required to perform accordingly.

1.25 EMPLOYMENT OF LOCAL LABOR

The County of Calhoun is committed to the use of local labor and will use this commitment as a factor in awarding this contract. The County of Calhoun requires, in writing and prior to the award of this contract, a written statement from the bidder regarding the vendor's plan to hire/or retain local labor residing in the County of Calhoun. This statement should be included with the vendor's original proposal documents.

PART II - GENERAL PROVISIONS

2.1 SUBMISSION OF PROPOSALS

- 2.1.1 One original and *three (3)* copies of each proposal should be submitted on the forms and in the format specified in the RFP. The original copy of the proposal should be clearly labeled “Original” and shall be unbound and single-sided. The County reserves the right to assess a copy charge to any vendor who does not submit the requested number of proposal copies, as well as additions to the proposal such as pamphlets, brochures, catalogs, etc. The material should be in sequence and related to the RFP. The County will not provide any reimbursement for the cost of developing or presenting proposals in response to this RFP. Failure to include the requested information may have a negative impact on the evaluation of the offeror’s proposal. Fancy bindings, colored displays, promotional material, etc., will not receive evaluation credit. Emphasis should be on completeness and clarity of content.
- 2.1.2 To be considered, bidders must submit a complete response to this RFP. No other distribution of RFP is to be made by this bidder. The proposal must be signed in ink by an official authorized to bind the contractor to its provisions. Proposals must remain valid for at least ninety (90) days from the opening date.

2.2 PREPARATION OF PROPOSALS

- 2.2.1 The proposal shall be legibly prepared in either ink or typed.
- 2.2.2 Should the bidder find it necessary to alter the Proposal/Contract, such alterations shall be crossed out with ink, and the correction entered. All alterations and/or corrections must also be initialed in ink and dated by the bidder.
- 2.2.3 The proposal shall be legally signed and the complete address of the bidder provided thereon.

2.3 ACCEPTANCE OF RFP CONTENT

It is the responsibility of all offerors to examine the entire Request for Proposal package and seek clarification of any requirement that may not be clear and to check all responses for accuracy before submitting a proposal. Negligence in preparing a proposal confers no right of withdrawal after due time and date. The contents of this RFP and the bidder’s

proposal will become contractual obligations, if a contract ensues. Failure of the successful bidder to accept these obligations may result in cancellation of the award.

2.4 INQUIRIES

- 2.4.1 Any significant explanation desired by a proposer, regarding the meaning or interpretation of the Request for Proposal (RFP) and attachments, must be requested in writing and with sufficient time allowed for a reply to reach all prospective respondents before the submission of their proposal. Any information given to a prospective bidder concerning the RFP will be furnished to all prospective bidders as an amendment or an addendum to the RFP if such information would be of significance to uninformed bidders. The County shall make the sole determination as to the significance of the information. Oral explanation or instructions given before the award of the contract shall not be binding.
- 2.4.2 Questions that arise as a result of this RFP must be submitted in writing to the issuing office via E-MAIL/FAX by **WEDNESDAY, SEPTEMBER 4, 2019**. All questions and answers will be transmitted via E-MAIL to all potential bidders by **FRIDAY, SEPTEMBER 6, 2019**. Any correspondence related to a solicitation should refer to the appropriate Request for Proposal number, page and paragraph number. Questions must be addressed to:

Calhoun County Administration Office
Purchasing Division
315 West Green Street
Marshall, Michigan 49068
CONTACT: Leslie R. Obrig
E-MAIL: lobrig@calhouncountymi.gov

2.5 RESPONSIVE PROPOSAL

All pages and documents and the information requested herein, must be furnished completely in compliance with the instructions. The manner of submission is essential to permit prompt evaluation of all proposals on a fair and uniform basis. The County reserves the right to accept or reject any or all proposals and to waive informalities and irregularities in proposals or bidding procedures, and to accept any proposal determined by the County to be in the best interests of the County, even though not the lowest proposal. **Proposals shall remain vital for ninety (90) days from opening.**

2.6 LATE PROPOSALS

Any proposals received at the office herein designated after the exact time specified for receipt will not be considered. The prevailing clock shall be www.time.gov.

LATE PROPOSAL PACKETS WILL NOT BE CONSIDERED

2.7 ALTERNATE PROPOSALS

Bidders are cautioned that any alternate proposal, unless specifically requested; or, any changes, insertions, or omissions to the terms and conditions, specifications, or any other requirements for the RFP, may be considered non-responsive and at the option of the County, result in the rejection of the proposal. The respondent shall clearly identify any proposed deviations from the contract terms or specifications in the Request for Proposal. Each exception must be clearly defined and referenced to the proper paragraph in this RFP. The exception shall include, at a minimum, the bidder's proposed substitute language and opinion as to why the suggested substitution will provide equivalent or better service and performance. If no changes are noted County will assume vendor is in agreement.

2.8 WITHDRAWAL OF PROPOSAL

Proposals may be withdrawn prior to the exact time set for receipt of proposals in person by a proposer or the proposer's authorized representative, provided the representative's identity is made known and the representative signs a receipt for the proposal documents.

PART III - TECHNICAL SPECIFICATIONS

3.1 INTRODUCTION

- 3.1.1 The Calhoun County Board of Commissioners invites proposals from independent Certified Public Accountants to audit its General Purpose Financial Statements (hereinafter referred to as "financial statements"), in accordance with the provisions of the Single Audit Act of 1984 as amended in 1996 and Generally Accepted Auditing Standards (GAAS) as established by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

Proposals will be awarded for audits encompassing 5 fiscal years (commencing with the 2019 financial audit), with the possibility of two 1-year extensions

- 3.1.2 Calhoun County is located in the southwest region of Michigan's lower peninsula, approximately half way between Detroit and Chicago. The County has a population of 134,487 according to the US census bureau. The major cities are Battle Creek, Marshall and Albion. The County has a total annual payroll of approximately \$34,095,000 covering 650 full time employees.
- 3.1.3 The accounting and financial reporting functions are decentralized with much of the accounting activity taking place in the areas of the Finance Department, the Treasurer's Office, the Office of the Sheriff and the Public Health Department. The financial accounting (general ledger, expenditures, revenues, accounts payable, accounts receivable, payroll) is performed on a New World ERP network-based financial system. More detailed financial information is available upon request including: the CAFR for the year ended 2018, budget information, as well as financial policies and procedures. Proposers interested in reviewing prior year's audit reports, management letters, and CAFR should access Calhoun County's website via this link:

http://www.calhouncountymi.gov/government/countydepartments/finance/audits_and_financial_reports

or, for additional questions, contact: Jeryl Schoepke, Deputy Controller, (269)781.0971 or jschoepke@calhouncountymi.gov.

3.2 SCOPE OF ROUTINE SERVICES

In order to assist accounting firms in responding to this proposal, a scope of routine services are listed below. There may be minor instances where additional services from firms would be required; however, this would be on a limited basis. The services required are listed below:

- 3.2.1 Commencing with fiscal year ending December 31, 2019, conduct an annual financial audit and opinion letter of the general purpose financial statements of Calhoun County in conforming with generally accepted accounting principles as defined by the Governmental Accounting Standards Board (GASB), American Institute of Certified Public Accounting (AICPA), and accordingly, shall include such tests of the accounting records and other auditing procedures as necessary.
- 3.2.2 Preparation of the "Single Audit Report" in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, the standards for financial audits set forth in the U.S. General Accounting Office's Government Auditing Standards, the Provisions of the Single Audit Act of 1984 as amended in 1996, and the provisions of the U.S. Office of Management and Budget (OMB) Circular A-133, Audits of State and Local Governments and the generally accepted auditing standards prescribed by the State of Michigan Department of Treasury and any applicable Michigan Public Acts. Currently the County operates four (4) programs considered significant (over \$300,000) in award amount. These programs may require additional schedules of presentation. Overall, twenty-two (22) sources of Federal Assistance have been identified and cited.
- 3.2.3 The auditor must require all personnel adhere to the independence rules, regulations, interpretations and rulings of the American Institute of Certified Public Accountants (AICPA), the Governmental Accounting Standards Board (GASB), and State of Michigan Statutes.
- 3.2.4 The auditor will report to the County Administrator/Controller and provide them regular written progress reports. Progress reports submitted with progress billings will measure results against the auditors' work plan.
- 3.2.5 The auditor shall promptly report to the County any conditions, transactions, situations, or circumstances encountered which would impede or impair the proper conduct of the audit or which would seem to warrant a special investigation or report in more detail than that which is necessary to perform the scope of services required in this request for proposal.
- 3.2.6 Auditors shall be required to make an immediate written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the County Administrator/Controller and Corporation Counsel.

- 3.2.7 The auditor will be responsible for preparing the Comprehensive Annual Financial Report (CAFR) in accordance with Governmental Accounting and Financial Reporting Standards published and issued by GASB. The CAFR must meet all the eligibility requirements of the Governmental Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting Program.
- 3.2.8 The auditor shall determine and issue an opinion on whether the financial statements present fairly the financial position of the County at December 31, 2019, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.
- 3.2.9 The auditor shall determine and issue an opinion on whether the following systems are in substantial compliance with appropriate accounting and control standards:
 - 3.2.9.1 Investments
 - 3.2.9.2 Accounts Payable Processing
 - 3.2.9.3 Payroll
 - 3.2.9.4 Petty Cash
 - 3.2.9.5 Cash Receipts Processing
 - 3.2.9.6 Accounts Receivable Processing
 - 3.2.9.7 Fixed Assets
- 3.2.10 The auditor will prepare a management recommendation letter as required by the Codification of Statements on Auditing Standards (S.A.S.), AU Section 323. The auditor shall communicate in the management letter to County Administration and the County Board of Commissioners any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The auditor will also communicate to the County any opportunities to improve the economy and efficiency of the financial management practices of the County that came to the attention of the auditor during the course of the examination. Prior to issuance, the auditor shall review the proposed draft letter in its entirety with the County Administrator/Controller. Subsequent to issuance, the auditor may be required to review the final letter with the Board of Commissioners.
- 3.2.11 The auditor will be expected to make a presentation(s) to the Board of Commissioners as deemed appropriate.
- 3.2.12 The auditor shall maintain (at the auditor's expense) and guarantee access to all work papers (i.e. flow charts, audit memoranda, reports, financial statements, schedules, etc.) for a minimum of three years following the issuance of the related audit report.

Work papers will be made available, upon reasonable notice, for examination by authorized representatives of the County and cognizant federal and state audit agencies. In addition, the accounting 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.

- 3.2.13 The audit shall include an examination of the financial statements and the preparation of the required auditor's reports. The County funds and account groups (Governmental Funds, Proprietary Funds, Fiduciary Funds, etc.) are listed on informational *Attachment A*. The management of the County has identified the following component units for inclusion in Calhoun County's financial statements.

3.2.13.1 Calhoun County Water Resources

Note: Calhoun County Public Health and some other programs operate on a fiscal calendar which includes October 1 - September 30 but are included in the scope of the County audit.

Historically, the County has relied upon the independent external auditors to assist in the preparation of the financial statements, and intends for the awarded auditor to supply such assistance.

- 3.2.14 The Calhoun County Medical Care Facility, the Delinquent Tax Revolving Fund, and the Calhoun County Land Bank may be examined by other auditors whose reports will be furnished to Calhoun County for inclusion in the CAFR by the successful proposer.
- 3.2.15 In addition, the audit will include an examination of the financial statements of the Employee Retirement Systems including a defined contribution pension plan and defined benefit pension plans.
- 3.2.16 The selected firm shall take all steps necessary to safeguard any data, files, reports, or other information from loss, destruction or erasure. Any costs or expenses of replacing, or damages resulting from the loss of such data shall be borne by the contractor when such loss or damage occurred through its negligence.
- 3.2.17 Calhoun County anticipates that the implementation of GASB 83 - 87 will require additional effort by both County staff and the accounting firm. The County is prepared to work with the successful accounting firm to properly and efficiently implement the provisions of this statement
- 3.2.18 The Calhoun County Board of Commissioners dissolved the Calhoun County Road Commission, effective November 1, 2012, and created a new Road Department. The financial statements for the Road Department and Public Works funds are now incorporated into the governmental funds of the County. Therefore, the audit will include an examination of the financial statements of the Road Department and the

Public Works funds.

- 3.2.19 The auditor shall submit twenty (20) copies of the General Audit and twenty (20) copies of the single audit, as well as a copy of each in electronic format. Letters and accompanying opinions for the general audit shall be addressed to the Calhoun County Board of Commissioners.

3.3 CONTENTS OF PROPOSAL

Proposals shall have all request for information numbered and answered completely. The narrative portion and the materials presented in response to request for information shall be submitted in the same order as presented in this request for proposal.

- 3.3.1 Affirm and/or provide documentation for the mandatory elements noted in *Section 3.7.5*.
- 3.3.2 Description of firm and resources available to support audit engagements. State the location of the office from which the work is to be completed and the number of partners, managers, supervisors, seniors, and other professional staff employed at that office. Describe the full range of activities performed by the local office such as auditing, accounting, tax service, or management services.
- 3.3.3 Provide a list of the firm's past experience and performance on comparable government engagements including: name of organization, address, contact name and phone number.
- 3.3.4 List firm's experience with clients receiving the GFOA Certificate of Achievement.
- 3.3.5 Identify the supervisors who will work on the audit. Resumes including relevant experience and continuing education for each person assigned to the audit should be included.
- 3.3.6 Submit general work plan to accomplish the scope of work defined in the request for proposal. The work plan should include time estimates for each significant segment of the work and the staff level assigned.
- 3.3.7 Complete *Attachments B and C* ("*Non-Collusion Affidavit*" & "*Certificate for Contract Execution*").
- 3.3.8 Audit Price: Complete the schedule of professional fees on *Attachment D*. **No other form of pricing will be considered.**

3.4 DUE DATES

3.4.1 Audit work may commence for fiscal year ending December 31, 2019 as follows:

3.4.1.1 Interim work completed by County staff at mutually agreed upon date(s)

3.4.1.2 Preliminary General Ledger Closing - no later than February 28, 2020

3.4.2 Due dates of audit reports on General Purpose Financial Statements and review of CAFR for fiscal year ending December 31, 2019 are as follows:

3.4.2.1 Adjusting Journal Entries Proposed - submit to Deputy Controller for Management Recommendation Letters Draft - prepare on or before May 15, 2020.

3.4.2.2 CAFR Draft - prepare and exit on or before May 15, 2020.

3.4.2.3 Management Recommendation Letters Final - issue on or before June 12, 2020.

3.4.2.4 CAFR Final - issue on or before June 12, 2020.

3.4.3 Due dates in subsequent years are to be the same relative dates as listed for FY 2019.

3.5 COUNTY STAFF ASSISTANCE

3.5.1 The fiscal staff from the Finance Department will prepare statements and schedules for the auditors as determined at the initial organizational meeting with the awarded firm prior to the end of the fiscal year. The fiscal staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation and explanations.

3.5.2 The County will provide the auditor with reasonable work space, tables and chairs. The auditor will also be provided with access to the County financial system, telephone, photocopying facilities, facsimile equipment, and internet as needed to complete the audit.

3.6 TERM OF CONTRACT / AUDIT PERIOD

3.6.1 The proposal for audit services shall cover the following fiscal years:

3.6.1.1 January 1, 2019 to December 31, 2019

3.6.1.2 January 1, 2020 to December 31, 2020

3.6.1.3 January 1, 2021 to December 31, 2021

3.6.1.4 January 1, 2022 to December 31, 2022

3.6.1.5 January 1, 2023 to December 31, 2023

- 3.6.2 The County contemplates a five-year contract with the possibility of 2 one-year extensions, upon mutual agreement by both parties. The extension of the agreement is subject to the annual review and recommendation of County Administration, the satisfactory negotiations of terms (including a price acceptable to both the County and the selected firm), the concurrence of the County Board of Commissioners. Said renewal(s) shall be confirmed in writing, between the parties.
- 3.6.3 The County reserves the right to terminate the contract at any time, with 30 days prior written notice, if not satisfied with the quality of service provided or if the Proposer fails to fulfill any of the conditions of this RFP.
- 3.6.4 Prices quoted for the first one-year period must be firm for that period. In no case will a price increase be allowed prior to January 1, 2021.
- 3.6.5 Fixed prices or prices which are determinable, for the second, third, fourth, fifth and possible renewal years are requested. If it is not possible to state a fixed price, a specific formula by which prices will be determined in the second, third, fourth and fifth years should be shown and explained in detail sufficient to allow the County to make a clear quantitative comparison of audit services costs.
- 3.6.6 This agreement is subject to annual renewed fiscal funding. If the County fails to appropriate funds to provide for annual renewal the County may cancel without termination charge, provided that the successful proposer receives written notice at least 60 days prior to the effective date stating the lack of funds as the reason for termination.

3.7 PROPOSAL EVALUATION CRITERIA

- 3.7.1 It is the intent of Calhoun County to conduct a comprehensive, fair and impartial evaluation of the proposals received in response to this request for Proposal. Only firms meeting the mandatory criteria will have their proposals evaluated and scored. The proposal selected will be that response deemed most advantageous to Calhoun County, based on the following criteria presented in order of importance:
 - 3.7.2 Expertise and Experience
 - 3.7.2.1 The firm's past experience and performance on comparable government engagements.
 - 3.7.2.2 Experience with clients receiving the GFOA Certificate of Achievement
 - 3.7.3 Audit Approach
 - 3.7.3.1 The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be

available for technical consultation.

3.7.3.2 Adequacy of work plan including procedures and techniques to be applied.

3.7.4 Price

3.7.5 Mandatory Elements

3.7.5.1 The audit firm meets the independence standards of the GAO Government Auditing Standards and is a CPA licensed to practice in the State of Michigan

3.7.5.2 The audit firm's professional personnel have received adequate continuing professional education within the preceding two years.

3.7.5.3 The firm has no conflict of interest with regard to any work performed by the firm for the County of Calhoun.

3.7.5.4 The firm submits a copy of its most recent external quality control review report and which indicates that the firm has a record of quality audit work.

ATTACHMENT A

(INFORMATIONAL PURPOSES, ONLY)

FUND INFORMATION- CALHOUN COUNTY

CALHOUN COUNTY:

FUND TYPE	NUMBER OF FUNDS	FUNDS W/LEGALLY ADOPTED BUDGETS	BUDGET BALANCE
General Fund	1	1	\$45,046,767
Special Revenue	25	25	\$54,320,682
Debt Service	7	0	\$0
Enterprise Funds	1		
Internal Service	5		
Trust			
Agency	5		
Permanent	0		

ATTACHMENT B

NON-COLLUSION AFFIDAVIT

The bidder, by its officers and authorized agents or representatives present at the time of filing this proposal, being duly sworn on their oaths, say that neither they nor any of them have in any way, directly or indirectly, entered into any arrangement or agreement with any other bidder or with any public officer of such County of Calhoun, Michigan, whereby such affidavit or affiant or either of them has paid or is to pay to such other bidder or public officer any sum of money, or has given or is to give to such other bidder or public office anything of value whatsoever, or such affidavit or affiant or either of them has not directly or indirectly entered into any arrangement or agreement with any other bidder or bidders, which tends to or does lessen or destroy free competition in the letting of the contract sought for by the attached proposal, that no inducement of any form or character other than that which appears on the face of the proposal will be suggested, offered, paid or delivered to any person whomsoever to influence the acceptance of the proposal or awarding of the contract, nor has this bidder any agreement or understanding of any kind whatsoever, with any person whomsoever to pay, deliver to, or share with any other person in any way or manner, any of the proceeds of the contract sought by this proposal.

COMPANY: _____

BY: _____
(signature)

NAME: _____
(type or print)

TITLE: _____

DATE: _____

ATTACHMENT C

CERTIFICATE OF AUTHORIZATION FOR CONTRACT EXECUTION

This certificate shall be executed by some officer of the Corporation other than the one who signed the foregoing proposal. Before executing, please note the last paragraph of this certificate.

I, _____, certify that I am the _____ of
(Official Corporate Title)

the corporation named contractor herein: that _____ who signed the
foregoing proposal on behalf of said corporation was then _____ of said
corporation; that said proposal was duly signed for on behalf of said corporation by authority of
its governing body and is within the scope of its corporate powers.

SIGNED: _____

TITLE: _____

FIRM: _____

DATE: _____

INCLUDE CORPORATE SEAL OR NOTARIZE BELOW

In lieu of the foregoing certificate, there may be attached to the proposal a copy of that portion of the records of the corporation as will show the official corporate character and authority of the officer signing. Such copy shall be duly certified by the secretary or assistant secretary under the corporate seal to be true copies.

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