**CITY OF STURGIS, KENTUCKY**

**REQUEST FOR PROPOSAL**

**ANNUAL FINANCIAL AUDITING SERVICE**

**Issue Date:**

**September 4, 2024**

***City of Sturgis***

**106 West 6th Street**

**PO Box 98**

**Sturgis, KY 42459**

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**I. ADVERTISEMENT**

The City of Sturgis, Kentucky (“City”) invites proposals from qualified, competent, knowledgeable, and experienced certified public accountants to perform the city’s annual audit, issue opinions on the related financial statements and provide other auditing services as outlined in this Request for Proposal (“RFP”), in compliance with all applicable laws, regulations, policies and procedures. Companies submitting responses must be prepared to enter into an agreement (“Agreement”) for the provision of requested services as set forth in this RFP.

Issue Date: September 4, 2024

RFP Title: Annual Financial Auditing Service

Issuing Entity: City of Sturgis

 Mayor

 106 West 6th Street

 PO Box 98

 Sturgis, KY 42459

Contact: Sandra Germane

 City Clerk

 (270) 333-2166

 sandra.germane@cityofsturgisky.com

To obtain a copy of the full RFP, please contact Sandra Germane, or visit www.GRADD.com.

Proposals must be submitted in a sealed envelope plainly marked on the outside

**"SEALED PROPOSAL FOR ANNUAL FINANCIAL AUDITING SERVICE - DO NOT**

**OPEN WITH REGULAR MAIL."** Proposals will be time-stamped upon arrival.

**SEALED BIDS MUST BE MAILED OR PHYSICALLY DELIVERED TO:**

 **City of Sturgis**

 **106 West 6th Street**

 **PO Box 98**

 **Sturgis, KY 42459**

**RESPONSES MUST BE SUBMITTED BY: 10:00 a.m. Monday, September 23, 2024.**

Submissions received after this date and time will be considered non-responsive.

**REVIEW:** Pursuant to KRS 45A.370, the evaluation of Proposals shall be conducted using competitive negotiation. Any final award shall be based upon the criteria set forth below, and shall include the reciprocal preference for residential Respondents outlined in KRS 45A.494, where required. This RFP represents a competitive process, which is designed to facilitate an open and fair opportunity for qualified firms to offer their services for consideration. This process will provide the city with the flexibility to select the Firm whose proposal is deemed most advantageous to the city and to negotiate with such Firm to arrive at a mutually agreeable contract. The City Commission reserves the right to reject any and all proposals. All Proposals will be reviewed and scored in accordance with the evaluation criteria set forth herein.

II. **TIMELINE OF EVENTS**

|  |  |
| --- | --- |
| PROPOSAL SCHEDULE | DATE |
| Issuance of RFP | Wednesday, September 4, 2024 |
| Deadline for Submission | 10:00 a.m., Monday, September 23, 2024 |
| Sealed Bid Opening | 10:00 a.m., Monday, September 23, 2024 |
| Anticipated Award Date | Contingent upon City Council Approval6:00 p.m., Monday, October 7, 2024 |

III. **SCOPE OF WORK**

The City is seeking Proposals from qualified public accountant firms to perform and complete financial and compliance audit, of the financial statements of all governmental, proprietary and fiduciary funds of the City. The term of this agreement shall be limited to five (5) years with the option of two (2), singular year renewals, to be exercised at the sole discretion of the City. These audits are to be performed in accordance with Generally Accepted Auditing Standards (GAAS), 2 CFR 200 Subpart F, and KRS 91A.040.

1. Requirements and Deliverables.
	1. Qualifications. The Respondent shall meet, at the time the Respondent submits its Proposal and throughout the duration of the Contract, all the following minimum qualifications:
		1. The Respondent must be licensed to practice in Kentucky as a Certified Public Accountant (CPA) firm.
		2. The Respondent must be a member of the American Institute of Certified Public Accountants (AICPA) and must adhere to the AICPA professional standards of audit practices and conduct.
		3. The person whom the Respondent proposes to assign as manager or supervisor of the Respondent’s staff who will perform the audit must have at least two years’ experience managing audits of similar governmental units, and the Respondent must demonstrate that the person and staff members proposed to be assigned have assisted other governmental units in obtaining or retaining its Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA).
		4. The Respondent must demonstrate the capability to aid the City in ensuring that financial statements issued are in conformity with generally accepted accounting principles (GAAP) for local governments as determined by the governmental accounting and financial reporting standards issued by the Governmental Accounting Standards Board (GASB).
	2. **Periods to be Audited.** The City’s fiscal year begins on July 1st and ends on June 30th. The Respondent shall perform the auditing services for each of the following fiscal years:

1. Fiscal Year 2020 – July 1, 2019, through June 30, 2020

2. Fiscal Year 2021 – July 1, 2020, through June 30, 2021

3. Fiscal Year 2022 – July 1, 2021, through June 30, 2022

4. Fiscal Year 2023 – July 1, 2022, through June 30, 2023

5. Fiscal Year 2024 – July 1, 2023, through June 30, 2024

By submitting its Proposal, the Respondent warrants and covenants that, unless the City terminates the Agreement, the Respondent shall provide the services required under this Agreement for at least (3) three Engagement Periods without the need for the City to be subject to any client acceptance or reacceptance policies or procedures.

The City shall retain the sole option to renew these services for two (2), singular, consecutive years. Each renewal period shall be considered an independent election. All terms and conditions of the original request will apply to any exercised renewal option, unless both parties have consented to further negotiation of terms.

* 1. **Annual Comprehensive Financial Report (ACFR).** The financial statements of the City shall be audited in accordance with auditing standards generally accepted in the United States; the standards for financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States; and the specifications for ‘Annual and Biennial City Audits’ as required by KRS 91A.040. The audit will result in the rendering of the Respondent’s opinion on whether the financial statements prepared by management are fairly stated. If the Respondent’s opinion is other than unqualified, the Respondent shall furnish in writing to management, at the time the opinion is rendered, all reasons for qualifying the opinion, disclaiming the opinion, or rendering an adverse opinion. The report submitted by the Respondent must include an opinion on the supplementary information in relation to the basic financial statements taken as a whole and disclaimer statements related to the required supplementary information and the introduction and statistical sections included in the ACFR. The Respondent shall also perform additional procedures set forth in the applicable engagement letter regarding the supporting schedules of individual funds and discreetly presented component units.
1. The Respondent shall furnish a final copy of the Respondent’s report and recommendations to City’s management.
2. The Respondent is responsible for the preparation, editing and printing of the City’s ACFR.
3. The Respondent shall furnish (10) ten bound copies of the ACFR, and (1) digital copy of the report, to City management upon completion.
4. The Respondent shall present the ACFR to the City Commission, at a public session as required by KRS 91A.040(7)(e).
5. The City shall be responsible for submitting copies of the ACFR to the Commonwealth of Kentucky, Department for Local Government.
6. The Respondent shall be responsible for the preparation and submission of the Uniform Financial Information Report (UFIR) to the Commonwealth of Kentucky, Department for Local Government.
	1. **Single Audit Report.** The Respondent shall perform procedures with respect to the City’s major federal programs in accordance with provisions of 2 CFR 200 Subpart F, Audits Requirements, or any applicable federal requirement that replaces 2 CFR 200 Subpart F and OMB Circular A-133. The Respondent shall disclose in its report, or in the Schedule of Findings and Questioned Costs, all instances of noncompliance with the specific requirements for major federal award programs. If the Respondent discloses matters of noncompliance in the Schedule of Findings and Questioned Costs, the Respondent shall reference the Schedule in the report on compliance. The Respondent shall include a communication of all reportable conditions, as defined by the AICPA’s standards, affecting federal award programs in the report. The Respondent shall prepare appropriate sections of the data collection form related to the audit of federal programs.
7. The Respondent is responsible for the preparation, editing and printing of the Single Audit Report, as well as the upload to the federal clearinghouse.
8. The Respondent shall furnish (10) ten bound copies of the Single Audit Report, and (1) digital copy of the report, to the City upon completion.
9. The Respondent shall be required to present the Single Audit Report to the City Council.
	1. **Internal Controls.** The Respondent shall consider, test, and report on internal controls in accordance with auditing standards generally accepted in the United States, the Government Auditing Standards, and the Specifications for Audits of Counties, Cities and Towns. The Respondent shall prepare and deliver a detailed management letter of City issues with recommendations for improvement in internal controls, accounting systems, and procedures. The Respondent, upon completion of its examination and preparation of the necessary reports, shall submit a management letter of the findings on the system of internal control and related budgeting and operating procedures. The management letter shall also offer recommendations for improving administrative methods when considered by the Respondent to be appropriate and able to be documented within the scope of the audit. The Respondent shall issue this management letter under a separate cover to the City Clerk and Mayor.
	2. **Compliance Auditing.** The Respondent shall perform tests and report on compliance with provisions of laws, regulations, contracts, grant agreements, and similar requirements in accordance with auditing standards generally accepted in the United States, the Government Auditing Standards, and the specifications for ‘Annual and Biennial City Audits’ as required by KRS 91A.040. The provisions of KRS 91A.040(7) are incorporated into this Request for Proposals by reference and the terms thereof shall be included as requirements of the Agreement.
	3. **Standards of Conduct.** Should the circumstances disclosed by the audit call for more detailed investigation by the auditor than necessary under ordinary circumstances, the auditor shall inform the City in writing of the need for such additional investigation and the changed agreement shall comply with KRS 91A.040. Any evidence of fraud, such as misappropriation, misfeasance, malfeasance, embezzlement, defalcation or illegal acts shall be immediately reported to the City Attorney, Attorney General and the Auditor of Public Accounts of the Commonwealth of Kentucky.
10. **Engagement Requirements.**
	1. **Engagement Letters.** A contract for services shall be made by means of engagement letters in accordance with this section. Prior to the beginning of each Engagement Period, the Respondent shall submit to the City Mayor an engagement letter for review and execution. The engagement letter shall include a description of the general scope of the external auditing services to be provided for that Engagement Period and the fees for that Engagement Period.
	2. **Scheduling.** The Respondent shall prepare a general audit schedule which outlines anticipated dates for starting the engagement, completing specific components, post audit conference and presentation to the City Council. The Respondent shall prepare a schedule detailing specific tasks for City personnel to complete.
	3. **Meetings.** The Respondent shall be available to attend scheduled conferences, as requested, between the Respondent and the appropriate level of the City’s management before the preliminary work and throughout fieldwork. At a minimum this will include: a pre-audit conference with the City management, prior to the commencement of any work; a presentation at a public meeting to the City Council, as obligated by KRS 91A.040(7)(e); and a post-audit conference with City management. The purpose of these meetings is to keep the City’s management fully informed on the scope and progress of the audit. The City will give adequate advance notice when the City deems meetings necessary. The Respondent shall provide status reports of the audit at regularly scheduled status meetings with the City’s management. The Respondent shall confer with the City’s management for the purpose of reviewing the Respondent’s audit findings and recommendations prior to issuance of the reports and management letter. The Respondent shall also make its management personnel available to present the ACFR to the Board of Commissioners at a regularly scheduled public meeting and answer questions, if requested to do so.
	4. **Scheduling and Procedures.** Prior to the beginning of each audit, a separate audit planning conference between the City’s management and the Respondent shall be scheduled around April or May of each contract year. At this conference, the Respondent and the City’s management will develop a time schedule and administrative procedures to be observed for the engagement. The Respondent shall also provide the City’s management with a list of items that the Respondent requires for test work. The timing of such deliverables from the City’s management will be discussed at this conference.
	5. **Assistance and Training.** The Respondent shall provide all the following:
		1. Routing routine review and assistance of the financial statements and footnotes, Schedule of Expenditures of Federal Awards, Annual Comprehensive Financial Report, GFOA Certificate Applications, attendance at audit-related City Council meetings, and meetings with City officials and City staff as requested.
		2. Sixteen hours of advice, assistance and consultation on financial accounting, reporting, and operational issues to the City each year during the term of the Contract.
	6. **Timing of Deliverables.**
		1. The Respondent and the City will mutually agree upon the timing of deliverables during the negotiation process.
		2. If, during any engagement under the Agreement, the Respondent believes that any deliverable will not be provided by the deadline set forth in the Agreement, the Respondent shall provide the City’s management with written notice explaining the reasons therefor, no later than seven days before the deadline. No deadline may be modified such that the City fails to meet its obligations to the Commonwealth of Kentucky or the federal government.
11. **Supplemental Payment Terms.**
	1. **Invoices.** The Respondent shall itemize all billings to clearly show hourly rates and other costs by audit component. The Respondent shall invoice the City, and the City shall have (30) thirty days upon receipt of invoice to facilitate payment.
	2. **Pricing.** Respondent costs and fees shall be detailed in the attached ‘summary of audit costs’ worksheet and returned with the submission of their Proposal. The pricing listed on the worksheet for the first, (5) five-year engagement period will be binding on the Respondent. Pricing associated with the renewal terms shall be negotiated by the City and the Respondent as needed.
	3. **Additional Work.** The City may request that the agreement be modified to add additional work or deliverables if the City Mayor determines that such additional work or deliverable is necessary. The Respondent must provide the City with a detailed estimate of all costs and fees for the additional work or deliverable. The Respondent shall not commence any work before the appropriate City official has signed an engagement letter for the additional work or deliverable meeting the requirements of this Contract.
	4. **Access to work papers and other records.** The Respondent shall make available to any City representative, upon demand and with reasonable notice, all work papers and other records in its possession concerning work performed under this Request for the City. No charge shall be made for allowing the City’s representatives to examine such work papers and other records. If the City desires copies of any such work papers and records, the City shall pay only the actual cost to the Respondent in making such copies or having such copies made.
	5. **Respondent’s Personnel.** The Respondent’s primary contact for the City will be a single person identified in the Respondent’s Proposal. This primary contact will be responsible for the supervision of all personnel assigned by the Respondent to perform services under this Agreement. The Respondent shall ensure that an appropriate number of qualified personnel are always assigned to perform the work required such that the work will be completed by the deadlines set forth in this Request. The Respondent recognizes that the City will be awarding this agreement based, in part, on the qualifications of the personnel the Respondent identifies in its Proposal to assign to perform services pursuant to this Request. Prior to making any change in personnel assigned to the contract resulting from this Request for Proposals who are identified by the Respondent in its Proposal, the Respondent shall provide the City Clerk with 30 days’ advance, written notice. In providing such notice, the Respondent shall provide a current résumé for the Respondent’s proposed replacement individual. The City Clerk reserves the right to review the qualifications and references for the identified replacement to ensure that the individual’s experience and knowledge level will not degrade the level of service otherwise provided under this contract. In addition to the foregoing, the City may request rotating managers, partners, or supervisors, or any of them, during the initial term and any subsequent renewal of the Agreement.

**IV. PROPOSAL FORMAT**

Proposals shall consist of one (1) signed original and one (1) copy, submitted in a sealed package plainly marked **"SEALED PROPOSAL FOR ANNUAL FINANCIAL AUDITING SERVICE- DO NOT OPEN WITH REGULAR MAIL."**

The purpose of the Proposal is to demonstrate the qualifications, competence, and capacity of the firms seeking to undertake an independent audit of the City in conformance with the requirements of this Request. As such, the substance of Proposals will carry more weight than their form or manner of presentation. Proposal should be prepared simply and economically; although additional data may be presented, the following subjects must be included, as they represent the criteria against which the proposal will be evaluated:

* 1. **Firm Information.** Include the firm name, size, address of office responding, telephone number, contact person with title and email address, and historic information on establishment including parent company, if applicable. State local presence in the region, if any, and indicate the office location(s) where the majority of the work will be performed.
	2. **Independence.** The Respondent should provide an affirmative statement that all personnel materially contributing to the services outlined in this Request are independent of the City.
	3. **Qualifications.** Provide all of the following information: the types of services offered; the firm’s in-house capabilities; and those services which are typically subcontracted to outside firms; the number of professional CPA’s on staff who have worked on audits of a similar nature. Respondent shall include an affirmative statement indicating that the Respondent’s firm and key staff are properly licensed to practice in Kentucky.
	4. **Experience.** Provide a summary table listing representative audits completed by the firm within the last five years. List the experience with implementing GAAP, Generally Accepted Auditing Standards (GAAS) and Generally Accepted Government Auditing Standards (GAGAS).
	5. **Specific Audit Approach.** The proposal should set forth a work plan (including an explanation of audit methodology to be followed) to perform the services required in Section III of this Request for Proposal.
	6. **References.** Respondent shall provide a complete list of references, including contact person, telephone number and email address, for governmental auditing accounts. Respondent shall include a minimum of (3) three references and a maximum of (7) seven references that can attest to the firm’s work based on a similar nature and scope. Kentucky based references are preferred. If a firm has provided similar services to a Kentucky client, they must include that firm within their list of references.
	7. **Personnel.** Provide the names of the key people who would be available and proposed for assignment on the audit. Include a biography in a standard format, providing title, length of time with the firm, previous employment and total years of experience, professional registrations, awards, and a brief summary of related experience. Each biography should not exceed two (2) pages.
	8. **Quality Assurance and Quality Control Procedures.** Provide a description of the techniques used by the firm to provide quality control and assurance. Include most recent peer review report and details on the results of any professional organization, federal or state desk reviews or field reviews of the Respondent’s audits during the past three (3) years.
	9. **Cost.** Respondent shall complete the attached ‘summary of audit costs,’ worksheet and include the completed worksheet, inclusive of coordinating documentation, with their Proposal submission. Costs and fees associated with the requested five (5) year, original, term of the contract will be binding. Pricing associated with the renewal terms shall be negotiated by the City and the Contractor, as needed.
	10. **Notice of Deviation.** If Applicable. Deviations from the requested service terms listed below must be expressly disclosed. Responses failing to meet all of the specifications will not necessarily be rejected, but any deviations must be clearly noted to be considered.

**V. EVAULATION PROCEDURES**

1. **Mandatory Criteria.** The City will only consider proposals from Respondents who:
	1. Can demonstrate a proven history of successfully and reliably providing similar services, and products, to similar entities.
	2. Are not involved in any adverse claims against the City and are not delinquent in their financial obligations to the City.
	3. Demonstrates that it meets all legal, regulatory, and licensing requirements related to the services requested.
2. **Evaluation Criteria.** Respondents meeting the mandatory criteria will have their Proposals evaluated and scored based on the below criteria, with consideration of the preference for residential bidders as prescribed in KRS 45A.495 (where required). The terms of KRS 45A.490 - 45A.494 are specifically incorporated herein by reference.

|  |  |
| --- | --- |
| Criteria | Points |
| Experience and Qualifications of Firm | 35 points |
| Qualifications, capacity and experience of assigned personnel. | 40 points |
| Degree of accessibility of Respondent to City staff. | 5 points |
| Pricing/ Fees. | 20 points |
| **Total** | **100 points** |

1. **Respondent Questions.** City shall answer any questions that Respondents may have prior to the submission deadline. All questions should be submitted in writing by electronic mail directly to Sandra Germane, City Clerk, at sandra.germane@cityofsturgisky.com. It is each Respondent’s responsibility to read this RFP in its entirety, and fully acquaint themselves with the scope of services outlined herein. The failure of the Respondent to do the foregoing does not relieve the Respondent from any obligation with respect to the bid Proposal submitted. If any Respondent is in doubt as to the true meaning of any part of the specifications, the Respondent should submit a written request for an interpretation.
2. **Oral Presentations.** Unless the City determines in writing that written or oral discussions need not be conducted in accordance with 45A.370(3), written or oral discussions will be conducted with any responsible Respondents who submit a Proposal determined in writing to be reasonably susceptible of being selected for award. Such presentations will provide firms with an opportunity to give a brief presentation of their proposal and answer any questions the City may have re: their response(s). Not all firms may be asked to make such oral presentations.
3. **Award.** Award shall be made to the responsible Respondent whose Proposal is determined in writing to be the most advantageous to the City based upon the evaluation factors set forth herein, and the reciprocal preference for resident bidders required by KRS 45A.494.
4. **Negotiation of Award**. After the City makes a final determination, the Awardee and the City will negotiate and execute a final agreement prior to the commencement date. Failure by any Respondent to timely respond or come to terms with the City will be cause for a rejection of the Proposal.

**VI. GENERAL TERMS AND CONDITIONS**

1. The City is a Kentucky Home Rule class City, incorporated in 1890. The executive and legislative authority is vested in the City Council, which consists of the Mayor and five Commissioners. The Mayor is the chief administrative officer of the City and is responsible for day-to-day operations. The Mayor is assisted by the various department heads and City staff, including a City Clerk, Fire Chief, and Director of Public Works.
2. **Proposal Guarantee/Award Procedure.** It is anticipated that a recommendation for award for this Proposal will be made no more than thirty (30) days after the Proposal due date. All interested parties are required to guarantee their Proposals as an irrevocable offer valid for ninety (90) days after the Proposal due date. The City in its sole and absolute discretion shall have the right to award a Proposal for any or all items/services listed in each Proposal, shall have the right to reject any and all Proposals as it deems to be in its best interest, to waive formalities and reasonable irregularities in submitted documents, shall not be bound to accept the lowest Proposal, and shall be allowed to accept the total Proposal of any one vendor.
3. **Revisions.** If it becomes necessary to revise any part of this Request, a written addendum will be made available to the public via publication on the City’s website, www.gradd.com. The City is not bound by any oral representations, clarifications, or changes made by any City employee, unless such clarification or change is provided to all Respondents via written addendum from an authorized representative of the City and posted on the City’s website.
4. **Anti-Discrimination Statement.** The City prohibits discrimination of any kind or manner. The city shall operate in compliance with the Civil Rights Act of 1964, designated as Part 8 of Subtitle A of Title 15 of the Code of Federal Regulations which prohibits discrimination on the basis of race, religion, age, or sex; and the Equal Employment Opportunity Act of 1964, designated as Title 7 of the Code of Federal Regulations, which prohibits discrimination on the basis of race, color, religion, sex, or national origin in the employment of individuals. The Bidder shall additionally be required to comply with the anti- discrimination and affirmative action requirements for Respondents contained in KRS 45.570.
5. **References and Experience.** All interested parties are required to submit with their Proposal a comprehensive list of references. Interested parties should provide a minimum of three (3) references from entity(ies) where they have provided similar or related services. References shall need to include at a minimum: company name, address, telephone number and contact person. Responding parties agree to authorize the City to verify references provided, to determine quality and manner of previous work performed.
6. **Compliance with Laws.** All Respondents shall observe and comply with all regulations, laws, and ordinances of local, state, and federal governments as they apply to this Request for Proposal and the scope of work. This requirement includes that the Respondent must be duly authorized to practice and must be properly registered to do business with the Secretary of State in the Commonwealth of Kentucky.
7. **Deviations from Specifications.** Any deviations from the requested specifications or the terms and conditions of this Request, must be clearly stated in your Proposal. Any significant limitation in scope or manner of proposed work, restrictive conditions, etc., should be clearly disclosed. Responses failing to meet all the specifications will not necessarily be rejected, but any deviations must be clearly noted to be considered.
8. **Terms of Proposal.** The City requests to view applicable pricing information for the full scope of the products and/or services contemplated by this RFP from qualified vendors who can provide and meet all specified requirements of this Proposal for an initial five (5) year period with the option of two (2) single-year renewals to be exercised at the City’s sole discretion. The potential contract term is not to exceed seven (7) years.
9. **Subcontracting.** The City is seeking responses from full-service providers. The requirements of this Proposal shall not be subcontracted to other agents, absent express written agreement from the City permitting such assignment.
10. **Insurance Requirements**
	1. Policies, Coverages, and Endorsements. Respondent agrees to maintain, at its sole cost and expense, the below insurance policies in accordance with the minimum coverages and limits listed herein.
		1. Commercial General Liability Insurance.

(1) Each Occurrence $1,000,000

(2) General Aggregate $2,000,000

* + 1. Professional Liability Insurance. Insurance providing coverage for (i) claims arising from the errors or omissions of the Respondent or its sub-Respondents; and (ii) the negligence or failure to render a professional service by the Respondent or its sub-Respondents. The insurance policy should provide coverage in the amount of $1,000,000 each occurrence and $1,000,000 annual aggregate. The policy must provide for the protection of professional work for two (2) years after completion of the work.
		2. Worker’s Compensation Insurance. Responses to this Proposal will serve as an affirmation that Respondents are in compliance with the Commonwealth of Kentucky’s requirements for Worker’s Compensation Insurance, KRS Chapter 342. Should Respondent receive an award of contract and enter into an agreement with the City, the Respondent confirms their ongoing compliance with KRS Chapter 342 throughout the lifetime of their agreement with the City.
	1. **Subrogation.** Respondent agrees to a waiver of subrogation to the effect that the issuer waives any claim or right in the nature of subrogation to recover against the City, its officers, agents, and employees. An endorsement should be furnished to the City upon request, and prior to an award of service.
	2. **Proof of Insurance.** Respondent should include a copy of a valid Certification of Insurance (COI), which will be used to verify the insurance requirements listed herein. After ‘Notice of Award,’ and prior to contract execution, any Respondent, or Subrespondent, performing on-site work at any City location shall be required to name the ‘City of Sturgis, KY’ as an ‘Additional Insured,’ on a valid Certificate of Insurance (COI) for the original policy, and all renewals or replacements during the term of the agreement.
	3. **Cancellation.** All aforementioned policies, specifically worker’s compensation and general commercial liability, shall be endorsed to provide thirty (30) days advanced written notice to the City of cancellation, nonrenewal, or any reduction in coverage. Mailed to: City Clerk, 106 West 6th Street, Sturgis, KY 42459.
1. **Occupational License.** Respondent shall acquire, or demonstrate prior acquisition of, a City of Sturgis Occupational/Business Regulatory Licenses prior to commencing the Work. Respondent shall also ensure that any SubRespondent(s) has acquired all licenses necessary to do business in the City of Sturgis.
2. **Indemnification.** Respondent shall agree to indemnify and hold harmless the City and its directors, officers, employees and agents from all suits, actions, claims or cost of any character, type or description brought or made on account of any loss, expense, liability, damage, claim, including but not limited to personal injury and/or death sustained by any person(s) or property arising out of the acts or negligence of the Respondent, the Respondent’s personnel, its agents, and employees, occurring during the performance of its duties. Respondent shall defend City, its officers, agents, and employees (i) against any suit, proceeding, claims for losses, costs, damages, or expenses including, without limitation, charges for personal injury, death or property damage that arise out of any and all acts or omissions of employees or agents Respondent in connection with the services; and (ii) shall pay all damages, costs, and expenses in connection with such actions, including City’s attorneys’ fees.
3. **Non-Compliance with Proposal.** It is understood and agreed upon by all parties, in the event of an award of contract, if said contract fails to meet the terms and conditions accepted by the City as specified in this Request for Proposal, and any prior agreements leading up to contract, then the City shall at its sole option have the right to:
	* 1. Cancel the contract in its entirety, OR
		2. Require the vendor to provide the services as stated in this Proposal at the proposed price.
4. **Response Request Disclaimer.** This Request for Proposal does not commit the City to enter into a contract or award any services in relation to this specific document, nor does it obligate the City to pay any costs incurred in preparation or submission of a Proposal or in anticipation of a contract.
5. **Affidavits.** Each Respondent must complete and submit with their response the attached ‘Non-Collusion Affidavit,’ ‘Campaign-Finance Affidavit,’ and the ‘Certification Against Conflicts of Interest, Gratuities, and Kickbacks.’
6. **Claims against the City.** In consideration of the right to respond to this RFP, Respondent, waives any claim, liability or expense whatsoever against the City and its Staff, Commissioners, and agents by reason of any or all of the following: any aspect of this RFP, the evaluation process, the selection process, or any part thereof, any informalities or defects in the administration of this solicitation, the failure to enter into an agreement, any statements, representations, acts or omissions of the City or its agents.
7. **Governing Law.** This solicitation and any agreement resulting from this solicitation shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky. Any dispute arising under this solicitation shall be resolved in a court of competent jurisdiction in Union County, Kentucky.
8. **Competitive Negotiations.** It is the intent of the City that this RFP is conducted according to the competitive negotiation procedures set forth in KRS 45A.370. It shall be the Vendor's responsibility to advise the City if any language, requirements, etc. or any combination thereof, inadvertently restricts or limits the requirements stated in this Proposal to a single source. Such notification must be submitted in writing and must be received no later than three (3) days after the opening date.
9. **Public Information Notice.** All Proposals submitted to the City will be used solely for the purpose of evaluating the Proposal for a possible award. The City retains the right to provide copies of received Proposals and associated materials to its staff, legal, technical, and financial advisors and representatives. Respondents should take care not to provide any confidential information, trade secrets or other intellectual property, that they do not want to be received by City staff. Please note that all information submitted for review may be subject to the Kentucky Open Records Act and may be made available upon request by the public. Respondents should identify any confidential, proprietary information, or trade secrets and provide justification as to why the disclosure of the records would permit an unfair commercial advantage to the Respondent’s competitor.
10. **Audit of Records.** The Successful Respondent shall maintain books and records relating to this proposal and agreement for a period of five (5) years from the date of final payment under the contract in accordance with KRS 45A.410. Respondent acknowledge that the terms of 45A.410 regarding inspection of books, records, and the place of business of successful Respondent shall apply to the contract for the work.
11. **Independent Contractor.** The relationship of the Successful Respondent and City established by the resulting contract shall be one of independent Respondents. Respondent agrees that it shall be considered an independent Respondent and that there is no employment relationship created between Respondent and City, or between Respondent’s employees, agents, and subcontractors and City. Respondent and its employees, agents and Respondents performing services hereunder shall not be entitled to any employee benefits of City.

**Summary of Audit Costs Worksheet**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **FY20**\*binding | **FY21**\*binding | **FY22**\*binding | **FY23**\*binding | **FY24**\*binding |
| Base Audit Fee:Includes all personnel cost,travel, on-site work, materialsand supplies, etc. |  |  |  |  |  |
| ACFR Presentation: |  |  |  |  |  |
| Single Audit Report Preparation: |  |  |  |  |  |
| Other Costs: (define any other reimbursable expenditures) |  |  |  |  |  |
| **Total Cost:** |  |  |  |  |  |

‘Total Costs’ should represent the total cost of all services to be delivered, with a breakdown of costs associated with major phases/ deliverables of the Request.

**Please provide the following information on a separate page, to be included in the response to the RFP.**

**Personnel Costs**

Itemize the following for each category of personnel (partner, manager, senior, staff accountant, clerical, etc.) with the different rates per hour.

* 1. Estimated Hours – categorize estimated hours into the following: on-site interim work, year-end on-site work, and work performed in the auditor’s office.
	2. Rate per hour.

Please note, should the City seek out additional auditing services under this contract the hourly rates listed within the Respondent’s returned Proposal will be binding for the first five (5) year term of the agreement.

**Travel**

Itemize any travel costs Respondent would be seeking from the City, in the execution of this Request.

**Materials & Supplies**

Itemize any material and supply costs Respondent would be seeking to be reimbursed by the City.

**Other Costs**

Itemize any additional costs Respondent may seek reimbursement from the City during the execution of the contract. If applicable, note the method of determining increases in audit costs on a year-to-year basis.

**NON-COLLUSION AFFIDAVIT OF SUBMITTER**

STATE OF \_\_\_\_\_\_\_\_\_\_\_\_\_\_:

COUNTY OF \_\_\_\_\_\_\_\_\_\_\_:

­­­\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ being first duly sworn, deposes and says that he/she is

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Sole Owner/Partner/President/Secretary/Other Title)

of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, who on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_,

(Name of Submitter) (Date Submitted)

submitted to a proposal as set forth in the attached copy; that all statements of fact in such proposal are true; that such proposal was not made in the interest of or on behalf of any undisclosed person, partnership, company, association, organization, or corporation; that such proposal is genuine and not collusive or sham; that said bidder has not directly or indirectly, by agreement, communication of conference with anyone attempting to induce action prejudicial to the interests of the public body which is to award the contract, or of any other submitter or anyone else interested in the proposed contract; and further, that prior to the public opening and reading of proposals, said submitter,

* 1. did not directly or indirectly, induce or solicit anyone else to submit a false or sham proposal;
	2. did not directly or indirectly, collude, conspire, connive, or agree with anyone else that said submitter or anyone else would submit a false or sham proposal, or that anyone should refrain from bidding or withdraw his proposal;
	3. did not, in any manner, directly or indirectly, seek by agreement, communication or conference with anyone to raise or fix the bid price of said submitter or of anyone else, or to raise or fix any overhead, profit or cost element of his proposal price, or that of anyone else;
	4. did not, directly or indirectly, submit his bid price or any breakdown thereof, or the contents thereof, or divulge information or data relative thereto, to any corporation, partnership, company, association, organization, bid depository, or to any member or agent thereof, or to any individual or group of individuals, except to the awarding authority or to any person or persons who have a partnership of other financial interest with said submitter in his business; and
	5. did not include in his bid price any fees, dues, charges, or assessments because required to do so by reason of his membership in or affiliation with any association, organization, corporation, partnership, company, individual or group of individuals, or because of any agreement or understanding with anyone that he would do so.

**Signed: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_.

 (SEAL OF NOTARY HERE)

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Notary Public in and for

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 My commission expires \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

**CAMPAIGN FINANCE AFFIDAVIT OF SUBMITTER**

STATE OF \_\_\_\_\_\_\_\_\_\_\_\_\_\_:

COUNTY OF \_\_\_\_\_\_\_\_\_\_\_:

­­­\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ being first duly sworn, deposes and says that he/she is

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Sole Owner/Partner/President/Secretary/Other Title)

of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, who on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_,

(Name of Submitter) (Date Submitted)

submitted to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ a bid as set forth in the attached copy; that bidder has not knowingly violated any provision of the campaign finance laws of the Commonwealth and the award of a contract to the submitter would not violate any provision of the campaign finance laws of the Commonwealth.

**Signed: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_.

 (SEAL OF NOTARY HERE)

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Notary Public in and for

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 My commission expires \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

**CERTIFICATION AGAINST CONFLICTS OF INTEREST, GRATUITIES AND KICKBACKS**

Respondent certifies its understanding and compliance with KRS 45A.455, which states:

1. It shall be a breach of ethical standards for any employee with procurement authority to participate directly in any proceeding or application; request for ruling or other determination; claim or controversy; or other matter pertaining to any contract, or subcontract, and any solicitation or proposal therefor, in which to his/her knowledge:
	1. He/she, or any member of his immediate family has a financial interest therein; or
	2. A business or organization in which he/she or any member of his/her immediate family has a financial interest as an officer, director, trustee, partner, or employee, is a party; or
	3. Any other person, business, or organization with whom he/she or any member of his/her immediate family is negotiating or has an arrangement concerning prospective employment is a party. Direct or indirect participation shall include but not be limited to involvement through decision, approval, disapproval, recommendation, preparation of any part of a purchase request, influencing the content of any specification or purchase standard, rendering of advice, investigation, auditing, or in any other advisory capacity.
2. It shall be a breach of ethical standards for any person to offer, give, or agree to give any employee or former employee, or for any employee or former employee to solicit, demand, accept, or agree to accept from another person, a gratuity or an offer of employment, in connection with any decision, approval, disapproval, recommendation, preparation of any part of a purchase request, influencing the content of any specification or purchase standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any proceeding or application, request for ruling or other determination, claim or controversy, or other particular matter, pertaining to any contract or subcontract and any solicitation or proposal therefor.
3. It is a breach of ethical standards for any payment, gratuity, or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime Respondent or higher tier sub-Respondent or any person associated therewith, as an inducement for the award of a subcontract or order.
4. The prohibition against conflicts of interest and gratuities and kickbacks shall be conspicuously set forth in every local public agency written contract and solicitation therefor.
5. It shall be a breach of ethical standards for any public employee or former employee knowingly to use confidential information for his actual or anticipated personal gain, or the actual or anticipated personal gain of any other person.

*By signing the below, Respondent certifies its ongoing adherence and understanding of the above.*

Name \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Title \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signature \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_