



FARMINGTON CITY CORPORATION

REQUEST FOR PROPOSAL

Farmington City

Financial Auditing Services

March, 2022

Prepared by the Farmington City Finance and Administration Department

FARMINGTON CITY

Financial Auditing Services

2022

REQUEST FOR PROPOSAL

1. Project: Farmington City financial audit
2. Project Description: Conduct a financial audit of Farmington City's basic financial statements for three (3) fiscal years beginning with fiscal year 2021-2022, including single audits when required. The contract will include a two (2) year optional extension.
3. Location: Farmington City Hall and all necessary Farmington City facilities
4. Project Management:

Greg Davis, Finance Director
160 S. Main, P.O. Box 160
Farmington, UT 84025
(801) 939-9204
gdavis@farmington.utah.gov

Shannon Harper, City Treasurer
160 S. Main, P.O. Box 160
Farmington, UT 84025
(801) 939-9207
sharper@farmington.utah.gov

5. **Proposal Due Date: 10:00 AM on Monday, April 25, 2022.**
6. Type of Proposal Required: paper or electronic submission in accordance with the attached guidelines
7. The audit firm will be selected in accordance with the attached guidelines.

NOTICE OF SERVICES

Farmington City Corporation is requesting proposals from a qualified consulting firm to conduct a financial audit of Farmington City's basic financial statements for three (3) fiscal years beginning with fiscal year 2021-2022. The contract will include a two (2) year optional extension.

Proposal packets are available and may be obtained through Farmington City Finance and Administrative Services, 160 s. Main, Farmington, UT 84025, or by downloading from the Farmington City website at <http://www.farmington.utah.gov/online-services/request-for-proposals/>. Candidates are responsible for securing and all addenda issued.

Responses to this Request for Proposal shall be submitted by paper to the Office of the Finance Director, 160 S. Main, Farmington, UT 84025 or electronic submission **no later than 10:00 AM on Monday, April 25, 2022.**
LATE PROPOSALS WILL NOT BE ACCEPTED.

The City reserves the right to accept or reject any proposal as it best serves its convenience and/or is found to be in the best interest of the City. The City reserves the right to issue contracts to multiple vendors. Farmington City encourages and welcomes bids from women and minority owned businesses.

Dated this 25th day of March, 2022.



Farmington City Corporation,

Greg Davis

Finance Director

FARMINGTON CITY CORPORATION

Financial Auditing Services

2022

REQUEST FOR PROPOSAL

I. Introduction

Farmington City desires to enter into a three (3) year Professional Services Agreement with a qualified independent certified public accountant (hereafter called the "Auditor") to perform a financial audit including single audits when required, of Farmington City's basic financial statement for the fiscal years ending on June 30th, 2022, 2023, and 2024.

II. Additional Information

1. Farmington City, located along the Wasatch front in Davis County, is a regional center for local government. Incorporated in 1847, the City operates its own police, fire, emergency services, streets, parks, cemetery, community arts center, gymnasium, outdoor swimming pool, and recreation programs. The City also operates its own water and storm water utilities. It also accounts for sewer, garbage, and transportation utilities largely using contracts to provide the services.
2. Farmington City operates within State law and is governed using a six (6) member council form of government, one of whom is the mayor. Other than certain exceptions, the mayor is a nonvoting member of the city council. The city has an estimated population of 25,000 and approximately 130 full-time equivalent employees as of June 30, 2021.
3. The City operates on a fiscal calendar year beginning July 1 and ending June 30 of each year.
4. The adopted budgets for fiscal year 2022 are as follows:

FUND LISTING OF BUDGETS BY TRANSACTION TYPE - FY22 ADOPTED

Revenues and sources are shown as negatives (credits)

FY22 Budget (Original)	Column Labels				
	REVENUE	EXPENDITURES	FUND BALANCE CHANGE	TRANSFERS	Grand Total
GENERAL FUND (Operations & Class C Roads)	(13,702,778)	11,979,569	(1,032,847)	2,756,056	-
SPECIAL REVENUE (RDA) FUNDS	(695,000)	196,142	1,328,858	(830,000)	-
#20 FARMINGTON RDA FUND	(181,000)	191,142	819,858	(830,000)	-
#22 FARMINGTON STATION PARK RDA	(514,000)	5,000	509,000	-	-
DEBT SERVICE FUNDS (FOR GENERAL FUND)	(1,156,000)	1,133,666	(67,666)	90,000	-
#30 RAP TAX BOND	(483,000)	390,960	2,040	90,000	-
#31 POLICE SALES TAX BOND 2009	(3,000)	72,706	(69,706)	-	-
#34 2007, 2009 BLDGS G.O. BOND	(258,000)	258,000	-	-	-
#35 2015 G.O. PARK BOND	(412,000)	412,000	-	-	-
CAPITAL PROJECTS, VEHICLES, EQUIP FOR GF	(5,254,500)	16,188,858	(9,901,358)	(1,033,000)	-
#37 GOVT BUILDINGS IMPROV/OTHER	(52,500)	292,088	(229,588)	(10,000)	-
#38 CAPITAL STREET IMPROVEMENTS	(4,714,000)	12,444,630	(7,730,630)	-	-
#39 CAPITAL EQUIPMENT FUND	(2,000)	1,415,000	-	(1,413,000)	-
#40 REAL ESTATE PROP. ASSET FUND	(22,000)	1,570,000	(2,028,000)	480,000	-
#42 PARK IMPROVEMENT FUND	(422,000)	410,468	101,532	(90,000)	-
#43 CAPITAL FIRE FUND	(42,000)	56,672	(14,672)	-	-
PERMANENT FUND	(11,500)	-	11,500	-	-
#48 CEMETERY PERPETUAL FUND	(11,500)	-	11,500	-	-
ENTERPRISE FUNDS - UTILITIES	(9,766,400)	13,002,973	-	30,000	3,266,573
#51 WATER FUND	(4,073,400)	4,990,647	-	-	917,247
#52 SEWER FUND	(2,170,000)	2,100,069	-	-	(69,931)
#53 GARBAGE FUND	(1,625,000)	1,636,933	-	-	11,933
#54 STORM WATER FUND	(1,235,000)	3,612,324	-	30,000	2,407,324
#56 TRANSPORTATION UTILITY FUND	(663,000)	663,000	-	-	-
ENTERPRISE FUND - AMBULANCE	(542,000)	441,630	-	-	(100,370)
ENTERPRISE FUNDS - RECREATION	(1,037,535)	2,050,591	-	(1,013,056)	-
Grand Total	(32,165,713)	44,993,429	(9,661,513)	-	3,166,203

5. The process by which an Auditor is chosen will begin with competitive bids.
6. The Auditor must have experience in municipal auditing.
7. The Auditor must have a local office in Salt Lake, Davis, or Weber County.
8. The contract term will be for three (3) years with a two (2) year optional extension. The extension is at the sole discretion of the City Council.

III. Scope of Work

1. General Conditions

Auditor shall be registered with the Utah State Division of Corporations and Commercial Code if doing business under an assumed name, i.e. an Individual, Association, Partnership, Corporation or as otherwise required by state law.

2. Responsibilities of the Auditor include

- a. Express an opinion as to whether Farmington City's basic financial statements are fairly presented and in conformity with generally accepted accounting principles.
- b. Test and report on the fairness of the required supplemental information.
- c. Test and report on internal controls related to the financial statements and compliance with laws, regulations, contracts or grant agreements.
- d. Report on internal controls related to major programs and provide an opinion on compliance with laws, regulations, contracts or grant agreements in accordance with the Single Audit act and OMB Circular A-133, in years when required.
- e. Conduct audit in accordance with generally accepted auditing standards established by the Auditing Standards Board; the standards for financial audits contained in Government Auditing Standards, the Single Audit Act, and the provisions of OMB Circular A-133.
- f. Prepare and provide copies of the Single Audit Report in years where required.
- g. Plan and conduct the audit in a way as to provide reasonable assurance of about whether the financial statements are free of material misstatement(s).
- h. Test evidence supporting the amounts and disclosures in the financial statements.
- i. Conduct tests of documentary evidence supporting the transactions recorded in the accounts
- j. Conduct tests of the City's physical inventories.
- k. Confirm receivables and certain other assets and liabilities by correspondence with selected funding sources, creditors and financial institutions.
- l. Supervise all study work as required by and in accordance with established auditing guidelines and principals and governmental standards.
- m. Gain an understanding of the City and its financial environment, including internal controls.
- n. Complete all field work, testing and reporting in order to meet the State filing deadline of December 31 of each year. The work must be submitted for acceptance and review by the City Council.

IV. Response to Request for Proposal

Company Information

1. The City will accept proposals from firms that are capable of providing all of the work described in the above Scope of Work. Candidates shall include qualifications for work set forth in the Scope of Work for which it proposes to provide services.
2. Each Proposal must include, as a minimum, the following information:
 - a. Name, address, email and telephone number of company submitting the proposal.
 - i. Include the name and contact information of the person designated as the firm's representative.
 - b. Evidence of Insurability.
 - c. A description of the firm's experience and capability of fulfilling this contract if awarded, including a description of the proposed approach to the financial audit as it relates to the scope of work
 - d. A proposed work plan, outlined by task.
 - e. A detailed breakdown of the proposed costs and timeframes to complete the project. Additional details relating to all charges such as meetings, telephone calls, printing and travel are required. Offered prices shall include the price for each year of service, including any escalation for subsequent years
 - f. Company history with biographies and/or resumes for principal contacts.
 - g. A list of 3 references. Include project dates, scope, summary of work performed, and contact information.
 - h. The names of any outside consultants and/or subcontractors to be utilized, including contact information and a brief description of their role(s) in the project.
 - i. A non-discrimination clause that affirms the candidate does not discriminate against any individual because of race, religion, sex, color, age, handicap, or national origin and that these shall not be a factor in consideration for employment.

Proposals are to be no longer than 10 pages. Double-sided pages count as two pages.

Contractual Arrangements

1. Audit programs, work papers, and reports must be retained for a period of three (3) years after the completion of the audit and made available for inspection by Farmington City or government auditors if requested by them.
2. Progress payments may be made during the audit period based upon the percentage of work completed. Final payment for the audit will be made upon receipt of the audit reports required herein this request.
3. City staff will be available to prepare schedules and supporting documentation to assist the auditor during the course of the audit.

Being selected and entering into an agreement does not guarantee contractor will be extended any specific amount of work.

V. Evaluation of Proposals

1. Proposals will be evaluated in accordance with the following criteria:
 - a. The professional competence, experience, qualifications, and financial ability of the Candidate.
 - b. Experience in municipal auditing, including Single Audit and OMB Circular A-133.
 - c. Understanding of Farmington's form of municipal government.
 - d. Geographic location of key personnel & responsible office.
 - e. Size and structure of the audit firm, considering the scope of the audit.
 - f. The Candidate's willingness to accept the terms and conditions outlined herein.
 - g. Total cost to the City.
 - h. Ability to communicate effectively with City Administration and City Council.
 - i. Willingness to perform in an informal advisory capacity to the City Council.
 - j. Quality of the work plan submitted by the Candidate.
 - k. The experience, education and training of personnel as it relates to financial audits.
 - l. The proposed schedule for completion of the required audits.
 - m. Availability of the firm for ongoing assistance and additional types of professional services.
 - n. Comments from references.
2. Following evaluation by the Finance Department, City Administration will make a recommendation to the City Council. The decision of the City Council concerning the selected Auditor will be final. All proposals in response to this RFP will be evaluated in a manner consistent with the Farmington City Policies and Procedures.
3. In the initial phase of the proposal evaluation process, the evaluation committee will review all proposals timely received. Non-responsive proposals (those received after the deadline or not conforming to RFP requirements) will be eliminated. The remaining proposals will be evaluated in a cursory manner to eliminate from further consideration those proposals which in the judgment of the evaluation committee fail to offer sufficient and substantive provisions to warrant further consideration. Each bidder bears sole responsibility for the items included or not included in the response submitted by that bidder. The City reserves the right to disqualify any proposal that includes significant deviations or exceptions to the terms, conditions and/or specifications in this RFP.
4. At the conclusion of this initial evaluation phase, finalist proposals will be selected for detailed review and evaluation. The City may require an in-person presentation by a bidder to supplement their written proposal.

VI. Additional Information- General Terms & Conditions

1. Qualified respondents shall be licensed to work in the State of Utah for this type of work, shall meet Farmington City's insurance and bonding requirements, and have experience with all work defined in the scope of work.
2. For projects that are security-sensitive in nature, Farmington City reserves the right to conduct a criminal background check of each person who will be providing services in response to this RFP. If requested, Contractor shall submit a BCI Criminal History Report dated within 30 days of response to RFP for each employee who will be on-site, that shows "Criminal History Verified" and has Arrest History attachments. Employees who have any convictions on their BCI record may be subject to further review and approval by Farmington City. Farmington City may reject any response to this RFP that involves services from a person or entity that Farmington City determines is unfit or unqualified to fulfill the requirements of this RFP.
3. All work must meet current industry standards including all Federal, State and local rules and regulations.
4. The City reserves the right to request clarification of information submitted, and to request additional information from any proposer.
5. Farmington City will make every effort to ensure all candidates are treated fairly and equally throughout the entire advertisement, review and selection process. The procedures established herein are designed to give all parties reasonable access to the same basic information.
6. Cost of Developing Proposals - All costs related to the preparation of proposals and any related activities are the sole responsibility of the candidate. Farmington City assumes no liability for any costs incurred by candidates throughout the entire selection process.
7. Proposal Ownership – Once submitted, all proposals, including attachments, supplementary materials, addenda, etc. become the property of Farmington City and will not be returned to the candidate.
8. Conflict of Interest – No member, officer, or employee of Farmington City, during his or her tenure shall have any interest, direct or indirect, in this contract or the proceeds thereof, except as permitted by Farmington City policy.
9. Non-Collusion – The candidate guarantees the proposal is not a product of collusion with any other candidate and no effort has been made to fix the proposal price or any candidate or to fix any overhead, profit or cost estimate of any proposal price.
10. Award of Contract - The selection of the company will be made by a selection committee comprised of city employees. Farmington City reserves the right to negotiate and hold discussions with prospective service providers as necessary, however, Farmington City may award this contract without discussion of proposals received from prospective service providers. The selected company shall enter into a written agreement with Farmington City.

11. Farmington City reserves the right to cancel this Request for Proposal. Farmington City reserves the right to reject any or all proposals received. Furthermore, Farmington City shall have the right to waive any informality or technicality in proposals received, when in the best interest of Farmington City. Farmington City reserves the right to segment or reduce the scope of services and enter into contracts with more than one vendor.
12. Pursuant to the Utah Government Records Access and Management Act (GRAMA), records will be considered public after the contract is awarded. If a candidate wishes to protect any records, a request for business confidentiality may be submitted to the Farmington City Records Office at the time of bid submission.
13. This Request for Proposal will constitute the governing document for submitting Proposals and will take precedent over any oral representations.

VII. Sources of Information

1. For any questions related to this RFP, please contact the Farmington City Finance Director via email gdavis@farmington.utah.gov. The question and answer period ends at 5:00 PM on April 21, 2022.
2. Current and prior year annual financial reports can be found on the City's website at <http://www.farmington.utah.gov/departments/administration/finance/> as well as by request.

VIII. Submission of Proposals

Firms shall submit three (3) copies of the proposal in a sealed envelope to the Farmington City Hall, 160 S. Main, PO Box 160, Farmington, UT 84025 or 1 electronic version **no later than 10:00 AM on Monday, April 25, 2022**. On the envelope, indicate "Financial Audit". **LATE PROPOSALS WILL NOT BE ACCEPTED**. All submittals must be delivered by the mail or other delivery service or hand-carried to the Finance and Administration counter at the same address. Proposals may also be submitted via email to the City Treasurer at sharper@farmington.utah.gov. It is the sole responsibility of those responding to this Request for Proposal to ensure that their submittal is made to the correct location and in compliance with the stated date and time. City offices are closed on holidays.