

Sample Request for Proposal



Washoe County Purchasing Office
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"Dedicated to Excellence in Public Service"

**WASHOE COUNTY REQUEST FOR PROPOSAL
#3066-19**

**INDEPENDENT AUDIT SERVICES
WASHOE COUNTY, including**

WASHOE COUNTY, NEVADA OPEB TRUST

**Release Date: Monday October 1, 2018
By: Jenny Perry, Buyer**

**Sealed proposals shall be accepted until
3:00 P.M. PT on
Wednesday, November 14, at the
Washoe County Purchasing Office,
1001 E. Ninth St., Bldg. D, Rm. D200
Reno, NV 89512-2845**

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I. INTRODUCTION AND NATURE OF SERVICES REQUIRED

A. General Information

The Washoe County Purchasing Office is currently requesting written proposals to establish a list of qualified firms of certified public accountants with expertise in one or multiple fields of the entities listed in this RFP. The County then intends to negotiate the award of multiple contracts with qualified proposers within their respective expertise to audit the financial statements of Washoe County and the Washoe County, Nevada OPEB Trust (OPEB Trust) on behalf of the Washoe County Board of Commissioners and the Board of Trustees for the OPEB Trust (hereinafter “the entities”).

These audits are to be performed in accordance with generally accepted auditing standards, the standards set forth for financial audits in the U.S. Government Accountability Office’s (GAO) Government Auditing Standards, issued by the Comptroller General of the United States, and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, cost principles, and audit requirements for federal awards, as well as the applicable provisions of NRS 354.624.

There is no expressed or implied obligation for the entities to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

B. Term of Engagement

A three year contract is contemplated for the fiscal years ending June 30, 2019 through June 30, 2021, subject to the review and recommendation of the Audit Committee, the satisfactory negotiation of terms (including a price acceptable to both the entities and the selected firm/s), with the option of auditing the financial statements for 2 subsequent fiscal years.

C. Scope of Work to be Performed

The entities desire the auditor to express an opinion on the fair presentation of its governmental activities, its business-type activities, each of its major funds, and its aggregate remaining fund information in conformity with generally accepted accounting principles.

The entities also desire the auditor to express an opinion on the fair presentation of its combining and individual fund financial statements and schedules in conformity with generally accepted accounting principles. The auditor is not required to audit the supporting schedules contained in the comprehensive annual financial report. However, the auditor is to provide an “in-relation-to” opinion on the supporting schedules based on the auditing procedures applied during the audit of the basic financial statements and the combining and individual fund financial statements and schedules. The auditor is not required to audit the introductory section of the report or the statistical section of the report (CAFR).

The auditor shall also be responsible for performing certain limited procedures involving required supplementary information as mandated by generally accepted auditing standards.

For the entities requiring a Single Audit, the auditor is not required to audit the schedule of expenditures of federal awards. However, the auditor is to provide an "in-relation-to" report on that schedule based on the auditing procedures applied during the audit of the financial statements.

D. Auditing Standards to be Followed

To meet the requirements of this request for proposal, the audits shall be performed 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. Government Accountability Office's Government Auditing Standards, issued by the Comptroller General of the United States, and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, cost principles, and audit requirements for federal awards, as well as the applicable provisions of NRS 354.624.

E. Reports to be Issued

Following the completion of the audits of the fiscal year's financial statements, the auditor shall issue:

1. A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles, including, for entities requiring a Single Audit, an opinion on the fair presentation of the supplementary schedule of expenditures of federal awards in relation to the audited financial statements.
2. A report on compliance and internal control over financial reporting based on an audit of financial statements.
3. A report on compliance and internal control over compliance applicable to each major federal program for the entities where a Single Audit is required.
4. A report on compliance with the applicable provisions of NRS 354 or other Nevada Revised Statutes or Nevada Administrative Code requiring such disclosure.

In the required report[s] on compliance and internal controls, the auditor shall communicate any significant deficiency or material weakness found during the audit. A significant deficiency shall be defined as a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected. A material weakness shall be defined as a significant deficiency or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected. Significant deficiencies that are also material weaknesses shall be identified as such in the report. In addition, the following conditions shall be reported:

Auditor's comments on:

1. Statute Compliance
2. Progress on Prior Year Statute Compliance
3. Prior Year Recommendations
4. Current Year Recommendations
5. Nevada Revised Statute 354.6115
6. Any other reports/reviews required by Statute or regulations

Control deficiencies discovered by the auditors that are neither significant deficiencies nor material weaknesses shall be reported in a separate letter to management, which shall be referred to in the report[s] on compliance and internal controls. A control deficiency shall be deemed to have occurred whenever the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

The report on compliance and internal controls shall include all material instances of noncompliance. All nonmaterial instances of noncompliance shall be reported in a separate management letter, which shall be referred to in the report on compliance and internal controls.

Irregularities and illegal acts - 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 following parties: Washoe County Manager, Assistant County Manager for Finance and Administration, Comptroller, and Internal Auditor.

Reporting to the audit committee – Auditors shall assure themselves that the Washoe County Audit Committee or the Board of the OPEB Trust are informed of each of the following:

1. The auditor's responsibility under generally accepted auditing standards
2. Significant accounting policies
3. Management judgments and accounting estimates
4. Significant audit adjustments
5. Auditor's judgments about the quality of the entity's accounting principles
6. Other information in documents containing audited financial statements
7. Disagreements with management
8. Management consultation with other accountants
9. Major issues discussed with management prior to retention
10. Difficulties encountered in performing the audit

F. Special Considerations

Washoe County will send its comprehensive annual financial report to the Government Finance Officers Association of the United States and Canada for review in their Certificate of Achievement for Excellence in Financial Reporting program. It is anticipated that the auditor will not be required to provide special assistance to Washoe County to meet the requirements of that program.

The Schedule of Expenditures of Federal Awards and related auditor's report, as well as the reports on compliance and internal controls over compliance applicable to each major federal program may be included in the comprehensive annual financial report for some entities and issued separately for other entities. The auditor will be required to file, electronically, the Data Collection Form, SF-SAC, with the Federal Audit Clearing House.

A list of findings and other weaknesses from each entity's most recent financial statement audit, as well as a list of findings from internal audits conducted during the most recent fiscal period to be audited can be made available upon request.

G. Working Paper Retention and Access to Working Papers

All working papers must be retained, at the auditor's expense, for a minimum of three (3) years from the completion date of the audit, unless the firm is notified in writing by the entities of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the following parties or their designees:

1. Washoe County Board of County Commissioners, Audit Committee, Washoe County Manager, Assistant County Manager for Finance and Administration, Comptroller, Internal Auditor
2. Management or the Board of the OPEB Trust
3. U.S. Government Accountability Office (GAO)
4. Parties designated by the federal or state governments as part of an audit quality review process
5. Auditors of entities of which the entities are a sub recipient of grant funds
6. Auditors of entities which are a component unit

In addition, the firm(s) shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

II. DESCRIPTION OF THE ENTITIES

A. Washoe County

General: Washoe County is a political subdivision of the State of Nevada and is governed by a 5-member Board of County Commissioners. The County's fiscal year begins on July 1 and ends on June 30.

Fund Structure: The County provides an array of regional and community services and used the following fund types and number of individual funds in its financial reporting as of June 30, 2018 (total number of funds includes component units). The number of funds is subject to change as the services and structure of the County changes.

General Fund	1
Special revenue funds	14
Debt service funds	2
Capital projects funds	4
Enterprise funds	3
Internal service funds	3
Investment trust fund	1

Component Units: The County is defined, for financial reporting purposes, in conformity with the Governmental Accounting Standards Board's Codification of Governmental Accounting and Financial Reporting Standards, Section 2100. Using these criteria, a component unit is included in the County's financial statements. County management identified the Truckee Meadows Fire Protection District (TMFPD) as a component unit for inclusion in the County's financial statements. The component unit has a June 30 fiscal year end.

Pension and Other Post Employment Benefit Plans: Washoe County participates in the Public Employees' Retirement System of Nevada (PERS), a cost-sharing multiple employer defined benefit pension plan. PERS issues a separate financial report. Washoe County provides other postemployment benefits (OPEB) for eligible employees through its Retiree Health Benefit Program, a single-employer defined benefit OPEB plan, and participates in the State of Nevada's Public Employee Benefit Plan (PEBP), an agent multiple-employer defined benefit OPEB plan. The Retiree Health Benefit Program is administered through the Washoe County, Nevada OPEB Trust (OPEB Trust), created as an irrevocable trust to fund and account for the participating employers' costs of retiree healthcare benefits pursuant to Nevada Revised Statutes 287.017. TMFPD also participates in the OPEB Trust for its retiree health benefit plans. Actuarial services are provided by Milliman. The OPEB Trust also has a June 30 fiscal year end.

Budgetary Basis of Accounting: The County prepares its budget on a basis consistent with generally accepted accounting principles.

Federal and State Financial Assistance: For the fiscal year ended June 30, 2018, the County's Schedule of Expenditures of Federal Awards reported expenditures of \$41 million. Federal award revenues budgeted for the 2018/2019 fiscal year total \$57 million.

Joint Ventures:

1. Truckee Meadows Flood Management Authority, a joint powers authority formed to regulate and control the waters of the Truckee River to reduce or mitigate flooding on the behalf of the Truckee Meadows community. Participating entities include the cities of Reno and Sparks and Washoe County.

Computer Systems: The County's primary financial software system is SAP. The County has used SAP since September 2003. SAP modules are utilized for the following functional and process areas:

1. General ledger and financial accounting
2. Cost accounting including grants and capital projects
3. Fixed assets
4. Materials management including purchasing, encumbrance accounting, and physical inventory
5. Accounts payable
6. Billing and accounts receivable
7. Human resources

8. Payroll
9. Employee self-service including working time entry, payroll and health benefits data changes
10. Budget
11. Treasurer's electronic banking and petty cash
12. Utility billing
13. Governance, risk and compliance module for maintaining user access controls
14. Workflow/online approvals

The SAP system uses both online real-time entry and batch processing. System security, backups, installation of backups, and maintenance are provided by the County's Technology Services Department. There are no current plans to change financial software.

In addition to the primary financial system, several departments use various other software providers for their operations. Data generated by such software includes information that may be interfaced with the primary accounting system pertaining to revenues, cash receipts and accounts receivable. These departments include (but are not limited to): Treasurer, Assessor, Sheriff, District Attorney, Recorder, Community Services, Voters, District Court, and Justice Courts.

Internal Audit Functions: The County maintains an internal audit function. The internal audit function reports directly to the Assistant County Manager of Finance and Administration and is staffed by one employee.

Availability of Prior Reports and Working Papers: Interested proposers who wish to review prior years' audit reports and management letters should contact the Washoe County Purchasing Department at PO Box 11130, Reno, NV 89520. The County will use its best efforts to make prior audit reports and supporting working papers available to proposers to aid their response to this request for proposals. Comprehensive Annual Financial Reports and Single Audit Reports can also be located at <http://www.washoecounty.us/comptroller>.

B. Truckee Meadows Fire Protection District

General: Truckee Meadows Fire Protection District is a municipality of the State of Nevada located in Washoe County. TMFPD is governed by the Board of Fire Commissioners. The Washoe County Board of County Commissioners functions as the Board of Fire Commissioners of TMFPD and TMFPD is considered a component unit of Washoe County.

From July 1, 2000 through June 30, 2012, the City of Reno (City) operated the fire services for TMFPD under an interlocal agreement for fire services and consolidation. TMFPD continued to levy taxes within the district to maintain its own equipment and paid the City monthly for services. TMFPD assumed operating control for fire services in the district as of July 1, 2012, adding employees and operating programs in fiscal year 2011/2012 to support the stand-up.

In April, 2012, TMFPD assumed control of fire operations for the Sierra Fire Protection District (SFPD) under the terms of an interlocal agreement for fire services and consolidation. All employees of SFPD became employees of TMFPD.

As of July 1, 2016, the SFPD was merged into the TMFPD.

Fund Structure: TMFPD has a June 30 fiscal year and uses the following fund types and number of individual funds in its financial reporting as of June 30, 2018:

General Fund	1
Special revenue fund	1
Capital projects fund	1
Internal service funds	2

Budgetary Basis of Accounting: TMFPD prepares its budget on a basis consistent with generally accepted accounting principles.

Federal and State Financial Assistance: For the fiscal year ended June 30, 2017, TMFPD did not have any federal award revenues. Fire district awards are highly dependent on number and size of fires in the district so that award amounts can change materially year over year.

Pension and Other Post Employment Benefit Plans: TMFPD participates in the Public Employees' Retirement System of Nevada (PERS), a cost-sharing multiple employer defined benefit pension plan. PERS issues a separate financial report.

TMFPD provides other postemployment benefits (OPEB) for eligible employees through the TMFPD Retiree Group Medical Plan, a single-employer defined benefit OPEB plan. The plan is administered through the Washoe County, Nevada OPEB Trust (OPEB Trust), created as an irrevocable trust to fund and account for the participating employers' costs of retiree healthcare benefits pursuant to Nevada Revised Statutes 287.017. Actuarial services are provided by Milliman.

Computer Systems: TMFPD utilizes Washoe County's primary financial software, SAP, for financial and personnel accounting. In January 2019, it is expected TMFPD will be using Kronos as its personnel and payroll system.

C. Washoe County, Nevada OPEB Trust

General: The Washoe County, Nevada OPEB Trust (OPEB Trust) is a multiple employer, irrevocable trust used to fund and account for the participating employers’ costs of retiree healthcare benefits pursuant to Nevada Revised Statutes 287.017 and is located in Washoe County, Nevada. The OPEB Trust is governed by a five-member Board of Trustees appointed by the Washoe County Board of County Commissioners (BCC).

As of June 30, 2018, there were two participating employers in the OPEB Trust: Washoe County, Nevada (County) and Truckee Meadows Fire Protection District (TMFPD).

Washoe County’s Comptroller’s Office maintains the OPEB Trust books and supports the OPEB Trustees.

Fund Structure: The OPEB Trust has a June 30 fiscal year and financial statements are prepared using the accrual basis of accounting in accordance with Governmental Accounting Standards Board (GASB) Statement 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*.

Budgetary Basis of Accounting: The OPEB Trust prepares its budget on a basis consistent with generally accepted accounting principles.

Federal and State Financial Assistance: N/A

Pension and Other Post Employment Benefit Plans: The OPEB Trust administers other postemployment benefits (OPEB) for eligible employees of its participating employers. Actuarial services are provided by Milliman.

III. TIME REQUIREMENTS

A. Proposal Calendar

The following is a list of key dates for the proposals:

Event	Date
Distribution of RFP	Monday, October 1, 2018
Pre-proposal Conference	Monday, October 15, 2018
Deadline for Submitting Questions	5:00 PM PDT Friday, October 19, 2018
Responses to Questions	On or about Tuesday, October 30, 2018
Proposal Closing	3:00 PM PST on Wednesday, November 14, 2018
Public RFP Opening	9:00 AM PST on Thursday, November 15, 2018
Bid Tab Posted to www.DemandStar.com	5:00 PM PST on Friday, November 16, 2018
Evaluations Completed	On or about Monday, December 3, 2018
Recommendation to Award Agreement	On or about Friday, December 14, 2018
Award by the Board of County Commissioners	January 2019, BCC agenda permitting
Implementation of Contract	February 2019

B. Scheduling the Audit

The County will have all records ready for audit and all management personnel available to meet with the firm's personnel in accordance with the attached schedule (EXHIBIT D) for the fiscal year ending June 30, 2019. A similar time schedule will be developed for audits for future fiscal years.

Each of the following should be completed by the auditors no later than the dates indicated:

1. Interim work shall be completed by June 30th.
2. The auditor shall provide by July 1 a detailed audit plan and a list of all schedules to be prepared if not included on the attached schedule (EXHIBIT D).
3. The auditor shall complete all field work by the second Wednesday in October.
4. The auditor(s) shall have drafts of the audit report[s] and recommendations to management available for review on or before October 23.

C. Entrance Conferences, Progress Reporting and Exit Conferences

At a minimum the following conferences are to be held on or before the dates indicated below:

1. Entrance conference with all key finance department personnel and department heads of key offices or programs shall be held no later than the last business day in May. The purpose of this meeting will be to discuss prior audit problems and the interim work to be performed if not previously communicated. This meeting will also be used to establish overall liaison for the audit and to make arrangements for work space and other needs of the auditor.
2. Progress conference with key finance department personnel shall be held no later than the third Wednesday in September.
3. Exit conference with key finance department personnel shall be held no later than the fourth Wednesday in October.

D. Date Final Report Due

For the Washoe County audit, the Washoe County Comptroller Department, or appropriate entity financial staff, shall prepare draft financial statements, notes and all required supplementary schedules no later than the first Friday in October. The auditor shall provide all recommendations, revisions and suggestions for improvement to the Comptroller by the third Friday in October. Once all issues for discussion are resolved, the final financial reports shall be completed by the Comptroller and the final auditor's report(s) shall be delivered to the Comptroller by October 23.

For the OPEB Trust, the final report schedule is as noted in Exhibit D.

IV. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION

A. Comptroller Department and Clerical Assistance

The Washoe County Comptroller's staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation and

explanations. The preparation of confirmations will be the responsibility of the Comptroller Department. In addition, clerical support will be made available to the auditor for the preparation of routine letters and memoranda.

B. Technology Services Assistance

The County's Technology Services Department personnel will be available to provide systems documentation and explanations. The auditor will be provided computer time and the use of Washoe County's hardware and software. Additionally, the County will provide the auditor with reasonable work space and access to photocopiers and FAX machines.

C. Statements and Schedules Preparation

The staff of the Washoe County Comptroller Department, or appropriate entity financial staff, will prepare statements and schedules for the auditors based on the schedule provided in (EXHIBIT D). A similar time schedule will be developed for audits for future fiscal years.

D. Report Preparation, Editing and Printing

Financial report preparation, editing and printing shall be the responsibility of the Washoe County Comptroller Department, or appropriate entity financial staff. The auditors will be responsible for the preparation and editing of the auditors' reports and opinions and for coordinating with the Comptroller Department for insertion into the financial reports.

V. PROPOSAL REQUIREMENTS

A. General Requirements

1. **Pre-proposal Conference:** A conference for firms interested in submitting proposals will be held at 1:00 p.m. on October 15, 2018, at the Washoe County Administration Complex, Comptroller's Conference Room, 2nd Floor Building D, 1001 E. Ninth Street, Reno NV 89512. Both verbal and written questions will be accepted during the conference. Minutes of the pre-proposal conference will be made available to those requesting such.

At the pre-proposal conference representatives of the various entities will be available to discuss their operations for interested proposers.

2. **Inquiries:** In order to ensure fair and objective evaluation, all questions related to this RFP shall be addressed directly to the Washoe County Comptroller Attn: Purchasing Division, Jenny Perry. Contact with any other County employees after the RFP's official release date is strictly prohibited. Vendors who directly contact County employees risk elimination of their proposal from further consideration. Inquiries concerning the Request for Proposals and the subject of the Request for Proposals must be made to:

Jenny Perry, Buyer
Washoe County Purchasing Office
PO Box 11130
Reno, NV 89520
(775) 328-2284
Email: jperry@washoecounty.us

Deadline for the submission of questions regarding the RFP is October 19, 2018.

The Washoe County Purchasing Office shall perform all matters relevant to this Request for Proposal, acknowledgment, and evaluation, in conjunction with members that may include the Washoe County's Audit Committee, Comptroller Department, Manager's Office, and other Washoe County and entity representatives as may be deemed appropriate.

3. **Submission of Proposals:** The following material is required to be received by 3:00 PM PST on Wednesday, November 14, 2018 for a proposing firm(s) to be considered.
 - a. An original (so marked) of the Technical Proposal and six (6) copies to include the following:
 - i. Title Page showing the request for proposals subject: the firm's name; the name, address and telephone number of the contact person; and the date of the proposal.
 - ii. Table of Contents
 - iii. A signed Transmittal Letter briefly stating the proposer's understanding of the work to be done, the commitment to perform the work within the time period, a statement why the firm believes itself to be the best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for the fiscal year ending June 30, 2019.
 - iv. A Detailed Proposal should follow the order set forth in the Technical Proposal in Section V-B of this request for proposal.
 - v. Executed copy of the Certification Regarding Debarment, Suspension, and Other Responsibility Matters, attached to this request for proposal (Exhibit B).
 - b. The proposer(s) shall submit an original and six (6) copies of a fixed cost bid as set forth in the Bid Section of this Request for Proposal.
 - c. Proposers should send the completed proposal to the following address:

Washoe County Purchasing
Bldg. D Rm. D200
1001 E. Ninth Street
Reno, NV 89512

Washoe County assumes no responsibility for errant delivery of proposals relegated to a courier agent who fails to deliver in accordance with the specified time and receiving point. Late, incomplete or unsigned proposals shall receive no consideration.

Proposals may be withdrawn at any time up until the opening and acknowledgment upon written notice to the Washoe County Purchasing Office. Withdrawal requests received after the time set for opening and acknowledging shall not be considered.

The contents of the proposal and any clarifications thereto submitted by the successful proposer(s) and accepted by Washoe County shall become part of the contractual obligation and incorporated by reference into the ensuing Agreement(s). The final Agreement(s) shall incorporate the RFP and attachments and exhibits thereto, proposer's response(s), and any negotiated points of Agreement(s) between the parties.

All proposals shall become the property of Washoe County and shall not be returned to the proposers.

All proposals shall become public record under the laws of the State of Nevada, and the public shall be given access thereto. All responses submitted by vendors shall be deemed confidential during the evaluation process. Vendor proposals will not be available for review by anyone other than the Audit Services Evaluation Team or its designated agents during the selection process. Information deemed Proprietary by Respondent must be clearly labeled as such using red ink.

Any and all costs incurred by the proposers in the preparation and delivery of their proposal(s), or subsequent negotiation of the resulting Agreement(s), shall be borne entirely by the proposer.

B. Technical Proposal

1. **General Requirements:** The purpose of the Technical Proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake independent audits of Washoe County and the OPEB Trust, in conformity with the requirements of this request for proposal. As such, the substance of the proposals will carry more weight than their form or manner of presentation. The Technical Proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to these engagements. It should also specify an audit approach that will meet the request for proposals requirements.

THERE SHOULD BE NO DOLLAR UNITS OR TOTAL COSTS INCLUDED IN THE TECHNICAL PROPOSAL DOCUMENT.

The Technical Proposal should address all the points outlined in the request for proposal (excluding any cost information which should only be included in the dollar cost bid(s)). The Proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the request for proposal. While additional data may be presented, the following subjects, item Nos. 2 through 10, must be included. They represent the criteria against which the proposal will be evaluated.

2. **Independence:** Firms should provide an affirmative statement that they are independent of Washoe County and the OPEB Trust, as defined by generally accepted auditing standards.

Firms should also list and describe their professional relationships involving Washoe County and the OPEB Trust for the past five (5) years, together with a statement

explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

In addition, the firm shall give Washoe County written notice of any professional relationships entered into during the period of this agreement.

3. ***License to Practice in Nevada:*** An affirmative statement should be included that the firm and all assigned key professional staff are properly licensed to practice in Nevada.
4. ***Firm Qualifications and Experience:*** The proposer should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis.

Any proposer that is a joint venture or consortium shall separately identify the qualifications of each firm comprising the joint venture or consortium and the firm that is to serve as the principal auditor should be noted, if applicable.

The firm is also required to submit a copy of the report on its most recent external quality control review, with a statement whether that quality control review included a review of specific government engagements.

The firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations.

5. ***Partner, Supervisory and Staff Qualifications and Experience:*** Identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagements. Indicate whether each such person is registered or licensed to practice as a certified public accountant in Nevada. Provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit.

Provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. Indicate how the quality of staff over the term of the agreement will be assured.

The proposer should identify the extent to which staff to be assigned to the audit reflect Washoe County's commitment to Affirmative Action.

Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another

office. These personnel may also be changed for other reasons with the express prior written permission of Washoe County or the appropriate entity. However, in either case, Washoe County and the OPEB Trust retain the right to approve or reject replacements.

Consultants and firm specialists mentioned in response to this request for proposal can only be changed with the express prior written permission of Washoe County or the appropriate entity, which retains the right to approve or reject replacements.

Other audit personnel may be changed at the discretion of the proposer provided that replacements have substantially the same or better qualifications or experience.

6. ***Prior Engagements with the Entities:*** List separately all engagements within the last five years, ranked on the basis of total staff hours, for the entities by type of engagement (i.e., audit, management advisory services, other). Indicate the scope of work, date, engagement partners, total hours, the location of the firm's office from which the engagement was performed, and the name and telephone number of the principal client contact.
7. ***Similar Engagements with Other Government Entities:*** For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum - 5) performed in the last five years that are similar to the engagement described in this request for proposal. These engagements should be ranked on the basis of total staff hours. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.
8. ***Specific Audit Approach:*** The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section II of this request for proposal. In developing the work plan, reference should be made to such sources of information as Washoe County or the OPEB Trust's budget and related materials, organizational charts, manuals and programs, and financial and other management information systems.

Proposers will be required to provide the following information on their audit approach:

- a) Proposed segmentation of the engagements
- b) Level of staff and number of hours to be assigned to each proposed segment of the engagements for each entity the firm is submitting a proposal for (no dollars should be included in the technical proposal)
- c) Sample size and the extent to which statistical sampling is to be used in the engagement
- d) Extent of use of EDP software in the engagement
- e) Type and extent of analytical procedures to be used in the engagement
- f) Approach to be taken to gain and document an understanding of the entities' internal control structure
- g) Approach to be taken in determining laws and regulations that will be subject to audit test work

- h) Approach to be taken in drawing audit samples for purposes of tests of compliance
- 9. **Identification of Anticipated Potential Audit Problems:** Proposals should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from Washoe County.
- 10. **Report Format:** Proposals should include sample formats for required reports.
- 11. **Exceptions:** Proposals shall include any exceptions to the terms, conditions, and requirements as specified in the RFP. Failure to note exceptions in the proposal response shall indicate that the proposer will agree to perform as specified if they are awarded the contract.

C. Fixed Cost Bid

- 1. **Total Maximum Price:** The fixed cost bid should contain all pricing information relative to performing the audit engagements as described in this request for proposal for each entity. The total maximum price to be bid is to contain all direct and indirect costs including all out-of-pocket expenses per entity.

Washoe County and the OPEB Trust will not be responsible for expenses incurred in preparing and submitting the technical proposal or the dollar cost bid. Such costs should not be included in the proposal.

The first page of the dollar cost bid should include the following information:

- a) Name of firm
 - b) Certification that the person signing the proposal is entitled to represent the firm, empowered to submit the bid, and authorized to sign a contract with the entity.
 - c) A Total Maximum Price for the fiscal year ending June 30, 2019 engagement for each entity individually.
 - d) A Proposed Total Maximum Price for subsequent renewal years for each entity individually.
- 2. **Rates by Partner, Specialist, Supervisory and Staff Level Times Hours Anticipated for Each:** The second page of the dollar cost bid should include a schedule of professional fees and expenses, presented in the format provided in the attachment (Exhibit F) that supports the total maximum price per entity.
 - 3. **Out-of-pocket Expenses Included in the Total Maximum Price and Reimbursement Rates:** Out-of-pocket expenses for firm personnel (e.g., travel, lodging and subsistence) will be reimbursed at the rates used by Washoe County for its employees. All estimated out-of-pocket expenses to be reimbursed should be presented on the dollar cost bid in the format provided in the attachment (Exhibit F). All expense reimbursements will be charged against the total maximum price submitted by the firm.

In addition, a statement must be included in the dollar cost bid stating the firm will accept reimbursement for travel, lodging and subsistence at the prevailing Washoe County rates for its employees (GSA rates for Washoe County).

4. ***Rates for Additional Professional Services:*** If it should become necessary for the entities to request the auditor to render any additional services to either supplement the services requested in this RFP or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between the entities and the firm. Any such additional work agreed to between the entity and the firm shall be performed at the same rates set forth in the schedule of fees and expenses included in the dollar cost bid.
5. ***Manner of Payment:*** Progress payments may be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the firm's dollar cost bid proposal. Interim billing shall cover a period of not less than a calendar month.

VI. EVALUATION PROCEDURES

A. Review of Proposals

An evaluation team will use a point formula during the review process to score proposals for Washoe County and each entity. Each member of the evaluation team will first score each technical proposal by each of the criteria described in Section VI-B below. The full evaluation team will then convene to review and discuss these evaluations and to combine the individual scores to arrive at a composite technical score for each firm. At this point, firms with an unacceptably low technical score will be eliminated from further consideration.

After the composite technical score for each firm has been established, the dollar cost bid will be opened and additional points will be added to the technical score based on the price bid. The maximum score for price will be assigned to the firm(s) offering the lowest total maximum price. Appropriate fractional scores may be assigned to other proposers.

The entities reserve the right to retain all proposals submitted and use any idea in a proposal regardless of whether that proposal is selected.

B. Evaluation Criteria

Proposals will be evaluated using three sets of criteria. Firms meeting the mandatory criteria will have their proposals evaluated and scored for both technical qualifications and price. The following represent the principal selection criteria which will be considered during the evaluation process.

1. Mandatory Elements:

- a) The audit firm is independent and licensed to practice in Nevada.

- b) The firm has no conflict of interest with regard to any other work performed by the firm for Washoe County or the OPEB Trust.
- c) The firm adheres to the instructions in this request for proposals on preparing and submitting the proposal(s).
- d) The firm submits a copy of its last external quality control review report and the firm has a record of quality audit work.

2. Technical Quality:

a) Expertise and Experience

- (1) The firm's past experience and performance on comparable government engagements.
- (2) 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.

e) Audit Approach

- (1) Adequacy of proposed staffing plan for various segments of the engagement.
- (2) Adequacy of sampling techniques.
- (3) Adequacy of analytical procedures.

3. Fixed Price

COST WILL NOT BE THE PRIMARY FACTOR IN THE SELECTION OF AN AUDIT FIRM.

C. Audit Committee

Proposals, evaluations and recommendations will be submitted to members of the Audit Committee of Washoe County for their review and approval. A list of the members of the Audit Committee will be provided to proposers upon request.

D. Oral Presentations

During the recommendation review process, the Audit Committee may, at its discretion, request any one or all firms to make oral presentations. Such presentations will provide firms with an opportunity to answer any questions the Audit Committee may have on a firm's proposal. Not all firms may be asked to make such oral presentations.

E. Final Selection

The entities will select a firm based upon the recommendation of the Audit Committee. It is anticipated that a firm will be selected in December 2018. Following notification of the firm(s) selected, and approval by the Board of County Commissioners or the respective

boards of the entities, it is expected a contract(s) will be executed between relevant parties not later than February 28, 2019.

F. Right to Reject Proposals

Submission of any proposal indicates acceptance by the firm of the conditions contained in this request for proposal unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the entities and the firm selected.

Washoe County reserves the right without prejudice to reject any or all proposals.

G. Anti-collusion

The submittal of a proposal constitutes agreement that the offeror has not divulged its proposal to other offerors, nor has colluded with any other offerors or parties to any other proposal.

VII. AWARD OF AGREEMENT

Recommendation for award shall be made totally on the basis of the proposal(s) deemed most advantageous to Washoe County and the OPEB Trust. In all instances the decisions rendered by the Washoe County Board of Commissioners or the Board of the OPEB Trust, shall be final. Washoe County and the OPEB Trust shall reserve the right to accept or reject any or all proposals; to negotiate any portion of the proposal responses; to waive any found informalities in the proposals; and to hold all proposals for a maximum of one hundred twenty (120) days from the opening date before final action to accept or reject any proposal.

Unless proposals shall specifically state to the contrary, the County shall reserve the right and privilege to award each audit separately and/or to sever any portion of any proposal.

Successful proposer[s] shall not commence performance against any resulting award of this request for proposal until such time as they receive a purchase order from the respective entity engaging the successful proposers' audit services.

VIII. FAILURE TO PERFORM

The services rendered under the resulting agreement shall be critical to the mandated responsibilities of Washoe County and the OPEB Trust. Therefore, the successful proposer shall, upon satisfactory notification, reimburse the entities for all expenses incurred by them in providing services that are the responsibility of the successful proposer. Such expenses shall be reduced from any current or future amounts due and payable to the successful proposer.

In the event the resulting agreement is terminated prior to its expiration, all finished or unfinished documents, studies, correspondence, reports and other products prepared by or for the successful proposer under the resulting agreement shall become the exclusive property of the respective entity. Notwithstanding the above, the successful proposer shall not be relieved of liability to the entities for damage sustained by them by virtue of any breach of any resulting agreement by the successful proposer.

IX. DEFAULT OF AGREEMENT

In the event of default by a successful proposer, Washoe County and the OPEB Trust may procure the required services from other sources and hold the successful proposer liable for any cost excess beyond the cost anticipated in the original Agreement. In addition, the entities may seize the performance bond, if applicable, and pursue any or all other legal remedies against the defaulting firm.

X. APPEAL BY UNSUCCESSFUL PROPOSER

Any unsuccessful proposer may appeal a pending RFP award prior to award by Washoe County or the associated entities. The appellant must:

Submit a written protest to the Purchasing and Contracts Manager not less than seven days prior to the award hearing date. A copy of the award recommendation will be posted to www.demandstar.com at least two weeks prior to the scheduled award hearing date.

Describe, in the written protest, the issues to be addressed on appeal.

Post, with the written protest, a bond with good and solvent surety authorized to do business in this state or submit other security in a form approved by Washoe County, who will hold the bond or other security until a determination is made on the appeal.

Post the bond or other security in the amount of 25% of the total dollar value of appellant's bid, up to a maximum bond or other security amount of \$250,000.

Not seek any type of judicial intervention until Washoe County has rendered its final decision on the protest.

Washoe County will stay any award actions until after the Purchasing and Contracts Manager has responded in writing to the protest. If the appellant is not satisfied with the response, appellant may then protest to the Washoe County Board of Commissioners or the respective boards of the entities, who will render a final decision.

No bid protests will be heard by the Board(s) unless the bidder has followed the appeal process.

If an appeal is granted, the full amount of the posted bond will be returned to the appellant. If the appeal is denied or not upheld, a claim may be made against the bond for expenses suffered by the County or entity because of the unsuccessful appeal.

Washoe County is not liable for any costs, expenses, attorney's fees, loss of income or other damages sustained by the appellant in a bid process.

XI. JOINDER PROVISION

In accordance with the provisions of NRS 332.195, certain other public entities may participate in this joinder procedure for audit services as described herein.

Each participating entity shall execute agreements for the required service in accordance with the procedures of the Accounting and Purchasing Departments of the public entities involved.

Within the scope of this Request for Proposal, Washoe County shall be held harmless in any and all transactions between the bidder and the other participating governmental entities.

The bidder shall acknowledge the joinder process and shall acknowledge Washoe County as the situs of the bid procedure.

XII. OPEN MEETING LAW

NRS 241 provides that public business shall be conducted in open meeting.

Insurance, hold harmless and indemnification requirements for independent audit services
Washoe County and the OPEB Trust

INDEMNIFICATION

PROPOSER Liability

As respects acts, errors or omissions in the performance of PROPOSER services, PROPOSER agrees to indemnify and hold harmless Washoe County and the Washoe County, Nevada OPEB Trust (OPEB Trust), (hereinafter "the entities"), their officers, agents, employees, and volunteers from and against any and all claims, demands, defense costs, liability or consequential damages of any kind or nature arising directly out of PROPOSER'S negligent acts, errors or omissions in the performance of its PROPOSER services under the terms of this agreement.

PROPOSER further agrees to defend the entities and assume all costs, expenses and liabilities of any nature to which the entities may be subjected as a result of any claim, demand, action or cause of action arising out of the negligent acts, errors or omissions of PROPOSER or its Sub-consultant in the performance of their PROPOSER services under the Agreement.

General Liability

As respects all acts or omissions which do not arise directly out of the performance of PROPOSER services, including but not limited to those acts or omissions normally covered by general and automobile liability insurance, PROPOSER agrees to indemnify, defend (at the entities option), and hold harmless the entities, their officers, agents, employees, and volunteers from and against any and all claims, demands, defense costs, liability, or consequential damages of any kind or nature arising out of or in connection with PROPOSER'S (or Sub-consultant, if any) performance or failure to perform, under the terms of this agreement; excepting those which arise out of the negligence of at the entities.

PROPOSER must either defend the entities or upon determination that the work performed by PROPOSER was in any manner negligent or that PROPOSER failed to perform any duty set forth in this Agreement pay the entities' cost of defense for any claim, demand, action or cause of action.

If the entities' personnel (attorneys, engineers or other professionals) are involved in defending such legal actions, PROPOSER shall also reimburse the entities for the time spent by such personnel at the actual cost for such services.

In determining the nature of the claim against at the entities, the incident underlying the claim shall determine the nature of the claim, notwithstanding the form of the allegations against the entities.

GENERAL REQUIREMENTS

The entities require that PROPOSER purchase Industrial Insurance, General and Auto Liability, and PROPOSER'S Errors and Omissions Liability Insurance as described below against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work here under by PROPOSER, its agents, representatives, employees or Sub-consultants. The cost of all such insurance shall be borne by PROPOSER.

INDUSTRIAL INSURANCE

It is understood and agreed that there shall be no Industrial Insurance coverage provided for PROPOSER or any Sub-consultant by the entities. PROPOSER agrees, as a precondition to the performance of any work under this Agreement and as a precondition to any obligation of the entities to make any payment under this Agreement to provide the entities with a certificate issued by an insurer in accordance with NRS 616B.627 and with a certificate of an insurer showing coverage pursuant to NRS 617.210.

If PROPOSER or Sub-consultant is a sole proprietor, coverage for the sole proprietor must be purchased and evidence of coverage must appear on the Certificate of Insurance. Such requirement may be waived for a sole proprietor who does not use the services of any employees, subcontractors, or independent contractors and completes an Affirmation of Compliance pursuant to NRS 616B627.

Should PROPOSER be self-funded for Industrial insurance, PROPOSER shall so notify the entities in writing prior to the signing of any agreement. The entities reserve the right to approve said retentions and may request additional documentation, financial or otherwise for review prior to the signing of any agreement.

MINIMUM LIMITS OF INSURANCE

PROPOSER shall maintain coverages and limits no less than:

1. General Liability: \$1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, the general aggregate limit shall be increased to equal twice the required occurrence limit or revised to apply separately to this project or location.
2. Automobile Liability: \$1,000,000 combined single limit per accident for bodily injury and property damage. No aggregate limit may apply.
3. PROPOSER Errors and Omissions Liability: \$1,000,000 per occurrence and as an annual aggregate. Premium costs incurred to increase PROPOSER'S insurance levels to meet minimum contract limits shall be borne by the PROPOSER at no cost to the entities.

PROPOSER will maintain PROPOSER liability insurance during the term of this Agreement and for a period of three (3) years from the date of substantial completion of the project. In the event that PROPOSER goes out of business during the term of this Agreement or the three (3) year period described above, PROPOSER shall purchase Extended Reporting Coverage for claims arising out

of PROPOSER'S negligent acts, errors and omissions committed during the term of the PROPOSER Liability Policy.

Should the entities and PROPOSER agree that higher PROPOSER Coverage limits are needed warranting a project policy, project coverage shall be purchased and the premium for limits exceeding the above amount shall be borne by the entities. The entities retain the option to purchase project insurance through PROPOSER'S insurer or its own source.

DEDUCTIBLES AND SELF-INSURED RETENTIONS

Any deductibles or self-insured retentions must be declared to and approved by the Washoe County Risk Management Division prior to the start of work under this Agreement. The entities reserve the right to request additional documentation, financial or otherwise prior to giving its approval of the deductibles and self-insured retention and prior to executing the underlying agreement. Any changes to the deductibles or self-insured retentions made during the term of this Agreement or during the term of any policy must be approved by the Washoe County Risk Manager prior to the change taking effect.

OTHER INSURANCE PROVISIONS

The policies are to contain, or be endorsed to contain, the following provisions:

1. General Liability Coverages

- a. The entities, their officers, agents, employees and volunteers are to be covered as additional insureds as respects: liability arising out of activities performed by or on behalf of PROPOSER, including the insured's general supervision of PROPOSER; products and completed operations of PROPOSER; or premises owned, occupied or used by PROPOSER. The coverage shall contain no special limitations on the scope of protection afforded to the additional insureds, nor shall the rights of the additional insured be affected by the insured's duties after an accident or loss.
- b. PROPOSER'S insurance coverage shall be primary insurance as respects the entities, their officers, agents, employees and volunteers. Any insurance or self-insurance maintained by Washoe County and the OPEB Trust, their officers, agents, employees or volunteers shall be excess of PROPOSER'S insurance and shall not contribute with it in any way.
- c. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the entities, their officers, agents, employees or volunteers.
- d. PROPOSER'S insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- e. PROPOSER'S insurance coverage shall be endorsed to state that coverage shall not be suspended, voided, canceled or non-renewed by either party, reduced in coverage or in limits

except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the entities except for nonpayment of premium.

ACCEPTABILITY OF INSURERS

Insurance is to be placed with insurers with a Best's rating of no less than A-: VII. The entities, with the approval of the Risk Manager, may accept coverage with carriers having lower Best's ratings upon review of financial information concerning PROPOSER and insurance carrier. The entities reserve the right to require that the PROPOSER'S insurer be a licensed and admitted insurer in the State of Nevada, or on the Insurance Commissioner's approved but not admitted list.

VERIFICATION OF COVERAGE

PROPOSER shall furnish the entities with certificates of insurance and with original endorsements affecting coverage required by this exhibit. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates are to be on forms approved by the entities.

All certificates and endorsements are to be addressed specifically to Washoe County and the OPEB Trust contracting department and be received and approved by Washoe County and the OPEB Trust before work commences.

The entities reserve the right to require complete, certified copies of all required insurance policies, at any time.

SUB-CONSULTANTS

PROPOSER shall include all Sub-consultants as insureds under its policies or furnish separate certificates and endorsements for each Sub-consultant. Sub-consultant shall be subject to all of the requirements stated herein.

MISCELLANEOUS CONDITIONS

1. PROPOSER shall be responsible for and remedy all damage or loss to any property, including property of the entities, caused in whole or in part by PROPOSER, any Sub-consultant, or anyone employed, directed or supervised by PROPOSER.
2. Nothing herein contained shall be construed as limiting in any way the extent to which PROPOSER may be held responsible for payment of damages to persons or property resulting from its operations or the operations of any Sub-consultants under it.
3. In addition to any other remedies the entities may have if PROPOSER fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, the entities may, at their sole option:
 - a. Order PROPOSER to stop work under this Agreement and/or withhold any payments which become due PROPOSER here under until PROPOSER demonstrates compliance with the requirements hereof;

- b. Purchase such insurance to cover any risk for which the entities may be liable through the operations of PROPOSER under this Agreement if PROPOSER is unable to comply with the insurance requirements, and deduct or retain the amount of the premiums for such insurance from any sums due under the Agreement;
- c. Terminate the Agreement.

Certification Regarding Debarment, Suspension, and Other Responsibility Matters

The prospective proposer, _____ certifies to the best of its knowledge and belief that it and its principals:

- (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
- (b) Have not within a three year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- (c) Are not presently indicted for or otherwise criminally or civilly charged by a government entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (1) (b) of this certification; and
- (d) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State, or local) terminated for cause or default.

I understand that a false statement on this certification may be grounds for rejection of this proposal or termination of the award. In addition, under 18 USC Sec. 1001, a false statement may result in a fine of up to \$10,000 or imprisonment for up to 5 years, or both.

Typed Name & Title of Authorized Representative

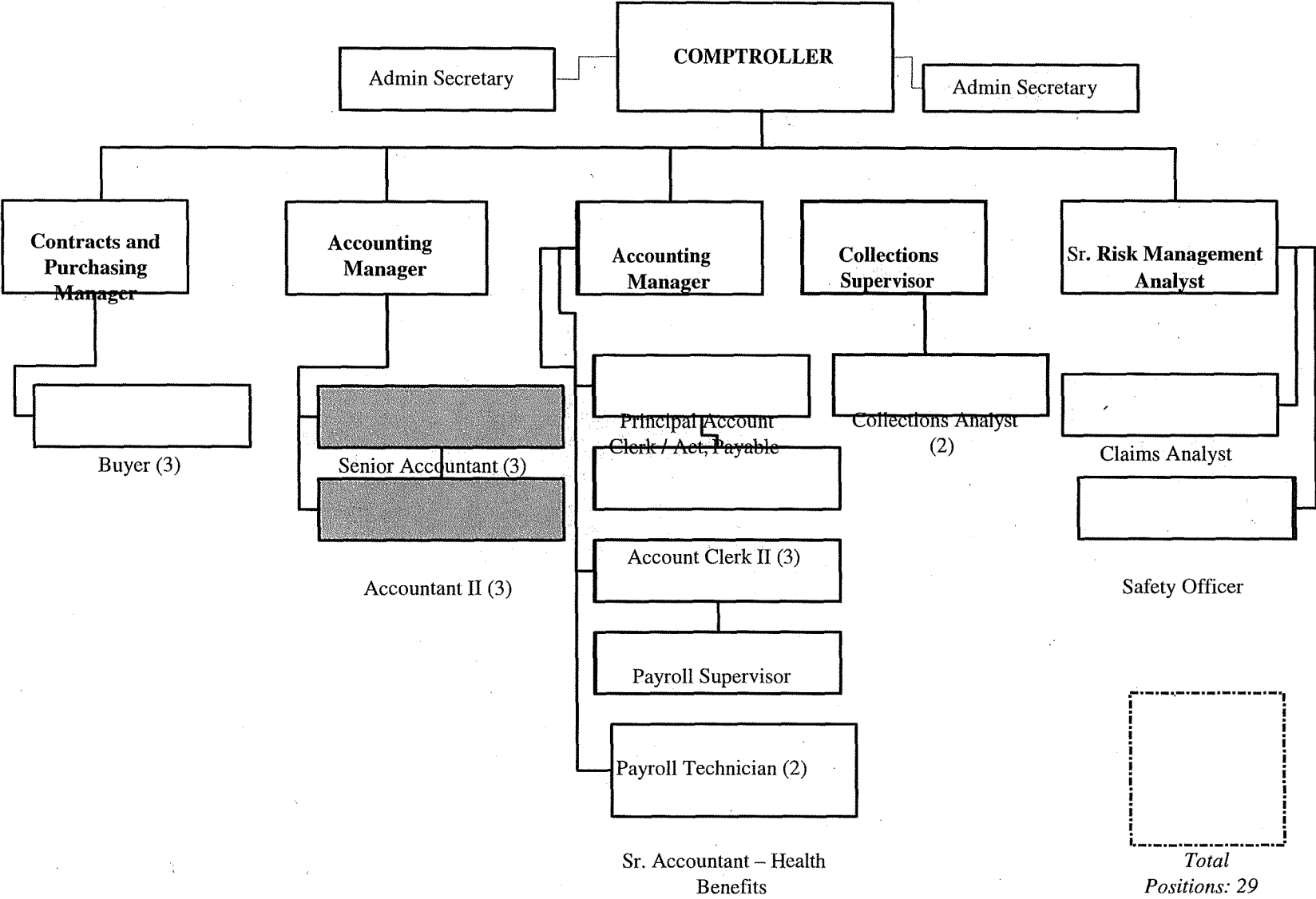
Signature of Authorized Representative

Date

I am unable to certify to the above statement. My explanation is attached.

Signature _____ Date _____

EXHIBIT C – Organizational Chart



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EXHIBIT D – Audit Schedule

YEAR-END AUDIT PLANNING CALENDAR - FY 2019 (July 1, 2018 to June 30, 2019)		
WASHOE COUNTY - PRELIMINARY		
* Tasks to be completed by: A-Auditors, C-Comptrollers, O-Other		
Target	By:*	Task:
Mon, May 6, 2019	C	Washoe County provides updated internal control documentation to Auditors
Fri, 05-10	A	Audit planning meeting
6/20-6/24	A	Auditor walkthrough and risk assessments
Fri, 06-28	C	Final payroll posts-9 days to be accrued
Fri, 07-12	C	Planning Trial balance to Auditors - not final due to State payments
Mon, 08-26	C	Ready for Audit: Debt (w/o other LT liabilities)*
Mon, 08-26	C	Ready for Audit: Cash and Investments
Mon, 08-26	C	Ready for Audit: Govt'l Capital
Mon, 08-26	C	Ready for Audit: Property Taxes
Mon, 08-26	C	Ready for Audit: Internal Service Funds
Mon, 09-09	C	Final Trial Bal (w/August tax receipts) to Auditors
Week of 9/09	A	Audit field work begins
Mon, 09-23	C	Major fund ready for Audit-Dept. of Water Resources
Mon, 09-23	C	All Major Fund ready for Audit: General Fund, CPS, SAD, Others
Fri, 09-27	C	All remaining Funds to Audit
Mon, 09-30	C	Combining Statements to Audit
Wed, 10-02	C	G-W statements to Audit
Thu, 10-03	A	Auditor progress meeting
Thu, 10-03	C	All remaining notes and schedules to Audit
Fri, 10-04	C	MD&A completed
Fri, 10-04	C	Attorney confirmations due
Tue, 10-08	C	DRAFT - CAFR and financial statements to Audit
Mon, 10-14	A	Audit field work complete
Wed, 10-23	A	Audit comments due to WC/Prelim Exit Conference
Fri, 10-25	A	Management response to Audit
Fri, 10-25	A	Opinion Letter
Wed, 10-30	A	Audit back from EQR/Exit Conference
Wed, 10-30	C	CAFR to print
Tue, 11-12	C	CAFR, financial statements - Agenda briefing
Tue, 11-19	C	BCC Meeting
Note - Details for SEFA / Single Audit		
Fri, 06-14	C	SEFA-preliminary expenditures for testing & Status of prior year findings
Fri, 06-28	C	SEFA-preliminary expenditures for testing & Status of prior year findings
Fri, 07-26	C	SEFA-preliminary expenditures for testing & Status of prior year findings
Fri, 08-09	C	SEFA - draft and Prior Year Findings status to Audit
Fri, 09-13	C	SEFA - Final version to Audit with SEFA Notes
Mon, 09-23	A	SEFA findings/questions costs submitted by Auditors
Fri, 10-04	C	Final SEFA, Status on Prior Year and SEFA responses from departments
Wed, 12-04	A	SEFA filing-Electronic submission of Data Collection Form

YEAR-END AUDIT PLANNING CALENDAR - FY 2019 (July 1, 2018 to June 30, 2019)		
WASHOE COUNTY, NEVADA OPEB TRUST - PRELIMINARY		
* Tasks to be completed by: A-Auditors, C-Comptrollers, O-Other		
Target	By:*	Task:
OPEB TRUST		
Fri, 08-09	O	Final investment statement from NV-RBIF
Fri, 08-30	O	Actuarial reports received
Fri, 11-01	C	Draft financials to Auditors
Tue, 12-31	A	Audit comments due to Washoe County/Exit Conference
Tue, 01-21	C	Presentation to Board of Trustees
		¹ Cash can go to audit as soon as completed and reviewed
		* Debt can go to audit as soon as it ties to the 2019 CAFR Notes.

EXHIBIT E – Notification of Interest

[ACCOUNTING FIRM'S LETTERHEAD]

[NAME OF OFFICIAL]
AUDIT COMMITTEE
[ADDRESS]

NOTIFICATION OF INTEREST

Dear Mrs. Mann:

Our firm is interested in submitting a proposal to audit the [Washoe County and the OPEB Trust's (Entities') select those for which a proposal is being submitted] financial statements for the fiscal year ending June 30, 2019 with the option of auditing the Entities' financial statements for the 2 subsequent fiscal years, as set forth in the Request for Proposal (RFP) # _____ dated _____.

[SELECT ONE OF THE FOLLOWING PARAGRAPHS]

We plan to have [NUMBER] representatives attend a pre-proposal conference for firms interested in submitting proposals. The pre-proposal conference will be held on [DATE] in your office.

-OR-

We will be unable to send representatives to the pre-proposal conference, but we are interested in receiving further correspondence concerning inquiries made or other items discussed at that conference.

Yours very truly,

[AUDIT FIRM]

EXHIBIT F – Schedule of Professional Fees and Expenses

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES
FOR THE AUDIT OF THE [YEAR] FINANCIAL STATEMENTS

	Hours	Standard Hourly Rates	Quoted Hourly Rates	Total
Partners				
Managers				
Supervisory Staff				
Staff				
Other (specify):				
Subtotal				_____
Out-of-pocket expenses:				
Meals and lodging				
Transportation				
Other (specify):				
Total all-inclusive maximum price for [YEAR], audit				_____

Note: The rate quoted should not be presented as a general percentage of the standard hourly rate or as a gross deduction from the total all-inclusive maximum price.

Draft Request for Proposal



**IVGID Audit Committee
893 Southwood Boulevard
Incline Village, Nevada 89451**

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT ("IVGID")
REQUEST FOR PROPOSAL
FOR
INDEPENDENT AUDIT SERVICES**

**Release Date:
By: Director of Finance Paul Navazio**

Sealed proposals shall be accepted until 3:00 p.m. PST on

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I. INTRODUCTION AND NATURE OF SERVICES REQUIRED

A. General Information

The IVGID Audit Committee is currently requesting written proposals to establish a list of qualified firms of certified public accountants with expertise in one or multiple fields of auditing in this RFP. IVGID then intends to negotiate the award of a contract with qualified proposers within their respective expertise to audit the financial statements of IVGID on behalf of the IVGID Board of Trustees.

The audit is to be performed in accordance with generally accepted auditing standards, the standards set forth for financial audits in the U.S. Government Accountability Office's (GAO) Government Auditing Standards, issued by the Comptroller General of the United States, as well as the applicable provisions of NRS 354.624.

There is no expressed or implied obligation for IVGID to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

B. Term of Engagement

A five-year contract is contemplated for the fiscal years ending June 30, 2021 through June 30, 2025, subject to the review and recommendation of the Audit Committee, the satisfactory negotiation of terms (including a price acceptable to IVGID and the selected firm. The firm will be required to have a member supervising the staff rotating every two years and audit engagement partners rotating at least every three years.

C. Scope of Work to be Performed

IVGID desire the auditor to express an opinion on the fair presentation of its governmental activities, its business-type activities, each of its major funds, and its aggregate remaining fund information in conformity with generally accepted accounting principles.

IVGID also desire the auditor to express an opinion on the fair presentation of its individual fund financial statements and schedules in conformity with generally accepted accounting principles. The auditor is not required to audit the supporting schedules contained in the comprehensive annual financial report. However, the auditor is to provide an "in-relation-to" opinion on the

supporting schedules based on the auditing procedures applied during the audit of the basic financial statements and the individual fund financial statements and schedules. The auditor is not required to audit the introductory section of the report or the statistical section of the Comprehensive Annual Financial Report (CAFR).

The auditor shall also be responsible for performing certain limited procedures involving required supplementary information as mandated by generally accepted auditing standards.

D. Auditing Standards to be Followed

To meet the requirements of this request for proposal, the audit shall be performed 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. Government Accountability Office's Government Auditing Standards, issued by the Comptroller General of the United States, as well as the applicable provisions of NRS 354.624.

E. Reports to be Issued

Following the completion of the audits of the fiscal year's financial statements, the auditor shall issue:

1. A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles.
2. A report on compliance and internal control over financial reporting based on an audit of financial statements.
3. A report on compliance with the applicable provisions of NRS 354 or other Nevada Revised Statutes or Nevada Administrative Code requiring such disclosure.

In the required report[s] on compliance and internal controls, the auditor shall communicate any significant deficiency or material weakness found during the audit. A significant deficiency shall be defined as a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected. A material weakness shall be defined as a significant deficiency or combination of significant deficiencies, that results in more than a remote

likelihood that a material misstatement of the financial statements will not be prevented or detected. Significant deficiencies that are also material weaknesses shall be identified as such in the report. In addition, the following conditions shall be reported:

Auditor's comments on:

1. Statutory Compliance
2. Progress on Prior Year Statute Compliance
3. Prior Year Recommendations
4. Current Year Recommendations
5. Nevada Revised Statute 354.6115 (do we have a qualifying fund?)
6. Any other reports/reviews required by statute or regulations

Control deficiencies discovered by the auditors that are neither significant deficiencies nor material weaknesses shall be reported in a separate letter to management, which shall be referred to in the report[s] on compliance and internal controls. A control deficiency shall be deemed to have occurred whenever the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

The report on compliance and internal controls shall include all material instances of noncompliance. All nonmaterial instances of noncompliance shall be reported in a separate management letter, which shall be referred to in the report on compliance and internal controls.

Irregularities and illegal acts - 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 following parties: IVGID General Manager, Audit Committee, Board of Trustees, and Director of Finance.

Reporting to the Audit Committee – Auditors shall assure themselves that the IVGID Audit Committee are informed of each of the following:

1. The auditor's responsibility under generally accepted auditing standards
2. Significant accounting policies
3. Management judgments and accounting estimates
4. Significant audit adjustments
5. Auditor's judgments about the quality of the entity's accounting

- principles
6. Other information in documents containing audited financial statements
 7. Disagreements with management
 8. Management consultation with other accountants
 9. Major issues discussed with management prior to retention
 10. Difficulties encountered in performing the audit

F. Special Considerations

IVGID will send its CAFR to the Government Finance Officers Association of the United States and Canada for review in their Certificate of Achievement for Excellence in Financial Reporting program. It is anticipated that the auditor will not be required to provide special assistance to IVGID to meet the requirements of that program.

A list of findings and other weaknesses from IVGID's most recent financial statement audit, conducted during the most recent fiscal period to be audited can be made available upon request.

G. Working Paper Retention and Access to Working Papers

All working papers must be retained, at the auditor's expense, for a minimum of three (3) years from the completion date of the audit, unless the firm is notified in writing by IVGID of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the following parties or their designees:

1. IVGID Board of Trustees, Audit Committee, IVGID General Manager, IVGID Director of Finance
2. U.S. Government Accountability Office (GAO)
3. Parties designated by the federal or state governments as part of an audit quality review process
4. Auditors of entities of which the entities are a sub recipient of grant funds

In addition, the firm(s) shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

II. DESCRIPTION OF IVGID

A. Incline Village General Improvement District ("IVGID")

General: IVGID is a general improvement district formed in accordance with Nevada Revised Statute Chapter 318 of the State of Nevada and is governed by a 5-member Board of Trustees. IVGID's fiscal year begins on July 1 and ends on June 30.

Fund Structure: IVGID provides general government services, and has basic powers granted by the County of Washoe, Nevada to furnish sanitary facilities for sewerage, facilities for water, recreational facilities and facilities for the collection and disposal of garbage and refuse. and used the following fund types and number of individual funds in its financial reporting as of June 30, 2019). The number of funds is subject to change as the structure of IVGID changes.

- One (1) General Fund
- Two (2) Special Revenue Funds
- Two (2) Debt Service Funds
- Two (2) Capital Projects Fund
- One (1) Enterprise Fund
- One (1) Internal Services Fund

Budgetary Basis of Accounting: IVGID prepares its budget on a basis consistent with generally accepted accounting principles.

MUST BE UPDATED BY IVGID STAFF

Computer Systems: IVGID's primary financial software system is SAP. IVGID has used SAP since September 2003. SAP modules are utilized for the following functional and process areas:

1. General ledger and financial accounting
2. Cost accounting including grants and capital projects
3. Fixed assets
4. Materials management including purchasing, encumbrance accounting, and physical inventory
5. Accounts payable
6. Billing and accounts receivable
7. Human resources
8. Payroll
9. Employee self-service including working time entry, payroll and health benefits data changes
10. Budget

11. Treasurer's electronic banking and petty cash
12. Utility billing
13. Governance, risk and compliance module for maintaining user access controls
14. Workflow/online approvals

The SAP system uses both online real-time entry and batch processing. System security, backups, installation of backups, and maintenance are provided by the County's Technology Services Department. There are no current plans to change financial software.

In addition to the primary financial system, several departments use various other software providers for their operations. Data generated by such software includes information that may be interfaced with the primary accounting system pertaining to revenues, cash receipts and accounts receivable.

Availability of Prior Reports and Working Papers: Interested proposers who wish to review prior years' audit reports and management letters should contact the IVGID Audit Committee. IVGID will use its best efforts to make prior audit reports and supporting working papers available to proposers to aid their response to this request for proposals. Comprehensive Annual Financial Reports can also be located at IVGID.

III. TIME REQUIREMENTS

A. Proposal Calendar

The following is a list of key dates for the proposals: **DATES TO BE DETERMINED**

<u>Event</u>	<u>Date</u>
Distribution of RFP	
Pre-Proposal Conference	
Deadline for Submitting Questions	
Responses to Questions	
Proposal Closing	
Public RFP Opening	
Evaluations Completed.....	
Award by the IVGID Board of Trustees	
Implementation of Contract	

B. Scheduling the Audit

IVGID will have all records ready for audit and all management personnel available to meet with the firm's personnel in accordance with the attached schedule (EXHIBIT D) for the fiscal year ending June 30, 2021. A similar time schedule will be developed for audits for future fiscal years.

Each of the following should be completed by the auditors no later than the dates indicated:

1. Interim work shall be completed by June 30th.
2. The auditor shall provide by July 1 a detailed audit plan and a list of all schedules to be prepared if not included on the attached schedule (EXHIBIT D).
3. The auditor shall complete all field work by the second Wednesday in October.
4. The auditor(s) shall have drafts of the audit report[s] and recommendations to management available for review on or before October 23.

C. Entrance Conferences, Progress Reporting and Exit Conferences

At a minimum the following conferences are to be held on or before the dates indicated below:

1. Entrance conference with all key finance department personnel and department heads of key offices or programs shall be held no later than the last business day in May. The purpose of this meeting will be to discuss prior audit problems and the interim work to be performed if not previously communicated. This meeting will also be used to establish overall liaison for the audit and to make arrangements for work space and other needs of the auditor.
2. Progress conference with key finance department personnel shall be held no later than the third Wednesday in September.
3. Exit conference with key finance department personnel shall be held no later than the fourth Wednesday in October.

D. Date Final Report Due

For the IVGID audit, the IVGID Director of Finance, or appropriate financial staff, shall prepare draft financial statements, notes and all required

supplementary schedules no later than the first Friday in October. The auditor shall provide all recommendations, revisions and suggestions for improvement to the Director of Finance by the third Friday in October. Once all issues for discussion are resolved, the final financial reports shall be completed by the Director of Finance and the final auditor's report(s) shall be delivered to the Audit Committee by October 23.

IV. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION

A. Director of Finance and Clerical Assistance

The IVGID finance staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation and explanations. The preparation of confirmations will be the responsibility of the **Comptroller Department**. In addition, clerical support will be made available to the auditor for the preparation of routine letters and memoranda.

B. Technology Services Assistance

IVGID's Information Technology Department personnel will be available to provide systems documentation and explanations. The auditor will be provided computer time and the use of IVGID's hardware and software. Additionally, IVGID will provide the auditor with reasonable work space and access to photocopiers and FAX machines.

C. Statements and Schedules Preparation

The staff of the IVGID Finance Department, will prepare statements and schedules for the auditors based on the schedule provided in **(EXHIBIT D)**. A similar time schedule will be developed for audits for future fiscal years.

D. Report Preparation, Editing and Printing

Financial report preparation, editing and printing shall be the responsibility of the IVGID Finance Department. The auditors will be responsible for the preparation and editing of the auditors' reports and opinions and for coordinating with the Finance Department for insertion into the financial reports.

V. PROPOSAL REQUIREMENTS

A. General Requirements

1. **Pre-proposal Conference:** A conference for firms interested in submitting proposals will be held at 1:00 p.m. on October 15, 2018, at the IVGID Administration Offices. Both verbal and written questions will be accepted during the conference. Minutes of the pre-proposal conference will be made available to those requesting such. At the pre-proposal conference representatives of IVGID will be available to discuss their operations for interested proposers.

2. **Inquiries:** In order to ensure fair and objective evaluation, all questions related to this RFP shall be addressed directly to the IVGID's Director of Finance Paul Navazio. Contact with any other IVGID employees after the RFP's official release date is strictly prohibited. Proposers who directly contact IVGID employees risk elimination of their proposal from further consideration. Inquiries concerning the Request for Proposals and the subject of the Request for Proposals must be made to:

Paul Navazio
Director of Finance
IVGID
893 Southwood Boulevard
Incline Village, NV 89451

Deadline for the submission of questions regarding the RFP is October 19, 2018.

The IVGID Director of Finance shall perform all matters relevant to this Request for Proposal, acknowledgment, and evaluation, in conjunction with members that include the IVGID Audit Committee, the General Manager and other IVGID representatives as may be deemed appropriate.

3. **Submission of Proposals:** The following material is required to be received by 3:00 PM PST on Wednesday, November 14, 2018 for a proposing firm(s) to be considered.
 - a. An original (so marked) of the Technical Proposal and six (6) copies to include the following:

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT ("IVGID")
REQUEST FOR PROPOSAL FOR INDEPENDENT AUDIT SERVICES

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- i. Title Page showing the request for proposals subject: the firm's name; the name, address and telephone number of the contact person; and the date of the proposal.
 - ii. Table of Contents
 - iii. A signed Transmittal Letter briefly stating the proposer's understanding of the work to be done, the commitment to perform the work within the time period, a statement why the firm believes itself to be the best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for the fiscal year ending June 30, 2021.
 - iv. A Detailed Proposal should follow the order set forth in the Technical Proposal in **Section V-B** of this request for proposal.
 - v. Executed copy of the Certification Regarding Debarment, Suspension, and Other Responsibility Matters, attached to this request for proposal (**EXHIBIT B**).
- b. The proposer(s) shall submit an original and six (6) copies of a fixed cost bid as set forth in the Bid Section of this Request for Proposal.
 - c. Proposers should send the completed proposal to the following address: IVGID Audit Committee.

IVGID assumes no responsibility for errant delivery of proposals relegated to a courier agent who fails to deliver in accordance with the specified time and receiving point. Late, incomplete or unsigned proposals shall receive **no** consideration.

Proposals may be withdrawn at any time up until the opening and acknowledgment upon written notice to the IVGID Director of Finance. Withdrawal requests received after the time set for opening and acknowledging shall **not** be considered.

The contents of the proposal and any clarifications thereto submitted by the successful proposer(s) and accepted by IVGID shall become part of the contractual obligation and incorporated by reference into the ensuing Agreement(s). The final Agreement(s) shall incorporate the RFP and attachments and exhibits thereto, proposer's response(s), and any negotiated points of Agreement(s) between the parties.

All proposals shall become the property of IVGID and shall not be returned to the proposers.

All proposals shall become public records under the laws of the State of Nevada, and the public shall be given access thereto. All responses submitted by proposers shall be deemed confidential during the evaluation process. Proposals will not be available for review by anyone other than the **District Staff**, Audit Committee or its designated agents during the selection process. Information deemed Proprietary by Respondent must be clearly labeled as such using red ink.

Any and all costs incurred by the proposers in the preparation and delivery of their proposal(s), or subsequent negotiation of the resulting Agreement(s), shall be borne entirely by the proposer.

B. Technical Proposal

1. **General Requirements:** The purpose of the Technical Proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake independent audits of IVGID, in conformity with the requirements of this request for proposal. As such, the substance of the proposals will carry more weight than their form or manner of presentation. The Technical Proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to these engagements. It should also specify an audit approach that will meet the request for proposals requirements.

THERE SHOULD BE NO DOLLAR UNITS OR TOTAL COSTS INCLUDED IN THE TECHNICAL PROPOSAL DOCUMENT.

The Technical Proposal should address all the points outlined in the request for proposal (excluding any cost information which should only be included in the dollar cost bid(s)). The Technical Proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the request for proposal. While additional data may be presented, the following subjects, **item Nos. 2 through 10**, must be included. They represent the criteria against which the proposal will be evaluated.

2. **Independence:** Firms should provide an affirmative statement that they are independent of IVGID, as defined by generally accepted

auditing standards.

Firms should also list and describe their professional relationships involving IVGID for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

In addition, the firm shall give IVGID written notice of any professional relationships entered into during the period of this agreement.

3. **License to Practice in Nevada:** An affirmative statement should be included that the firm and all assigned key professional staff are properly licensed to practice in Nevada.
4. **Firm Qualifications and Experience:** The proposer should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis.

Any proposer that is a joint venture or consortium shall separately identify the qualifications of each firm comprising the joint venture or consortium and the firm that is to serve as the principal auditor should be noted, if applicable.

The firm is also required to submit a copy of the report on its most recent external quality control review, with a statement whether that quality control review included a review of specific government engagements.

The firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations.

5. **Partner, Supervisory and Staff Qualifications and Experience:** Identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagements. Indicate whether each

such person is registered or licensed to practice as a certified public accountant in Nevada. Provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit.

Provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. Indicate how the quality of staff over the term of the agreement will be assured.

The proposer should identify the extent to which staff to be assigned to the audit reflect IVGID's commitment to Affirmative Action.

Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of IVGID. However, in either case, IVGID retain the right to approve or reject replacements.

Consultants and firm specialists mentioned in response to this request for proposal can only be changed with the express prior written permission of IVGID, which retains the right to approve or reject replacements.

Other audit personnel may be changed at the discretion of the proposer provided that replacements have substantially the same or better qualifications or experience.

6. ***Prior Engagements with IVGID:*** List separately all engagements within the last five years, ranked on the basis of total staff hours, for IVGID by type of engagement (i.e., audit, management advisory services, other). Indicate the scope of work, date, engagement partners, total hours, the location of the firm's office from which the engagement was performed, and the name and telephone number of the principal client contact.
7. ***Similar Engagements with Other Government Entities:*** For the firm's office that will be assigned responsibility for the audit, list the

most significant engagements (maximum - 5) performed in the last five years that are similar to the engagement described in this request for proposal. These engagements should be ranked on the basis of total staff hours. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

8. **Specific Audit Approach:** The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section II of this request for proposal. In developing the work plan, reference should be made to such sources of information as IVGID budget and related materials, organizational charts, manuals and programs, and financial and other management information systems.

Proposers will be required to provide the following information on their audit approach:

- a) Proposed segmentation of the engagements
 - b) Level of staff and number of hours to be assigned to each proposed segment of the engagement submitting a proposal for (no dollars should be included in the technical proposal)
 - c) Sample size and the extent to which statistical sampling is to be used in the engagement
 - d) Extent of use of EDP software in the engagement
 - e) Type and extent of analytical procedures to be used in the engagement
 - f) Approach to be taken to gain and document an understanding of the entities' internal control structure
 - g) Approach to be taken in determining laws and regulations that will be subject to audit test work
 - h) Approach to be taken in drawing audit samples for purposes of tests of compliance
9. **Identification of Anticipated Potential Audit Problems:** Proposals should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from IVGID.
10. **Report Format:** Proposals should include sample formats for required reports.

11. **Exceptions:** Proposals shall include any exceptions to the terms, conditions, and requirements as specified in the RFP. Failure to note exceptions in the proposal response shall indicate that the proposer will agree to perform as specified if they are awarded the contract.

C. Fixed Cost Bid

1. **Total Maximum Price:** The fixed cost bid should contain all pricing information relative to performing the audit engagement as described in this request for proposal. The total maximum price to be bid is to contain all direct and indirect costs including all out-of-pocket expenses.

IVGID will not be responsible for expenses incurred in preparing and submitting the technical proposal or the dollar cost bid. Such costs should not be included in the proposal.

The first page of the dollar cost bid should include the following information:

- a) Name of firm
 - b) Certification that the person signing the proposal is entitled to represent the firm, empowered to submit the bid, and authorized to sign a contract.
 - c) A Total Maximum Price for the fiscal year ending June 30, 2021 engagement
 - d) A Proposed Total Maximum Price for subsequent renewal years.
2. **Rates by Partner, Specialist, Supervisory and Staff Level Times Hours Anticipated for Each:** The second page of the dollar cost bid should include a schedule of professional fees and expenses, presented in the format provided in the attachment (EXHIBIT F) that supports the total maximum price per entity.
 3. **Out-of-pocket Expenses Included in the Total Maximum Price and Reimbursement Rates:** Out-of-pocket expenses for firm personnel (e.g., travel, lodging and subsistence) will be reimbursed at the rates used by IVGID for its employees. All estimated out-of-pocket expenses to be reimbursed should be presented on the dollar cost bid in the format provided in the attachment (EXHIBIT F). All expense reimbursements will be charged against the total maximum price

submitted by the firm. In addition, a statement must be included in the dollar cost bid stating the firm will accept reimbursement for travel, lodging and subsistence at the prevailing IVGID rates for its employees (GSA rates for IVGID).

4. **Rates for Additional Professional Services:** If it should become necessary for IVGID to request the auditor to render any additional services to either supplement the services requested in this RFP or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between IVGID and the firm. Any such additional work agreed to between IVGID and the firm shall be performed at the same rates set forth in the schedule of fees and expenses included in the dollar cost bid.
5. **Manner of Payment:** Progress payments may be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the firm's dollar cost bid proposal. Interim billing shall cover a period of not less than a calendar month.

VI. EVALUATION PROCEDURES

A. Review of Proposals

An evaluation team will use a point formula during the review process to score proposals for IVGID. Each member of the evaluation team will first score each technical proposal by each of the criteria described in Section VI-B below. The full evaluation team will then convene to review and discuss these evaluations and to combine the individual scores to arrive at a composite technical score for each firm. At this point, firms with an unacceptably low technical score will be eliminated from further consideration.

After the composite technical score for each firm has been established, the dollar cost bid will be opened and additional points will be added to the technical score based on the price bid. The maximum score for price will be assigned to the firm(s) offering the lowest total maximum price. Appropriate fractional scores may be assigned to other proposers.

IVGID reserves the right to retain all proposals submitted and use any idea

in a proposal regardless of whether that proposal is selected.

B. Evaluation Criteria

Proposals will be evaluated using three sets of criteria. Firms meeting the mandatory criteria will have their proposals evaluated and scored for both technical qualifications and price. The following represent the principal selection criteria which will be considered during the evaluation process.

1. Mandatory Elements:

- a) The audit firm is independent and licensed to practice in Nevada.
- b) The firm has no conflict of interest with regard to any other work performed by the firm for IVGID.
- c) The firm adheres to the instructions in this request for proposals on preparing and submitting the proposal(s).
- d) The firm submits a copy of its last external quality control review report and the firm has a record of quality audit work.

2. Technical Quality:

a) Expertise and Experience

- (1) The firm's past experience and performance on comparable government engagements.
- (2) 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.

b) Audit Approach

- (1) Adequacy of proposed staffing plan for various segments of the engagement.
- (2) Adequacy of sampling techniques.
- (3) Adequacy of analytical procedures.

3. Fixed Price

COST WILL NOT BE THE PRIMARY FACTOR IN THE SELECTION OF AN AUDIT FIRM.

C. Audit Committee

Proposals, evaluations and recommendations will be submitted to members of the Audit Committee of IVGID for their review and approval. A list of the members of the Audit Committee will be provided to proposers upon request.

D. Oral Presentations

During the recommendation review process, the Audit Committee may, at its discretion, request any one or all firms to make oral presentations. Such presentations will provide firms with an opportunity to answer any questions the Audit Committee may have on a firm's proposal. Not all firms may be asked to make such oral presentations.

E. Final Selection

IVGID will select a firm based upon the recommendation of the Audit Committee. It is anticipated that a firm will be selected in January 2021. Following notification of the firm(s) selected, and approval by the Board of Trustees of IVGID it is expected a contract(s) will be executed between relevant parties not later than February 28, 2021.

F. Right to Reject Proposals

Submission of any proposal indicates acceptance by the firm of the conditions contained in this request for proposal unless clearly and specifically noted in the proposal submitted and confirmed in the contract between IVGID and the firm selected. IVGID reserves the right without prejudice to reject any or all proposals.

G. Anti-collusion

The submittal of a proposal constitutes agreement that the proposer has not divulged its proposal to other proposers, nor has colluded with any other proposers or parties to any other proposal.

VII. AWARD OF AGREEMENT

Recommendation for award shall be made totally on the basis of the proposal(s) deemed most advantageous to IVGID. In all instances the decisions rendered by

the IVGID's Board of Trustees, shall be final. IVGID shall reserve the right to accept or reject any or all proposals; to negotiate any portion of the proposal responses; to waive any found informalities in the proposals; and to hold all proposals for a maximum of one hundred twenty (120) days from the opening date before final action to accept or reject any proposal.

Unless proposals shall specifically state to the contrary, IVGID shall reserve the right and privilege to sever any portion of any proposal.

Successful proposer[s] shall not commence performance against any resulting award of this request for proposal until such time as they receive a purchase order from IVGID engaging the successful proposers' audit services.

VIII. FAILURE TO PERFORM

The services rendered under the resulting agreement shall be critical to the mandated responsibilities of IVGID. Therefore, the successful proposer shall, upon satisfactory notification, reimburse IVGID for all expenses incurred by them in providing services that are the responsibility of the successful proposer. Such expenses shall be reduced from any current or future amounts due and payable to the successful proposer.

In the event the resulting agreement is terminated prior to its expiration, all finished or unfinished documents, studies, correspondence, reports and other products prepared by or for the successful proposer under the resulting agreement shall become the exclusive property of IVGID. Notwithstanding the above, the successful proposer shall not be relieved of liability to IVGID for damage sustained by them by virtue of any breach of any resulting agreement by the successful proposer.

IX. DEFAULT OF AGREEMENT

In the event of default by a successful proposer, IVGID may procure the required services from other sources and hold the successful proposer liable for any cost excess beyond the cost anticipated in the original Agreement. In addition, IVGID may seize the performance bond, if applicable, and pursue any or all other legal remedies against the defaulting firm.

X. APPEAL BY UNSUCCESSFUL PROPOSER

Any unsuccessful proposer may appeal a pending RFP award prior to award by IVGID. The appellant must:

Submit a written protest to the Audit Committee not less than seven days prior to the award hearing date.

Describe, in the written protest, the issues to be addressed on appeal.

Post, with the written protest, a bond with good and solvent surety authorized to do business in this state or submit other security in a form approved by IVGID, who will hold the bond or other security until a determination is made on the appeal.

Post the bond or other security in the amount of 25% of the total dollar value of appellant's bid, up to a maximum bond or other security amount of \$250,000.

Not seek any type of judicial intervention until IVGID has rendered its final decision on the protest.

IVGID will stay any award actions until after the Audit Committee has responded in writing to the protest. If the appellant is not satisfied with the response, appellant may then protest to the IVGID Board of Trustees, who will render a final decision.

No bid protests will be heard by the Board of Trustees unless the bidder has followed the appeal process.

If an appeal is granted, the full amount of the posted bond will be returned to the appellant. If the appeal is denied or not upheld, a claim may be made against the bond for expenses suffered by the IVGID because of the unsuccessful appeal.

IVGID is not liable for any costs, expenses, attorney's fees, loss of income or other damages sustained by the appellant in a bid process.

XI. OPEN MEETING LAW

NRS 241 provides that public business shall be conducted in an open meeting.

**EXHIBIT A – Insurance, hold harmless and indemnification requirements
for the independent audit services**

INDEMNIFICATION

PROPOSER Liability

As respects acts, errors or omissions in the performance of PROPOSER services, PROPOSER agrees to indemnify and hold harmless Incline Village General Improvement District ("IVGID") and their officers, agents, employees, and volunteers from and against any and all claims, demands, defense costs, liability or consequential damages of any kind or nature arising directly out of PROPOSER'S negligent acts, errors or omissions in the performance of its PROPOSER services under the terms of this agreement.

PROPOSER further agrees to defend IVGID and assume all costs, expenses and liabilities of any nature to which IVGID may be subjected as a result of any claim, demand, action or cause of action arising out of the negligent acts, errors or omissions of PROPOSER or its Sub-consultant in the performance of their PROPOSER services under the Agreement.

General Liability

As respects all acts or omissions which do not arise directly out of the performance of PROPOSER services, including but not limited to those acts or omissions normally covered by general and automobile liability insurance, PROPOSER agrees to indemnify, defend (at the entities option), and hold harmless IVGID their officers, agents, employees, and volunteers from and against any and all claims, demands, defense costs, liability, or consequential damages of any kind or nature arising out of or in connection with PROPOSER'S (or Sub-consultant, if any) performance or failure to perform, under the terms of this agreement; excepting those which arise out of the negligence of IVGID.

PROPOSER must either defend IVGID or upon determination that the work performed by PROPOSER was in any manner negligent or that PROPOSER failed to perform any duty set forth in this Agreement pay the entities' cost of defense for any claim, demand, action or cause of action.

If IVGID's personnel (attorneys, engineers or other professionals) are involved in defending such legal actions, PROPOSER shall also reimburse IVGID for the time spent by such personnel at the actual cost for such services.

In determining the nature of the claim against IVGID, the incident underlying the claim shall determine the nature of the claim, notwithstanding the form of the allegations against IVGID.

GENERAL REQUIREMENTS

IVGID requires that PROPOSER purchase Industrial Insurance, General and Auto Liability, and PROPOSER'S Errors and Omissions Liability Insurance as described below against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work here under by PROPOSER, its agents, representatives, employees or Sub-consultants. The cost of all such insurance shall be borne by PROPOSER.

INDUSTRIAL INSURANCE

It is understood and agreed that there shall be no Industrial Insurance coverage provided for PROPOSER or any Sub-consultant by IVGID. PROPOSER agrees, as a precondition to the performance of any work under this Agreement and as a precondition to any obligation IVGID to make any payment under this Agreement to provide IVGID with a certificate issued by an insurer in accordance with NRS 616B.627 and with a certificate of an insurer showing coverage pursuant to NRS 617.210.

If PROPOSER or Sub-consultant is a sole proprietor, coverage for the sole proprietor must be purchased and evidence of coverage must appear on the Certificate of Insurance. Such requirement may be waived for a sole proprietor who does not use the services of any employees, subcontractors, or independent contractors and completes an Affirmation of Compliance pursuant to NRS 616B627.

Should PROPOSER be self-funded for Industrial insurance, PROPOSER shall so notify IVGID in writing prior to the signing of any agreement. IVGID reserves the right to approve said retentions and may request additional documentation, financial or otherwise for review prior to the signing of any agreement.

MINIMUM LIMITS OF INSURANCE

PROPOSER shall maintain coverages and limits no less than:

1. General Liability: \$1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, the general

aggregate limit shall be increased to equal twice the required occurrence limit or revised to apply separately to this project or location.

2. Automobile Liability: \$1,000,000 combined single limit per accident for bodily injury and property damage. No aggregate limit may apply.
3. PROPOSER Errors and Omissions Liability: \$1,000,000 per occurrence and as an annual aggregate. Premium costs incurred to increase PROPOSER'S insurance levels to meet minimum contract limits shall be borne by the PROPOSER at no cost to the entities.

PROPOSER will maintain PROPOSER liability insurance during the term of this Agreement and for a period of three (3) years from the date of substantial completion of the project. In the event that PROPOSER goes out of business during the term of this Agreement or the three (3) year period described above, PROPOSER shall purchase Extended Reporting Coverage for claims arising out of PROPOSER'S negligent acts, errors and omissions committed during the term of the PROPOSER Liability Policy.

Should the entities and PROPOSER agree that higher PROPOSER Coverage limits are needed warranting a project policy, project coverage shall be purchased and the premium for limits exceeding the above amount shall be borne by IVGID. IVGID retain the option to purchase project insurance through PROPOSER'S insurer or its own source.

DEDUCTIBLES AND SELF-INSURED RETENTIONS

Any deductibles or self-insured retentions must be declared to and approved by IVGID's Director of Finance prior to the start of work under this Agreement. IVGID reserves the right to request additional documentation, financial or otherwise prior to giving its approval of the deductibles and self-insured retention and prior to executing the underlying agreement. Any changes to the deductibles or self-insured retentions made during the term of this Agreement or during the term of any policy must be approved by the IVGID Risk Manager prior to the change taking effect.

OTHER INSURANCE PROVISIONS

The policies are to contain, or be endorsed to contain, the following provisions:

1. General Liability Coverages

- a. The entities, their officers, agents, employees and volunteers are to be covered as additional insureds as respects: liability arising out of activities performed by or on behalf of PROPOSER, including the insured's general supervision of PROPOSER; products and completed operations of PROPOSER; or premises owned, occupied or used by PROPOSER. The coverage shall contain no special limitations on the scope of protection afforded to the additional insureds, nor shall the rights of the additional insured be affected by the insured's duties after an accident or loss.
- b. PROPOSER'S insurance coverage shall be primary insurance as respects the entities, their officers, agents, employees and volunteers. Any insurance or self-insurance maintained by IVGID officers, agents, employees or volunteers shall be excess of PROPOSER'S insurance and shall not contribute with it in any way.
- c. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to IVGID, their officers, agents, employees or volunteers.
- d. PROPOSER'S insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- e. PROPOSER'S insurance coverage shall be endorsed to state that coverage shall not be suspended, voided, canceled or non-renewed by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the entities except for nonpayment of premium.

ACCEPTABILITY OF INSURERS

Insurance is to be placed with insurers with a Best's rating of no less than A-: VII. IVGID, with the approval of the Director of Finance, may accept coverage with carriers having lower Best's ratings upon review of financial information concerning PROPOSER and insurance carrier. IVGID reserve the right to require that the PROPOSER'S insurer be a licensed and admitted insurer in the State of Nevada, or on the Insurance Commissioner's approved but not admitted list.

VERIFICATION OF COVERAGE

PROPOSER shall furnish IVGID with certificates of insurance and with original endorsements affecting coverage required by this exhibit. The certificates and endorsements for each insurance policy are to be signed by a person authorized

by that insurer to bind coverage on its behalf. The certificates are to be on forms approved by IVGID.

All certificates and endorsements are to be addressed specifically to IVGID Director of Finance and be received and approved by IVGID before work commences.

IVGIDs reserve the right to require complete, certified copies of all required insurance policies, at any time.

SUB-CONSULTANTS

PROPOSER shall include all Sub-consultants as insured under its policies or furnish separate certificates and endorsements for each Sub-consultant. Sub-consultant shall be subject to all of the requirements stated herein.

MISCELLANEOUS CONDITIONS

1. PROPOSER shall be responsible for and remedy all damage or loss to any property, including property of IVGID, caused in whole or in part by PROPOSER, any Sub-consultant, or anyone employed, directed or supervised by PROPOSER.
2. Nothing herein contained shall be construed as limiting in any way the extent to which PROPOSER may be held responsible for payment of damages to persons or property resulting from its operations or the operations of any Sub-consultants under it.
3. In addition to any other remedies IVGID may have if PROPOSER fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, IVGID may, at its sole option:
 - a. Order PROPOSER to stop work under this Agreement and/or withhold any payments which become due PROPOSER here under until PROPOSER demonstrates compliance with the requirements hereof;
 - b. Purchase such insurance to cover any risk for which IVGID may be liable through the operations of PROPOSER under this Agreement if PROPOSER is unable to comply with the insurance requirements, and deduct or retain the amount of the premiums for such insurance from any sums due under the Agreement;

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REQUEST FOR PROPOSAL FOR INDEPENDENT AUDIT SERVICES
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- c. Terminate the Agreement.

EXHIBIT B

Certification Regarding Debarment, Suspension, and Other Responsibility
Matters

The prospective proposer, _____ certifies to the best of its knowledge and belief that it and its principals:

- (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
- (b) Have not within a three year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- (c) Are not presently indicted for or otherwise criminally or civilly charged by a government entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (1) (b) of this certification; and
- (d) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State, or local) terminated for cause or default.

I understand that a false statement on this certification may be grounds for rejection of this proposal or termination of the award.

Typed Name & Title of Authorized Representative

Signature of Authorized Representative Date

I am unable to certify to the above statement. My explanation is attached.

Signature__Date__

NEED UPDATE

EXHIBIT C – Organizational Chart

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EXHIBIT D – Audit Schedule

YEAR-END AUDIT PLANNING CALENDAR - FY 2019 (July 1, 2018 to June 30, 2019)		
IVGID- PRELIMINARY		
* Tasks to be completed by: A-Auditors, C-Comptrollers, O-Other		
Target Date	By:*	Task:
	C	IVGID provides updated internal control documentation to Auditors
	A	Audit planning meeting
	A	Auditor walkthrough and risk assessments
	C	Final payroll posts-9 days to be accrued
	C	Planning Trial balance to Auditors
	C	Ready for Audit: Debt (w/o other LT liabilities)*
	C	Ready for Audit: Cash and Investments
	C	Ready for Audit: Gov't Capital
	C	Ready for Audit: Property Taxes
	C	Ready for Audit: Internal Service Funds
	C	Final Trial Bal to Auditors
	A	Audit field work begins
	M	
	C	All Major Funds ready for Audit:
	C	All remaining Funds to Audit
	t	
	C	Government Wide statements to Audit
	A	Auditor progress meeting
	C	All remaining notes and schedules to Audit
	C	MD&A completed
	C	Attorney confirmations due
	C	DRAFT - CAFR and financial statements to Audit
	A	Audit field work complete
	A	Audit comments due to IVGID Audit Committee/Prelim Exit Conference
	A	Management response to Audit
	A	Opinion Letter
	A	Audit back from EQR/Exit Conference
	C	CAFR to print
	C	CAFR, financial statements - Agenda briefing
	C	Board of Trustees Meeting

EXHIBIT E – Notification of Interest

[ACCOUNTING FIRM'S LETTERHEAD]

[NAME OF OFFICIAL] AUDIT COMMITTEE [ADDRESS]

NOTIFICATION OF INTEREST

Dear Mrs. Mann:

Our firm is interested in submitting a proposal to audit the [IVGID] financial statements for the fiscal year ending June 30, 2021 with the option of auditing IVGID's financial statements for the 5 subsequent fiscal years, as set forth in the Request for Proposal (RFP) #_dated_____.

[SELECT ONE OF THE FOLLOWING PARAGRAPHS]

We plan to have [NUMBER] representatives attend a pre-proposal conference for firms interested in submitting proposals. The pre-proposal conference will be held on [DATE] in your office.

-OR-

We will be unable to send representatives to the pre-proposal conference, but we are interested in receiving further correspondence concerning inquiries made or other items discussed at that conference.

Yours very truly, [AUDIT FIRM]

EXHIBIT F – Schedule of Professional Fees and Expenses

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES FOR THE AUDIT OF
THE [YEAR] FINANCIAL STATEMENTS

Standard Quoted
Hourly Hourly
Hours Rates Rates Total

Partners Managers Supervisory Staff
Other (specify): Subtotal
Out-of-pocket expenses:

Meals and lodging Transportation Other (specify):
Total all-inclusive maximum price for [YEAR], audit

Note: The rate quoted should not be presented as a general percentage of the standard hourly rate or as a gross deduction from the total all-inclusive maximum price.