



REQUEST FOR PROPOSALS

November 28, 2016

AUDITING SERVICES

PROPOSALS DUE

December 28, 2016 by 5 p.m.

Village of Oswego Request for Proposal

INTRODUCTION

General Information

The Village of Oswego is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal years ending April 30, 2017 through April 30, 2021, with the option of auditing its financial statements for each of the subsequent three fiscal years subject to an annual review by the Village Board of Trustees. These audits are to be performed in accordance with generally accepted auditing standards.

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

To be considered, please submit your proposal no later than 5:00 p.m. on December 28, 2016. Proposals must be submitted to the following address:

**Village of Oswego – Audit RFP
Attn: Tina Touchette
100 Parkers Mill
Oswego, Illinois 60506**

Questions on the engagement or proposal can be submitted via email to brobinson@oswegoil.org.

The Village of Oswego reserves the right to reject any or all proposals submitted. During the evaluation process, the Village reserves the right to request additional information or clarifications from proposers, or to allow corrections of errors and omissions. The Village may choose to interview the top firms prior to making a final decision. No subcontracting will be permitted.

DESCRIPTION OF THE GOVERNMENT

Oswego was first settled in 1833 and formally incorporated in 1852. It is a home rule community as defined by the Illinois Constitution and as such is empowered to levy a property tax, at the rate it deems appropriate on all property located within its boundaries. The Village of Oswego is located in the northeastern section of the State of Illinois, approximately 50 miles southwest of Chicago in the northeast corner of Kendall County. The Village population reached 33,078 with the 2016 special census. The Village operates under the Trustee/Administrator form of government, as defined in Illinois state statutes. A Village President and six trustees are elected at large to overlapping 4 year terms. The Board appointed full-time Village Administrator acts as the Chief Operating Officer of the Village, managing the day-to-day activities of the Village.

The Village of Oswego has 118.55 full time equivalent employees providing an array of services for the residents including; police protection, maintaining the water distribution system, sanitary sewer line administration, storm water collection, public works operations, road & bridge maintenance, community development, building and zoning services and general administrative services.

Finance department staff consists of six full-time employees, which includes a director, an assistant director, one staff accountant, one utility billing coordinator, one accounts payable clerk and a receptionist/cashier. The Village utilizes MSI software (a Harris Company) for its general ledger, accounts payable, accounts receivable, utility billing, building permit and cash register functions. The Village has signed a contract with Tyler Technology for the purchase of their MUNIS software. Implementation is scheduled to take place over an 18 month span, starting January 2017). Payroll is outsourced and Municipal Software Inc is utilized for local adjudication of ordinance and code violations.

The Village currently is utilizing the following Funds accounting for all revenues and expenditures/expenses;

Major Governmental Funds

General Fund
Capital Projects Fund
Debt Service Fund

Non major Funds

Motor Fuel Tax Fund
Public Works Escrow Fund
Economic Development Fund
Public Service Fund
Tax Increment Financing Fund

Enterprise Funds

Water & Sewer Fund
Water & Sewer Capital Fund
Garbage Collection Fund

Fiduciary Funds

Police Pension Fund
Agency Fund
Subdivision Escrow Fund

Internal Service Fund

Vehicle Fund

For additional information regarding the Village and its finances, including copies the current budget and CAFR, please refer to the Village's website at <http://www.oswegoil.org/government/departments/finance.aspx>

REQUIREMENTS OF PROPOSAL

ENTITY TO BE AUDITED

The Village of Oswego is requesting an audit which includes all of the funds, accounts, capital assets, long-term debt and activities of the Village of Oswego including a Police Pension Fund.

SCOPE OF WORK TO BE PERFORMED

1. The Village of Oswego desires the auditor to express an opinion on the fair presentation of its basic financial statements, in conformity with generally accepted accounting principles.
2. The auditor will issue an "in relation to" opinion on the Village's combining and individual fund statements and schedules.
3. The auditor shall be responsible for performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board (GASB) as mandated by generally accepted auditing standards.
4. The Comprehensive Annual Financial Report (CAFR) is to be presented consistent with GASB and Government Finance Officers Association (GFOA) CAFR standards and practices. The Village will submit the report to the GFOA CAFR award program. The auditor is responsible for preparing any responses to the GFOA regarding CAFR deficiencies, if any.
5. The auditor shall prepare the Comprehensive Annual Financial Report (CAFR); including drafting and typing such report. The most recent version of the Village's CAFR can be found on the Village website at <http://www.oswegoil.org/16VOOswegoCAFR.pdf>
6. The auditor shall prepare a letter to management with suggestions for improvements of accounting procedures, compliance requirements, and internal controls for the Village's consideration, if deemed necessary.
7. The auditor shall be available for meeting(s) with the Village's elected officials to answer questions regarding the proposal, completed audit and/or letters to management, if requested.
8. The audit partner, or their designee, shall be available for consultation and questions which arise throughout the year regarding accounting, compliance or internal control issues.

9. The auditor shall prepare a Single Audit Report as required by the Single Audit Act, if required.
10. The auditor will be responsible for the compilation and filing of the Illinois Comptroller's Annual Financial Report for the Village.
11. The auditor shall provide to the Village all audit adjustments, including appropriate back-up, and will meet with staff to discuss these final adjustments.

REPORTS TO BE ISSUED

Following the completion of the audit, the auditor shall issue the following reports:

1. Twelve (12) bound copies and one searchable pdf of the Comprehensive Annual Financial Report, including the front and back cover and the tabs.
2. Twelve (12) copies and one searchable pdf of the Management Letter with suggestions for improvement of accounting procedures, compliance requirements and internal controls for the Village's consideration, if deemed necessary.
3. Twelve (12) bound copies and one searchable pdf of the Single Audit report, if required.
4. Three copies and electronic filing of the State of Illinois Comptrollers report.

TIME REQUIREMENTS

Each of the following shall be completed by the auditor no later than the date indicated.

1. Detailed Requested Items List
The auditor shall provide the Village with a list of all schedules to be prepared by management by May 1st.
2. Fieldwork
The Village desires final fieldwork to be conducted in July. Preliminary fieldwork is encouraged, but not required.
3. Draft and Final Reports
The Village desires that a draft of the audit be submitted no later than September 1st. All reports (CAFR, Report on Internal Controls, Comptrollers report, Pension Fund Annual Statement, etc.) must be delivered to the Village in final and complete form no later than October 15th of each year.
4. Presentation
The Village requires that the auditors attend the Village Board meeting for an audit presentation in October.

If the proposing firm foresees any issues with meeting this schedule, it should be noted in the proposal with an alternate schedule.

ASSISTANCE TO BE PROVIDED TO THE AUDITOR

Finance Department staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation and explanations. The Village will provide the auditor with reasonable workspace, table and chairs. The auditor will also be provided with access to one telephone and fax line, and photocopying facilities. The preparation of confirmation letters and requested materials, at the request of the auditor, will be the responsibility of the Village. Finance staff will also prepare the Letter of Transmittal, Management's Discussion & Analysis and the Statistical Section of the CAFR.

PROPOSAL SUBMISSION:

In addition to the forms included in this RFP, any firm submitting a proposal shall include documentation and information that demonstrates their ability and details the necessary systems, programs, processes, to provide a comprehensive audit of the Village of Oswego's financial statements. Please provide a proposal with the following sections:

1. Title Page – the title page shall show the request for proposal's subject; the firm's name and address; the name and telephone number of a contact person; and the date of the proposal.
2. Detailed Technical Proposal – please see below for details and requirements regarding the technical proposal.
3. References - Proposers shall provide the Village with the names and contact information of three (3) professional references for which similar municipal audit services have been provided. The proposer shall grant the Village permission to contact said references and ask questions regarding prior work performance.
4. Fee Proposal – proposed fees should be presented using the **Fee Proposal Form**. The proposed fees shall be the maximum, not to exceed fee for each fiscal year shown. The proposed maximum fees are to contain all direct and indirect costs, including all out-of-pocket expenses. Progress payments will be made on the basis of hours of work completed during the course of the engagement in accordance with the firm's proposal. Final payment will be made after the receipt of the Comprehensive Annual Financial Report (CAFR).
5. Certifications - All certifications and forms in Section II must be completed and submitted with the proposal.

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 an independent audit of the Village of Oswego in conformity with the requirements of this request for proposal. As such, the substance of 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 this engagement.

The technical proposal should address, at minimum, all the points outlined in the request for proposal. The proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirement of the request for proposal. While additional data may be presented, the following subjects, item numbers two through five must be included. They represent criteria against which the proposal will be evaluated.

2. Independence

The firm shall provide an affirmative statement that it is independent of the Village as defined by generally accepted auditing standards. The firm shall give the Village written notice of any professional relationships entered into during the period of this agreement should it be thought to cause a conflict of interest.

3. Firm Qualifications and Experience

The proposal shall 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.

4. Partner, Supervisory and Staff Qualifications and Experience

The firm should identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement and indicate whether each such person is registered as a certified public accountant in Illinois. The firm also should provide information on the government auditing experience of each person. The firm should provide as much information as possible regarding the number, qualifications, experience and training of the specific staff to be assigned to this engagement.

5. Specific Audit Approach

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed. Proposers will be required, at minimum, to provide the following information on their audit approach:

- Description of audit approach.
- Level of staff and number of hours to be assigned to each proposed segment of the engagement.
- Approach to be taken to gain and document an understanding of the Village's internal control structure.

EVALUATION OF PROPOSALS

Proposals will be evaluated on the basis of which proposer meets the requirements of the Village of Oswego. Critical factors include technical expertise, qualifications of the firm and audit team, and fee.

The Village Board will consider final acceptance of the proposal, under the recommendations of the Finance Director.

Indemnification - The selected contractor shall indemnify and hold harmless the Village of Oswego ("Village"), its board members, officers, directors, agents, employees, representative and assigns, from lawsuits, actions, costs (including attorney's fees), claims or liability of any character, incurred due to the alleged negligence of the Contractor, brought because of any injuries or damages received or sustained by any person, persons or property on account of any act or omission, neglect or misconduct of said Contractor, its officers, agents and/or employees arising out of, or in performance of any of the provisions of the Contract Documents, including and claims or amounts recovered for any infringements of patent, trademark or copyright; or from any claims or amounts arising or recovered under the "Worker's Compensation Act: or any other law, ordinance, order or decree. In connection with any such claims, lawsuits, actions or liabilities, the Village, its trustees, officers, directors, agents, employees, representatives and their assigns shall have the right to defense counsel of their choice. The Contractor shall be solely liable for all costs of such defense and for all expenses, fees, judgments, settlements and all other costs arising out of such claims, lawsuits, actions or liabilities.

The Contractor shall not make any settlement or compromise of a lawsuit or claim, or fail to pursue any available avenue of appeal of any adverse judgment, without the approval of the Village and any other indemnified party. The Village or any other indemnified party, in its or their sole discretion, shall have the option of being represented by its or their own counsel. If this option is exercised, then the Contractor shall promptly reimburse the Village or other indemnified party, upon written demand, for any expenses, including but not limited to court costs, reasonable attorneys' and witnesses' fees and other expenses of litigation incurred by the Village or other indemnified party in connection therewith.

II - REQUIRED PROPOSAL SUBMISSION DOCUMENTS

CONTRACTOR CERTIFICATIONS

1. Insurance

The undersigned certifies that it has all insurance coverages required by law or would normally be expected for the work to be performed and a copy shall be filed with the Village upon request by the Village for approval by the Village.

2. The undersigned

A. Certifies that it is not barred from bidding or contracting with the Village as a result of a violation of either Paragraph 33E-3 or 33E-4 of Act 5, Chapter 720 of the Illinois Compiled Statutes regarding criminal interference with public contracting, and

B. Swears under oath that it is not delinquent in the payment of any tax administered by the Illinois Department of Revenue as required by Chapter 65, Act 5, paragraph 11-42.1 of the Illinois Compiled Statutes, and

C. States that it has a written sexual harassment policy as required by the Illinois Human Rights Act (775 ILCS 5/2-105(A) (4) a copy of which shall be provided to the Village upon request, and

D. Agrees to comply with the requirements of the Illinois Human Rights Act regarding Equal Employment Opportunities as required by Section 2-105 of the Illinois Human Rights Act (775 ILCS 5/2-105)

E. Agrees to comply with the civil rights standards set forth in Title VII of the Civil Rights Act as mandated in Executive Order No. 11246, U.S.C.A. Section 2000e n.114 (September 24, 1965)

3. All work under this contract shall be executed in accordance with all applicable federal, state, and Village laws, ordinances, rules and regulations which may in any manner affect the performance of this contract.

Dated: _____

Contractor: _____

By: _____

Title: _____

REFERENCES

ORGANIZATION _____

ADDRESS _____

CITY, STATE, ZIP _____

PHONE NUMBER _____

CONTACT PERSON _____

DATE OF PROJECT _____

ORGANIZATION _____

ADDRESS _____

CITY, STATE, ZIP _____

PHONE NUMBER _____

CONTACT PERSON _____

DATE OF PROJECT _____

ORGANIZATION _____

ADDRESS _____

CITY, STATE, ZIP _____

PHONE NUMBER _____

CONTACT PERSON _____

DATE OF PROJECT _____

Proposer's Name & Title: _____

Signature and Date: _____

FEE PROPOSAL

SCHEDULE OF PROFESSIONAL FEES FOR THE AUDIT OF THE FINANCIAL STATEMENTS AS OF APRIL 30TH FOR THE FISCAL YEARS LISTED BELOW:

Village of Oswego audit:

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

Total Hours to complete audit:

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
_____	_____	_____	_____	_____

Police Pension audit:

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

Total Hours to complete audit:

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
_____	_____	_____	_____	_____

Single Audit (if required):

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

SCHEDULE OF PROFESSIONAL FEES FOR ADDITIONAL SERVICES,

Quoted Hourly Rates for the Fiscal Years listed below:

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Partner	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Manager	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Supervisor	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Staff	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Clerical	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

Firm Name: _____

Address: _____

Signature: _____ Date: _____

Printed Name: _____

Title: _____

Phone Number: _____