



THE CITY OF HAZELWOOD, MISSOURI

REQUEST FOR PROPOSAL FOR AUDIT SERVICES & COMPREHENSIVE FINANCIAL REPORT

Deadline for Proposals:

**City of Hazelwood, Missouri
Finance Department
415 Elm Grove Lane
Hazelwood, Missouri 63042**

Friday, April 23, 2021 at 3:30pm

City of Hazelwood Missouri

Request for Proposal

Audit Services & Comprehensive Annual Financial Report

I. INTRODUCTION

A. GENERAL STATEMENT

The City of Hazelwood (City) is requesting proposals from Professional Qualified Certified Public Accountant (CPA) Firms for audit services for fiscal years starting July 1 and ending June 30, 2021, 2022, 2023, 2024 and 2025. With the option for a two year extension for fiscal years 2026 and 2027. The City may wish to use the selected firm for other accounting or professional services. A copy of the City's June 30, 2020 Comprehensive Annual Financial Report may be accessed on the City's website at:

<http://www.hazelwoodmo.org/DocumentCenter/View/869/Comprehensive-Annual-Financial-Report---June-30-2020>

B. BACKGROUND

The City of Hazelwood is a Home Rule Charter municipality with a Council-Manager form of government. The daily operations are under the direction of a professional City Manager. The City is organized with Departments for Finance, Fire, Police, and Public Works. The Finance Department consists of an Assistant City Manager-Finance, an Assistant Director of Finance, an Accounting Coordinator, Payroll Specialist and Clerical Assistant. The City's population is 25,703 according to the 2010 census. The City's expenditure for all funds totals \$35,388,776 for the fiscal year beginning July 1, 2019 and ending June 30, 2020.

The City's governmental major funds as of June 30, 2020 are as follows:

General Fund
Capital Projects Fund
Debt Service Fund
370/MO Bottom Road TIF District Fund
Economic Dev. Fund

The Comprehensive Annual Financial Report must be issued to allow the ability for distribution to required parties such as bond trustees, the Missouri State Auditor and for submission to the Government Finance Officers Association for the Certificate of Achievement in Financial Reporting prior to December 31st following the end of the fiscal year.

The City of Hazelwood's major sources of revenue include the following:

- Real, Personal Property, and County Road and Bridge tax
- Sales tax
 - 1% County-wide general sales tax

- 0.25% Local option sales tax
 - 0.50% Fire sales tax
 - 0.50% Parks & Storm Water sales tax
 - 0.50% Capital Improvement sales tax
 - 0.50% Economic Development sales tax
 - 2.25% Local Use tax
- Gross receipts tax on commercial only utilities of 6%
- Gasoline tax
- Business license fees
- Building & occupancy permits/fees
- Recreation program fees
- Hotel tax
- Ambulance fees
- Fire service fees
- Court and parking fines
- Grants and donations

The Finance Department requires approximately 60 days for closing of the City's financial records after the end of the fiscal year. Audit work will be mutually scheduled and the City will provide adequate work area for audit staff. Firms are encouraged to perform audit field work in as minimal time frame as possible. The Finance Department staff will be available for any records and/or data required to complete the audit firm's report on an efficient and timely basis.

The City is currently considering the possibility of changing its fiscal year end from June 30 to December 31. We have not determined when this change will take place, if at all, but will possibly be December 2021 or December 2022. Timing of the audit within the calendar year will be a factor in your estimates.

The City has received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association for the last 22 years (FY1998-2020) and intends to continue submitting the City's future Comprehensive Annual Financial Reports for this certification.

The City's financial records and fixed assets are maintained using New World Systems financial software and the payroll records are maintained through ADP.

II. SCOPE OF SERVICES

A. AUDIT OBJECTIVES

The selected Firm will be asked to perform an audit and express an opinion on the City's financial statements in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial

audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-133, Audits of States, Local Government, and Non-Profit Organizations.

The term of this contract will be for five (5) years, with a two year extension with the City's authorization. The audit shall include the following:

- Provide a list of documents and schedules required for the audit prior to audit work commencing;
- All tests and examinations necessary for an informed opinion of the financial statements;
- Performance of a Single Audit, if necessary; due to the receipt of Coronavirus Aid, Relief, and Economic Security Act (CARES) funding and American Rescue Plan Act (ARPA) funding expected, we can reasonably expect the need for a Single Audit in the 2021 and 2022 fiscal years.

B. COMPREHENSIVE ANNUAL FINANCIAL REPORTS

- Compilation of the financial statements and all related materials for the Comprehensive Annual Financial Reports , *including* all typing, printing and binding;
- The City will be responsible for preparing the Management Discussion and Analysis narrative portion of the Financial Section, but the auditing firm will provide the numbers for the MD&A and will include the MD&A in the final report;
- Completion of the audit and all reports in a timely manner to distribute the reports to interested parties prior to December 31st.

C. DELIVERABLES

The Firm will provide the following items:

- Up to 15 printed, bound Comprehensive Annual Financial Reports copies and an electronic copy. The City shall retain the right to make additional copies as it deems necessary and appropriate,
- Respond in writing to any GFOA exceptions noted on the previous year's Comprehensive Annual Financial Reports for the Certificate of Achievement for Excellence in Financial Reporting Program,
- Presentation of the Audited Financial Report by the Firm to the Mayor and Council at a public meeting,
- A separate Management Letter to the Mayor and Council, containing any recommendations for the improvement of organizational effectiveness, internal controls and/or accounting controls, with the letter to include responses from City Management.

III. PROPOSAL CONTENT REQUIREMENTS

To simplify the review process and to obtain the maximum degree of comparability, the proposal must follow the outline as set below and, at a minimum, contain the required information. All proposals must be submitted in the following format and include all of the required information.

The proposal requirements are as follows.

- A. Describe your Firm's approach to conducting the audit examination, including your understanding of the scope of the services to be provided and the reports and documents required. It should indicate the approximate date the audit will begin and end, including estimated time for field work. Include a copy of your firm's most current peer review report.
- B. Describe the Firm's governmental auditing experience including specific details regarding experience in the preparation of a **Comprehensive Annual Financial Report**.
- C. Provide a list of at least five (5) municipal government references where your firm has conducted an audit in the past 36 months. This list should indicate the scope of the audit and the names and contact information of the references.
- D. Provide brief biographies of the staff who will be assigned to the engagement and the relevant experience of each in auditing municipalities and preparing **Comprehensive Annual Financial Reports**.
- E. Provide a firm, fixed fee for the audit services as described in the Scope of Services on the Proposed Schedule of Compensation for Audit Services attached for the years ending, with a two year extension with the City's authorization:
 1. June 30, 2021;
 2. June 30, 2022;
 3. June 30, 2023;
 4. June 30, 2024;
 5. June 30, 2025;
 6. June 30, 2026 (city option, extension) and;
 7. June 31, 2027 (city option, extension).
- F. Provide alternate fees for the fiscal years ended December 31 for the years listed above, including a fee for the audit of the six-month year, as stated above in Section B.
- G. An envelope sealed and marked "AUDIT PROPOSAL" with two (2) copies of your proposal should be received by:

David Tuberty
Assistant City Manager-Finance

415 Elm Grove Lane, Hazelwood, MO 63042
On or before 3:30 p.m. on Friday, April 23, 2021.

IV. SELECTION CRITERIA

The procurement process for these services will be based upon a Qualifications Based Selection (QBS) process. The award of a contract will be made to the firm offering a proposal which the City believes best meets its needs. Each respondent will be evaluated on the basis of the following criteria:

- A. Qualifications and experience of the firm;
- B. Qualifications of the key individuals to be assigned to the City's engagement;
- C. Understanding of the Scope of Services;
- D. The ability to complete the audit in a timely manner;
- E. References; and
- F. Costs.

V. OTHER CONSIDERATIONS

- A. Firms making proposals are required to state that they and their assigned employees do not currently have, nor will they have, any conflict of interest between themselves and the City. Any perceived or potential conflict of interest must be disclosed in the proposal.
- B. Payment for services rendered will be based upon receipt of an itemized invoice(s) from the Firm. Progress billing is acceptable to the City.
- C. All proposals become the property of the City and will be kept in confidence only as state law allows. The invitees and subsequently selected Firm may not issue news releases or other public notification regarding this project without prior approval from the City.
- D. All reports become the property of the City for use as deemed appropriate. Audit work papers must be available for reference and reproduction by the City for a period of three years from submission of the final reports. Copies of adjusting entries and trial balance, if applicable, will be provided to the City upon completion of the audit.

VI. MISCELLANEOUS INFORMATION

The following items are related to proposal acceptance.

- A. The City of Hazelwood reserves the right to reject any and all proposals or to waive any irregularities and omissions if, in its judgement, the best interest of the City is served. The City may accept the proposals in whole or in part and to negotiate separately as necessary to serve the best interests of the City.
- B. Neither the distribution of this RFP nor acceptance of any response should be construed as creating a contractual obligation between the City and any Firm. Hazelwood does not authorize and will not be responsible for any expense or charges associated with providing a response to the RFP.
- C. Notification of award will be made by the Director of Finance. Firms whose proposals are not accepted will be notified in writing.
- D. A staff recommendation for the successful Firm will be made to the Mayor and Council for final approval, including approval of the contract between the City and the Firm.
- E. The proposal must remain valid for at least sixty (60) days, after submittal date.
- F. All questions regarding this Request for Proposal should be directed to:

David Tuberty
Assistant City Manager- Finance
City of Hazelwood
415 Elm Grove Lane
Hazelwood, MO 63042
Phone: (314) 513-5040
Fax: (314) 839-0249
E-mail: dltuberty@hazelwoodmo.org

**Proposed Schedule of Compensation
Audit Services
FY2021 - 2027
City of Hazelwood, Missouri**

All proposals submitted must include this Proposed Schedule of Compensation page.

Name of Firm: _____

Name of Contact Person: _____

Address: _____

Telephone Number: _____

Email: _____

Year	Maximum Audit Fees - includes COMPREHENSIVE ANNUAL FINANCIAL	Maximum Single Audit Fees	Hourly Rates for Additional Audit Services	Total
2021				
2022				
2023				
2024				
2025				
2026 (City Option)				
2027 (City Option)				

I, the undersigned, have the authorization to contract for Firm, and I understand the terms, conditions and scope of this Request for Proposal for Audit Services for the City of Hazelwood, including the preparation of the Comprehensive Annual Financial Report.

Signature

Date

Printed Name

Title