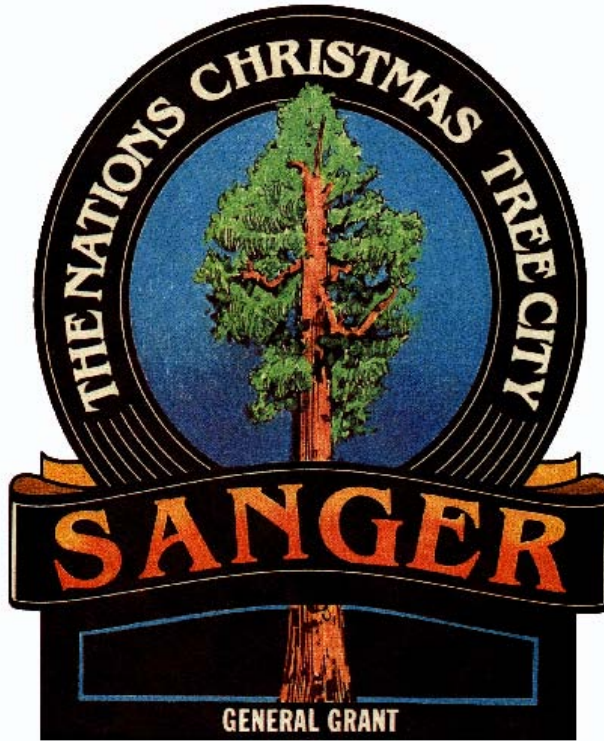


CITY OF SANGER  
REQUEST FOR PROPOSALS (RFP)  
For  
MEASURE S COMPLIANCE AUDITING SERVICES



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1700 7<sup>th</sup> Street  
Sanger, CA 93657

**CITY OF SANGER**  
**REQUEST FOR PROPOSALS**  
**MEASURE S COMPLIANCE AUDITING SERVICES**

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**CITY OF SANGER**  
**REQUEST FOR PROPOSALS**  
**MEASURE S COMPLIANCE AUDITING SERVICES**

**I. INTRODUCTION**

**A. *General Information***

The City of Sanger is requesting proposals from qualified certified public accountant firms to provide Measure S compliance auditing services for eight (8) fiscal years beginning with the fiscal year 2008-09 and ending June 30, 2016.

There is no expressed or implied obligation for the City of Sanger to reimburse responding firms for any expenses incurred in preparing proposals in response to this request. Materials submitted by respondents are subject to public inspection under the California Public Records Act (Government Code Sec. 6250 et seq.), unless exempt.

To be considered, three (3) copies of a proposal must be received by the City Clerk's Office, 1700 7<sup>th</sup> Street, Sanger, CA 93657, by **4:00 P.M. on May, 31, 2017.** The City reserves the right to reject any or all proposals submitted.

During the evaluation process, the City of Sanger reserves the right, where it may serve the City's best interest, to request additional information or clarification from proposers, or to allow corrections of errors or omissions. At the discretion of the City of Sanger, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

The City reserves the right to retain all proposals submitted and to use any idea(s) in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in the request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City of Sanger and the firm selected.

The selection of a firm may include an interview process. It is anticipated the selection of a firm will be completed by **June 21, 2017.** Following the notification of the selected firm, a recommendation and proposed contract will be prepared for review and approval by the City Council at its **July 20, 2017** meeting. The City reserves the right to reject any or all proposals, to waive any non-material irregularities or information in any proposal, and to accept or reject any items or combination of items.

**II. SCOPE OF SERVICES**

Project tasks shall include, but are not limited to, the following. If the firm feels that additional tasks are warranted, they must be clearly identified in the Firm's proposal.

- A. Review Ordinance No.1094 (Approved January 31, 2008), City Council approved resolutions and City Attorney written opinions related to Measure S. A copy of these documents can be requested by email to the City Clerk's Office at [bhernandez@ci.sanger.ca.us](mailto:bhernandez@ci.sanger.ca.us).
- B. Read and document key compliance requirements of Measure S.
- C. Gain and document an understanding of the City of Sanger's internal control structure relating to Measure S financial transactions in the Measure S Fund.
- D. Review Measure S revenues and expenditures for the period of July 1, 2008 through June 30, 2016 (Fiscal Years 2008-09 – 2015-16). Ensure the Supplementary Display of Measure S Schedule of Sources and Uses as provided in the City's Comprehensive Annual Financial Report (CAFR) follows the Government Finance Officers Association best practices.
- E. Review appropriate amount of expenditures related to Measure S to determine if the amounts were spent on Measure S related expenditures.

**III. DESCRIPTION OF THE GOVERNMENT**

**A. *Background Information***

The City of Sanger is located in Fresno County, approximately 15 miles southeast of the City of Fresno and services an area of about 5 square miles with a population of about 26,024. The City's fiscal year begins on July 1 and ends on June 30.

Measure S was first adopted on February 5, 2008, took effect on July 1, 2008 and was set to expire after ten years following the effective date. The extension of Measure S to June 30, 2028 was approved in the general municipal election held on November 8, 2016.

**IV. TIME REQUIREMENTS**

**A. Proposal Calendar**

The following is a list of key dates up to, and including, the date proposals are to be submitted:

<u>Date</u>	<u>Activity</u>
April 19, 2017	Request for Proposal Issued
May 31, 2017	Due Date for Proposals (due by 4:00 p.m.)
June 12 – 16, 2017	Oral Interviews (conducted at City’s discretion)
July 20, 2017	Contract Awarded by City Council

**B. Date Audit May Commence**

Audit planning, including all necessary planning for the Measure S compliance audit, documentation of systems of internal control and compliance and transaction testing should be completed after City Council approval of the audit contract.

**C. Date Reports Are Due**

The auditor shall provide all drafts and recommendations for improvements to the Interim Director of Administrative Services within a reasonable time period after the last day of the compliance audit. The auditor should be available for any meetings that may be necessary to discuss the draft audit reports. It is anticipated that this process will be completed and the final products to be delivered by the first week of October 2017.

**V. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION**

**A. Administrative Services Department and Clerical Assistance**

The Finance Department staff will be available during the audit to assist the firm by providing information, documentation, and explanations. Gary Watahira, Interim Director of Administrative Services will be responsible for acting as the liaison between the audit firm and the accounting personnel.

**B. Work Area, Telephone, and Office Equipment**

The City will provide the auditor with reasonable work space, desks and chairs. The auditor will also be provided with access to a telephone, a computer with access to the general ledger system, and photocopying and FAX machines.

**VI. PROPOSAL REQUIREMENTS**

**A. General Requirements**

1. Inquiries concerning the Request for Proposal and the subject of the Request for Proposal must be made to:

Gary Watahira  
Interim Director of Administrative Services  
1700 7<sup>th</sup> Street  
Sanger, CA 93657  
(559) 876-6300 extension 1150  
gwatahira@ci.sanger.ca.us

2. Submission of Proposal. Three (3) copies of the Proposal shall be received in the Sanger City Hall **by 4:00 p.m. on May 31, 2017** for a proposal to be considered. The Proposal should address the items listed in sections C and D below.

The Proposal should be addressed as follows:

**City of Sanger  
City Clerk's Office  
1700 7<sup>th</sup> Street  
Sanger, CA 93657**

***B. Format for Technical Proposal***

1. 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.
2. Table of Contents identifying the materials submitted by section and page number. Cross-referencing to section and page number in the RFP would be helpful.
3. 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; and the name(s) of the person(s) authorized to represent the Proposer, title, address, and telephone number.
4. Detailed Proposal following the order set forth in Section C below.

***C. Contents of Technical Proposal***

The purpose of the Technical Proposal is to demonstrate the qualifications, competence and capacity of the firm seeking to undertake the Measure S compliance audit of the City in conformity with the requirements of this request for proposals. As such, the substance of proposals will carry more weight than the 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. It should also specify an audit approach that will meet the request for proposals requirements.

The Technical Proposal should address all points outlined in the request for proposals. The proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of this request for proposal. While additional data may be presented, the following subjects must be included. They represent the criteria against which the proposal will be evaluated.

***1. License to Practice in California***

An affirmative statement should be included verifying the firm and all assigned key professional staff are properly licensed to practice in California.



*2. Independence*

The firm should provide an affirmative statement that it is independent of the City of Sanger as defined by auditing standards generally accepted in the United States of America and the General Accounting Office's *Government Auditing Standards*.

*3. Firm Qualifications and Experience*

To qualify, the firm must have extensive experience in audits of local governments. 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. Staff consistency is an important consideration.

The Proposer must provide a list of all current municipal clients.

The Proposer is also required to submit a copy of a report on its most recent external quality control review (peer review), with a statement whether that quality control review included a review of specific government engagements (required by Government Audit Standards (1994).

The Proposer 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 Proposer 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.

*4. 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 this engagement. Include resumes, indicating whether each such person is registered or licensed to practice as a certified public account in California. Provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past (3) three 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.

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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 the City. However, in either case, the City 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.

**5. *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 three (3) years that are similar to the engagement described in this request for proposals. 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.

Please provide a list of not less than five client references for which services similar to those outlined in the RFP are currently being provided. For each reference listed, provide the name of the organization, dates for which the service(s) are being provided, type of service(s) being provided and the name, address and telephone number of the responsible person within the reference's organization. The City reserves the right to contact any or all of the listed references regarding the audit services performed by the Proposer.

**6. *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 proposals.

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

- a. Proposed segmentation for the engagement;
- b. Level of staff and number of hours to be assigned to each proposed segment of the engagement;
- c. Sample size and the extent to which statistical sampling is to be used in this engagement;
- d. Type and extent of analytical procedures to be used in this engagement;
- e. Approach to be taken to gain and document an understanding of the City's internal control structure;

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- f. Approach to be taken in determining laws and regulations that will be subject to audit test work; and
- g. Approach to be taken in drawing audit samples for purposes of tests of compliance.

7. *Identification Anticipated Potential Audit Problems*

The proposal 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 the City.

**NO DOLLAR AMOUNTS SHOULD BE INCLUDED IN THE TECHNICAL PROPOSAL.**

**D. *Contents of Cost Proposal***

1. *Total All-Inclusive Maximum Price*

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

The City will not be responsible for expenses incurred in preparing and submitting the technical proposal. Such costs should not be included in the proposal.

The cost proposal should be submitted in the format provided in Attachment A, "AUDIT WORK COST PROPOSAL FORM".

2. *Manner of Payment*

Payment will be made upon completion of the audit.

**VII. EVALUATION PROCEDURES**

**A. *Review of Proposals***

Personnel, consisting at a minimum, of the following, will evaluate submitted proposals:

Gary Watahira, Interim Director of Administrative Services  
Silver Rodriguez, Police Chief  
Greg Tarascou, Fire Chief

**B. Evaluation Criteria**

Proposals will be evaluated using three (3) 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 California.
- b. The firm has no conflict of interest with regard to any of the work performed by the firm for the City.
- c. The firm adheres to the instructions in this request for proposals on preparing and submitting the proposal.
- d. The firm submits a copy of its last external quality control review report and the firm has a record of quality audit work.
- e. The firm's past experience and performance on comparable government engagements.
- f. 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.
- g. Adequacy of proposed staffing plan for various segments of the engagement.
- h. Thoroughness of approach to conducting a compliance audit of the City and demonstration of the understanding of the objectives and scope of the compliance audit.
- i. Commitment to timeliness in the conduct of the compliance audit.
- j. Maximum fees to conduct the compliance audit.

Attachment A

**AUDIT WORK COST PROPOSAL FORM**

<b>Service</b>			<b>FY 2008-09 FY 2015-16</b>
City of Sanger Measure S Compliance Auditing Services			\$