



WASHTENAW COUNTY

Finance Department

Purchasing Division

P.O. Box 8645, 220 N. Main, Ann Arbor, MI 48107-8645
Phone (734) 222-6760, Fax (734) 222-6764

REQUEST FOR PROPOSAL # 6072

This proposal contains a large document sample that is not kept online.

You can contact us at the above address and phone number.

Thank You.

BIDDERS COMPANY NAME

REQUEST FOR PROPOSAL

6072

For The Annual Financial Audit

And Single Audit of

Washtenaw County, Michigan

Prepared By:

Washtenaw County Purchasing
Administration Building
P.O. Box 8645
220 N. Main B-35
Ann Arbor, MI 48107

Robert G. Devault, C.P.M.
Purchasing Manager
(734) 222-6760





WASHTENAW COUNTY

Finance Department

Purchasing Division

P.O. Box 8645, 220 N. Main, Ann Arbor, MI 48107-8645
Phone (734) 222-6760, Fax (734) 222-6764

REQUEST FOR PROPOSAL # 6072

April 21, 2003

Washtenaw County Purchasing Division on behalf of the Washtenaw County Finance Department is issuing a Sealed Request for Proposal (RFP) #6072 for The Annual Financial Audit And Single Audit Of Washtenaw County, Michigan.

Preproposal Conference: A conference, not required, for firms interested in submitting proposals will be held at 9:00 a.m., Wednesday, May 14, 2003 in the Lower Level Conference Room at 200 North Main Street, Ann Arbor, Michigan. Both verbal and written questions will be accepted during the conference.

Sealed Proposals: Vendor will deliver one (1) original and five (5) copies to the following address:

**Washtenaw County
Administration Building
Purchasing Division
220 N. Main St. Room B-35
P.O. Box 8645
Ann Arbor, MI. 48107**

by 3:00 p.m. on Wednesday June 11, 2003.

This submission shall include the entire Request For Proposal document and any amendments if issued.

Proposals received after the above cited time will be considered a late quote and are not acceptable unless waived by the Purchasing Manager.

- Please use the attached self-addressed label or the envelope must be clearly marked "SEALED RFP # 6072".
- Please direct purchasing and procedural questions regarding this RFP to Robert Devault at (734) 222-6760.
- Please direct specific technical questions regarding this RFP to Peter Collinson at (734) 222-6722.

Thank you for your interest.

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3. Management Letter for the County and for ETCS (December 31, 2002)

I. NATURE OF SERVICES REQUIRED

A. General

Washtenaw County is requesting proposals from qualified firms of certified public accountants to perform: 1.) the annual financial audit and Single Audit of the County; and 2.) professional consulting services as requested. A five-year contract is contemplated, (with the possibility of two one year extensions), subject to the annual review and recommendation of County Administration, the satisfactory negotiation of terms (including a price acceptable to both the County and the selected firm(s)), the concurrence of the County Board of Commissioners and the annual availability of an appropriation.

B. Scope of Work to be Performed

The County desires a firm to complete the scope of work to be performed in each of the two areas: 1.) to express an opinion on the fair presentation of its financial statements in conformity with generally accepted accounting principles; and 2.) to perform professional consulting services as requested.

Currently the Road Commission and the Employment Training and Community Services Fund (ETCS) are audited by other auditors. In preparing your response to the RFP, assume that the Road Commission will be audited by other auditors and that ETCS will be audited by the County's auditors.

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C. Auditing and Other Fiscal Standards To Be Followed

To meet the requirements of this request for proposals, the accounting duties and 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. General Accounting Office's Government Auditing Standards and the provisions of U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the generally accepted auditing standards prescribed by the State of Michigan Department of Treasury and any applicable Michigan Public Acts.

Washtenaw County implemented GASB 34 requirements for the year ended December 31, 2001. 2002 was our second year under GASB 34. The County prepares all of the required GASB 34 adjustments and reconciliations.

D. Preparing of the Reports / Reports to be Issued

The County is currently responsible for preparing and printing the Comprehensive Annual Financial Report. In your proposal (Appendix A), please provide a price assuming that this practice will continue. Also, please provide a price for preparing the entire Comprehensive Annual Financial Report and providing 200 copies of the final report. The County will provide an electronic data file, a download of financial information, such as a comma separated value file containing the year end balances for all County funds. From this downloaded information, the auditors would prepare and print the CAFR.

The auditor shall be responsible for preparing all of the other required reports (numbers 2 - 11 below).

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

1. Opinion letter for use in the Comprehensive Annual Financial Report - CAFR or the whole CAFR
2. Single Audit and Data Collection Form
3. Building Authority
4. Community Support and Treatment Services (CSTS)
5. Department of Public Works Projects
6. Drain Commissioner

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7. Employees' Retirement System
8. Management Letter (if needed)
9. Money Purchase Pension Plan
10. Voluntary Employees Beneficiary Association
11. 800 MHz Communications Consortium

For the Building Authority, CSTS, Department of Public Works Projects, and Drain Commissioner, the County provides a download of year end balances. From this, the auditor through an automated process, prepares the separate financial statements and report.

Management Letter - The auditor shall communicate in the management letter to County Administration and the County Board of Commissioners any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Irregularities, fraud and illegal acts. Auditors shall be required to make an immediate, written report of all irregularities, fraud and illegal acts or indications of illegal acts of which they become aware to the County Administrator and Corporation Counsel.

Comprehensive Annual Financial Report (CAFR) - The County will send its CAFR to the Government Finance Officers Association for review in their Certificate of Achievement for Excellence in Financial Reporting program. Some assistance is normally required by the auditor to enable the County to meet the requirements of this program. The County has won the Certificate of Achievement for the last 12 years.

Single Audit - The Schedule of Expenditures of Federal Awards and related auditor's report, as well as the reports on the internal controls and compliance are not to be included in the comprehensive annual financial report, but are to be issued separately. The County will prepare a detailed listing of appropriate federal expenditures prior to the start of the audit to assist the auditors in planning for the audit. The auditors will be responsible for preparing the Schedule of Expenditures of Federal Awards.

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Community Support and Treatment Services - With respect to Community Support and Treatment Services' financial audit, the auditor shall audit the County's compliance with regulations promulgated by the Michigan Department of Community Health. Experience with managed care billing procedures and regulations related to Community Support and Treatment Services is important.

E. Due Dates for Reports to be Issued

The Comprehensive Annual Financial Report (CAFR) and all other reports are to be issued no later than 3 months after the County's year end.

F. Fiscal Year End Considerations

The County's fiscal year runs from January 1 through December 31. Community Support and Treatment Services and Public Health have fiscal years from October 1 through September 30.

G. Reporting to the Finance Department

Primary auditing, accounting and consulting oversight will be performed in the County Finance Department. Auditors shall assure themselves that the Finance Department is 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. Other information in documents containing audited financial statements.
6. Disagreements with management.
7. Management consultation with other accountants.

8. Major issues discussed with management prior to retention.
9. Difficulties encountered in performing the audit.

H. Working Paper Retention and Access to Working Papers

All working papers and reports must be retained, at the auditor's expense, for a minimum of three years, unless the firm is notified in writing by the County 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:

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Washtenaw County

Parties designated by the federal or state governments or by the County as part of an audit quality review process

In addition, the firm 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 GOVERNMENT

A. Name of Contact Person/ Certain Key Personnel

The auditor's principal contact with the County will be Peter Collinson, Senior Accountant/Auditor (734) 222-6722, or a designated representative, who will coordinate the assistance to be provided by the County. A list of certain key personnel for the audit is included below:

County Administration

Robert E. Guenzel, County Administrator

Frank Cambria, Deputy County Administrator

Finance Department

Peter Ballios, Finance Director

Edwin Riske, Accounting Manager

Peter Collinson, Senior Accountant/Auditor

Treasurer's Office

Catherine McClary, County Treasurer
Kirsten Osborn, Chief Deputy Treasurer
Sue Bos, Tax and Accounting Manager

Community Support and Treatment Services
Joseph Moore, Senior Fiscal Manager

Public Health
Kelly Belknap, Public Health Manager

Division of Public Works/DEIS
Janet Gilkey, Office Supervisor

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Drain Commissioner's Office
Patricia Willis, Accounting Coordinator

Department of Information and Technology Services
David Behen, Director

Corporation Counsel
Curtis Hedger, Corporation Counsel

B. Background Information

Washtenaw County is located in the southeast region of Michigan's lower peninsula, approximately 40 miles west of Detroit. It is the sixth largest county in the State, with a population of 322,895 (based on the 2000 census). Its major cities are Ann Arbor, with a population of approximately 114,000, and Ypsilanti with a population of approximately 22,000.

The County has a total annual payroll of approximately \$61,000,000 covering approximately 1200 full time employees.

The accounting and financial reporting functions of the County are decentralized, with much of the accounting activity taking place in six main areas: the Finance Department, the Treasurer's Office, the Community Support and Treatment Services Department, the Public Health Department, the Department of Public Works, and the Drain Commissioner's Office.

More detailed information on the government and its finances can be found in the Comprehensive Annual Financial Report (Attachment 1). Budget information, official statements and policies and procedures are available for your review. Please contact Peter Collinson, (734) 222-6722 with specific questions.

C. Fund Structure

Attachment 1 to this request for proposal is the County's Comprehensive Annual Financial Report for the year ended December 31, 2002. The financial statement section of the CAFR displays the fund structure used by the County.

D. Budgetary Basis of Accounting

The County prepares its budgets on a basis consistent with generally accepted accounting principles.

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E. Federal Financial Assistance

During the fiscal year to be audited, the County will receive financial assistance from substantially the same agencies as indicated on the Schedule of Expenditures of Federal Awards for fiscal year ending December 31, 2002 (Attachment 2).

F. Pension Plans and Other Post Employment Benefits

The County participates in a single-employer defined benefit pension plan, a single-employer defined contribution plan, a single-employer defined benefit post employment healthcare plan, and a multi-employer defined benefit plan (MERS). Actuarial services for the defined benefit plan and the health portion of the defined contribution plan are provided by Gabriel, Roeder and Smith.

G. Component Units

The management of the County has identified component units for inclusion in the County's financial statements. Please refer to page 40 and 41 of the CAFR (Attachment 1) for more detailed information regarding component units.

H. Joint Ventures and Jointly Governed Organizations

The management of the County has identified joint ventures. Please refer to page 64 and 65 of the CAFR (Attachment 1) for more detailed information regarding joint ventures and jointly governed organizations.

I. Description of Financial Operations

The Finance Department is headed by Peter Ballios, Finance Director, and consists of 29 employees. The principal functions performed and the number of employees assigned to each are as follows:

<u>Function</u>	<u>Number of Employees</u>
Administration	2
Accounting	7
Accounts Payable / Payroll	7
Budgeting	5
Purchasing	8

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The Treasurer’s Office is headed by Catherine McClary, County Treasurer, and includes 13.5 employees under her oversight. The principal functions performed and the number of employees assigned to each are as follows:

<u>Function</u>	<u>Number of Employees</u>
Revenue and Cash	5
Tax Collection	8
Dog Licenses	.5

Community Support and Treatment Services fiscal division is headed by Joseph Moore, Senior Fiscal Manager, and consists of 4 employees. The principal functions performed and the number of employees assigned to each are as follows:

<u>Function</u>	<u>Number of Employees</u>
Fiscal Administration	1
Accounting	1
Billing	1
Accounts Payable	1

The Public Health Department fiscal division is headed by Kelly Belknap, Public Health Manager, and includes 2 employees under her oversight, one dedicated to accounting, grant reporting, billing and receivables and one dedicated to accounts payable, Medicaid billing and deposits.

The Department of Public Works and the Drain Commissioner’s Office each employ one fiscal staff person.

J. Computer Systems

Hardware

<u>Type of Equipment</u>	<u>Number</u>	<u>Make of Equipment</u>	<u>Networked</u>
PCs	1000+	Various	Yes

Significant Applications

<u>Make</u>	<u>Vendor</u>	<u>Major Applications</u>
OneWorld XE	J. D. Edwards	General Ledger, Accounts Payable, Accounts Receivable, Fixed Assets,

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Microsoft Office Pro	Microsoft	Purchasing, Payroll and Human Resources Operating System
Equalizer	Equalizer	Software for spreadsheets (Excel), word processing (Word), data base (Access), presentation(PowerPoint), email and calendaring (OutLook) Assessment, Tax Billing and Delinquent Taxes Operating System

K. Availability of Prior Audit Reports and Working Papers

Interested proposers who wish to review prior years' audit reports should contact Peter Collinson (734) 222-6722. 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.

III. TIME REQUIREMENTS

A. Proposal Calendar

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

Request for proposal issued	April 28, 2003
Preproposal Conference	May 14, 2003, 9:00 a.m.
Proposals due	June 11, 2003, 3:00 p.m.
Oral Presentations (if required)	As Needed
Selected firm notified	July 31, 2003

B. Audit Calendar

An audit calendar shall be developed annually by the County and the auditor, cooperatively

1. Entrance Conference

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The date of the entrance conference will be determined by the Finance Director and representatives of the audit firm no later than two months before fiscal year end.

The entrance conference will be held with the appropriate County fiscal personnel. The purpose of this meeting will be to discuss and set the audit calendar, which will include the following:

- a. Date the County will have its books and records ready for the audit.
- b. Date the auditors interim work will be completed.
- c. Date the auditors detailed audit plan will be available.
- d. Date the County prepared schedules will be available.
- e. Date the auditors will complete all field work.

- f. Dates progress reports are due from the auditors.
- g. Date the auditor shall have drafts of the audit reports and recommendations to management.
- h. Date of Exit Conference.
- i. Discuss prior audit problems, interim work to be performed, establish overall liaison for the audit and to make arrangements for the needs of the auditor.

2. Progress Conferences

Progress conferences will be held as needed.

3. Exit Conference

The exit conference will be held with the appropriate County fiscal personnel. The purpose of this meeting will be to summarize the results of the audit and review any significant findings.

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

A. Statements and Schedules to be Prepared by County Fiscal Staff

The fiscal staff from the Finance Department, Treasurer's Office, Community Support and Treatment Services, Public Health Department, Department of Public Works, Drain Commissioner's Office will prepare schedules for the auditors as determined at the entrance conference. The preparation of cash and investment

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confirmations will be the responsibility of the County. The audit approach currently employed has involved the use of grant tie-out spreadsheets prepared by the County as opposed to numerous grant confirmations sent to grantor agencies. This approach has worked well for us and our auditors. The fiscal staff and responsible management personnel from the above departments will be available during the audit to assist the firm by providing information, documentation and explanations.

B. Information and Technology Services (ITS) Assistance

The Manager of ITS will be available to assist the auditor while performing the audit. ITS personnel will also be available to provide systems documentation and explanations.

C. Work Area, Personal Computer and access to J D Edwards, Telephone, Photocopying and FAX Machines

The County will provide the auditor with work space, tables and chairs. The auditor will also be provided with access to a telephone, PC with access to OneWorld Xe, photocopying facilities and FAX machines as needed to complete the audit.

V. PROPOSAL REQUIREMENTS

A. General Requirements

1. Preproposal Conference

A conference, not required, for firms interested in submitting proposals will be held at 9:00 a.m., Wednesday, May 14, 2003 in the Lower Level Conference Room at 200 North Main Street, Ann Arbor, Michigan. Both verbal and written questions will be accepted during the conference.

2. Inquiries concerning the request for proposals must be made to:

Mr. Peter Collinson, Senior Accountant/Auditor
220 N. Main Street P. O. Box 8645
Ann Arbor, Michigan 48107-8645
(734) 222-6722
collinsp@ewashtenaw.org

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3. Costs of Preparing the Proposal

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

B. Submission of Proposal

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

The proposal is required to be received by 3:00 p.m. on June 11, 2003, for a proposing firm to be considered. The outside of the proposal envelope should be marked:

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AND CONSULTING SERVICES FOR
WASHTENAW COUNTY**

A master copy (so marked) and five copies of the proposal to include the following:

1. Title Page
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
3. Transmittal Letter
A signed letter of transmittal shall be included briefly stating:

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- i. the proposer's understanding of the work to be done,
- ii. the commitment to perform the work within the time period,
- iii. a statement why the firm believes itself to be best qualified to perform the engagement,
- iv. a statement that the proposal is a firm and irrevocable offer for 90 days,

- v. 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 County.
4. Detailed Proposal
The detailed proposal should follow the order set forth in Section 5 C of this request for proposals.
5. Executed copies of Proposer Guarantees and Proposer Warranties, and Contract Compliance Form, attached to this request for proposal (Appendix B, Appendix C, and Appendix D).

Proposers should send or deliver the completed proposal envelope to:
Mr. Robert Devault C.P.M., Purchasing Manager
Room B-35
County Administration Building
220 N. Main Street, P. O. Box 8645
Ann Arbor, Michigan 48107-8645

C. Technical Portion of Proposal

1. General Requirements

The purpose of the technical portion of the proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake: 1.) an independent audit of the County; and 2.) professional consulting services as requested 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 portion of the 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.

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The technical portion of the proposal should address all the 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 the request for proposals. While

additional data may be presented, the following subjects, items Nos. 2 through 10, must be included. They represent the criteria by which the proposal will be evaluated.

2. Independence

The firm should provide an affirmative statement that it is independent of the County and all of its component units as defined by generally accepted auditing standards issued by the Comptroller General of the United States.

The firm should also list and describe the firm's professional relationships involving the County or any of its component units for the past five 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 the County written notice of any professional relationships entered into during the period of this agreement.

3. License to Practice in Michigan

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

4. Firm Qualifications and Experience

The proposer should state the size of the firm, the size of the firm's governmental auditing, accounting and consulting 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.

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.

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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 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 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 engagement. Indicate whether each such person is registered or licensed to practice as a certified public accountant in Michigan. Provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past 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.

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 County. However, in either case, the County retains 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 the County, 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.

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6. Prior Engagements with Washtenaw County

List separately all engagements within the last five years, ranked on the basis of total staff hours, for the County by type of engagement (i.e., audit, management

advisory services, other). Indicate the scope of work, date, 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 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 I of this request for proposal. In developing the work plan, reference should be made to such sources of information as the County's

Comprehensive Annual Financial Report, organizational charts, 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 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 the engagement
- d. Extent of use of ITS 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 County's internal control structure

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- 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

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 County.

10. Report Format

The proposal should include sample formats for the Single Audit reports and Management Letter if they are to be in a different format than the current ones.

D. Cost Portion of Proposal (Appendix A)

1. Total All-Inclusive Maximum Price per Year

This section of the proposal should contain the total maximum pricing information relative to performing the auditing, accounting, and consulting engagements as described in this request for proposal. The total all-inclusive maximum price per year to be bid is to contain all direct and indirect costs including all out-of-pocket expenses.

2. Rates for Additional Fees for Preparing the CAFR

As previously stated, the County is currently responsible for preparing the Comprehensive Annual Financial Report. Please provide a price for preparing the entire CAFR and providing 200 copies of the final report. The County would supply a download of financial information (year end balances) that the auditor would have to work with in order to produce the CAFR.

3. Rates for Additional Professional Services

If it should become necessary for the County 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

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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 agreement between County and the firm. Any such additional work agreed to between County and the firm shall be performed at the same rates set forth in the proposal amounts described above.

4. Manner of Payment

Progress payments will 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 proposal. Interim billings shall cover a period of not less than a calendar month. The final payment will be withheld pending delivery of the firm's final reports.

VI. EVALUATION PROCESS

A. Review of Proposals

Proposals submitted will be evaluated by the County.

During the proposal evaluation process, the County reserves the right to request additional information or clarifications from proposers, or to allow corrections of errors or omissions

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 Michigan.
- b. The firm has no conflict of interest with regard to any other work performed by the firm for the County.
- c. The firm adheres to the instructions in this request for proposal 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.

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2. Technical Quality: (Maximum Points - 75)

a. Expertise and Experience (Maximum Points - 55)

- (1) The firm's past experience and performance on comparable government engagements (Maximum Points - 30)
- (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 (Maximum Points - 15)
- (3) Firm's involvement in developing government accounting and auditing policies/standards (Maximum Points - 5)
- (4) Firm's size and structure (Maximum Points - 5)

b. Audit Approach (Maximum Points - 20)

- (1) Adequacy of proposed staffing plan for various segments of the engagement (Maximum Points - 10)
- (2) Adequacy of sampling techniques (Maximum Points - 5)
- (3) Adequacy of analytical procedures (Maximum Points - 5)

3. Price: (Maximum Points - 25)

The maximum score for price will be assigned to the firm offering the lowest total all-inclusive maximum price. Appropriate fractional scores will be assigned to other proposers. Cost will not be the primary factor in the selection of an audit firm.

C. Oral Presentations

During the evaluation process, the Audit and Consulting Request for Proposal 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 Committee may have on a firm's proposal. Not all firms may be asked to make such oral presentations. Oral presentations **must** be attended by the partner, manager and senior staff member assigned to the audit.

D. Final Selection

The County reserves the right to award this contract to more than one vendor for the different areas of work at the County's discretion. The County reserves the right to add additional vendors at any time to ensure adequate services.

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The County Administrator will select firms (with final approval given by the County Board of Commissioners) based upon the recommendation of the Audit and Consulting Request for Proposal Committee. It is anticipated that a firm will be selected by July 31, 2003. Following notification of the firm selected, it is expected a contract will be executed between both parties within 45 days.

E. Right to Reject Proposals

Submission of a 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 County and the firm selected. The County reserves the right without prejudice to reject any or all proposals.

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**SCHEDULE OF MAXIMUM ESTIMATED HOURS
TOTAL AND ADDITIONAL FEES**

**FOR THE ANNUAL AUDIT AND SINGLE AUDIT OF WASHTENAW
COUNTY**

List the **MAXIMUM ESTIMATED HOURS** by professional classification for each of the years below:

<u>Year Ended</u>	<u>Partners</u>	<u>Managers</u>	<u>Supervisory Staff</u>	<u>Staff</u>	<u>Maximum Estimated Hours</u>
2003	_____	_____	_____	_____	_____
2004	_____	_____	_____	_____	_____
2005	_____	_____	_____	_____	_____
2006	_____	_____	_____	_____	_____
2007	_____	_____	_____	_____	_____
2008 (optional)	_____	_____	_____	_____	_____
2009 (optional)	_____	_____	_____	_____	_____

List the **TOTAL ALL-INCLUSIVE MAXIMUM FEE** for each year below:

<u>Year Ended</u>	<u>Total All-Inclusive Maximum Fee</u>	<u>Additional Fee for Preparing the CAFR and Providing 200 Copies</u>
2003	_____	_____
2004	_____	_____
2005	_____	_____
2006	_____	_____
2007	_____	_____
2008 (optional)	_____	_____
2009 (optional)	_____	_____

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SCHEDULE OF HOURLY RATES

**FOR PROFESSIONAL INDEPENDENT CONSULTING SERVICES AS
REQUESTED FOR WASHTENAW COUNTY**

List the HOURLY RATE by professional classification for each of the years below:

<u>Year Ended</u>	<u>Partners</u>	<u>Managers</u>	<u>Supervisory Staff</u>	<u>Staff</u>
2003	_____	_____	_____	_____
2004	_____	_____	_____	_____
2005	_____	_____	_____	_____
2006	_____	_____	_____	_____
2007	_____	_____	_____	_____
2008 (optional)	_____	_____	_____	_____
2009 (optional)	_____	_____	_____	_____