REQUEST FOR QUALIFICATIONS
Financial Audit Services

Cedar Hills City Corporation located at 10246 North Canyon Road, Cedar Hills, Utah is requesting proposals Financial Audit Services from a qualified firm or qualified professional consultant.

PROPOSALS MUST BE RECEIVED NO LATER THAN: Monday, March 9, 2015 at 4:00 p.m.

Please include in your submittal the following contact information: 1) Respondent; 2) Date of Submittal; 3) Company Name (if different than 'Respondent'); 4) Mailing Address; 5) Telephone; 6) Fax #. Failure to provide complete contact information may result in rejection of your submittal.

The purpose of this request for qualifications (RFQ) is to enter into a contract with a qualified independent auditing firm (Contractor) to provide audit services. It is anticipated that this RFQ may result in a contract award to a single contractor.

This RFQ is designed to provide interested offerors with sufficient basic information to submit proposals meeting minimum requirements, but is not intended to limit a proposal's content or exclude any relevant or essential data. Offerors are at liberty and are encouraged to expand upon the specifications to evidence service capability under any agreement.

1. BACKGROUND:

CEDAR HILLS CITY Corporation is a municipal corporation of the State of Utah. CEDAR HILLS CITY is a small city located approximately 30 miles south of Salt Lake City, Utah comprising an area of twenty four (24) square miles. The 2010 Census population of CEDAR HILLS CITY was 10,066. CEDAR HILLS CITY Corporation offers a diversity of municipal services including police, fire, and ambulance service; utility services including culinary water, pressurized irrigation, sanitary sewer, and storm drainage. The City manages and maintains 8 parks and an 18-hole golf course, and operates a recreation program that serves CEDAR HILLS CITY and neighboring communities, and provides a variety of activities.

The City of Cedar Hills, Utah, was incorporated in 1977 and currently has the following funds: General fund, Golf special revenue fund, Golf debt service fund, Capital Projects fund, Water and Sewer enterprise fund, and a Motor Pool internal service fund. Total revenue for all governmental funds was $5,360,279, and the total operating revenue for enterprise funds was $3,077,340 for the fiscal year ended June 30, 2014. The Entity currently uses Caselle software for its accounting applications; the comprehensive annual financial statements are prepared in Microsoft Publisher.

The Finance Director is a current licensed certified public accountant, performing three years of governmental auditing in southern California, and approximately 13 years of governmental accounting and financial reporting between Salt Lake County and the City of Cedar Hills.

The Entity is required by law (Utah Code 51-2a-201) to provide an annual audit of its financial statements by a Certified Public Accountant in accordance with generally accepted auditing standards.

This requirement includes: 1) a financial statement audit in accordance with generally accepted auditing standards and Government Auditing Standards, and 2) a State Compliance Audit, in accordance with the State Compliance Audit Guide, issued by the Office of the Utah State Auditor.

Prior year reports for the Entity can be found on the Office of the Utah State Auditor’s website at: http://auditor.utah.gov/accountability/financial-reports-of-local-governments/.

2. MINIMAL QUALIFICATIONS:

All proposals must contain the following information:

1. Company name and contact information.
2. The firm must meet the Government Auditing Standards’ continuing professional education, independence, peer
review, and licensing requirements.

3. The firm must have had experience in governmental auditing. The experience must have been on an entity-wide basis, and an opinion must have been issued.

4. The firm must be able to meet the reporting deadlines described in the Request for Proposal.

**SCOPE OF SERVICES/SERVICE EXPECTATIONS:**

1. **AUDIT STANDARDS:** The auditor shall perform a financial audit, and a state compliance audit of the Entity for each fiscal year of the contract period in accordance with the following:
   
a. Auditing standards generally accepted in the United States of America, as promulgated by the American Institute of Certified Public Accountants (AICPA)
   
b. The AICPA Audits of State and Local Governmental Units audit and accounting guide;
   
   
d. For the state compliance audit – the State Compliance Audit Guide, issued by the Office of the Utah State Auditor;

2. **REPORTING REQUIREMENTS:**
   
a. Financial Report – The auditor shall audit the financial statements and records of the Entity and shall issue an auditor’s opinion on those financial statements. Such financial statements shall be prepared in conformity with accounting principles generally accepted in the United States of America. The auditor will be involved in drafting, typing, and printing financial statements in Microsoft Publisher, if requested, and will assist management’s efforts to obtain the Government Finance Officers Association’s Certificate of Achievement of Excellence in Financial Reporting. In addition, the auditor will be involved in completing the Entity’s Online Financial Survey on the Office of the Utah State Auditor’s online reporting system, at reporting.auditor.utah.gov, within 180 days after the Entity’s fiscal year end, if requested.
   
b. Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters – The auditor shall issue a report on internal control over financial reporting and on compliance and other matters in accordance with Government Auditing Standards.
   
c. Report Required for State Compliance Audit – The auditor shall prepare and include a statement expressing positive assurance of compliance with State fiscal laws and other financial issues related to the expenditure of funds received from federal, state, or local governments identified in the State Compliance Audit Guide, issued by the Office of the Utah State Auditor (This statement is in addition to the compliance opinion required as part of a single audit.)
   
d. Management Letter – As appropriate, the auditor shall prepare a comprehensive management letter including the auditor's findings and recommendations relative to the internal control over financial reporting, compliance with laws and regulations, as applicable, and adherence to generally accepted accounting principles. The auditor shall request written responses from Entity officials for each recommendation and shall include such responses in the reports. If the Entity declines the opportunity to respond, the auditor shall so state in their report.
   
e. Reporting Deadlines – The audit must be completed and a comprehensive annual report must be submitted for review to the Entity on before December 1st annually. The auditor or Entity will submit the complete reporting package to the Office of the Utah State Auditor’s online reporting system, at reporting.auditor.utah.gov, within 180 days after the end of each fiscal year.

**SERVICE EXPECTATIONS:** This subsection provides a summary of the minimum expectations of the Consultant. Final provisions shall be established during contract negotiations.

**LENGTH OF CONTRACT:**

The audit contract resulting from this RFQ will cover the annual audits for each of the fiscal years ending June 30 2015 through June 30, 2020, subject to an annual performance evaluation, budget appropriations, and the needs of the Entity.

The Entity reserves the right to review the contract on a regular basis regarding performance and cost analysis and may negotiate price and service elements during the term of the contract.
SELECTION PROCESS AND SCHEDULE:

The criteria listed below will be considered when making an evaluation of the proposals.

<table>
<thead>
<tr>
<th>% OF SCORING WEIGHT</th>
<th>EVALUATION CRITERIA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mandatory</td>
<td>Licensing, independence, CPE, peer review, and ability to meet audit deadlines.</td>
</tr>
<tr>
<td>25%</td>
<td>Technical Experience of the Firm – Background of firm, governmental audit experience, and peer report. References from other governmental entities.</td>
</tr>
<tr>
<td>20%</td>
<td>Qualifications of Staff – Resumes and certifications of staff, and training made available to each level of staff.</td>
</tr>
<tr>
<td>25%</td>
<td>Understanding of the audit services to be performed:</td>
</tr>
<tr>
<td></td>
<td>(1) Appropriateness and adequacy of proposed procedures.</td>
</tr>
<tr>
<td></td>
<td>(2) Reasonableness of time estimates and total audit hours—capacity of the staff to handle the audit and flexibility to meet deadlines.</td>
</tr>
<tr>
<td></td>
<td>(3) Appropriateness of assigned staff levels.</td>
</tr>
<tr>
<td>30%</td>
<td>Cost of the audit and of preparing comprehensive financial statements.</td>
</tr>
</tbody>
</table>

Right to Reject – The Entity reserves the right to reject any and all proposals submitted and to request additional information from all offerors. Any contract awarded will be made to the offeror who, based on evaluation of all responses (applying all criteria and oral interviews if necessary), is determined to be the best to perform the audit.

SUBMITAL PROCESS/REQUIREMENTS:

Proposals shall be submitted in writing in a sealed envelope plainly marked on the outside: Statement of Qualifications for the City of Cedar Hills (include which services being offered). Properly sealed and marked proposals shall be received no later than 4:00 p.m. on Monday, March 9, 2015, at the following address:

City of Cedar Hills
City Recorder
10246 N Canyon Road
Cedar Hills, UT 84062

Interested offerors should include the following information in their proposal to perform the audits.

1. Profile of the Independent Auditor
   Provide general background information which includes:
   a. The organization and size of the offeror, whether it is local, regional, national or international in operations.
   b. The location of the office from which the work is to be done and the number of professional staff, by staff level, employed at that office.
   c. A positive statement that the following mandatory criteria are satisfied:
      (1) An affirmation that the offeror is properly licensed for practice as a certified public accountant in the State of Utah.
      (2) An affirmation that the offeror meets the independence requirements of AICPA Rule 101 and the Government Auditing Standards.
      (3) An affirmation that the offeror meets the continuing professional education requirements contained in the Government Auditing Standards.
   d. A copy of the offeror's most recent peer review report.
   e. List governmental entities and contacts we may review as references.

2. Offeror's Qualifications
a. Identify the audit partners, audit managers, field supervisors and other staff who will work on the audit, including staff from other than the local office. Résumés should be included which outline relevant experience for the staff auditors up to the individual with final responsibility for the audit.

b. Training provided by firm for each staffing level.

3. Offeror's Approach to the Audit
Submit a general audit work plan to accomplish the scope defined in these guidelines. The audit work plan should demonstrate the offeror's understanding of the audit requirements and the audit tests and procedures to be applied in completing the audit plan. The plan should detail the expected number of audit hours for the financial audit, and compliance audit separately on an annual basis for each fiscal year being audited. The single audit will likely not be required any year. The plan should also identify the breakdown of total hours between staff, in-charges, and higher levels. The planned use of specialists, if any, should also be specified. Detail how the reporting deadline requirements of the audit will be met based on the firm’s capacity to handle the necessary work involved.

4. Comprehensive Not-To-Exceed Fee
Supply the billing rates, estimated number of billable hours, other billable expenses and a comprehensive "not-to-exceed" fee for the audit, inclusive of travel, per diem and all other out-of-pocket expenses. The not-to exceed fee should provide the cost of the audit services, and a separate cost for preparing each fiscal year’s comprehensive annual financial report in Microsoft publisher format. The not-to-exceed fee information requested above should be provided as a separate amount for each fiscal year being audited.

COST OF PREPARATION OF RESPONSE: Costs incurred by any entity or individual in the preparation of their response to this Request for Proposals are the responsibility of the responding entity or individual and will not be reimbursed by the CEDAR HILLS CITY Corporation.

CANCELLATION: CEDAR HILLS CITY Corporation reserves the right to cancel award of the contract any time before execution of the contract by both parties if cancellation is deemed to be in CEDAR HILLS CITY Corporation’s best interest. In no event shall CEDAR HILLS CITY Corporation have any liability for the cancellation of award. The respondent assumes the sole risk and responsibility for all expenses connected with the preparation of its proposal.

CLARIFICATION: The individual listed below may be contacted for information. However, before making contact we request you review the Entity’s prior year financial statements and auditor’s reports which can be found at the Office of the Utah State Auditor’s website at: http://auditor.utah.gov/accountability/financial-reports-of-local-governments/. Any respondent requiring clarification of the information or protesting any provision herein, must submit specific questions/protests or comments in writing to:

CEDAR HILLS CITY
10246 NORTH CANYON ROAD
CEDAR HILLS, UT 84062
ATTN: Charl Louw
Email: clouw@cedarhills.org
Phone (801) 785-9668

PROPOSALS ARE PUBLIC RECORDS: All information submitted by Respondents shall be public record and subject to disclosure pursuant to the Utah Government Records Access Management Act, except such portions of the proposals for which respondent requests exception from disclosure consistent with Utah Law. All requests shall be in writing, noting specifically which portion of the proposal the Respondent requests exception from disclosure. Respondent shall not copyright, or cause to be copyrighted, any portion of any said document submitted to CEDAR HILLS CITY Corporation as a result of this Request for Proposals.

REJECTION OF PROPOSALS: CEDAR HILLS CITY Corporation reserves the right to reject any or all responses to this Request for Proposals.

CLARIFICATION OF RESPONSES: CEDAR HILLS CITY Corporation or its agent reserves the right to obtain clarification of any point in a firm's proposal or to obtain additional information necessary to properly evaluate a particular proposal. Failure of a respondent to respond to such a request for additional information or clarification could result in rejection of that firm's response or responses.