



CITY OF NORTH POLE
Alaska

"Where the Spirit of Christmas Lives Year Round"

125 Snowman Lane • North Pole, Alaska 99705-7708
E-mail: mayor@northpolealaska.com • Website: www.northpolealaska.com

Request for Proposal
For:

Professional Auditing Services

Issue Date: October 13, 2023

Proposal Deadline: November 1, 2023 @ 2:00 p.m.

Proposal Delivery Location: City Hall
125 Snowman Lane
North Pole, AK 99705

Contact: Emily Braniff
City Clerk
907-488-8593
ebraniff@northpolealaska.org

This is not an order. The attached terms and conditions shall become part of the contract resulting from this Request for Proposal. Proposals shall be submitted in the indicated format. Original signatures must be submitted on the form provided herein.

Table of Contents

Announcement	Page 3
Section 1 – Instructions	Page 4
Section 2 – Specifications / Scope of Work	Page 8
Section 3 – Terms and Conditions	Page 14
Section 4 – Submission Requirements and Required Documents	Page 18
1. Proposal Form	Page 23
2. Non-Collusion Statement	Page 25
3. Fee and Compensation Balance Schedule	Page 26
Section 5 – Proposal Evaluation and Selection Process	Page 27

Announcement Request for Proposal

The City of North Pole is requesting proposals from firms qualified and interested in providing:

PROFESSIONAL AUDITING SERVICES

DESCRIPTION: The City is soliciting the services of qualified firms of certified public accountants to audit its financial statements for five fiscal years ending December 31, 2023, December 31, 2024, December 31, 2025, December 31, 2026, and December 31, 2027.

PROPOSAL DOCUMENTS: A copy of this RFP can be obtained on the City of North Pole website, www.northpolealaska.com. The Offeror checks this website for additional information and / or addendums. Any RFP may also be requested by contacting the City Clerk listed in this document. Call the City Clerk listed in this document if you have any questions.

Sealed proposals are due **before** the November 1, 2023, deadline, **2:00 PM**. Sealed proposals must be delivered to the City of North Pole, City Clerk's Office at 125 Snowman Lane, North Pole, Alaska 99705. Late proposals will not be accepted – **NO EXCEPTIONS**. It is the Offeror's responsibility to confirm the proposal documents are received.

PUBLISHED: Fairbanks Daily News-Miner on 10/18/2022 & 10/22/2022

Section 1 – Instructions

1. **Communications:** The only communication concerning modifications, clarifications, questions, amendments, and addendums will be processed through the City Clerk listed on the cover page. No contact with any other city agents is permitted and will be grounds for disqualification. Any exceptions to this will be clarified in this document.
2. **Pre-Proposal Questions and Information:** If an Offeror finds a discrepancy, error, or omission in this document, they are instructed to contact the City Clerk, listed on the cover page, who will send written clarification to all prospective offerors and posted on the City of North Pole website. All questions must be submitted to the City Clerk in writing via e-mail: EBraniff@northpolealaska.org or by mail: City of North Pole – City Clerk, 125 Snowman Lane, North Pole, AK 99705, by the deadline listed on the cover page of this document. All answers will be issued in writing.
3. **Mandatory Pre-Proposal Meeting:** A pre-proposal meeting may be held for this RFP. If so, the date, time, and location will be listed on the cover page of this document. Project Managers and other staff may be available at this meeting to answer questions that have been submitted. Additional questions may be answered at this meeting; if so, they will be documented and issued in an addendum. All questions and answers will be formalized and issued in an addendum. Attendance at this meeting is mandatory. – **DOES NOT APPLY** –
4. **Modifications:** Clarifications, questions, amendments, and addendums may be made to this document by the city at any time before the proposal submittal deadline. The Offeror is responsible for checking the city website for these updates and addendums.
5. **Proposal Submission:** All required documents must be submitted by mail, express service, or hand-delivered in a sealed envelope, box, or package and clearly marked with the RFP title, submittal date and time, and the Offeror's company name, address, phone number, and contact name.

All required documents must be delivered to the City Clerk's office at 125 Snowman Lane, North Pole, Alaska 99705, before the deadline listed on the cover page of this document. This responsibility rests entirely on the Offerors, regardless of delays with mailing or any other reasons. Proposals can be accepted by the Clerk's office Monday – Friday between 8:00 am – 5:00 pm, except for City Holidays, which are listed on the City of North Pole's website. The Clerk's timestamp is the official time stamp of receipt.

- a. The accepting and opening of a proposal document do not constitute the City's acceptance of the Offeror as a responsive and responsible Offeror. By accepting and opening a proposal, the city only presumes the Offeror is familiar with the proposal documents and agrees and understands all requirements in this document.
- b. All prices and notations must be typed or written in ink. Pencil markings will not be accepted. Any mistakes must be crossed out and initialed by the person signing the proposal.
- c. Proposals will not be accepted via facsimile or email.

- d. All costs associated with preparing and presenting this proposal are the Offerors' responsibility. No pre-proposal costs will be reimbursed to any Offeror. All documentation submitted to the City will become the property of the City.
6. **Confidential and Proprietary Information:** Any confidential information should be placed in a separate file and marked CONFIDENTIAL. If any information is proprietary, an original shall be delivered which is clearly marked PROPRIETARY, and an additional copy shall be submitted omitting the proprietary information for city use. The copy containing proprietary information will be solely for city use and then disposed of after the proposal is awarded. The omitted copy will remain on file as part of the RFP documents for future use or records requests.
 7. **Exceptions:** Any exception must be clearly defined and referenced to this document's proper section or paragraph. The exception must include the Offeror substitution language and explain why this would provide an equivalent or better service or product. If no exceptions are explained in this proposal submittal, the city will assume the Offeror can perform accordingly.
 8. **Duplicate Proposals:** The City will only accept one (1) proposal per Offeror, including its subsidiaries, affiliated companies, organizations, or franchises. If multiple proposals are received from the same Offeror, all proposals from the Offeror will be rejected.
 9. **Withdrawal or Corrections:** Proposals may be withdrawn by written notice before the submittal deadline. Corrections may be made to proposals submitted before the submittal deadline.
 10. **Rejection:** The City reserves the right to reject any proposals and waive any minor informalities or irregularities in proposals received if the City Clerk determines that it is in the City's best interest to do so. If any Offeror fails to provide any requested information in the consideration stage of the evaluation process, its proposal will be deemed non-responsive and rejected without any further evaluation. The City may reject any proposals from any Offeror that is in arrears or default to the City on any contract, debt, or other obligation. The city can reject all non-conforming, non-responsive, and unbalanced proposals.
 11. **Procurement Policy:** Procurement for the City is based on the City of North Pole Municipal Code Sec. 4.16 – Procurement and any applicable State of Alaska statutes. The City of North Pole Municipal Code is available online at <https://www.codepublishing.com/AK/NorthPole/>.
 12. **Non-Discrimination:** The City will not contract with any persons or entities that discriminate against employees or applicants for reasons other than job performance-related reasons.

Prospective Offerors will comply with all Federal, State, and local laws and policies prohibiting workplace discrimination. The city will not discriminate because of race, religion, color, national origin, ancestry, sex, sexual orientation, age, marital status, change in marital status, pregnancy, parenthood, physical or mental disabilities, genetic information, or political affiliation.

13. **Proposal Signatures:** An authorized official must sign all proposal documents for the offeror. This signature will represent the company or entity and its ability to commit to the requirements in this document.
14. **Contract Award:** The City has the right to award by item, group of items, total proposal, or any combination found to be in the best interest of the City. The City also reserves the right to contract with multiple entities for the same or similar goods or services if it is found to be in the City's best interest. The Notice of Intent to Award or Notice of Award is made to the successful bidder within ten (10) business days of the proposal's close date. Notice of Intent to Award and/or Notice of Award will be submitted to the Offeror in writing.
15. **No Response:** If an Offeror does not respond to this document, the city will continue to keep the Offeror's information for future proposals unless they specifically ask to be removed from the bidders' list.
16. **Public Records:** All proposals are subject to public records requests after award, except confidential and proprietary information. See paragraph 6 above for more information.
17. **Disqualification of Offerors:** Any one or more of the following reasons may cause proposals to be rejected:
 - a. Communication with any employees or agents of the City during the RFP process, excluding those specifically listed in this document.
 - b. Evidence of collusion or other anticompetitive practices among Offerors.
 - c. Lack of competency revealed by financial, experience, or equipment statements.
 - d. Lack of responsibility as shown by past work with the City.
 - e. Uncompleted work under other current contracts, which, in the judgment of the City, may prevent the prompt completion of additional work outlined in this document.
18. **Discussions:** Discussion with Offerors may commence after the opening of all proposals to clarify further and or ensure a full understanding of solicitation requirements.
19. **Subcontractors:** An Offeror must provide within seven calendar days of receipt of the Notice of Intent to Award a disclosure of all subcontractors used for this proposal, regardless of the dollar amount and the services they will provide. The list must include the company or subcontractor's name, business location, and evidence of the subcontractor's state business license.
20. **Offeror's Responsibilities:** The Offeror must be capable of providing all goods or services in this document, described in Section 2 – Specifications and / or Scope of Work. The Offeror must

maintain these qualities until the completion of the contract. If requested by the City, the Offeror may be required to prove that the Offeror is the manufacturer, an authorized dealer, or a re-seller. The city requires a manufacturer's warranty with all first-holder benefits when applicable. The successful Offeror is responsible for all goods and services in this document, whether they are provided or performed by the successful Offeror or their subcontractor.

21. **City Participation:** The City of North Pole will provide appropriate personnel to support the successful Offeror during the course of the contract. The City Clerk will be named in this document, or the City Clerk will act as contact until additional personnel are named specifically.
22. **Disclosure of Contents:** All information in this document will be held in confidence and not discussed with other Offerors until award. All proposals, excluding confidential and proprietary information, become the property of the City upon opening. (Please review paragraph 5 above for additional information.)
23. **Unusual Circumstances:** Where any unusual circumstances unforeseen by the City or the Contractor significantly affect the Contractor's ability or cost in providing goods or services, the Contractor may request cancellation of the contract or adjustment to the costs. "Significantly" in this paragraph is defined as being beyond the Contractor's control. The request must be documented in writing and may be denied.
24. **Contract Commencement:** Commencement of a contract by the successful Offeror shall not begin until all necessary documents are received and reviewed; all City approvals have been completed, including City Council approval for projects over \$24,000; and a purchase order is complete. Commencement of a contract without these requirements will be at the Offeror's sole risk and not compensated by the City.

Section 2 – Specifications and/or Scope of Work

1. General Information: The City is soliciting the services of qualified firms of certified public accountants to audit its financial statements for five fiscal years ending December 31, 2023, December 31, 2024, December 31, 2025, December 31, 2026, and December 31, 2027. The scope of the engagement must also include non-audit consulting time up to 30 hours annually. The engagement will be for an annual fixed fee and include all audit expenses. These audits are to be performed per the provisions contained in this proposal request.

2. Scope of Services: The City desires the auditor to express an opinion on the fair presentation of its basic financial statements in conformity with generally accepted accounting principles.

The auditor shall also be responsible for performing certain limited procedures involving required supplementary information mandated by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards.

The auditor is required to report on compliance with applicable state and with applicable federal laws and regulations and on internal controls over financial reporting that could have a material effect on the fair presentation of the financial statements.

The auditor must test internal controls and compliance, as described in Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), that apply to each of the City's major federal programs.

The auditor must also test internal controls and compliance, as described in the State of Alaska Audit Guide and Compliance Supplement for State Single Audits that apply to each of the City's major state programs. The auditor must report on compliance and internal control over compliance applicable to each major federal and to each major state program.

The auditor is required to report any findings or questioned costs found in the course of the work described above. Findings must be reported in three separate categories: 1) those affecting financial reporting, 2) those affecting major federal programs, and 3) those affecting major state programs. Recommendations for corrective action should be included.

3. Auditing Standards: To meet the requirements of this request for proposals, the audit shall be performed in accordance with:

Auditing standards generally accepted in the United States of America as set forth by the American Institute of Certified Public Accountants, the standards for financial audits outlined in the U.S. Government Accountability Office's Government Auditing Standards, the provisions of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the provisions of the State of

Alaska Single Audit Regulation (2 AAC 45.010), to include the State of Alaska Audit Guide and Compliance Supplement for State Single Audits.

4. **Reports:** Reports shall be written in accordance with auditing standards generally accepted in the United States of America as set forth by the American Institute of Certified Public Accountants, the standards for financial audits set forth in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the provisions of the State of Alaska Single Audit Regulation (2 AAC 45.010), to include the State of Alaska Audit Guide and Compliance Supplement for State Single Audits.

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

- A. A report on the fair presentation of the City's basic financial statements in conformity with generally accepted accounting principles, including an opinion on the fair presentation of the combining and individual non-major fund financial statements, supplementary information section, the schedule of expenditures of federal awards and the schedule of state financial assistance about the basic financial statements taken as a whole.
- B. **For federal purposes**, a report on internal control over financial reporting and compliance and other matters based on an audit of financial statements performed in accordance with Government Auditing Standards.
- C. A report on compliance with requirements applicable to each major program and on internal controls over compliance in accordance with Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.
- D. **For state purposes**, a report on internal control over financial reporting and on compliance and other matters based on an audit of Financial Statements performed in accordance with Government Auditing Standards
- E. A report on compliance with requirements applicable to each major program and on internal control over compliance in accordance with the State of Alaska Audit Guide and Compliance Supplement for State Single Audits.
- F. The Auditor's responsibility under U.S. Generally Accepted Auditing Standards; Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; and the State of Alaska Audit Guide.

The schedules of expenditures of federal and state awards and the related auditor's reports, as well as the federal and state reports on compliance and on internal control over financial reporting and on compliance with requirements applicable to each major program and on internal control over that compliance, are to be included in the AFR.

- 5. Working Papers:** All working papers and reports must be retained, at the auditor's expense, for a minimum of three (3) years from the end of the audit period unless the firm is notified in writing by the City 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:
- City of North Pole
 - Parties designated by the federal or state governments or the City as part of an audit quality review process.
 - Auditors of entities of which the City is a sub-recipient of grant funds.

In addition, the firm shall respond promptly and fully to the reasonable inquiries of successor auditors. The firm shall allow successor auditors to review working papers, including documentation of planning, internal control, audit results, and other matters of continuing accounting and auditing significance.

- 6. Management Letter:** The auditor shall observe the adequacy of internal control systems, accounting procedures, and other significant matters. Appropriate recommendations should be reviewed with management and the finance committee and included in a separate letter to the City Mayor and City Council.
- 7. Presentations:** The audit firm will review the financial reports, compliance reports, and the management letter with the Mayor, CFO, and Deputy Accountant. The final audited ACFR shall be formally presented to the Mayor, City Council, and public during a City Council meeting.
- 8. Non-Audit Consultation:** The scope of the engagement must include consultation time up to Thirty hours annually to assist management in implementing new pronouncements or other financial matters. The consultation is anticipated to be at the level of a partner or manager. (This is in addition to matters directly relating to the audit and reports, which should be included in the audit portion of the proposer's fixed fee.) Hours for non-audit consultation must be approved in advance and must be shown separately on invoices.

9. Miscellaneous Requirements: The auditor is required to be licensed to practice in Alaska. The license name and number shall be included in the bid document. A City of North Pole business license and a State of Alaska business license must be awarded this contract. The license numbers shall be disclosed in the proposal.

10. DESCRIPTION OF THE GOVERNMENT

A. Background Information: The City serves an area of 4.6 square miles with a population of 2,700. The City’s fiscal year begins on January 1 and ends on December 31. The City provides a variety of services to its citizens. These services include police and fire protection, street maintenance, public improvements, and general administrative services. The City operates under a general fund budget of \$8,383,000 and employs 48 full-time paid staff members and approximately five temporary employees during busier months. The City is organized into six departments. The accounting and financial reporting functions of the City are centralized. More detailed information can be found in budget documents, annual financial reports, and the City Code of Ordinances at www.northpolealaska.com

B. Fund Structure: The City’s 2023 ACFR reported the following fund types:

<u>FUND</u>	<u>Number of Funds</u>	<u>Major</u>	<u>Nonmajor</u>	<u>Adopted Annual Budgets</u>	<u>Number expected for 2024</u>
General	1	Always	No	1	1
Assessments	1	Yes	No	1	1
Grants & Contracts	4	Yes	No	4	4
Fleet Funds	4	No	Yes	4	4
Enterprise	4	N/A	N/A	4	4
Other Funds	8	N/A	N/A	7	7
Total	<u>22</u>	<u>3</u>	<u>3</u>	<u>21</u>	<u>21</u>

C. Budgetary Basis of Accounting: The City prepares its budgets on a basis consistent with generally accepted accounting principles, except encumbrances are treated as budgeted expenditures in the year of incurrence of the commitment to purchase.

D. Federal and State Financial Assistance: During the previous fiscal year, the City received \$4,538,350 in federal financial assistance and \$126,466 in state financial assistance.

E. Pension Plans: The City participates in the following pension plans:
 All regular employees of the City participate in the State of Alaska Public Employees' Retirement System (PERS)
Joint Ventures: The City does not participate in joint ventures with other governments.

F. Accounting Software: The City uses Tyler Technologies Pro 10 software packages for accounting for general operations.

- G. **Prior Years' Reports:** Prior years' audit reports and annual budgets are available online at www.northpolealaska.com by selecting Departments, Finance, Annual Budget, and/or Annual Audit.
- H. **Audit Calendar:** The following schedule for the audit performance should be followed unless modifications are mutually agreed upon.
- I. Preliminary work can begin any time after the award of the audit engagement.
- a. The auditor shall provide the City by December 15th of each year a detailed audit plan and a list of all schedules to be prepared by the City.
 - b. Post-closing work can begin after the closing of the financial records and preparation of the draft ACFR anticipated by March 31st of each year. Pre-closing work can be scheduled earlier.
 - c. The auditor shall have drafts of the audit report(s) and recommendations to management available for review by the CFO and Controller no later than May 31st of each year.
 - d. Presentations to the Mayor and City Council will be scheduled as soon as the final report dates are known.

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

- A. **Finance Department and Clerical Assistance:** The finance department staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation, and explanations.

The preparation of confirmations will be the responsibility of the City. In addition, the staff will be available to assist the audit firm in performing audit tests as deemed necessary.

The auditor may use regularly prepared City schedules for work papers. For auditor convenience, the auditor will not require special schedules to be drafted by the City personnel.

- B. **Electronic Data Processing (EDP) Assistance:** EDP personnel will be available to provide systems documentation and explanations.
- C. **Work Area, Telephones, Photocopying, and Fax Machines:** The City will provide the auditor with reasonable workspace, desks, and chairs. The auditor will also access the telephone, copier, and fax machines.
- D. **Report Preparation:** The City will provide the auditor with a working draft ACFR in electronic form. The auditor will be responsible for editing, formatting, page numbering, completing the table of contents, and any other administrative tasks required to produce a final master copy. The auditor will provide a final master copy to the City along with the required reports. The City will be responsible for the reproduction and binding of the ACFR. The auditor will provide draft copies for review with the Council.
- E. **Manner of Payment:** Progress payments will be made based on hours of work completed during the engagement. Interim billing shall cover a period of not less than a calendar month and shall be an itemized statement of costs incurred.

Section 3 – Standard Terms and Conditions

- 1. Assignment / Transfer:** Assignment or transfer of this Agreement or Contract without the City of North Pole's written consent may be construed as a breach of contract sufficient to cancel any Agreement or Contract at the discretion of the City.
- 2. Inspection:** All goods and services are subject to inspection and approval by the City at all reasonable times, including inspection during manufacturing. Inspection and approval by the City at the Contractor's place of business or work site does not preclude rejection for defects upon discovery by subsequent inspection. Any goods or services rejected by the City shall be promptly repaired or replaced at the Contractor's expense. All costs incurred by the City concerning the return of goods or rejection of services shall be at the Contractor's risk and expense.
- 3. Risk of Loss:** Regardless of FOB point, the Contractor agrees to bear all risks of loss, injury, or destruction of goods and materials ordered herein that occur before delivery and acceptance. Such loss, injury, or destruction shall not release the Contractor from any obligation hereunder.
- 4. Warranty:** Contractor warrants that it has good and merchantable title to the goods sold hereunder and that said goods shall conform to the descriptions and applicable specifications. Such goods shall be of good merchantable quality, fit for the known purposes for which sold, and are free and clear of all liens and encumbrances. Contractor and City agree that this order does not exclude, or in any way limit, other warranties provided for in this Agreement or Contract or by law.
- 5. Excise and Sales Tax:** The prices herein must not include any Federal excise taxes or sales taxes imposed by any State or Municipal Government. Such taxes, if included, must be deducted by the Contractor when submitting an invoice for payment. An Exemption Certificate is available upon request.
- 6. Invoices:** Invoices for goods must be submitted on the date of complete shipment. Invoices for services must be submitted within 45 days after completion of services. Payment will be delayed if the invoice fails to reference the purchase order number, ordering department, unit prices, quantities, totals, and a full order description that matches the purchase order. The City will provide payment 30 days after satisfactory delivery, acceptance, and receipt of the invoice.
- 7. IRS Form W-9 and Vendor Information:** The Contractor must have on file with the City a current IRS Form W-9 and complete a vendor registration form before the City will issue a purchase order to the Contractor.
- 8. Compliance with Laws:** The contractor represents and warrants that the performance of this order and furnishing goods or services required shall be in accordance with the applicable standards, provisions, and stipulations of all pertinent Federal, State, and City laws, rules, regulations, resolutions, and ordinances including, but not limited to, the Fair Labor Standards Act, the Equal Employment Opportunity rules and regulations, and the Occupational Safety and Health Acts.
- 9. Amendments:** No amendments, modifications, or supplements to this contract shall be binding unless in writing and signed by all authorized representatives of both parties.

- 10. Termination:** When it is in the City's best interest, the City may unilaterally cancel this Agreement or Contract at any time whether or not the Contractor is in default of any of its obligations hereunder. With any such cancellation, the Contractor agrees to waive any claim for damages, including loss of anticipated profit on account hereof. However, the City agrees that the Contractor shall be paid for items and/or services already accepted by the City, but in no event shall the City be liable for any loss of profits on the order or portion thereof so terminated. Either party may terminate this Agreement or Contract at any time for the failure of the other to comply with any of its material terms and conditions. All Offerors recognize that the City is a government entity, and that payment obligation is subject to yearly appropriations by the City's governing body, and that if funds are not appropriated, this Agreement or Contract will terminate without penalty to either party.
- 11. Waiver of Breach:** No waiver by either party of any breach of any of the covenants or conditions contained in the other party shall be construed as a waiver of any succeeding breach of this same or of any other covenant or condition.
- 12. Complete Agreement:** The parties agree that the conditions of purchase stated herein and the Offeror's proposals set forth their entire Agreement or Contract, and there are no promises or understandings other than those stated herein and that any prior negotiations between the City and Contractor or terms and conditions outlined in the Contractor's quotation, order, or sales acknowledgment shall not constitute a part of the Agreement or Contract between the City and Contractor concerning this purchase. The terms "Agreement" and "Contract" as used in this clause shall include any future written amendments, modifications, or supplements made in accordance herewith.
- 13. Liability and Indemnity:** To the fullest extent permitted by law, the Contractor shall defend, indemnify, and hold harmless the City, its officers, and employees from and against any and all loss, expense, damage, claim, demand, judgment, fine, charge, lien, liability, action, cause of action, or proceedings of any kind whatsoever (whether arising on account of damage to or loss of property, or personal injury, emotional distress or death) arising directly or indirectly in connection with the performance or activities of the Contractor hereunder, whether the same arises before or after completion of the Contractor's operations or expiration of this Agreement or Contract, except for damage, loss or injury resulting from the City's gross negligence or willful misconduct solely.
- 14. Insurance Requirements:** Contractor must furnish a certificate of insurance within ten (10) days of receipt of the Notice-of-Intent to Award and must endorse policies to provide for a thirty (30) day prior notice to the City of cancellation, non-renewal, or material changes of the policies. Failure to furnish satisfactory evidence of insurance or policy lapse is a material breach of the contract and grounds for termination of this Agreement or Contract. Each policy shall be endorsed with a waiver of subrogation in favor of the City. All other insurance policies required of the Contractor shall be endorsed to provide that such insurance shall apply as primary insurance and that any insurance or self-insured carried by the City will be excess only and will not contribute to the insurance required by this Agreement or Contract. All other insurance policies required of the Contractor and subcontractors shall be endorsed to name the City as additional insured. All insurance shall be on an occurrence form acceptable to the City and has an A.M. Best rating of "A" or better.

- a. Workers' Compensation and Employers' Liability Insurance as required by any applicable law or regulation. Employers' liability insurance shall be in the amount no less than \$500,000 for each accident for bodily injury, \$500,000 policy limit for bodily injury by disease, and \$500,000 for each employee for bodily injury by disease. The Contractor shall be responsible for Workers' Compensation Insurance for any subcontractor who directly or indirectly provides services under this contract. This coverage must include statutory coverage for states in which employees are engaging in work. If there is an exposure of injury to the Contractor's employees under the U.S. Longshoremen's Harbor Workers' Compensation Act, the Jones Act, or under laws, regulations, or statutes applicable to maritime employees, coverage shall be included for such injuries or claims.
- b. Commercial General Liability Insurance: The Contractor is required to provide Commercial General Liability (CGL) insurance with limits not less than \$5,000,000 for any contract over \$1,000,000 and not less than \$1,000,000 for contracts under \$1,000,000 combined single limit per occurrence and \$5,000,000 for any contract over \$1,000,000 and not less than \$1,000,000 for contracts under \$1,000,000, in the aggregate not excluding premises operations, independent Contractors, products, and completed operations, broad form property damage, blanket contractual, explosion, collapse and underground hazards. Limits may combine primary and excess (umbrella) policy forms.
- c. Comprehensive Automobile Liability Insurance: Covering all owned, hired, and non-owned vehicles with coverage limits of not less than \$1,000,000 single limit per occurrence of bodily injury and property damage.
- d. Property Insurance: The Contractor shall submit to the City evidence of All Risk Builder's Risk Insurance for all physical loss, including earthquake and flood (100% completed value basis) upon the entire work naming the City, the Contractor, and the subcontractors as additional insured parties and as their interests may appear to the full contract sum thereof until the project is completed by the Contractor and accepted by the City. The policy, by endorsement, shall specifically permit partial or beneficial occupancy at or before substantial completion or final acceptance of the entire work.

PROOF OF INSURANCE: The Contractor shall furnish the City with a Certificate of Insurance or, where requested by the City, the policy declaration page with required endorsements attached thereto showing the type, amount, effective dates, and dates of expiration of all policies. All endorsements shall reference the policy number, the project name, and the project number. The owner is the City of North Pole and will be identified on all certificates and endorsements.

Without limiting its indemnification, the Contractor shall maintain, until termination of the Agreement or Contract or completion and acceptance of the project by the City, occurrence type coverage of the kinds and minimum amounts set forth above. All insurance limits are minimal. If the Contractor's policy contains higher limits, the City shall be entitled to coverage to the extent of such higher limits. At its sole discretion, the City may raise or lower the limit.

15. Records: The City reserves the right to inspect all vendor documents relating to this Agreement or Contract for up to three (3) years after expiration.

- 16. Acceptance of Proposals:** As soon as practicable after opening, proposals valued over \$250,000, the City Council is the approving body. The rights and obligations of the contract will become effective and binding upon the contracting parties only after the formal execution of a purchase order signed by the Purchasing Agent or a contract form signed by the Contractor and City Mayor. No other act, whether oral, written, or implied, shall constitute acceptance of a proposal.
- 17. Postponement:** The City reserves the right to postpone the opening date of proposals and will give written notice of any such postponement to all known holders of the contract documents.
- 18. Delivery:** Successful Offerors may be required to provide reasonable evidence from their source of supply or manufacturer to justify the delivery dates furnished in their proposal. Any unreasonable deviation from the proposed delivery dates shall constitute a contract breach and entitle the City to cancel all obligations to the Contractor.
- 19. Time is of the essence:** The Offeror is expected to deliver goods or services that conform in all material respects to the contract specifications on or before the date provided herein. This date may be amended by a written agreement between both parties.
- 20. Safety Data Sheets:** For all materials supplied under this offer, the Offeror will provide the applicable Safety Data Sheet (SDS) to the City. SDS must be received before final payment. -
- 21. Cooperative Purchasing:** Any other State of Alaska government entity may exercise their option to use this same contract to make similar purchases of like items based on similar quantity. The City is not liable for other State of Alaska government entities or their purchases.
- 22. Facility Security and Background Checks:** For all services provided at the North Pole Police Department, located at 125 Snowman Lane, North Pole, Alaska 99705, access is controlled by the rules, regulations, and laws related to the Federal Criminal Justice Information System (CJIS) and the Alaska Public Safety Information Network (APSIN). All vendors are considered a visitor or guests unless they are fully cleared by APSIN, including a background check and fingerprinting. Ultimately, the State of Alaska can award APSIN clearance, which may be denied. If APSIN clearance is not necessary, a criminal history check will be required, which may allow access to the building with fully cleared personnel. All visitors and guests must be accompanied by fully cleared personnel while in the building. If you are the successful Offeror and your services are to be performed within this facility, you will be provided with the proper paperwork based on the appropriate level of access required.

Section 4 – Submission Requirements and Required Documents

1. Format and Content:

The City discourages overly lengthy and costly proposals. For the City to evaluate proposals fairly and completely, proposers must follow the format set out herein and provide all the information requested.

2. Submittal Requirement:

Proposals shall be in accordance with the maximum number of pages and content requirements indicated in the table below, and double-sided pages are considered two pages. Proposals shall not be written in a font size smaller than 10 points. Each proposal section shall be identified and assembled in the order listed under Proposal Content Requirements. Materials not identified or germane to the proposed agreement will be discarded without evaluation. Failure to provide a proposal in conformance with these requirements may cause a proposal to be declared non-responsive and eliminated from further consideration. **Proposers must submit one master (identified) plus four copies and one additional copy open for public inspection (withholding proprietary information) in compliance with North Pole General Code.**

Maximum Pages	Proposal Content Requirements
2	Item 1: Proposal Form (with original signature)
1	Item 2: Non-Collusion Statement (notarized with original signatures)
2	Item 3: City and State Business License Copy
1	Item 4: Table of Contents
14	Item 5: Technical Proposal
1	Item 6: Letter of Intent
2	Item 7: Price Form (in a sealed envelope)
23	Maximum Pages for RFP Submittal

3. Proposal Form:

Proposers must include a fully completed and signed Proposal Form as the cover sheet to the RFP. Failure to include this form fully completed with an original signature shall cause the proposal to be declared non-responsive and eliminated from further consideration.

4. Non-Collusion Statement:

Proposers must include a fully completed and signed Non-Collusion Statement to the RFP. Failure to include this form fully completed with an original signature and notarized shall cause the proposal to be declared non-responsive and eliminated from further consideration.

5. City and State Business License:

Proposers must include a copy of their state and city business licenses as required by North Pole Municipal Code Sec. 5.02.080 (a). Failure to include shall cause the proposal to be declared non-responsive and eliminated from further consideration.

6. Table of Contents:

Proposers must include a Table of Contents.

7. Technical Proposal:

The Technical Proposal aims to demonstrate the qualifications, competence, and capacity of the firms seeking to undertake an independent audit of the City in conformity with the requirements of this proposal request. As such, the substance of proposals will carry more weight than their form or manner of presentation. The Technical Proposal should address all the points outlined in the proposal request (**excluding any cost information that should only be included in the sealed dollar cost bid**). While additional data may be presented, the following subjects must be included as they represent the criteria against which the proposal will be evaluated:

- A.** The firm should provide an affirmative statement that it is independent of the City as defined by generally accepted auditing standards and the U.S. General Accounting Office's Government Auditing Standards.

The firm should also list and describe the firm's (or proposed subcontractors') professional relationships involving the City or any of its agencies for the past five (5) 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 City written notice of any professional relationships entered into during the period of this agreement that may interfere with independence.

- B. License to Practice in the City of North Pole and the State of Alaska:** The firm must have and maintain a business license from the City of North Pole.

An affirmative statement should include that the firm and all assigned key professional staff are licensed to practice in Alaska. The license number and name of such personnel shall be included.

C. Firm Qualifications and Experience: 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.

If the proposer is a joint venture or consortium, the qualifications of each firm comprising the joint venture or consortium should be separately identified, and the firm that is to serve as the principal auditor should be noted, if applicable.

The firm must also submit a copy of the report on its most recent external quality control review, with a statement of whether that quality control review included a review of specific government engagements. 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 (3) 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 (3) years with state regulatory bodies or professional organizations.

D. 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. Provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past three (3) 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 agreement. Indicate how the quality of staff over the term of the agreement will be assured.

The proposer should identify the extent to which staff to be assigned to the audit reflects the City's commitment to Affirmative Action.

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.

Consultants and firm specialists mentioned in response to this request for proposal can only be changed with the express prior written permission of the City, which retains the right to approve or reject replacements.

Other audit personnel may be changed at the discretion of the proposer if replacements have substantially the same or better qualifications or experience.

E. 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 five years that are like the engagement described in this request for proposal. These engagements should be ranked based on total staff hours. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

F. 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 this request for proposal. In developing the work plan, reference should be made to such sources of information as the City's budgets and related materials, 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. Staff level and number of hours to be assigned to each proposed engagement segment.
- c. Sample size and the extent to which statistical sampling will be used in the engagement.
- d. Type and extent of analytical procedures to be used in the engagement.
- e. Approach to be taken to gain and document an understanding of the City's internal control structure.
- f. Approach to be taken in determining laws and regulations that will be subject to audit test work.
- g. Approach to be taken in drawing audit samples for purposes of tests of compliance.

G. 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 City.

8. Letter of Intent:

Proposers must submit a letter of intent to meet the insurance and bond requirements.

9. Price Form:

Proposers are required to submit a price form. This form must be in a separate sealed envelope marked as follows: **SEALED PRICE FORM FOR CITY OF NORTH POLE'S PROFESSIONAL AUDITING SERVICES.**

The price form should contain all pricing information relative to performing the audit engagement as described in this request for proposal. 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 or the sealed price form. Such costs should not be included in the proposal.

If it should become necessary for the City to request the auditor to render any additional services to either supplement the services requested in this RFP or to perform additional work because of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if outlined in an addendum to the engagement between the City and the firm. Any additional work agreed to between the City and the firm shall be performed at the same rates for this proposal.

10. Sample Reports:

The Proposer may include sample formats for required reports; the maximum number of pages does not apply to this item.

Download solicitations, addendums, and forms at:

PROPOSAL FORM

City of North Pole

PROFESSIONAL AUDITING SERVICES

Failure to complete this form shall result in your Offer being deemed non-responsive and rejected without any further explanation.

Offer and Obligation:

The undersigned hereby offers and agrees to be bound and obligated to this offer to furnish the goods and / or services in compliance with all Terms and Conditions, Scope of Work, Specifications, and Addendums in this solicitation and, if awarded, enter into an Agreement or Contract with the City.

Addendums:

The undersigned has read, understands, and is fully cognizant of all parts of this solicitation and any addendum issued in connection with this document. The undersigned hereby acknowledges receipt of the following addendum(s). In addition, the undersigned has completely and appropriately filled out and submitted all required forms. Initial next to each applicable addendum number(s) or, if none, leave blank.

Addendum #1 _____ Addendum #2 _____ Addendum #3 _____ Addendum #4 _____

If additional addendums were issued, list numbers here and initial. _____

Compliance:

The undersigned hereby accepts all administrative requirements of the solicitation and will be in compliance with such requirements. By submitting this Proposal Form, the Offeror represents that they are in compliance with all applicable provisions of the City of North Pole's Code of Ordinances 4.16.040 Competitive Sealed Bidding, and if awarded a contract to provide the construction, goods, or services required in this solicitation will comply for the entire length of the Agreement or Contract.

Non – Collusion:

By submitting this Proposal Form, the undersigned hereby declares that this offer is made without collusion with any other business or person making any other offer or which otherwise would make an offer.

Performance Guarantee:

The undersigned further agrees that if awarded the Agreement or Contract, it will submit to the City any required performance guarantee (i.e., irrevocable letter of credit or cash deposit), if applicable.

Proposal Price:

The undersigned agrees to abide by the pricing contained in the Price Form.

NO OFFER WILL BE ACCEPTED WHICH HAS NOT BEEN MANUALLY SIGNED IN INK IN THE APPROPRIATE SPACE BELOW

I certify, under penalty of perjury, that I have the legal authorization to bind the company hereunder:

For clarification of this offer, contact:

Company Name

Name

Address

Title

City State Zip

Phone

Signature of the Person Authorized to Sign

Email

Printed Name

Title

Federal Tax ID

City of North Pole Business License Number

Alaska Business License Number

Contractor's License Number

NON-COLLUSION STATEMENT

City of North Pole

PROFESSIONAL AUDITING SERVICES

Failure to complete this form shall result in your Offer being deemed non-responsive and rejected without any further explanation.

This is to certify that the undersigned Offeror has neither directly nor indirectly entered into any agreement, participated in any collusion, nor otherwise taken any action in restraint of free competitive bidding in connection with this Proposal submitted to the City of North Pole for RFP PROFESSIONAL AUDITING SERVICES.

Signature of Person Authorized to Sign

Printed Name

Title

Company Name

- Corporation
 Partnership
 Individual

PRICE FORM

City of North Pole

PROFESSIONAL AUDITING SERVICES

Failure to complete this form shall result in your Offer being deemed non-responsive and rejected without any further explanation.

TOTAL ALL-INCLUSIVE MAXIMUM PRICE SCHEDULE

Comprehensive Annual Financial Report	_____
Federal Single Audit	_____
State Single Audit	_____
Consultation	_____
Total	_____

The above price schedule is for a single fiscal year's audit services. Subsequent years' prices will be negotiated based on experience, changes required by Governmental Accounting Standards Board pronouncements, and economic drivers using the first-year price as a base.

Section 5 – Proposal Evaluation and Selection Process

- 1. Initial Evaluation:** All proposals will be reviewed by the City Purchasing Manager to determine if they are administratively responsive to the RFP. Proposals that are administratively responsive will be distributed to the evaluation committee. The committee will determine if the proposal meets all the minimum requirements. Proposals that pass the minimum requirements evaluation will be evaluated based on the evaluation criteria described below.
- 2. Evaluation Criteria:** Each criterion identified below has an assigned weight that is used to establish its relative importance in the evaluation process. The criterion for this RFP is listed and defined in further detail below.

<u>Criterion</u>	<u>Weight</u>
Proposal Adherence	25
Expertise and Experience	25
Audit Approach	10
<u>Price</u>	40
Total Weight of All Criterion equals	100

- **Proposal Adherence (Weight of 25)** – The firm’s adherence to the instructions in preparing and submitting their proposal.
 - **Expertise and Experience (Weight of 25)** – The firm’s experience and performance on comparable government engagements, quality of professional personnel assigned to the engagement, and quality of management support personnel for technical consultation.
 - **Audit Approach (Weight of 10)** – The firm’s adequacy of staffing plan for various segments of the engagement, sampling techniques, and analytical procedures.
 - **Price (Weight of 40)** - The maximum score will be awarded to the firm offering the lowest price. Proportional scores will be assigned to other proposers.
- 3. Award:** Award shall be made to the responsive proposer whose proposal conforms to the solicitation and is determined in writing to be the most advantageous to the City taking into consideration cost/price and the evaluation factors set forth in this RFP. The City anticipates awarding this contract in whole by **October 31, 2022**.



CITY OF NORTH POLE *Alaska*

"Where the Spirit of Christmas Lives Year Round"

125 Snowman Lane • North Pole, Alaska 99705-7708
E-mail: mayor@northpolealaska.com • Website: www.northpolealaska.com

October 26, 2023

Addendum #1 Request for Proposal for Professional Auditing Services

The following items have been added or modified in the Request for Proposal for Professional Auditing Services dated October 13, 2023.

Request for proposal notice posting had incorrect post-closing information.

Page 13 I. b. should read:

- a. Post-closing work can begin after the closing of the financial records and preparation of the **trial balance** (~~draft AGFR anticipated~~) by March 31st of each year. Pre-closing work can be scheduled earlier.

Due to the error in the posting the proposals are due: November 2, 2023 at 2:00 pm.