



www.Estero-fl.gov

Request for Proposals for Financial Audit Services By A Qualified CPA Firm  
Issued Wednesday August 12, 2015

Sealed proposals will be received at the Office of the Village Manager, Village of Estero 21500 Three Oaks Parkway, Estero, Florida 33928, until **10:00 a.m., Wednesday August 26, 2015** at which time they will be opened and publicly read for:

**RFP 2015-02**

**Request for Proposals for Financial Audit Services By A Qualified CPA Firm**

**Village of Estero**

21500 Three Oaks Parkway  
Estero, Florida 33928

The Project is generally described as:

**Financial Audit Services**

The work involved with the project shall include, but may not be limited to, the furnishing of all labor, materials, tools, equipment, machinery, superintendence and services necessary for the completion of the project as indicated within the Request for Proposal.

The Village of Estero reserves the right to award the bid to the lowest, most responsive, responsible bidder, as determined by the Village Council, subject to the right of the Village to reject any and all bids, to waive any irregularity in the bids or bidding procedure and subject also to the right of the Village to award bid and contract to bidders other than the low bidder.

**VILLAGE OF ESTERO**

**REQUEST FOR PROPOSAL  
RFP 2015-02**

**AUDIT SERVICES**

**Fiscal Years  
2014-2015  
2015-2016  
2016-2017**

**VILLAGE OF ESTERO  
21500 ESTERO PARKWAY  
ESTERO, FL 33928**

**SUBJECT:** Audit Services

**ISSUE DATE:** **Wednesday August 12, 2015**

**MAIL BIDS TO:** Village Manager  
Village of Estero  
21500 Estero Parkway  
Estero, FL 33928  
lombardi@estero-fl.gov

**DELIVER BIDS TO:** Village Manager  
Village of Estero  
21500 Estero Parkway  
Estero, FL 33928  
lombardi@estero-fl.gov

## AUDIT SERVICES

### A. PROCEDURES

The Village of Estero, Florida is soliciting bids from qualified firms of certified public accountants to audit the financial statements for the Village of Estero, Florida for three (3) years commencing with the period beginning March 17, 2015 and ending September 30, 2015, fiscal year of October 1, 2015 to September 30, 2016, and fiscal year of October 1, 2016 to September 30, 2017.

#### 1. Questions and Additional Information

Written inquiries concerning the bids may be made to:

Lisa G. Pace, CPA  
Finance Director  
Village of Estero  
21500 Estero Parkway  
Estero, FL 33928

(239) 390-8000  
(239) 390-8020 (FAX)  
pace@estero-fl.gov

Responses to questions will be in writing and copied to all known interested firms via email. All questions must be asked by 4:00 p.m. Thursday August 20, 2015 so all parties have an appropriate time frame to prepare and develop their RFP.

#### 2. Sealed Bids

To be considered, 12 (12) copies of a bid should be submitted in a sealed package clearly identified as "**SEALED BID - AUDIT SERVICES**" and mailed to:

Villager Manager  
Village of Estero  
21500 Estero Parkway  
Estero, FL 33928  
lombardi@estero-fl.gov

#### 3. Responses

All responses must be presented in the same order as specified in this bid. Supporting material may be provided; however, the Village's decision will primarily be based upon a comparison of the information specifically requested. The Village reserves the right to accept or reject any and/or all bids and to waive any minor irregularities and technicalities. There is no obligation on the part of the Village to award the contract to the lowest responsible bidder submitting a responsible bid with a resulting negotiated agreement which is most advantageous and in the best interest of the Village. The

Village shall be the sole judge of the bid and the resulting negotiated agreement that is in its best interest and its decision shall be final.

All applicable laws and regulations of the State of Florida and ordinances and regulations of the Village of Estero will apply to any resulting agreement.

Bids shall clearly indicate the legal name, address, telephone number and email address of the bidder (company, firm, and partnership, individual). Bids shall be signed above the typed or printed name and title of the signer. The signer shall have the authority to bind the bidder to the submitted bid.

All expenses for making bids to the Village are to be borne by the bidder.

4. **Auditor Selection**

Bids submitted will be evaluated by a committee, who will review and prepare a recommendation to the Village Council. The auditor selection committee's recommendation will be forwarded to the Village Council for the final presentation and selection by the Village Council.

5. **Selection Steps**

The auditor selection committee of the Village of Estero will review and rank the proposals submitted.

The Village Council will award the bid to its choice. A fee bid for the three (3) years shall be submitted in writing by the bidder (Appendix B).

**B. BID REQUIREMENTS**

1. **Eligibility**

To be eligible to qualify as external auditor, the following minimum requirements must be met:

- a. The firm must have been established as a legal entity in the State of Florida and have performed continuous CPA services for a minimum of five (5) years.
- b. The firm must have worked with municipalities which have earned the "Certificate of Excellence in Financial Reporting."
- c. The certified public accountant in charge of the audit to be performed must have completed, within the immediate preceding three (3) years, at least twenty-four (24) hours of continuing professional education programs that are approved by the Board of Accountancy and are directly related to the government environment and to governmental auditing.

- d. The firm should clearly indicate its available governmental expertise at the local office level.
- e. The firm submits a copy of its most recent external quality control review report and the firm has a record of quality audit work.

2. **Information to be included in the Bid**

In order to maintain comparability and enhance the review process, it is required that bids be organized in the manner specified below.

a. **Title Page**

Show the bid subject, the name of the bidder's firm, local address, telephone number, name of contact person, email address and date.

b. **Table of Contents**

Include a clear identification of the material by section and by page number.

c. **Letter of Transmittal**

Limit to not more than two (2) pages.

- (1) Briefly state the bidder's understanding of the work to be done and make a positive commitment to perform the work within the specified time period.
- (2) Give the names of the persons who will be authorized to make representations for the bidder, their titles, addresses, and telephone numbers.
- (3) Give the firm's federal taxpayer identification number.

d. **Profile of the Bidder**

- (1) State whether the firm is local, regional, or national.
- (2) Give the location of the office from which the work is to be done and the number of partners, managers, supervisors, seniors, and other professional staff employed at that office.
- (3) Describe the range of activities performed by the local office such as audit, accounting, tax service, or management services.
- (4) Describe the local office's management and/or computer assistance capability including the numbers and classifications of personnel skilled in on-line computer auditing.

- (5) Describe your firm's current partners, managers, supervisors, or staff experience in preparing governmental financial statements in conformance with the Codification of Governmental Accounting and Financial Reporting Standards Board Pronouncements and Interpretations and in providing assistance to clients in obtaining and maintaining the Certificate of Achievement for Excellence in Financial Reporting. Include the names of partners and staff that have recently prepared and successfully received the Certificate on a first time submission.

e. **Summary of the Bidder's Qualifications (In Addition to Minimum Qualifications)**

- (1) Identify the current partners, managers, and supervisors who will work on the audit including staff from other than the local office, if necessary, for this audit. An organization chart is required. Resumes for each managerial and supervisory person to be assigned to the audit should be submitted and include the following information:
  - (a) Formal education.
  - (b) Supplemental education relative to governmental accounting and auditing.
  - (c) Experience in public accounting in general.
  - (d) Adequate continuing professional education within the preceding two years.
  - (e) Experience in private business or government.
  - (f) Experience in auditing governmental units.
  - (f) Experience in computerized systems in conjunction with (c), (d), (e), and (f) above.
  - (h) Membership in various National and State governmental accounting boards, committees, or associations (past and present).
  - (i) Professional recognition such as certified public accounting licenses, awards, etc.
- (2) Describe your firm's current partners, managers, and supervisors local governmental audit experience within the State of Florida and give the names and telephone numbers of client officials. Other experience with non-similar governmental units may be included only as ancillary information.
- (3) Describe your firm's current partners, managers, and supervisors

experience in preparing the single audit for audits of federally assisted programs.

- (4) Describe your firm's current partners, managers, and supervisor's participation and experience in peer reviews, specifically the inclusion of governmental audits in the review at both the local and national level.
- (5) Describe your firm's current partners, managers, and supervisors who had primary responsibility and interaction with municipal officials regarding the municipalities' receipt of the Certificate of Achievement for Excellence in Financial Reporting and the associated municipalities.

f. **List of Municipal Clients**

- (1) List of Municipal Clients in Lee and Collier County.
- (2) List of Municipal Clients in other areas of Florida.

g. **Scope Section**

Clearly describe, in the Scope Section, the required services to be provided assuming that the requested services includes examination of financial statements, a financial audit as defined in Florida Statutes 11.45, and, if applicable, a compliance audit required by OMB Circular A-133 (and other applicable OMB Circulars), and Rules of the Auditor General.

(1) **Financial Audit**

The examination will be made in accordance with generally accepted auditing standards. The primary purpose of the examination is to express an opinion on the financial statements and that such an examination is subject to the inherent risk that errors or irregularities may not be detected. If conditions are discovered which lead to the belief that material error, defalcations, or other irregularities may exist or if any other circumstances are encountered that required extended services, the auditor will promptly advise the requester. No extended services will be performed as part of the audit unless they are authorized in the contractual agreement or in an amendment to the agreement.

The auditors shall familiarize themselves with and comply with the provisions of any and all Federal, State, and Village orders, statutes, ordinances, charter, bond covenants, administrative code and orders, and rules and regulations which may pertain to the work required in the engagement.

(2) **Single Audit, if applicable**

If applicable, a financial and compliance audit, "single audit", of Federal and State grants shall be performed as defined in the GAO's Government

Auditing Standards (1988), the provisions of Single Audit Act of 1984 (PL 98-502) and the Office of Management and budget's Circular A-133, Audits of State and Local Governments and the State of Florida, rules of the Auditor General.

(3) **Management Information Services**

A review is to be made to compare the calculating operations of the computer with the desired results by tests of transactions. A review of controls used in the computer system to assure protection of files and prevention of processing errors and a review of the data processing operation shall be made.

(4) **Reports**

The Village will require an opinion of the Comprehensive Annual Financial Report (CAFR) including, if applicable, single audit reports for the state and federal governments that complies with OMB Circular A-133.

Any adjusting journal entries identified by the auditors shall be compiled in a report and reviewed with the Finance Director. The auditors will coordinate the posting of the adjusting entries with the Finance Director to ensure accurate fiscal year ending and beginning balances.

(5) **Auditor Assistance to be provided to Village Staff**

(a) The auditor will be required as part of the audit engagement with the Village to complete a detailed review of the CAFR prepared by the Village staff to provide guidance as to compliance with the Certificate of Achievement for Excellence in Financial Reporting program as established by the Government Finance Officers Association.

(b) The auditor shall assist the Village in implementing all applicable Government Accounting Standards Board (GASB) accounting and reporting standards, as issued or revised.

(c) The auditor shall assist the Village in preparing the CAFR. The Village shall retain ultimate responsibility for preparation of this document; however, the Auditor shall provide the following assistance:

1. Proof reading of entire document.
2. Overall review including layout, design, and suggested improvements.
3. Any other guidance necessary to facilitate the Village's RFP 2015-02 Auditing Services Village of Estero

successful participation in the Certificate program.

(6) **Management Letter**

The audit report shall include a management letter which shall contain the audit findings which, among other matters, may include, but not be limited to, the following material items discovered within the scope of the audit:

- (a) Whether errors or irregularities reported in the preceding annual financial audit have been corrected.
- (b) Whether recommendations made in the preceding annual financial audit have been followed.
- (c) Recommendations to improve the Village's present financial management, accounting procedures, internal controls, and increase efficiency.
- (d) Violation of the laws, rules, and regulations discovered within the scope of the financial audit which may or may not materially affect the financial statements.
- (e) Illegal or improper expenditures discovered within the scope of the financial audit which do or do not materially affect the financial statements.
- (f) Improper or inadequate accounting procedures.
- (g) Failure to properly record financial transactions.
- (h) Other inaccuracies, irregularities, shortages, and defalcations, if any, discovered by the auditor.

(7) **Additional Services**

If, during the contractual period covered by the agreement, additional services such as operational audits, preparation of bond issues, or management advisory services are needed, the accounting firm may, at the option of the Village, be engaged to perform these services at the rates established in the agreement. The firm will be expected to review any grants awarded to the Village and certified required reporting.

(8) **Ancillary Services**

Does the firm provide answers to accounting questions outside of the audit during the year when new situations are encountered?

Does the firm provide training courses to Village personnel on an annual

basis?

**C. EVALUATION OF BIDS**

1. Bids will be evaluated using a predetermined method to ascertain which bidder best meets the needs of the requester. In some circumstances, bids may be so similar in quality that oral interviews may have to be arranged to assist in making the final selection. Evaluation considerations will include the following:
  - a. Responsiveness of the bid in clearly stating the understanding of work to be performed.
  - b. The quality, availability, and adaptability of the audit services to be rendered.
  - c. Technical experience of the current partners, managers, and supervisors within the firm.
  - d. Previous municipal experience and professional activities of the audit team.
  - e. Ability, capacity, and skill of the bidder to perform the audit services on a timely basis.
  - f. Responses of the client references.
  - g. Cost proposals for each of the three (3) years must be submitted on Appendix B:
    - (1) Financial Audit
    - (2) Single Federal Audit, if applicable
    - (3) Single State Audit, if applicable
    - (4) Other costs.
2. Evaluation of bids on the basis of qualifications, relevant experience, and responsiveness of the firms will be conducted by the auditor selection committee. It is anticipated the bidders firms will submit all pertinent information in their RFP submittals and be available for questions as needed.

**D. DESCRIPTION OF GOVERNMENT**

1. The auditor's principal contact with the Village of Estero will be Lisa G. Pace, CPA, Finance Director, who will coordinate the assistance to be provided by the Village of Estero to the auditor.

A list of key personnel with location of their principal offices (Appendix A) is attached.

2. **Background Information**

The Village of Estero has a population of approximately 29,632 people and is located within Lee County, Florida. It was incorporated on December 31, 2014, pursuant to Senate Bill 1373 and 983. The Village operates under a Council-Manager form of government and consists of seven districts elected by the Village at large from the seven districts. The Village Manager is appointed by a majority vote of the Council.

The Village of Estero uses the “government lite” concept of outsourcing services to minimize expenditures and provide exemplary services to the community. The Village has 6 full-time positions budgeted and has a total proposed budgeted personal services of approximately \$793,400.

There are no enterprise, proprietary or fiduciary funds.

The Village provides the following services: public works, streets and roads, planning and zoning, building inspections, code enforcement, and general and administrative services.

More detailed information on the government and its finances can be found on the Village’s web-site at the following URL; <https://estero-fl.gov/>.

3. **Fund Structure**

The Village of Estero uses the following fund types in its financial reporting:

<u>Funded Type/Account Group</u>	<u>Number of Individual Funds</u>	<u>Number with Legally Adopted Annual Budgets</u>
General Fund	1	1

4. **Pension/Retirement Plans**

The Village of Estero does not currently participate in a pension plan; however, a defined contribution plan is being proposed for fiscal year 2015-2016.

5. **Organization**

The Finance Department is headed by Lisa G. Pace, CPA, Finance Director, who is the initial and only finance employee. The Department includes the functions of accounting, financial reporting, payroll, and budgeting.

**E. GENERAL INFORMATION**

1. **Certificate of Achievement**

The Village plans to apply for the Certificate of Achievement for Excellence in Financial

Reporting as established by the Government Finance Officers Association. The Village Manager anticipates applying for the Certificate of Achievement for Excellence in Financial Reporting each year. The selected auditing firm, therefore, should be prepared to render any necessary assistance in this regard.

2. **Documents Available for Review**

As this is the initial year of operation, there are no prior years' audit reports, management letters, and budget documents for review.

3. **Staff Assignments**

The Village reserves the right to approve or reject staff assigned to the Village's audit.

4. **Schedule**

The Village will be prepared for audit on or before the first two weeks of December and have completed financial statements prepared. The footnotes and other Certificate of Achievement for Excellence in Financial Reporting required information will be completed as the Department works in conjunction with the auditor.

The financial statements and other Certificate of Achievement for Excellence in Financial Reporting required information will be prepared by the Village's Finance Department. The Village's accounting personnel will be available during the audit to assist the Auditor by providing information, documentation, and explanations.

The auditor will be expected to be available on or before the first council meeting in February to present the completed audit report and answer any questions the Village Council may have.

5. **Audit Report**

The auditor shall submit a signed audit report on the fair presentation of the financial statements in conformity with generally accepted accounting principles no later than January and is expected to present the audit to the Village Council historically in February of each year.

6. **Audit Planning**

An entrance conference shall be held between the Village of Estero's key personnel and the auditor prior to the start of the engagement. The purpose of this meeting will be to discuss prior audit problems and the interim work to be performed. This meeting will also be used to establish overall liaison for the audit and to make arrangements for work space and other needs of the auditor.

7. **Manner of Payment**

Periodic payments will be made during the course of the engagement in accordance

with an agreement reached during contract negotiations. Interim billings shall cover a period of not less than a calendar month. One third (33) percent of the total contract will be withheld pending delivery and acceptance of the firm's final reports and presentation to Village Council. Payments are processed on the 15<sup>th</sup> and last day of each calendar month with check distribution within a week after these dates.

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

1. **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 shall be the responsibility of the Village of Estero.

2. **Electronic Data Processing (EDP) Assistance**

Village of Estero personnel will be available to provide systems documentation and explanations.

3. **Statements and Schedules to be prepared by the Staff of the Village of Estero**

The statements and schedules needed to draft the financial reports will be prepared by Village of Estero personnel.

4. **Work Area, Telephones, Photocopying, and FAX Machines**

The Village of Estero will provide the auditor with reasonable work space, tables, and chairs. The auditor will also be provided with reasonable access to a telephone line, photocopying facilities, and a FAX machine.

5. **Report Preparation**

The CAFR will be printed by Village Staff.

The auditor and the Village of Estero shall be jointly responsible for editing.

**APPENDIX A**

**LOCATION AND KEY PERSONNEL**

<b>Location</b>	Village of Estero 21500 Estero Parkway Estero, FL 33928	
<b>Mayor and Village Council</b>	Nick Batos Howard Levitan Bill Ribble Donald Brown Katy Errington Jim Boesch Jim Wilson	Mayor Vice Mayor Councilmember Councilmember Councilmember Councilmember Councilmember
<b>Administration</b>	Peter G. Lombardi Kathleen Hall Mary Gibbs	Village Manager Village Clerk Community Development Director
<b>Village Attorney</b>	Burt Saunders	No Physical Village Office
<b>Finance Department</b>	Lisa G. Pace, CPA	Finance Director

**APPENDIX B**  
**FEE PROPOSAL**

The firm of \_\_\_\_\_ submits the following annual fees:

	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>
1. Financial Audit	\$ _____	\$ _____	\$ _____
2. Single Audit, Federal	\$ _____	\$ _____	\$ _____
3. Single Audit, State	\$ _____	\$ _____	\$ _____
4. Cost for accounting questions	\$ _____	\$ _____	\$ _____
5. Any other ancillary costs	\$ _____	\$ _____	\$ _____