

Flathead County Economic Development Authority

**REQUEST FOR PROPOSAL
FOR AUDIT SERVICES**

FOR THE PERIODS

July 1, 2022 to June 30, 2023

July 1, 2023 to June 30, 2024

July 1, 2024 to June 30, 2025

INQUIRIES AND PROPOSALS SHOULD BE DIRECTED TO:

Name: Lara Russell
Title: Finance Director
Entity: Flathead County Economic Development Authority
Address: 44 2nd Avenue West
Kalispell, MT 59901
Phone: 406-257-7711 Ext. 6
Email: lara@dobusinessinmontana.com

Flathead County Economic Development Proposal Guidelines for Audit Services

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Flathead County Economic Development Proposal Guidelines for Audit Services

I. GENERAL INFORMATION

A. Purpose

The purpose of this RFP is to obtain the services of a public accounting firm (hereinafter referred to as the "Offeror"), whose principal officers are independent certified public accountants, certified or licensed by a regulatory authority of a state or other political subdivision of the United States, to perform financial and compliance audits of Flathead County Economic Development Authority (FCEDA) for the fiscal years ending June 30, 2023, June 30, 2024, and June 30, 2025.

B. Who May Respond

Audit Firms and Licensed Certified Public Accountants may respond to this RFP.

C. Specifics of Proposal Submission

1. Closing Date

Proposals must be submitted no later than **5:00 p.m. on November 28, 2022**. It is the responsibility of the Offeror to ensure that the proposal is received by Montana West Economic Development by the and time specified above. Late proposals will not be considered.

2. Submittal Instructions

Your proposal should be addressed as follows:

*Lara Russell, Finance Director
Flathead County Economic Development Authority
44 2nd Ave West
Kalispell, MT 59901*

Submissions may be made electronically via email to Lara Russell at lara@dobusinessinmontana.com, with the subject line labeled "Sealed Proposal for Audit Services." Please request a read receipt.

Physical proposals may be submitted in a sealed envelope clearly marked in the lower left-hand corner with the following information:

Sealed Proposal for Audit Services
5:00 pm, **November 28, 2022**

It is the responsibility of the Offeror to ensure that the proposal is received by Flathead County Economic Development Authority/Montana West Economic Development by the date and time specified above. It is important that your submission be clearly marked and/or identified as a sealed proposal. Failure to follow instructions may result in premature disclosure of your proposal.

3. Inquiries

Inquiries concerning this RFP should be directed to Lara Russell, Finance Director, 406-257-7711 ext. 6, or lara@dobusinessinmontana.com.

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4. Conditions of Proposal

All costs incurred in the preparation of a proposal responding to this RFP will be the responsibility of the Offeror and will not be reimbursed by Flathead County Economic Development Authority.

5. Right to Reject

Flathead County Economic Development Authority reserves the right to reject any proposals received in response to this RFP. A contract for the accepted proposal will be based upon the factors described in this RFP.

6. Small and/or Minority Owned Businesses

Efforts will be made by Flathead County Economic Development Authority to utilize small businesses and minority-owned businesses.

An Offeror qualifies as a small business firm if it meets the definition of "small business" as established by the Small Business Administration (13 CFR 121.201).

7. Notification of Award

It is expected that a decision selecting the successful audit firm will be made within two (2) weeks of the submission closing date.

Upon conclusion of final negotiations with the successful audit firm, all other Offerors will be notified in writing that their proposal was not selected. The name of the successful audit firm will be released upon request.

D. Description of Entity and Records to be Audited

Flathead County Economic Development Authority (FCEDA) is a special district and component unit of the Flathead County Government. The "Authority" was created in 1999 to promote economic development activities in Flathead County. The day-to-day operations, budget, and board management is conducted by the Authority's contracted management agency, Jobs Now, Inc., dba Montana West Economic Development. The annual budget is submitted to the Authority's governing Board of Directors for approval, as are expenditures. The Board of Directors for the Authority are appointed, in rotation, by the Flathead County Commissioners.

The financial statements of the Authority are prepared by the staff of Montana West Economic Development. The organization currently uses cloud hosted Abila (formerly Sage) MIP Fund Accounting on a Dell workstation with Microsoft Windows 2010 Business, to record and report financial transactions. Both software and hardware are documented and available for review to the successful proposer.

At the time of this RFP, nearly all FCEDA transactions are included in the General Fund. There is one Custodial Fund used for the tenant of FCEDA's portion of the Gateway Community Center, which includes very few transactions at this time.

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II. SPECIFICATION SCHEDULE

A. Scope of a Financial and Compliance Audit

The purpose of this RFP is to obtain the services of a public accounting firm, whose principal officers are independent certified public accountants, certified or licensed by a regulatory authority of a state or other political subdivision of the United States, hereinafter referred to as the "Offeror" to perform a financial and compliance audit of Flathead County Economic Development Authority.

Generally Accepted Government Auditing Standards (GAGAS, also known as the "Yellow Book") states in section 1.17:

Financial audits provide independent assessments of whether entities' reported financial information (e.g., financial condition, results, and use of resources) is presented fairly, in all material respects, in accordance with recognized criteria. Financial audits conducted in accordance with GAGAS include financial statement audits and other related financial audits.

The audit will be made in accordance with generally accepted auditing standards adopted by the American Institute of Certified Public Accountants and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

1. FCEDA desires the auditor to express an opinion on whether the financial statements 1) present fairly the financial position, results of operations, and cash flows or changes in financial position in accordance with generally accepted accounting principles, and (2) whether the entity has complied with laws and regulations for those transactions and events that may have a material effect on the financial statements.
2. The auditor shall be responsible for performing certain procedures involving required supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards.
3. The auditor shall provide a report on compliance and on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with the *Generally Accepted Government Auditing Standards (GAGAS, also known as the "Yellow Book")*.
4. The audit shall be knowledgeable of the requirements of the Single Audit Act of 1984 (31 U.S.C. 7501-7507), as amended by the Single Audit Act Amendments of 1996 (P.L. 104-156) and the U.S. Office of Management and Budget *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance 2 C.F.R. Part 200). FCEDA does not require a single audit at the time of this RFP, but it may be required in future years. The Offeror should have the knowledge and ability to perform such audits should they become required.
5. The auditor shall provide an "in-relation-to" report on the combining and individual fund financial statements and supporting schedules based on the auditing procedures applied during the audit of the basic financial statements, when applicable.
6. It will be necessary for the auditor to provide non-audit advisory services to ensure that financial statements are presented in accordance with Governmental Accounting

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Standards Board Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and local Governments*. Auditor shall also be available for consultation throughout the year.

B. Description of Programs/Contracts/Grants

FCEDA owns and manages the Glacier Rail Park, which is a rail-served industrial park. As a TIGER grant recipient in 2015, the City of Kalispell managed all build-out of the rail park and all required grant-related reporting. Upon completion of construction in 2019, the City transferred ownership of the rail park infrastructure and improvement to FCEDA. The Rail Park currently includes three tenants, one of which leases a lot owned by FCEDA with a lease period of sixty (60) years which began in 2018. The remaining two tenants own their lots outright. In addition to the lease, FCEDA manages the common area which includes most of the infrastructure and improvements of the Rail Park. Additionally, FCEDA has a twenty (20) year note payable with Flathead County related to the rail park project.

FCEDA also owns a portion of the Gateway Community Center facility (60,700 sf) which at the time of this proposal is vacant. Future activity may include leasing or sale of the facility.

FCEDA serves as the local government applicant on behalf of private businesses seeking Category I Job Creation grants through the Montana Department of Commerce - Big Sky Trust Fund program. These funds are passed through FCEDA to local expanding business.

FCEDA supports other economic development projects in the region as determined by the board of directors and at their discretion.

C. Performance

The agency’s records should be audited for each fiscal year ending June 30, 2023, June 30, 2024, and June 30, 2025.

The Offeror is required to conduct the audit and prepare reports in accordance with auditing standards generally accepted in the United State of America and the standards applicable to financial audits contained in *Generally Accepted Government Auditing Standards (GAGAS)*.

D. Contract Schedule

A consolidated trial balance and adjusted trial balances by fund will be available to the auditor on or before September 1st following each fiscal year-end. Fieldwork should be scheduled during September and October following fiscal year-end.

The Offeror is to transmit one electronic copy of the draft audit report to the Accounting Manager at Montana West Economic Development by October 15th following each fiscal year-end.

The Offeror shall deliver a PDF and three (3) printed final audit reports to Flathead County Economic Development Authority’s Board of Directors no later than November 15th following fiscal year-end.

Reports may be submitted earlier than the above schedule. However, if the Offeror fails to make delivery of the audit reports within the time schedule specified herein, or if the Offeror delivers audit reports which do not conform to all provisions of this contract, the agency may,

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by written notice of default to the Offeror, terminate the whole or any part of this contract. Under certain extenuating circumstances the contracting agent may extend this schedule upon written request of the Offeror with sufficient justification.

E. Price

The Offeror's proposal must include price quotes for each audit year and include information indicating how the price was determined. For example, the Offeror should indicate the estimated number of hours by staff level, hourly rates, and total cost by staff level. Any out-of-pocket expenses should also be indicated.

Price quotes should be presented as single, fixed-fee engagement bids, and should NOT include the cost for a Single Audit. Price quotes shall include three (3) separate prices:

1. Price to include preparation of all financial statements, notes, and supplemental schedules for the audit for the fiscal year ending June 30, 2023.
2. Price to include preparation of all financial statements, notes, and Supplemental schedules for the audit for the fiscal year ending June 30, 2024.
3. Price to include preparation of all financial statements, notes, and Supplemental schedules for the audit for the fiscal year ending June 30, 2025.

F. Payment

Payment will be made when Flathead County Economic Development Authority has determined that the total work effort has been satisfactorily completed. Should the agency reject a report, its authorized representative will notify the Offeror in writing of such rejection giving the reason. The right to reject a report shall extend throughout the term of this contract and for ninety (90) days after the Offeror submits the final invoice for payment.

Progress payments will be allowed to the extent that the Authority can determine that satisfactory progress is being made.

Upon delivery of the PDF and three (3) printed copies of the final audit reports to Flathead County Economic Development Authority, and with their acceptance and approval, the Offeror may submit a statement for the balance due on the contract for the audit.

G. Audit Review

All audit reports prepared under this contract will be reviewed by Flathead County Economic Development Authority and its funding sources to ensure compliance with *Generally Accepted Government Auditing Standards (GAGAS)*.

H. Exit Conference(s)

An exit conference (or multiple conferences as appropriate) with Flathead County Economic Development Authority Board of Directors, Finance Committee, and the Offeror's representatives will be held upon completion of the final audit report. Observations and recommendations must be summarized in writing and discussed with the respective committee. It should include internal control and program compliance observations and recommendations.

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I. Work Papers

Upon request, the Offeror will provide a copy of the work papers pertaining to any questioned costs determined in the audit. The work papers must be concise and provide the basis for the questioned costs as well as an analysis of the problem.

The work papers will be retained for at least three years from the end of the audit period. The work papers will be available for examination by authorized representatives of the cognizant federal or state audit agency, the General Accounting Office, and Flathead County Economic Development Authority.

J. Confidentiality

The Offeror agrees to keep the information related to all contracts in strict confidence. Other than the reports submitted to Flathead County Economic Development Authority, the Offeror agrees not to publish, reproduce or otherwise divulge such information in whole or in part, in any manner or form, or authorize or permit other to do so, taking such reasonable measures as are necessary to restrict access to the information, to these employees on the Offeror's staff who must have the information on a "need-to-know" basis. The Offeror agrees to immediately notify, in writing, the agency's authorized representative in the event the Offeror determines or has reason to suspect a breach of this requirement.

K. AICPA Professional Standards

The AICPA Code of Professional Conduct and Bylaws (Professional Standards) ET Section 501.-3 (paragraph .04) states:

Failure to follow standards and/or procedures or other requirements in governmental audits. Engagements for audits of government grants, government units or other recipients of government monies typically require that such audits be in compliance with government audit standards, guides, procedures, statutes, rules, and regulations, in addition to generally accepted auditing standards. If a member has accepted such an engagement and undertakes an obligation to follow specified government audit standards, guides, procedures, statutes, rules, and regulations, in addition to generally accepted auditing standards, he or she is obligated to follow such requirements. Failure to do so is an act discreditable to the profession in violation of Rule 501 (sec. 501 par. .01), unless the member discloses in his or her report the fact that such requirements were not followed and the reasons therefore.

III. OFFEROR'S TECHNICAL QUALIFICATIONS

The Offeror, in its proposal, shall, as a minimum, include the following:

A. Prior Auditing Experience

The Offeror should describe its prior auditing experience including the names, addresses, contact persons, and telephone numbers of prior organizations audited. Experience should include the following categories:

1. Prior experience auditing not for profit business development agencies.
2. Prior experience auditing similar programs funded by the State of Montana.
3. Prior experience auditing programs financed by the Federal Government.

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4. Prior experience auditing similar county or local governments.
5. Prior experience auditing nonprofit organizations.
6. Prior experience designing and/or installing accounting systems in non-profit agencies.

B. Organization, Size, and Structure

The Offeror should describe its organization, size (in relation to audits to be performed) and structure. Indicate, if appropriate, if the firm is a small or minority-owned business. The Offeror should include a copy of the most recent Peer Review, if the Offeror has had a Peer Review.

C. Staff Qualifications

The Offeror should describe the qualifications of staff to be assigned to the audits for Flathead County Economic Development Authority. Descriptions should include:

1. Audit team makeup.
2. Overall supervision to be exercised.
3. Prior experience of the individual audit team members.

Only include resumes of staff to be assigned to the audits. Education, position in firm, years and types of experience, continuing professional education, state(s) in which licensed as a CPA, etc. will be considered.

D. Understanding of Work to be Performed

The Offeror should describe its understanding of work to be performed, including audit procedures, estimated hours, and other pertinent information. Describe the level of familiarity with Flathead County Economic Development Authority/Montana West Economic Development, and the various programs the organizations use in service capacity.

E. Certifications

The Offeror must sign and include as an attachment to its proposal, the Certifications enclosed with this RFP. The publications listed in the Certifications will not be provided to potential Offerors by Flathead County Economic Development Authority, because the agency desires to contract only with an Offeror who is already familiar with these publications.

IV. PROPOSAL EVALUATION

A. Submission of Proposals

All proposals shall include the Offeror's technical qualifications, the pricing information, and the signed Certifications. These documents will become part of the contract.

B. Nonresponsive Proposals

Proposals may be judged nonresponsive and removed from further consideration if any of the following occur:

1. The proposal is not received timely in accordance with the terms of this RFP.
2. The proposal does not follow the specified format.
3. The proposal does not include the signed Certifications.
4. The proposal is not adequate to form a judgment by the reviewers that the proposed undertaking would comply with *Generally Accepted Government Auditing Standards (GAGAS)*.

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C. Review Process

The agency may, at its discretion, request presentations by or meetings with any or all Offerors, to clarify or negotiate modifications to the Offerors' proposals.

However, the agency reserves the right to make an award without further discussion of the proposals submitted. Therefore, proposals should be submitted initially on the most favorable terms, from both technical and price standpoints, which the Offeror can propose.

Though Flathead County Economic Development Authority contemplates award of the contract to the responsible Offeror with the highest total points in the evaluation, the agency reserves the right to make the award to the Offeror determined to be best suited to perform these services.

D. Evaluation

Evaluation of each proposal will be based on the following criteria:

Factors	Point Range
1. Prior experience auditing and/or designing and installing accounting systems.	
a. Prior experience auditing not for profit business development agencies	0-5
b. Prior experience auditing similar programs funded by Montana	0-5
c. Prior experience auditing programs financed by the Federal Government	0-5
d. Prior experience auditing similar county or local government activities	0-5
e. Prior experience auditing nonprofit organizations	0-5
f. Prior experience designing and/or installing accounting systems in nonprofit agencies	0-5
Flathead County Economic Development Authority will contact prior audited organizations to verify the experience provided by the Offeror.	
2. Organization, size, and structure of Offeror's firm. (Considering size in relation to audits to be performed.)	
a. Adequate size of the firm	0-5
b. Minority/small business	0-5
3. Qualifications of staff to be assigned to the audits to be performed. This will be determined from resumes submitted. Education, position in firm, years and types of experience, continuing professional education, and state(s) in which licensed as a CPA, etc. will be considered.	
a. Audit team makeup	0-10
b. Overall supervision to be exercised	0-5
c. Prior experience of the individual audit team members	0-10
4. Offeror's understanding of work to be performed.	
a. Adequate coverage	0-10
b. Realistic time estimates of each audit step	0-5
5. Price	0-20
MAXIMUM POINTS:	100

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CERTIFICATIONS

On behalf of the Offeror:

- A. The individual signing certifies that he/she is authorized to contract on behalf of the Offeror.
- B. The individual signing certifies that the Offeror is not involved in any agreement to pay money or other consideration for the execution of this agreement, other than to an employee of the Offeror.
- C. The individual signing certifies that the prices in this proposal have been arrived at independently, without consultation, communication, or agreement, for the purpose of restricting competition.
- D. The individual signing certifies that the prices quoted in this proposal have not been knowingly disclosed by the Offeror prior to an award to any other Offeror or potential Offeror.
- E. The individual signing certifies that there has been no attempt by the Offeror to discourage any potential Offeror from submitting a proposal.
- F. The individual signing certifies that the Offeror is a properly licensed certified public accountant, or a public accountant licensed on or before June of 2022.
- G. The individual signing certifies that the Offeror meets the independence standards of the *Government Auditing Standards*.
- H. The individual signing certifies that he/she is aware of and will comply with the GAO Continuing Education Requirement of 80 hours of continuing education every two years; and that 24 of the required 80 hours will be in subjects directly related to the government environment and to government auditing for individuals.
- I. The individual signing certifies that he/she is aware of and will comply with the GAO requirement of an external quality control (peer) review at least once every three years.
- J. The individual signing certifies that he/she has read and understands the following publications relative to the proposed audits:
 - 1. *Generally Accepted Government Auditing Standards* (GAGAS, also known as the Yellow Book)
 - 2. *OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (2014)
 - 3. *OMB Circular A-133, Audits of Institutions of Higher Education and Other Nonprofit Institutions* (June 1997)
 - 4. *OMB Circular A-133 - Compliance Supplement* (March 2002)
 - 5. *OMB Circular A-110, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations* (1997)

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6. OMB Circular A-122, *Cost Principles for Nonprofit Organizations* (June 1998)
 7. *A Guide for Nonprofit Organizations: Cost Principles and Procedures for Establishing Indirect Cost and Other Rates for Grants and Contract with the Department of Health and Human Services* (May 1983)
 8. *Audits of Voluntary Health and Welfare Organizations* (AICPA Audit Guide)
 9. *Audits of Certain Nonprofit Organizations* (AICPA Audit Guide)
- K. The individual signing certifies that he/she has read and understands all information in this Request for Proposal, including the information on the programs/grants/contracts to be audited.
- L. The individual signing certifies that the Offeror, and any individuals to be assigned to the audits, does not have a record of substandard audit work and has not been debarred or suspended from doing work with any federal, state, or local government. If the Offeror or any individual to be assigned to the audits has been found in violation of any state or AICPA professional standards, this information must be disclosed.

Dated this _____ day of _____, 2022.

Offeror's Firm Name

Signature of Offeror's Representative

Printed Name and Title of Individual Signing