Request for Proposal #2018-RFP-09

Auditing Services

City of Joplin, MO

AUGUST 23, 2018

CITY OF JOPLIN, MISSOURI
FINANCE DEPARTMENT
REQUEST FOR PROPOSAL #2018-RFP-09

Proposals are invited from qualified organizations. Please submit your offer and proposal for the goods/services specified herein. Your reply shall be submitted in a sealed envelope, unless otherwise directed, **prior to the time specified to the Finance Department, 602 South Main Street, Joplin, MO, 64801** with Request for Proposal number and time of opening in lower left-hand corner of envelope.

Date: August 23, 2018

Buyer: Leslie Haase, Finance Director

Buyer Phone: 417-624-0820 ext 251

Proposals Accepted Until: September 24, 2018 10:00 am

The City of Joplin, Missouri invites proposals from qualified organizations to provide **Professional Auditing Services**.

Proposals will be accepted until September 24, 2018, 10:00 am CST at the office of the Finance Director, 602 South Main Street, Joplin MO 64801.

The successful Offeror shall enter into an agreement in a form substantially similar to the City's Form of Agreement; such Agreement shall embody the requirements and terms and conditions of the Request For Proposal and the Offeror's proposal as accepted by the City.

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CITY OF JOPLIN, MISSOURI
REQUEST FOR PROPOSAL#2018-RFP-09
PART ONE - GENERAL INFORMATION
PROFESSIONAL AUDITING SERVICES

1.0 CONTENTS OF THIS REQUEST FOR PROPOSALS

This document consists of the following sections, which are arranged to assist in reviewing and understanding the City's requirements:

- Cover
- Part One: General Information
- Part Two: Scope of Work
- Part Three: Description of the Government
- Part Four: Time Requirements
- Part Five: Assistance to be Provided to the Auditor and Report Preparation
- Part Six: Submission of Proposals/Instructions to Offerors
- Part Seven: Evaluation Procedures
- Appendix A: Municipal Officials
- Appendix B: Offer and Schedule of Professional Fees and Expenses for the Audit of the 2018 Financial Statements
- Appendix C: Special Provisions
- Appendix D: City's Standard Form of Contract

2.0 INTRODUCTION

2.1 As required by Section 2.14 of the City Charter, the City of Joplin, Missouri (the City) is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal year ending October 31, 2018 with the option, if exercised by the City, of auditing its financial statements for each of the four (4) subsequent fiscal years. These audits are to be performed in accordance with generally accepted auditing standards, the standards set forth for financial audits by *Government Auditing Standards*, issued by the Comptroller General of the United States, and U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*.

2.2 To be considered, all interested firms must submit **one (1) master copy (so marked) and two (2) copies to Leslie Haase, Finance Director at 602 South Main Street, Joplin, Missouri 64801, by 10:00 A.M. CST September 24, 2018.** The City reserves the right to reject any or all proposals submitted, or parts thereof. There is no expressed or implied obligation for the City to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

2.3 Proposals submitted will be evaluated by a three (3) member Audit Selection Committee selected by the Director of Finance, consisting of various Finance personnel.

2.4 During the evaluation process, the Audit Selection Committee and the City reserve the right, where it may serve the City's best interest, to request additional information or clarifications from Offerors, or to allow corrections of errors or omissions. At the discretion of the Audit Selection Committee, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

2.5 The City reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City and the firm selected. Specific details of all proposals become public information upon their receipt and acceptance by the City.

2.6 It is anticipated the selection of a firm will be completed by September 30, 2018. Following the notification of the selected firm, it is expected a contract will be executed between both parties in October of 2018.

2.7 It is the intent and purpose of the City that the request for proposal provides fair and equal opportunity to each Offeror to submit competitive proposals. It shall be the Offeror's responsibility to advise the City, at least ten (10) days prior to the proposal date, of any language or requirements of this Request For Proposal, which unreasonably limit the ability of the Offeror to respond.

2.8 All information required from the Offeror by the Request for Proposal must be provided; otherwise the Offeror's proposal may be rejected as non-responsive.

3.0 TERM OF CONTRACT

An initial one-year contract is contemplated, providing for annual renewals solely at the City's option, for up to four (4) subsequent years, based upon the review and recommendation of the Audit Selection Committee and the annual availability of appropriations for the contract.

4.0 SCOPE OF WORK

The scope of work is contained herein as Part Two - Scope of Work.

CITY OF JOPLIN, MISSOURI
REQUEST FOR PROPOSAL#2018-RFP-09
PART TWO - SCOPE OF WORK
PROFESSIONAL AUDITING SERVICES

1.0 GENERAL INFORMATION

1.1 This section sets forth the minimum requirements and standards to be met by the independent auditor in completion of the audit of the City's financial statements for the contract period.

1.2 The auditor shall provide at least the minimum services described herein, but the services provided by the auditor shall include all services offered by the auditor in its proposal and shall not be limited by this Scope of Work.

2.0 SCOPE OF WORK TO BE PERFORMED

2.1 The auditor shall express an opinion on the fair presentation of the City's financial statements for its governmental activities, business-type activities, aggregate discretely presented component units, each major fund and aggregate remaining fund information, in conformity with generally accepted accounting principles.

2.2 The auditor is not required to audit the combining and individual fund and account group financial statements and supporting schedules or schedule of expenditures of federal awards. However, 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. The auditor is not required to audit the introductory or statistical sections of the report.

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

2.4 The auditor is expected to draft the financial statements and print the Comprehensive Annual Financial Report, as well as the A-133 Single Audit.

2.5 The auditor is expected to draft a separate report on the City of Joplin’s Passenger Facility Charge.

2.6 The auditor is expected to draft a separate report on the City of Joplin’s Police and Fire Pension Plan.

3.0 AUDITING STANDARDS TO BE FOLLOWED

To meet the requirements of this request for proposal, the audit shall be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, the standards for financial audits set forth by *Government Auditing Standard*s, issued by the Comptroller General of the United States, and the provisions of U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*.

4.0 DELIVERABLES

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

4.1 A report of independent auditors on the fair presentation of the basic financial statements in conformity with generally accepted accounting principles. This report shall also include an "in-relation-to" report on the combining and individual fund financial statements.

4.1.1 A separate report on the City of Joplin's Passenger Facility Charge.
4.1.2 A separate report on the City of Joplin's Police and Fire Pension Plan.

4.2 A report on the internal control structure based on the auditor's understanding of the control structure and assessment of control risk.

4.3 A report on the auditors' consideration of internal control and compliance and any other reports required by *Government Auditing Standards*.

4.4 A report on the auditors' internal control and compliance over federal awards and any other reports required by OMB Circular A-133.

4.5 Significant deficiencies and material weaknesses discovered by the auditors shall be reported in a separate management letter addressed to the Mayor and City Council of the City of Joplin, which shall be referred to in the reports on internal controls. These nonreportable conditions shall be discussed with the Director of Finance prior to inclusion in the management letter.

4.6 Auditors shall be required to make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the City Manager, the Director of Finance, the City Council and grantor agencies as applicable.

4.7 Auditors shall assure themselves that the City Council is informed in writing of each of the matters described in SAS No. 61.

5.0 SPECIAL CONSIDERATIONS

5.1 The financial statements of the Joplin Sports Authority (JSA) of Joplin, Missouri will be audited by other auditors and shall be included as a discretely presented component unit in the City's financial statements. It is anticipated that the auditor will not be required to provide special assistance to the Joplin Sports Authority's auditors and that the opinion on the City's basic financial statements, insofar as it relates to the amounts included for the Joplin Sports Authority component unit, shall be based solely on the report of the other auditors.

5.2 The City will submit its comprehensive annual financial report to the Government Finance Officers Association of the United States and Canada (GFOA) for review in its Certificate of Achievement for Excellence in Financial Reporting program. The auditor shall be required to provide assistance as needed to the City to continue to meet the requirements of the program.

5.3 The City may prepare one or more official statements in connection with the sale of debt securities, which may contain the general purpose financial statements and the auditor's report thereon. The auditor shall be required, if requested by the financial advisor, bond counsel and/or the underwriter, to issue a "consent and citation of expertise" as the auditor and any necessary "comfort letters".

Should the City request the auditor to issue a "consent and citation of expertise" and any "comfort letters", the City will pay the additional cost incurred by the auditor at the fee rates specified in the Offer and Schedule of Fees for Additional Services, as shown in Appendix C, Part 4 of 7. The City will require the auditor to provide a firm "not to exceed" estimate for such additional work prior to the start of additional work.

5.4 The schedule of expenditures of federal awards and related auditor's report, as well as the reports on the internal control structure and compliance, are not to be included in the Comprehensive Annual Financial Report, but shall be issued separately.

5.5 The City's most recent financial statement audit revealed no material weaknesses or significant deficiencies. It did not reveal any material instances of noncompliance with applicable laws, regulations, contracts or grants.

5.6 Management believes similar conditions will continue to exist for the fiscal year ending October 31, 2018.

5.7 The City has implemented all applicable GASB standards in a timely manner.

6.0 WORKING PAPER RETENTION AND ACCESS TO WORKING PAPERS

6.1 All working papers and reports shall be retained, at the auditor's expense, for a minimum of six (6) years, unless the firm is notified in writing by the City of the need to extend the retention period. The auditor shall make working papers available, upon request, to the following parties or their designees:

- The City of Joplin, Missouri (the City)
- U.S. General Accounting Office (GAO)
- Parties designated by the federal or state governments, or by the City as part of an audit quality review process
- Auditors of entities of which the City is a subrecipient of grant funds

6.2 In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

7.0 TIME REQUIREMENTS

Time requirements for the engagement are contained herein as Part Four -Time Requirements.

8.0 ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION

Details of assistance to be provided by City personnel and report preparation are discussed in Part Five - Assistance to be Provided to the Auditor and Report Preparation, contained herein.

CITY OF JOPLIN, MISSOURI
REQUEST FOR PROPOSAL #2018-RFP-09
PART THREE - DESCRIPTION OF THE GOVERNMENT
PROFESSIONAL AUDIT SERVICES

1.0 NAME OF CONTACT PERSONS/ORGANIZATIONAL CHART/LIST OF MUNICIPAL OFFICIALS

1.1 The auditor's principal contact with the City will be the Director of Finance, or a designated representative, who will coordinate the assistance to be provided by the City to the auditor.

1.2 A list of municipal officials (Appendix A) and the City's organizational chart are included in this Request For Proposal.

2.0 BACKGROUND INFORMATION

2.1 The City of Joplin, Missouri serves an area of 38.2 square miles with a population of approximately 50,000. The City's current fiscal year began on November 1, 2017 and ends on October 31, 2018. The Joplin Public Library and the Joplin Sports Authority component units are also on an October 31st fiscal year end.

2.2 The City provides the full range of services normally associated with a municipality, including police and fire protection, public works operations, enforcement of building and sanitary codes, planning and zoning activities, health and welfare services, parks and other recreational facilities, and other general administrative services.

2.3 The City maintains the sewerage disposal systems, the Joplin Regional Airport, and the municipal golf course.

2.4 The City's total payroll, for the year ended October 31, 2017, was approximately $34 million covering approximately 525 full-time employees. The City's 2017-18 adopted budget is approximately $159 million.

2.5 The City is organized into 15 departments, many of which operate from remote locations. Some of the more significant of these remote locations are the Joplin Regional Airport, the Parks and Recreation Department, the Wastewater Treatment Plants and the Health Department. The City's general accounting and financial reporting functions are centralized.

2.6 The total debt of the City is comprised of one Certificate of Participation (COP) for a capital project and four EIERA Bonds for the Turkey Creek Wastewater Treatment Plant and Silver Creek sewer lines.

2.7 The City fully implemented GASB 34 in the fiscal year ending October 31, 2007, including all infrastructure requirements.

3.0 FUND STRUCTURE

The City uses the following fund types in its financial reporting:

Fund Type/Account Group	Number of Individual Funds	Number with Legally Adopted Annual Budgets
General fund	1	1
Special revenue funds	11	11
Debt service funds	1	1
Capital projects funds	3	3
Enterprise funds	3	3
Internal service funds	5	5
Agency funds	2	0
Permanent funds	1	0
Pension trust funds	1	0

In fiscal year 2017, the City of Joplin's major governmental funds were the general fund, the parks/storm water sales tax fund, the transportation sales tax fund, the capital improvement sales tax fund, the community planning fund, the Joplin Redevelopment Corporation, the infrastructure fund and the EDA grant fund. The City of Joplin's major proprietary funds were the airport fund and the sanitary sewer fund. The City anticipates a decrease in the number of major governmental funds in subsequent fiscal years as the recovery grants are completed over the next two years.

4.0 BUDGETARY BASIS OF ACCOUNTING

The City operates on a program performance budget system and prepares its general and special revenue fund budgets on a basis consistent with generally accepted accounting principles, except that encumbrances are included with appropriations when the annual budget is established.

5.0 FEDERAL AWARDS

5.1 During the fiscal year ended October 31, 2017, the City received approximately $52.6 million in federal awards, either directly or passed through various state agencies.

5.2 During the fiscal year to be audited, this assistance is expected to remain about the same due to the federal grants awarded following the EF-5 tornado that struck our community on May 22, 2011. The disaster recovery grants should be complete by the 2020 fiscal year.

5.3 It is anticipated that federal award programs for the year ending October 31, 2018 in excess of $500,000 will include, but may not be limited to:

- Community Development Block/Entitlement Grants and Disaster Recovery Grants (CFDA 14.218 and CFDA 14.239)
- U.S. Department of Transportation (CFDA 20.106 and CFDA 20.507)
- WIC Food Supplement (CFDA 10.557)

6.0 PENSION PLANS

6.1 The City participates in the following pension plans:

- The Policemen's and Firemen's Retirement Fund, a single-employer, defined benefit pension plan
- Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer PERS

6.2 The City also makes contributions to the federal social security retirement system, primarily for its non-police and non-fire employees.

6.3 Actuarial services for The Policemen's and Firemen's Retirement Fund are provided by Gabriel, Roeder, Smith & Company.

7.0 THE FINANCIAL REPORTING ENTITY AND COMPONENT UNITS

7.1 The financial reporting entity is defined in conformity with generally accepted accounting principles as prescribed by Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*.

The financial statements present data for all departments and funds of the City, including all boards and commissions (the primary government) and component units, entities for which the City is considered to be financially accountable. Discretely presented component units are included within the City's financial statements.

7.2 Discretely presented component units are presented separately to emphasize that they are legally separate from the primary government. The Joplin Public Library and the Joplin Sports Authority are considered discretely presented component units of the government for financial reporting purposes.

7.3 All component units operate on an October 31 fiscal year.

8.0 MAGNITUDE OF FINANCE OPERATIONS

8.1 The Finance Department is headed by the Director of Finance and consists of a total of fifteen (15) employees.

8.2 The Finance Department personnel are as shown below:

Financial Administration -

Director of Finance	1
Assistant Director of Finance	1
Financial Analyst	1
Senior Accountant	2
Purchasing & Accounts Receivable	1

Accounts Payable Clerk	1
Payroll Clerk	1
Cashier	1
Licensing/Office Services Clerk	1
Utility Billing Supervisor	1
Utility Billing Clerks	4

9.0 COMPUTER SYSTEMS

9.1 The City's computer systems are centralized on a single iSeries Power I computer system for Public Administration applications. Each networked user can be granted access to these systems by the Information Technology Department upon request of the Department Head or their designee. The iSeries utilizes software authored by Superion, LLC.

9.2 The City's Financial accounting data is maintained on Superion, LLC. Financials, version 9.1.17.3 operating under IBM OS/400, Version 7, Release 2 operating system.

9.3 The major components for Financial Data include:

- GMBA
- Fixed Assets
- Accounts Receivable
- Business Licenses
- Cash Receipts
- Purchasing/Inventory
- Payroll

9.4 The City's computer network includes 475 workstations utilizing various applications. These workstations utilize the Microsoft Windows 7 and Windows 10 Professional operating system and Microsoft Office 365 suite of applications. There are 99 CF31 Panasonic Toughbook laptops utilizing Windows 7 Professional for Public Safety. All of the Public Safety applications are housed on IBM/Lenovo xSERIES servers. These servers are operating software authored by Superion, LLC., and known as OneSolution software for Public Safety. Additionally, there are approximately 24 total xSERIES servers in use for other, various City functions.

10.0 INTERNAL AUDIT FUNCTION

The City currently has no formal internal financial audit function. However, certain operational areas may be examined on an as needed basis utilizing existing Finance staff.

11.0 AVAILABILITY OF PRIOR AUDIT REPORTS AND OTHER INFORMATION

Interested Offerors who wish to review the prior year's Comprehensive Annual Financial Report and Circular A-133 audit are directed to copies enclosed with this Request for Proposal. Those desiring further information shall contact Leslie Haase, Finance Director, 602 South Main Street, Joplin, Missouri 64801, Telephone (417) 624-0820, ext 251. If it is possible to supply the information requested, this information will be supplied to all firms that are mailed this Request for Proposal.

1.0 SCHEDULE FOR THE 2018 FISCAL YEAR AUDIT (A similar schedule will be developed for audits of future fiscal years if the City exercises its option for additional audits.)

The auditor shall complete each of the following no later than the dates indicated.

1.1 **Interim Work**

The auditor shall complete any required interim work during the month of December 2018.

1.2 **Detailed Audit Plan**

The auditor shall provide the City by December 1, 2018, both a detailed audit plan and a list of all schedules to be prepared by the City.

1.3 **Date Final Field Work May Commence**

The City shall have all records ready for final audit and all management personnel available to meet with the firm's personnel on January 28, 2019. The auditor shall complete all final fieldwork by February 25, 2019.

1.4 **Draft Reports**

1.4.1 The auditors shall have a draft of the Comprehensive Annual Financial Report prepared for review by the City by March 1, 2019. Revisions to this draft will be made by City staff as needed. Final recommendations, revisions and suggestions for improvement to this draft shall be completed by March 15, 2019.

1.4.2 Once all issues for discussion are resolved, the final signed auditor's opinion shall be delivered to the Director of Finance. It is anticipated that this process will be completed and the final report distributed by April 15, 2019.

1.4.3 The auditor shall have drafts of the Federal Circular A-133 financial report prepared for review by the City by March 1, 2019, with the final report to be ready for distribution by April 15, 2019. Revisions to this draft will be made by City staff by March 15, 2019.

1.4.4 Recommendations to management shall be available for review with the Director of Finance by March 1, 2019.

2.0 ENTRANCE CONFERENCES, PROGRESS REPORTING AND EXIT CONFERENCES (A similar procedure shall be followed for audits of future fiscal years if the City exercises its option for additional audits.)

At a minimum, the following conferences shall be held:

2.1 An entrance conference with Director of Finance shall be held at the start of both interim and final

fieldwork.

2.2 Progress reporting shall be made to the Director of Finance as deemed necessary during both interim and final fieldwork. These progress reports shall include, but not be limited to, discussions on the progress of the audit, any problems encountered and resolution of audit issues.

2.3 An exit conference with the Director of Finance shall be scheduled at the end of fieldwork to summarize the results of fieldwork and to review significant findings, including proposed management letter comments. A meeting shall also be scheduled, following this exit conference, with the City Manager to provide a brief overview of audit results.

2.4 A presentation by the auditor to the City Council of the audit results and A-133 findings shall be scheduled when the final report is complete.

1.0 FINANCE DEPARTMENT AND CLERICAL ASSISTANCE

Staff from accounting, budget and evaluation and financial administration 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, clerical support will be made available to the auditor as needed for the preparation of routine letters and memoranda.

2.0 OTHER STAFF ASSISTANCE

The City shall make available, on an as needed basis throughout the audit, (1) Assistant Finance Director and (1) Accounting Specialist to assist the firm by providing information, documentation and explanations. These individuals will also prepare all working papers requested by the auditor, in accordance with Part Four, Paragraph 3.2.

3.0 ELECTRONIC DATA PROCESSING (EDP) ASSISTANCE

3.1 EDP personnel shall be available to assist the auditor with preparation of EDP reports for purposes of audit testing from the City's accounting data.

3.2 EDP personnel will also be available to provide systems documentation and explanations. The auditor will not be provided computer time and the use of the City's computer hardware and software.

4.0 STATEMENTS AND SCHEDULES TO BE PREPARED BY THE STAFF OF THE CITY

4.1 City staff shall prepare the introductory section, all required supplementary schedules and the statistical table data for inclusion in the Comprehensive Annual Financial Report. Assistance may be requested by the City in preparation of statements or disclosures required by new GASB pronouncements.

4.2 In addition, City staff shall prepare the schedule of expenditures of federal awards for use in completion of the Circular A-133 audit by January 25, 2018.

5.0 FACILITIES FOR STAFF

The City shall provide the auditor with a reasonable work area, which includes a conference table and chairs. The auditor shall also be provided with access to one (1) telephone line within the work area, and photocopying facilities and fax machines within an adjacent area.

6.0 REPORT PREPARATION

Preparation, editing and printing of the Comprehensive Annual Financial Report shall be the responsibility of the auditor. Upon being provided the schedule of federal financial assistance, it shall be the auditor's responsibility to prepare, edit and print the Circular A-133 financial report. The City shall:

* Designate a qualified management-level individual to be responsible and accountable for overseeing the drafting of the financial statements.

* Establish and monitor the performance of the engagement to ensure that it meets management's objectives.

* Make any decisions that involve management functions related to the engagement and accept full responsibility for such decisions.

* Evaluate the adequacy of the financial statements and notes.

CITY OF JOPLIN, MISSOURI
REQUEST FOR PROPOSAL #2018-RFP-09
PART SIX - SUBMISSION OF PROPOSALS/INSTRUCTIONS TO OFFERORS
PROFESSIONAL AUDIT SERVICES

1.0 GENERAL INSTRUCTIONS

1.1 The Offeror is strongly encouraged to thoroughly review the entire Request for Proposal. Failure to do so could result in improper submittal and rejection of offer. All proposals will be reviewed for compliance with the submission requirements contained in this section and responsiveness to the minimum requirements in Part Two - Scope of Work.

1.2 **Inquiries**

Inquiries concerning the Request For Proposal must be made in writing to:

Leslie Haase, Finance Director
602 South Main Street
Joplin, Missouri 64801

If it is possible to supply the information requested, that information will be supplied to all firms that are mailed this Request for Proposal.

1.3 **Submission of Proposals**

The following material is required to be received by 10:00 A.M. CST, September 2
4, 2018 for a proposal to be considered:

1.3.1 A master copy (so marked) of a Technical Proposal and two (2) copies, to include the following:

I. **Title Page:** Title page showing the Request For Proposal's subject; the firm's complete legal name; the name, address and telephone number of a contact person, and the date of the proposal.

II. **Table of Contents**

III. **Transmittal Letter:** A signed letter of transmittal briefly stating the Offeror's understanding of the work to be done, a commitment to perform the work within the time period, a statement why the firm believes itself to be best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for ninety (90) days after the date and time set for receipt.

IV. **Detailed Proposal**: The method by which the detailed proposal is organized is left to the discretion of the Offeror. However, the detailed proposal shall include a discussion of all items set forth in Part Six, Paragraph 2.0 of this request for proposals. ***It is suggested that the Offeror respond to each paragraph in Part Two, Part Four and Part Five of this Request for Proposal, and identify responses by paragraph number.*** Also, offeror shall include a list of references with name of entity, type of audit, contact name and telephone number.

V. **Certificates of Insurance:** The successful bidder must have the ability and commit to provide the City with a Certificate of Insurance for your Professional Liability and Errors and Omissions insurance.

VI. A schedule of fees and expenses included in a separate envelope with the sealed bid.

1.3.2 The Offeror shall submit an original and two (2) copies of a dollar cost bid in a separate sealed envelope marked as follows:

SEALED OFFER, RFP #2018-RFP-09
FOR CITY OF JOPLIN, MISSOURI
PROFESSIONAL AUDITING SERVICES
DO NOT OPEN BEFORE 10:00 A.M. CST, September 24, 2018

1.3.3 Offerors shall send the completed proposal, consisting of the two separate envelopes, to the following address:

CITY OF JOPLIN, MISSOURI
LESLIE HAASE, FINANCE DIRECTOR
602 SOUTH MAIN STREET
JOPLIN, MISSOURI 64801

2.0 TECHNICAL PROPOSAL

2.1 General Instructions

2.1.1 The purpose of the technical proposal is 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 Request for Proposal. As such, the substance of proposals will carry more weight than their form or manner of presentation. The technical proposal shall demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It shall also specify an audit approach that will meet the requirements of this Request for Proposal.

THERE SHALL BE NO DOLLAR UNITS OR TOTAL COSTS INCLUDED IN THE TECHNICAL PROPOSAL DOCUMENT.

2.1.2 The technical proposal shall address all the points outlined in the request for proposals (excluding any cost information which shall only be included in the sealed dollar cost bid). The proposal shall be prepared simply and economically, providing a straightforward, concise description of the Offeror's capabilities to satisfy the requirements of the Request for Proposal. While additional pertinent narrative or data may be presented, the following subjects, items Nos. 2.2 through 2.10, must be included. They represent the criteria against which the proposal will be evaluated.

2.2 Independence

2.2.1 The firm shall provide an affirmative statement that it is independent of the City of Joplin, Missouri as defined by generally accepted auditing standards and *Government Auditing Standards*, as issued by the Comptroller General of the United States.

2.2.2 The firm also shall provide an affirmative statement that it is independent of all of the component units of the City of Joplin, Missouri, as defined by those same standards.

2.2.3 The firm shall also list and describe the firm's professional relationships involving the City or any of its agencies, component units or oversight unit 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.

2.2.4 In addition, the firm shall give the City written notice of any professional relationships entered into during the period of this agreement.

2.3 **License to Practice in the State of Missouri**

An affirmative statement shall be included indicating that the firm and all assigned key professional staff are properly licensed to practice in the State of Missouri.

2.4 **Firm Qualifications and Experience**

2.4.1 The proposal shall state:

- the size of the firm
- the size of the firm's governmental audit staff
- the location of the practice office from which the work on this engagement is to be performed
- the names and titles of the professional staff to be assigned to this engagement, either on a full-time or part-time basis

2.4.2 The firm shall also submit a copy of the report on its most recent external quality control review and letter of comments, with a statement whether that quality control review included a review of specific government engagements.

2.4.3 The firm shall also provide information on the results of any federal or state desk 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 assigned practice office during the past five (5) years by the AICPA, SEC or State Board or Society.

2.4.4 The proposal shall describe all pending or settled litigation during the past five (5) years involving the assigned practice office.

2.5 **Partner, Supervisory and Staff Qualifications and Experience**

2.5.1 The firm shall identify the principal supervisory and management staff, including engagement partners, managers, seniors, other supervisors and specialists who would be assigned to the engagement and indicate whether each such person is licensed to practice as a certified public accountant in the State of Missouri. The firm also shall provide information on the government auditing experience of each person identified 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.

2.5.2 The firm shall provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. The firm also shall indicate how the quality of staff over the term of the agreement will be assured.

2.5.3 Describe any other experience, which is deemed to be relevant to completion of the proposed engagement.

2.6 **Similar Engagements with Other Government Entities**

2.6.1 For the firm's office that will be assigned responsibility for the audit, list the most significant municipal organization engagements performed in the last five (5) years that are similar to the engagement described in this Request for Proposal.

The engagements shall be ranked on the basis of total staff hours. Indicate the scope of work, date, population of municipality, engagement partners, total hours, whether the municipality received the GFOA Certificate of Achievement, and the name and telephone number of the principal client contact.

2.6.2 The firm shall also identify the most significant Circular A-133 engagements performed by the proposed practice office in the last five years that are similar to the engagement described in this request for proposals.

Indicate the date, magnitude of grant dollars involved, and the name and telephone number of the principal client contact.

2.7 **Specific Audit Approach**

2.7.1 The proposal shall set forth a work plan, including an explanation of the audit methodology to be followed to perform the services required in Part Two - Scope of Work of this request for proposals. In developing the work plan, reference should be made to such sources of information as the City's budget, Comprehensive Annual Financial Report and related materials, organizational charts, and financial and other management information systems.

2.7.2 Offerors shall provide the following information on their audit approach:

- Proposed segmentation of the engagement
- Level of staff and estimated number of hours to be assigned to each proposed segment of the engagement
- A description of the extent to which statistical sampling techniques are to be used in the engagement
- A description of the extent to which computer-assisted auditing procedures will be used in the engagement
- Approach to be taken to gain and document an understanding of the City's internal

control structure

- Approach to be taken in determining laws and regulations that will be subject to audit test work

- Approach to be taken in drawing audit samples for purposes of tests of compliance

- An explanation of the firm's normal use of client personnel to assist you during the audit and indicate approximate time requirements to be placed on them.

- An explanation of your firm's procedures for technical review of audit reports prior to issuance. This discussion shall identify key personnel involved in technical review, their qualifications and whether they are independent of personnel assigned to the audit engagement.

- Identify the firm's general approach regarding subsequent years' audit engagements, should the City exercise this option.

- Identify how your firm would utilize other auditors' work, to the extent possible, in completion of this engagement.

2.8 **Identification of Anticipated Potential Audit Problems**

The proposal shall 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.

2.9 **Report Format**

The proposal shall identify any anticipated problems the firm may have with the financial statement formats contained within the City's Comprehensive Annual Financial Report for the year ended October 31, 2017.

2.10 **Other Information**

2.10.1 **Staff Education and Development**: The proposal shall identify the firm's policies and practices regarding staff education and development.

2.10.2 **Staff Turnover**: Describe the proposed practice office's history of staff turnover at all staff levels during the past three (3) years.

2.10.3 **Rotation Policy**: Describe the firm's policy regarding rotation of seniors, managers and/or partners, if such a policy exists.

2.10.4 **Policy Regarding Use of Minority Firms**: Describe the firm's policy, if such a policy exists, regarding the use of minority firms in completion of the engagement.

NO DOLLAR UNITS OR TOTAL COSTS SHALL BE INCLUDED IN THE TECHNICAL PROPOSAL DOCUMENT - THESE COSTS SHALL ONLY BE INCLUDED IN THE SEALED DOLLAR COST BID, AS DISCUSSED IN PARAGRAPH 3.0.

3.0 SEALED DOLLAR COST BID

3.1 Total All-Inclusive Maximum Price

3.1.1 The sealed dollar cost bid shall 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.

3.1.2 The City will not be responsible for expenses incurred in preparing and submitting the technical proposal or the sealed dollar cost bid. Such costs shall not be included in the proposal.

3.1.3 The first page of the sealed dollar cost bid shall include the following information:

- Name of Firm
- Certification that the person signing the proposal is entitled to represent the firm, empowered to submit the bid and authorized to sign a contract with the City of Joplin, Missouri.
- A Total All-Inclusive Maximum Price for the 2018 engagement.

3.2 Rates by Partner, Manager, Senior, Other Supervisory and Staff Level Times and Hours Anticipated for Each

3.2.1 The second page of the sealed dollar cost bid shall include an offer and a schedule of professional fees and expenses, presented in the format provided in the attachment (Appendix C, Part 1), that supports the total all-inclusive maximum price. The cost of special services described in Part Two, Paragraph 5.0 of this Request for Proposal shall be disclosed as separate components of the total all-inclusive maximum price.

3.3 Out-of-Pocket Expenses Included in the Total All-inclusive Maximum Price

3.3.1 All estimated out-of-pocket expenses shall be presented in the sealed dollar cost bid.

3.4 Rates for Additional Professional Services

3.4.1 An offer and schedule of professional fees, presented in the format provided in Appendix C, Part 2, shall be included in the sealed dollar cost bid and shall include the total all-inclusive maximum price for subsequent years' engagements, should the City exercise this option, for fiscal years 2018 through 2022.

3.5 Rates for Additional Professional Services

3.5.1 Should it become necessary for the City to request the auditor to render any additional services to either supplement the services requested in this Request for Proposal or to perform additional work as a result of the specific recommendations included in any

report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between the City and the firm. Fees for any such additional work shall be set forth in the offer and schedule of professional fees included in the sealed dollar cost bid in the format provided in the attachment (Appendix C, Part 3). Bidders may indicate the additional cost for increases in the number of major programs in the OMB Circular A-133.

3.6 **Offeror Guarantees and Warranties**

The Offeror shall include guarantees and warranties as set forth in Appendix C, Parts 4 and 5.

3.7 **Debarment, Suspension, Ineligibility and Voluntary Exclusion Form**

The Offeror must also sign and return the certification form regarding debarment, suspension, ineligibility and voluntary exclusion required by the U. S. Department of Labor, as set forth in Appendix E.

3.8 **Manner of Payment**

3.8.1 Progress payments will be made on the basis of hours of work completed during the course of the engagement in accordance with the firm's dollar cost bid proposal. Interim billings shall cover a period of not less than a calendar month.

3.8.2 Payments shall be made to auditor within ten (10) working days following submission of proper invoice to the Director of Finance.

3.8.3 Final payment shall be made only after satisfactory completion and delivery of all reports included in this request for proposals.

1.0 AUDIT SELECTION COMMITTEE

Proposals submitted will be evaluated by a three (3) member Audit Selection Committee selected by the Director of Finance, consisting of various Finance personnel. The Audit Selection Committee will make its recommendation to the City Council based on its review and scoring of the proposals.

2.0 REVIEW OF PROPOSALS

2.1 The Audit Selection Committee will use a point formula during the review process to score proposals. Each member of the Audit Selection Committee will first score each technical proposal by each of the criteria described in Part Seven, Paragraph 3.0 below. The full Audit Selection Committee will then convene to review and discuss these evaluations and to combine the individual scores to arrive at a composite technical score for each firm. At this point, firms with an unacceptably low technical score will be eliminated from further consideration.

2.2 After the composite technical score for each firm has been established, the sealed dollar cost bid will be opened and additional points will be added to the technical score based on the price bid. The maximum score for price will be assigned to the firm offering the lowest total all-inclusive maximum price. Appropriate fractional scores will be assigned to other Offerors.

3.0 EVALUATION CRITERIA

Proposals will be evaluated using three sets of criteria. Firms meeting the mandatory criteria will have their proposals evaluated and scored for both technical qualifications and price. All proposals will be evaluated based on, but not limited to, the following criteria.

3.1 **Mandatory Elements**

3.1.1 The audit firm is independent and licensed to practice in the State of Missouri.

3.1.2 The audit firm's professional personnel have received adequate continuing professional education within the preceding three (3) years.

3.1.3 The firm has no conflict of interest with regard to any other work performed by the firm for the City.

3.1.4 The firm submits a copy of its most recent external quality control review report and letter of comments and the firm has a record of quality audit work.

3.1.5 The firm adheres to the instructions in this request for proposals on preparing and submitting the proposal.

3.1.6 The proposal demonstrates that the firm has an understanding of the audit objectives, the City's needs and final products to be delivered.

3.1.7 The proposal demonstrates an adequate intention of starting the audit when required,

meeting deadlines and completing the audit in a timely fashion.

FIRMS THAT DO NOT MEET THE MANDATORY CRITERIA LISTED ABOVE WILL BE ELIMINATED FROM FURTHER CONSIDERATION.

3.2 **Technical Qualifications: (Maximum Points - 50)**

3.2.1 **Expertise and Experience**

- The firm's past experience on comparable government engagements of the City's type and size.
- Adequacy of the proposed staffing plan for various segments of the engagement and realistic estimates of time required to complete the engagement.
- The quality and governmental experience of the firm's professional personnel to be assigned to the engagement.
- The firm's past experience on comparable engagements involving Federal Circular A-133 audits with similar amounts of federal financial assistance.
- Adequacy of the firm's policies and procedures on staff education, development, continuing professional education and staff rotation.

3.2.2 **Audit Approach**

- Adequacy of proposed staffing plan for various segments of the engagement
- Adequacy of sampling techniques

3.3 **Price: (Maximum Points - 50)**

COST WILL BE A MAJOR, BUT NOT THE PRIMARY, FACTOR IN THE SELECTION OF AN AUDIT FIRM. Fee quotations for this engagement which appear to understate actual costs to conduct the audit may be considered "low-balling", in which case disqualification may result.

3.4 **Other Considerations**

- Litigation, pending or settled, involving the proposed practice office
- Disciplinary actions involving the proposed practice office

4.0 ORAL PRESENTATIONS

4.1 During the evaluation process, the Audit Selection Committee may, at its discretion, request any one or all firms to make oral presentations. Such presentations will provide firms with an opportunity to answer any questions the Audit Selection Committee may have on a firm's proposal.

5.0 **FINAL SELECTION**

5.1 The City Council will select a firm based upon the recommendation of the Audit Selection Committee following its evaluation of proposals received.

5.2 It is anticipated that a firm will be selected by October 1, 2018. Following notification of the firm selected, it is expected a contract will be executed between both parties during October of 2018.

6.0 **RIGHT TO REJECT PROPOSALS**

6.1 Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City and the firm selected.

6.2 The City reserves the right without prejudice to reject any or all proposals.

CITY OF JOPLIN, MISSOURI
REQUEST FOR PROPOSAL #2018-RFP-09
APPENDIX A - MUNICIPAL OFFICIALS
PROFESSIONAL AUDIT SERVICES

Mayor

Gary Shaw

City Council

Gary Shaw	Zone I
Melodee Colbert-Kean	Zone II
Phil Stinnett	Zone III
Diane Reid-Adams	Zone IIII
Taylor Brown	General
Doug Lawson	General
Anthony Monteleone	General
Ryan Stanley	General
Jim West	General

City Officials

Sam Anselm	City Manager
Peter Edwards	City Attorney
Barbara Gollhofer	City Clerk
John Podleski	Municipal Judge
David Hertzberg	Public Works Director
Paul Bloomberg	Parks Director
Matt Stewart	Chief of Police
Jimmy Furgerson	Fire Chief
Daniel Pekarek	Community Health Director
Lamonte Ratcliff	Municipal Court Administrator
Jacque Gage	Joplin Public Library Director
Leslie Haase	Director of Finance
Mark Morris	Information Technology Director
Lynn Onstot	Public Information Officer
Patrick Tuttle	CVB Director
David Allgood	Human Resource Director/Risk Manager

CITY OF JOPLIN, MISSOURI
REQUEST FOR PROPOSAL #2018-RFP-09
APPENDIX B
PROFESSIONAL AUDIT SERVICES

PART 1 OF 4 - OFFER AND SCHEDULE OF PROFESSIONAL FEES - FOR THE AUDIT OF THE FINANCIAL STATEMENTS FISCAL YEARS ENDING OCTOBER 31, 2018, 2019, 2020, 2021, and 2022

ALL SERVICES DESCRIBED IN THE REQUEST FOR PROPOSAL-PART TWO
TOTAL ALL-INCLUSIVE MAXIMUM PRICE

2018 Audit Services (CAFR and A-133 Single Audit)	$_____
Separate PFC Audit	$_____
Separate Pension Plan Audit	$_____
2019 Audit Services (CAFR and A-133 Single Audit)	$_____
Separate PFC Audit	$_____
Separate Pension Plan Audit	$_____
2020 Audit Services (CAFR and A-133 Single Audit)	$_____
Separate PFC Audit	$_____
Separate Pension Plan Audit	$_____
2021 Audit Services (CAFR and A-133 Single Audit)	$_____
Separate PFC Audit	$_____
Separate Pension Plan Audit	$_____
2022 Audit Services (CAFR and A-133 Single Audit)	$_____
Separate PFC Audit	$_____
Separate Pension Plan Audit	$_____

PART 2 OF 4 - OFFER AND SCHEDULE OF PROFESSIONAL FEES FOR ADDITIONAL SERVICES, IF REQUESTED BY THE CITY

	2018 Standard Hourly Rates	2018 Quoted Hourly Rates
Partners	$ _____	$_____
Managers	_____	_____
Seniors	_____	_____
Other supervisory staff	_____	_____
Staff	_____	_____
Other (specify)	_____	_____

The Offeror agrees not to increase the quoted hourly rates by more than the following percentages for each successive one-year extension to the contract term:

2019 _____ percent of the 2018 quoted hourly rate.

2020 _____ percent of the 2019 quoted hourly rate.

2021 _____ percent of the 2020 quoted hourly rate.

2022 _____ percent of the 2021 quoted hourly rate.

PART 3 OF 4 - OFFEROR GUARANTEES

1.0 The Offeror certifies it can and shall provide and make available, at a minimum, all services set forth in Part Two - Scope of Work.

2.0 The Offeror has read Appendix D, Special Provisions, and Appendix E, Additional Terms, and agrees that the rights and prerogatives as detailed in that appendix are retained by the City.

PART 4 OF 4 - OFFEROR WARRANTIES

1.0 Offeror warrants that it is willing and able to comply with State of Missouri laws with respect to foreign (non-state of Missouri) corporations.

2.0 Offeror warrants that it is willing and able to obtain an errors and omissions insurance policy providing a prudent amount of coverage for the willful or negligent acts, or omissions of any officers, employees or agents thereof.

3.0 Offeror warrants that it shall not delegate or subcontract its responsibilities under an agreement without the express prior written permission of the City.

4.0 Offeror warrants that all information provided by it in connection with this proposal is true and accurate.

This offer, as detailed in Appendix C, Parts 1 through 5, is firm and irrevocable for ninety (90) days after the time and date set for receipt of proposal.

The undersigned offeror agrees to provide services in accordance with the terms and conditions specified in the Request for Proposal, and to enter into the City's Standard Form of Contract (Appendix F), which shall embody such terms and conditions, if this offer is accepted in whole or in part within the period of time specified above for acceptance of proposals.

IF THE OFFEROR IS TAKING EXCEPTION TO ANY OF THE TERMS, CONDITIONS AND PROVISIONS OF THE CITY'S STANDARD FORM OF CONTRACT AND THIS REQUEST FOR PROPOSALS, SUCH EXCEPTIONS SHALL BE CLEARLY NOTED AND DETAILED IN AN ATTACHMENT TO THIS APPENDIX. OTHERWISE, THE CITY WILL NOT CONSIDER ANY EXCEPTIONS TO ITS STANDARD FORM OF CONTRACT.

Offeror: _____

By: _____

Name (Please type):_____

Title: _____

Firm: _____ Date: _____

CITY OF JOPLIN, MISSOURI
REQUEST FOR PROPOSAL #2018-RFP-09
APPENDIX C - SPECIAL PROVISIONS
PROFESSIONAL AUDIT SERVICES

1. **Term of Contract**: The term of the contract shall be one year from the effective date of the City's written Notice to the Auditor to Proceed with work. The contract shall not bind, nor purport to bind, the City for any contract term beyond the original term of the contract.

2. **Option to Extend the Contract**: The City may, at its sole option, give notice to the Auditor to extend the contract for up to four (4) additional successive one-year terms unless the Auditor has notified the City at least sixty days prior to the end of the contract term or extensions thereto that the Auditor will not renew the contract.

3. **Time of Completion**: Notwithstanding the term of the Contract, the Auditor shall complete all work and provide all services in accordance with the schedule of time promised by the Auditor in its proposal.

4. **Adjustment of Fees**: The Auditor agrees that all fees shall be at the rates specified in the Auditor's proposal for the entire term of the Contract and extensions thereto except fees may be increased by the amounts specified by the Auditor for successive one-year extensions to the Contract term. The increase shall not be automatically allowed by the City but may be allowed upon written request and justification by Auditor at least sixty days prior to the end of the current contract term.

5. The services of the Auditor shall commence only as authorized in writing by City purchase order or other written notice and shall be undertaken and completed as promised by the Auditor in its proposal.

6. The City agrees to pay the Auditor in accordance with the fees set forth in the Auditor's proposal for services authorized by City purchase order or other written notice by the City upon presentation of proper invoice.

7. **Insurance:** The Auditor shall secure and maintain during the entire term of the contract and extensions thereto, professional liability insurance in an amount satisfactory to the City to cover any alleged errors and omissions or fraud.

CITY OF JOPLIN, MISSOURI
REQUEST FOR PROPOSAL #2018-RFP-09
APPENDIX D - CITY'S STANDARD FORM OF CONTRACT
PROFESSIONAL AUDIT SERVICES

CONTRACT NO._____

ADDRESS & PHONE OF CITY

CONTRACTOR
Finance Department
602 South Main Street
Joplin, MO 64801
417-624-0820 ext 251

NAME, ADDRESS & PHONE OF

AGREEMENT

THIS AGREEMENT, made and entered into this _____ day of _____, 20__, by and between the City of Joplin, a municipal corporation of the State of Missouri, hereinafter referred to as the "City" with offices at 602 South Main Street, Joplin, Missouri and _____ hereinafter referred to as the "Auditor."

WITNESSETH:

WHEREAS, the City of Joplin desires to engage the Auditor to render certain services hereinafter described in Request For Proposal **2018-RFP-09** which Request For Proposal is attached hereto and incorporated herein as Exhibit A; and

WHEREAS, the Auditor submitted a proposal dated _____ which proposal is attached hereto and incorporated herein as Exhibit B; and

WHEREAS, the Auditor has become the lowest and best Offeror for performing the services listed in the Notice of Award which Notice of Award is attached hereto and incorporated herein as Exhibit C;

NOW, THEREFORE, the parties to the contract agree to the following:

1. The City agrees to engage the Auditor and the Auditor agrees to perform, in strict accordance with Exhibit A, and within the time specified therein, the services set forth in Exhibit C.

2. The services of the Auditor shall commence only as authorized in writing by City purchase order or other written notice and shall be undertaken and completed as promised by the Auditor in Exhibit B. The term of the Agreement shall be for the period specified in Exhibit C.

3. The City agrees to pay the Auditor in accordance with the prices and terms set forth in Exhibit B for work authorized by City purchase order or other written Notice by the City upon presentation of proper invoice and inspection by the City of work completed by the Auditor.

4. All information, data, and reports as are existing, available and necessary for the carrying out of the work, shall be furnished to the Auditor without charge, and the parties shall cooperate with each other in every way possible in carrying out the scope of services.

5. The Auditor shall fully coordinate its activities in the performance of the contract with the activities of the City.

6. The Auditor represents that Auditor will secure at Auditor's own expense, all personnel required to perform the services called for under this contract by Auditor. Such personnel shall not be employees of or have any contractual relationship with the City except as employees of the Auditor. All of the services required hereunder will be performed by the Auditor or under Auditor's direct supervision and all personnel engaged in the work shall be fully qualified and shall be authorized under state and local law to perform such services. None of the work or services covered by this contract shall be subcontracted without the written approval of the City.

7. **Termination:** If, through any cause, the Auditor shall fail to fulfill in timely and proper manner Auditor's obligations under this contract, or if the Auditor shall violate any of the covenants, agreements, or stipulations of this contract, the City shall thereupon have the right to terminate this contract by giving written notice to the Auditor of such termination and specifying the effective date thereof, at least five (5) days before the effective day of such termination. The City may, without cause, terminate this contract upon 30 day's prior written notice. In such event, the Auditor shall be entitled to receive just and equitable compensation for any satisfactory work completed. Notwithstanding the above, the Auditor shall not be relieved of liability to the City for damages sustained by the City by virtue of any such breach of the contract by the Auditor.

8. **Assignment:** The Auditor shall not assign any interest in this contract, and shall not transfer any interest in the same (whether by assignment or novation), without prior written consent of the City thereto. Provided, however, that claims for money due or to become due to the Auditor from the City under this contract may be assigned to a bank, trust company, or other financial institution without such approval. Notice of such assignment or transfer shall be furnished in writing promptly to the City. Any such assignment is expressly subject to all rights and remedies of the City under this agreement, including the right to change or delete activities from the contract or to terminate the same as provided herein, and no such assignment shall require the City to give any notice to any such assignee of any actions which the City may take under this agreement, though City will attempt to so notify any such assignee.

9. Any reports, data, or similar information given to or prepared or assembled by the Auditor under this contract which the City requests to be kept as confidential shall not be made available to any individual or organization by the Auditor without prior written approval of the City unless required by law, subpoena or professional standard.

10. **Modification of Contract:** The Scope of Work to be done under the Contract shall be subject to modification and supplementation upon the written Agreement of the duly authorized representatives of the Contracting parties. No provision in the Contract shall be changed or modified without the execution of a formal amendment to the Contract, mutually agreed to by the City and the Auditor and processed through the Finance Department. Upon request by the City, the Auditor shall provide an estimate of cost of any additional work or services to be incorporated by a modification to the Scope of Work and the Contract.

11. **Contract Documents:** The agreement between the City of Joplin and the Auditor shall consist of (1) The Contract form which embodies the requirements contained herein, (2) the Request for Proposal, and any amendments thereto and, (3) the proposal, as accepted, submitted in response to the Request for Proposal. In the event of a conflict in language between the documents referenced above, the provisions and requirements set forth and/or referenced in the Contract shall govern over all other documents, and the Request for Proposal and amendments thereto shall govern over the Auditor's Proposal and amendments thereto. However, the City reserves the right to clarify any Contractual relationship in writing with the concurrence of the Auditor, and such written clarification shall govern in case of conflict with the applicable requirements stated in the Request for Proposal or the Auditor's proposal. In all other matters not affected by the written clarification, if any, the Request For Proposal shall govern. The Auditor is cautioned that his proposal shall be subject to acceptance without further clarification.

12. **Appropriation of Funds:** In the event that funds are not appropriated by the Council of the City of Joplin for any term of the contract or extension thereto or portion of any term of the contract which falls in a fiscal period other than a fiscal period for which funds have been appropriated, the contract shall terminate without notice at the end of the fiscal period for which funds are appropriated.

13. The Auditor agrees and understands that the City of Joplin's Agreement to the Contract may be predicated, in part and among other considerations, on the utilization of the specific individual(s) and/or personnel qualification(s) as identified and/or described in the Auditor's proposal. Therefore, the Auditor agrees that no substitution of such specific individuals and/or personnel qualifications shall be made without the prior written approval of the City. The Auditor further agrees that any substitution made pursuant to this paragraph must be equal or better than originally proposed and that the City's approval of a substitution shall not be construed as an acceptance of the substitution's performance potential. The City of Joplin agrees that an approval of a substitution will not be unreasonably withheld.

14. **General Independent Contractor Clause:** This agreement does not create an employees/employer relationship between the parties. It is the parties intention that the Contractor will be an Independent Contractor and not the City's employee for all purposes, including but not limited to, the application of the Fair Labor Standards Act minimum wage and overtime payments, Federal Insurance Contributions Act, the Social Security Act, the Federal Unemployment Tax Act, the provisions of the Internal Revenue code, Missouri revenue and taxation laws, Missouri Workers' Compensation and unemployment insurance laws. The Contractor will retain sole and absolute discretion in the judgment of the manner and means of carrying out the Contractor's activities and responsibilities hereunder. The Contractor agrees that it is a separate and independent enterprise from the public employer, that is has a full opportunity to find other business, that is has made its own investment in its business, and that it will utilize a high level of skill necessary to perform the work. This agreement shall not be construed as creating any joint employment relationship between the Contractor and the City, and the City will not be liable for any obligation incurred by the Contractor, including but not limited to unpaid minimum wages and/or overtime premiums.

15. The Auditor shall not be entitled to any of the benefits established for the employees of the City nor be covered by the Workmen Compensation Program of the City.

16. **Certification of Non-Resident/Foreign Auditors:** If the Auditor is a foreign corporation or non-resident Auditor, it is agreed that the Auditor shall procure and maintain during the life of this contract:

A. A certificate of authority to transact business in the State of Missouri from the Secretary of State, unless

exempt pursuant to the provisions of Section 351.570 RSMo.

B. A certificate from the Missouri Director of Revenue evidencing compliance with transient employer financial assurance law, unless exempt pursuant to the provisions of Section 285.230 RSMo.

17. **Nondiscrimination:** The Auditor agrees in the performance of this contract not to discriminate on the ground or because of race, creed, color, national origin or ancestry, sex, religion, handicap, age, or political opinion or affiliation, against any employee of Auditor or applicant for employment and shall include a similar provision in all subcontracts let or awarded hereunder.

18. Auditor covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services to be performed under this contract. The Auditor further covenants that in the performance of this contract no person having such interest shall be employed.

19. **Auditor's Responsibility for Subcontractors**: It is further agreed that Auditor shall be as fully responsible to the City for the acts and omissions of its subcontractors, and of persons either directly or indirectly employed by them, as Contractor is for the acts and omissions of persons it directly employs. Auditor shall cause appropriate provisions to be inserted in all subcontracts relating to this work, to bind all subcontractors to Auditor by all the terms herein set forth, insofar as applicable to the work of subcontractors and to give Auditor the same power regarding termination of any subcontract as the City may exercise over Auditor under any provisions of this contract. Nothing contained in this contract shall create any contractual relation between any subcontractor and the City or between any subcontractors.

20. **Liability and Indemnity:** The parties mutually agree to the following:

(A) In no event shall the City, its agents and employees, be liable to the Auditor for special, indirect, or consequential damages, except those caused by the City's gross negligence or willful or wanton misconduct arising out of or in any way connected with a breach of this contract. The maximum liability of the City, its agents and employees, shall be limited to the amount of money to be paid or received by the City under this contract.

(B) The Auditor shall defend, indemnify, and hold the City, its agents and employees, harmless from and against all claims, losses, and liabilities arising out of personal injuries, including death, and damage to property which are caused by the Auditor arising out of or in any way connected with this contract. Auditor further agrees to defend, indemnify, and hold the City, its agents and employees, harmless from and against any claims, losses, and liabilities arising out of the award of this contract

to the Auditor.

(C) The Auditor assumes full responsibility for relations with Subcontractors, and shall defend, indemnify and save harmless the City, its agents and employees, from and against, any and all liability, suits, claims, damages, costs (including attorneys' fees), losses, outlays, and expenses in any manner caused by, arising out of or connected with this contract, notwithstanding any possible negligence (whether sole, concurrent, or otherwise) on the part of the City, its agents or employees.

(D) The Auditor shall indemnify and hold the City, its agents and employees, harmless from all wages or overtime compensation due its employees in rendering services pursuant to this agreement, including payment of reasonable attorney's fees and costs in the defense of any claim made under the Fair Labor Standards act or any other federal or state law.

21. **Conflict of Interest:** No salaried officer or employee of the City, and no member of the City council shall have a financial interest, direct or indirect, in this contract. A violation of this provision renders the contract void. Any federal regulations, and applicable provisions in RSMo. Chapter 105 shall not be violated.

22. **Entire Agreement:** This agreement, including the contract documents contained or referenced herein, constitutes the entire agreement between the parties. No modification, amendment, or waiver of any of the provisions of this agreement shall be effective unless in writing specifically referring hereto, and signed by both parties.

23. **Waiver:** No provision of the contract documents shall be construed, expressly or by implication, as a waiver by the City of any existing or future right or remedy available by law in the event of any claim of default or breach of contract.

24. **Jurisdiction:** This agreement and every question arising hereunder shall be construed or determined according to the laws of the State of Missouri. Should any part of this agreement be adjudicated, venue shall be proper only in the Circuit Court of Jasper County, Missouri.

25. **Notices:** All notices required or permitted hereunder and required to be in writing may be given by first class mail addressed to Finance Department, 602 South Main Street, Joplin, Missouri, 64801 and the Auditor at _____. The date of delivery of any notice shall be the date falling on the second full day after the day of its mailing.

IN WITNESS WHEREOF the parties have hereunto set their hands and seals the date first above written.

CITY OF JOPLIN, MISSOURI

By:_____

Sam Anselm, City Manager

AUDITOR

_____

Company Name

By:_____

Signature

Name:_____

Print or type

Title:_____

CERTIFICATE OF DIRECTOR OF FINANCE:

I certify that the expenditure contemplated by this document is within the purpose of the appropriation to which it is to be charged and that there is an unencumbered balance of appropriated and available funds to pay therefor.

_____

Leslie Haase, Director of Finance

APPROVED AS TO FORM:

_____

Peter C. Edwards, City Attorney

ATTEST:

_____

Barbara J. Gollhofer, City Clerk