

REQUEST FOR PROPOSALS
FOR
INDEPENDENT CPA AUDIT SERVICES FOR
THE CLEARWATER DOWNTOWN
DEVELOPMENT BOARD

RFP #39-20



Issued By:

City of Clearwater Procurement Division
Municipal Services Building, 3rd Floor
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Date of Issue: May 1, 2020

Due Date/Time: Tuesday, June 2, 2020, 10:00 A.M. Local Time

**CLEARWATER, FLORIDA
DOWNTOWN DEVELOPMENT BOARD**

**REQUEST FOR PROPOSALS
FOR**

Independent CPA Audit Services

RFP #39-20

The Clearwater Downtown Development Board (DDB) requests proposals from qualified professional auditing firms to provide auditing services to the DDB for the fiscal years ending September 30, 2020, 2021, 2022, 2023, and 2024. The resulting audit agreement (Agreement) will be subject to annual appropriation and approval by the DDB and will contain grounds for termination including poor performance, not adhering to time schedules, and excessive fee increases.

The Auditor Selection Committee (Committee) will select and negotiate with the firm whose proposal is most responsive to this Request for Proposals (RFP) and in the best interest of the DDB. Proposals must provide sufficient detail and information to enable the Committee to complete an evaluation of their merit. The instructions contained in this RFP must be followed in order for a proposal to be considered responsive. The DDB reserves the right to reject any or all proposals.

This RFP will be announced to auditing firms (firms) that have contacted the DDB and firms believed to have the experience needed for this project. The project will also be advertised per City of Clearwater procurement policies.

Proposals should be submitted electronically through the City of Clearwater's bids website at <https://www.myclearwater.com/business/rfp>.

Additional information may be obtained from Lori Vogel, CPPB, City of Clearwater Procurement Manager, at lori.vogel@myclearwater.com.

Background

The DDB is composed of seven elected officials who represent a Special Taxing District (District) located in downtown Clearwater. It acts as an aid to the City of Clearwater, the Clearwater Redevelopment Agency (CRA) and citizens of the District to see that city services are properly planned for the District. The DDB assists in preparing and maintaining an analysis of the economic condition and changes; assists in formulating short and long range plans for improving and developing the District and advises on policies and procedures needed to bring business and residents into the District, improving its tax base and overall economic condition.

In July 1970 the **Clearwater Downtown Development Board Act** (Act) was established by the State of Florida, allowing the City of Clearwater to revitalize and preserve downtown property values, prevent deterioration in its central business district, and provide downtown property owners the power to solve problems on the local level. The Act outlined the geographic location of the District, the powers created, the composition of the board and the bylaws that govern.

In January 1971 the city adopted Ordinance No. 1304 providing for a special referendum election for the purpose of permitting property owners within the District to tax themselves, establishing a Special Taxing District.

The DDB receives administrative support from the City of Clearwater and the Clearwater CRA. As such, the City of Clearwater Procurement Division is managing this procurement process.

The DDB does not currently maintain accounts with either financial institutions or brokerages titled under its name. Cash and cash equivalents presented in the DDB's financial statements reflect the DDB's equity in the City of Clearwater's pooled cash and investments. Determination of compliance with Chapter 218.415, Florida Statutes, as required by Chapter 10.556(10)(a), Rules of the Auditor General, may be achieved by relying on procedures performed by the City of Clearwater's independent auditor in accordance with Governmental Auditing Standards.

OPENNESS OF PROCUREMENT PROCESS

Written proposals, other submissions, correspondence, and all records made thereof shall be handled in compliance with Chapters 119 and 286, Florida Statutes. The DDB gives no assurance as to the confidentiality of any portion of any submitted proposal.

The successful firm will be required to comply with Section 119.0701, Florida Statutes, specifically to:

- (a) Keep and maintain public records that ordinarily and necessarily would be required by the DDB in order to perform the service;
- (b) Provide the public with access to public records on the same terms and conditions that the DDB would provide the records and at a cost that does not exceed the cost provided by law;
- (c) Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law; and
- (d) Meet all requirements for retaining public records and transfer, at no cost, to the DDB all public records in possession of the firm upon termination of the Agreement and destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. All records stored electronically must be provided to the DDB in a format that is compatible with the information technology systems of the DDB.

RETENTION AND DISPOSAL OF RESPONSE

The DDB reserves the right to retain all submitted proposals for official record purposes. The DDB reserves the right to dispose of any or all copies of proposals in whatever manner it deems appropriate. No copies of proposals will be returned to the submitting firm.

ERRORS AND OMISSIONS

Once a proposal is submitted, the DDB shall not allow any firm to correct errors or omissions in any calculations submitted.

DDB RIGHT TO DECIDE

The DDB reserves the right to accept or reject any or all proposals, to waive irregularities and technicalities, and to request resubmission. Any sole response received the first submission date may or may not be rejected by the DDB depending on available competition, merit, and timely needs of the DDB. The DDB shall be the sole judge as to whether the proposal and the Agreement are in its best interest. The decision of the DDB shall be final. The DDB has the right to make any investigation it deems necessary to determine the ability of any responding firm to perform the work or service requested.

RIGHT TO PROTEST

Any firm who is aggrieved in connection with the solicitation or award of a contract may seek resolution of its complaints by contacting the City of Clearwater Procurement Manager.

NO COLLUSION

By submitting a proposal, the firm certifies, and in the case of a joint proposal, each party thereto certifies as to its own firm, that in connection with the proposal:

- a. No attempt has been made or will be made by the firm to induce any other person or firm to submit or not to submit a proposal for the purpose of restricting competition;
- b. The only person(s) or principal(s) interested in the proposal are named therein and that no other person or firm has any interest in the proposal or in the Agreement; and
- c. No person or agency has been employed or retained to solicit or secure the Agreement based upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees of the firm or established commercial agencies maintained by the firm for the purpose of doing business.

PUBLIC ENTITY CRIMES

Pursuant to Chapter 287.132 and Chapter 287.133, Florida Statutes, effective July 1, 1989, the Clearwater DDB, as a public entity, may not accept any proposal from, award any contract to, or transact any business in excess of the threshold amount provided in Section 287.017, F.S., for Category Two (currently \$35,000) with any person or affiliate on the convicted vendor list for a period of 36 months from the date that person or affiliate was placed on the convicted vendor list unless that person or affiliate has been removed from the list pursuant to Section 287.133 (3)(f), F.S.

Submittals

Proposals should be submitted electronically through the City of Clearwater's bids website at <https://www.myclearwater.com/business/rfp>.

All proposals must be received no later than 10:00 a.m. local time Tuesday, June 2, 2020.

- Letter of interest and understanding on firm stationery.
- Description of firm to include the following:
 - Legal name, years in business, officers, staff size, and staff breakdown by classification;
 - List of all similar auditing work completed within the last five (5) years, with dates of completion, cost, name of lead auditor, and contact persons for and address and telephone numbers of the client;
 - Names and titles of the auditing team;
 - Resumes of all persons who will be working on DDB audits;
 - Statements of professional and general liability insurance, as required;
 - Firm brochures and business cards of persons to be assigned to this project;
 - List of legal actions brought against the firm within the last ten (10) years.
- Fee proposal for each year of the contract, itemized separately for the audit and the preparation of the Annual Financial Report.
- Statement by the firm that, to its knowledge, its retention would not result in a conflict of interest with any person or company, or, if a potential conflict does exist, a statement specifying the person or company with whom there might be a conflict, the nature of the conflict, and the means proposed to resolve the conflict.
- A certification that neither Florida Statute Section 287.132 nor Florida Statute Section 287.133 restricts the firm's submission of a proposal or entry into the Agreement.

Selection Process

The Auditor Selection Committee will consist of representatives appointed by the Downtown Development Board pursuant to Chapter 218.391, Florida Statutes, and is tasked with the selection process for this RFP. The Auditor Selection Committee will review the proposals and select one firm as the preferred candidate or recommend that all

proposals be rejected. All firms submitting proposals will be notified of the recommendation.

Conditions

The DDB reserves the right to accept or reject any or all proposals, including the proposal selected by the Committee; to waive any irregularity, variance, or informality whether technical or substantial in nature; and to negotiate with all qualified auditing firms in keeping with the best interests of the DDB.

Proposals will be evaluated on the following criteria:

Mandatory Elements

1. The firm is independent and licensed to practice in the State of Florida.
2. The firm's professional personnel have received adequate continuing professional education within the preceding two (2) years.
3. The firm has no conflict of interest with regard to any other work performed by the firm.
4. The firm submits a copy of its most recent external quality control review report and the firm has a record of quality audit work.
5. The firm adheres to the instructions in this RFP for preparation and submission of the proposal.

Technical Qualifications

- 1. Expertise and Experience (Maximum Points – 50)**
 - A. The firm's past experience and performance on government engagements of comparable size and complexity.
 - B. The quality and experience of the firm's professional auditing personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation.
 - C. The quality and experience of the firm's professional EDP auditing personnel assigned to the engagement.
 - D. The quality and experience of the firm's professional auditing personnel assigned to perform the Single Audit, if required.
- 2. Audit Approach (Maximum Points – 30)**
 - A. Adequacy of proposed staffing plan for various segments of the engagement.
 - B. Adequacy of the general audit plan for the overall engagement.
 - C. Adequacy of the audit plan for the EDP function.
 - D. Adequacy of the audit plan for the Single Audit.

- E. Completeness of the response to the RFP.
- F. Competitiveness of fee structure.

Responses of references

(Maximum Points – 10)

A minimum of three (3) references, preferably from other public entities within the State of Florida, for whom you have provided similar services. Include the name of entity, contact person's names, phone numbers, e-mail addresses, mailing addresses, type of service provided, dates these services were provided.

Cost

(Maximum Points – 5)

Include fee proposal for each year of the contract, itemized separately for the audit and the preparation of the Annual Financial Report.

Proximity of assigned office

(Maximum Points – 5)

PROJECT SCHEDULE

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|----|---------------------------------|-------------------------|
| A. | Release Date of RFP: | Friday, May 1, 2020 |
| B. | Due Date of Proposals: | Tuesday, June 2, 2020 |
| C. | Audit Committee Recommendation: | Wednesday, July 1, 2020 |
| D. | DDB Action: | Wednesday, July 1, 2020 |

General Terms and Conditions

1. All responses become the property of the DDB.
2. The DDB will not reimburse any firm for any costs associated with the preparation or submittal of their proposal.
3. Each firm acknowledges that all information contained within its proposal is part of the public domain as defined by State of Florida Sunshine and Public Record Laws. The DDB gives no assurance as to confidentiality of any portion of any proposal once submitted.
4. Firms, their agents and associates shall not contact or solicit any DDB officials regarding this RFP during the selection process. Failure to comply with this provision may result in disqualification of the firm, at the option of the DDB.
5. There shall be no discrimination as to race, sex, color, creed, handicaps, or national origin in the operations conducted under the Agreement.

6. Due care and diligence have been exercised in the preparation of this RFP, and all information contained herein is believed to be substantially correct. However, the responsibility for determining the full extent of the services rests solely with those submitting proposals. Neither the DDB nor its representatives shall be responsible for any error or omission in this RFP, nor for the failure on the part of the firms to determine the full extent of the exposures.
7. Preference will be given to those proposals in full or substantially full compliance with the requested information in this document.
8. Each firm is responsible for full and complete compliance with all laws, rules, and regulations including those of the Federal Government and the State of Florida. Failure or inability on the part of the firm to have complete knowledge and intent to comply with such laws, rules, and regulations shall not relieve any firm from its obligation to honor its proposal and to perform completely in accordance with its proposal.
9. Any interpretation, clarification, correction, or change to the RFP will be made by written addendum issued by the Procurement Manager of the City of Clearwater. Any oral or other type of communication concerning the RFP shall not be binding unless and until issued by the City of Clearwater Procurement Division in the form of a written addendum.
10. Proposals must be signed by an individual of the firm legally authorized to commit the firm to the performance of the services contemplated by this RFP.
11. The successful firm shall be required to submit proof of licenses, certifications, and proofs of insurance as required by the DDB prior to execution of the Agreement.

EXHIBIT “A”
SCOPE OF SERVICES

I. Scope of Work - Annual Audit

- A. Perform annual audit of financial statements in accordance with:
- *Generally Accepted Auditing Standards* (GAAS) as set forth by the American Institute of Certified Public Accountants
 - *Government Auditing Standards* issued by the Comptroller General of the United States
 - Title 2, U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)
 - *Florida Single Audit Act*, Section 215.97, Florida Statutes
 - Chapter 10.550, *Rules of the Auditor General – Local Government Entity Audits*
 - Chapter 11.45, Florida Statutes
 - State of Florida Department of Financial Services regulations
 - *Audits of State and Local Governmental Units* (Revised) – AICPA
 - *Generally Accepted Government Auditing Standards* (the “Yellow Book”) - United States Government Accountability Office
 - Any other applicable federal, state and local laws, regulations, or professional guidance not specifically listed above as well as any additional requirements which may be adopted by these organizations in the future
- B. Provide the following opinion letters:
- Independent Auditor’s Report
 - Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters
 - Independent Auditor’s Management Letter
 - Independent Accountant’s Report
- C. The auditor shall submit, no later than February 28th each year, a written draft report of any weaknesses found in internal controls.

- D. The auditor shall submit, no later than February 28th each year, a draft management letter that shall identify management weaknesses observed, assess their effect on financial management, and propose steps to eliminate them.
- E. The auditor shall make available, at no charge, their work papers to any Federal Agency upon request and in accordance with Federal and State Laws and Regulations.
- F. The fees quoted in the proposal and included in the Agreement will be the maximum paid for standard audit services, unless both parties complete an amendment to the Agreement. If material problems arise which were not reasonably anticipated during the firm's proposal response, an amendment will be negotiated based on the fee schedule accompanying the proposal. The firm should perform no additional work, nor will it be paid, without a written amendment to the Agreement.
- G. Upon request, the firm will provide a copy of the work papers pertaining to any questioned costs identified 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.

II. Scope of Work – Preparation of Annual Financial Report

- A. Prepare and complete the Annual Financial Report and submit it to the DDB no later than March 1 of each year.
- B. Provide three (3) copies of the Annual Financial Report and one (1) electronic version (i.e., PDF via e-mail or DVD).

EXHIBIT “B”
INSURANCE REQUIREMENTS

The firm shall, at its own cost and expense, acquire and maintain (and, if applicable, cause all contractors and subcontractors to acquire and maintain) during the term of the Agreement with the DDB sufficient insurance to adequately protect the respective interest of the parties. Coverage shall be obtained with a carrier having an AM Best Rating of A-VII or better. Specifically, the firm must carry the following minimum types and amounts of insurance on an occurrence basis or in the case of coverage that cannot be obtained on an occurrence basis, then coverage can be obtained on a claims-made basis with a minimum four (4) year tail following the termination or expiration of this Agreement:

1. **Commercial General Liability Insurance** coverage in the minimum amount of \$1,000,000 per occurrence and \$2,000,000 general aggregate and \$2,000,000 products/completed operation aggregate.
2. **Commercial Automobile Liability Insurance** for any owned, non-owned, hired or borrowed automobile is required in the minimum amount of \$1,000,000 combined single limit.
3. Statutory **Workers’ Compensation Insurance** in accordance with the laws of the State of Florida, and **Employer’s Liability Insurance** in the minimum amount of \$100,000 each employee each accident, \$100,000 each employee by disease and \$500,000 aggregate by disease with benefits afforded under the laws of the State of Florida. Coverage should include Voluntary Compensation and U.S. Longshoremen’s and Harbor Worker’s Act coverage where applicable. Coverage must be applicable to employees, contractors, and subcontractors, if any.
4. **Professional Liability/Malpractice/Errors or Omissions Insurance** coverage appropriate for the type of business engaged in by the firm with minimum limits of \$1,000,000 per occurrence. If a claims made form of coverage is provided, the retroactive date of coverage shall be no later than the inception date of claims made coverage, unless prior policy was extended indefinitely to cover prior acts. Coverage shall be extended beyond the policy year either by a supplemental extended reporting period (ERP) of as great a

duration as available, and with no less coverage and with reinstated aggregate limits, or by requiring that any new policy provide a retroactive date no later than the inception date of claims made coverage.

5. If during the term of the Agreement the firm obtains or maintains computerized data in a system that includes personal information, including but not limited to an individual's first name, first initial and last name, or any middle name and last name, in combination with any one or more of the following: a) Social Security number; b) Driver's License number or Florida Identification Number; c) account number, credit card number, or debit card number, in combination with any required security code, access code, or password that would permit access to an individual's financial account, then the firm must provide **Cyber Liability Insurance** coverage in an adequate amount to meet or exceed the notification and monitoring requirements under Florida Statute 817.5681.
6. If the firm is using its own property or the property of the DDB in connection with the performance of its obligations under this Agreement, then **Property Insurance** on an "All Risks" basis with replacement cost coverage for property and equipment in the care, custody and control of others is required.

The above insurance limits may be achieved by a combination of primary and umbrella/excess liability policies.

Other Insurance Provisions:

1. The DDB is to be specifically included as an "Additional Insured" on the Commercial Liability Insurance and Commercial Auto Liability Insurance policies listed above and named as a "Loss Payee" on the firm's Property Insurance policy.
2. Prior to the execution of the Agreement and then annually upon the anniversary date(s) of the insurance policy's renewal date(s), the firm will furnish the DDB with a Certificate of Insurance evidencing the coverages set forth above and naming the DDB as an "Additional Insured" on the firm's Commercial General Liability Insurance and Commercial Auto Liability Insurance policies listed above and as a "Loss Payee" on the firm's Property Insurance policy. In addition, when requested in writing from the DDB, the firm will provide the

DDB with certified copies of all applicable policies. The address where such certificates and certified policies shall be sent or delivered is as follows:

City of Clearwater
Attn: Procurement Division, RFP 39-20
P.O. Box 4748
Clearwater, FL 33758-4748

3. The firm shall provide thirty (30) days written notice of any cancellation, non-renewal, termination, material change or reduction in coverage.
4. The firm's insurance as outlined above shall be primary and non-contributory coverage for the firm's negligence.
5. Respondent shall defend, indemnify, save and hold the DDB harmless from any and all claims, suits, judgments and liability for death, personal injury, bodily injury, or property damage arising directly or indirectly including legal fees, court costs, or other legal expenses.

The stipulated limits of coverage above shall not be construed as a limitation of any potential liability to the DDB, and failure to request evidence of this insurance shall not be construed as a waiver of the firm's obligation to provide the insurance coverage specified.