



**City of Union, Missouri
Request for Proposal
Professional Audit Services**

The **City of Union, Missouri** is seeking proposals for qualified firms of certified public accountants to audit the City's financial statements for the fiscal years ending June 30, 2024, June 30, 2025 and June 30, 2026 with the option of auditing the City of Union's financial statements for the two subsequent fiscal years and by mutual agreement to extend the subsequent fiscal year. Audit firms expressing interest will be provided with a copy of the request for proposal (RFP).

Technical questions regarding the RFP should be directed to Heather Keith, Finance Officer at 636-583-3600 or financeofficer@unionmissouri.gov.

Please indicate your interest in receiving a copy of the RFP by contacting Heather Keith.

PROPOSALS MUST BE RECEIVED BY:

3:00 P.M. on March 22, 2024

PLEASE MARK YOUR SUBMITTAL "AUDIT SERVICES" AND SEND TO:

**City of Union
Attention: City Clerk
10 E Locust Street
Union, MO 63084
636-583-3600**

One (1) original and two (2) copies of the proposal must be sent to the address above.

The City reserves the right to select the consultant/provider on the basis of the proposals or to conduct interviews with the highest qualified firms following evaluation and scoring of the proposals. The City also reserves the right to seek clarification of any or all proposals as part of the evaluation process. The City may reject any proposal not in compliance with all prescribed public bidding/proposal procedures and requirements, and may reject for good cause any or all proposals upon a finding of the City that it is in the City's best interest to do so.

City of Union, Missouri
Request for Proposals for Professional Audit Services
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CITY OF UNION, MISSOURI REQUEST FOR PROPOSALS

I. INTRODUCTION

A. General Information

The City of Union, Missouri (city) is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal years ending June 30, 2024, June 30, 2025 and June 30, 2026, with the option of auditing its financial statements for each of the two subsequent fiscal years. These audits are to be performed in accordance with generally accepted auditing standards and the standards for financial audits set forth for financial audits by the General Accounting Office's (GAO) Government Auditing Standards. If a Single Audit is required, the audit is also to be performed in accordance with the standards applicable to financial audits contained in the *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*.

As well as the following additional requirements:

- To act as a consultant to the City on new GASB financial reporting needs.
- Schedule of payroll reported annually to Missouri Intergovernmental Risk Management Association (MIRMA).
- Preparation of any federal reports required for a given year.

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. All proposals submitted hereunder become the exclusive property of the City.

To be considered, one (1) original and two (2) copies of the proposal must be received by the City Clerk, Jonita Copeland, 10 E. Locust Street, Union, MO 63084 by 3:00 p.m. on March 22, 2024. The City of Union, Missouri reserves the right to reject any or all proposals submitted.

During the evaluation process, the City reserves the right, where it may serve its best interest, to request additional information or clarifications from proposers, or to allow corrections of errors or omissions. At the discretion of the City, firms submitting proposal may be requested to make oral presentations as part of the evaluation process.

The City of Union 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.

It is anticipated a contract will be approved by the Board of Aldermen and executed between both parties on April 8, 2024.

B. Term of Engagement

The selected audit firm shall be designated as the City’s auditor for a three-year term commencing with the fiscal year ended June 30, 2024 audit. The contract contains an annual renewal clause, which, at the City’s option, makes the contract extendable for two periods beyond the initial term. Either party may cancel the contract in writing effective 30 days after noticed is received.

C. Subcontracting

If this is to be done, the fact and the name of the proposed subcontracting firms must be clearly identified in the proposal. Following the award of the audit contract, no additional subcontracting will be allowed without the express prior written consent of the City of Union.

II. NATURE OF SERVICES REQUIRED

A. General

The City is soliciting the services of qualified firms of certified public accountants to audit its financial statements for the fiscal year end June 30, 2024, with the option to audit its financial statements for each of the two subsequent fiscal years. These audits are to be performed in accordance with the provisions contained in this request for proposal.

B. Scope of Work to be Performed

The City desires the auditor to express an opinion on the fair presentation of its financial statements of government activities; business-type activities, each major fund and aggregate remaining fund information in conformity with U.S. generally accepted accounting principles (GAAP).

The auditor shall also be responsible for performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board (GASB) as mandated by generally accepted auditing standards. The auditor is not required to audit the Management Discussion and Analysis or audit data included in the Statistical Section of the financial report.

The auditor is required to express an opinion on the Required Supplementary Information (budget comparison information for major funds), the combining individual nonmajor fund financial statements and other schedules, and the Schedule of Expenditures of Federal Awards (if applicable) in relation to the basic financial statements taken as a whole based on the auditing procedures applied during the audit of the financial statements.

The City will submit an Annual Comprehensive Financial Report (ACFR) to the Government Finance Officers Association of the United States and Canada (GFOA) Certificate of Achievement for Excellence in Financial Reporting Program in fiscal year ending June 30, 2023. The City of Union, therefore, searches for a firm that actively

participates in technically assisting clients that have previously been awarded the certificate.

C. 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 in the U.S. General Accounting Office's (GAO) *Government Auditing Standards* (1994 and subsequent amendments), the provisions of the federal Single Audit Act of 1984 (as amended in 1996) and U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments* (if applicable).

D. Reports to be Issued

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

1. A report on the fair presentation of the financial statements of government activities, business-type activities, each major fund and aggregate remaining fund information in conformity with U.S. generally accepted accounting principles.
2. A report on compliance and internal control over financial reporting based on an audit of financial statements performed in accordance with Government Auditing Standards (if a Single Audit is required).
3. A report on compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133 and on the Schedule of Expenditures of Federal Awards (if a Single Audit is required).

In the required reports on internal controls, the auditor shall communicate any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of internal controls, which could adversely affect the organization's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. In addition, the following conditions shall be considered reportable:

1. Reportable conditions that are also material weaknesses shall be identified as such in the report.
2. Non-reportable conditions discovered by the auditors shall be reported in a separate letter to management, which shall be referred to in the reports on internal controls.

The reports on compliance shall include all instances of noncompliance required to be reported. All nonmaterial instances of noncompliance shall be reported in a separate management letter.

E. Errors and irregularities

Auditors shall be required to make an immediate written report of all errors, irregularities and illegal acts or indications of illegal acts of which they become aware to the following parties: The Mayor and Board of Aldermen, The City Administrator, and The Finance Officer.

F. Special Considerations

1. The City of Union will send its annual comprehensive financial report (ACFR) to the Government Finance Officers Association of the United States and Canada for review in their Certificate of Achievement for Excellence in Financial Reporting program. The auditor will be required to review the ACFR to confirm that the City of Union has met GFOA's requirements.
2. The City of Union does not currently anticipate that the City will prepare one or more official statements in connection with the sale of debt securities which will contain the general-purpose financial statements and the auditor's report thereon. If the City does issue debt, the auditor shall be required, if requested by the fiscal advisor and/or the underwriter, to issue a "consent and citation of expertise" as the auditor and any necessary "comfort letters."
3. The schedule of federal financial assistance and related auditor's report.
4. Assistance may be required in implementing and complying with new requirements recently mandated by GASB statements.
5. Audit the Schedule of Payroll reported to the Missouri Intergovernmental Risk Management Association (MIRMA).

G. Working Paper Retention and Access to Working Papers

All working papers and reports must be retained, at the auditor's expense, for a minimum of five (5) years, unless the firm is notified in writing by the City of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the following parties or their designees:

- City of Union, Missouri
- Any State or Federal Granting Agencies
- 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 for which the City is a sub-recipient of grant funds
- Auditor's Office, State of Missouri

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.

III. DESCRIPTION OF THE GOVERNMENT

A. City Contact Person

The auditor's principal contact with the City will be Heather Keith, Finance Officer, (636-583-3600, financeofficer@unionmissouri.gov) who will coordinate the assistance to be provided to the auditor.

B. Background Information

The City of Union, Missouri was incorporated in 1888. The City operates with an Aldermen/City Administrator form of government. The Board consists of eight members and a mayor.

Union is Franklin County's second most populated city, serving an area of 8.1 square miles; with a population of 12,348 (according to the 2020 census figures). The City of Union has a July 1 – June 30 fiscal year. The total operating budget for the fiscal year beginning July 1, 2022 is \$19,441,684 (including all funds and transfers). The City issues approximately 3, vendor checks annually. Payroll is approximately \$3.5 million with an estimated 60 full-time and approximately 60 seasonal part-time employees. Payroll processing is done in-house.

The City of Union provides the following services to its citizens:

- Police
- Street and Storm water maintenance
- Water and Sewer Services
- Recycling Curbside Service
- Refuse Collection Services
- Municipal swimming pool
- Municipal Court
- Parks and Recreation

The City uses Incode 10 accounting software for operations including Purchasing and Accounts Payable, Accounts Receivable, Cash Collections, General Ledger, Payroll, Budgetary Accounting, Utility Billing, Business Licenses, and Capital Assets.

C. Fund Structure

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

Fund Type/Account Group

General Fund

Special Revenue Funds

Park Fund

Transportation Tax Fund

Cemetery Fund

Stormwater Management Fund

Proprietary Funds
Water Fund
Sewer Fund

D. Budgetary Basis of Accounting

The City prepares its budgets on a modified accrual basis and on a basis consistent with generally accepted accounting principles and GFOA recommended practices.

E. Pension Plans

The City participates in Missouri Local Government Employees Retirement System (LAGERS). LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries.

IV TIME REQUIREMENTS

A. Proposal Calendar

The following is a list of key dates up to and including the date proposals are to be submitted.

Deadline for submittal of proposals – 3:00 p.m.	March 22, 2024
Interviews if deemed necessary	March 25-26, 2024
Recommendation to Personnel, Finance and Public Works Committee	April 1, 2024
City Board Approval & Award	April 8, 2024

The City of Union will have all records ready for audit and all management personnel available to meet with the firm’s personnel by mid-May.

B. Schedule for the 2024 Fiscal Year Audit

A similar time schedule will be developed for audits of future fiscal years if the City exercises its option for additional audits. Each of the following should be completed by the auditor no later than the dates indicated.

1. Detailed Audit Plan
The auditor shall provide the City by June 30, 2024 both a detailed audit plan and a list of all schedules to be prepared by the City.
2. Fieldwork
The auditor shall complete all fieldwork by October 31, 2024.
3. Draft Reports
The auditor shall have drafts of the audit report[s] and recommendations to management available for review by November 29, 2024, unless reports are not available.

C. Final Report

The final reports are due by December 15, 2024. The final reports must be completed and submitted within 165 days after the end of the fiscal year and in the event any such audit is not completed, that there shall be a penalty of \$50.00 assessed against the auditor for each day beyond 165 days required to complete such audits.

The final report, and twenty signed copies, and an electronic version should be delivered to Heather Keith, Finance Director at 10 E. Locust Street, Union, MO 63084.

It is expected that the auditor will have a representative available to present the report to the Board of Aldermen give a verbal summary of the report, and answer questions from the Board.

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

A. Statements and Schedules to be Prepared by the Staff of the City

The City staff will prepare statements and schedules for the auditor including Management Discussion Analysis (MD&A) and transmittal letter.

B. Work Area, Telephones, Internet, Photocopying and Fax Machines

The City of Union, Missouri will provide the auditor with private work space in the City Hall conference room, with counter space, chairs and immediate access to a telephone outlet. The auditor will also have access to photocopying facilities internet and fax machine.

VI. PROPOSAL FORMAT

A. Required Material

The following material must be presented in the order specified for a proposing firm to be considered:

1. Title Page

Title page showing the request for proposals subject; the firm's name; the name, address and telephone number of the contact person; and the date of the proposal.

2. Table of Contents

3. Transmittal Letter

A signed letter of transmittal briefly stating the proposer's understanding of the work to be done, the commitment to perform the work within the time period, a statement why the firm believes it to be best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for sixty (60) days.

4. Technical Proposal

The detailed proposal should follow the order set forth in Section VI B of this request for proposals.

5. The firm is also required to submit a copy of the report on its most recent external quality control review, with a statement whether that quality control review included a review of specific government engagements.

6. Dollar Cost

The proposer shall include in the proposal a dollar cost bid for the fiscal year June 30, 2024, June 30, 2025 and June 30, 2026; as well as a dollar cost bid for the subsequent two fiscal years. The cost should be itemized by listing the standard audit fee, single audit fee and separately.

The proposer shall submit one original and 2 copies of complete proposal including dollar cost bid in a package labeled “AUDIT SERVICES” to the following address:
City of Union Attention: City Clerk 10 E Locust Street Union, MO 63084

B. Technical Proposal

THERE SHOULD BE NO DOLLAR UNITES OR TOTAL COSTS INCLUDED IN THE TECHNICAL PROPOSAL DOCUMENT.

1. General Requirements

The purpose of the Technical Proposal is to demonstrate the qualifications, competency and capacity of the firms seeking to undertake an independent audit of the City in conformity with the requirements of this request for proposals. As such, the substance of proposals will carry more weight than their form or manner of presentation. The Technical Proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the requirements of the request for proposals requirements.

The Technical Proposal should address all the points outlined in the request for proposals (excluding any cost information which should only be included in the sealed dollar cost bid). The Proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the request for proposals.

2. Independence

The firm should provide an affirmative statement that is independent of the City of Union as defined by generally accepted auditing standards and the U.S. General Accounting Office’s Government Auditing Standards (1994 and subsequent amendments).

The firm should also list and describe the firm’s (or proposed subcontractors’) professional relationships involving the City of Union for the past five (5) years, together with a statement explaining why such relationship does not constitute a conflict of interest relative to performing the proposed audit. In addition, the firm shall give the City of Union written notice of any professional relationships entered into during the period of this agreement.

3. License to Practice in Missouri

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

4. Firm Qualifications and Experience

The proposer should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis. Describe the firm's personnel development program and the continuing professional education requirements. Identify specialized programs in the areas of city and municipal accounting and auditing.

5. Partner, Supervisory and Staff Qualifications and Experience

Identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement. Indicate whether each such person is registered or licensed to practice as a certified public accountant in Missouri. Describe their roles and provide a brief description of their professional experience, including experience in governmental auditing.

6. Similar Engagements with Other Government Entities

For the firm's office that will be assigned responsibility for the audit, list the most significant city and municipal auditing engagements (maximum - 5) performed in the last five years. These engagements should be ranked on the basis of total staff hours. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact. Those governmental units that received a Certificate of Excellence in Financial Reporting should also be identified.

7. Specific Audit Approach

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required as set forth previously in this RFP.

Indicate the firm's agreement with respect to the scope of audit services, time period for engagement, and working papers. Any disagreement with these terms should be expressed here, as the City of Union plans to incorporate the RFP as proposed into the final contract by reference.

8. Identification of Anticipated Potential Audit Problems

The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from the City.

9. Identification of New Accounting and Audit Pronouncements

The proposal should identify any new accounting pronouncements and audit requirements expected to be implemented in the next 3 years and any additional audit fees that will be assessed in implementing these pronouncements and requirements.

10. Report Format

The proposal should include sample formats for required reports.

A. Sealed Dollar Cost Bid

1. Total All-Inclusive Maximum Price

The sealed dollar cost bid should contain all pricing information relative to performing the audit engagement as described in this request for proposal. The total all-inclusive maximum price to be bid is to contain all direct and indirect cost including all out-of-pocket expenses.

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

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

- a. Name of firm
- b. 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 Union.
- c. A Total All-Inclusive Maximum Price for the fiscal year ending June 30, 2024, 2025, and 2026, engagements including price of typing and printing of basic statements, twenty (20) copies, as well as the electronic (PDF file) version of the entire document.

2. Rates by Partner, Specialist, Supervisory and Staff Level Times Hours Anticipated for Each

The second page of the sealed dollar cost bid should include a schedule of professional fees and expenses that supports the total all-inclusive maximum price.

3. Out-of-pocket Expenses Included in the Total All-inclusive Maximum Price and Reimbursement Rates

All expense reimbursements will be charged against the total all-inclusive maximum price submitted by the firm.

4. Rates for Additional Profession Services

If it should become necessary for the City of Union to request the auditor to render any additional services to either supplement the services requested in this RFP 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 for in an addendum to the contract between the City of Union and the firm. Any such additional work agreed to between the City of Union and the firm shall be performed at the same rates set for the in the schedule of fees and expenses included in the sealed dollar cost bid.

5. Manner of Payment

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

All costs for preparing and submitting proposals in response to this RFP are to be the responsibility of the respondent and will not be chargeable in any manner to the City of Union.

VII. INSURANCE REQUIREMENTS

1. Insurance

The audit firm shall be required to maintain and carry in force, for the duration of the contract, insurance coverage of the types and minimum liability as set forth below.

2. Professional Liability

The audit firm must carry professional liability insurance protection for the duration of the contract including errors and/or omissions as stated below.

3. Commercial General Liability

Limits:	
Each Occurrence:	\$ 1,000,000
General Aggregate:	\$ 3,000,000
Additional Insured:	City of Union, Missouri

4. Automobile Liability

Policy shall protect the audit firm against claims for bodily injury and/or property damage arising out of the ownership or use of any owned, hired and/or non-owned vehicle and must include protection for any auto, owned autos or non-owned autos.

Limits of auto liability insurance shall be the same as required in the Commercial General Liability section.

5. Workers' Compensation:

This insurance shall protect the firm against all claims under applicable State Workers' Compensation Laws. The firm shall also be protected against claims for injury, disease or death of employees, which, for any reason, may not fall within the provisions of a Workers' Compensation Law. The policy limits shall not be less than the following:

Workers' Compensation:	Statutory
Employer's Liability:	
Bodily Injury by Accident:	\$ 100,000 Each Accident
Bodily Injury by Disease:	\$ 500,000 Policy Limit
Bodily Injury by Disease:	\$ 100,000 Each Employee

Before entering into contract, the successful respondent shall furnish to the City of Union, Office of City Clerk, a Certificate of Insurance verifying all of the foregoing coverages and identifying the City of Union as an "additional insured", including the endorsement page, on both the general liability and automobile policies. This inclusion shall not make the City a partner or joint venture with the contract firm in its operations.

Prior to any material change or cancellation, the City of Union will be given thirty (30) days advance notice by registered mail to the stated address of the certificate holder. Further, the City will be immediately notified of any reduction or possible reduction in aggregate limits of any such policy where such reduction, when added to any previous reductions, would exceed 10% of the aggregate.

In the event of an occurrence, it is further agreed that any insurance maintained by the City of Union, shall apply in excess of and not contribute with insurance provided by policies named in this contract.

The certificate holder on the Certificate of Insurance shall be as follows:
City of Union, Office of City Clerk, 10 E. Locust Street, Union MO 63084

VIII. EVALUATION PROCEDURES

A. Selection committee

A Selection Committee comprised of selected City personnel will evaluate the proposals, review and rate each proposal based on the following criteria:

B. Evaluation Criteria

1. Mandatory Elements

- a. The audit firm is independent and licensed to practice in Missouri
- b. The firm has no conflict of interest with regard to any other work performed by the firm for the City of Union

- c. The firm adheres to the instructions in this request for proposal on preparing and submitting the proposal
- d. The firm submits a copy of its last external quality control review report and the firm has a record of quality audit work
- e. The audit firm's professional personnel have received adequate continuing professional education within the preceding three year.

2. **Technical Quality**

- a. **Expertise and Experience**
 - The firm's past experience and performance on comparable government engagements
 - The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation
- b. **Audit Approach**
 - Adequacy of proposed staffing plan for various segments of the engagement
 - Adequacy of sampling techniques
 - Adequacy of analytical procedures

3. **Price**

C. **Oral Presentations**

During the evaluation process, the Selection Committee, 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 Committee may have on a firm's proposal.

D. **Final Selection**

The Board of Aldermen will select a firm based upon the recommendation of the Selection Committee to provide auditing services for the City. It is expected a contract will be executed between both parties following board approval on April 8, 2024.

E. **Right to Reject Proposals**

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

The City of Union reserves the right, without prejudice, to accept or reject any or all bids, entirely; partly, or may waive any variations, which are considered in the best interest of the City. To accept the "Best" bid, not necessarily the lowest price. No lowest bidder shall receive business expectancy merely because their bid is the lowest one received; until the contract has been awarded, no business expectancy exists.

AUDITING SERVICES PROFESSIONAL SERVICES AGREEMENT

THIS SERVICE AGREEMENT, entered into on this ____ day of _____ 2024, by and between the CITY OF UNION, MISSOURI (“City”) and _____ (“Service Provider”).

WHEREAS, the City requires an annual audit of the financial statements, and

WHEREAS, Service Provider was chosen through a qualifications-based selection process and has demonstrated the necessary expertise, experience, and personnel to complete the Project.

NOW THEREFORE, IN CONSIDERATION of the mutual covenants and agreements set forth herein, the parties mutually agree as follows:

I. SCOPE OF SERVICES

A. The term “Services” when used in this Agreement shall mean any and all auditing services provided by the Service Provider in accordance with this Agreement.

B. The City agrees to retain Service Provider and Service Provider agrees to perform and complete the Services described as follows:

- i. Prepare the audited financial statements of the City of Union for the years ended June 30, 2024, June 30, 2025, and June 30, 2026 including: government-wide financial statements; fund financial statements; proprietary fund financial statements; agency fund financial statements; notes to basic financial statements; required supplementary information; other supplementary information.
- ii. The audited financial statements will be summarized in a final audit report that includes management's discussion and analysis and is accompanied by a letter from the auditor to management to summarize the findings and any recommendations for city staff and elected officials.
- iii. Service Provider will make a formal presentation of the final audit report to the Board of Aldermen meeting. Service Provider will also make updates as are necessary throughout the process to the Finance/Audit Committee.
- iv. Services will be provided in accordance with generally accepted auditing principles (GAAP) guidance standards issued by the Governmental Accounting Standards Board (GASB), and any other applicable industry standards or best practices.
- v. The schedule of federal financial assistance and related auditor’s report.
- vi. Audit the Schedule of Payroll reported to the Missouri Intergovernmental Risk Management Association (MIRMA).

C. The City reserves the right to direct revision of the Services at the City’s discretion. Service Provider shall advise the City of additional costs and time delays, if any, in performing the revision, before Service Provider performs the revised services.

D. Service Provider shall provide Services under this Agreement only upon written request of the City and only to the extent defined and required by the City. Any additional services or materials provided by the Service Provider without the City’s prior written consent

shall be at the Service Provider's own risk, cost, and expense, and Service Provider shall not make a claim for compensation from the City for such work.

II. STANDARD OF CARE

A. Service Provider shall exercise the same degree of care, skill, and diligence in the performance of all Services to the City that is ordinarily possessed and exercised by reasonable, prudent, and experienced professionals under similar circumstances.

B. Service Provider represents it has all necessary licenses, permits, knowledge, and certifications required to perform the Services described herein.

III. COMPENSATION

A. As consideration for providing the Services, the City shall pay Service Provider as follows:

a. Services will be billed in a lump sum amount of _____ for 2024, _____ for 2025, and _____ for 2026.

b. Service Provider is not eligible for reimbursement for miscellaneous expenses including travel, transportation, postage, etc.

B. Service Provider shall submit an itemized invoice to the City at the completion of the auditing engagement. The City agrees to pay the balance of an approved invoice, or undisputed portions of a disputed invoice, within 30 days of the date of receipt by the City. In the event of a dispute, and prior to the invoice's due date, City shall pay the undisputed portion of the invoice and notify Service Provider of the nature of the dispute regarding the balance.

C. Service Provider shall maintain accounts and records, including personnel, property, and financial records, adequate to identify and account for all costs pertaining to the Agreement and such other records as may be deemed necessary by the City to assure proper accounting for all funds. These records will be made available for audit purposes to the City or any authorized representative, and will be retained for three years after the expiration of this Agreement unless permission to destroy them is granted by the City.

IV. SCHEDULE

A. Unless otherwise directed by the City, Service Provider shall commence performance of the Services upon execution of this Agreement.

B. Services shall be completed within one hundred sixty-five (165) days of receiving the notice to proceed for year 2024 and by December 15 thereafter, after which point liquidated damages in the amount of \$50 per day will accrue.

C. Neither the City nor the Service Provider shall be in default of the Agreement for delays in performance caused by circumstances beyond the reasonable control of the nonperforming party.

D. If Service Provider's performance is delayed due to delays caused by the City, Service Provider shall have no claim against the City for damages or payment adjustment other than an extension of time to perform the Services.

V. LIABILITY AND INDEMNIFICATION

A. Service Provider shall indemnify, defend, and hold harmless the City and its departments, elected officials, officers, employees, and agents, from and against all liability, suits, actions, proceedings, judgments, claims, losses, damages, and injuries (including attorneys' fees and other expenses of litigation, arbitration, mediation or appeal), which in whole or in part arise out of or have been connected with Service Providers' negligence, error, omission, recklessness, or wrongful or criminal conduct in the performance of Services, including performance by Service Provider's employees and agents; or arising from any claim for libel, slander, defamation, copyright infringement, invasion of privacy, piracy, and/or plagiarism related to any materials related to materials Service Provider creates or supplies to the City, except to the extent that such claims arise from materials created or supplied by the City.

B. Service Provider's obligation to indemnify and hold harmless shall remain in effect and shall be binding on Service Provider whether such injury shall accrue, or may be discovered, before or after termination of this Agreement.

VI. INSURANCE

A. The Service Provider shall secure and maintain, at its expense, through the duration of this Agreement Commercial General Liability Insurance on an occurrence basis with minimum limits of \$1,000,000 per occurrence and \$3,000,000 aggregate coverage. Service Provider shall also secure and maintain Worker's Compensation and Employer's Liability Insurance, when applicable, at the limits required by state and/or federal law. The City will only accept coverage from an insurance carrier that offers proof that it:

- a. Is licensed to do business in the State of Missouri;
- b. Carries a Best's policy holder rating of A or better; and
- c. Carries at least a Class X financial rating.

B. Service Provider shall furnish the City with a Certificate of Insurance on a standard ACORD form, indicating types of insurance, policy numbers, and dates of commencement and expiration of policies and carriers. Service Provider shall cause the City to be included as an Additional Insured and shall require its insurer to provide the City with at least 30 days advance notice of cancellation. Service Provider shall deliver to the City a copy of an Additional Insured Endorsement, using ISO Additional Insured Endorsement (CG 20 10), edition date 11/85, or an equivalent (e.g., CG 20 10, edition date 10/93, plus CG 20 37, edition date 04/13 or other carrier form) and a Notice of Cancellation Endorsement, using CNA form G-140327-B (Ed. 07/11), Travelers Form IL T4 00 (12/09) or other equivalent carrier forms. A copy of the Notice of Cancellation Endorsement and Additional Insured Endorsement must be furnished to the City prior to commencement of any services on City property.

VII. ASSIGNMENT OF AND RESPONSIBILITY FOR PERSONNEL

A. Service Provider's assignment of personnel to perform the Services shall be subject to the City's oversight and general guidance. The City reserves the right to request qualifications and/or reject service from any and all employees of the Service Provider.

B. While upon City premises, the Service Provider's employees and agents shall be subject to the City's rules and regulations respecting its property and the conduct of employees thereon.

VIII. OWNERSHIP OF WORK PRODUCT

Service Provider agrees that any documents, materials, and work products produced in whole or in part through it under this Agreement, any intellectual property rights of Service Provider therein (collectively the "Works") are intended to be owned by the City. Accordingly, Service Provider hereby assigns to the City all of its right, title, and interest in and to such Works.

IX. RELATIONSHIP OF THE PARTIES

A. Service Provider represents that it has, or will, secure at Service Provider's own expense, all personnel required in performing the Services under this Agreement. Such personnel shall not be employees of or have any contractual relationship with the City.

B. All of the Services required hereunder will be performed by the Service Provider or under Service Provider's supervision, and all personnel engaged in the work shall be fully qualified and shall be authorized or permitted under State and Local law to perform such services.

C. None of the work or services covered by this Agreement shall be subcontracted without the prior written approval of the City. Any work or services subcontracted hereunder shall be specified by written contract or agreement and shall be subject to each provision of this Agreement.

X. NOTICES

All notices required by this Agreement shall be in writing, and unless otherwise directed by this Agreement, shall be sent to the addresses as set forth in this Section:

Notices sent by Service Provider shall be sent to:

City of Union
Attn: Finance Officer
10 E. Locust Street
Union, MO 63084
financeofficer@unionmissouri.gov

Notices sent by the City shall be sent to:

XI. TERM AND TERMINATION

A. The effective date of this Agreement shall be the date of execution, when the Agreement is signed by both parties.

B. The term of this Agreement shall be until all Services are satisfactorily completed and accepted by the City.

C. The City reserves the option to extend the auditing services agreement for up to two years (2).

D. Notwithstanding Article XI, Paragraph B, the City reserves the right and may elect to terminate this Agreement at any time, with or without cause, by giving at least thirty (30) days written notice to the Service Provider. The City shall compensate Service Provider for the

Services that have been completed to the City's satisfaction as of the date of termination. Service Provider shall perform no activities other than reasonable wrap-up activities after receipt of notice of termination.

XII. MISCELLANEOUS PROVISIONS

A. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Missouri.

B. Assignability. Service Provider shall not assign any interest on this Agreement, and shall not transfer any interest in the same (whether by assignment or invitation), without the prior written consent of the City thereto. Provided, however, that the claims for money by Service Provider from the City under this Agreement may be assigned to a bank, trust company, or other financial institution without such approval. Written notice of any such assignment or transfer shall be furnished promptly to the City.

C. Media Announcements. Service Provider shall not be authorized to make statements to the media or otherwise on behalf of the City without express direction and consent of the City

D. Compliance with Local Laws. Service provider shall comply with all applicable laws, ordinances, and codes of the State and local governments, and shall save the City harmless with respect to any damages arising from any tort done in performing any of the work embraced by this Agreement.

E. Equal Employment Opportunity. During the performance of this Agreement, Service Provider agrees as follows:

i. Service Provider will not discriminate against any employee or applicant for employment because of race, creed, color, national origin, religion, or sex. Service Provider will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, national origin, religion, or sex. Such action shall include, but not be limited to, employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

ii. Service Provider will, in all solicitation or advertisements for employees placed by or on behalf of Service Provider, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, national origin, religion, or sex.

iii. Service Provider will cause the foregoing provisions to be inserted in all subcontracts for any work covered by this Agreement so that provisions will be binding upon each subcontractor, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

F. Authorized Employees. Service Provider acknowledges that Section 285.530, RSMo, prohibits any business entity or employer from knowingly employing, hiring for employment, or continuing to employ an unauthorized alien to perform work within the State of Missouri. Service Provider therefore covenants that it will not knowingly be in violation of subsection 1 of

Section 285.530, RSMo, and that it will not knowingly employ, hire for employment, or continue to employ any unauthorized aliens to perform Services related to this Agreement, and that its employees can lawfully to work in the United States.

G. Interest of Members of a City. No member of the governing body of the City and no other officer, employee, or agent of the City who exercises any functions or responsibilities in connection with the planning and carrying out of this Agreement, shall have any personal financial interest, direct or indirect, in this Agreement, and Service Provider shall take appropriate steps to assure compliance.

H. Interest of Service Provider and Employees. Service Provider covenants that he/she presently has no interest and shall not acquire interest, direct or indirect, in the scope of work associated with this Agreement or any other interest which would conflict in any manner or degree with the performance of his/her services hereunder. Service Provider further covenants that in the performance of this Agreement, no person having any such interest shall be employed.

I. Entire Agreement. This Agreement represents the entire Agreement and understanding between the parties, and this Agreement supersedes any prior negotiations, proposals, or agreements. Unless otherwise provided in this Agreement, any amendment to this Agreement shall be in writing and shall be signed by the City and Service Provider, and attached hereto.

J. Severability. If any part, term or provision of this Agreement, or any attachments or amendments hereto, is declared invalid, void, or enforceable, all remaining parts, terms, and provisions shall remain in full force and effect. K. Waiver. The failure of either party to require performance of this Agreement shall not affect such party's right to enforce the same. A waiver by either party of any provision of breach of this Agreement shall be in writing. A written waiver shall not affect the waiving party's rights with respect to any other provision or breach.

L. Third Parties. The Services to be performed by the Service Provider are intended solely for the benefit for the City. Nothing contained herein shall create a contractual relationship with, or any rights in favor of, any person or entity not a signatory to this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

CITY OF UNION, MISSOURI

By: _____
Jonathan Zimmermann, City Administrator

ATTEST:

By: _____
Jonita Copeland, City Clerk

Audit Firm

By: _____
Name: _____
Title: _____