

VILLAGE OF BRIDGEVIEW, ILLINOIS

REQUEST FOR PROPOSALS

PROFESSIONAL AUDIT SERVICES

FOR THE FISCAL YEARS ENDING DECEMBER 31, 2013 AND 2014

PROPOSALS MUST BE RECEIVED BY

THE VILLAGE TREASURER BY

4:00 P.M. on WEDNESDAY, February 26, 2014

REQUEST FOR PROPOSALS

The VILLAGE OF BRIDGEVIEW, IL will receive sealed proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal years ending December 31, 2013 and 2014 with the option of auditing the financial statements for fiscal year 2015, at the request of the Village of Bridgeview in accordance with this request for proposal.

Proposals will be accepted by the Village Treasurer until 4:00 P.M., local time, on February 26, 2014, at which time all proposals will be opened and publicly acknowledged. All proposals must be received prior to the date and time shown above. Proposals transmitted by facsimile will not be accepted.

Proposals must be submitted in a sealed envelope marked with the following in the lower left hand corner:

**AUDIT SERVICES PROPOSAL
PROPOSAL OPENING: FRIDAY, February 28, 2014 at 12:00 P.M.**

Address the proposal to:

TREASURER KIM SMITH
VILLAGE OF BRIDGEVIEW
7500 S OKETO AVE
BRIDGEVIEW, IL 60455

A bid deposit is not required.

For the VILLAGE OF BRIDGEVIEW,

Kim Smith
Treasurer, Village of Bridgeview

VILLAGE OF BRIDGEVIEW, ILLINOIS

REQUEST FOR PROPOSALS

Table of Contents

I. GENERAL INFORMATION 4

 A. Purpose and Invitation to Submit Proposal 4

 B. Description of Village of Bridgeview, Illinois 4

II. NATURE OF SERVICES REQUIRED 6

 A. General 6

 B. Entity to be Audited..... 6

 C. Scope of Work to be Performed 6

 D. Reports to be Issued 7

 E. Working Paper Retention and Access to Working Papers 8

 F. Time Requirements 8

 G. Assistance to be provided to the Auditor 9

III. INSTRUCTIONS FOR PREPARING PROPOSALS 9

 A. Rules for Proposals..... 9

 B. Fee Proposal 11

IV. EVALUATION OF PROPOSALS..... 12

 A. Evaluation Process 12

 B. Evaluation Criteria..... 12

 C. Oral Presentations/Interviews..... 13

 D. Right to Reject Proposals 13

Appendix A FEE PROPOSAL..... 14

Appendix B CERTIFICATIONS 16

I. GENERAL INFORMATION

A. Purpose and Invitation to Submit Proposal

The Village of Bridgeview is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal years ending December 31, 2013 and 2014, with the option of auditing the financial statements for fiscal years 2015, at the request of the Village of Bridgeview, in accordance with this request for proposal.

There is no express or implied obligation for the Village of Bridgeview to reimburse responding firms for any expenses incurred in preparing proposals in response to this request. During the evaluation process, the Village of Bridgeview reserves the right, where it may serve the Village of Bridgeview's best interest, to request additional information or clarification from proposers, or to allow corrections of errors or omissions. At the discretion of the Village of Bridgeview, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

B. Description of Village of Bridgeview, Illinois

The Village of Bridgeview serves an area of 4.15 square miles with a population of approximately 16,446. The Village of Bridgeview operates under the Home Rule form of government. The Village of Bridgeview City Council consists of a Village President and six Village Trustees. The Village of Bridgeview has a total payroll of approximately \$10,000,000 million covering 240 employees. The accounting and financial reporting functions of the Village of Bridgeview are centralized.

The Village of Bridgeview provides the following services to its citizens: police and fire protection, street maintenance and construction, garbage collection, water and sewer, building and code enforcement, economic development, general administrative functions and library services. The Village of Bridgeview utilizes fund structures in accordance with current governmental accounting standards.

The Village of Bridgeview currently utilizes fifteen (15) Active Funds:

General Fund:

- Administrative
- Police
- Fire
- Public Works
- Recreational/Sports Facilities
- Property Management
- E-911

Debt Service Fund
Debt Administration

Motor Fuel Tax Fund

Community Development

Drug Enforcement/DEA Funded

Tax Increment Financing Districts- five (5) Active

Capital Project Funds- four (4) Active
Single Audit Required

Stadium (Toyota Park) Fund
Knowledge of Sports Complex Accounting

Business Type (Enterprise Funds – two (2) Active Funds)
Water Operations
Sewer Operations

Internal Service Fund-Insurance

During the current fiscal year 2013, the Village of Bridgeview expects to receive the following financial assistance and state revenue sources:

- Federal Assistance: Various Police and Fire Department related grants.
- State Payments: Income Tax, Motor Fuel Tax, Sales and Use Taxes, Municipal Telecommunications Tax, Personal Property Replacement Tax, Illinois First grant, and minor Police and Fire Training Grants.

The Village of Bridgeview has applied for several other grants. As of the date this request for proposals was released there was no further information on the status of these applications.

The Village of Bridgeview participates in three (3) pension plans. These are the Illinois Municipal Retirement Fund (multi-employer, agent), the Village of Bridgeview Police Pension Fund (single-employer, defined benefit), and the Village of Bridgeview Firefighters' Pension Fund (single-employer, defined benefit).

Actuarial services for the Police and Firefighters' Pension Funds are provided by an independent actuary. The Village of Bridgeview includes the Police and Firefighters' Pension Funds in the Village of Bridgeview's financial statements.

II. NATURE OF SERVICES REQUIRED

A. General

The Village of Bridgeview is soliciting the services of qualified firms of certified public accountants to audit its financial statements for the fiscal years ending December 31, 2013 and 2014 with the option of the Village of Bridgeview, IL to engage the firm in accordance with this request for proposal for the auditing of the financial statements for fiscal year 2015. These audits are to be performed in accordance with auditing standards generally accepted in the United States (GAAS) for governmental agencies as well as the provisions set forth in this request for proposals.

B. Entity to be Audited

The Village of Bridgeview is requesting an audit which includes all the funds, accounts, capital assets, long-term debt and activities of the Village of Bridgeview, including its two fiduciary funds: the Police Pension Fund and the Fire Pension Fund; and its component unit, the Bridgeview Public Library.

C. Scope of Work to be Performed

1. The Village of Bridgeview desires the auditor to express an opinion on the fair presentation of the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information and the Village of Bridgeview's fiduciary funds, and the Village of Bridgeview's discretely presented component unit and the respective changes in financial position and, where applicable, cash flows thereof, in conformity with accounting principles generally accepted in the United States and if necessary, *Government Auditing Standards* issued by the Comptroller General of the United States and the Office of Management and Budget (OMB) Circular A-133, *Audits of States Local Governments, and Non-Profit Organizations*.
2. The auditor will issue an "in relation to" opinion on the Village of Bridgeview's combining and individual fund statements and schedules, including, if necessary, the Schedule of Expenditures of Federal Awards.
3. The auditor will report on compliance with Public Act 85-1142 for each Tax Increment Financing District.
4. The auditor will be responsible for compiling and filing the Illinois Comptroller's Annual Financial Report from information provided by the Village of Bridgeview.
5. If required, the auditor shall prepare a Single Audit Report.

D. Reports to be Issued

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

1. A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles (and *Government Auditing Standards* if a single audit is requested). Ten (10) bound copies, one (1) unbound copy, and one (1) searchable electronic PDF file of the CAFR are to be provided by the auditor.
2. A report on compliance with Public Act 85-1142 for each Tax Increment Financing District. Five (5) bound copies and one (1) searchable electronic PDF file of the report on compliance for each District are to be provided by the auditor.
3. The Annual Financial Report that must be filed with the State of Illinois shall be prepared and filed by the auditor with two (2) copies and one (1) searchable electronic PDF file provided to the Village of Bridgeview.
4. If required, a separate report in accordance with OMB Circular A-133 (Single Audit Act). Ten (10) bound copies and one (1) searchable electronic PDF file are to be provided by the auditor.

In addition to the reports indicated above:

1. The auditor shall communicate in a letter to management any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure 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.
2. Auditors shall be required to make an immediate written report of all irregularities and illegal acts of which they become aware and present such report to the Finance Committee.

Auditors shall inform the Finance Committee of each of the following:

1. The auditor's responsibility under generally accepted auditing standards.
2. Significant accounting policies.
3. Management judgments and accounting estimates.
4. Significant audit adjustments.
5. Other information in documents containing audited financial statements.
6. Disagreements with management.

7. Management consultation with other accountants.
8. Major issues discussed with management prior to retention.
9. Difficulties encountered in performing the audit.

E. Working Paper Retention and Access to Working Papers

Working papers and reports must be retained, at the auditor's expense, for a minimum of three (3) years, unless the firm is notified in writing by the Village of Bridgeview 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 designee:

1. Village of Bridgeview.
2. Auditors of entities of which the Village of Bridgeview is a sub-recipient of grant funds.

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers from prior years' audits.

F. Time Requirements

The Village of Bridgeview will make all records and management personnel available to meet with the firm's personnel any time after the award of contract.

Each of the following shall be completed by the auditor no later than the dates indicated.

1. *Detailed Requested Items List*

The auditor shall provide the Village of Bridgeview a list of all schedules to be prepared by the Village of Bridgeview prior to the audit by March 17, 2014.

2. *Fieldwork*

The auditor shall begin the fieldwork portion of the audit as soon as possible and complete all fieldwork as agreed upon. The Village of Bridgeview shall be notified, in advance, of the audit team to be assigned to the Village of Bridgeview's engagement.

3. *Draft and Final Reports*

The auditor shall supply two (2) copies of the draft of the auditor's report, financial statements, and notes to the financial statements and recommendations to management as agreed upon.

All financial statements and reports must be delivered to the Village of Bridgeview in final and complete form by **June 2, 2014**.

G. Assistance to be provided to the Auditor

The Treasurer's staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation and explanations. The preparation of confirmation letters will be the responsibility of the Village of Bridgeview. The mailing of the confirmation letters shall be the responsibility of the auditing firm.

The Village of Bridgeview will have personnel available to assist the auditor in performing the engagement. Personnel will also be available to provide system documentation and explanations.

The Village of Bridgeview will provide the auditor with reasonable workspace, desks and chairs. The auditor will also be provided with access to one telephone and fax line, internet access, and photocopying facilities.

III. INSTRUCTIONS FOR PREPARING PROPOSALS

A. Rules for Proposals

The following material is required to be submitted for a proposing firm to be considered:

1. Four (4) bound and one (1) unbound copy of the proposal shall be submitted and shall include the following:
 - a. Title Page: the title page shall show the request for proposal's subject; the firm's name and address; the name and telephone number of a contact person; and the date of the proposal.
 - b. Table of Contents.
 - c. Transmittal Letter: a signed letter of transmittal briefly stating the proposers understanding of the work to be done, the commitment to perform the work within an established time period, a statement why the firm believes itself to be the best qualified firm to perform the engagement and a statement that the proposal is a firm and irrevocable offer for sixty (60) days.
 - d. Fee Proposal: the proposed fees should be presented using Appendix A. The proposed fees shall be the maximum, not to exceed fee for each fiscal year shown.
2. Proposers must deliver the completed proposal on or before 4:00 p.m. on February 26, 2014 to the following address:

TREASURER KIM SMITH
VILLAGE OF BRIDGEVIEW
7500 S OKETO AVE
BRIDGEVIEW, IL 60455

No late proposals will be considered.

3. Each Proposal shall include the following:

a. Independence

The firm shall provide an affirmative statement that it is independent of the Village of Bridgeview as defined by generally accepted auditing standards.

The firm shall also list and describe the firm's professional relationships involving the Village of Bridgeview or any of its agencies, its elected or appointed officials and employees for the past five (5) years, together with a statement explaining why such relationships, if any, do not constitute a conflict of interest relative to performing the proposed audit.

In addition, the firm shall give the Village of Bridgeview written notice of any professional relationships entered into during the period of this agreement should it be thought to cause a conflict of interest.

b. License to Practice in Illinois

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

c. Firm Qualifications and Experience

The proposal shall state the experience of the firm, the audit staff experience. 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.

The firm is also required to submit a copy of the report on its most recent external peer review. The firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations. The firm shall also list any former clients that have restated the firm's audits or financial statements after it ceased providing services to the former client.

The proposal should identify and describe any pending or previous litigation the firm was involved in over the past three (3) years which dealt with the quality of audit work or of pricing of auditing services rendered.

d. Partner, Supervisory and Staff Qualifications and Experience

The firm should identify the principal supervisory and management staff, including engagement partners, managers, 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 Illinois. The firm also should provide information on the government auditing experience of each person, including membership in professional organizations relevant to the performance of this audit.

e. Similar Engagements with Other Government Entities

List the most significant engagements performed in the last two years similar to the engagement described in this request for proposals.

f. References

List three references that have knowledge of the firm's work experience and the work experience of the Audit Partner assigned to this engagement.

g. 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 in Section II of this request for proposal.

h. Certifications

The proposal must contain the Certifications set forth in Appendix B.

B. Fee Proposal

1. Total All-Inclusive Maximum Fee

The fee proposal should contain all pricing information relative to performing the audit engagement as described in this request for proposals on a "not to exceed" basis for the years ending December 31, 2013 and 2014, along with a Village of Bridgeview option for year 2015. The option will be solely that of the Village of Bridgeview based on satisfactory negotiations or the fee with the auditor at that time. The total all-inclusive maximum price proposed is to contain all direct and indirect costs including all out-of-pocket expenses.

2. Rates for Additional Professional Services

If it should become necessary for the Village of Bridgeview to request that the auditor render any additional services to either supplement the services requested in this request for proposals 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 Village of Bridgeview and the firm. Any such additional work agreed to between the Village of Bridgeview and the firm shall be performed at the same rates set forth in the schedule of

fees and expenses included in the dollar cost bid (Appendix A). Work performed outside the scope of services outlined in this request for proposal is to be performed only at the written request of the Village of Bridgeview.

3. 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.

IV. EVALUATION OF PROPOSALS

A. Evaluation Process

1. Proposals will be evaluated by a Selection Committee consisting of members of the Finance Committee.
2. The Selection Committee will evaluate the proposal submitted by each firm.
3. The Selection Committee will select that proposal which is judged to be the most responsive to the Village of Bridgeview's requirements, and based on the evaluation criteria, appears to be best able to serve the Village of Bridgeview. The proposed fee will not be the only determining factor for selection of the firm. The Selection Committee will present its recommendation to the Finance Committee of the Village of Bridgeview.
4. The Finance Committee will review the recommendation of the Selection Committee and, if in agreement, make a recommendation for contract award to the Village of Bridgeview Council.
5. Award of the contract will be approved by the Village of Bridgeview Council.

B. Evaluation Criteria

Proposals will be evaluated using three sets of criteria. The following represent the principal evaluation criteria which will be considered during the evaluation process.

1. *Mandatory Elements*
 - a. The audit firm is independent and licensed to practice in Illinois.
 - b. The firm has no conflict of interest with regard to any other work performed by the firm for the Village of Bridgeview.
 - c. The firm adheres to the instructions in this request for proposals on preparing and submitting

2. *Technical Qualifications*

a. Expertise and Experience

- i. The firm's past experience and performance on government engagements.
- ii. 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

- i. Adequacy of proposed staffing plan for various segments of the engagement.
- ii. Adequacy of sampling techniques.
- iii. Adequacy of analytical and other procedures.

3. *All-inclusive maximum, not to exceed, fee.*

C. Oral Presentations/Interviews

During the evaluation process, the Selection Committee may, at its discretion, request any one or all firms to make oral presentations and/or to appear for interviews. The Selection Committee reserves the right to determine which, if any, firms will be asked to make oral presentations and/or appear for interviews.

D. Right to Reject Proposals

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. The Village of Bridgeview reserves the right without prejudice to reject any or all proposals, or any parts thereof.

The Village of Bridgeview reserves the right to waive minor informalities or irregularities in the proposals received and to accept any proposal deemed advantageous to the Village of Bridgeview. In no event shall the Village of Bridgeview be required to accept any proposal over another for any reason.

Appendix A

FEE PROPOSAL

SCHEDULE OF PROFESSIONAL FEES FOR THE AUDIT OF THE FINANCIAL STATEMENTS AS OF (MONTH AND DAY) FOR THE FISCAL YEARS LISTED BELOW:

Village of Bridgeview Audit:

<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ _____	\$ _____	\$ _____

Police Pension Fund Audit:

<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ _____	\$ _____	\$ _____

Fire Pension Fund Audit:

<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ _____	\$ _____	\$ _____

Bridgeview Public Library Audit:

<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ _____	\$ _____	\$ _____

Single Audit (if required):

<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ _____	\$ _____	\$ _____

SCHEDULE OF PROFESSIONAL FEES FOR ADDITIONAL SERVICES,
Quoted Hourly Rates for the Fiscal Years listed below:

	<u>2013</u>	<u>2014</u>	<u>2015</u>
Partner	\$ _____	\$ _____	\$ _____
Manager	\$ _____	\$ _____	\$ _____
Supervisor	\$ _____	\$ _____	\$ _____
Staff	\$ _____	\$ _____	\$ _____
Clerical	\$ _____	\$ _____	\$ _____

_____ \$ _____ \$ _____ \$ _____
{Other}

Firm Name: _____

Address: _____

Signature: _____ Date: _____

Printed Name: _____

Title: _____

Telephone Number: _____

Appendix B

CERTIFICATIONS

1. The undersigned authorized officer of the firm certifies that the firm has the insurance coverage required by law or that is customary for the work to be performed. A copy of the firm’s insurance policy shall be provided to the Village of Bridgeview upon request.

2. The undersigned certifies that:
 - a. It is not barred from bidding or contracting with any unit of local or state government as a result of a violation of either Section 33E-3 or 33E-4 of the Illinois Criminal Code or any similar state or federal offense relating to illegal bidding;
 - b. It is not delinquent in the payment of any tax administered by the Illinois Department of Revenue; and
 - c. It has a written sexual harassment policy as required by the Illinois Human Rights Act, a copy of which shall be provided to the Village upon request.

3. The undersigned agrees to:
 - a. Comply with the Equal Employment Opportunities requirements set forth in the Illinois Human Rights Act;
 - b. Comply with the civil rights standards set forth in Title VII of the Civil Rights Act; and
 - c. Perform all work in accordance with all applicable federal, state, and Village laws, ordinances, rules and regulations.

Signature: _____ Date: _____

Printed Name: _____

Title: _____