



Request for Proposal
“Auditing Services for the City of Hammond”
RFP 23-33

**Proposals shall be faxed/delivered to the
Purchasing Department, City of Hammond
310 East Charles Street, Hammond LA 70401
PO Box 2788, Hammond, LA 70404**

**Until
10:00 a.m. on September 08, 2022**

**For Additional Information or Questions:
Laura Hammett (985) 277-5617**

AUDITING SERVICES SPECIFICATIONS

The City of Hammond will accept proposals for auditing services for the City until **10:00 a.m., September 08, 2022**. All proposals shall be submitted as follows.

City of HAMMOND
Attn: Jana Soileau, Purchasing Director
310 East Charles Street
Hammond, LA 70401

All proposals must bear the name of the entity making the proposal and must have the following clearly written or typed on the face of the envelope or package: “**RFP 23-33 for Auditing Services**”. No faxed or emailed submissions will be accepted. All proposals must be signed by a principal of the firm. Only licensed Certified Public Accounting firms who have prior government auditing experience and are approved by the Louisiana Legislative Auditor to perform governmental auditing work should respond to this Request for Proposals.

All questions relative to this Request for Proposals should be directed to Laura Hammett, Finance Director, via email at Hammett_LL@hammond.org

CITY DESCRIPTION

The City of Hammond operates under a Mayor-Council form of government and under a Home Rule Charter. The Mayor is full-time and serves with five (5) district council members. The population of Hammond is approximately 19,584 (Census 2020). It is the largest city in Tangipahoa Parish, one of the fastest growing areas in Louisiana.

The City is comprised of approximately 300 employees in administrative, police, fire, public works, recreation and airport departments; a blended component unit, the Hammond Downtown Development District; and two discrete component units, the Hammond City Court and the Seventh Ward Marshal’s Office (with audits conducted by other consultants not under this proposed contract).

The City uses Munis and Energov for its main financial tasks complimented by an in-house software, known as Alpha, for older accounts, business licenses, and cemetery records. First Bank & Trust is the City’s Fiscal Agent with four (4) accounts and 2 CDs. An additional account is held with Hancock Whitney Bank. The fiscal year is from July 1 to June 30 with the audit due to the Louisiana Legislative Auditor (and Federal Clearinghouse if needed) by December 30. The City has major funds (general, sales, enterprise for water/sewer), capital funds, debt service funds, and internal funds for managing insurance and other services. The audit reports for prior years are available at the Louisiana Legislative Auditor’s website and on the City’s website. Current and prior year budgets are on the City’s website.

The City's financial statements report on three (3) major funds:

- **General Fund** – Accounting for most of the major operation activities of a governmental nature, including various revenues and departments.
- **Sales Tax Fund** – The City's largest revenue source is sales tax, and this fund maintains capital projects of governmental nature including drainage, streets, parks, and sidewalk improvements.
- **Water/Sewer Fund** – Accounting for the City's enterprise activities including the provision of water and sewer utility services.

The individuals responsible for maintaining financial records are:

Laura Hammett, Finance Director, 985-277-5617

Lacy Landrum, Director of Administration, 985-277-5653

SCOPE OF SERVICE REQUIRED

The City of Hammond is soliciting the services of an independent firm of certified public accountants to perform a financial and A-133 audit of the City of Hammond.

The audit firm shall perform the examination and express an opinion on all of the City's funds in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants (AICPA), the standards for financial audits set for the in the U.S. General Accounting Office's (GAO) Government Auditing Standards, Office of Management and Budget (OMB) Circular A-133, and any specific requirement of grantor agencies. It will be the responsibility of the audit firm to be knowledgeable of the requirement and to submit all applicable report(s).

The audit firm will prepare the following as part of the audit report as prescribed by the Governmental Accounting Standards Board with assistance from City staff (Note: the City reserves the right to contract for these services during the first year and to eliminate these from the scope of work for any following years. The City also reserves the right to contract this scope of work with one contractor and have a second contractor perform the audit and SAUP report.)

1. The Basic Financial Statement
 - a. Government-wide Financial Statements
 - b. Fund Financial Statements
 - c. Notes to Financial Statements
2. Required Supplemental Information (RSI) other than MD&A.
3. Other Supplemental Information

A reconciliation of entity-wide financial statements to individual fund financial statements will be provided to the City. The City will provide information related to Act 87 of 2020 for court costs, fines, and fees and completes the required spreadsheets.

The audit firm will prepare the Schedule of Expenditures of Federal Awards and all applicable compliance and internal control reviews required by the U.S. General Accounting Office's (GAO) Government Auditing Standards and OMB Circular A-133, including the Data Collection Form (SF-SAC) and the electronic filing of the Data Collection Form for Reporting on Audits of States, Local Governments, and Non-Profit Organizations.

The audit firm will prepare all working papers related to current GASB statements including the most recent adoptions related to leases (new to FY2022 audit) and certain asset retirement obligations (which was completed in the FY2021 audit). City staff will assist in gathering the required information.

The audit firm will review applicable policies, plans, procedures, laws, and regulations and perform tests for compliance with same under the Statewide Agreed Upon Procedures (SAUP) and issue the SAUP report in addition to the regular audit report.

The expected work period for the FY2022 audit is from October to December of 2022. The work periods of later fiscal years may be scheduled from August to December. The audit firm will meet with the Finance Director and her staff to discuss the status of the audit on a weekly or as needed basis. These meetings are the opportunity to discuss outstanding items, information requests, potential management comments or audit findings, potential audit adjustments, and estimated completion date.

The City expects to have an initial conference with the auditing firm, City Administration, and key financial staff; meetings throughout the audit work period between the auditing firm and key financial staff; an exit conference with the auditing firm, City Administration, and key financial staff; and a final presentation of the audit at a City Council meeting after the audit has been published on the Louisiana Legislative Auditor's website.

CONTRACT PERIOD

The contract period will include two (2) fiscal years (those ending 2022 and 2023) with the opportunity to renew the contract for two (2) one-year options.

DURATION AND TERMINATION

Any agreement resulting from this RFP is intended to be effective for a minimum of two (2) years. At the option of the City and acceptance by the selected auditor, this contract may be extended for two additional one-year periods at the same terms and conditions as originally agreed to, for a possible total of four (4) years.

The City has the right to immediately terminate the Agreement in accordance with law for any of the following:

1. Failure of the selected auditor to timely complete the Work;
2. Failure of the selected auditor to supply products or services according to specification, terms and conditions of the selected auditor's bid for the Work;
3. Fraud, collusion, misrepresentation or any other unlawful act by the selected auditor.
4. Conflict among the terms of this agreement with local, State or Federal law; or
5. Any other breach of this Agreement by the selected auditor.

INFORMATION REQUESTED FROM THE PROPOSER

To achieve a uniform review process and to obtain the maximum degree of comparability, it is required that proposals be organized in the manner specified in this part.

1. **Title Page** – Show the proposal subject, the name of the Proposer's firm, firm address, telephone number, name of contact person, and the date.
2. **Table of Contents** – Include a clear identification of the material by section and by page number.
3. **Letter of Transmittal** – This section shall be limited to two pages. Proposers may use this section to represent any information that they consider essential to their proposal. Give the name of the persons who will be authorized to make representations for the Proposer, their title, addresses and telephone numbers.
4. **Affirmative Statement** – Please include a positive statement that the following mandatory criteria are satisfied:
 - a. An affirmation that the audit firm and all assigned key professional staff are properly licensed to practice as certified public accountants in the State of Louisiana.
 - b. An affirmation that the proposing audit firm meets the Independence requirements of the American Institute of Certified Public Accountants (AICPA) and the Government Auditing Standards (GAS).

- c. An affirmation that the proposing audit firm meets the continuing education and external quality control review requirements contained in the Government Auditing Standards (GAS).
 - d. An affirmation that the proposing firm does not discriminate against any individual because of race regarding consideration for employment, selection of training, promotion, transfer, recruitment, rates of pay, or other forms of compensation, demotion or separation.
 - e. An affirmation that the proposing firm maintains a prudent level of errors and omissions insurance covering the willful or negligent acts, or omissions, of any officers, employees, or agents thereof.
5. **Qualifications of the Proposer** – Provide the following relative to the firm’s qualification to conduct an effective and efficient audit of City’s financial statements and programs.
- a. Briefly describe the history of your firm and office location(s). Describe whether it is local, regional, national, or international.
 - b. If the audit firm is a small or minority-owned business.
 - c. Provide a copy of (or describe) your firm’s quality control document (or procedures).
 - d. Provide a copy of the opinion letter from your firm’s most recent peer review or external quality control review (within last two (2) years).
 - e. Provide average staff experience, in years, for your professional staff.
 - f. Describe recent (within last three (3) years) prior governmental auditing experience with clients similar to the City. Provide a contact person’s name, phone, and/or email address for at least five (5) references similar to the City. More detail can be included if desired.
6. **Proposer’s Service** – Provide the following information for the proposing office regarding the firm’s desire and ability to conduct the audit with a minimum of disruption, ability to complete the audit on a timely basis, and ability to provide the City with specific recommendations to improve operations, systems and procedures.
- a. Provide the following information about the professional auditing staff who will be dedicated to the City of Hammond audit by employee classification, to show the number of years of experience and the CPA certification. Also provide the job description for each classification. The proposal should also include any additional memberships in CIA, AICPA (or other) resource centers, as well as any staff who are on the Boards of these organizations.
 - b. Describe your firm’s procedures in monitoring the progress of the audit and communicating same to the client while the audit is in progress.

- c. Describe your firm’s specific policies, plans, procedures or techniques used to develop information for management letters.
- d. Provide your present plans as to the partners, managers, and supervisors who will work on the audit tasks set forth in this proposal. Descriptions or resumes may be used to show this detail.
7. **Compensation** – Provide the firm’s all-inclusive maximum fees for both scopes of work (financial reports v. audit/SAUP report), separated by fiscal year ending June 30, 2022 through 2023, for which the requested work in this proposal will be done. Submit these fees using the Appendix A: Cost Description Sheet. Also, include the hourly rates your firm would charge for special services work for each staff employee classification for the period. All special services work performed above the all-inclusive fee must have prior approval by the City. The audit firm shall not be reimbursed for any travel, per diem, photocopying, telephone bills, mailings, or other related expenses of the audit unless incurred at the specific request of the City.

An example of the required format for each year for submitting the maximum fee is presented below. Proposers must submit their all-inclusive maximum fee in a sealed envelope marked “Proposed Audit Fee” separate from the other information requested by this proposal.

Classification	Hours	Dollars
Partner	XX	\$ XX
Manager	XX	\$ XX
Senior	XX	\$ XX
Semi-Senior	XX	\$ XX
Junior	XX	\$ XX
TOTAL	XX	\$ XX

OTHER RELEVANT DATA

The auditing firm shall be required to prepare and submit management letters in connection with the audits. The purpose of these letters shall be to make known certain recommendations of the audit firm which if implemented would, in the firm’s opinion, increase efficiency, improve internal controls, improve management, etc. No additional compensation shall be paid for the management letter.

All required audit reports shall be completed and submitted to the appropriate parties by December 30. The Council shall authorize the Mayor to extend such date of completion and submission if in their opinion such action is justified. There will be a

penalty of \$100 per day for every day past December 30. If approval has been given for an extension, then the penalty will be waived according to the agreed extension.

EVALUATION OF PROPOSALS

Responsiveness of the proposal shall be in a clear understanding of the work to be performed.

Cost, although a significant factor, may not be the dominant factor. Cost will be a particularly important factor when all the other evaluation criteria are relatively equal.

Independence: background qualifications and service of the proposing firm.

Consideration: size, structure and quality of the proposed audit team.

The "Proposed Audit Fee" envelopes will not be opened or considered for those firms not meeting minimum requirements for:

- a. Prior governmental audit experience.
- b. An acceptable peer review or external quality control review.
- c. Size, quality and experience of audit staff.

ASSISTANCE AVAILABLE TO PROPOSERS

The Accounting Department staff, Director of Administration and Mayor will be available to assist the selected auditor as much as possible in completing the audit.

In addition, the auditor will have access to a copying machine at no cost for whatever duplicating/scanning needs may arise during the course of the audit.

The work area(s) of the auditors will be in City Hall. Any additional work area(s) will be designated at the time the necessity arises.

WORKING PAPERS

Audit work papers shall remain in the custody of the auditors. However, City staff, auditors under the control of the Accounting Department, or the Hammond City Council, and succeeding external auditors, shall be given access to audit work papers and shall have the right to copy such work papers pertaining to audits for the years ending June 30, 2022 through and including 2023 for a period of three (3) years after the expiration of this contract. Access to working documentation shall also be made available for inspection by the Louisiana Legislative Auditor, any state or federal grantor, any state or federal cognizant agency, or any organization authorized by the Louisiana State Board of Certified Public Accountants to perform working documentation reviews as part of a quality assurance program.

COMPENSATION

The audit firm will receive payment for services rendered within fifteen (15) days of the receipt and approval of invoices by the City. The final invoice will not be paid until all deliverables are received and deemed complete.

Authorization for the auditor to commence any audit work shall be required in the form of an engagement letter approved by the City of Hammond and then approved by the Louisiana Legislative Auditor. If it should become necessary for the City to request the auditing firm to render any additional services to either supplement the services 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 City and the Proposers. Any such additional work agreed to between the City and the Proposers shall be performed at the same rates set forth in the schedule of fees and expenses included in the dollar cost proposal or at a mutually agreed upon lump sum of cost.

Employees of the audit firm shall not be construed as employees of the City of Hammond, but rather as independent contractors. Hence, they shall not be eligible for any City employee benefits.

The audit firm shall be required to provide the manpower necessary to perform any audit work requested and authorized by the Finance Director.

NUMBER OF REPORTS

The selected auditor will be required to submit copies of the audit reporting package of the City of Hammond, including the management letter and management's plan of corrective action, to the following:

1. Office of Legislative Auditor, State of Louisiana (1 unbound, single-sided copy or an electronic copy of the reporting package and the data form in PDF).
2. Office of Federal Revenue Sharing, Washington, D.C. (1 bound or electronic copy).
3. All cognizant agencies (as required).
4. Mayor, 5 City Council Members, Director of Administration, Finance Director and City Clerk (9 bound copies).
5. City of Hammond (electronic copy in PDF).

Subsequent to the issuance of the report, should it be necessary to alter or reissue the report(s) and any management letter, the reissued report(s) or management letter will be distributed in the same manner as the original report.

RIGHT TO REJECT

The City of Hammond reserves the right to reject any and all proposals and waive any informality.

AWARD OF CONTRACT

The City of Hammond shall award the contract to the independent auditor who, based on evaluation of all proposals submitted, is determined to be the best qualified to perform the audit.

NOTIFICATION

The Louisiana Legislative Auditor shall be immediately informed in writing of any illegal or fraudulent acts, any scope restrictions imposed by the City of Hammond, to include denial of access to appropriate books and records or failure to provide the books and records in a timely manner, or if the selected auditor decides to withdraw from the engagement or if the engagement is cancelled. The notification must include all substantive reasons for the withdrawal or cancellation.

LIABILITY

The Contractor shall assume the defense of and indemnify and save harmless the City and its Officers and Agents from all claims relating to work.

The Contractor shall be responsible for any and all damages or claims for damages or injuries or accidents done or caused by him or his employees, or resulting from the execution of the work, or any operations, or caused by reason of existence or location or condition of facilities or of any materials, supplies, or machinery used thereon or therein, or neglect or omission on his part, or all of the several acts or things required to be done by them, under and by these conditions, and covenants, and agrees to hold the City harmless and indemnified for all such damages and claims for damages.

The Contractor shall indemnify and save harmless the City from and against all losses and all claims, demands, payments, suits, actions, recoveries and judgments of every nature and description made, brought or recovered against the City by reason of any act or omission of the Contractor, his agents or employees, in the execution of his work.

The method of delivery of proposals is the responsibility of the Proposer. All proposals shall be received by the Purchasing Department, 310 East Charles Street, Hammond, Louisiana 70401 on or before September 08, 2022, 10:00am. Late proposals shall not be accepted under ANY circumstances. It is the Proposer's sole responsibility to ensure that their proposal has been delivered and accepted with ample time to meet all specified deadlines.

CIVIL RIGHTS COMPLIANCE

The Proposer agrees to abide by the requirements of the following as applicable: Title VI and Title VII of the Civil Rights Act of 1964, as amended by the Equal Opportunity Act of 1972, Federal Executive Order 11246, the Federal Rehabilitation Act of 1973, as amended, the Vietnam Era Veteran's Readjustment Assistance Act of 1974, Title IX of the Education Amendments of 1972, the Age Act of 1975, and Contractor agrees to abide by the requirements of the Americans with Disabilities Act of 1990. Contractor agrees not to discriminate in its employment practices, and will render services under the contract and any contract without regard to race, color, religion, sex, national origin, veteran status, political affiliation, or disabilities. Any act of discrimination committed by Contractor, or failure to comply with these statutory obligations when applicable shall be grounds for termination of the contract.

AWARD OR REJECTION

All qualified proposals will be evaluated and the award will be made to the audit firm whose combination of cost and technical offers is deemed to be in the best interest of the City. The City reserves the unqualified right to reject any or all offers when such rejection is deemed to be in the best interest of the City.

DECLINE TO OFFER

Any audit firm which received a copy of the RFP and declines to make an offer is requested to send a formal "Decline to Offer" to the issuing office. Failure to respond as requested may subject the firm to removal from consideration on future requests.

COST FOR PROPOSAL PREPARATION

Any costs incurred by proposers in preparing or submitting offers are the proposer's sole responsibility. The City will not reimburse any proposer for any costs incurred prior to award.

ELABORATE PROPOSALS

Elaborate proposals, in the form of brochures or other presentations beyond that necessary to present a complete and effective proposal, are not desired.

Appendix A: Cost Description Sheet

The City reserves the right to sign annual contracts with both scopes of work as shown in #A and #B or to include only the scope of #A, depending on annual need. The City also reserves the right to contract with one contractor for the scope of work #A and a second contractor for the scope of work #B.

Costs should be itemized for the following:

A. ANNUAL COMPREHENSIVE FINANCIAL REPORT CONTRACT

1. Basic Financial Statement to include:
 - a. Government-wide Financial Statements
 - b. Fund Financial Statements
 - c. Notes to Financial Statements
2. Required Supplemental Information (RSI) other than MD&A.
3. Other Supplemental Information

Year 1 = FY2022 \$ _____

Year 2 = FY2023 \$ _____

B. ANNUAL AUDIT REPORT & STATE AGREED-UPON PROCEDURES REPORT

4. Complete the annual audit
5. Complete the annual state agreed upon procedures report

Year 1 = FY2022 \$ _____

Year 2 = FY2023 \$ _____



**City of Hammond
Purchasing Department**

**RFP 23-33
Auditing Services for The City of Hammond
Addendum #1**

September 6, 2022

PUBLIC NOTICE IS HEREBY GIVEN that the City of Hammond, Parish of Tangipahoa, State of Louisiana, has issued ADDENDUM #1, for RFP 23-33 Auditing Services for The City of Hammond. The following additions, clarifications, deletions, and/or corrections to the original Specifications and Contract Documents for Auditing Services for The City of Hammond, are specifically made a part of the Specifications and Contract Documents with the same force and effect as though listed in the original Specifications and Contract Documents. Any contradictions shall be immediately made known to the Purchasing Department so that a decision and/or clarification can be made.

1- CLARIFICATION:

The reference to the Annual Comprehensive Financial Report is meant to include only the financial statements and items listed on the cost description sheet. This is not meant to include all sections of the ACFR. References to the A-133 should be replaced with the Uniform Guidance.

2- CLARIFICATION: Proposal Submission

Proposers are able to submit proposals in several ways:

1. Email to Jana Soileau at purchasing@hammond.org
2. Fax to 985-277-5636
3. Mail to Purchasing Department, PO Box 2788, Hammond, LA 70404.
4. Hand delivery to Purchasing Department, 310 E Charles St, Hammond, LA 70401.

3- Correction: Section 5 Qualifications of the Proposer, section d.

Provide a copy of the most recent peer review or external quality control review. (Within last two years).

The language is amended to: "Provide a copy of the opinion letter from your firm's most recent peer review or external quality control review."

-This is not limited to the last two years.

4- Correction: Section 7 Compensation & Cost Description Sheet

Submit the Cost Description Sheet with a cost for the SAUP report for FY2022 with an understanding that the SAUP report scope for later fiscal years will depend on any requirements or findings, so that cost will be negotiated.

5- Deletion -The following sentence in Section 7 Compensation shall be removed entirely:

~~"Proposers must submit their all-inclusive maximum fee in a sealed envelope marked 'Proposed Audit Fee' separate from the other information requested by this proposal."~~

RIGHT IS RESERVED TO ACCEPT OR REJECT ANY OR ALL PROPOSALS.

Any information or questions to complete the proposal may be obtained between the hours of 7:30 a.m. and 4:00 p. m. Monday through Friday at the City of Hammond Purchasing Department, 310 East Charles Street, Hammond, La.