

**BENTON COUNTY  
REQUEST FOR PROPOSALS  
“EXTERNAL AUDIT SERVICES”**

**I. INTRODUCTION**

**A. General Information**

Benton County, hereafter known as the County, is requesting proposals from qualified firms of certified public accountants to audit its annual financial statements for the County’s fiscal years ending December 31, 2017 and December 31, 2018.

There is no expressed or implied obligation for the County to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

To be considered, three (3) copies of a proposal must be received by:

Montgomery Headley  
County Administrator  
531 Dewey Street, P.O. Box 129  
Foley, MN 56329

The proposal should be received by the County by 4:30 p.m. on May 31, 2017

The County reserves the right to reject any or all proposals submitted. Proposals submitted will be evaluated by a four member Selection Committee consisting of:

- >County Administrator
- >Auditor-Treasurer
- >Accounting Supervisor - Finance Department
- >Fiscal Services Supervisor - Human Services Department

During the evaluation process, the County reserves the right to request additional information or clarifications from proposers, or to allow corrections of errors or omissions. Firms may be requested to make oral presentations to the Selection Committee as part of the final evaluation process.

The County 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 County and the firm selected.

It is anticipated the selection of a firm will be completed by June 30, 2017. Following the notification of the selected firm it is expected a contract will be executed between both parties following the August 8, 2017 meeting of the County Board.

**B. Term of Engagement**

A two-year contract is contemplated, subject to the annual review and recommendation of the Selection Committee, the satisfactory negotiation of terms (including a price acceptable to both the County and the selected firm) and the concurrence of the Board of County Commissioners of Benton County.

**II. NATURE OF SERVICES REQUIRED**

**A. Scope of Work to be Performed**

The County desires the auditor to express an opinion on the fair presentation of its basic (general purpose) financial statements in conformity with governmental accounting principles generally accepted in the United States of America. Also, pursuant to Minn. Stat. § 375.17, the annual financial report will be prepared in conformity with the sample county financial statements included in the Minnesota County Financial & Accounting Reporting Standards (COFARS), issued by the Office of the State Auditor.

*Benton County does not prepare a Comprehensive Annual Financial Statement nor does it participate in the Government Finance Officers' Certificate of Achievement for Excellence in Financial Reporting program.*

The County also desires the auditor to provide an “in-relation-to” opinion on the supplementary information based on the auditing procedures applied during the audit of the basic financial statements. The auditor is not required to audit the statistical and required supplementary information sections of the report. However, the auditor shall also be responsible for performing certain limited procedures involving the required supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards. Also, the auditor is to provide an “in-relation-to” report on the County’s schedule of expenditures of federal awards based on the auditing procedures applied during the audit of the financial statements.

The auditor will perform procedures and issue a report on compliance pursuant to the requirements of the Minnesota Legal Compliance Audit Guide for Local Government. This guide is available on the Office of the State Auditor web site: [www.auditor.state.mn.us](http://www.auditor.state.mn.us) under educational materials.

Pursuant to the Single Audit Act Amendments of 1996, the County is required to have an audit performed on the major federal programs of the County. The

auditor will be required to test internal controls and compliance for major federal award programs administered by the county. It is anticipated the County will require a Single Audit for each of the two years covered by this request.

**B. Auditing Standards To Be Followed**

To meet the requirements of this request for proposals, the audit shall be performed in accordance with auditing standards generally accepted in the United States of America, the standards for financial audits set forth in the General Accounting Office's (GAO) *Government Auditing Standards* (2003 revision), the provisions of the federal Single Audit Act Amendments of 1996 and U.S. Office of Management and Budget (OMB) Circular A- 133, *Audits of States, Local Governments, and Non-Profit Organizations* and the minimum procedures for auditors of local governments prescribed by the Office of the State Auditor pursuant to Minn. Stat. § 6.65.

**C. Reports to be Issued**

The auditor shall prepare the following reports at the completion of the audit:

1. the Independent auditor's reports on the basic financial statements.
2. Independent auditor's report on internal controls over financial reporting based on an audit of financial statements performed in accordance with *Government Auditing Standards*.
3. Independent auditor's report on compliance based on an audit of financial statements performed in accordance with *Government Auditing Standards*.
4. Independent auditor's report on compliance pursuant to the *Minnesota Legal Compliance Audit Guide for Local Government*.
5. Independent auditor's report on internal control over compliance for major federal programs in accordance with OMB Circular A-133.
6. Independent auditor's report (opinion) on compliance with requirement applicable to each major federal program in accordance with OMB Circular A-133.
7. A summary of auditor's results and a schedule of findings and questioned costs, if any, required by OMB Circular A-133.

**D. Additional Services**

In addition to the audit services described above, the County is requesting financial statement compilation and other services as follows:

1. Prepare a draft Management's Discussion and Analysis (MD&A) for completion by County Management
2. Prepare all required Basic Financial Statements
3. Prepare the Notes to the Financial Statements
4. Prepare Required Supplementary Information Other Than MD&A

- as presented in the County's 2015 Annual Financial Report
5. Prepare the following other Supplementary Information:
    - a. Combining Balance Sheet for Non-Major Governmental Funds
    - b. Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Governmental Funds
    - c. Combining Statement of Changes in Assets and Liabilities - All Agency Funds
    - d. Schedule of Intergovernmental Revenue
    - e. Schedule of Expenditures of Federal Awards
  6. Typing, copying and binding of annual financial report. The firm will provide the county 10 bound copies and one electronic (PDF) version of the annual financial report.
  7. The firm will provide the county with 10 copies of their report(s) on the internal control and compliance in accordance with the audit guide and standards for compliance with the Single Audit Act, as may be required.
  8. Preparation and assistance with filing the annual financial report and any applicable reports with appropriate state agencies and departments, including the State Auditor Annual Financial Reporting Form.
  9. A letter to management containing appropriate suggestions for improvement of accounting procedures and internal controls for the County's consideration. This letter should contain comments and recommendations for controlling any internal weaknesses discovered and shall be discussed with appropriate personnel before finalizing.
  10. Assist with the preparation and submission of the reporting package, required by the Single Audit Act Amendments of 1996, to the Federal Single Audit Clearing House. This package includes the annual financial report, the supplementary schedule of expenditures of federal awards, the required auditor's reports, including any current findings and questioned costs, a summary schedule of prior audit findings, and a corrective action plan.

#### **E. Special Considerations**

1. The submitting firms should be aware that pursuant to Minn. Stat. § 6.48 (2005), the state auditor may require additional information from the private certified public accountant as the state auditor deems in the public interest. The state auditor may accept the audit or make additional examinations as the state auditor deems to be in the public interest. The

firm must submit all required reports to the state auditor's office. In addition, the firm must make available all work papers and information required by the state auditor.

**F. 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 six (6) years after the report is issued, unless the firm is notified in writing by the County of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the County.

Pursuant to Minn. Stat. § 6.48 (2005), the state auditor may require additional information, including all audit engagement work papers, from the private certified public accountant as the state auditor deems in the public interest. The state auditor may accept the audit or make additional examinations as the state auditor deems to be in the public interest. Your work papers must be available to the Office of the State Auditor for review. *See Minn. Stat. §§ 6.48, 6.715, subd. 4.*

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.

**DESCRIPTION OF THE GOVERNMENT**

**A. Name and Telephone Number of Contact Person**

The audit firm's principal contact with the County will be Montgomery Headley, County Administrator, at (320) 968-5004 who will coordinate the assistance to be provided by the County to the auditor.

**B. Background Information**

The County was established in 1849 and has the powers, duties, and privileges granted counties by state law, as codified in Minnesota Statutes. The County serves an area of 408 square miles, with a population of 39,992. The County's fiscal year begins on January 1 and ends on December 31. The County is governed by a five member board of county commissioners representing separate districts within the county. In addition, the offices of county attorney, sheriff, auditor, treasurer and recorder are elected on a county-wide basis.

The County offers a full range of services in courts, property tax administration, law enforcement and corrections, public works, human services, parks, solid waste management, library, community health, county extension, economic development and general administration. The County employs 251 full-time and 14 part-time employees.

The County is organized into nine departments. Most of the accounting and financial reporting functions of the County are centralized with the County Administrator's Office. However, certain accounting and grant reporting requirements are performed by accounting staff of the Human Services and Public Works departments. Most departments collect and remit fees for services provided. The Sheriff's Office maintains separate checking accounts for inmate related revenue (such as commissary and telephone calls).

More detailed information on the government and its finances can be found in previous Annual Financial Reports. Contact Montgomery Headley at (320) 968-5004 concerning access to these documents. Prior year Benton County Financial Statements can be viewed on the County's website at [http://www.co.benton.mn.us/County\\_Administrator/County\\_Finances.php](http://www.co.benton.mn.us/County_Administrator/County_Finances.php).

**A. Reporting Entity**

The reporting entity of the County is defined, for financial reporting purposes, in conformity with the Governmental Accounting Standards Board's *Codification of Governmental Accounting and Financial Reporting Standards*, Section 2100. Using these criteria, the following component units are included in the County's financial statements as either blended or discretely presented:

**Component Unit**

**Presentation**

The County has no component units.

**B. Fund Structure**

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

<u>Fund Type</u>	<u>Number of Individual Funds at December 31, 2016</u>	<u>Number With Legally Adopted Annual Budgets</u>
General fund	1	1
Special revenue funds	7	2
Debt service funds	1	1
Capital projects funds	2	2
Agency funds	14	0

**D. Budgetary Basis of Accounting**

The County prepares its budgets on a basis consistent with generally accepted accounting principles. The legal level of control is at the department level.

The county includes the budgetary comparison presentations for the general and

major special revenue funds as required supplementary information/part of the basic financial statements.

## E. Federal Financial Assistance

The County reported the following federal financial assistance in its most recently audited financial statements:

Federal Grantor Pass-Through Agency Grant Program Title (Program or Cluster Title)	Federal CFDA Number	Pass-Through Grant Number	Expenditures	Passed Through to Sub-recipients
U.S. Department of Agriculture Passed Through Minnesota Department of Health Special Supplemental Nutrition Program for Women, Infants and Children	10,557	15152MN004W1003	\$193,685	\$0
Passed Through Minnesota Department of Human Services State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10,561	15152MN127Q7503	317,706	\$0
Total Department of Agriculture			511,391	\$0
U.S. Department of Justice Direct State Criminal Alien Assistance Program	16,606	N/A	7,749	\$0
Bulletproof Vest Partnership Program	16,607	N/A	3,564	\$0
Total Department Of Justice			11,313	\$0
U.S Department Of Transportation Passed Through Minnesota Department of Transportation Highway Planning and Construction	20,205	HPPH H162(008)	65,824	\$0
Passed Through City of St. Cloud State and Community Highway Safety (Part of Highway Safety Cluster)	20,600	F- ENFRC15-2015-STCLOUDPD	5,176	\$0
National Priority Safety Programs (Part of Highway Safety Cluster) (Total expenditures for Highway Safety Cluster \$8,534)	20,616	F-ENFRC 15-2015-STCLOUDPD	3,358	\$0
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20,608	F-ENFRC-15-2015-STCLOUDPD	12,413	\$0
Total Department of Transportation			86,771	\$0
U.S. Department of Education Passed Through Minnesota Department of Health Special Education-Grants for Infants and Families	84,181	12-700-00103	2,492	\$0
U.S. Department of Health and Human Services Passed Through Minnesota Department of Health Public Health Emergency Preparedness	93,069	U90TP000418	32,369	\$0
Universal Newborn and Hearing Screening	93,251	12-700-00103	800	\$0
Immunization Cooperative Agreements	93,268	IP-150302CONT16	1,420	\$0
Early Hearing Detection and Intervention Information System (EHDI-IS) Surveillance Program	93,314	12-700-00103	150	\$0
Temporary Assistance for Needy Families (Total Temporary Assistance for Needy Families CFDA 93.558 \$476,796)	93,558	1502MNTANF	44,160	\$0
Maternal and Child Health Services Block Grant to the States	93,994	B04MC29349	40,842	\$0
Passed Through Minnesota Department of Human Services Promoting Safe and Stable families	93,556	1401MNFPS	3,511	\$0
Temporary Assistance for Needy Families (Total Temporary Assistance for Needy Families CFDA 93.558 \$476,796)	93,558	1502MNTANF	432,636	308,531
Child Support Enforcement	93,563	1504MN4005	774,746	\$0
Refugee and Entrant Assistance-State Administered Program	93,566	1501MNRDMA	527	\$0
Child Care And Development Block Grant	93,575	G1501MNCCDF	30,878	\$0
Community-Based Child Abuse Prevention Grants	93,590	1302MNFPRG	\$5,689	\$0
Stephanie Tubbs Jones Child Welfare Service Programs	93,645	1401MNCWSS	\$2,292	\$0
Foster Care – Title IV-E	93,658	1501MNFOST	216,659	\$0
Social Services Block Grant	93,66	1501MNSOSR	221,407	\$0
Chafee Foster Care Independence Program	93,674	1401MN1420	2,462	\$0
Children's Health Insurance Program	93,767	1405MN5021	75	\$0

Federal Grantor Pass-Through Agency Grant Program Title (Program or Cluster Title)	Federal CFDA Number	Pass-Through Grant Number	Expenditures	Passed Through to Sub-recipients
Medical Assistance Program	93,778	1505MN5ADM	1,077,764	\$0
Total Department of Health and Human Services			2,888,387	308,531
U.S. Department of Homeland Security Passed Through Minnesota Department of Public Safety				
Emergency Management Performance Grants	97,042	F-EMPG-2015- BENTONCO-1117	\$48,369	\$0
Total Cash Type Federal Awards			\$3,548,723	\$308,531

Notes to the Schedule of Expenditures of federal Awards

1. The Schedule of expenditures of Federal Awards presents the activities of federal award programs expended by Benton County. The County's reporting entity is defined in Note 1 to the financial statements. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Benton County, it is not intended to and does not present the financial position or changes in net position of Benton County.

2. Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following as applicable, either the cost principle contained in OMB Circular A-87, *Cost principles for State, Local and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Benton County has not elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

3. Reconciliation to the Schedule of Intergovernmental Revenue

Federal Grant Revenue per Schedule of Intergovernmental Revenue:	\$3,132,070
Grants Received More than 60 Days After Year-End, Unavailable in 2015	
State Administrative Matching Grants for Supplemental Nutrition Assistance Program	62,189
Temporary Assistance for Needy Families	40,021
Child Support Enforcements	117,357
Refugee and Entrant Assistance-State Administered Programs	430
Foster Care - Title IV-E	5,419
Medical Assistance Program	201,216
Grants Unavailable in 2014, Recognized as Revenue in 2015	
Temporary Assistance for Needy Families	(1,886)
Child Care and Development Block Grant	(1,631)
Medical Assistance Program	(6,462)
<hr/> Expenditures per Schedule of Expenditures of Federal Awards	<hr/> \$3,548,723

**F. Pension Plans**

The County participates in the following pension plans administered by the Public Employees Retirement Association of Minnesota (PERA):

Public Employees Retirement Fund  
Public Employees Police and Fire Fund  
Local Government Correctional Service Retirement Fund

All of these funds are multiple-employer cost-sharing defined benefit plans. Elected officials of the County also participate in PERA's Public Employees Defined Contribution Plan.

## G. Joint Ventures

The County participates in the following joint ventures with other governments:

<b>Joint Venture</b>	<b>Members</b>	<b>Services Provided</b>
Stearns-Benton Employment and Training Council	Benton County, Stearns County	Job location, job training, career counseling
Tri-County Solid Waste Commission	Benton County, Stearns County, Sherburne County	Solid waste management
Central Minnesota Violent Offender Task Force	Benton County, Stearns County, Sherburne County, Morrison County, Todd County, City of Sartell, City of St. Cloud, City of Sauk Rapids, City of Waite Park, City of St. Joseph	Investigate, identify and disrupt illegal drug and gang activity
Great River Regional Library	Benton County, Stearns County, Sherburne County, Morrison County, Wright County, Todd County, City of St. Cloud	Regional library services
Central Minnesota Emergency Medical Services	Counties of Benton, Cass, Chisago, Crow Wing, Isanti, Kanabec, Mille-Lacs, Morrison, Pine, Sherburne, Stearns, Todd, Wadena and Wright	Improve access, delivery and effectiveness of emergency medical services system
St. Cloud Area Planning Organization	Benton County, Stearns County, Sherburne County, Cities of St. Cloud, Sauk Rapids, Sartell, St. Joseph, St. Augusta and Waite Park, LeSauk Township and St. Cloud Metro Bus	Regional transportation and transit planning/funding
Elk River Watershed Association	Benton County, Sherburne County, Benton Soil and Water Conservation District, Sherburne Soil and Water Conservation District	Improve water quality if the Elk River watershed
Central Minnesota Emergency Services Board	Counties of Benton, Big Stone, Douglas, Grant, Kandiyohi, Meeker, Mille-Lacs, Morrison, Otter Tail, Pope, Sherburne, Stearns, Stevens, Swift, Todd, Traverse, Wadena, Wilkin and Wright; City of St. Cloud	Regional administration of enhancements to the Statewide Public Safety Radio and Communications System (ARMER)

**I. Magnitude of Finance Operations**

The Finance Department provides the budgetary, accounting, payroll, accounts receivable, and accounts payable functions. The Department has a staff of three full-time employees. The Auditor-Treasurer's Office provides tax collections and investment functions.

**J. Computer Systems**

The day-to-day transactions of the County are conducted with the aid of a computerized governmental accounting system. The computer hardware is an IBM iSeries and the financial accounting software, Integrated Financial System (IFS) is supported by TriMin Systems.

**K. Availability of Prior Audit Reports and Working Papers**

Interested proposers who wish to review prior years' audit reports and management letters should contact Montgomery Headley at (320) 968-5004. The County will use its best efforts to make prior audit reports and supporting working papers available to proposers to aid their response to this request for proposals. The County and proposers recognize and agree that all actions related to government information must comply with the Minnesota Government Data Practices Act, Minn. Statutes Chapter 13.

**IV. TIME REQUIREMENTS**

The auditors must be able to meet the following essential dates for the fiscal year audit:

Preliminary work completed by August 25.

Final printed and bound reports by September 25.

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

**A. Finance Department and Clerical Assistance**

The finance department and responsible management personnel will be available during the audit to assist the firm by providing information, documentation and explanations. The preparation of confirmations will be the responsibility of the County as directed by the auditor.

In an effort to contain audit costs, the County has historically prepared as many reports and supporting materials as is practical to reduce the clerical work to be performed by the independent auditor. It wishes to continue this practice.

**B. Report Preparation**

Report preparation, editing and printing shall be the responsibility of the auditor..

**VI. PROPOSAL REQUIREMENTS**

**A. General Requirements**

**1. Inquiries**

Inquiries concerning the request for proposals and the subject of the request for proposals must be made to:

Montgomery Headley  
County Administrator  
531 Dewey Street, Box 129  
(320) 968-5004

**2. Submission of Proposals**

The following material is required to be received by 4:30 p.m., May 31, 2017 for a proposing firm to be considered:

a. A master copy (so marked) of the Proposal and 4 copies to include the following:

i. 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.

ii. Table of Contents

iii. 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 itself to be best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for 90 days.

iv. Detailed Proposal

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

- b. Proposers should send the completed proposals to the following address:

Montgomery Headley  
County Administrator  
531 Dewey Street, Box 129  
(320) 968-5004

## **B. Audit Proposal**

### **1. General Requirements**

The purpose of the proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit of the County 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 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 request for proposals requirements.

### **2. Independence**

The firm should provide an affirmative statement that it is independent of the County as defined by the generally accepted auditing standards/the U.S. General Accounting Office's *Government Auditing Standards*.

### **3. License to Practice in Minnesota**

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

### **4. Firm Qualifications and Experience**

The proposal 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 on a part-time basis.

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

**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 Minnesota. Provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit.

Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of the County. Other audit personnel may be changed at the discretion of the firm provided that replacements have substantially the same or better qualifications or experience.

**6. Similar Engagements With Other Government Entities**

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements performed in the last three years that are similar to the engagement, in particular counties, described in this request for proposal. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact. Specifically identify those engagements at which the managers and other supervisors who will be assigned to this engagement have worked.

**7. Specific Audit Approach**

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed. Firms will be required to provide the following information on their audit approach:

- a. Proposed timing of the engagement,
- b. Level of staff and number of hours to be assigned to each proposed segment of the engagement,
- c. Sample sizes and the extent to which statistical sampling is to be used in the engagement,
- d. Extent of use of computer software in the engagement,

- e. Type and extent of analytical procedures to be used in the engagement,
- f. Approach to be taken to gain and document an understanding of the County's internal controls,
- g. Approach to be taken in determining laws and regulations that will be subject to audit test work.

**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 County.

**C. Dollar Cost**

**1. Total All-Inclusive Maximum Price**

Attachment A must be completed and signed. Attachment A's price should specify all pricing information relative to performing the audit engagement as described in this request for proposal. The total all-inclusive maximum price is to include all direct and indirect costs including all out-of-pocket expenses.

The County will not be responsible for expenses incurred in preparing and submitting the proposal. Such costs should not be included in the proposal.

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

The cost schedule should include a schedule of professional fees and expenses broken into the above categories, if appropriate.

**3. Manner of Payment**

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

**VII. INSURANCE REQUIREMENTS FOR SELECTED FIRM**

The Contractor shall not commence work under the Contract until he/she had obtained insurance coverage as described in this section and such insurance has been approved by

the Benton County Attorney. The Contractor shall provide the Benton County Attorney the original or a certified duplicate copy of the public Liability and Property Damage Insurance and Extended Coverage Policies required hereunder. The Contractor shall furnish the County with a Certificate of insurance and such other insurance as is herein required. All policies and certificates shall provide that the policies will remain in force and effect on ten days written notices to the County Attorney before cancellation.

The contractor shall procure and maintain during the life of the Contract and until the Contract has been fully accepted, insurance policies as follows:

**A. Public Liability and Property Damage Insurance**

For and on behalf of himself/herself and the County of Benton as joint assured, and with a cross liability endorsement protecting the County of Benton from claims or damages for personal injuries, including accidental death, as well as for claims for property damage which may arise from operations under the Contract, whether such operations be by the Contractor or by the subcontractor or by anyone directly or indirectly employed by either of them.

Said Public Liability and Public Property Damage Insurance Policy shall provide that the insurance company waives the right to assert the immunity of the County as a defense to any claims made under said insurance. The amount of such insurance will be as follows:

Public Liability Insurance in an amount of not less than One Million Dollars (\$1,000,000) for all damages arising out of bodily injuries to, or death of one person and subject to the same limit for each person in a total amount of not less than One Million Dollars (\$1,000,000) on account of one accident, and property damage insurance in an amount of not less than One Million Dollars (\$1,000,000) for all damages to or destruction of property in any one accident and subject to that limit, a total limit of One Million Dollars (\$1,000,000) for all damages to or destruction of property during the policy period.

**B. Worker's Compensation Insurance**

For all his/her employees employed at the site of the Project and in case any work is sublet, the Contractor shall require the subcontractor to provide Worker's Compensation Insurance for all his/her employees.

**C. Automobile Public Liability Insurance**

One Million Dollars (\$1,000,000) for all damages arising out of bodily injuries to, or death of one person, and subject to that limit for each person, a total of One Million Dollars (\$1,000,000) for any one accident and property damage liability insurance in an amount no less than One Million Dollars (\$1,000,000) for all damages to or destruction of property in any one accident and subject to that limit, a total of One Million Dollars

(\$1,000,000) for all damages to or destruction of property during the policy period, if any motor vehicles are engaged in operations within the term of the Contract on the site of work covering the use of all such motor vehicles unless such coverage is included in the insurance provided for under subsection A.

The cost of all insurance required herein will be considered to be an incidental expense and no direct compensation will be made therefore.

## **VII. EVALUATION PROCEDURES**

### **A. Selection Committee**

Proposals submitted will be evaluated by a four member Selection Committee consisting of the County Administrator, the Auditor-Treasurer, and the Finance Department Accounting Supervisor and the Human Services Fiscal Supervisor.

### **B. Evaluation Criteria**

Proposals will be evaluated using three sets of criteria. Firms meeting the mandatory criteria will have their proposals evaluated and scored for both technical qualifications and price. The following represent the principal selection criteria, which will be considered during the evaluation process.

#### **1. Mandatory Elements**

- a. The audit firm is independent and licensed to practice in Minnesota.
- b. The audit firm's professional personnel have received adequate continuing professional education within the preceding three years.
- c. The firm has no conflict of interest with regard to any other work performed by the firm for the County.
- d. The firm adheres to the instructions in this request for proposal on preparing and submitting the proposal.
- e. The firm submits a copy of its last external quality control review report, including any letter of comments and the firm has a record of quality audit work.

#### **2. Technical Qualifications**

- a. The firm exhibits expertise based on past experience and performance on comparable government engagements.

- b. 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

**3. Price Consideration**

Cost will not be the primary factor in the selection of an audit firm.

**C. Oral Presentations**

During the evaluation process, the Selection Committee may, at its discretion, request up to three firms to make oral presentations. Such presentations will provide firms with an opportunity to answer any questions the Selection Committee may have on a firm's proposal. Not all firms may be asked to make such oral presentations.

**D. Final Selection**

The County Board will select a firm based upon the recommendation of the Selection Committee.

It is anticipated that a firm will be selected by June 30, 2017. Following notification of the firm selected, it is expected a contract will be executed between both parties following the August 8, 2017 Benton County Board meeting.

**E. Right to Reject Proposals**

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

The County reserves the right, without prejudice, to reject any or all proposals.

**ATTACHMENT A**

**BENTON COUNTY  
AUDITING SERVICES**

**FEE STRUCTURE**

	<b><u>2017</u></b>	<b><u>2018</u></b>
Audit	\$ _____	\$ _____
Financial Statement Compilation	\$ _____	\$ _____
Total	\$ _____	\$ _____

**FIRM SUBMITTING PROPOSAL:**

\_\_\_\_\_  
Signature of Authorized Representative

\_\_\_\_\_  
Title

\_\_\_\_\_  
Name of Authorized Representative

\_\_\_\_\_  
Date