



**SCOTT COUNTY IOWA**

**AUDIT SELECTION COMMITTEE**

**REQUEST FOR PROPOSALS**

**FOR**

**PROFESSIONAL AUDITING SERVICES**

**MAY 11, 2010**

**SCOTT COUNTY ADMINISTRATION**  
**600 WEST 4<sup>TH</sup> STREET**  
**DAVENPORT, IA 52801**  
**563-326-8651**

SCOTT COUNTY, IOWA

REQUEST FOR PROPOSALS

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SCOTT COUNTY, IOWA  
REQUEST FOR PROPOSALS

I. INTRODUCTION

A. General Information

Scott County, Iowa is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal year ending June 30, 2010, with the option of auditing its financial statements for the four subsequent fiscal years (five year contract). These audits are to be performed in accordance with generally accepted auditing standards, the standards set forth for financial audits in the U.S Government Accountability Office's (GAO) *Government Auditing Standards* (1994), 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, and Non-Profit Organizations*, as well as Chapter 11 of the Code of Iowa, and any other provisions applicable to audits of local governments contained in the Code of Iowa. Audits also must be designed and reports prepared based on the rules related to the certificate for excellence in financial reporting established by the Government Finance Officer Association of the United States and Canada (GFOA).

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

Any inquiries concerning this proposal should be directed in writing to the Office of the County Administrator Attn: Sarah Kautz, Scott County Administrative Center, 600 West 4<sup>th</sup> Street, Davenport, IA 52801 or email [skautz@scottcountyiowa.com](mailto:skautz@scottcountyiowa.com). Questions are due by May 17<sup>th</sup>, 2010. Responses to those questions will be posted by May 20<sup>th</sup>, 2010.

To be considered, 8 copies of a proposal must be received by the office of the County Administrator, Attn: Sarah Kautz at 600 West 4<sup>th</sup> Street, Davenport, IA 52801 by 4:00pm May 28<sup>th</sup>, 2010. Scott County, Iowa reserves the right to reject any or all proposals submitted.

Proposals submitted will be evaluated by members of the Audit Selection Committee.

During the evaluation process, the Audit Selection Committee and Scott County, Iowa reserve the right, where it may serve Scott County, Iowa's best interest, to request additional information or clarifications from proposers, or to allow corrections of errors or omissions. At the discretion of Scott County, Iowa or the Audit Selection Committee, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

Scott County, Iowa 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 Scott County, Iowa and the firm selected.

It is anticipated that the selection of a firm will be completed by June 15, 2010. Following the notification of the selected firm it is expected a contract will be executed between both parties by June 30, 2010.

B. Term of Engagement

A five year contract is contemplated, subject to the annual review and recommendation of the Audit Committee, the satisfactory negotiation of terms (including a price acceptable to both Scott County, Iowa and the selected firm), the concurrence of the Scott County Board of Supervisors and the annual availability of an appropriation.

C. Subcontracting

Firms submitting proposals are encouraged to consider subcontracting portions of the engagement to small audit firms or audit firms owned and controlled by socially and economically disadvantaged individuals. If this is to be done, that 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 Scott County, Iowa

## II. NATURE OF SERVICES REQUIRED

A. General

Scott County, Iowa is soliciting the services of qualified firms of certified public accountants to audit its financial statements for the fiscal year ending June 30, 2010 with the option to audit Scott County, Iowa's financial statements for each of the four subsequent fiscal years. These audits are to be performed in accordance with the provisions contained in this request for proposals.

B. Scope of Work to be Performed

Scott County, IA desires the auditor to express an opinion on the fair presentation of its governmental activities, its business-type activities, its aggregate discretely presented component units, each of its major funds, and its aggregate remaining fund information in conformity with generally accepted accounting principles.

Scott County, IA also desires the auditor to express an opinion on the fair presentation of its combining and individual fund financial statements and schedules in conformity with

generally accepted accounting principles. The auditor is not required to audit the supporting schedules contained in the comprehensive annual financial report. However, the auditor is to provide an "in-relation-to" opinion on the supporting schedules based on the auditing procedures applied during the audit of the basic financial statements and the combining and individual fund financial statements and schedules. The auditor is not required to audit the introductory section of the report or the statistical section of the report.

The auditor also shall be responsible for performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards.

The auditor is not required to audit the schedule of expenditures of federal awards. However, the auditor is to provide an "in-relation-to" report on that schedule based on the auditing procedures applied during the audit of the financial statements.

#### C. Auditing Standards to be Followed

To meet the requirements of this request for proposals, the audit shall be performed in accordance with:

generally accepting auditing standards as set forth by the American Institute of Certified Public Accountants, the standards for financial audits set forth in the U.S. Government Accountability Office's *Government Auditing Standards* (1994), the provisions of the Single Audit Act of 1984 (as amended in 1996) and the provisions of U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, Audits of State and Local Governments. The audits also must be performed in accordance with Chapter 11 and any other provisions applicable to audits of local governments contained in the Code of Iowa, and the rules that pertain to the certificate of achievement for excellence in financial reporting established by the Government Finance Officer's Association of the United States and Canada (GFOA).

#### 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 in conformity with generally accepted accounting principles, including an opinion on the fair presentation of the supplementary schedule of expenditures of federal awards in relation to the audited financial statements.
2. A report on compliance and internal control over financial reporting based on an audit of the financial statements.

3. A report on compliance and internal control over compliance applicable to each major federal program.

In the required report[s] on compliance and internal controls, the auditor shall communicate any significant deficiency or material weakness found during the audit. A *significant deficiency* shall be defined as a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected. A *material weakness* shall be defined as a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected. Significant deficiencies that are also material weaknesses shall be identified as such in the report

Control deficiencies discovered by the auditors that are neither significant deficiencies nor material weaknesses shall be reported in a separate letter to management, which shall be referred to in the report[s] on compliance and internal controls. A *control deficiency* shall be deemed to have occurred whenever the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

The reports on compliance and internal controls shall include all instances of noncompliance.

Irregularities and illegal acts. Auditors shall be required to make an immediate, written report of all irregularities and illegal acts ,or indications of illegal acts of which they become aware to the following parties:

**Audit Committee**  
**Board of Supervisors**

Reporting to the audit committee. Auditors shall assure themselves that Scott County, Iowa's audit committee is informed 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. Auditor's judgments about the quality of the entity's accounting principles
6. Other information in documents containing audited financial statements
7. Disagreements with management



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

E. Special Considerations

1. Scott County, Iowa will send its comprehensive annual financial report 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. It is anticipated that the auditor [will/will not] be required to provide special assistance to Scott County, Iowa to meet the requirements of that program.
2. The Schedule of Expenditures of Federal Awards and related auditor's report, as well as the reports on compliance and internal controls are not to be included in the comprehensive annual financial report, but are to be issued separately.
3. A list of findings and other weaknesses from Scott County, Iowa's most recent financial statement audit, as well as a list of findings from internal audits conducted during the most recent fiscal period to be audited, are available on our website at [http://www.scottcountyiowa.com/administration/pub/budget/audits/FY09\\_Scott\\_County\\_Audit\\_Document.pdf](http://www.scottcountyiowa.com/administration/pub/budget/audits/FY09_Scott_County_Audit_Document.pdf). Of those findings and other weaknesses, management believes that they all have been resolved.
4. There may be instances where Scott County, Iowa develops new policies and procedures to handle changes directed by the Scott County Board of Supervisors, outside regulatory agencies, etc. There may be instances where the County is changing or updating accounting policies, calculations, or changes to the fund structure. The auditors would be asked to review said procedure changes to provide advice regarding such changes.

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 three (3) years, unless the firm is notified in writing by Scott County, Iowa 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:

- Scott County, Iowa
- U.S. Government Accountability Office (GAO)
- Parties designated by the federal or state governments or by Scott County, Iowa as part of an audit quality review process
- Auditors of entities of which Scott County, Iowa is a sub-recipient of grant funds
- Auditors of entities of which the Scott County, Iowa is a component unit

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. Name and Telephone Number of Contact Persons

The auditor's principal contact with Scott County, Iowa will be Dee F. Bruemmer, Scott County Administrator, or a designated representative, who will coordinate the assistance to be provided by Scott County, Iowa to the auditor.

#### B. Background Information

Scott County, Iowa serves an area of 465 square miles with a population of 166,650. Scott County, Iowa's fiscal year begins on July 1 and ends on June 30. Scott County, Iowa provides the following services to its citizens:

- Public Safety and Legal Services
- Physical Health and Social Services
- Mental Health, MR & DD
- County Environment & Education
- Roads and Transportation
- Government Services to Residents
- Administration

Scott County, Iowa has a total approx payroll of \$22.5 million covering 457 employees.

Scott County, Iowa is organized into 20 departments. The accounting and financial reporting functions of Scott County, Iowa are decentralized.

More detailed information on the government and its finances can be found in the following documents:

- Budget Documents**
- CAFR**
- Financial Policies and Procedures**
- State Financial Reports**

All of these documents are available on our website or on the State of Iowa Department of Management website.

#### C. Fund Structure

Scott County, Iowa uses the following fund types and account groups in its financial reporting:

- General fund – 2 (General and General Supplemental)
- Special revenue funds - 4 (MH-DD, Rural Services, Secondary Roads, Records Fund)
- Debt service funds - 1
- Capital projects funds – 5 (General Capital, Electronic, Vehicle, Conservation Equip and Capital)
- Enterprise funds – 1 (Golf Course)
- Internal service funds - 1 (Self Insurance Fund)
- Expendable trust funds - 2
- Agency funds - 16
- Component Unit Funds – 10 (EMA, City and County Assessor, SECC, Library, PSA)

D. Basis of Budgeting

Scott County, Iowa prepares its budgets on a basis consistent with generally accepted accounting principles.

E. Federal and State Financial Awards

During the fiscal year to be audited, Scott County, IA received the following Federal Awards:

See FY09 CAFR on our website:

**[www.scottcountyiowa.com/administration/audits/php](http://www.scottcountyiowa.com/administration/audits/php)**

F. Pension Plans

Scott County, Iowa participates in all three of the Iowa Public Employees Retirement System Pension plans.

G. Component Units

Scott County, Iowa 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, component units are included in Scott County, Iowa's financial statements are as follows:

Emergency Management Agency  
Scott County Library

Scott County Assessor  
Scott County Assessor Special  
Davenport City Assessor  
Davenport City Assessor Special  
Public Safety Authority  
Scott Emergency Communication Center

These component units are to be audited as part of the audit of Scott County, Iowa's financial statements.

H. Joint Ventures

Scott County, Iowa does not participate in joint ventures with other governments.

I. Magnitude of Finance Operations

The finance operation is carried out in the following departments:

County Treasurer – cash receipts, cash disbursements, bank reconciliations  
County Auditor – accounts payable, payroll  
Office of the County Administrator – budget, financial reporting, compliance, grants, pcards  
Human Resources – human resources  
Facilities and Support Services – fixed assets, purchasing

J. Computer Systems

General Ledger – Platinum 5.2  
Financial Reporting – FRX v. 6.5.51  
Fixed Assets – FAS Gov 500 Asset Accounting  
Accounts Payable – written in house  
Payroll – written in house  
Human Resources – written in house  
Cash Receipts – written in house

K.. Availability of Prior Audit Reports and Working Papers

Interested proposers who wish to review prior years' audit reports and management letters should contact Sarah Kautz, Budget Manager at 600 West 4<sup>th</sup> Street, Davenport, IA 52801 or skautz@scottcountyiowa.com. Scott County, Iowa 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.

IV. TIME REQUIREMENTS

A. Proposal Calendar

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

Request for proposal issued	May 11, 2010
Questions Due to Scott County, Iowa	May 17, 2010
Responses to Questions posted by Scott County, Iowa	May 20, 2010
Due date for proposals	May 28, 2010
Interviews	June 10 <sup>th</sup> & 11 <sup>th</sup> , 2010

B. Tentative Notification and Contract Dates

Selected firm notified	June 15, 2010
Contract date	June 30, 2010

C. Date Audit May Commence

Scott County, Iowa will have all records ready for audit and all management personnel available to meet with the firm's personnel as of October 1, 2010.

D. Schedule for the FY10 Fiscal Year Audit (A similar time schedule will be developed for audits of future fiscal years).

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

1. Interim Work

The auditor shall complete interim work by August 1, 2010

2. Detailed Audit Plan

The auditor shall provide Scott County, Iowa by August 1, 2010 both a detailed audit plan and a list of all schedules to be prepared by Scott County, Iowa.

3. Fieldwork

The auditor shall complete all fieldwork by November 7<sup>th</sup>, 2010

4. Draft Reports

The auditor shall have drafts of the audit report[s] and recommendations to management available for review by the Audit Committee and Financial Review Committee by November 12<sup>th</sup>, 2010.

E. Presentation of Draft Financial Report due to the Scott County Board of Supervisors on November 16<sup>th</sup>, 2010.

F. Date Final Report is Due

A draft auditor's report(s) shall be delivered to the audit committee by November 12th, 2010.

The Financial Review Committee and the Audit Committee will complete their review of the draft report as expeditiously as possible. It is not expected that this process should exceed one week. During that period, the auditor should be available for any meetings that may be necessary to discuss the audit reports. Once all issues for discussion are resolved, the final signed report shall be delivered to the Office of the County Administrator. It is anticipated that this process will be completed and the final report delivered by November 20, 2010.

The final report and 10 signed copies (and also an electronic copy) should be delivered to the Office of the County Administrator.

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

A. Finance Department and Clerical Assistance

The budget and finance department staff 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 Scott County, Iowa and the auditor.

B. Work Area, Telephones, Photocopying and FAX Machines

Scott County, Iowa will provide the auditor with reasonable work space, desks and chairs. The auditor will also be provided with access to a telephone line, photocopying facilities and FAX machines.

C. Report Preparation

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

D. Scott County, Iowa personnel will be responsible for pulling all invoices, source

documents, etc in order to reduce the cost of the audit services.

## 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:

Scott County, Iowa  
Office of the County Administrator  
Attn: Sarah Kautz, Budget Manager  
600 West 4<sup>th</sup> Street  
Davenport, IA 52801  
skautz@scottcountyiowa.com

CONTACT WITH PERSONNEL OF THE SCOTT COUNTY, IOWA OTHER THAN SARAH KAUTZ, BUDGET MANAGER, REGARDING THIS REQUEST FOR PROPOSALS MAY BE GROUNDS FOR ELIMINATION FROM THE SELECTION PROCESS.

#### 2. Submission of Proposals

The following material is required to be received by May 28, 2010 for a proposing firm to be considered:

a. A master copy (so marked) of a Technical Proposal and eight 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. The proposer shall submit an original and eight copies of a dollar cost bid in a separate sealed envelope marked as follows:

SEALED DOLLAR COST BID  
PROPOSAL  
FOR  
SCOTT COUNTY, IOWA  
FOR  
PROFESSIONAL AUDITING SERVICES  
MAY 28, 2010

- c. Proposers should send the completed proposal consisting of the two separate envelopes to the following address:

Office of the County Administrator  
Attn: Sarah Kautz  
600 West 4<sup>th</sup> Street  
Davenport, IA 52801

B. Technical Proposal

1. General Requirements

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

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

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. While additional data may be presented, the following subjects, items Nos. 2 through 10, must be included. They represent the criteria against which the proposal will be evaluated.

2. Independence

The firm should provide an affirmative statement that is independent of Scott County, Iowa as defined by generally accepted auditing standards/the U.S. Government Accountability Office's *Government Auditing Standards* (1994)]

The firm also should provide an affirmative statement that it is independent of all of the component units of Scott County, Iowa as defined by those same standards.

The firm should also list and describe the firm's (or proposed subcontractors') professional relationships involving Scott County, Iowa or any of its [agencies/ agencies or component units/ agencies, component units or primary government] for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

3. License to Practice in Iowa

An affirmative statement should be included that the firm and all assigned key professional staff are properly [registered/licensed] to practice in Iowa.

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.

If the proposer is a joint venture or consortium, the qualifications of each firm comprising the joint venture or consortium should be separately identified and the firm that is to serve as the principal auditor should be noted, if applicable.

The firm also is 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.

The firm also shall provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years. In addition,

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.

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 Iowa. 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.

Provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. Indicate how the quality of staff over the term of the agreement will be assured.

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 Scott County, Iowa. However, in either case, Scott County, Iowa retains the right to approve or reject replacements.

Consultants and firm specialists mentioned in response to this request for proposal can only be changed with the express prior written permission of Scott County, Iowa which retains the right to approve or reject replacements.

Other audit personnel may be changed at the discretion of the proposer provided that replacements have substantially the same or better qualifications or experience.

6. Engagements With Other Government Entities

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum - 5) performed in the last five years that are similar to the engagement described in this request for proposal. These engagements should be ranked on the basis of total staff hours. Indicate the scope of work, date, and the name and telephone number and email address of the principal client contact.

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 in Section II of this request for proposal.

Proposers will be required to provide the following information on their audit approach:

- a. Proposed segmentation of the engagement
- b. Level of staff and number of hours to be assigned to each proposed segment of the engagement  
NO DOLLARS SHOULD BE INCLUDED IN THE TECHNICAL PROPOSAL
- c. Sample size and the extent to which statistical sampling is to be used in the engagement
- d. Extent of use of EDP 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 Scott County, Iowa's internal control structure
- g. Approach to be taken in determining laws and regulations that will be subject to audit test work
- h. Approach to be taken in drawing audit samples for purposes of tests of compliance

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 Scott County, Iowa.

9. Report Format

The proposal should include sample formats for required reports.

C. 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 costs including all out-of-pocket expenses.

Scott County, Iowa 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 Scott County, Iowa
  - c. A Total All-Inclusive Maximum Price for the FY10 engagement and subsequent years.
2. Rates by Partner, Specialist, Supervisory and Staff Level Times Hours Anticipated for Each
  3. Out-of-pocket Expenses Included in the Total All-inclusive Maximum Price and Reimbursement Rates
  4. Rates for Additional Professional Services

If it should become necessary for Scott County, Iowa 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 forth in an addendum to the contract between Scott County, Iowa and the firm. Any such additional work agreed to between Scott County, Iowa and the firm shall be performed at the same rates set forth 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. Interim billing shall cover a period of not less than a calendar month.

## VII. EVALUATION PROCEDURES

### A. Audit Committee

Proposals submitted will be evaluated by an eight member group comprised of the following

- Two representatives from the County Treasurer's office
- Two representatives from the County Auditor's office
- One representative from the Office of the County Administrator
- One member from the Scott County Board of Supervisors
- One citizen of Scott County

### B. Review of Proposals

The Audit Committee will use a point formula during the review process to score

proposals. Each member of the Audit Committee will first score each technical proposal by each of the criteria described in Section VII C below. The full Audit Committee will then convene to review and discuss these evaluations and to combine the individual scores to arrive at a composite technical score for each firm. At this point, firms with an unacceptably low technical score will be eliminated from further consideration.

After the composite technical score for each firm has been established, the sealed dollar cost bid will be opened and additional points will be added to the technical score based on the bid price. The maximum score for price will be assigned to the firm offering the lowest total all-inclusive maximum price. Appropriate fractional scores will be assigned to other proposers.

Scott County, Iowa reserves the right to retain all proposals submitted and use any idea in a proposal regardless of whether that proposal is selected.

### C. 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 Iowa
  - b. The firm has no conflict of interest with regard to any other work performed by the firm for Scott County, Iowa
  - 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.
2. Technical Quality
  - a. Expertise and Experience
    - (1) The firm's past experience and performance on comparable government engagements
    - (2) 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
    - (1) Adequacy of proposed staffing plan for various segments of the engagement
    - (2) Adequacy of sampling techniques
    - (3) Adequacy of analytical procedures
3. Price

#### 4. Quality of Presentation

##### D. Oral Presentations

During the evaluation process, the Audit Committee may, 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 Audit Committee may have on a firm's proposal. Not all firms may be asked to make such oral presentations.

##### E. Final Selection - tentative

Scott County, Iowa will select a firm based upon the recommendation of the Audit Selection Committee. It is anticipated that a firm will be selected by June 15, 2010. Following notification of the firm selected, it is expected a contract will be executed between both parties by June 30, 2010.

##### F. 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 Scott County, Iowa and the firm selected. Scott County, Iowa reserves the right without prejudice to reject any or all proposals.