



FINANCE COMMITTEE
REQUEST FOR PROPOSALS
FOR
PROFESSIONAL AUDITING SERVICES
October 31, 2006

City of Northglenn
11701 Community Center Drive
Northglenn, Colorado 80233



CITY OF NORTHGLENN,
COLORADO

Bid Number: **RFP-2006 25**

Date: October 31, 2006

Request for Proposal

The City of Northglenn, Colorado will accept sealed bids at the office of the City Clerk, P.O. Box 330061, Northglenn, Colorado, 80233-8061, via e-mail attachment to rfp@northglenn.org, or in person at 11701 Community Center Drive until **2:00 p.m. on Friday November 10, 2006**. **E-mail is the preferred method of responding to this solicitation.** Immediately thereafter, all rfps will be publicly opened and candidates will be read in the presence of the attendees in the office of the City Clerk.

Sealed bids shall be marked as follows:

**2006 FINANCE COMMITTEE REQUEST FOR PROPOSALS FOR
PROFESSIONAL AUDITING SERVICES
RFP-2006 25**

- **Please note that a pre-proposal conference is scheduled at 2:00 p.m. on November 7th in our offices located at 11701 Community Center Drive, Northglenn, Colorado 80233 to respond to any questions you may have about the RFP.**

The City of Northglenn is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal year ending December 31, 2006, with the option of auditing its financial statements for each of the next two subsequent fiscal years. These audits are to be performed in accordance with generally accepted auditing standards, the standards set forth for financial audits in the General Accounting Office's (GAO) Government Auditing Standards (1988), the provisions of the federal Single Audit Act of 1984 and U.S. Office of Management and Budget (OMB) Circular A-128, Audits of State and Local Governments.

RFP instructions are available at www.govbids.com, then click on the Rocky Mountain E-Purchasing System link or click on the link below <http://govbids.com/scripts/co1/public/home1.asp>.

Any questions regarding this project should be directed to Diana Lentz, City Clerk, 11701 Community Center Drive, Northglenn, Colorado 80233 or dlentz@northglenn.org.

The City of Northglenn reserves the right to reject any and all bids and to accept the bid deemed most advantageous to the best interest of the City.

City of Northglenn, Colorado
/s/ Kathy Kvasnicka
Procurement Coordinator

MEMORANDUM OF INSTRUCTION TO AUDIT FIRMS REQUESTING RFPs

DATE: October 31, 2006
TO: Audit Firms Having Expressed Interest in Responding to a Request for Proposals
FROM: Diana Lentz, City Clerk

The City of Northglenn is soliciting proposals from qualified certified public accounting firms to audit the City of Northglenn's financial statements for the fiscal year ending December 31, 2006, with the option of auditing the City of Northglenn's financial statements for two subsequent fiscal years.

Enclosed for your consideration is a Request for Proposal (RFP).

To be considered for this engagement, your firm must meet the qualifications and satisfy the requirements set forth in the RFP.

Completed proposals must be received by 2:00 p.m. November 10, 2006 at the following address:

Diana Lentz, City Clerk
Attn: Finance Committee
11701 Community Center Drive
Northglenn, Colorado 80233

This request is essentially representative of the previously posted request for auditing services dated September 29, 2006. However, the City has determined to implement a different process for interviewing those that submit proposals. If so desired, in lieu of resubmitting a proposal, those firms which responded to the previous RFP may submit an intent for inclusion in this RFP process by email to Diana Lentz, City Clerk at dlentz@northglenn.org.

Please note that a pre-proposal conference is scheduled at 2:00 p.m. on November 7th in our offices located at 11701 Community Center Drive, Northglenn, Colorado 80233 to respond to any questions you may have about the RFP. If so desired, those firms which responded to the previous RFP are welcome to attend that pre-proposal conference.

During the evaluation process, the City may, at its discretion, request any one or all firms submitting proposals to make oral presentations and/or respond to questions from the City. It is anticipated that any such presentations would occur on Friday, November 17, 2006 commencing at 10:00 a.m. at our offices. Not all firms may be asked to make such oral presentations and firms which were previously interviewed may be included in this process.

All questions and correspondence should be directed to Diana Lentz in writing at the above address or by e-mail at dlentz@northglenn.org. Contact with City of Northglenn personnel other than Diana Lentz regarding this RFP may be grounds for elimination from the selection process.



City of Northglenn

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City of Northglenn
REQUEST FOR PROPOSALS

I. INTRODUCTION

A. General Information

The City of Northglenn is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal year ending December 31, 2006, with the option of auditing its financial statements for each of the next two subsequent fiscal years. These audits are to be performed in accordance with generally accepted auditing standards, the standards set forth for financial audits in the General Accounting Office's (GAO) Government Auditing Standards, the provisions of the federal Single Audit Act of 1984 and U.S. Office of Management and Budget (OMB) Circular A-128, Audits of State and Local Governments.

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

A pre-proposal conference for all the firms interested in submitting a proposal will be held at 2 p.m. on November 7, 2006 at 11701 Community Center Drive, Northglenn, Colorado in the City Manager's Conference Room to answer questions about the engagement. After this pre-proposal conference, any inquiries concerning the request for proposals should be addressed to Diana Lentz, City Clerk.

To be considered, sealed bids must be received at the office of the City Clerk, P.O. Box 330061, Northglenn, Colorado, 80233-8061, via e-mail attachment to rpf@northglenn.org or in person at 11701 Community Center Drive no later than 2:00 p.m. on Monday November 10, 2006. E-mail is the preferred method of responding to this solicitation. The City of Northglenn reserves the right to reject any or all proposals submitted.

Proposals submitted will be evaluated by a Finance Committee selected by the City of Northglenn City Council, consisting of members of City Council and Staff.

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

The City of Northglenn reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City of Northglenn and the firm selected.

It is anticipated the selection of a firm will be completed by December 15, 2006. Following the notification of the selected firm it is expected a contract will be executed between both parties by January 11, 2007.

B. Term of Engagement

A three-year contract is contemplated, with an option for each of the next two subsequent years, subject to the annual review and recommendation of the Finance Committee, the satisfactory negotiation of terms (including a price acceptable to both the City of Northglenn and the selected firm), the concurrence of the City of Northglenn City Council and the annual availability of an appropriation.

SAMPLE PROFESSIONAL AGREEMENT CONDITIONS AND REQUIREMENTS

THIS AGREEMENT is made and entered into this ____ day of _____, 200__, by and between the City of Northglenn, State of Colorado (hereinafter referred to as the "City") and ____ (hereinafter referred to as "Consultant").

RECITALS:

A. The City requires professional services.

B. Consultant has held itself out to the City as having the requisite expertise and experience to perform the required work for the Project.

NOW, THEREFORE, it is hereby agreed for the consideration hereinafter set forth, that Consultant shall provide to the City, professional consulting services for the Project.

I. SCOPE OF SERVICES

Consultant shall furnish all labor and materials to perform the work and services required for the complete and prompt execution and performance of all duties, obligations, and responsibilities for the Project which are described or reasonably implied from **Exhibit A** which is attached hereto and incorporated herein by this reference.

II. THE CITY'S OBLIGATIONS/CONFIDENTIALITY

The City shall provide Consultant with reports and such other data as may be available to the City and reasonably required by Consultant to perform hereunder. No project information shall be disclosed by Consultant to third parties without prior written consent of the City or pursuant to a lawful court order directing such disclosure. All documents provided by the City to Consultant shall be returned to the City. Consultant is authorized by the City to retain copies of such data and materials at Consultant's expense.

III. OWNERSHIP OF WORK PRODUCT

The City acknowledges that the Consultant's work product is an instrument of professional service. Nevertheless, the products prepared under this Agreement shall become the property of the City upon completion of the work.

IV. COMPENSATION

A. In consideration for the completion of the services specified herein by Consultant, the City shall pay Consultant an amount not to exceed ____ dollars (\$ _____). Payment shall be made in accordance with the schedule of charges in **Exhibit B** which is attached hereto and incorporated herein by this reference. Invoices will be itemized and include hourly breakdown for all personnel

and other charges. The maximum fee specified herein shall include all fees and expenses incurred by Consultant in performing all services hereunder.

B. Consultant may submit monthly or periodic statements requesting payment. Such request shall be based upon the amount and value of the work and services performed by Consultant under this Agreement except as otherwise supplemented or accompanied by such supporting data as may be required by the City.

1. All invoices, including Consultant's verified payment request, shall be submitted by Consultant to the City no later than the twenty-fourth (24th) day of each month for payment pursuant to the terms of this Agreement. In the event Consultant fails to submit any invoice on or before the twenty-fourth (24th) day of any given month, Consultant defers its right to payment pursuant to said late invoice until the twenty-fourth (24th) day of the following month.
2. Progress payments may be claimed on a monthly basis for reimbursable costs actually incurred to date as supported by detailed statements, including hourly breakdowns for all personnel and other charges. The amounts of all such monthly payments shall be paid within thirty (30) days after the timely receipt of invoice as provided by this Agreement.

C. The City has the right to ask for clarification on any Consultant invoice after receipt of the invoice by the City.

D. In the event payment for services rendered has not been made within forty-five (45) days from the receipt of the invoice for any uncontested billing, interest will accrue at the legal rate of interest. In the event payment has not been made within ninety (90) days from the receipt of the invoice for any uncontested billing, Consultant may, after giving seven (7) days written notice and without penalty or liability of any nature, suspend all work on all authorized services specified herein. In the event payment in full is not received within thirty (30) days of giving the seven (7) days written notice, Consultant may terminate this Agreement. Upon receipt of payment in full for services rendered, Consultant will continue with all authorized services.

E. Final payment shall be made within sixty (60) calendar days after all data and reports (which are suitable for reproduction and distribution by the City) required by this Agreement have been turned over to and approved by the City and upon receipt by the City of Consultant's certification that services required herein by Consultant have been fully completed in accordance with this Agreement and all data and reports for the Project.

V. COMMENCEMENT AND COMPLETION OF WORK

Within seven (7) days of receipt from the City of a Notice to Proceed, Consultant shall commence work on all its obligations as set forth in the Scope of Services or that portion of such obligations as is specified in said Notice. Except as may be changed in writing by the City, the Project shall be complete and Consultant shall furnish the City the specified deliverables as provided

in Exhibit A.

VI. CHANGES IN SCOPE OF SERVICES

A change in the Scope of Services shall constitute any material change or amendment of services or work which is different from or additional to the Scope of Services specified in Section I of this Agreement. No such change, including any additional compensation, shall be effective, or paid unless authorized by written amendment executed by the City. If Consultant proceeds without such written authorization, then Consultant shall be deemed to have waived any claim for additional compensation, including a claim based on the theory of unjust enrichment, quantum merit or implied contract. Except as expressly provided herein, no agent, employee, or representative of the City shall have the authority to enter into any changes or modifications, either directly or implied by a course of action, relating to the terms and scope of this Agreement.

VII. PROFESSIONAL RESPONSIBILITY

A. Consultant hereby warrants that it is qualified to assume the responsibilities and render the services described herein and has all requisite corporate authority and professional licenses in good standing, required by law.

B. The work performed by Consultant shall be in accordance with generally accepted professional practices and the level of competency presently maintained by other practicing professional firms in the same or similar type of work in the applicable community.

C. Consultant shall be responsible for the professional quality, technical accuracy, timely completion, and the coordination of all designs, drawings, specifications, reports, and other services furnished by Consultant under this Agreement. Consultant shall, without additional compensation, correct or resolve any errors or deficiencies in his designs, drawings, specifications, reports, and other services, which fall below the standard of professional practice, and reimburse the City for construction costs caused by errors and omissions which fall below the standard of professional practice.

D. Approval by the City of drawings, designs, specifications, reports, and incidental work or materials furnished hereunder shall not in any way relieve Consultant of responsibility for technical adequacy of the work. Neither the City's review, approval or acceptance of, nor payment for, any of the services shall be construed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement, and Consultant shall be and remain liable in accordance with applicable performance of any of the services furnished under this Agreement.

E. The rights and remedies of the City provided for under this Agreement are in addition to any other rights and remedies provided by law.

VIII. COMPLIANCE WITH LAW

The work and services to be performed by Consultant hereunder shall be done in compliance with applicable laws, ordinances, rules and regulations.

A. UNLAWFUL EMPLOYEES, CONTRACTORS AND SUBCONTRACTORS: Contractor shall not knowingly employ or contract with an illegal alien to perform work under this Contract. Contractor shall not knowingly contract with a subcontractor that (a) knowingly employs or contracts with an illegal alien to perform work under this Contract or (b) fails to certify to the Contractor that the subcontractor will not knowingly employ or contract with an illegal alien to perform work under this Contract. [CRS 8-17.5-102(2)(a)(I) & (II).]

B. VERIFICATION REGARDING ILLEGAL ALIENS: Contractor has verified or attempted to verify through participation in the basic pilot program of the United States Government that Contractor does not employ any illegal aliens or Contractor verifies that Contractor has not been accepted into the basic pilot program prior to entering into this Contract. Contractor further verifies that if Contractor has not been accepted in to the basic pilot program of the United States Government, Contractor will apply to participate in the basic pilot program of the United States Government every three months until Contractor is accepted or this Contract is completed, whichever is earlier. [CRS 8-17.5-102(2)(b)(I).]

C. LIMITATION REGARDING BASIC PILOT PROGRAM: Contractor shall not use basic pilot program procedures to undertake preemployment screening of job applicants while performing this Contract. CRS 8-17.5-102(2)(b)(II).]

D. DUTY TO TERMINATE A SUBCONTRACT; EXCEPTIONS: If Contractor obtains actual knowledge that a subcontractor performing work under this Contract knowingly employs or contracts with an illegal alien, the Contractor shall, unless the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien:

- (a) notify the subcontractor and the City within three days that the Contractor has actual knowledge that the subcontractor is employing or contracting with an illegal alien; and
- (b) terminate the subcontract with the subcontractor if, within three days of receiving notice that the Contractor has actual knowledge that the subcontractor is employing or contracting with an illegal alien, the subcontractor does not stop employing or contracting with the illegal alien. CRS 8-17.5-102(2)(b)(III)(A) & (B).]

E. DUTY TO COMPLY WITH STATE INVESTIGATION: Contractor shall comply with any reasonable request of the Colorado Department of Labor and Employment made in the course of an investigation pursuant to C.R.S. 8-17.5-102 (5). CRS 8-17.5-102(2)(b)(IV).]

F. DAMAGES FOR BREACH OF CONTRACT: In addition to any other legal or equitable remedy the City may be entitled to for a breach of this Contract, if the City terminates this Contract, in whole

or in part, due to Contractor's breach of any paragraph A through E inclusive, Contractor shall be liable for actual and consequential damages to the City.

G. **SOLE PROPRIETOR** A Contractor that operates as a sole proprietor hereby swears or affirms under penalty of perjury that the Contractor (i) is a citizen of the United States or otherwise lawfully present in the United States pursuant to federal law, (ii) shall comply with the provisions of CRS 24-76.5-101 et seq. and (iii) shall produce one of the forms of identification required by CRS 24-75.5-103 prior to the effective date of this Contract. Except where exempted by federal law and except as provided in CRS 24-76.5-103(3), a Contractor that receives federal or state funds under this contract must confirm that any individual natural person eighteen years of age or older is lawfully present in the United States pursuant to CRS 24-76.5-103(4) if such individual applies for public benefits provided under this contract.

IX. INDEMNIFICATION

Consultant agrees to indemnify and hold harmless the City, its officers, employees, and insurers, from and against all liability, claims, and demands, on account of injury, loss, or damage, including without limitation claims arising from bodily injury, personal injury, sickness, disease, death, property loss or damage, if such injury, loss, or damage is caused in whole or in part by, or is claimed to be caused in whole or in part by, the negligent act, omission, error, professional error, mistake, negligence, or other fault of Consultant, any subconsultant of Consultant, or any officer, employee, representative, or agent of Consultant or of any subconsultant of Consultant, or which arise out of any workmen's compensation claim of any employee of Consultant or of any employee of any subconsultant of Consultant. Consultant agrees to investigate, handle, respond to, and to provide defense for and defend against any such liability, claims or demands at the sole expense of Consultant, or at the option of the City, agrees to pay the City or reimburse the City for the defense costs incurred by the City in connection with, any such liability, claims, or demands. Consultant also agrees to bear all other costs and expenses related thereto, including court costs and attorney fees, whether or not any such liability, claims, or demands alleged are groundless, false, or fraudulent. If it is determined by the final judgment of a court of any competent jurisdiction that such injury, loss, or damage was caused in whole or in part by the act, omission, or other fault of the City, its officers, or its employees, the City shall reimburse Consultant for the portion of the judgment attributable to such act, omission, or other fault of the City, its officers, or employees.

X. INSURANCE

A. Consultant agrees to procure and maintain, at its own cost, a policy or policies of insurance sufficient to insure against all liability, claims, demands, and other obligations assumed by Consultant pursuant to paragraph A. above. Such insurance shall be in addition to any other insurance requirements imposed by this Agreement or by law. Consultant shall not be relieved of any liability, claims, demands, or other obligations assumed pursuant to Section IX. Indemnification, above, by reason of its failure to procure or maintain insurance, or by reason of its failure to procure or maintain insurance in sufficient amounts, durations, or types.

B. Consultant shall procure and maintain, and shall cause any subconsultant of Consultant to procure and maintain, the minimum insurance coverages listed below. Such coverages shall be procured and maintained with forms and insurers acceptable to the City. All coverages shall be continuously maintained to cover all liability, claims, demands, and other obligations assumed by Consultant pursuant to Section IX. Indemnification, above. In the case of any claims-made policy, the necessary retroactive dates and extended reporting periods shall be procured to maintain such continuous coverage.

1. Workmen's compensation insurance to cover obligations imposed by applicable laws for any employee engaged in the performance of work under this Agreement, and Employer's Liability insurance with minimum limits of five hundred thousand dollars (\$500,000) each accident, one million dollars (\$1,000,000) disease - policy limit, and one million dollars (\$1,000,000) disease - each employee. Evidence of qualified self-insured status may be substituted for the workmen's compensation requirements of this paragraph.
2. Commercial general liability insurance with minimum combined single limits of six hundred thousand (\$600,000) each occurrence and one million dollars (\$1,000,000) general aggregate. The policy shall be applicable to all premises and operations. The policy shall include coverage for bodily injury, broad form property damage (including completed operations), personal injury (including coverage for contractual and employee acts), blanket contractual, products, and completed operations. The policy shall contain a severability of interests provision.
3. Professional liability insurance with minimum limits of six hundred thousand dollars (\$600,000) each claim and one million dollars (\$1,000,000) general aggregate.
4. The policy required by paragraph 2. above shall be endorsed to include the City and the City's officers, employees, and consultants as additional insureds. Every policy required above shall be primary insurance, and any insurance carried by the City, its officers, its employees, or its consultants shall be excess and not contributory insurance to that provided by Consultant. No additional insured endorsement to the policy required by paragraph 1. above shall contain any exclusion for bodily injury or property damage arising from completed operations. Consultant shall be solely responsible for any deductible losses under any policy required above.
5. The certificate of insurance provided for the City shall be completed by Consultant's insurance agent as evidence that policies providing the required coverages, conditions, and minimum limits are in full force and effect, and shall be reviewed and approved by the City prior to commencement of the Agreement. No other form of certificate shall be used. The certificate shall identify this Agreement and shall provide that the coverages afforded under the policies shall not be cancelled, terminated or materially changed until at least thirty (30) days prior written notice has been given to the City. The completed certificate of insurance shall be sent to:
City of Northglenn
11701 Community Center Drive
Northglenn, Colorado 80233-8061
Attn: _____
6. Failure on the part of Consultant to procure or maintain policies providing the required coverages, conditions, and minimum limits shall constitute a material breach of agreement upon which the City may immediately terminate this Agreement, or at its discretion, the City may procure or renew any such policy or any extended reporting period thereto and may pay any and all premiums in connection therewith, and all monies so paid by the City shall be repaid by Consultant to the City upon demand, or the City may offset the cost of the premiums against any monies due to Consultant from the City.

7. The City reserves the right to request and receive a certified copy of any policy and any endorsement thereto.
8. The parties hereto understand and agree that the City, its officers, and its employees, are relying on, and do not waive or intend to waive by any provision of this Agreement, the monetary limitations (presently one hundred fifty thousand dollars (\$150,000) per person and six hundred thousand dollars (\$600,000) per occurrence) or any other rights, immunities, and protections provided by the Colorado Governmental Immunity Act, Colo. Rev. Stat. §24-10-101 et seq., 10 Colo. Rev. Stat., as from time to time amended, or otherwise available to the City, its officers, or its employees.

XI. NON-ASSIGNABILITY

Neither this Agreement, nor any of the rights or obligations of the parties hereto, shall be assigned by either party without the written consent of the other.

XII. TERMINATION

This Agreement shall terminate at such time as the work in Section I is completed and the requirements of this Agreement are satisfied, or upon the City's providing Consultant with seven (7) days advance written notice, whichever occurs first. In the event the Agreement is terminated by the City's issuance of said written notice of intent to terminate, the City shall pay Consultant for all work previously authorized and completed prior to the date of termination. If, however, Consultant has substantially or materially breached the standards and terms of this Agreement, the City shall have any remedy or right of set-off available at law and equity. If the Agreement is terminated for any reason other than cause prior to completion of the Project, any use of documents by the City thereafter shall be at the City's sole risk, unless otherwise consented to by Consultant.

XIII. CONFLICT OF INTEREST

The Consultant shall disclose any personal or private interest related to property or business within the City. Upon disclosure of any such personal or private interest, the City shall determine if the interest constitutes a conflict of interest. If the City determines that a conflict of interest exists, the City may treat such conflict of interest as a default and terminate this Agreement.

XIV. VENUE

This Agreement shall be governed by the laws of the State of Colorado, and any legal action concerning the provisions hereof shall be brought in the County of Adams, State of Colorado.

XV. INDEPENDENT CONTRACTOR

Consultant is an independent contractor. Notwithstanding any provision appearing in this Agreement, all personnel assigned by Consultant to perform work under the terms of this Agreement shall be, and remain at all times, employees or agents of Consultant for all purposes. Consultant shall make no representation that it is the employee of the City for any purposes.

XVI. NO WAIVER

Delays in enforcement or the waiver of any one or more defaults or breaches of this Agreement by the

City shall not constitute a waiver of any of the other terms or obligation of this Agreement.

XVII. ENTIRE AGREEMENT

This Agreement and the attached Exhibits A and B is the entire Agreement between Consultant and the City, superseding all prior oral or written communications. None of the provisions of this Agreement may be amended, modified, or changed, except as specified herein.

XVIII. NOTICE

Any notice or communication between Consultant and the City which may be required, or which may be given, under the terms of this Agreement shall be in writing, and shall be deemed to have been sufficiently given when directly presented or sent pre-paid, first class United States Mail, addressed as follows:

The City: City of Northglenn
11701 Community Center Drive
Northglenn, Colorado 80233-8061

Consultant:

**SAMPLE DOCUMENT PROSPECTIVE CONTRACTOR'S CERTIFICATE REGARDING
EMPLOYING OR CONTRACTING WITH AN ILLEGAL ALIEN
(Corporations, Companies)**

FROM: _____

(Prospective Contractor)

TO: City of Northglenn
11701 Community Center Drive
Northglenn, CO 80233

Project Name _____

Bid Number _____ Project No. _____

As a prospective contractor for the above-identified bid, I (we) do hereby certify that, as of the date of this certification, I (we) do not knowingly employ or contract with an illegal alien and that I (we) have participated in or attempted to participate in the basic pilot program of the state of Colorado in order to verify that I (we) do not employ any illegal aliens.

Executed this _____ day of _____, 2006.

Prospective Contractor _____

By: _____

Its: _____
Title

II. NATURE OF SERVICES REQUIRED

A. General

The City of Northglenn is soliciting the services of qualified firms of certified public accountants to audit its financial statements for the fiscal year ending December 31, 2006, with the option to audit the City of Northglenn's financial statements for each of the two subsequent fiscal years. These audits are to be performed in accordance with the provisions contained in this request for proposals.

B. Scope of Work to be Performed

The City of Northglenn desires the auditor to express an opinion on the fair presentation of its general- purpose financial statements in conformity with generally accepted accounting principles.

The City of Northglenn also desires the auditor to express an opinion on the fair presentation of its government wide and fund level combining statements, individual fund and account group 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. The auditor is not required to audit the introductory, statistical and continuing debt disclosure sections of the report.

The auditor shall also 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.

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 contained in Government Auditing Standards, issued by the Comptroller General of the United States, the provisions of the Single Audit Act and the provisions of U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

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.
2. A report on the internal control structure based on the auditors' understanding of the control structure and assessment of control risk.

3. A report on compliance with applicable laws and regulations.
4. A report on the internal control structure used in administering federal financial assistance programs (this report may be combined with report number 2).
5. A report on compliance with specific requirements applicable to major federal financial assistance programs.
6. A report on compliance with specific requirements applicable to non-major federal financial assistance programs (this report may be combined with report number 5).
7. A report on compliance with general requirements for both major and non-major federal financial assistance programs.

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

Reportable conditions that are also material weaknesses shall be identified as such in the report.

Non-reportable conditions discovered by the auditors shall be reported in a separate letter to management, which shall be referred to in the report[s] on internal controls.

The reports on compliance 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 Finance Committee of City Council.

Reporting to the Finance Committee. Auditors shall assure themselves that the City of Northglenn's Finance 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. Other information in documents containing audited financial statements
6. Disagreements with management
7. Management consultation with other accountants

8. Major issues discussed with management prior to retention
9. Difficulties encountered in performing the audit

E. Special Considerations

1. The City of Northglenn 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 not be required to provide special assistance to the City of Northglenn to meet the requirements of that program.
2. The schedule of federal financial assistance and related auditor's report, as well as the reports on the internal controls and compliance are to be issued as part of the comprehensive annual financial report.
3. A list of findings and other weaknesses from the City of Northglenn's most recent financial statement audit are attached to this document (Appendix A).
4. GASB 34 was implemented as of December 31, 2000. The government-wide financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting as required for the proprietary fund and the fiduciary fund financial statements. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

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 the City of Northglenn 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:

U.S. General Accounting Office (GAO)

Parties designated by the federal or state governments or by the City of Northglenn as part of an audit quality review process

Auditors of entities of which the City of Northglenn is a subrecipient of grant funds

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/Organizational Chart/Location of Offices

The auditor's principal contact with the City of Northglenn will be Acquetta Likkel, Accounting Manager, or a designated representative, who will coordinate the assistance to be provided by the City of Northglenn to the auditor.

An organizational chart (Appendix B) and a list of key personnel are attached.

B. Background Information

The City of Northglenn serves an area of 7.5 square miles with a population of 36,854. The City of Northglenn's fiscal year begins on January 1 and ends on December 31.

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

- General Government
- Police Protection
- Water and Wastewater Services
- Sanitation (Trash Removal)
- Parks and Recreation

The City of Northglenn had a total payroll of \$11,956,725 in 2005 with 450 W-2 forms issued in 2005. There are approximately 242 full-time employees.

The City of Northglenn is organized into 7 departments and agencies. The accounting and financial reporting functions of the City of Northglenn are centralized.

More detailed information on the government and its finances can be found in the 2006 Annual Budget and the 2005 Comprehensive Annual Financial Report which are enclosed with this request.

C. Fund Structure

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

<u>Fund Type/Account Group</u>	<u>Number of Individual Funds</u>	<u>Number With Legally Adopted Annual Budgets</u>
General fund	1	1
Special revenue funds	3	3
Debt service funds	0	0
Capital projects funds	1	1
Enterprise funds	2	2
Internal service funds	0	0
Expendable trust funds	0	0
Nonexpendable trust funds	0	0
Pension trust funds	0	0
Agency funds	0	0
General fixed assets account group	1	NA
General long-term debt account group	1	NA

D. Budgetary Basis of Accounting

The City of Northglenn adopts its budgets consistent with generally accepted accounting principles with the exception of the enterprise funds which are budgeted on the modified accrual basis of accounting. The city-wide 2006 adopted budget was \$47,949,715

E. Federal and State Financial Assistance

During the fiscal year to be audited, the City of Northglenn received the following financial assistance:

Community Development Block Grant	\$164,263
Federal Grants	\$ 27,950
State Operating Grants	\$ 5,900
County Project Grant	\$214,610

The City also participated with other municipalities in an EPA funded project.

F. Pension Plans

The City of Northglenn participates in the following Single-Employer Defined Contribution pension plans:

General Employees' Pension Plan – Schwab Retirement Plan Services

Police Money Purchase Pension Plan - Schwab Retirement Plan Services

G. Component Units

The City of Northglenn 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 the City of Northglenn's financial statements.

The management of the City of Northglenn identified the Northglenn Capital Leasing Corporation as a blended component unit for inclusion in the City of Northglenn's financial statements.

The management of the City of Northglenn identified the following discretely presented component units for inclusion in the City of Northglenn's financial statements:
Northglenn Urban Renewal Authority

Northglenn Neighborhood Development Corporation

Church Ditch Water Authority

These component units are to be audited as part of the audit of the City of Northglenn's financial statements. Records are maintained by the City of Northglenn's Finance Department.

H. Joint Ventures/Cost Sharing

The City of Northglenn does not participate in joint ventures with other governments.

It is a member of the Woman Creek Reservoir Authority which is governed jointly by the three cities of Westminster, Thornton, and Northglenn. This entity is audited separately.

This City of Northglenn entered into a cost sharing agreement with the City of Thornton for a pipeline construction projected which was completed in 2000. Each City remits sufficient funds for yearly costs to an escrow account.

I. Major Capital Projects / Streets Maintenance

The City is projecting commencing a major capital project related to Croke Reservoir and Huron Street improvements. This project is included in the proposed 2007 budget at approximately \$4,000,000. Additionally, a clearwell and building expansion project is proposed at the water treatment facility.

The City has elected to use the modified method of accounting for its streets. The year 2006 streets maintenance measurement effort is nearing completion. The City engineers are conducting the measurement and inspections. The streets have been considered in good or better condition and the City Council is committed to the street improvement projects to maintain a good or better condition rating.

J. Magnitude of Finance Operations

The finance department is headed by Brent Worthington, Finance Director and consists of 13 employees. The principal functions performed and the number of employees assigned to each is as follows:

Function	Number of Employees
Accounting & Administration	8
Revenue Collection and Billing	5

The principal finance staff experience with the City of Northglenn include 1 ½ years as Finance Director; 2 ½ years as Treasury Manager; 1 year as Accounting Manager; 8 months as Senior Accountant; 1 ½ years as Financial Analyst; 4 years as Purchasing Agent and Risk Manager and the Utility Billing Supervisor has been with the City 15 years.

K. Computer Systems

Hardware

<u>Type of Equipment</u>	<u>Number</u>	<u>Make of Equipment</u>	<u>Networked?</u>
Alpha	1	Compaq Alpha 4300	yes

Software and Data Bases

<u>Make</u>	<u>Vendor</u>	<u>Major Applications</u>
Alpha	Therefore	G/L, A/P, Payroll, Fixed Assets, Utility Billing Motor Pool, Sales Tax, Budget

The City of Northglenn's 2007 proposed budget includes an appropriation for a new fully integrated financial management system.

L. Internal Audit Function

The City of Northglenn does not have an internal audit function.

M. Sales Tax Audit Function

The City of Northglenn has one full time sales tax auditor that conducts 20 – 30 audits on an annual basis. The City supplements the sales tax audit function by contracting with an independent sales tax recovery group for individual audits on behalf of the City.

N. City Attorney Function

The City of Northglenn contracts with a legal services firm to provide services to the city. The assigned attorney is readily available as needed and for meeting attendance.

O. Availability of Prior Audit Reports and Working Papers

Interested proposers who wish to review prior years' audit reports and management letters should contact Diana Lentz, City Clerk, City of Northglenn, 11701 Community Center Drive, Northglenn, Colorado, 80233. The City of Northglenn 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.

P. Prior Year Audit Fee

The contract to provide audit services for the year ended December 31, 2005 provided for financial audit fees not to exceed \$35,400 and single audit fees not to exceed \$10,000.

IV. TIME REQUIREMENTS

A. Fiscal Year Audit

A schedule will be developed by City staff for interim work, initiation of fieldwork, as well as completion dates for the auditor. The audit must be completed and the CAFR printed in time for a study session with Council the first few weeks in June. Below is a tentative schedule, subject to changes upon mutual agreement.

To Be Determined	Auditor/City	Entrance conference with Finance Director and key staff. The purpose of this meeting will be to discuss potential audit problems and the interim work to be performed. This meeting will also be used to establish overall liaison for the audit and to make arrangements for workspace and other needs of the auditor.
To Be Determined	Auditor	Interim fieldwork completed
To Be Determined	Auditor	Detailed audit plan and a list and format of all schedules to be prepared.
April 11	City	Draft financial statements, notes and all required supplementary schedules and statistical data for auditors' fieldwork.
April 16	Auditor	Fieldwork is to commence. This is to include review and tie out of work papers and CAFR in the field.
April 27	Auditor	Fieldwork is to be completed. Auditor recommendations and revisions to the CAFR are due to the City.
April 30	City	Final draft of financial statements, notes and supplementary schedules and statistical data to Auditor.
May 7	Auditor	Draft copy of Management Letter due to the City.
May 14-18	City	Meetings with Finance Committee and/or City Manager to review Management Letter.
May 22	Auditor	Final signed audit reports and final Management Letter delivered to the Finance Director.
May 28-30	City	Final report is to be printed and bound.
May 31	City	Distribute CAFR to City Council.
June 21	Auditor/City	Formal acceptance at Council Meeting.

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

A. Finance Department and Clerical Assistance

The 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 the City of Northglenn.

B. Work Area, Telephones, Photocopying and FAX Machines

The City of Northglenn will provide the auditor with reasonable work space, desks and chairs. The auditor will also be provided with access to one telephone line, photocopying facilities and one FAX machine.

C. Report Preparation

The City of Northglenn is responsible for the preparation and printing of the Comprehensive Annual Finance Report (CAFR). The Auditor is responsible for the preparation and reproduction of the management letter to be provided directly to the City Council. The Auditor also supplies twenty-five originals of the opinion letters to the Finance Department for incorporation into the CAFR.

VI. PROPOSAL REQUIREMENTS

A. General Requirements

1. Pre-proposal Conference and On-site Inspections

A conference for firms interested in submitting proposals will be held at 2:00pm November 7, 2006 at 11701 Community Center Drive, Northglenn, Colorado. Both verbal and written questions will be accepted during the conference.

2. Inquiries

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

Diana Lentz, City Clerk
dlentz@northglenn.org
11701 Community Center Drive
Northglenn, Colorado 80233

CONTACT WITH PERSONNEL OF THE CITY OF NORTGLENN OTHER THAN DIANA LENTZ, CITY CLERK, REGARDING THIS REQUEST FOR PROPOSALS MAY BE GROUNDS FOR ELIMINATION FROM THE SELECTION PROCESS.

4. Submission of Proposals

The following material is required to be received by 2 pm November 10, 2006 for a proposing firm to be considered:

a. **Technical Proposal** 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 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 60 days. An electronic signature is accepted on the electronic rfp documents /s/.

iv. Detailed Proposal

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

v. Executed copies of Proposer Guarantees and Proposer Warranties, attached to this request for proposal (Appendix D and Appendix E). An electronic signature is accepted on the electronic rfp documents /s/.

vi. Illegal Alien affidavit signed and returned with rfp documents (Appendix G) An electronic signature is accepted on the electronic rfp documents /s/.

- b. The proposer shall submit a dollar cost bid in a separate document marked as follows:

SEALED DOLLAR COST BID
PROPOSAL
FOR
CITY OF NORTHGLENN
FOR
PROFESSIONAL AUDITING SERVICES
October 31, 2006

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

via e-mail attachment to rfp@northglenn.org

via mail delivery:

City Clerk
P.O. Box 330061
Northglenn, Colorado, 80233-8061

Hand Delivery:

11701 Community Center Drive,
Northglenn, Colorado 80233

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 the City of Northglenn 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 the City of Northglenn as defined by the U.S. General Accounting Office's Government Auditing Standards.

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

The firm should also list and describe the firm's (or proposed subcontractors') professional relationships involving the City of Northglenn or any of its component units 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.

In addition, the firm shall give the City of Northglenn written notice of any professional relationships entered into during the period of this agreement.

3. License to Practice in Colorado

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

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

The firm shall also 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 Colorado. 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 the City of Northglenn. However, in either case, the City of Northglenn 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 the City of Northglenn, 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. Prior Engagements with the City of Northglenn

List separately all engagements within the last five years, ranked on the basis of total staff hours, for the City of Northglenn by type of engagement (i.e., audit, management advisory services, other). Indicate the scope of work, date, engagement partners, total hours, the location of the firm's office from which the engagement was performed, and the name and telephone number of the principal client contact.

7. Similar Engagements with Other Government Entities

For the firm's office that will be assigned responsibility for the audit, list engagements 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, engagement partners, total hours, and the name and telephone number of the principal client contact.

8. 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. In developing the work plan, reference should be made to such sources of information as City of Northglenn's budget and related materials, organizational charts, manuals and programs, and financial and other management information systems.

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. Type and extent of analytical procedures to be used in the engagement
- e. Approach to be taken to gain and document an understanding of the City of Northglenn's internal control structure
- f. Approach to be taken in determining laws and regulations that will be subject to audit test work
- g. Approach to be taken in drawing audit samples for purposes of tests of compliance

9. Identification of Anticipated Potential Audit Problems

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

10. Report Format

The proposal should include sample formats for required reports.

NO DOLLARS SHOULD BE INCLUDED IN THE TECHNICAL PROPOSAL

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.

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

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

- a. Name of Firm
 - b. Certification that the person signing the proposal is entitled to represent the firm, empowered to submit the bid, and authorized to sign a contract with the City of Northglenn.
 - c. A Total All-Inclusive Maximum Price for the 2006 engagement.
2. Rates by Partner, Specialist, Supervisory and Staff Level Hours Anticipated for Each

The second page of the sealed dollar cost bid should include a schedule of professional fees and expenses, presented in the format provided in the attachment (Appendix F) that supports the total all-inclusive maximum price. The cost of special services described in Section I.E. of this request for proposal should be disclosed as separate components of the total all-inclusive maximum price.

3. Rates for Additional Professional Services

If it should become necessary for the City of Northglenn 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 the City of Northglenn and the firm. Any such additional work agreed to between the City of Northglenn 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.

4. Manner of Payment

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

VII. EVALUATION PROCEDURES

A. Finance Committee

Proposals submitted will be evaluated by a five-member Finance subcommittee of the Northglenn City Council Members and staff.

B. Review of Proposals

The Finance Committee will use a point formula during the review process to score proposals. Each member of the Finance Committee will first score each technical proposal by each of the criteria described in Section VII.C. below. The full Finance 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 price bid. 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.

The City of Northglenn 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 Colorado.
- b. The firm has no conflict of interest with regard to any other work performed by the firm for the City of Northglenn.
- 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:

COST WILL NOT BE THE PRIMARY FACTOR IN THE SELECTION OF AN AUDIT FIRM

D. Oral Presentations / Interviews

During the evaluation process, the Finance Committee may, at its discretion, request any one or all firms to make oral presentations. It is anticipated that any such presentations would occur on Friday, November 17, 2006 commencing at 10:00 a.m. at the City offices located at 11701 Community Center Drive, Northglenn, Colorado 80233.

Such presentations will provide firms with an opportunity to answer any questions the Finance Committee may have on a firm's proposal. Not all firms may be asked to make such oral presentations.

E. Final Selection

The City of Northglenn City Council will select a firm based upon the recommendation of its Finance sub-committee.

It is anticipated that a firm will be selected by December 14, 2006. Following notification of the firm selected, it is expected a contract will be executed between both parties by December 29, 2006.

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 the City of Northglenn and the firm selected.

The City of Northglenn reserves the right without prejudice to reject any or all proposals.

APPENDICES

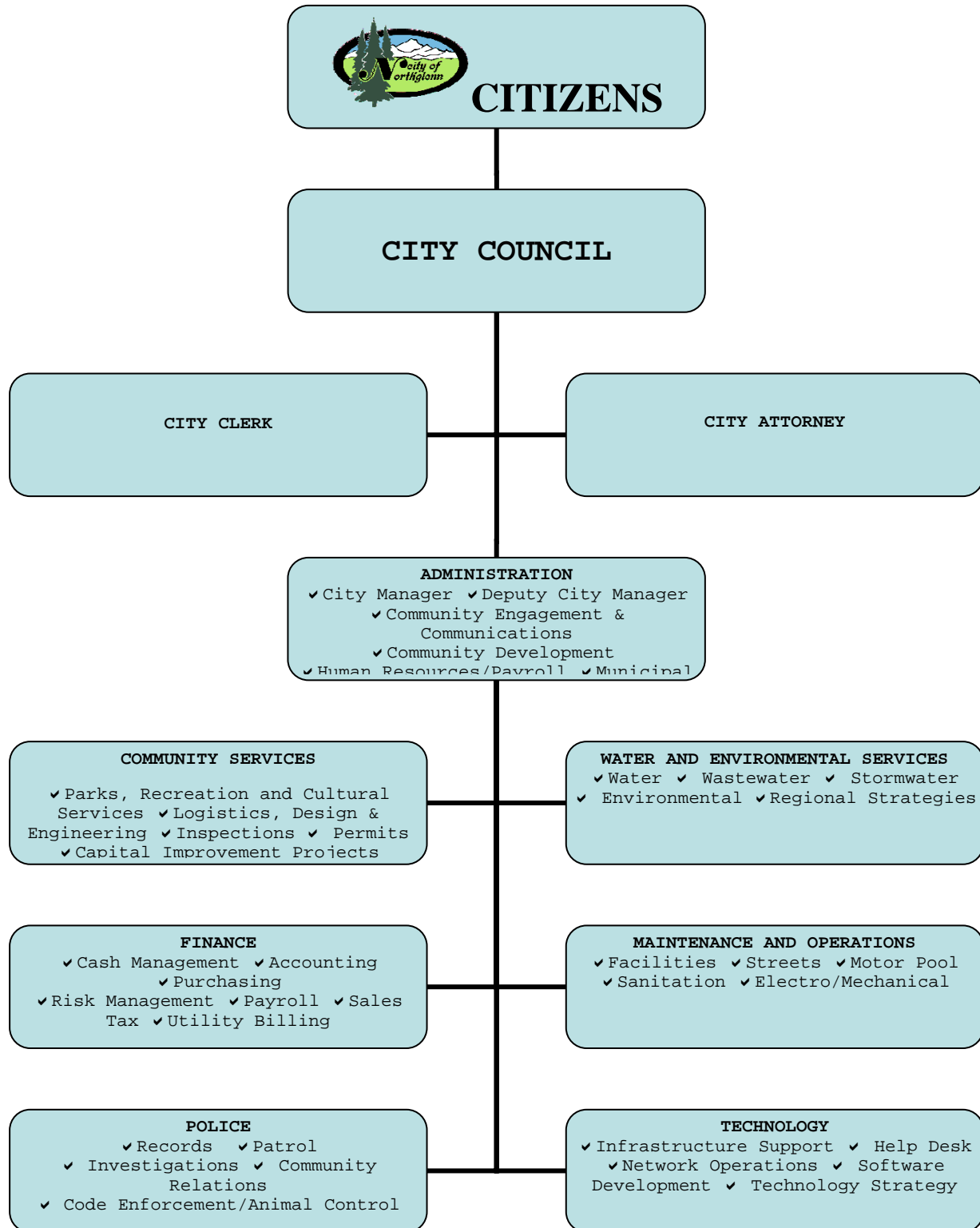
- A. Findings from Recent External Audits
- B. Organizational Chart
- C. List of Key Officials
- D. Proposer Guarantees
- E. Proposer Warranties
- F. Format for Schedule of Professional Fees and Expenses to Support the Total All-inclusive Maximum Price
- G. Illegal Alien documentation

APPENDIX A

FINDING FROM MOST RECENT EXTERNAL AUDITS

The City accounts for its street system using the modified approach which requires the City to determine at what level it will maintain the streets and expense the related maintenance costs rather than depreciate the streets. During our review of the Comprehensive Annual Financial Report, we noted that in both 2004 and 2005, the repair and maintenance expenditures of the City did not meet the estimated required amount needed to maintain the street system at the originally determined level. The City will be required to perform an assessment of the quality of the streets in 2006. Under Governmental Accounting Standards Board Statement No. 34, if the City has not maintained the determined level of quality of the streets, the City will no longer be able to use the modified approach and must begin depreciating the street system.

APPENDIX B
ORGANIZATIONAL STRUCTURE



APPENDIX C

LIST OF KEY PERSONNEL, OFFICE LOCATIONS AND
TELEPHONE NUMBER

<u>Name and Title</u>	<u>Location of Office</u>	<u>Telephone</u>
Steve Zoet, Interim City Manager	11701 Community Center Drive Northglenn, CO	303-450-8725
Russ Van Houten, Police Chief	same	303-450-8864
Steve Zoet, Director of Recreation and Cultural Services	same	303-450-8725
Terence Quinn, Manager of Community Development	same	303-450-8803
Terence Quinn, Manager of Community Development	same	303-450-8803
Kurt Kowar, Manager of Logistics	same	303-450-8774
Brent Worthington, Finance Director	same	303-450-8764
Acqunetta Likkel, Accounting Manager	same	303-450-8817
Jennifer Schmittling, Senior Accountant	same	303-450-8815
Corey Hoffman, City Attorney	Hays, Phillips, Hoffman and Carberry, P.C. 1350 17th St. Suite 450 Denver, Colorado 80202	303-825-6444

APPENDIX D

PROPOSER GUARANTEES

- I. The proposer certifies it can and will provide and make available, as a minimum, all services set forth in Section II, Nature of Services Required.

Signature of Official: _____

Name (typed): _____

Title: _____

Firm: _____

Date: _____

APPENDIX E

PROPOSER WARRANTIES

- A. Proposer warrants that it is willing and able to comply with State of Colorado laws with respect to foreign (non-state of Colorado) corporations.
- B. Proposer warrants that it is willing and able to obtain an errors and omissions insurance policy providing a prudent amount of coverage for the willful or negligent acts, or omissions of any officers, employees or agents thereof.
- C. Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the prior written permission of the City of Northglenn.
- D. Proposer warrants that all information provided by it in connection with this proposal is true and accurate.

Signature of Official: _____

Name (typed): _____

Title: _____

Firm: _____

Date: _____

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES
FOR THE AUDIT OF THE [YEAR] FINANCIAL STATEMENTS

	<u>Hours</u>	<u>Standard Hourly Rates</u>	<u>Quoted Hourly Rates</u>	<u>Total</u>
Partners		_____	_____	_____
Managers	_____	_____	_____	
Supervisory Staff	_____	_____	_____	
Staff	_____	_____	_____	
Other (specify)	_____	_____	_____	
Subtotal				_____
Total for services Described in Section II E of the RFP(Detail on subsequent pages)				
Out-of-pocket expenses:				
Meals and lodging				_____
Transportation				_____
Other (specify):				_____
Total all-inclusive maximum price for [YEAR] audit				=====

Note: The rate quoted should not be presented as a general percentage of the standard hourly rate or as a gross deduction from the total all-inclusive maximum price.

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES
FOR THE AUDIT OF THE [YEAR] FINANCIAL STATEMENTS:
COMBINING SCHEDULE - ALL SERVICES
DESCRIBED IN RFP SECTION II E

Nature of Service To Be Provided Total Price Schedule

EACH SERVICE DESCRIBED IN RFP SECTION II E SHOULD BE SUPPORTED BY AN INDIVIDUAL SCHEDULE IN THE FORMAT PROVIDED ON PAGE 3 OF THIS APPENDIX.

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES
FOR THE AUDIT OF THE [YEAR] FINANCIAL STATEMENTS:
SUPPORTING SCHEDULE FOR [NAME OF SERVICE]

	<u>Hours</u>	<u>Standard Hourly Rates</u>	<u>Quoted Hourly Rates</u>	<u>Total</u>
Partners	_____	_____	_____	_____
Managers	_____	_____	_____	_____
Supervisory Staff	_____	_____	_____	_____
Staff	_____	_____	_____	_____
Other (specify)	_____	_____	_____	_____
Subtotal				_____
Out-of-pocket expenses:				
Meals and lodging				_____
Transportation				_____
Other (specify):				_____
Total price for [NAME OF SERVICE]				=====

Note: The rate quoted should not be presented as a general percentage of the standard hourly rate or as a gross deduction from the total all-inclusive maximum price.

MUST BE SIGNED AND RETURNED WITH RFP DOCUMENTS

PROSPECTIVE CONTRACTOR'S CERTIFICATE REGARDING EMPLOYING OR CONTRACTING WITH AN ILLEGAL ALIEN

FROM: _____
(Prospective Contractor)

TO: CITY OF NORTHGLENN
c/o Accounting Manager
11701 Community Center Drive
Northglenn, Colorado 80233

Project Name _____

Bid Number _____

Project No. _____

As a prospective contractor for the above-identified bid, I (we) do hereby certify that, as of the date of this certification, I (we) do not knowingly employ or contract with an illegal alien and that I (we) have participated in or attempted to participate in the basic pilot program of the United States Government in order to verify that I (we) do not employ any illegal aliens.

Executed this _____ day of _____, 2006.

Prospective Contractor _____

By: _____

Print name _____

Its: _____
Title

(Insert the Individual, Corporate or Partnership Certificate as appropriate)

NOTICE

Thank you very much for your participation in the City of Northglenn's solicitation for professional auditing services dated September 29, 2006. The City has reissued the request effective October 31, 2006. The request is available at the following web address: <http://www.govbids.com>, on the Rocky Mountain E-Purchasing System link.

The request dated October 31, 2006 is essentially representative of the previously posted request for auditing services dated September 29, 2006. However, the City has determined to implement a different process for interviewing those that submit proposals.

If so desired, in lieu of resubmitting a proposal, your firm may submit an intent for inclusion in the October 31, 2006 RFP process by email to Diana Lentz, City Clerk at dlentz@northglenn.org.

If your firm desires to submit a new proposal, completed proposals must be received by 2:00 p.m. November 10, 2006 at the following address:

Diana Lentz, City Clerk
Attn: Finance Committee
11701 Community Center Drive
Northglenn, Colorado 80233

Please note that a pre-proposal conference is scheduled at 2:00 p.m. on November 7th in our offices located at 11701 Community Center Drive, Northglenn, Colorado 80233 to respond to any questions you may have about the RFP. **If so desired, those firms which responded to the previous RFP are welcome to attend the pre-proposal conference.**

During the evaluation process, the City may, at its discretion, request any one or all firms submitting proposals to make oral presentations and/or respond to questions from the City. It is anticipated that any such presentations would occur on Friday, November 17, 2006 commencing at 10:00 a.m. at our offices. **Not all firms may be asked to make such oral presentations and firms which were previously interviewed may be included in this process.**

All questions and correspondence should be directed to Diana Lentz in writing at the above address or by e-mail at dlentz@northglenn.org. Contact with City of Northglenn personnel other than Diana Lentz regarding this RFP may be grounds for elimination from the selection process.

**CITY OF NORTHGLENN
AUDITOR RFP PROJECT TIME LINE
2006**

Day	Business Days to Close	Date	Action
Tuesday	+8	Oct 31	Post RFP
Tuesday	+3	Nov 07	Finance Committee Pre-proposal Conference (2 pm Human Resources Conference Room)
Friday	+0	Nov 10	Proposal/Bid Close (2pm)
Monday	-1	Nov 13	Proposals w/ summary to Finance Committee (EOD)
Tuesday	-2	Nov 14	Finance Committee Review & Ranking (5 pm WES Conference Room)
Friday	-5	Nov 17	Finance Committee Interviews & Ranking (Commencing 10 am Cty Mngr Conf Room)
Monday-Tuesday	-6	Nov 20-21	Reference Checks
Thursday	-12	Nov 30	Council Special Meeting (if needed)
Wednesday	-16	Dec 6	Auditor info & bid amounts to City Clerk for preparation of Council Resolution for selection of Auditor
Thursday	-22	Dec 14	Council Approval
Friday	-23	Dec 15	Announce Award
Monday-Friday (2 weeks)	-32	Dec 18-Dec 29	Audit Services Agreement executed by Auditor and reviewed by City Attorney
Wednesday	-33	Jan 3	Audit Services Agreement to City Clerk for preparation of Council Resolution
Thursday	-39	Jan 11	Council Acceptance of Agreement