



**CITY OF POMPANO BEACH
REQUEST FOR PROPOSALS
L-50-16**

INDEPENDENT AUDITING SERVICES (rebid)

**RFP OPENING: JUNE 23, 2016 2:00 P.M.
PURCHASING OFFICE
1190 N.E. 3RD AVENUE, BUILDING C (Front)
POMPANO BEACH, FLORIDA 33060**

NOTICE TO PROPOSERS

May 23, 2016

REQUEST FOR PROPOSALS

Notice is hereby given that the City of Pompano Beach is seeking sealed proposals from qualified firms to provide:

INDEPENDENT AUDITING SERVICES (REBID)

RFP # L-50-16

The City will receive sealed proposals until **2:00 p.m. (local), June 23, 2016**. Proposals must be submitted electronically through the eBid System on or before the due date/time stated above. Any proposal received after the due date and time specified, will not be considered. Any uncertainty regarding the time a proposal is received will be resolved against the Proposer.

Proposer must be registered on the City's eBid System in order to view the solicitation documents and respond to this solicitation. The complete solicitation document can be downloaded for free from the eBid System as a pdf at: <https://pompanobeachfl.ionwave.net/CurrentSourcingEvents.aspx>. The City is not responsible for the accuracy or completeness of any documentation the Proposer receives from any source other than from the eBid System. Proposer is solely responsible for downloading all required documents. Responses will be electronically unsealed in a public forum and read aloud.

Copies of the City's financial statements can be obtained from the City's website at <http://pompanobeachfl.gov/index.php/pages/finance/finance>.

The City Commission of the City of Pompano Beach reserves the right to reject any and all proposals, to waive any and all informalities or irregularities and to accept or reject all or any part of any proposals as they may deem to be in the best interest of the residents of the City of Pompano Beach.

Sealed proposals shall be submitted electronically through the eBid System on or before the due date/time stated above. Proposer shall upload response as one (1) file to the eBid System. All Proposers, by submission of a proposal, shall agree to comply with all of the conditions, requirements and instructions of this RFP as stated or implied herein. All proposals and supporting materials submitted will become the property of the City.

Any alteration, erasure, or interlineations by the Proposer in this RFP shall constitute cause for rejection. Exceptions or deviations to this proposal may not be added after the submittal date.

All Proposers are required to provide all information requested in this RFP. Failure to do so may result in disqualification of the proposal.

The City reserves the right to waive any technical or formal errors or omissions and to reject all proposals, or to award contract for the items herein, in part or whole, if it is determined to be in the best interest of the City to do so.

The City shall not be liable for any costs incurred by the Proposer in the preparation of proposals or for any work performed in connection herein.

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REQUEST FOR PROPOSALS

INDEPENDENT AUDITING SERVICES

SECTION I – OVERVIEW AND PROPOSAL SUBMITTAL PROCEDURES

A. SUBMITTAL

1. The City of Pompano Beach (the City) will receive proposals until **2:00 p.m. (local), June 23, 2016** for the purpose of obtaining the services of a qualified firm to provide "INDEPENDENT AUDITING SERVICES."
2. These proposals will be publicly opened in the City's Purchasing Office, located at 1190 N.E. 3rd Avenue, Building C, Pompano Beach, Florida, 33060 at the above stated time and date, in the presence of City officials. All proposers who submit a proposal to the City's "INDEPENDENT AUDITING SERVICES" RFP or their representatives are invited to be present.
3. Any proposals received after the above stated time and date will not be considered. It shall be the Proposer's sole responsibility submit the proposal through the eBid System on or before the due date/time stated above. Late proposals will not be considered and shall not be opened at the public opening.
4. Each Proposer will examine all Request for Proposal (RFP) documents and will judge all matters relating to the adequacy and accuracy of such documents. All questions regarding the RFP are to be submitted in writing to the Purchasing Office, 1190 N.E. 3rd Avenue, Building C (Front), Pompano Beach, Florida 33060, fax (954) 786-4168, or email purchasing@copbfl.com. All questions must include the inquiring firm's name, address, telephone number and RFP name and number. Questions must be received at least seven (7) calendar days before the scheduled solicitation opening. No further questions will be accepted after this date. Oral and other interpretations or clarifications will be without legal effect. Addenda will be posted to the RFP solicitation in the eBid System, and it is the Proposer's responsibility to obtain all addenda before submitting a response to the solicitation. The issuance of a written addendum is the only official method whereby interpretation, clarification, or additional information can be given. If any addenda are issued to this solicitation the City will attempt to notify all known prospective Proposers, however, it shall be the responsibility of each Proposer, prior to submitting their response, to contact the City Purchasing Office at (954) 786-4098 to determine if addenda were issued and to make such addenda a part of their proposal.
5. The proposal shall be submitted electronically through the City's eBid System.
6. **Proposers must use the "PROPOSAL RESPONSE TEMPLATE" provided in EXHIBIT I for their submission. This will ensure uniformity among the Proposals.**
7. Proposals shall clearly indicate the legal name, address, and telephone number of the Proposer (corporation, firm, partnership, or individual). Proposals shall be signed above the typed or printed name and title of the signer. The signer shall have the authority to bind the Proposer to the submitted proposal.
8. The Proposers will bear all expenses related to making proposals to the City.

9. Any proposal may be withdrawn up until the date and time set above for opening the proposals. Any proposals not so withdrawn will, upon opening, constitute an irrevocable offer for a period of 90 days from the date the proposal is opened, to provide to the City the goods or services set forth in the attached specifications until the City duly accepts one or more of the proposals. It is anticipated that the City Commission will take initial action with regard to the RFP within ninety (90) days of the proposal opening.

10. The City reserves the right to accept or reject any or all proposals, to waive irregularities and technicalities, and to request resubmission. There is no obligation on the City's part to award the Contract to the lowest Proposer under the criteria set forth in this RFP; and, the City reserves the right to award the contract to the most responsive/responsible Proposer submitting a proposal which is most advantageous and in the City's best interest. The City shall be the sole judge of the proposal and, its decision will be final.

11. Additional terms and conditions included with the RFP response may be evaluated or considered. If submitted either purposely through intent or design or inadvertently appearing separately in transmittal letters, specifications, literature, price lists or warranties, it is understood and agreed that the general and special conditions in this proposal solicitation are the primary conditions applicable to this RFP. Any and all such additional terms and conditions will have secondary force and effect and are as they meet the City's applicable needs. The Proposer's authorized signature affixed to the Proposer acknowledgment form attests to this.

12. Proposers are expected to be familiar with, and comply with, all Federal, State and local laws, ordinances, codes, and regulations that may in any way affect the services offered, including the Americans with Disabilities Act, Title VII of the Civil Rights Act, the EEOC Uniform Guidelines, and all EEO regulations and guidelines. Ignorance on the part of the Proposer will in no way relieve it from responsibility for compliance.

13. The Proposer agrees, insofar as it legally may, to indemnify and hold harmless the City, its officers, employees and agents from and against any claim, demand, cause of action, or lawsuit arising out of any act, action, negligent acts or negligent omissions, or willful misconduct of contractor, its employees, agents or servants during the performance of the contract, whether directly or indirectly. If the City defends any claim, demand, cause of action or lawsuit arising out of any action, negligent acts or negligent omissions, or willful misconduct of the contractor, its employees, agents or servants during the performance of this contracts, the contractor agrees to reimburse the City for all expenses, attorney's fees and court costs incurred in defending such claim, cause of action or lawsuit.

14. Contract - By submitting a proposal, the Proposer agrees to abide to the terms of the Audit Engagement Agreement (Exhibit J). All provisions of this Request for Proposal will also constitute a part of such agreement. The City reserves the right to reject any agreements, which do not conform, to the Request for Proposal and any City requirement for agreements and contracts.

15. Federal Identification Number - Proposer must provide the Federal Identification Number on the proposal.

16. The applicable section of the City's General Services Procedures Manual governs this solicitation. A copy of the manual is available for review at the City's Purchasing Office at the address stated within this RFP and on the Purchasing page of the City's website.

17. The selected Proposer with whom an agreement will be negotiated will be required to verify they will operate a "Drug Free Workplace" as outlined in Florida Statute, Section 287.087.

18. A person or affiliate who has been placed on the convicted vendor list following a conviction for public entity crime may not submit a proposal on a contract to provide any goods or services to a public entity, may not submit a proposal on a contract with a public entity for the construction or repair of a public building or public work, may not submit proposals on leases of real property to public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any public entity in excess of the threshold amount provided in Florida Statute, Section 287.017, for CATEGORY TWO for a period of 36 months from the date of being placed on the convicted vendor list.

19. Pricing for Subsequent Contract Years (2 through 5) - The audit fees for subsequent fiscal years may be adjusted using the change in the Consumer Price Index for All Urban Consumers – all items (city average) as published by the U.S. Department of Labor Statistics or its successor agency for the twelve months ending March of each year to be effective for the next year's engagement. Such adjustment shall not exceed 3%.

20. Manner of Payment - Progress payments will be made on the basis of hours of work completed during the course of the engagement in accordance with the firm's dollar cost proposed. Interim billing shall cover a period of not less than a calendar month.

21. Rates for Additional Professional Services - If it should become necessary for City 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 and the firm or outlined in a separate engagement letter or contract. Any such additional work agreed to between City and the firm shall be performed, at the same rates (or lower rates as may be proposed) set forth in the schedule of fees included in the dollar cost bid.

22. Proposers must provide a valid e-mail address where it is acceptable to receive official notices or correspondence from the City with regard to this RFP.

B. Sources of Additional Information

Additional information regarding the City may also be obtained from the following website links:

Comprehensive Annual Financial Reports:

<http://pompanobeachfl.gov/index.php/pages/finance/finance>

Annual Budget: <http://pompanobeachfl.gov/index.php/pages/budget/budget>

General Information: <http://pompanobeachfl.gov/>

SECTION II - SCOPE OF PROPOSAL

A. General

The City of Pompano Beach (the City) is soliciting the services of qualified firms of Independent Certified Public Accountants to audit the financial statements for the City for the fiscal year ending September 30, 2016 and any required Special Reports such as Grants or other compliance reporting, as well as auditing those financial statements and other Special Reports 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

1. The City desires the independent auditor to express an opinion on the fair presentation of the basic financial statements of the City in conformity with generally accepted accounting principles.
2. The City also desires the auditor to express an opinion on the fair presentation of its government-wide and 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 government-wide and 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.
3. 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.
4. The auditor is required to audit the schedule of expenditures of Federal and State awards in accordance with the Federal (and OMB Super Circular) and Florida Single Audit Act, respectively.
5. The auditor is not required to audit the Pension Trust Fund for the Police and Firefighters Retirement System and the General Employees Retirement System, as these Funds will be audited by other independent auditors who will furnish their report to the principal Independent Auditor during the engagement.
6. The auditor is required to coordinate in a timely manner, any additional procedures to be performed for the City's two pension plans, for participant data to be tested, as a result of GASB Statement 68, *Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No. 27* and GASB Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date, an Amendment to GASB Statement No. 68*.

C. Auditing Standards To Be Followed

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

1. Generally Accepted Auditing Standards as set forth by the American Institute of Certified Public Accountants;
2. The standards for financial audits set forth in the U.S. General Accounting Office's *Government Auditing Standards*, in effect, as revised from time to time);
3. The provisions of the Federal Single Audit Act of 1984;
4. The Florida Single Audit Act;
5. The provisions of U.S. Office of Management and Budget (OMB) Super Circular;
6. Audits of States, Local Governments, and Non-Profit Organizations, Audits of State and Local Governments (Revised) -AICPA.
7. Section 11.45, Florida Statutes;
8. State of Florida Department of Financial Services;
9. Rules adopted by the State of Florida Auditor General for form and content of governmental unit audits; and
10. Any other applicable Federal, State and local laws or regulations.

Any updates of, or amendments to, these described auditing standards are to be incorporated in future audits performed by the selected auditor performing auditing engagements for the City in future fiscal years. Proposed fees must incorporate all required audit procedures, relative to all regulations in effect, and issued, as of the date of the closing of this Request for Proposals, to include all GASBs issued to date.

D. Reports to be Issued

Following the completion of the audit of the City's financial statements for the fiscal year ending September 30th, the auditor shall issue, where applicable:

1. A Report on the fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States, pursuant to an audit conducted in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.
2. Single Audit Reports to encompass:
 - A Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
 - A Report on Compliance for Each Major Federal Program and State Project; Report on Internal Control Over Compliance; Report on the Schedule of Expenditures of Federal Awards and State Financial Assistance Required By OMB Super Circular and Chapter 10.550, *Rules of the Florida Auditor General*.
3. Management Letter in Accordance with Chapter 10.550, *Rules of the Florida Auditor General*.
4. Report to the City Commission to make required written communications to the City's governing board.

Irregularities and illegal acts. The auditors shall be required to make an immediate, written report to the City Manager and the City Commission, if appropriate, of all irregularities and illegal acts or indications of illegal acts of which they become aware.

Reporting to the City Commission. Auditors shall also disclose the following (and any additional disclosures as regulated as mandatory):

1. The auditor's responsibility under generally accepted auditing standards, and assurances that the independent auditor is currently licensed, and that the members of the audit team have the minimum required Continuing Professional Education credits required for performing audits under Governmental Auditing Standards.
2. Significant new or changes in accounting policies and implementation.
3. Significant management judgments and accounting estimates.
4. Significant audit adjustments.
5. Other information in documents containing audited financial statements.
6. Disagreements with management.
7. Consultation with other accountants.
8. Major issues discussed with management prior to retention.
9. Difficulties encountered in performing the audit.

City Commission Presentation - The Auditor shall also make a formal presentation to the City Commission at a City Commission meeting summarizing the results of the reports.

E. Special Considerations

1. The City 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 be required to provide any special assistance deemed necessary to the City in order to meet the requirements of that program.
2. The City currently anticipates it may prepare one or more official statements in connection with the sale of debt securities which will contain the general purpose financial statements and the auditor's report thereon. The auditor may be required, if requested by the fiscal advisor and/or the underwriter, to issue a "consent and citation of expertise" as the auditor and any necessary "comfort letters", at no additional cost to the City. The City would like the Auditor to assume the cost of such requirement. Should an additional cost be necessary, the Auditor should state the cost per letter in the bid response.
3. The Schedule of Expenditures of Federal Awards and State Financial Assistance Projects and related auditor's report, as well as the reports on compliance and internal controls must be issued as a separate report from the CAFR. The auditor is required to provide an unsecured and searchable pdf file for the single audit report. A copy of the 2014 and 2015 single audit report has been included at **Exhibit K. The City has qualified as a low risk auditee and has not had any findings or questioned costs for the past four fiscal years.**

4. **The City has not had any management letter findings/recommendations for fiscal years 2015, 2014, 2012 and 2011 and just one (1) observation for fiscal year 2013 relative to password configuration. The auditor will be required to provide an unsecured and searchable pdf file of the management letter.**
5. The City's CAFR and Schedule of Expenditures of Federal Awards and State Financial Assistance Projects are prepared by the City's Finance Department.
6. The City's Finance Department utilizes Caseware to prepare its CAFR.
7. The Auditor shall be required to provide for at least eight (8) hours of continuing education credits, at no cost to City, for six (6) Finance and Internal Audit staff members.

Performance Standards

1. All responses to any City questions or inquiries should occur within two (2) business days of notification to auditor.
2. The Auditor shall respond to any emergency request for service within eight (8) business hours.
3. The Auditor shall turn around review comments to drafts of the financial statements provided within eight (8) business days from the receipt of such drafts.
4. The deadlines in Section IV must be met, unless mutually agreed.
5. The Auditor will be responsible for the reproduction (printing) of the City's CAFR and single audit reports/management letter and proposed fees such incorporate such requirement.
6. The Auditor will be responsible for weekly progress meetings with the Controller during fieldwork.
7. The Auditor will be evaluated by City staff on a regular basis regarding the quality of service and the timeliness of data exchange. Failure to comply with these requirements will constitute a material contract breach and may result in contract termination.

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 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:

1. City of Pompano Beach
2. U.S. Department of Housing and Urban Development
3. U.S. General Accounting Office (GAO)
4. Auditor General of the State of Florida
5. Parties designated by the federal or state governments or by the City as part of an audit quality review process.
6. Auditors of entities of which the City is a recipient or a sub-recipient of grant funds.

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting, reporting or auditing significance at no additional charge to City.

SECTION III - DESCRIPTION OF THE GOVERNMENT

A. Contact Persons

Name: Suzette Sibble, Finance Director (Former Audit Manager KPMG, LLP)
Telephone: 954-786-4680
Fax: 954-786-4687
Email: suzette.sibble@copbfl.com

Name: Andrew Jean-Pierre, Controller (Former Audit Staff, S. Davis & Associates)
Telephone: 954-786-4501
Fax: 954-786-4687
Email: andrew.jean-pierre@copbfl.com

The auditor's principal contact with the City will be Andrew Jean-Pierre, Controller, or a designated representative, who will coordinate the assistance to be provided by the City to the auditor.

B. Background Information

The City was incorporated in 1947 and covers an area of approximately 25.08 square miles. Located in Broward County, Florida, the City is centrally located between Palm Beach and Miami, and is the year round home to approximately 105,000 residents. During the peak season (September through March), this number increases to nearly 150,000 residents. The legal authority by which the City was created and is governed is its charter. The City operates under a commission-manager form of government and is governed by an elected five member district commission and a mayor at large. In addition to general government services, the City also provides community planning and redevelopment, public safety, public works and culture and recreation services to its residents. Furthermore, the City's water and sewer, stormwater, sanitation, parking, golf, pier and airport operations are reported as enterprise funds.

The City has an annual payroll of approximately \$49 million covering 693 full time and 166 part time employees and has an annual budget of approximately \$237 million. The City contracts with the Broward Sheriff's Office for policing services.

The City is organized into departments and a copy of its organizational chart is included in the CAFR. The accounting and financial reporting functions of the City are centralized.

More detailed information on the government can be found on the City's website at <http://pompanobeachfl.gov/>.

C. Fund Structure

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

<u>Fund Type</u>	<u>Number of Funds</u>	<u>Number With Legally Adopted Annual Budgets</u>
General fund	1	1
Special revenue funds*	11	6
Capital projects funds	1	0
Enterprise funds	7	6
Internal service funds	6	6
Pension (and other employee benefits) trust funds	3	0
Agency funds	1	0

Effective Oct. 1, 2015, the City's Building Permit Function was removed from the general fund and reported as a Special Revenue Fund (included in count above).

D. Budgetary Basis of Accounting

The City prepares its budgets on a basis consistent with accounting principles generally accepted in the United States of America, except certain fund budgets include encumbrances as the equivalent of expenditures.

E. Federal and State Awards

During the previously audited fiscal year, the City received various Federal and State awards. A Schedule of Expenditures of Federal Awards, State Financial Assistance for the fiscal years ended September 30, 2015 and September 30, 2014 are incorporated in **Exhibit K**.

F. Magnitude of Finance Operations

The Finance Department includes the Accounting & Admin., Treasury and Utility Billing Divisions and is headed by Suzette Sibble, Finance Director and consists of 28 employees. The principal functions performed and the numbers of employees assigned to the Accounting and Treasury Divisions are as follows:

<u>Function</u>	<u>Number of Employees</u>
Finance Director	1
Controller	1
Collections Specialist	1
Department Head Secretary	1
Accountant	2
Accounting Supervisor	1
Accounting Systems Analyst	1
Payroll Specialist II	1
Payroll Specialist I	1
Accounting Clerk	5
Head Cashier	1
Cashier	3

G. Internal Audit Function

The City has maintained an internal audit function for the past 32 years. The internal audit function reports to the City Commission and is staffed by three employees. Members of the internal audit staff have the following qualifications:

Internal Auditor: CPA-CITP, CIA, CISA, CPFO, CGFO, CFM, and CMA; Internal auditor for 32 years

Deputy Internal Auditor: 2 years

Audit Assistant: Secretary for 8 years

The Internal Audit Department is available to provide 100 hours of assistance (Deputy Internal Auditor) to the audit firm. Please ensure this is reflected in the price proposal.

H. Computer Systems

Hardware

<u>Type of Equipment</u>	<u>Number</u>	<u>Make of Equipment</u>	<u>Networked</u>
iSeries	8202-E4D	IBM	YES
Personal Computers	Windows 7/8	Dell	YES

Software

<u>Make</u>	<u>Vendor</u>	<u>Major Applications</u>
Naviline version 9.1	SunGard Public Sector	GMBA (accounting & budget), purchasing/inventory, payroll/personnel, cash receipts, accounts receivable, business tax receipts, building permits, planning/zoning / utility billing, land management, code compliance, parking citation management
Current Version	Vermont Systems	RecTrac, GolfTrac
Windows 7/8 Professional	Microsoft	Microsoft Office 2013, 2016

I. Component Units

The City's management has included the following component units as blended in the City's financial statements:

- Pompano Beach Community Redevelopment Agency (East and Northwest Districts)
- Herb Skolnick Cultural Arts Foundation, Inc.
- Emergency Medical Services District

All of the component units listed above are to be audited as part of this engagement. Records are located at the City of Pompano Beach.

J. Availability of Prior Audit Reports and Working Papers

Interested Proposers who wish to review prior years' audit reports and management letters (if not available on the City's website, as referenced herein or attached as an Exhibit to this RFP) should submit a written request to the Purchasing office by the deadline stated herein for questions.

Prior year's audit working papers are available for inspection at the offices of RSM US LLP at the below address upon written request to the predecessor auditor.

The City's previous auditors:
RSM US LLP
100 N.E. 3rd Avenue, Suite 300
Fort Lauderdale, Florida 33301

The Police & Firefighters Retirement System and General Employees Retirement System Pension Trust Funds, although included in the Comprehensive Annual Financial Report are audited by other auditors and separate financial statements have been issued accordingly.

SECTION IV - TIME REQUIREMENTS

A. Proposed Schedule for the 2016 Fiscal Year Audit

The Schedule for the 2016 Fiscal Year Audit is shown in the table below, (a similar time schedule will be developed for audits of future fiscal year. However, interim will be in late August).

Description	Responsible Party	Dates
Entrance Conference and Detailed Audit Plan, including list of required schedules and items (PBC List) provided by Auditor.	AUDITORS	September 29, 2016
Interim Work started by Auditors.	AUDITORS	October 10, 2016
Interim Work completed by Auditors	AUDITORS	October 21, 2016
City to receive Year End "PBC" List from Auditor	AUDITORS	October 25, 2016
City to provide "PBC" Items to auditors electronically, where feasible	CITY	November 15, 2016
Year End Fieldwork Starts (all other PBC items provided)	AUDITORS	December 12, 2016
Trial Balance and preliminary CAFR draft and SEFA/SSFA (grants) schedule provided by City and major support schedules	CITY	December 19, 2016
CAFR DRAFT	CITY	December 26, 2016
Substantial Completion of all Fieldwork	AUDITORS	January 27, 2017
City to Receive preliminary comments on CAFR from supervisor personnel	AUDITORS	February 12, 2017
Draft Reports -Auditor shall provide all findings, recommendations, observations the Finance Director/Controller, including a draft of the Auditors' Reports.	AUDITORS	February 16, 2017
City to clear preliminary CAFR comments	CITY	February 19, 2017
City to Receive final comments on CAFR (including concurring)	AUDITORS	February 24, 2017
Exit conference with City Manager, Internal Auditor, Finance Director, and other key personnel.	ALL	March 3, 2017
Additional Exit Conferences as warranted (i.e. Mayor and Commissioners). City to receive Rep. Letter draft	ALL	March 6, 2017
Presentation of all Reports to the City Commission & Audit Results	ALL	No later than March 28, 2017
Final Reports delivered to the City	AUDITORS	March 30, 2017

B. Final Reports

The draft and final reports should be delivered to:

Suzette Sibble, Finance Director
City of Pompano Beach
Room #480
100 W. Atlantic Blvd.
Pompano Beach, FL 33060

And via email:

Suzette.sibble@copbfl.com

Andrew.jean-pierre@copbfl.com

SECTION 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 City.

B. Statements and Schedules to be Prepared by Staff of the City

The staff of City will prepare the CAFR and related schedules for the auditor based upon the Prepared List for the interim and final audits.

C. Work Area, Telephones, Photocopying and FAX Machines

The City will provide the auditor with reasonable workspace, desks and chairs. The auditor will also be provided with access to telephone lines, photocopying facilities and FAX machine. Such facilities provided will only be utilized for purposes of the audits of the City of Pompano Beach and other Special Reports required by the City.

D. Report Preparation

Audit Report preparation, editing and printing shall be the responsibility of the auditor, unless otherwise mutually agreed upon.

The auditor should provide the following:

- a. Thirty-five (35) bound copies of the CAFR, one (1) unbound copy, and two (2) CDs
- b. Thirty (30) bound copies of the single audit reports/management letter, one (1) unbound copy, and two (2) CDs
- c. Twenty (20) copies of the Report to the Governing Board (SAS 114), and one (1) unbound copy
- d. Electronic pdf files for the management letter and single audit compliance reports (unsecured and searchable)

SECTION VI - PROPOSAL REQUIREMENTS

Proposal requirements are provided in the Proposal Response Template - Exhibit I of this RFP.

SECTION VII -EVALUATION PROCEDURES

A. Selection Evaluation Committee

A Selection Evaluation Committee (Committee) will review and evaluate the Proposals submitted.

B. Review of Proposals

The Committee will use the point formula detailed herein during the review process to score proposals, with a range of zero to 100 points. Each member of the Committee will score each proposal by each of the criteria described in Section VII C below.

Per Florida Statutes 218.391 – Auditor Selection Process, the City Commission shall select the highest-ranked firm from the list provided or must document the reason for not selecting the highest-ranked qualified firm.

The City 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

The Selection Evaluation Committee will be appointed and will be responsible for ranking and recommending the most qualified firm. The findings of the Committee will then be presented to the City Commission and upon their approval, a contract will be negotiated as per Florida Statute 218.391.

The Committee will rank responses based upon the following criteria:

Technical Quality (Maximum Points - 80)

- a. Expertise and Experience (Maximum Points - 45)
 - (i) The firm's past experience and performance as principal auditors in local government engagements 0-25 points
 - (ii) The quality of the firm's professional personnel assigned to the engagement 0-20 points
- b. Audit Approach (Maximum Points - 30)
 - (i) Adequacy of proposed staffing plan for various segments of the engagement 0-20 points
 - (ii) Adequacy of the overall audit plan for the engagement 0-10 points
- c. Other (Maximum Points - 5)
 - (i) Location, accessibility of the firm (inclusive of availability of additional audit resources in tri-county area Broward, Miami-Dade, Palm Beach) 0-5 points

Price (Maximum Points - 20)

*The firm providing the lowest price to the City will receive the maximum of 20 points. 0-20 points

Points will be awarded to other proposers in the following manner:

$20 - [20 \text{ points} \times (\text{total cost} - \text{lowest total cost}) / \text{lowest total cost}]$

Note: If the result is a negative number, the score assigned will be 0

Example: Proposal 1: \$100,000 Proposal, 2: \$130,000
Proposal 1 being the lowest, would achieve a score of 20 points
Proposal 2 would achieve a score of 14 points, calculated as follows:
 $20 - [20 \times (\$130,000 - \$100,000) / \$100,000] = 14 \text{ points}$

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

The Committee will have the option to use the above criteria for the initial ranking to short-list proposers, and to use an ordinal ranking system to score short-listed proposers following presentations, with a score of “1” assigned to the short-listed proposer deemed most qualified by the Committee.

Each firm should submit documents that provide evidence of capability to provide the services required for the committee's review for shortlisting purposes. The shortlisted firms may be contacted to provide public presentations regarding their qualifications and ability to furnish the required services. When more than three responses are received, the committee shall furnish the City Commission (for their approval) a listing, in ranked order, of no fewer than three firms deemed to be the most highly qualified to perform the service. If three or less firms respond to the RFP, the list will contain the ranking of all responses.

The City Commission has the authority to (including, but not limited to); approve the recommendation; reject the recommendation and direct staff to re-advertise the solicitation; or, review the responses themselves and/or request oral presentations and determine a ranking order that may be the same or different from what was originally presented to the City Commission.

D. Final Selection

The City Commission will be responsible for the final selection of the firm. It is anticipated that the Commission will vote on the ranking by July 26 2016. Following notification of the firm selected, a contract will be executed between both parties.

SECTION VIII – GENERAL CONDITIONS, INSTRUCTIONS AND INFORMATION FOR PROPOSERS

1. Standard Provisions

a. Governing Law

Any agreement resulting from this RFP shall be governed by the laws of the State of Florida, and the venue for any legal action relating to such agreement will be in Broward County, Florida.

b. Licenses

In order to perform public work, the successful Proposer shall:

Be licensed to do business in Florida, if an entity, and hold or obtain such Contractor' and Business Licenses if required by State Statutes or local ordinances.

c. Conflict Of Interest

For purposes of determining any possible conflict of interest, each Proposer must disclose if any Elected Official, Appointed Official, or City Employee is also an owner, corporate officer, or an employee of the firm. If any Elected Official, Appointed Official, or City Employee is an owner, corporate officer, or an employee, the Proposer must file a statement with the Broward County Supervisor of Elections pursuant to §112.313, Florida Statutes.

d. Drug Free Workplace

The selected firm(s) will be required to verify they will operate a "Drug Free Workplace" as set forth in Florida Statute, 287.087.

e. Public Entity Crimes

A person or affiliate who has been placed on the convicted vendor list following a conviction for public entity crime may not submit a proposal on a contract to provide any goods or services to a public entity, may not submit a proposal on a contract with a public entity for the construction or repair of a public building or public work, may not submit proposals on leases of real property to public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any public entity in excess of the threshold amount provided in Florida Statute, Section 287.017, for CATEGORY TWO for a period of 36 months from the date of being placed on the convicted vendor list.

f. Patent Fees, Royalties, And Licenses

If the selected Proposer requires or desires to use any design, trademark, device, material or process covered by letters of patent or copyright, the selected Proposer and his surety shall indemnify and hold harmless the City from any and all claims for infringement by reason of the use of any such patented design, device, trademark, copyright, material or process in connection with the work agreed to be performed and shall indemnify the City from any cost, expense, royalty or damage which the City may be obligated to pay by reason of any infringement at any time during or after completion of the work.

g. Permits

The selected Proposer shall be responsible for obtaining all permits, licenses, certifications, etc., required by federal, state, county, and municipal laws, regulations, codes, and ordinances for the performance of the work required in these specifications and to conform to the requirements of said legislation.

h. Familiarity With Laws

It is assumed the selected firm(s) will be familiar with all federal, state and local laws, ordinances, rules and regulations that may affect its services pursuant to this RFP. Ignorance on the part of the firm will in no way relieve the firm from responsibility.

i. Withdrawal Of Proposals

A firm may withdraw its proposal without prejudice no later than the advertised deadline for submission of proposals by written communication to the General Services Department, 1190 N.E. 3rd Avenue, Building C, Pompano Beach, Florida 33060.

j. Composition Of Project Team

Firms are required to commit that the principals and personnel named in the proposal will perform the services throughout the contractual term unless otherwise provided for by way of a negotiated contract or written amendment to same executed by both parties. No diversion or substitution of principals or personnel will be allowed unless a written request that sets forth the qualifications and experience of the proposed replacement(s) is submitted to and approved by the City in writing.

k. Invoicing/Payment

All invoices should be sent to City of Pompano Beach, Accounts Payable, P.O. Drawer 1300, Pompano Beach, Florida, 33061. In accordance with Florida Statutes, Chapter 218, payment will be made within 45 days after receipt of a proper invoice.

I. Public Records

1. The City of Pompano Beach is a public agency subject to Chapter 119, Florida Statutes. The Contractor shall comply with Florida's Public Records Law, as amended. Specifically, the Contractor shall:
 - a. Keep and maintain public records required by the City in order to perform the service;
 - b. Upon request from the City's custodian of public records, provide the City with a copy of requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes or as otherwise provided by law;
 - c. Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and following completion of the contract if the Contractor does not transfer the records to the City; and
 - d. Upon completion of the contract, transfer, at no cost to the City, all public records in possession of the Contractor, or keep and maintain public records required by the City to perform the service. If the Contractor transfers all public records to the City upon completion of the contract, the Contractor shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the Contractor keeps and maintains public records upon completion of the contract, the Contractor shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the City, upon request from the City's custodian of public records in a format that is compatible with the information technology systems of the City.
2. Failure of the Contractor to provide the above described public records to the City within a reasonable time may subject Contractor to penalties under 119.10, Florida Statutes, as amended.

PUBLIC RECORDS CUSTODIAN

**IF THE CONTRACTOR HAS QUESTIONS
REGARDING THE APPLICATION OF CHAPTER
119, FLORIDA STATUTES, TO THE
CONTRACTOR'S DUTY TO PROVIDE PUBLIC
RECORDS RELATING TO THIS CONTRACT,
CONTACT THE CUSTODIAN OF PUBLIC RECORDS
AT:**

**CITY CLERK
100 W. Atlantic Blvd., Suite 253
Pompano Beach, Florida 33060
(954) 786-4611
RecordsCustodian@copbfl.com**

2. Small Business Enterprise Program

The Pompano Beach City Commission has established a voluntary Small Business Enterprise (SBE) Program to encourage and foster the participation of Small Business Enterprises in the central procurement activities of the City. The City of Pompano Beach is strongly committed to ensuring the participation of Small Business Enterprises (SBE's) as contractors and subcontractors for the procurement of goods and services. The definition of a SBE, for the purpose of the City's voluntary program, is taken from the State of Florida Statute 288.703(1).

As of the date of publication of this solicitation, a small business means an independently owned and operated business concern that employs 200 or fewer permanent full-time employees and that, together with its affiliates, has a net worth of not more than \$5 million or any firm based in Florida that has a Small Business Administration 8(a) certification. As applicable to sole proprietorships, the \$5 million net worth requirement shall include both personal and business investments.

The City encourages all firms to undertake good faith efforts to identify appropriate Small Business Enterprise partners. Sources of information on certified Small Business Enterprises include the Broward County Small Business Development Division, the State of Florida Office of Supplier Diversity, South Florida Water Management District, and other agencies throughout the State. The City includes links to these organizations from the City's website <http://pompanobeachfl.gov>. Please indicate in your response if your firm is a certified Small Business Enterprise.

The City has set a 5% voluntary Small Business Enterprise Goal for this project. SBE Forms are located at the end of this bid solicitation, and all firms responding must return a response of participation or non-participation in order to be considered for bid evaluation purposes.

Please indicate in your response if your firm is a certified Small Business Enterprise, and include the completed "Good Faith Effort Report" form with your bid proposal. SBE forms are included at the end of this bid solicitation. Bidders should submit Exhibits A detailing the list of SBE firms to be used on the proposed contract, and a completed Letter of Intent, Exhibit B, for all participating SBE firms. Submit Exhibit C listing SBE firms that were solicited but not selected. Submit Exhibit D explaining your firm's good faith efforts to include SBE firms on this contract.

J. Local Business Program

On March 23, 2010, the City Commission approved a Resolution establishing a Local Business Program, a policy to increase the participation of City of Pompano Beach businesses in the City's procurement process.

You can view the list of City businesses that have a current Business Tax Receipt on the City's website, and locate local firms that are available to perform the work required by the bid specifications. The business information, sorted by business use classification, is posted on the webpage for the Business Tax Receipt Division:
http://pompanobeachfl.gov/index.php/pages/dev_scv_btr/btr

The City has set a 5% voluntary Local Business goal for this project. Local Business program forms are located at the end of this bid solicitation, and all firms responding must return a response of participation or non-participation in order to be considered for bid evaluation purposes.

The City of Pompano Beach is strongly committed to insuring the participation of City of Pompano Beach Businesses as contractors and subcontractors for the procurement of goods and services. Bidders are encouraged to participate in the City of Pompano Beach's voluntary Local Business Program by including, as part of their bid package, the Local Business Participation Form (Exhibit E), listing the local businesses that will be used on the contract, and the Letter of Intent Form (Exhibit F) from each local business that will participate in the contract. Bidders should utilize businesses that are physically located in the City of Pompano Beach with a current Business Tax Receipt. Bidders who are unable to meet the recommended voluntary goals should also provide the Local Business Unavailability Form (Exhibit G), listing firms that were contacted but not available, and the Good Faith Effort Report (Exhibit H) describing the efforts made to include local business participation in the contract.

SECTION IX- SPECIAL TERMS AND CONDITIONS

A. INSURANCE REQUIREMENTS

Insurance requirements are included in the Audit Engagement Agreement attached as Exhibit J to this RFP.

REQUESTED INFORMATION BELOW IS ON LOCAL BUSINESS PROGRAM AND SMALL BUSINESS ENTERPRISE FORMS ON THE RFP ATTACHMENTS TAB IN THE EBID SYSTEM. BIDDERS ARE TO COMPLETE FORMS IN THEIR ENTIRITY AND INCLUDE COMPLETED FORMS IN YOUR PROPOSAL THAT MUST BE UPLOADED TO THE RESPONSE ATTACHMENTS TAB IN THE EBID SYSTEM.

**CITY OF POMPANO BEACH, FLORIDA
SMALL BUSINESS ENTERPRISE
PARTICIPATION FORM - EXHIBIT A**

RFP Number & Title: _____

Contractor's Name: _____

<u>Name of Firm</u>	<u>Contact Person, Telephone Number</u>	<u>Type of Work to be Performed</u>	<u>Contract Amount</u>

(PROPOSER SHOULD INCLUDE CERTIFICATES FOR ANY FIRMS LISTED ON THIS PAGE)

FOR CITY USE ONLY

Total Contract Amount _____

Total SBE Contract Amount _____

Are documents requested submitted accordingly

___ YES ___ NO

LETTER OF INTENT TO PERFORM AS A SUBCONTRACTOR
EXHIBIT B

Bid Number _____

TO: _____
(Name of Prime or General Bidder)

The undersigned intends to perform subcontracting work in connection with the above contract as (check below)

_____ an individual

_____ a corporation

_____ a partnership

_____ a joint venture

The undersigned is prepared to perform the following work in connection with the above Contract, as hereafter described in detail:

at the following price: _____

(Date)

(Name of SBE Contractor)

(address):

BY: _____

SMALL BUSINESS ENTERPRISE (SBE)
UNAVAILABILITY FORM
EXHIBIT C

RFP # _____

I, _____
(Name and Title)

of _____, certify that on the _____ day of _____, _____, I invited the following SBE CONTRACTOR(s) to bid work items to be performed in the City of Pompano Beach:

SBE Contractor Name, Address	Work Items Sought	Form of Bid Sought (i.e., Unit Price, Materials/Labor Labor Only, etc.)
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Said SBE CONTRACTOR(s):

- _____ Did not bid in response to the invitation
- _____ Submitted a bid which was not the low responsible bid
- _____ Other: _____

Signature: _____

Date: _____

Note: Attach additional documents as available.

GOOD FAITH EFFORT REPORT
EXHIBIT D

RFP # _____

1. What portions of the contract have you identified as SBE opportunities?

2. Did you provide adequate information to identified SBE? Please comment on how you provided this information.

3. Did you send written notices to SBEs?

☐ Yes ☐ No

If yes, please include copy of the notice and the list of individuals who were forwarded copies of the notices.

4. Did you advertise in local publications?

☐ Yes ☐ No

If yes, please attach copies of the ads, including name and dates of publication.

5. Did you contact any organizations with large constituents of SBE members for possible sub-contractors? Please attach list of resource organizations used.

6. What type of efforts did you make to assist SBEs in contracting with you ?

7. List the SBEs you will utilize and subcontract amount.

_____	\$ _____
_____	\$ _____
_____	\$ _____

8. Other comments: _____

Note: Please attach the unavailability letters with this report.

CITY OF POMPANO BEACH, FLORIDA
LOCAL BUSINESS PARTICIPATION FORM
EXHIBIT E

RFP Number & Title: _____

Prime Contractor's Name: _____

<u>Name of Firm, Address</u>	<u>Contact Person, Telephone Number</u>	<u>Type of Work to be Performed</u>	<u>Contract Amount</u>

LOCAL BUSINESS
LETTER OF INTENT TO PERFORM AS A LOCAL SUBCONTRACTOR
EXHIBIT F

RFP Number _____

TO: _____
(Name of Prime or General Proposer)

The undersigned City of Pompano Beach business intends to perform subcontracting work in connection with the above contract as (check below)

_____ an individual

_____ a corporation

_____ a partnership

_____ a joint venture

The undersigned is prepared to perform the following work in connection with the above Contract, as hereafter described in detail:

at the following price: _____

(Date)

(Name of Local Business Contractor)

(address):

BY: _____

LOCAL BUSINESS
UNAVAILABILITY FORM
EXHIBIT G

RFP # _____

I, _____
(Name and Title)

of _____, certify that on the _____ day of

_____, _____, I invited the following LOCAL BUSINESSES to bid work items to be performed in the City of Pompano Beach:

Business Name, Address	Work Items Sought	Form of Bid Sought (i.e., Unit Price, Materials/Labor, Labor Only, etc.)
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Said Local Businesses:

- _____ Did not bid in response to the invitation
- _____ Submitted a bid which was not the low responsible bid
- _____ Other: _____

Signature: _____

Date: _____

Note: Attach additional documents as available.

GOOD FAITH EFFORT REPORT
LOCAL BUSINESS PARTICIPATION
EXHIBIT H

RFP # _____

1. What portions of the contract have you identified as Local Business opportunities?

2. Did you provide adequate information to identified Local Businesses? Please comment on how you provided this information.

3. Did you send written notices to Local Businesses?

____ Yes ____ No

If yes, please include copy of the notice and the list of individuals who were forwarded copies of the notices.

4. Did you advertise in local publications?

____ Yes ____ No

If yes, please attach copies of the ads, including name and dates of publication.

5. What type of efforts did you make to assist Local Businesses in contracting with you?

7. List the Local Businesses you will utilize and subcontract amount.

_____	\$ _____
_____	\$ _____
_____	\$ _____

8. Other comments: _____

RFP # L-50-16
PROPOSAL FOR INDEPENDENT AUDITING SERVICES
EXHIBIT I

THIS DOCUMENT MUST BE COMPLETED AND RETURNED TO THE CITY IN
THE ORDER PRESENTED HEREIN.

(Proposer may insert additional lines to the response where applicable)

Cover Page

- A. Proposal Response Requirements (ITEMS 1-25)**
- B. Highly Desirable Functions/Services (ITEMS 26-32)**
- C. Acknowledgment of Addendum**

RFP # L-50-16
PROPOSAL FOR INDEPENDENT AUDITING SERVICES

SUBMITTED TO: City of Pompano Beach
Purchasing Office
1190 N.E. 3rd Avenue, Building C (Front)
Pompano Beach, Florida 33060

The undersigned certifies under oath the truth and correctness of all statements and of all answers to questions made hereinafter.

We (I), the undersigned, hereby agree to furnish the item(s)/service(s) described in the Request for Proposal. We (I) certify that we(I) have read the entire document, including the Scope of Work, Additional Requirements, Supplemental Attachments, Instructions to Proposers, Terms and Conditions, and any addenda issued. We agree to comply with all of the requirements of the entire Request for Proposals.

	Check One
Company Name _____	<input type="checkbox"/> Corporation
Address _____	<input type="checkbox"/> Partnership
City, State, Zip _____	<input type="checkbox"/> Individual
Telephone No. _____	<input type="checkbox"/> Other
Fax No. _____	
Email address for above signer (if any) _____	
Federal Tax ID Number _____	
Typed/Printed Name and Title _____	
Authorized Signature _____	

If Proposer is a corporation, answer the following:

- a) Date of Incorporation (MM/DD/YY): _____
- b) State of Incorporation: _____
- c) President's name: _____
- d) Vice President's name: _____
- e) Secretary's name: _____
- f) Treasurer's name: _____
- g) Name and address of Resident Agent: _____

A. PROPOSAL RESPONSE REQUIREMENTS (ITEMS 1-25)

The Proposer's response to the City's RFP **MUST** consist of the following and be presented in the following order. Failure to include these items will deem the bid non-responsive:

1. Statement of Qualifications and Introduction [MAXIMUM 1 PAGE]:

This section will summarize, in a brief and concise manner, the Proposer's understanding of the RFP, and the City's objective and general qualifications of firm(s) to submit a proposal. The section should name all of the persons authorized to make presentations for the Proposer, including the titles, addresses, and telephone numbers. Proposed joint ventures should be made clear in this section.

2. PRICE PROPOSAL FORM

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES

COMBINING SCHEDULE - ALL SERVICES

TOTAL ALL-INCLUSIVE MAXIMUM PRICE FOR EACH AUDIT ENGAGEMENT

<u>Nature of Service To Be Provided</u>	<u>Total Price*</u>
Audit of the 2016 Financial Statements	
Audit of Schedule of Expenditures of Federal	
Awards and State Financial Assistance	<hr/> <hr/>

*Please note that this price should reflect an assessment of all accounting pronouncements and accounting and auditing standards issued as of the RFP submission date and the anticipated impact of such on the engagement.

EACH SERVICE DESCRIBED IN THE RFP SHOULD BE SUPPORTED BY AN INDIVIDUAL SCHEDULE IN THE FORMAT PROVIDED ON PAGE 5 OF THIS EXHIBIT.

Signature of Official: _____

Name (typed): _____

Title: _____

Firm: _____

Date: _____

NOTE: By submitting a proposal your firm agrees to abide to the terms of the Audit Engagement Agreement (EXHIBIT J).

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES

FOR THE AUDIT OF THE 2016 FINANCIAL STATEMENTS AND SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE FOR
THE CITY OF POMPANO BEACH

	Hourly Rates				
	Standard	Quoted		Est. Hours	Fee
Partners					
Managers					
Supervisory staff					
Staff					
Other (specify):					
Subtotal					
Out-of-pocket expenses:					
Meals and lodging					
Transportation					
Other (specify):					
Total					

Notes:

1. 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.
2. **All expense reimbursements will be charged against the total all-inclusive maximum price submitted by the firm.**

INDEPENDENCE:

3. The Proposer should provide an affirmative statement that it is independent of the City of Pompano Beach (the City) as defined by [generally accepted auditing standards/the U.S. General Accounting Office's *Government Auditing Standards*].

4. The Proposer should also list and describe the firm's (or proposed subcontractors') professional relationships involving the City 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.

EXPERTISE AND EXPERIENCE:

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, for each question that follows.

5. Number of years the firm has been in business.

6. Attach a copy of the State of Florida Board of Accountancy current/active license for all key professionals (senior/supervisor auditor and above) assigned to this engagement, as well as a copy of the license for the audit firm.

7. For the firm that will be assigned the responsibility for the audit. List the most significant audit engagements performed in the last 5 years, that are similar to the engagement described in this RFP, in which the firm was the principal auditors for the engagement. Separately indicate the clients for any joint venture firms along with the same info. requested below.

Municipal Client name	Description of services rendered	Your Project Manager	Total hours	Contract Value	Fiscal Year Start/End Date	Contact Name Client	Phone Number & Email of Client

8. REFERENCES –

CITY OF POMPANO BEACH

RFP # L-50-16

PROPOSAL FOR INDEPENDENT AUDITING SERVICES

Provide the names, addresses, telephone numbers and e-mail addresses of at least **5 Governmental** references (of similar size to the City); in which the firm served as **principal auditors**. These should all be current clients or at least 3 should be current clients. **IN ADDITION, FIRMS MUST FORWARD THE ATTACHED "PERFORMANCE EVALUATION SURVEY" (SEE EXHIBIT L) TO THE FIVE REFERENCES NOTED BELOW FOR COMPLETION. REFERENCES MUST RETURN THIS FORM DIRECTLY TO THE PURCHASING SUPERVISOR VIA E-MAIL (Purchasing@copbfl.com) OR FAX (954)786-4168. IT IS THE RESPONSIBILITY OF THE PROPOSER TO ENSURE THIS FORM IS RETURNED. FAILURE TO DO SO WILL RESULT IN POINTS BEING DEDUCTED.**

Your Company Name

Address

City State Zip

REFERENCE:

Agency/Firm Name:

Address

City State Zip

Phone/Fax

Contact Name/Title

Email address:

Contract term:

Agency/Firm Name:

Address

City State Zip

Phone/Fax

Contact Name/Title

Email address:

Contract term:

Agency/Firm Name:

Address

City State Zip

Phone/Fax

Contact Name/Title

Email address:

Agency/Firm Name: _____
Address _____
City State Zip _____
Phone/Fax _____
Contact Name/Title _____

Email address: _____

Contract term _____

Agency/Firm Name: _____
Address _____
City State Zip _____
Phone/Fax _____
Contact Name/Title _____
Email address: _____
Contract term _____

- 9. The firm is required to submit a copy of the report on its most recent external quality control review (Peer Review), with a statement whether that quality control review included a review of specific governmental engagements. In addition, any correspondence explaining the resulting resolution of any finding/issues must be provided.**
- 10. 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.**
- 11. The firm shall provide a sample of reports to be delivery under this engagement.**
- 12. Please advise of any audit engagements for governmental clients whereby services were terminated within the past five (5) years or whereby it was mutually agreed upon to part ways between your firm and the client, prior to the official contract end timeframe, describing the nature of the circumstances.**
- 13. Describe if any of your governmental clients within the last six (6) years (through fiscal year 2015) have experienced a state of financial emergency in accordance with criteria in F.S. 218.503(1), for which fiscal year this occurred, and in what management letters (fiscal year(s)) this was disclosed by your audit firm.**
- 14. List the names and titles of principal supervisory and management staff, including engagement partners, other specialists and personnel who will be assigned to this engagement. Provide only a summary of the government (City/County) audit experience/qualifications, indicating experience with financial statement, single audits (experience with particular grant programs such as CDBG, Home, NSP etc.) and information technology ability. Resumes may be included and should also indicate any professional certifications held or memberships in professional societies. Please also provide a list of all clients to which staff to be assigned to the City's engagement will also be assigned and indicate the period of assignment (months) on those clients for the interim and final audit. Resumes should indicate each individual's compliance with continuing professional education requirements in general and for governmental audits.**

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. However, in either case, the City 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, 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.

SPECIFIC AUDIT APPROACH [MAXIMUM 4 PAGES]:

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed. In developing the work plan, reference should be made to such sources of information as City of Pompano Beach budget and related materials, organizational charts, manuals and programs, and financial and other management information systems. Proposers should provide the following information on their audit approach:

- 15. Proposed segmentation of the engagement.**
- 16. Level of staff and number of hours to be assigned to each proposed segment of the engagement, as well as total estimated hours for the overall audit engagement.**
- 17. Sample size and the extent to which statistical sampling is to be used in the engagement.**
- 18. Extent of use of EDP software in the engagement.**
- 19. Type and extent of analytical procedures to be used in the engagement.**
- 20. Approach to be taken to gain and document an understanding of the City's internal control structure.**
- 21. Approach to be taken in determining laws and regulations that will be subject to audit test work.**
- 22. Approach to be taken in drawing audit samples for purposes of tests of compliance.**
- 23. Identify and describe potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from the City.**

OTHER [MAXIMUM 1 PAGE]:

- 24. State the location of all offices in Ft. Lauderdale, Miami and Palm Beach, as well as the number of staff in each office by area (audit, tax, consulting, etc.) and level (i.e. senior, manager, partner, audit staff, admin. etc.).**
- 25. State 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 on this engagement on a full-time basis and on a part-time basis, by level and area (i.e. audit, clerical etc.).**

B. ADDITIONAL ITEMS THAT ARE HIGHLY DESIREABLE BUT NOT REQUIRED (ITEMS 25-30)

It is highly desirable that Proposers include this information presented below. Failure of the Proposer to exclude this information will not deem the bid unresponsive but may affect the Proposer's overall score.

26. Licensing: (attach copies if applicable)

A. FEDERAL EMPLOYERS IDENTIFICATION NUMBER _____

B. Tax Identification Number (TIN) _____

27. Will the Proposer offer consultations over the phone at no extra cost?

Yes ☐

No ☐

28. Are the audit papers available to authorized representatives of the cognizant Federal Audit Agency, Office of the Inspector General, the City and/or successor auditing firms at no extra charge?

Yes ☐

No ☐

29. Describe litigation claims (resulting from an audit engagement) involving governmental clients made against your firm during the past 5 years. Please provide the following information.

Name of Company filing the claim	Magnitude of the Claim (\$ value)	Reason For the claim	Date claim filed	Outcome

30. Give a brief description of any computer-assisted techniques expected to be used in the course of the audit.

31. Other Standards Used: List in detail, any additional standards, and/or practices that you consider worthy of consideration by the Selection Evaluation Committee in evaluating your Proposal. [MAXIMUM 1 PAGE]

32. List any free training seminars conducted by your firm/company that are available to your clients and state whether these seminars offer Continuing Professional Education (CPE) credits. Please note that the City is requesting that the proposing firm provide eight (8) hours annually of continuing professional education credits to the City's Accounting and Internal Audit staff (6) at no additional cost to the City. Proposers must indicate if they will be able to provide such and if the firm itself will host such.

C. ACKNOWLEDGMENT OF ADDENDA

Directions: Complete Part I or Part II, whichever applies.

Part I: Listed below are the dates of issue for each Addendum received in connection with this RFP:

Addendum No. 1, Dated _____

Addendum No. 2, Dated _____

Addendum No. 3, Dated _____

Addendum No. 4, Dated _____

Part II: _____ No addendum was received in connection with this RFP.

Verified with City staff

Name of Staff

Date

Proposer - Name

Date

Signature

RFP # L-50-16
INDEPENDENT AUDITING SERVICES (Rebid)
EXHIBIT J

AGREEMENT FOR INDEPENDENT
AUDITING SERVICES

THIS AGREEMENT, made and entered into this _____ day of _____,
2016, by and between:

CITY OF POMPANO BEACH, a municipal
corporation of the State of Florida, hereinafter
referred to as "CITY",

and

_____, hereinafter
referred to as "AUDITOR".

W I T N E S S E T H :

WHEREAS, the City Commission of the City of Pompano Beach has provided allocation of funds to pay for independent auditing services as outlined in Exhibit "A-1", which is attached hereto and incorporated herein by reference as if set forth in full; and

WHEREAS, the services to be performed by the AUDITOR are considered to be in the public interest; now, therefore,

It is mutually agreed by and between the parties to this Agreement as follows:

I. SCOPE OF AUDITS.

The scope of work to be performed under this agreement is outlined in more detail in the Request for Proposals, *Independent Auditing Services*, L-37-16, incorporated as Exhibit "A-1" to this agreement.

II. AUDITING STANDARDS.

The auditing standards to be applied shall be in accordance with generally accepted accounting principles, F.S. Chapter 11.45, *Definitions; duties; authorities; reports; rules*, F.S.

Chapter 10.550, *Rules of the Florida Auditor General*, the standards for financial audits set forth in the *Government Auditing Standards*, the provisions of the Federal Single Audit Act of 1984, the State Single Audit Act and the provisions of the U.S. Office of the Office of Management and Budget (OMB) Super Circular.

III. TERMS OF AUDIT.

- A. Audit Procedures. The AUDITOR'S procedures shall include such tests of accounting records and such other auditing procedures they consider appropriate.
- B. Preparation of Financial Statements. CITY is responsible for the financial statements and for adjusting those statements to correct material misstatements. CITY shall also be responsible for:
- establishing and maintaining effective internal control over financial reporting and safeguarding assets and internal control over compliance, including monitoring ongoing activities, and for informing AUDITOR of all significant deficiencies in the design or operation of such controls of which it has knowledge;
 - properly recording transactions in the records;
 - identifying and ensuring that the CITY complies with the laws and regulations applicable to its activities, and for informing AUDITOR about all known material violations of such laws or regulations;
 - the design and implementation of programs and controls to prevent and detect fraud, and for informing AUDITOR about all known or suspected fraud affecting the entity involving management, employees who have significant roles in internal control and others where the fraud could have a material effect on the financial statements;
 - informing AUDITOR of its knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, regulators, or others;
 - making all financial records and related information available to AUDITOR;
 - for adjusting the financial statements to correct material misstatements;
 - following up and taking corrective action on audit findings, including the preparation of a summary schedule of prior audit findings, and a corrective action plan; and
 - report distribution including submitting the reporting packages.

- C. As required by generally accepted auditing standards, AUDITOR shall make specific inquiries of CITY and others about the representations embodied in the financial statements and the effectiveness of internal control. AUDITOR shall obtain from CITY a representation letter which covers the financial statements and which affirms that the effects of any uncorrected misstatements are, both individually and in the aggregate, immaterial to the financial statements taken as a whole. The City Commission is responsible for informing AUDITOR of its views about the risks of fraud within the entity. AUDITOR will also determine that certain matters related to the conduct of the audit are communicated to the City Commission including 1) fraud involving senior management and fraud (whether caused by senior management or other employees) that causes a material misstatement of the financial statements, 2) illegal acts that come to AUDITOR'S attention 3) disagreements with management and other serious difficulties encountered in performing the audit, and 4) various matters related to the entity's accounting policies and financial statements, as required by applicable auditing standards in effect during the course of this agreement.

The results of the audit tests, the responses to AUDITOR'S inquiries and the written representations, constitute the evidential matter upon which AUDITOR shall rely in forming an opinion on the financial statements.

F. Audit Personnel. 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's Finance Director or designee. However, in either case, the City 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, which retains the right to approve or reject replacements.

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

G. Additional Procedures. During the contractual period covered by this Agreement, CITY may request AUDITOR to provide services in addition to the services provided hereunder. AUDITOR may, at its option, agree to provide such additional services upon terms and conditions mutually agreed upon between CITY and AUDITOR.

IV. AUDIT REPORTS.

Following the completion of the audit of the City's financial statements for the fiscal year ending September 30th, the auditor shall issue, where applicable:

1. A Report on the fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States, pursuant to an audit conducted in accordance with auditing standards generally accepted in the United

States and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

2. Single Audit Reports to encompass:

- A Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
- A Report on Compliance for Each Major Federal Program and State Project; Report on Internal Control Over Compliance; Report on the Schedule of Expenditures of Federal Awards and State Financial Assistance Required By OMB Super Circular and Chapter 10.550, *Rules of the Florida Auditor General*.

3. Management Letter in Accordance with Chapter 10.550, *Rules of the Florida Auditor General*.

4. Report to the City Commission to make required written communications to the City's governing board.

Irregularities and illegal acts. The auditors shall be required to make an immediate, written report to the City Manager and the City Commission, if appropriate, of all irregularities and illegal acts or indications of illegal acts of which they become aware.

Reporting to the City Commission. Auditors shall also disclose the following (and any additional disclosures as regulated as mandatory):

1. The auditor's responsibility under generally accepted auditing standards, and assurances that the independent auditor is currently licensed, and that the members of the audit team have the minimum required Continuing Professional Education credits required for performing audits under Governmental Auditing Standards.
2. Significant new or changes in accounting policies and implementation.
3. Significant management judgments and accounting estimates.
4. Significant audit adjustments.
5. Other information in documents containing audited financial statements.
6. Disagreements with management.
7. Consultation with other accountants.

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

City Commission Presentation - The Auditor shall also make a formal presentation to the City Commission at a City Commission meeting summarizing the results of the reports.

V. DOCUMENTS.

A. To the extent permitted under Chapter 119, Florida Statutes, all work papers of AUDITOR shall remain the property of AUDITOR. In addition, to the extent that AUDITOR utilizes any of its property (including, without limitation, any hardware or software of AUDITOR or any proprietary or confidential information or trade secrets of AUDITOR) in performing the services hereunder, such property shall remain the property of AUDITOR, and the CITY shall acquire no right or interest in such property except as expressly defined below in this section.

B. For a period of three (3) years after completion of any work provided for in this Agreement, the AUDITOR shall make non-proprietary documents contained in AUDITOR's audit files related to financial statement account analysis and system documentation hereunder and non-proprietary audit evidence relating to such work available to CITY, representatives of the cognizant or oversight agency or its designee, other government audit staffs, and the U.S. Government Accountability Office. Upon reasonable notice to AUDITOR, the CITY and its authorized representatives shall be entitled, during AUDITOR's regular business hours during the said three (3) year period, to inspect any non-proprietary documents and other materials which are not or do not contain any of AUDITOR'S proprietary or confidential information or trade secrets. In addition, AUDITOR shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance. Access to requested workpapers shall be provided under the supervision of AUDITOR personnel and at a location designated by AUDITOR. During the course of the engagement, AUDITOR may accumulate records containing data, which should be reflected in the CITY's books and records. CITY will determine that all such data, if necessary, will be so reflected. Accordingly, the CITY will not expect AUDITOR to maintain copies of such records in AUDITOR's possession.

C. Public Records.

1. The City of Pompano Beach is a public agency subject to Chapter 119, Florida Statutes. The AUDITOR shall comply with Florida's Public Records Law, as amended. Specifically, the AUDITOR shall:
 - a) Keep and maintain public records required by the City in order to perform the service.
 - b) Upon request from the City's custodian of public records, provide the City with a copy of requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes or as otherwise provided by law.

- c) Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and following completion of the contract if the AUDITOR does not transfer the records to the City.
 - d) Upon completion of the contract, transfer, at no cost to the City, all public records in possession of the AUDITOR, or keep and maintain public records required by the City to perform the service. If the AUDITOR transfers all public records to the City upon completion of the contract, the AUDITOR shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the AUDITOR keeps and maintains public records upon completion of the contract, the AUDITOR shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the City, upon request from the City's custodian of public records in a format that is compatible with the information technology systems of the City.
2. Failure of the AUDITOR to provide the above described public records to the City within a reasonable time may subject AUDITOR to penalties under 119.10, Florida Statutes, as amended.

PUBLIC RECORDS CUSTODIAN

IF THE AUDITOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE AUDITOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT:

CITY CLERK

100 W. Atlantic Blvd., Suite 253

Pompano Beach, Florida 33060

(954) 786-4611

RecordsCustodian@copbfl.com

VI. CITY ASSISTANCE.

A. AUDITOR may utilize the Staff of the CITY's Finance Department to assist in preparing schedules, locating and reproducing documents, typing and reproduction of the Financial Report, and all other appropriate services;

B. AUDITOR understands that the CITY's Internal Audit Department is available to provide 100 hours of assistance (Deputy Internal Auditor) to AUDITOR; and

C. CITY understands that the proper and timely completion of AUDITOR's services hereunder requires the reasonable cooperation of CITY, its agencies, and their respective officers, directors, employees, other personnel and agents. CITY agrees to provide all such reasonable cooperation requested by AUDITOR. The CITY is responsible for the performance of its staff.

VII. PERFORMANCE STANDARDS.

- AUDITOR shall provide adequate staff that possesses the necessary skills to perform and conclude the audit and prepare all required reports in a timely manner. Any interchangeability of staff in the original proposal shall be approved by the CITY.
- All responses to any CITY questions or inquiries should occur within two (2) business days of notification to AUDITOR.
- AUDITOR shall respond to any emergency request for service within eight (8) business hours.
- AUDITOR shall turn around review comments to drafts of the financial statements provided within ten (10) business days from the receipt of such drafts.
- All deadlines shall be met.

The Auditor will be evaluated by CITY staff on a regular basis regarding the quality of service and the timeliness of data exchange. Failure to comply with these requirements will constitute a material contract breach. The Auditor shall exercise the same degree of care, skill and diligence in the performance of the services as is ordinarily provided by a comparable professional under similar circumstances and the Auditor shall, at no additional cost to the CITY, re-perform services which fail to satisfy the foregoing standard of care.

VIII. TERM.

The term of this Agreement is for the audit of fiscal years ending September 30, 2016 through September 30, 2020.

IX. TERMINATION.

Both parties may mutually agree to resign and terminate this Agreement with ninety (90) days notice. Said termination provision is in addition to any other right or remedy provided for within this Agreement.

X. COMPENSATION.

AUDITOR shall be compensated for time charges and expenses in an amount not to exceed \$XXXXXX for fiscal year 2016. Pricing for subsequent years (2017 through 2020) will be adjusted using the change in the Average Consumer Price Index for All Urban Consumers for all Cities, as published by the U.S. Department of Labor Statistics or its successor agency for the twelve months ending January of each year to be effective for the upcoming fiscal year's engagement. Such adjustment shall not exceed 3%. It is expressly understood and agreed that in no event will the amounts to be paid by the CITY to the AUDITOR under this Agreement exceed the fees set forth in this Agreement.

AUDITOR agrees that proposed fees in this agreement reflects all accounting and auditing standards issued as of the date the proposal was submitted and as such have been contemplated by AUDITOR in the fee proposal. CITY and AUDITOR recognize that the scope of services and compensation under this Agreement are predicated upon current audit requirements imposed by laws, regulations and professional standards relating to such services. CITY and AUDITOR further recognize that the scope of services and compensation under this Agreement are predicated upon expectations of reasonable cooperation with AUDITOR by CITY pursuant to Section VI herein, and the absence of any irregularities or extraordinary circumstances which might necessitate the extension of audit services beyond the normal scope of auditing services.

Should irregularities, or the absence of such reasonable cooperation increase the level of services required under applicable law, regulations or professional standards, or other unforeseen conditions be encountered which might necessitate the extension of auditing work beyond the scope of normal auditing procedures, AUDITOR agrees to advise CITY promptly in writing of the circumstances and to request an equitable adjustment in the maximum fee (at hourly rates in effect under the terms of this agreement), before significant additional time is incurred by AUDITOR. Any such request for adjustments shall be in writing and shall contain a detailed explanation of why the adjustments are necessary. The City must respond in writing to approve any additional costs to be incurred, as described in this section.

XI. BILLING.

AUDITOR shall be entitled to invoice monthly for the percentage of services completed as accepted by CITY. Upon approval of the invoice by CITY, CITY will make its best efforts to pay AUDITOR within thirty (30) calendar days of the receipt of invoices. The City reserves the right to withhold final payment until receipt of all deliverables or ten percent (10%) of each intermittent payment request received. CITY will receive invoices for the actual hours worked, which will include a breakdown of staff levels for hours being invoiced and a calculation of total amount invoiced.

XII. CONFERENCES.

A. AUDITOR shall, at a minimum, confer with the Finance Director and Controller and such other CITY officials as explicitly outlined herein:

1. During the month of August (No later than mid-month) for the commencement of the interim audit and the month of December (No later than mid-month) for the commencement of the final audit, AUDITOR shall meet, for an entrance conference, with the Finance Director and the Controller, and then again with all key CITY finance department personnel and department heads of key offices or programs. These meetings will be to discuss prior audit problems and the work to be performed. These meetings will also be used to establish overall liaison for the audit and to make arrangements for workspace and other needs of AUDITOR.
2. On a weekly basis, during the interim and final fieldwork, AUDITOR shall meet with the Controller for a progress conference. During this meeting, the discussion will focus on problems encountered, areas completed and any anticipated delays.
3. Prior to the conclusion of each annual audit, AUDITOR shall meet with CITY for an exit conference. Those present from the CITY may include the City Manager, Finance Director, the Controller, Internal Auditor and Department heads of key offices or programs, as selected by CITY.
4. One on one meetings with the Mayor and each City Commissioner may also be warranted to discuss the results of the audit, prior to the formal communication and presentation at a City Commission meeting.

B. AUDITOR'S comments shall be delivered to the Finance Director, Controller, and Internal Auditor, but only after being vetted with City Departments where the comment may have originated. Independent AUDITOR will subsequently evaluate written responses from management and prepare for an exit conference with the City Manager, Finance Director, Controller, and Internal Auditor to ensure corrections and revision to AUDITOR comments are obtained, as appropriate.

XIII. NOTICES.

Any notice, agreement, or other written communication from AUDITOR to CITY shall be considered delivered when received by certified mail, return receipt requested or delivered in person to the City Manager, or his designee at the address below:

City of Pompano Beach
100 W. Atlantic Blvd.
Pompano Beach, Florida
Attn: City Manager

Copy to:
City of Pompano Beach
Finance Department
100 W. Atlantic Blvd.
Pompano Beach, Florida
Attn: Suzette Sibble, Room 480

Any notice, agreement or other communication from CITY to AUDITOR shall be considered delivered when received by certified mail, return receipt requested to AUDITOR at the address left on file with CITY (as stated below) or delivered in person to AUDITOR or its authorized representative:

XXXXXXXXXXXX
XXXXXXXXXXXX
XXXXXXXXXXXX

XIV. SUBLETTING.

AUDITOR shall not sublet, assign, or transfer any work under this Agreement without the written consent of CITY. When applicable and upon receipt of such consent in writing, AUDITOR shall cause the names of the firms responsible for the major portions of each separate specialty of the work to be inserted on the plans, specifications, reports, standards and agreements. In such circumstances, it may be necessary for AUDITOR to disclose confidential client information to approved entities. AUDITOR agrees to enter into confidentiality agreements with all third-party service providers and shall ensure that these third-party service providers have appropriate procedures in place to prevent the unauthorized release of CITY's confidential information to others.

XV. INSURANCE.

AUDITOR shall not commence services under the terms of this Agreement until certification or proof of insurance detailing terms and provisions has been received and approved in writing by the CITY's Risk Manager. If you are responding to a bid and have questions regarding the insurance requirements hereunder, please contact the CITY's Purchasing Department at (954) 786-4098. If the contract has already been awarded, please direct any queries and proof of the requisite insurance coverage to CITY staff responsible for oversight of the subject project/contract.

AUDITOR is responsible to deliver to the CITY for timely review and written approval/disapproval Certificates of Insurance which evidence that all insurance required hereunder is in full force and effect and which name on a primary basis, the CITY as an additional insured on all such coverage.

Throughout the term of this Agreement, CITY, by and through its Risk Manager, reserve the right to review, modify, reject or accept any insurance policies required by this Agreement, including limits, coverages or endorsements. CITY reserves the right, but not the obligation, to review and reject any insurer providing coverage because of poor financial condition or failure to operate legally.

Failure to maintain the required insurance shall be considered an event of default. The requirements herein, as well as CITY's review or acceptance of insurance maintained by

AUDITOR, are not intended to and shall not in any way limit or qualify the liabilities and obligations assumed by AUDITOR under this Agreement.

Throughout the term of this Agreement, AUDITOR and all subcontractors or other agents hereunder, shall, at their sole expense, maintain in full force and effect, the following insurance coverages and limits described herein, including endorsements.

A. Worker's Compensation Insurance covering all employees and providing benefits as required by Florida Statute, Chapter 440. AUDITOR further agrees to be responsible for employment, control and conduct of its employees and for any injury sustained by such employees in the course of their employment.

B. Liability Insurance.

(1) Naming the City of Pompano Beach as an additional insured as CITY's interests may appear, on General Liability Insurance only, relative to claims which arise from AUDITOR's negligent acts or omissions in connection with Contractor's performance under this Agreement.

(2) Such Liability insurance shall include the following checked types of insurance and indicated minimum policy limits.

Type of Insurance

Limits of Liability

GENERAL LIABILITY:

Minimum \$1,000,000 Per Occurrence and
\$2,000,000 Per Aggregate

* Policy to be written on a claims incurred basis

XX comprehensive form

bodily injury and property damage

XX premises - operations

bodily injury and property damage

— explosion & collapse
hazard

— underground hazard

XX products/completed
operations hazard

bodily injury and property damage combined

XX contractual insurance

bodily injury and property damage combined

XX broad form property damage

bodily injury and property damage combined

XX independent contractors

personal injury

XX personal injury

— sexual abuse/molestation

— liquor legal liability

AUTOMOBILE LIABILITY:

Minimum \$500,000 Per Occurrence and
\$500,000 Per Aggregate

XX comprehensive form
— owned
— hired
— non-owned

REAL & PERSONAL PROPERTY

— comprehensive form Agent must show proof they have this coverage.

EXCESS LIABILITY

Per Occurrence Aggregate

XX other than umbrella	bodily injury and property damage combined	\$1,000,000	\$1,000,000
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PROFESSIONAL LIABILITY

Per Occurrence Aggregate

XX * Policy to be written on a claims made basis		\$1,000,000	\$1,000,000
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(3) If Professional Liability insurance is required, Contractor agrees the indemnification and hold harmless provisions set forth in the Agreement shall survive the termination or expiration of the Agreement for a period of four (4) years unless terminated sooner by the applicable statute of limitations.

C. Employer's Liability. If required by law, CONTRACTOR and all subcontractors shall, for the benefit of their employees, provide, carry, maintain and pay for Employer's Liability Insurance in the minimum amount of One Hundred Thousand Dollars (\$100,000.00) per employee, Five Hundred Thousand Dollars (\$500,000) per aggregate.

D. Policies: Whenever, under the provisions of this Agreement, insurance is required of the CONTRACTOR, the CONTRACTOR shall promptly provide the following:

- (1) Certificates of Insurance evidencing the required coverage;
- (2) Names and addresses of companies providing coverage;
- (3) Effective and expiration dates of policies; and
- (4) A provision in all policies affording CITY thirty (30) days written notice by a carrier of any cancellation or material change in any policy.

E. Insurance Cancellation or Modification. Should any of the required insurance policies be canceled before the expiration date, or modified or substantially modified, the issuing company shall provide thirty (30) days written notice to the CITY.

F. Waiver of Subrogation. CONTRACTOR hereby waives any and all right of subrogation against the CITY, its officers, employees and agents for each required policy. When required by the insurer, or should a policy condition not permit an insured to enter into a pre-loss agreement to waive subrogation without an endorsement, then CONTRACTOR shall notify the insurer and request the policy be endorsed with a Waiver of Transfer of Rights of Recovery Against Others, or its equivalent. This Waiver of Subrogation requirement shall not apply to any policy which includes a condition to the policy not specifically prohibiting such an endorsement, or voids coverage should CONTRACTOR enter into such an agreement on a pre-loss basis.

XVI. WARRANTY.

Other than agreed by CITY, AUDITOR warrants that he has not employed or retained any company or person, other than a bona fide employee working solely for AUDITOR, to solicit or secure this contract, and that he has not paid or agreed to pay any other certified public accounting firm any fee, commission, percentage fee, gift, or any other considerations contingent upon or resulting from the award or making of the contract. For breach or violation of this warranty, CITY shall have the right to annul this contract without liability.

XVII. EXHIBITS.

Exhibit "A-1" is attached hereto and made a part hereof.

XVIII. INDEMNIFICATION.

AUDITOR shall indemnify and hold harmless CITY, its officers and employees, from any and all claims, suits, actions, liabilities and reasonable defense costs, in each case for damage or bodily injury to persons and tangible property to the extent proximately caused by the negligence or willful misconduct of AUDITOR as a result of AUDITOR's performance of services under this Agreement. Notwithstanding the foregoing, the AUDITOR's indemnity shall not extend to liability for damages to persons or property to the extent such damage was solely caused by an act, omission, or default of CITY, or by the CITY's officers, agents, and employees.

As a condition to the foregoing indemnity obligations of AUDITOR, the CITY shall provide AUDITOR with prompt notice of any claim for which indemnification may be sought hereunder and shall cooperate (and shall cause all agencies thereof to cooperate) with AUDITOR in connection with such claim. AUDITOR shall be entitled to control the handling of any such claim to the extent that the act of AUDITOR requires defense and indemnification as required above, and to defend or settle any such claim, in its sole discretion, with counsel of its own choosing.

XIX. ENTIRETY OF AGREEMENT.

A. This Agreement, all attachments thereto, along with the Request For Proposal (Exhibit "A-1"), and the proposal received from AUDITOR, states the entire contract between the parties hereto with respect to the subject matter hereof, and supersedes all prior and

contemporaneous understandings, representations and agreements. No alterations, modifications, release or waiver of this Agreement or any of the provisions hereof shall be effective unless in writing, executed by the parties.

B. In the case of a conflict between the language, terms, conditions, or provisions of this Agreement and those contained within the attachments, RFP, or submitted proposal, the specific language contained within this Agreement shall prevail. In the absence of such a conflict, these other documents are intended to supplement and elucidate the intent, purpose and extent of duties and obligations, of the parties hereto.

C. This Agreement shall be governed by and construed according to the laws of the State of Florida.

XX. CONSULTATION.

CITY expressly permits AUDITOR to consult with the Auditor General of the State of Florida, the federally designated "Cognizant Agency" and/or any other federal, state or local governmental agency or authority on any matter pertaining to the services hereunder which in the judgment of the AUDITOR are appropriate to the performance of the services hereunder.

XXI. CLOSING OF CITY'S BOOKS AND RECORDS.

A. CITY understands and agrees that the books and records of account must be properly closed under the laws, regulations and professional standards applicable to the services provided hereunder. All audit work papers will be completed by CITY and available for audit no later than December 26th.

B. Assuming the above timeline is met, AUDITOR shall have all audit reports finalized and ready to be issued by the end of February and all deliverables must be made to the City no later than March 29th, for the preceding fiscal year audit.

XXII. FORCE MAJEURE.

Notwithstanding any other provision in this Agreement, AUDITOR shall not be liable or held responsible for any delays in performing its obligations under this Agreement including, but not limited to, the completion of the audit and issuance of its report thereon, which result from circumstances or causes beyond AUDITOR's control including, without limitation, acts of omissions or the failure to cooperate as described in Section VI by CITY, its agencies, or any of their respective officers, directors, employees, other personnel and agents, fire or casualty, act of God, strike or labor dispute, war or other violence, or any law, order, or requirement of any governmental agency or authority.

XXIII. OTHER MATTERS.

A. AUDITOR shall be an independent contractor under this agreement and as such shall have no authorization to bind the CITY. Neither the AUDITOR nor its agents shall act as officers, employees, or agents of the CITY.

B. AUDITOR shall not unlawfully discriminate against any person in its operations and activities or in its use or expenditure of funds in fulfilling its obligations under this agreement. This shall include compliance with the Americans with Disabilities Act. In addition, AUDITOR'S decisions regarding the delivery of services under this agreement shall be made without regard to or consideration of race, age, religion, color, gender, sexual orientation, national origin, marital status, physical or mental disability, political affiliation, or any other factor which cannot be lawfully used as a basis for service delivery.

C. Any claim arising out of services rendered pursuant to this agreement shall be resolved in accordance with the laws of Florida. CITY and AUDITOR agree that no claim arising out of services rendered pursuant to this agreement by or on behalf of the CITY shall be asserted more than two years after the date of the last audit report issued by AUDITOR.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their proper and appropriate officials on the day and year first above written.

"CITY":

Witnesses:

CITY OF POMPANO BEACH

By: _____
Lamar Fisher, Mayor

By: _____
Dennis Beach, City Manager

Attest:

Ascelela Hammond, City Clerk

(SEAL)

Approved As To Form:

Mark E. Berman, City Attorney

STATE OF FLORIDA

COUNTY OF BROWARD

The foregoing instrument was acknowledged before me this _____ day of _____, 2016 by LAMAR FISHER, as Mayor, DENNIS W. BEACH as City Manager and ASCELETA HAMMOND as City Clerk of the City of Pompano Beach, Florida, a municipal corporation, who are personally known to me.

NOTARY'S SEAL:

NOTARY PUBLIC, STATE OF FLORIDA

(Name of Acknowledger Typed, Printed or Stamped)

Commission Number

"AUDITOR":

Witnesses:

XXXXXXXXXXXXXXXXXXXX

By: _____

Print Name

Title: _____

STATE OF _____
COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 2016 by _____, _____ as _____ of _____, a partnership. He/she is personally known to me or who has produced _____ (type of identification) as identification.

NOTARY'S SEAL:

NOTARY PUBLIC, STATE OF _____

(Name of Acknowledger Typed, Printed or Stamped)

Commission Number

City of Pompano Beach, Florida

Single Audit Reports in Accordance with
OMB Circular A-133 and Chapter 10.550, *Rules of the
Auditor General of the State of Florida*

Year Ended September 30, 2014

City of Pompano Beach, Florida

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**Independent Auditor's Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance With
Government Auditing Standards**

To the Honorable Mayor and Members of the
City Commission
City of Pompano Beach, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pompano Beach, Florida (the City), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 25, 2015. Our report includes a reference to other auditors who audited the financial statements of the Pompano Beach Police and Firefighters' Retirement System and the City of Pompano Beach General Employees' Retirement System, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. This report includes an emphasis of matter relating to the City's adoption of Government Accounting Standards Board (GASB) Statement 65.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McGladrey LLP

Fort Lauderdale, Florida
March 25, 2015



**Independent Auditor's Report on Compliance for Each Major
Federal Program and State Project; Report on Internal Control
Over Compliance; and Report on the Schedule of Expenditures of
Federal Awards and State Financial Assistance Required By
OMB Circular A-133 and Chapter 10.550, Rules of the Florida Auditor General**

To the Honorable Mayor and Members of the
City Commission
City of Pompano Beach, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited City of Pompano Beach, Florida's (the City) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the requirements described in the Florida Department of Financial Services *State Projects Compliance Supplement*, that could have a direct and material effect on each of the City's major federal programs and state projects for the year ended September 30, 2014. The City's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs and state projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and Chapter 10.550, *Rules of the Florida Auditor General*. Those standards, OMB Circular A-133 and Chapter 10.550, *Rules of the Florida Auditor General*, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state project. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program and State Project

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2014.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program or state project in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.550, *Rules of the Florida Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and Chapter 10.550, *Rules of the Florida Auditor General*. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133 and State Financial Assistance

We have audited the financial statements of the City as of and for the year ended September 30, 2014, and have issued our report thereon dated March 25, 2015, which contained an unmodified opinion on those financial statements, and included a reference to other auditors and an emphasis of matter paragraph for the adoption of GASB Statement 65. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by OMB Circular A-133 and Chapter 10.550, *Rules of the Florida Auditor General*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards and state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.

McGladrey LLP

Fort Lauderdale, Florida
March 25, 2015

City of Pompano Beach, Florida

Schedule of Expenditures of Federal Awards and State Financial Assistance
Fiscal Year Ended September 30, 2014

Federal/State Agency, Pass Through Entity Federal Program/State Project	CFDA CSFA No.	Contractor/ Grant No.	Expenditures	Pass through to Sub recipients
Federal Awards				
U.S. Department of Housing and Urban Development:				
Community Development Block Grants – Entitlement Grants Cluster				
Direct assistance:				
Community Development Block Grant	14.218	B-11-MC-12-0026 through B-13-MC-12-0026	\$ 1,670,030	\$ 116,350
Community Development Block Grant NSP (1)	14.218	B-08-MN-12-0024	1,193,070	-
Total Community Development Block Grants – Entitlement Grants Cluster			2,863,100	116,350
Direct assistance:				
Home Investment Partnership Program	14.239	M-10-MC-12-0229 through M-13-MC-12-0229	463,217	22,673
Neighborhood Stabilization Program NSP (3)	14.264	B-11-MN-12-0024	657,269	-
Total U.S. Department of Housing and Urban Development			3,983,586	139,023
U.S. Department of Justice (DOJ)				
Direct assistance:				
Federal Equitable Sharing Program	16.922	GR54939	347,733	-
Community Oriented Policing Services (COPS)	16.710	2011-UM-WX-0040	634,855	-
Cops Hiring Program				
Total U.S. Department of Justice			982,588	-

(Continued)

City of Pompano Beach, Florida

Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
Fiscal Year Ended September 30, 2014

Federal/State Agency, Pass Through Entity Federal Program/State Project	CFDA CSFA No.	Contractor/ Grant No.	Expenditures	Pass through to Sub recipients
U.S. Department of Homeland Security, FEMA: Pass through Broward County Urban Area Security Initiative 2012	97.067	12-DS-22-11-23-02-236	\$ 47,586	\$ -
Pass through Florida Division of Emergency Management Assistance to Firefighters Grant Program	97.044	EMW-2012-FO-6031	177,032	-
Total U.S. Department of Homeland Security, FEMA			<u>224,618</u>	<u>-</u>
U.S. Department of Agriculture: Pass through Florida Department of Education Summer Food Service Program	10.559	04-0984	33,298	-
Federal Aviation Authority Aviation Grants – Airport Improvement Program	20.106	3-12-0066-001-2012	679,399	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 5,903,489</u>	<u>\$ 139,023</u>
State of Florida: Florida Housing Finance Corporation State Housing Initiative Partnership Program	52.901	SHIP 12,13,14	\$ 307,710	\$ -
State of Florida: Florida Department of Environmental Protection Voluntary Cleanup Tax Credits	37.056	VCTC #366 & 367	137,400	-
State of Florida: Florida Department of Transportation: Aviation Development Grants	55.004	423985-1-94-01 433475-1-94-01 433943-1-94-01	403,950	-
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			<u>\$ 849,060</u>	<u>\$ -</u>

See accompanying notes to schedule of expenditures of federal awards and state financial assistance.

City of Pompano Beach, Florida

Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance Year Ended September 30, 2014

Note 1. General and Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the "Schedule") presents the activity of all federal programs and state awards of the City of Pompano Beach, Florida (the "City") for the year ended September 30, 2014. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal and state awards passed through other government agencies are included in the accompanying Schedule. The information in this schedule is presented in accordance with the requirements of the OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Chapter 10.550, *Rules of the Florida Auditor General*. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in fund balance/net position or cash flows, where applicable, of the City. The City's reporting entity is defined in Note 1 of the City's basic financial statements.

Note 2. Basis of Accounting

The accompanying Schedule is presented using the modified accrual basis of accounting for grants which are accounted for in the governmental fund types and on the accrual basis of accounting for grants which are accounted for in the proprietary fund types. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments* and the Rules of the Department of Financial Services, State of Florida, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

City of Pompano Beach, Florida

Schedule of Findings and Questioned Costs
Fiscal Year Ended September 30, 2014

I - Summary of Independent Auditor's Results

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

_____ Yes X No

Significant deficiency(ies) identified?

_____ Yes X None Reported

Noncompliance material to financial statements noted?

_____ Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

_____ Yes X No

Significant deficiency(ies) identified?

_____ Yes X None Reported

Type of auditor's report issued on compliance for
major programs:

Unmodified

Any audit findings disclosed that are required
to be reported in accordance with Section 510(a)
of Circular A-133?

_____ Yes X No

Identification of major programs:

The programs tested as major were as follows:

CFDA Number(s)

14.218

16.922

Name of Federal Program or Cluster

Community Development Block Grants Cluster

Federal Equitable Sharing Program

Dollar threshold used to distinguish between type

A and type B programs:

\$ 300,000

Auditee qualified as low-risk auditee?

 X Yes No

(Continued)

City of Pompano Beach, Florida

Schedule of Findings and Questioned Costs (Continued)
Fiscal Year Ended September 30, 2014

Section I - Summary of Auditor's Results (Continued)

State Financial Assistance

Internal control over major projects:

Material weakness(es) identified?

 Yes

 X No

Significant deficiency(ies) identified?

 Yes

 X None Reported

Type of auditor's report issued on compliance for
major projects:

Unmodified

Any audit findings disclosed that are required
to be reported in accordance with Chapter 10.550,
Rules of the Florida Auditor General?

 Yes

 X No

Identification of major projects:

The projects tested as major were as follows:

CSFA Number(s)

55.004

52.901

Name of State Program

Aviation Development Grants

State Housing Initiative Partnership Program

Dollar threshold used to distinguish between type
A and type B projects:

\$300,000

The City of Pompano Beach, Florida

Schedule of Findings and Questioned Costs (Continued)
Fiscal Year Ended September 30, 2014

Section II – Financial Statements Findings

A. Internal Control
None reported.

B. Compliance
None reported.

Section III – Federal Awards Findings and Questioned Costs

A. Internal Control over Compliance
None reported.

B. Compliance
None reported.

Section IV – State Financial Assistance Findings and Questioned Costs

A. Internal Control over Compliance
None reported.

B. Compliance
None reported.

City of Pompano Beach, Florida

**Summary Schedule of Prior Year's Audit Findings
Fiscal Year Ended September 30, 2014**

No findings were noted for the year ended September 30, 2013.

EXHIBIT K

City of Pompano Beach, Florida

Single Audit Reports in Accordance with
OMB Circular A-133 and Chapter 10.550, *Rules of the
Auditor General* of the State of Florida

Year Ended September 30, 2015

City of Pompano Beach, Florida

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RSM US LLP

**Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance With
Government Auditing Standards**

Independent Auditor's Report

To the Honorable Mayor and Members of the
City Commission
City of Pompano Beach, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pompano Beach, Florida (the City), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 23, 2016. Our report includes an emphasis of matter relating to the City's adoption of Government Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions, an Amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date, an amendment of GASB Statement No. 68*, effective October 1, 2014. Our report also includes a reference to other auditors who audited the financial statements of the Pompano Beach Police and Firefighters' Retirement System and the City of Pompano Beach General Employees' Retirement System, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RSM VS LLP

Fort Lauderdale, Florida
March 23, 2016



RSM US LLP

**Report on Compliance for Each Major
Federal Program and State Project; Report on Internal Control
Over Compliance; and Report on the Schedule of Expenditures of
Federal Awards and State Financial Assistance Required By
OMB Circular A-133 and Chapter 10.550, *Rules of the Florida Auditor General***

Independent Auditor's Report

To the Honorable Mayor and Members of the
City Commission
City of Pompano Beach, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited the City of Pompano Beach, Florida's (the City) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the requirements described in the Florida Department of Financial Services *State Projects Compliance Supplement*, that could have a direct and material effect on each of the City's major federal programs and state projects for the year ended September 30, 2015. The City's major federal programs and state project are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs and state projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs and state project based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and Chapter 10.550, *Rules of the Florida Auditor General*. Those standards, OMB Circular A-133 and Chapter 10.550, *Rules of the Florida Auditor General*, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state project. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program and State Project

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state project for the year ended September 30, 2015.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program or state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.550, *Rules of the Florida Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and Chapter 10.550, *Rules of the Florida Auditor General*. Accordingly, this report is not suitable for any other purpose.

Report on the Schedule of Expenditures of Federal Awards and State Financial Assistance Required by OMB Circular A-133 and Chapter 10.550, *Rules of the Florida Auditor General*

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended September 30, 2015, and the related notes to the financial statements which collectively comprise the City's basic financial statements. We issued our report thereon dated March 23, 2016, which contained unmodified opinions on those financial statements, and included a reference to other auditors and an emphasis of matter paragraph for the adoption of GASB Statement Nos. 68 and 71. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by OMB Circular A-133 and Chapter 10.550, *Rules of the Florida Auditor General*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards and state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

RSM VS LLP

Fort Lauderdale, Florida
March 23, 2016

City of Pompano Beach, Florida

**Schedule of Expenditures of Federal Awards and State Financial Assistance
Fiscal Year Ended September 30, 2015**

Federal/State Agency, Pass Through Entity Federal Program/State Project	CFDA CSFA No.	Contractor/ Grant No.	Expenditures	Amount Provided to Sub recipients
Federal Awards				
U.S. Department of Housing and Urban Development:				
Community Development Block Grants – Entitlement Grants Cluster				
Direct assistance:				
Community Development Block Grant	14.218	B-11-MC-12-0026 through B-14-MC-12-0026	\$ 1,142,856	\$ 95,894
Community Development Block Grant NSP (1)	14.218	B-08-MN-12-0024	700,509	-
Total Community Development Block Grants – Entitlement Grants Cluster			1,843,365	95,894
Direct assistance:				
Home Investment Partnership Program	14.239	M-10-MC-12-0229 through M-14-MC-12-0229	146,929	82,511
Neighborhood Stabilization Program NSP (3)	14.264	B-11-MN-12-0024	636,052	-
Total U.S. Department of Housing and Urban Development			2,626,346	178,405
U.S. Department of Justice (DOJ)				
Direct assistance:				
Federal Equitable Sharing Program	16.922	GR54939	540,763	-
Community Oriented Policing Services (COPS)	16.710	2011-UM-WX-0040	273,617	-
Cops Hiring Program				
Total U.S. Department of Justice			814,380	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 3,440,726	\$ 178,405

(Continued)

City of Pompano Beach, Florida

Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
Fiscal Year Ended September 30, 2015

Federal/State Agency, Pass Through Entity Federal Program/State Project	CFDA CSFA No.	Contractor/ Grant No.	Expenditures	Amount Provided to Sub recipients
State of Florida:				
Florida Housing Finance Corporation				
State Housing Initiative Partnership Program	52.901	SHIP 14,15,16	\$ 356,268	\$ -
State of Florida:				
Florida Department of Transportation:				
Aviation Development Grants	55.004	433943-1-94-01	124,760	-
		433476-1-94-01	205,442	-
Total Aviation Development Grants			330,202	-
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			\$ 686,470	\$ -

See accompanying notes to schedule of expenditures of federal awards and state financial assistance.

City of Pompano Beach, Florida

Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance
Year Ended September 30, 2015

Note 1. General and Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the "Schedule") presents the activity of all federal programs and state awards of the City of Pompano Beach, Florida (the "City") for the year ended September 30, 2015. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal and state awards passed through other government agencies are included in the accompanying Schedule. The information in this schedule is presented in accordance with the requirements of the OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Chapter 10.550, *Rules of the Florida Auditor General*. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in fund balance/net position or cash flows, where applicable, of the City. The City's reporting entity is defined in Note 1 of the City's basic financial statements.

Note 2. Basis of Accounting

The accompanying Schedule is presented using the modified accrual basis of accounting for grants which are accounted for in the governmental fund types and on the accrual basis of accounting for grants which are accounted for in the proprietary fund types. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments* and the Rules of the Department of Financial Services, State of Florida, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

City of Pompano Beach, Florida

**Schedule of Findings and Questioned Costs
Fiscal Year Ended September 30, 2015**

I - Summary of Independent Auditor's Results

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

Yes

X

No

Significant deficiency(ies) identified?

Yes

X

None Reported

Noncompliance material to financial statements noted?

Yes

X

No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

Yes

X

No

Significant deficiency(ies) identified?

Yes

X

None Reported

Type of auditor's report issued on compliance for
major programs:

Unmodified

Any audit findings disclosed that are required
to be reported in accordance with Section 510(a)
of Circular A-133?

Yes

X

No

Identification of major programs:

The programs tested as major were as follows:

CFDA Number(s)

14.218

14.264

Name of Federal Program or Cluster

Community Development Block Grants Cluster

Neighborhood Stabilization Program NSP (3)

Dollar threshold used to distinguish between type

A and type B programs:

\$

300,000

Auditee qualified as low-risk auditee?

X

Yes

No

(Continued)

City of Pompano Beach, Florida

Schedule of Findings and Questioned Costs (Continued)
Fiscal Year Ended September 30, 2015

Section I - Summary of Auditor's Results (Continued)

State Financial Assistance

Internal control over major projects:

Material weakness(es) identified?

 Yes

 X No

Significant deficiency(ies) identified?

 Yes

 X None Reported

Type of auditor's report issued on compliance for
major projects:

Unmodified

Any audit findings disclosed that are required
to be reported in accordance with Chapter 10.550,
Rules of the Florida Auditor General?

 Yes

 X No

Identification of major projects:

The projects tested as major were as follows:

CSFA Number(s)

52.901

Name of State Program

State Housing Initiative Partnership Program

Dollar threshold used to distinguish between type
A and type B projects:

\$ 300,000

City of Pompano Beach, Florida

Schedule of Findings and Questioned Costs (Continued)
Fiscal Year Ended September 30, 2015

Section II – Financial Statements Findings

A. Internal Control

None reported.

B. Compliance

None reported.

Section III – Federal Awards Findings and Questioned Costs

A. Internal Control over Compliance

None reported.

B. Compliance

None reported.

Section IV – State Financial Assistance Findings and Questioned Costs

A. Internal Control over Compliance

None reported.

B. Compliance

None reported.

City of Pompano Beach, Florida

**Schedule of Prior Year's Audit Findings
Fiscal Year Ended September 30, 2015**

No findings were noted for the year ended September 30, 2014.

CITY OF POMPANO BEACH, FLORIDA

Purchasing Division

Tel: 954-786-4167

Fax: 954-786-4168

purchasing@copbfl.com

EXHIBIT L
PERFORMANCE EVALUATION SURVEY

Audit Firm Name: _____

Audit Senior and Manager: _____

Audit Firm was Primary Contractor ☐ Yes ☐ No

Please evaluate the performance of the firm (10 means you are very satisfied and have no questions about hiring them again, 5 is if you don't know and 1 is if you would never hire them again because of very poor performance).

NO.	CRITERIA	UNIT	
1	Ability to provide professional auditing services	(1-10)	
2	Qualification of project team	(1-10)	
3	Timely completion of engagement (issuance of reports)	(1-10)	
4	Professionalism and ability to ensure compliance with professional standards review (knowledge of team members of accounting principles and standards)	(1-10)	
5	Quality of audit reports	(1-10)	
6	Overall customer satisfaction and hiring again based on performance (comfort level in hiring contractor again)	(1-10)	
	Total Points		

Additional Comments: _____

Agency or Contact Reference Business Name: _____

Contact Name: _____

Contact Phone and e-mail: _____

Date of Services (contract term): _____

Approximate Timeframe for Interim (i.e. August) & Final (i.e. November)

Audit:_____

Type of Service Provided (i.e. CAFR audit, single audit

etc.):_____

Dollar Amount for Services:_____

PLEASE FAX OR EMAIL THIS QUESTIONNAIRE, NO LATER THAN JUNE 21, 2016 (BY 2:00 P.M.), TO CASSANDRA LEMASURIER, PURCHASING SUPERVISOR, AT 954-786-4167 OR PURCHASING@COPBFL.COM.