



## **City of Burlington Request for Proposals**

### **2022-2025 Professional Auditing Services**

**October 21, 2022**

**Carina G. Walters, City Administrator  
Steven J. DeQuaker, Finance Director/Treasurer**

**300 N. Pine St.**

**Burlington, WI 53105**

**(262) 342-1161**

**[www.burlington-wi.gov](http://www.burlington-wi.gov)**

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**A. PURPOSE OF REQUEST**

The City of Burlington, Racine County, Wisconsin (“City”) is requesting proposals for the purpose of retaining a certified public accounting firm (“Firm”) to audit the City’s financial records for the fiscal years 2022-2025. All detailed information needs are outlined in the subsequent sections of this request for proposals (“RFP”). The term of the contract with the successful Firm may commence any time after the contract is awarded and shall be for the following four fiscal years: January 1, 2022 – December 31, 2022; January 1, 2023 – December 31, 2023; January 1, 2024 – December 31, 2024; and January 1, 2025 – December 31, 2025. A shorter term of three (3) years may be considered.

Any inquiries and/or clarifications concerning this RFP should be directed in writing to City Finance Director Treasurer, Steve DeQuaker via email at sdequaker@burlington-wi.gov and should be received no later than the date specified in the time schedule. No information provided verbally, or by any other personnel, will be considered binding. All respondents should use this written document and its attachments as the sole basis for responses.

**B. TIME SCHEDULE**

The City intends to use the following timetable for evaluation and selection of a Firm:

- November 1, 2022: Publication of Request for Proposals.
- Week of November 4, 2022: Distribution of RFP to qualified accounting firms.
- December 10, 2022, at 4:30 p.m.: Deadline for receipt of RFPs. **No proposals will be accepted after this deadline.**
- December 12, 2022, at 1:00 p.m.: City of Burlington Bid Opening and review. Possible recommendation to the City Council.
- December 17, 2022, 6:30 p.m.: City Council review and possible action to approve a proposal and contract with a Firm for auditing services.

**C. INSTRUCTIONS TO AUDITING FIRMS**

All responses must be addressed to, and mailed or delivered to:

City of Burlington  
Attn: City Administrator  
300 N. Pine St.  
Burlington, WI 53105-1435

All proposals must be in writing, must be in a sealed envelope and clearly marked “Auditing Services Proposal.” **All proposals must be received by 4:30 p.m. on December 10, 2022.** Proposals received after that date and time will be rejected. Proposals will not be opened publicly. Proposals will be opened by the City Administrator and Finance Director on December 12, 2022, at Burlington City Hall.

All attachments, additional pages, addenda or explanations supplied by the Firm with this proposal will be considered as part of the proposal response. An award may be made without discussion with the respondents. Therefore, respondents are cautioned that proposals should be submitted initially on the most favorable terms, from both a technical and cost standpoint.

One (1) original and two (2) copies of each proposal must be provided.

This RFP does not commit the City to award a contract, to pay any costs incurred in the preparation of a response to this request or to procure or contract for services or supplies. The City reserves the right to accept or reject any or all proposals received as a result of this request, to waive minor irregularities in the procedure, to negotiate with any qualified source, or to cancel in part or in its entirety, this RFP, if it is in the best interest of the City to do so. The City may require the Firm selected to participate in negotiations, and to submit such price, technical or other revisions in their proposal as may result from negotiations.

No official or employee of the City shall have any financial interest, either direct or indirect, in the contract. No official or employee of the City shall exercise any undue influence in the awarding of the contract.

Amendment of proposals may be done as follows:

**(1) By City:** Proposals may be amended by the City in response to need for further clarification, specifications and/or required changes, new opening date, etc. Amendments will be posted to the City of Burlington website at [www.burlington-wi.gov](http://www.burlington-wi.gov).

**(2) By Firm:** Proposals may only be amended after receipt by the City by submitting a later dated proposal that specifically states that it is amending an earlier proposal. No proposal may be amended after the opening date unless requested by the City.

It is the responsibility of prospective Firms to check this website for any future amendments, questions, revisions, etc., prior to the opening date. All amendments must be acknowledged in the transmittal letter.

A response that includes contractual terms and conditions that do not conform to the contractual terms and conditions in the RFP document is subject to rejection as nonresponsive. The City reserves the right to permit the respondent to withdraw nonconforming terms and conditions from its response or negotiate changes to the contractual requirements prior to making a determination of responsiveness.

An alternate proposal is viewed by the City as a proposal describing an approach to accomplishing the requirements, which differs from the approach set forth in the solicitation. An Alternative proposal may also be a second proposal submitted by the same Firm, which differs in some degree from its prime proposal. The City may consider or reject any or all alternate proposals submitted.

Proposals may be withdrawn only in total, and only by a written request to the City prior to the date scheduled for opening of proposals.

#### **D. DESCRIPTION OF ENTITY AND RECORDS TO BE AUDITED**

The City of Burlington is located in western Racine County. Incorporated in 1900, the City of Burlington has a population of 11,166 and operates under the Mayor–Council form of government. The City Mayor is elected to serve a two-year term and the eight Alderman serve staggered two-year terms. The City

provides a range of services typical to small municipal governments; including paid and volunteer fire, public works activities such as street maintenance, snow plowing, water and sewer utilities, Municipal Airport enterprise fund, refuse and recycling collection (contracted), and a public library (SHARE Consortium). The City has one active Tax Incremental Financing District (#5), which was formed in 2014 as a special TIF District with a 7-year lifespan. Effective January 1, 2020 the City began providing EMS Services.

Other pertinent information is as follows:

- Appendix A contains information regarding all the funds of the City.
- The City has about 100 employees, including volunteer and paid Fire department members, City Police Staff, City Council members and poll workers.
- The City's manages its own Water distribution and Sewerage collection system. The Sewer system also serves Bohners Lake and Browns lake sanitary districts. These districts are not part of this proposal; however, an audit of the Sewer Utility (and Water Utility) is a part of this proposal.
- The City uses Riverview Manor as its Housing Authority. A Discretely presented audit of the Housing Authority is required.
- The City has a Municipal Airport managed by a hired contractual company.
- The 2008-2021 audit reports and TIF Audits are available online at the following link: <http://www.burlington-wi.gov/317/Audited-Financial-Statements>.
- The Annual City Budgets are available at the following link: <http://www.burlington-wi.gov/106/City-Budget>
- The City is currently Self-Insured and maintains two health plans. An H.S.A. and traditional PPO type plan. The City is part of the Wisconsin Retirement System (WRS)
- The City uses Caselle Connect by Civic Systems as its primary accounting software.
- The City uses several bank accounts covering multiple banks, LGIP and TD Ameritrade for its cash holdings.
- Ehlers, Inc. is the City's Municipal Advisor. Ehlers Investment Partners is the City's Financial Advisor.

## **E. BASIS OF ACCOUNTING**

The City follows generally accepted accounting principles as applicable to governmental units in the preparation of its financial statements. The modified accrual basis of accounting is used for all government funds. The accrual basis is used for all proprietary funds.

Expenditure and expense transactions are generally records as incurred during the year. Fixed asset changes and depreciation are recorded as year-end adjustments. Revenues are generally recorded during the year on a cash basis and adjusted to accrual at year-end. The notes to the financial statements include a summary of significant accounting policies.

## F. SCOPE OF AUDIT

The audit shall cover the entire financial operation of the City and must be performed in accordance with generally accepted auditing standards as contained in the U.S. General Accounting Office, Governmental Auditing Standards and the American Institute of Certified Public Accountants Industry Audit Guide, Audits of State and Local Governmental Units, and Governmental Accounting Standards Board. The audit shall provide the required supplementary information (RSI) and budgetary information.

It will be the responsibility of the Firm to prepare all financial statements, schedules and associated notes for the City, as well as the **State Financial Report Form C** and the **Wisconsin Public Service Annual Report** for the City of Burlington Water Utility. The audit shall include an annual examination of the City's financial statements for the years ending December 31, 2022, 2023, 2024, and 2025. An opinion will be expressed based on the examination of all individual funds and fund types.

The City may form a TIF District in late 2022. The City desires to have the Firm providing the annual audit services perform the TIF audit as part of its procedures. Therefore, proposing firms should include the estimated hours and fees for performing the TIF audit as part of the technical and cost proposals. Required TID reporting to the State of Wisconsin will be completed by the Finance Director/Treasurer using audited data.

## G. REPORTS TO BE ISSUED

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue a report on the fair presentation of the financial statements in conformity with generally accepted accounting principles. If applicable, a report on compliance and internal control over financial reporting based on an audit of the financial statements will also be issued.

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

Irregularities and illegal acts. Auditors shall be required to make an immediate, written report of all irregularities and illegal acts.

Reporting to the City Board. Auditors shall assure themselves that the City Council is informed of each of the following:

- 1) The auditor's responsibility under generally accepted auditing standard
- 2) Significant accounting policies
- 3) Management judgments and accounting estimates
- 4) Significant audit adjustments
- 5) Other information in documents containing audited financial statements
- 6) Disagreements with management
- 7) Management consultation with other accountants

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

In addition, the Firm will:

- 1) Reconciliation of tax roll with collections and other items of accounts
- 2) Assist in posting and closing of books and accounts
- 3) Prepare necessary audit correcting items, journal entries, and recording within the general ledger system
- 4) Answer accounting questions throughout duration of agreement at no additional charge
- 5) Assist in recording receipt of new long-term debt
- 6) Annually attend the meeting of the City Council to present each audit

#### **H. Assistance Available to Selected Firm**

The city has been audited by Sitzberger and Company, S.C. for the past five years, ending December 31, 2022. The City has received an unqualified audit opinion in each of those years. Previous audit work papers prepared by Sitzberger and Company, S.C. will be made available for inspection after the selection of an audit firm has been completed.

The primary contact for the audit will be the City Finance Director Treasurer. The secondary contact is the City Administrator. Other City staff will be available to provide information and explanations as required. City employees will complete and provide audit work papers in an electronic format. All reports, footnotes, and management's discussion and analysis will also be provided to the auditors.

The City will provide adequate office space, office furniture, photocopying, Wi-Fi access, telephone and fax service at no cost to the auditor. City telephones can be used for all calls connected to the audit.

#### **I. Terms and Conditions**

##### Insurance

All proposals must include either a description of the Firm's insurance or a certificate of insurance outlining the Firm's insurance policies which evidence a prudent amount of coverage for the willful or negligent acts or omissions of any officers, employees or agents thereof. The City's minimum requirement for errors and omissions coverage is \$1,000,000. The successful Firm shall agree that it will, at all times during the term of the agreement, keep in force and effect insurance policies required by the contract, issued by a company or companies authorized to do business in the State of Wisconsin and satisfactory to the City. Such insurance shall be primary. Prior to execution of the written contract, the successful Firm shall furnish the City with a Certificate of Insurance listing the City as an additional insured and upon request, certified copies of the required insurance policies. The Certificate shall reference the contract and provide for thirty (30) days advance notice of cancellation or nonrenewal during the term of the agreement.

Failure to submit an insurance certificate, as required, can make the contract voidable at the City's discretion. Additionally, the Firm shall not allow any subcontractor to commence work until the aforementioned documents, where applicable, have been obtained from the subcontractor and approved by the City of Burlington.

Applicable Law

Any lawsuits related to or arising out of disputes under this agreement shall be commenced and tried in the Circuit Court of Racine County, Wisconsin, and the City and successful Firm shall submit to the jurisdiction of the Circuit Court for such lawsuits.

Nondiscrimination

In connection with the performance of work under this agreement, the Firm agrees not to discriminate against any employee or application for employment because of age, race, religion, color, marital status, sexual orientation, sex, disability, national origin or ancestry. This provision must be included in all subcontracts.

Assignment of Subcontractor

This contract may not be assigned or subcontracted by the Firm without the written consent of the City.

Independent Contractor Status

The Firm agrees that it is an independent Contractor with respect to the services provided pursuant to this agreement. Nothing in this agreement shall be considered to create the relationship of employer and employee between the parties.

Amendments to Contract

This contract may be modified only by written amendment to the contract, signed by both parties.

Waiver

One or more waivers by any party of any term of the contract will not be construed as a waiver of a subsequent breach of the same or any other term. The consent or approval shall not be deemed to waive the need for further consent or approval of any subsequent similar act by such party.

Indemnification and Defense of Suits

The Firm agrees to indemnify, hold harmless, and defend the City, its officers, agents and employees from any and all liability including claims, demands, damages, actions or causes of action, together with any losses, costs, or expense, including attorney fees, where such liability is founded upon or grows out of the acts, errors, or omissions of the Firm, its employees, agents or subcontractors.

Contract Period

The term of this contract shall commence no later than January 1, 2023. The contract will be for four (4) consecutive fiscal years beginning with the year starting January 1, 2022 and ending on December 31, 2025. An option to renew services for one (1) successive 3-year term will be allowed upon mutual agreement with the provision of a quote for that term from the Firm awarded this contract.



#### Termination of Contract for Cause

If through any cause, the Firm shall fail to fulfill in a timely and proper manner the obligations under this contract, or if the Firm shall violate any of the covenants, agreements or stipulations of this contract, the City shall thereupon have the right to terminate this contract by giving written notice to the Firm specifying the effective date thereof, at least five (5) days before the effective date of such termination. In such event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs, reports or other materials related to the services prepared by the Firm under this contract shall, at the option of the City, become the property of the City of Burlington.

Notwithstanding the above, the Firm shall not be relieved of liability to the City for damages sustained by the City by virtue of any breach of the contract by the Firm, and the City may withhold any payments to the Firm for the purpose of set off until such time as the exact amount of damages due to the City from the Firm is determined.

#### Auditor Access

All parties contracting with the City, shall upon request, provide access to and furnish the City auditors with requested information, records and regarding powers, duties, activities, organization, property, financial transactions, methods of operation, or any and all other records, reports or information in their custody. In addition, they shall provide access for the auditors to inspect all property, equipment and facilities within their custody.

#### Working Papers

Audit working papers must be retained for at least seven years from the final year of the audit engagement and be made available for examination by authorized representatives of the cognizant federal or state audit agencies, General Accounting Office, the City, successor auditors (if appointed), and/or any other parties authorized by the City of Burlington.

### **J. Technical Proposal Requirements and Proposal Format**

In order for the City to adequately compare proposals and evaluate them uniformly and objectively, all proposals must be submitted according to this format. Each proposal should be bound, include a table of contents, and be separated by section and tabbed with the proposal heading.

Proposals should provide a straightforward, concise description of the proposed delivery of services and your ability to achieve the same in the format provided. Emphasis should be on completeness and clarity. Unnecessary elaborate brochures, artwork or other presentations beyond that sufficient to present a complete and effective proposal are not desired.

#### Title Page

The proposal should identify the subject, the name of the Firm, address, telephone number, fax number, e-mail address, name and title of the contact person, and the date of submission. The response should confirm that the proposal is effective for ninety (90) days from the date submitted.

#### Table of Contents

The table of contents of the proposal should include a clear and complete identification of the material submitted by section and page number.

### Letter of Transmittal

The letter of transmittal should summarize the following information:

1. A brief understanding of the services to be performed.
2. A positive commitment to perform the services as specified.
3. The name(s) of the person(s) authorized to present the Firm; their title, address, telephone number, fax number and e-mail address if different from the individual who signs the transmittal letter.

### Certificate of License to Practice in Wisconsin

Firm must affirm that they are licensed to practice as Certified Public Accountants in the State of Wisconsin. Firm must also affirm that they do not have a history of substandard work.

### Certification of Independence

Firm must certify that the Firm, partners and all staff members assigned to the engagement are free from impairments to independence with respect to the City of Burlington, as defined by generally accepted auditing standards and the U.S. General Accounting Offices' Government Auditing Standards. Firm must commit to maintaining an independent attitude and appearance through the full term of the engagement.

## **1. Profile of the Firm**

This section should include information on the following:

- a) The type of organization and size of the Firm.
- b) The location of the office from which the work is to be performed, and the number of partners, managers, supervisors, seniors and other professional staff employed at that office.
- c) The length of time the Firm has been in existence, as well as the length of time the Firm has been performing audits of local governments.

## **2. Firm's Qualifications**

This section should include information on the following:

- a) Resumes of all key staff members to be assigned to the engagement. The resumes should include experience and educational information relative to the work proposed. In addition, list detailed time commitments of all key staff members. The resumes may be included as an appendix.
- b) Description of the Firm's recent experience with local government audits of local government clients similar to that being requested. Provide references from at least **three prior clients**, including the names, titles, addresses, telephone numbers and e-mail addresses of key client staff members.
- c) Information regarding the Firm's participation in or with the Government Finance Officers Association, Governmental Accounting Standards Board, American Institute of Certified Public Accountants, Wisconsin Institute of Certified Public Accountants, government accounting forums, government cognizant agencies and other organizations.

- d) A description of the Firm’s quality control procedures and audit review process.
- e) Any other information relevant to the Firm’s qualifications for the proposed engagement. This could include library or research facilities, specialized technical expertise, EDP resources, etc.
- f) 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 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 years with state regulatory bodies or professional organizations.
- g) Any other information relevant to the Firm’s qualifications for the proposed engagement.

**3. Firm’s Approach to the Examination**

An outline of the work plan for the audit, including the following:

- a) A description of the basic audit program.
- b) Use of statistical sampling.
- c) Use EDP audit or other technical specialists.
- d) Organization of audit team and approximate percentage of time spent on audit.
- e) Sample management letter.
- f) Typical assistance expected from government’s staff.
- g) Tentative schedule for completing audit within the time required.

**K. COST PROPOSAL**

The cost proposal should include a “not to exceed” fee for each year and portion of work, along with an estimated total number of hours and any out-of-pocket expenses. Any special projects outside the scope of this request would be negotiated separately. An “Inclusive Not-To-Exceed” Total Cost will be assumed if the individual audit portions are not broken down below.

<b>City of Burlington 2022-2025 Audit Cost Proposal</b>	<b>2022 Audit</b>	<b>2023 Audit</b>	<b>2023 Audit</b>	<b>2024 Audit</b>
City General Audit				
Water, Sewer & Airport Audit				
Preparation of Form C				
Single Audit – CDBG Grant (2022 over \$750,000)				
PSC Annual Report				
Non-Major & Special Funds Audit				
<b>Total Costs</b>				

## **L. OTHER CONSIDERATIONS**

Factors which include, but are not limited to, quantity involved, time of completion, purpose for which required, competency and financial capacity of the Firm, ability to render satisfactory service and past performance will be considered in determining status as a responsible Firm. The City reserves the right to request additional information as may reasonably be required to make this determination and to further investigate the qualifications of the respondent as deemed appropriate.

## **M. PROFESSIONAL SERVICE CONTRACT**

If your proposal is accepted and a contract is issued, then this Request for Proposal and all documents attached hereto including any amendments, the Firm's technical and price proposals, and any other written offers/clarifications made by the Firm and accepted by the City, will be incorporated into a contract between the City and the Firm, it shall contain all the terms and conditions agreed on by the parties hereto, and no other agreement regarding the subject matter of this proposal shall be determined to exist or bind any of the parties hereto.

The submission of a proposal shall be considered as a representation that the Firm has carefully investigated all conditions, has full knowledge of the scope, nature and quality of work required, and is familiar with all applicable State, Federal and Local regulations that affect, or may at some future date affect the performance of this contract.

Acceptance of this proposal will take place only upon award by the City Council, execution of the contract by the proper City officials, and delivery of the fully executed contract to the Firm. Acceptance may be revoked at any time prior to delivery of the fully executed contract to the successful Firm. The contract may be amended only by written agreement between the Firm and the City of Burlington.

## **RESOURCES**

City Website: [www.burlington-wi.gov](http://www.burlington-wi.gov)

- The 2008-2021 audit reports and TIF Audits are available online at the following link:  
<http://www.burlington-wi.gov/317/Audited-Financial-Statements>.
- The Annual City Budgets are available at the following link:  
<http://www.burlington-wi.gov/106/City-Budget>