Village of Tinley Park, Illinois

REQUEST FOR PROPOSALS

2017-RFP-004

AUDIT SERVICES

This Request for Proposals (RFP) is for the purpose of establishing a contract with a single qualified firm/consultant to provide audit services for the Village of Tinley Park, IL.

GENERAL REQUIREMENTS: Proposers are to submit four (4) original physical & one (1) electronic copy of their proposal, to be opened and evaluated in private.

SUBMISSION LOCATION: Village of Tinley Park- Clerk’s Office
16250 South Oak Park Avenue
Tinley Park, IL 60477

SUBMISSION DATE: Wednesday, March 8, 2017 by 4:30 P.M.
Proposals received after the time specified will not be opened.

CONTACT / QUESTIONS: Submit questions via email to: Village of Tinley Park, Brad Bettenhausen, at bbettenhausen@tinleypark.org or via fax at (708) 444-5099. Questions are required no less than three (3) business days prior to the proposals opening date. Phone: (708) 444-5000. Absolutely no informal communication shall occur regarding this RFP, including requests for information, or speculation between Offeror’s or any of their individual members and any Village elected official or employee. All questions will be answered with a copy of the question and answer to each proposer.

CONTENTS: The following sections, including this cover sheet, shall be considered integral parts of this solicitation:
* Notice of RFP
* General Terms and Conditions
* Project Overview
* Submission Requirements
GENERAL TERMS AND CONDITIONS

1. **Negotiations:**
The Village of Tinley Park reserves the right to negotiate specifications, terms and conditions, which may be necessary or appropriate to the accomplishment of the purpose of this RFP.

2. **Confidentiality:**
RFP’s are subject to the Illinois Freedom of Information Act.

3. **Reserved Rights:**
The Village of Tinley Park reserves the right at any time and for any reason to cancel this RFP or any portion thereof, to reject any or all RFP’s. The Village reserves the right to waive any immaterial defect in any RFP. The Village may seek clarification from a proposer at any time, after the submission date, and failure to respond promptly is cause for rejection. The Village reserves the right to negotiate with the highest ranked responsive, responsible proposer. However, should the Village not be able to negotiate a fair and reasonable price with the highest ranked responsive, responsible proposer, it reserves the right to proceed to negotiations with the next highest ranked responsive, responsible proposer.

4. **Incurred Costs:**
The Village of Tinley Park will not be liable for any costs incurred by respondents in replying to this RFP.

5. **Award:**
Award will be based on the highest ranked responsive, responsible proposer based upon the evaluation criteria established by the Village of Tinley Park, in its sole discretion. Award will be based on the evaluation criteria set forth herein. The selected firm will be required to enter into a written professional services agreement. Such agreement shall reflect the terms and conditions included in the RFP and the selected firm’s proposal, as well as any other provisions mutually agreed to by both parties. The agreement is subject to approval by the Tinley Park Village Board. In the event the proposer to whom the services are awarded does not execute a contract within thirty (30) calendar days after the approval, the Village may give notice to such proposer of intent to award the contract to the next most qualified proposer or to call for new proposals and may proceed to act accordingly. Any agreement resulting from the acceptance of a proposal shall be on forms prescribed by the Village and approved by legal council and shall contain, as a minimum, the applicable provisions of this RFP and the proposal itself. The Village reserves the right to reject any agreement which does not conform to the RFP, the proposal submitted, or the Village’s requirements for agreements and contracts.

6. **Discussion of RFP:**
The Village of Tinley Park may conduct discussions with any proposer who submits an RFP. During the course of such discussions, the Village shall not disclose any information derived from one RFP to any other proposer.

7. **Contract Period:**
Time is of the essence. The consultant shall be able to devote sufficient resources to this project.

8. **Responsibility & Default:**
The Proposer shall be required to assume responsibility for all items listed in this RFP. The successful proposer shall be considered the sole point of contact for purposes of this contract.

9. **Consultants:**
If consultants/sub consultants are to be used, your firm must list and identify the name and qualifications of the consultants/sub consultants, history of the consultant’s firm, list of previous work completed, references and similar projects.

10. **Payments:**
Payments shall be made in accordance with the Local Government Prompt Payment Act.

11. **Interpretations or Correction of Request for Proposals:**
Proposers shall promptly notify the Village of any ambiguity, inconsistency or error that they may discover
upon examination of the RFP’s. Interpretation, correction and changes to the RFP’s will be made by written addendum. Interpretation, corrections or changes made in any other manner will not be binding.

12. **Addenda:**
Addenda are written instruments issued by the Village prior to the date of receipt of proposals, which modify or interpret the RFP by addition, deletions, clarifications, or corrections. Each proposer shall ascertain prior to submitting a proposal packet that all addenda issued have been received, and by submission of a qualification packet, such act shall be taken to mean that such proposer has received and understands fully the contents of the addenda.

13. **Taxes:**
The Village is exempt from paying certain Illinois State Taxes.

14. **Non-Discrimination:**
Proposer shall comply with the Illinois Human Rights Act, 775 ILCS 5/1-101 et seq., as amended and any rules and regulations promulgated in accordance therewith, including, but not limited to the Equal Employment Opportunity Clause, Illinois Administrative Code, Title 44, Part 750 (Appendix A), which is incorporated herein by reference. Furthermore, the Vendor shall comply the Public Works Employment Discrimination Act, 775 ILCS 10/0.01 et seq., as amended and the Illinois Drug Free Workplace Act, Title 44, Chapter 10.

15. **Insurance:** *Please submit certificate with your proposal*
The Proposer must obtain, for the Contract term and any extension of it, insurance issued by a company or companies qualified to do business in the State of Illinois and provide The Village with evidence of insurance. Insurance in the following types and amounts is necessary:

- **Worker’s Compensation Insurance** covering all liability of the Proposer arising under the Worker’s Compensation Act and Worker’s Occupational Disease Act at statutory limits.

- **General Liability:**
  - General Aggregate Limit: $2,000,000
  - Each Occurrence Limit: $1,000,000

- **Professional Liability** to include, but not be limited to, coverage for Errors and Omissions to respond to claims for loss therefrom.
  - General Aggregate Limit: $2,000,000
  - Each Occurrence Limit: $1,000,000

- **Comprehensive Automobile Liability, Bodily Injury, Property Damage:**
  - General Aggregate Limit: $1,000,000
  - Each Occurrence Limit: $500,000

Proposer agrees that with respect to the above required insurance, The Village of Tinley Park, shall:

- Be named as additional insured by endorsement as their interest may appear;
- Be provided within thirty (30) days notice, in writing, of cancellation or material change;
- Be provided with Certificates of Insurance evidencing the above-required insurance, prior to commencement of this Contract and thereafter with certificates evidencing renewals or replacements of said policies of insurance at least fifteen (15) days prior to the expiration of cancellation of any such policies.

16. **Change In Status:**
The Proposer shall notify The Village of Tinley Park immediately of any change in its status resulting from any of the following: (a) vendor is acquired by another party; (b) vendor becomes insolvent; (c) vendor, voluntary or by operation law, becomes subject to the provisions of any chapter of the Bankruptcy Act; (d) vendor ceases to
conduct its operations in normal course of business. The Village of Tinley Park shall have the option to terminate its contract with the vendor immediately on written notice based on any such change in status.

17. **Precedence:**
Where there appears to be variances or conflicts, the following order of precedence shall prevail: The Owner and Consultant Agreement; The Village of Tinley Park Request for Proposals; and the Proposer’s Response to Proposal.

18. **Transfer:**
The contracted firm shall not assign any interest in the contract and shall not transfer any interest without the prior written consent of the Village.

19. **Examination:**
Respondents shall thoroughly examine and be familiar with the RFP specifications. The failure or omission of any respondent to receive or examine this document shall in no way relieve any respondent of obligations with respect to this RFP or the subsequent agreement.

20. **Independence:**
The firm shall provide an affirmative statement that it is independent of the Village as defined by generally accepted auditing standards.

21. **License Required:**
The firm shall provide an affirmative statement indicating that the firm and all assigned key professional staff are properly licensed to practice in the State of Illinois.

22. **Records:**
The firm shall maintain books, records, documents and other evidence directly pertinent to the work under the engagement consistent with generally accepted auditing standards in accordance with the American Institute of Certified Public Accountants professional standards. Access shall be provided to the books, records, documents and other evidence for purposes of inspection, auditing and/or copying. Such documentation shall be maintained and made available during performance of the work under the agreement and until a minimum of three (3) years from the date of the final audit. Records related to any dispute, litigation or settlement of claims arising out of such performance shall be maintained and made available a minimum of three (3) years after the date of resolution of such dispute, litigation or settlement.

23. **Termination:**
If, through any cause, a firm contracted pursuant to his RFP fails to fulfill the obligations agreed to in a timely and proper manner, the Village shall have the right to terminate the contract by notifying the firm in writing and specifying a termination date not less than thirty (30) calendar days in advance. In such event, the contracted firm shall be entitled to just and equitable compensation for any satisfactory work completed.

24. **Fees:**
After the execution of the agreement, any alterations to existing fees or additional fees imposed must be approved by the municipality in the form of an addendum to the agreement. All addenda are subject to the review of legal counsel.

25. **Confidentiality:**
Proposals and other documents submitted shall be examined to determine the validity of any written requests for nondisclosure of proprietary or confidential information. After award of a contract, all responses, documents, and materials submitted by the respondent pertaining to this RFP will be considered public information unless otherwise determined by legal counsel. All data, documents and other information developed as a result of this contractual agreement shall become the property of the Village. Based on the public nature of RFP’s, a respondent must inform the Village, in writing, of the exact materials in the submittal which it believes are proprietary or confidential, and should not be made part of the public record in accordance with the Illinois Freedom of Information Act. The respondent will be financially responsible for all expenses of the municipality, its public officials, consultants, employees, agents and representatives in defending the denial of access to such
material pursuant to a Freedom of Information Act request.

26. **Submittal and Evaluation Factors:**
Proposals will be evaluated in a fair, consistent and objective manner. Selection will be based on response to questions or requirements identified in this RFP and personal interviews, if applicable. The final recommendation will be subject to consideration and approval by the Tinley Park Village Board.

Proposals will be evaluated utilizing three sets of criteria identified below (not listed in priority order):

**Mandatory Elements**

- The audit firm is an independent firm licensed to practice in Illinois
- Proposed fees for audit services
- Experience of the firm with municipal audit services
- Experience of the partner(s) and senior team members proposed
- Demonstrated commitment to adequate continuing professional education for professional staff pertinent to the audit of governmental agencies
- Commitment to audit team continuity and adequate training and oversight of audit team members
- Date of last peer or quality review; state whether or not it was an unmodified report.
- Demonstrates quality audit work
- Compliance with RFP specifications
- Provide a link to a sample CAFR prepared by respondent

**Technical Qualifications**

- Expertise and experience of firm and assigned personnel
  - Past experience and performance on comparable governmental engagements
  - Professional staff to be assigned to the engagement and the quality of the firms’ management support personnel
  - Availability throughout the year for technical consultation
  - Single audit experience; demonstrated training pertaining to the Uniform Grant Guidance
  - Government Finance Officers Association (“GFOA”) Certificate of Achievement for Excellence in Financial Reporting experience

**Audit Approach**

- Adequacy of proposed staffing plan for various segments of the engagement
- Adequacy of sampling techniques
- Adequacy of analytical procedures
1. **Intent:**
   This Request for Proposals (RFP) is for the purpose of establishing a contract with a single qualified firm/consultant to provide audit services for the Village of Tinley Park, IL.

2. **Background:**
   The Village of Tinley Park was incorporated in 1892. It is governed by an elected board consisting of the Village President (Mayor), six Trustees, and a Village Clerk. The government provides a variety of municipal services to a community of approximately 57,000 people. Public Safety services include police, fire protection, fire prevention, emergency management services, and E911 dispatch. Ambulance services are provided under a contractual relationship with a private entity. Public Works services include street maintenance, stormwater management, and operations of commuter parking facilities and a water and sewer enterprise. Sewer treatment is provided by other governmental and private entities. Administrative services include building inspection, planning, economic development, finance, and general administration.

   The Village of Tinley Park provides a full range of services including police protection, fire protection, ambulance emergency services (by contract), commuter parking, street maintenance, water and sewer. The reporting entity of the Village includes all the funds and accounts of the Village, its Police Pension Fund, as well as its component unit, the Tinley Park Public Library.

2A. **Summary of Accounting funds and structure**
   As of 30 April 2016, the Village of Tinley Park has established a number of internal accounting fund structures for its own internal tracking purposes as well as to meet the requirements of state, federal, or grant mandates and the current governmental accounting and reporting standards. The funds include:

   **General Fund**
   Under current reporting standards the following Special Revenue funds have considered as part of the General Fund
   - Storm Water Management
   - Hotel/Motel Tax
   - Main Street Development
   - Local Road Improvements
   - Train Station Operations and Maintenance
   - Fire Alarm

   **Special Revenue Funds**
   - Motor Fuel Tax
   - Customs Seizures (asset forfeitures)
   - Drug Enforcement (asset forfeitures)
   - Enhanced 9-1-1 (Emergency telephone)
   - Foreign Fire Tax
   - Community Development Block Grants

   **Debt Service Funds**
   - Tax/Bond Stabilization
   - Special Service Area #3
   - SSA #3 Limited Sales Tax Bonds
   - Hotel Tax Debt Service Reserve Fund

   **Capital Projects Funds**
   - Capital Improvement Fund
   - Surtax Capital Projects Fund
   - Oak Park Avenue TIF (Convention Center TIF)
   - Main Street North TIF
   - Main Street South TIF
   - Mental Health Center TIF (State Campus TIF) – created 2015 – may have activity in FY2018
Legacy TIF – created 2016 – may have activity in FY2018
Municipal Real Estate

Agency Funds
Special Assessment
Escrow
Payroll

Business-Type Activities
Water and Sewer Maintenance and Operations
Sewer Rehab and Replacement (capital)
Water/Sewer Construction (capital)
Commuter Parking Maintenance and Operations
Commuter Parking Improvement and Replacement (capital)

Pension
Tinley Park Police Pension

Component Unit – Tinley Park Public Library
Library Operations (general fund)
Library Capital Improvements
Library Bond Debt Service Fund
Library Campaign and Donation Fund
Library Working Cash

Major Revenue Sources
Local
Property Tax
Hotel Motel Tax
Utility Franchise Fees
Amusement Tax
Water and Sewer utility revenues
Red light enforcement
Licensing and permits
Bus service fees
Inspection fees

State/Intergovernmental Revenues
State Income Tax
Sales Tax
Home Rule Sales Tax
Use Tax
Motor Fuel Tax
Telecommunications Tax
Video gaming
Personal Property Replacement Tax

Federal Assistance
Grants

2B. Retirement
The Village employees participate in two (2) pension systems. Actuarial Services are provided by independent actuaries.
Illinois Municipal Retirement Fund (multi-employer, agent)
Tinley Park Police Pension Fund

The Village maintains two Section 457 Deferred Compensation Plans for employees to participate in. These
plans are not included in the Village’s financial reporting.

Other Post Employment Benefits
The Village offered to pay a portion of the premium costs associated with continuation of participation under its group health insurance plans in retirement to certain full time employees who were hired before May 1, 2011 (May 1, 2013 for patrol officers). The cost of dependent coverage, if elected, is borne by the retiree.

2C. Finance Department
The Finance Department is headed by the Village Treasurer (Finance Director). The Treasurer currently supervises three full time accountants, a part time accounts payable technician, and two part time interns. The Treasurer also oversees Information Technology which consists of three full time technicians.

2D. Financial Activity
Vendor Checks issued in FY 2016 – 6100 Village AP; 7750 for all types including library
Number of Employees as of April 30, 2016 423 (189 full time)
Payroll FY 2016 $23,057,000 Village; $2,200,000 Library
Payroll checks issued FY 2016 12,600 Village; 2,200 Library; 600 Police Pension
Pension Employer contributions FY 2016
  IMRF - $1,996,000
  Police Pension $2,300,000 (property tax collections – not amount levied)
FY 2017 General Fund expense budget $51,800,000
FY 2017 Total Budget, all funds $152,700,000
Utility customers April 30, 2016 23,600
Utility bills issued annually ~94,300
Cash and investments as of April 30, 2016 $175,900,000

The Village of Tinley Park has created an Open Government webpage following the tenants of the Illinois Policy Institute’s “Ten-Point Transparency Checklist” and prides itself on the level of transparency and disclosure that it has provided for our residents and other interested parties. Additional information on the Village and its financial activities can be found on this webpage including within the budget and Comprehensive Annual Financial Report (CAFR) documents posted therein. [http://www.tinleypark.org/index.aspx?NID=701](http://www.tinleypark.org/index.aspx?NID=701) A separate webpage has been created providing general information on TIF districts which is linked to this Open Government page. Linked to the TIF webpage, are separate webpages created for each of the Village’s individual TIF districts that includes all pertinent documents, reports, and agreements related to that TIF.

3. Project Scope of Services:
The Village of Tinley Park is requesting an audit which includes all the funds, accounts, capital assets, long term debt and activities of the Village deemed appropriate for inclusion in the Comprehensive Annual Financial Report (CAFR), including its component unit, the Tinley Park Public Library.

3A. Audit Services

- The audit will include all the funds, accounts, capital assets, long term debt and activities of the Village;
- The auditor will express an opinion on the fair presentation of the financial position of the governmental activities, the business-type activities, and the fiduciary funds in conformity with accounting principles generally accepted in the United States of America;
- The auditor will issue an “in relation to” opinion on the Village’s combining and individual fund statements and schedules. The auditor is not required to audit the introductory or statistical information section of the CAFR;
- 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;
- The auditor shall prepare, edit and produce all sections of the CAFR of the Village each year based on financial and other information provided by the Village. This shall include all financial statement related schedules including the statistical section, however, the Village shall assist in the creation of the statistical
section tables and exhibits. The Village shall be responsible for and provide to the auditor for inclusion in the final document the Transmittal Letter, MD&A and the non-financial sections;

- The auditor is responsible for the compilation of the Comptroller’s Annual Financial Report (CAFR) for the Village. This shall include preparation of the Annual Financial Report for the Village’s review. The Village will be responsible for electronically filing the report with the Comptroller of the State of Illinois, or authorizing the auditor to finalize and file the CAFR on the Village’s behalf;
- The auditor shall prepare separate audited financial statements for the individual TIF districts if the cumulative revenues have exceeded $100,000 as required by the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-5(d)2 and 5/11-74.6-22(d)(2)) (Attachment K of the Annual Tax Increment Finance Report);
- The auditor is responsible for expressing an opinion on management’s assertion that the Village of Tinley Park complied with the requirements of the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-5(d)(9) and 5/11-74.6-22(d)(9). (Attachment L of the Annual Tax Increment Finance Report);
- The Village may be the recipient of Federal financial assistance from time to time, and, as a result, the Village may be required to have an audit performed in accordance with OMB Circular A-133 (Single Audit Act) and the subsequent Uniform Grant Guidance. If such audit is required, the auditing firm will be required to prepare a report in accordance with these requirements and electronically submit the certified Data Collection Form.

The Village will work with the selected vendor to determine the final scope of services/work to be performed.

3B. Report/Reporting- Additional Information

1. The auditor shall prepare and issue the following reports
   a. Electronic copy
      An electronic version of the CAFR and any other reports created or required. These electronic files will be in the Adobe Portable Document Format (PDF) and be fully word searchable. Bookmarking of the PDF file is desirable, but not essential.
      Electronic reports shall include:
         CAFR
         TIF, as required
         Single Audit (A-133), as required
         Report to Board of Trustees (SAS 114)
         Illinois Comptroller’s Annual Financial Report
         Such other reports as may be produced
   b. Printed copies
      i. CAFR – Twenty-five (25) bound copies. The Village shall provide cover stock for the CAFR. The auditors shall provide any sectional dividers and binding.
      ii. TIF – Three (3) bound copies for each TIF, as applicable.
      iii. Report to the Board of Trustees (SAS 114) – Fifteen (15) bound copies.

2. The Auditors will make themselves available for a presentation to the Budget, Audit, and Administration Committee or the entire Board of Trustees of the CAFR, SAS 114 report, and such other matters related to the annual audit as required by Public Act 098-0738. The Auditors will provide the Village sufficient advance notice if there is any portion of this presentation that should be discussed in Executive Session in accordance with the Open Meetings Act so that the Village can properly prepare the agenda and notice for such meeting.

3. Special Considerations
   The Village of Tinley Park has participated in the Certificate of Achievement for Excellence in Financial Reporting program administered by the Government Finance Officers Association for its CAFR. The auditor shall work with the Village staff to assure that the Village’s CAFR conforms to the requirements of the program. The auditor shall work with Village staff to provide the necessary and appropriate responses to review comments and suggestions made on the preceding year’s report as submitted to the program. It is the auditor’s responsibility to assure that any and all comments are incorporated into subsequent CAFR
documents produced.

The Village will file the CAFR and associated documents with the Electronic Municipal Market Access (EMMA) of the Municipal Securities Rulemaking Board (MSRB), or such other reporting repository as may be created.


Working papers and reports must be retained, at the auditor’s expense, for a minimum of three (3) years, unless the consultant is notified in writing by the Village of Tinley Park 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 designee:

- The Village of Tinley Park;
- Auditors of entities of which the Village of Tinley Park is a sub-recipient of grant funds.

In addition, the consultant shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers from prior years’ audits.

3D. Time Requirements

The audit schedule shall be agreed upon by and with the Village of Tinley Park, but shall typically follow the schedule outlined below. The Village prides itself in the ability to consistently obtain the GFOA Certificate of Achievement for Excellence in Financial Reporting. Therefore, adherence to the general timeframe outlined below is of importance to the Village.

1. Detailed Audit Plan—The auditor shall provide the Village of Tinley Park both a detailed audit plan and a list of all schedules to be prepared by the Village prior to the audit and no later than May 15th following the audit year. Engagement letter shall be provided to the Village and presented to the Budget, Audit and Administration Committee at their April meeting.

2. Any preliminary/interim field work and confirmations must be completed no later than May following the close of the fiscal year to be audited.

3. Fieldwork—The auditor shall begin the fieldwork portion of the audit no sooner than June 30 and complete all fieldwork within four weeks of the initiation of the audit, but no later than August 15. The Village shall be notified, in advance, of the audit team to be assigned to the Village’s engagement.

4. Draft Reports—The auditor shall supply the first draft of the CAFR including the auditor’s report, financial statements, and notes to the financial statements and recommendations to management no later than August 31 of each year.

5. Final Reports—A final draft version of all financial statements and auditor’s reports must be delivered to the Village by no later than September 30 of each year. Presentation shall be made to the Budget, Audit and Administration Committee at its October meeting. Final reports must be submitted to the Village within five working days of the Audit Committee Meeting.

3E. Assistance to be provided to the Auditor

Finance Department staff and responsible management personnel will be available during the audit to assist the consultant by providing information, documentation and explanations. The preparation of confirmation letters will be the responsibility of the Village of Tinley Park. The mailing of the confirmation letters shall be the responsibility of the auditing firm.

The Village will have personnel available to assist the auditor in performing the engagement. Information Technology personnel will also be available to provide system documentation and explanations.

The Village staff will provide the auditors with all individual fund statements and supporting schedules by the first day of scheduled fieldwork each year.
The Village of Tinley Park will provide the auditor with reasonable work space, desks and chairs. The auditor will also be provided with access to one telephone and fax line, inquiry access into the accounting software and photocopying facilities.

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

4. Preliminary Consultant Selection Schedule

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<tr>
<th>Task</th>
<th>Completion Date</th>
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<tbody>
<tr>
<td>a) RFP Issuance</td>
<td>February 17, 2017</td>
</tr>
<tr>
<td>b) RFP Due</td>
<td>March 8, 2017</td>
</tr>
<tr>
<td>c) Contract Award</td>
<td>March/April, 2017</td>
</tr>
</tbody>
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SUBMISSION REQUIREMENTS

Proposals should be prepared simply and economically, providing a straightforward, concise description of the proposer’s capabilities to satisfy the requirements of the RFP. Special bindings, colored displays, promotional materials, etc. are not desired. Emphasis should be placed on the completeness and clarity of content. All proposal responses must be in the following format:

1. Cover Letter
2. Table of Contents
3. Firm Background
4. Proposed Scope of Services
5. Proposed Schedule of Implementation
6. References
7. Cost Proposal
8. Attachments

The desired information in each of these sections is described below:

1. **Cover Letter**
   The cover letter should contain the name of the proposer (and/or third party vendors), the address of the proposing officer(s), and the contact individual(s) authorized to answer technical, price and contract questions. Contact information should include telephone number, fax number, mailing address and email address. The cover letter must be signed by a person or persona authorized to bind the proposer(s). The cover letter must indicate whether any exceptions to specifications have been taken and reference the location in the proposal where exceptions are detailed. The cover letter should also indicate that the proposal is a firm and irrevocable offer for one hundred twenty (120) days from the submission date.

2. **Table of Contents**
   The contents of the proposal shall be included in an index at the beginning of the proposal and should include all contents and attachments.

3. **Firm and Staff Background**
   This section should include the size of the firm, the size of the firm’s governmental auditing staff, the location of the office from which the proposed work would be performed, the number and nature of professional staff to be assigned on the engagement (both full-time and part-time).

   The proposal should include a copy of the report on its most recent external quality control or peer review, with indication as to whether the review included specifically government engagements. The firm should describe and provide a status of any disciplinary action taken or pending against the firm during the past five (5) years with state regulatory bodies and/or professional organizations. The proposal should identify and describe any pending or previous litigation the firm was involved in over the past five (5) years.

   Identify the principal supervisory and management personnel, including engagement partners, who would be assigned to the engagement and indicate whether such person is licensed to practice as a Certified Public Accountant in the State of Illinois. Provide information pertaining to the government auditing experience of each person, including information on relevant continuing professional education for the past five (5) year and association with professional organization relevant to governmental audits. Resumes of key professional staff to be assigned to the engagement should be included.

   Describe the firm’s approach to assigning, rotating and replacing engagement personnel, specifically addressing the client’s involvement and approval authority in assigning personnel to the engagement.

   Describe the firm’s approach to education, training and consultation available to clients during and between engagements, including any costs, and specifically addressing new GASB pronouncements and SASs.
4. **Proposed Scope of Service**
Clearly and succinctly describe the scope of services to be provided. **Respondents must specifically address each of the items outlined in the scope of work. Any exceptions to the specifications outlined in the scope of work shall be listed and fully explained, and must be clearly marked “Exceptions to Specifications.”**

Respondents are to assume that unless specifically stated, services are to be provided consistent with best practices. Proposed auditing fees shall include the implementation of all current and foreseeable Governmental Accounting Standards Board (GASB) pronouncements and Statement on Auditing Standards (SAS).

Should third party vendors be necessary to provide any of the requested services, the detailed involvement of those parties and delineation of responsibilities should be explained in the appropriate sections.

5. **Proposed Schedule of Implementation**
Describe the typical engagement process and schedule, noting any specific requirements identified by the Village of Tinley Park. Indicate how your firm ensures a smooth transition from the previous audit firm and the specific process/timing adjustments required for the initial year.

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed in performing the audit services. The following should be specifically addressed:

- Proposed segmentation of the engagement
- Level of staff and number of hours to be assigned to each proposed segment of the engagement
- Sample sizes and the extent to which statistical sampling is used
- Extent of use of financial software
- Type and extent of analytical procedures used
- Approach taken to gain understanding of internal control structure
- Approach taken in determining laws and regulations subject to audit testing
- Approach taken in drawing samples for tests of compliance
- Approach taken in proposing audit adjustments
- Impact of pending and previous litigation

6. **References**
Provide a list of client references of similar sized and/or municipal accounts which the proposer has served over the past two years and us currently serving. Provide no fewer than five (5) references. Provide a contact person, telephone number, and email address for each customer reference.

7. **Cost Proposal (see professional audit services pricing form)**
Respondents must submit a cost proposal. In addition, the Village is seeking pricing for additional professional services that may be included.

Annual pricing shall be all-inclusive with no allowances made for expenses without the express written approval of the Village.

8. **Attachments**
In addition to all information requested above, the following attachments are required:

- Provide a copy of the firm’s most recent external peer review
- Provide a link for a sample CAFR prepared by firm. This report shall be compliant through at least GASB 67 and have been awarded the GFOA Certificate of Achievement for Excellence in Financial Reporting
Company Name: __________________________
Address: __________________________

PROFESSIONAL AUDIT SERVICES PRICING FORM

Audit Services – Annual Amount NOT TO EXCEED

<table>
<thead>
<tr>
<th>Service</th>
<th>FYE 4/30/17</th>
<th>FYE 4/30/18</th>
<th>FYE 4/30/19</th>
<th>FYE 4/30/20*</th>
<th>FYE 4/30/21*</th>
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<tr>
<td>Financial Statements</td>
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<td>Single Audit (if required)</td>
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<td>Recreation Fund Report (if required)</td>
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<td>Component Unit Report</td>
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<td>TIF Compliance Report (if required)</td>
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<td>Annual Report for the State of Illinois Comptroller</td>
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<td>TOTAL</td>
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*Option Years at the Village’s Discretion

Professional Fees Labor Rates

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<th>TITLE</th>
<th>HOURLY RATE Initial Term</th>
<th>HOURLY RATE Optional Renewal Years</th>
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<td>Partner</td>
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<td>Manager</td>
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<td>Supervisor</td>
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<td>Other (specify title)</td>
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<tr>
<td>Other (specify title)</td>
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</tbody>
</table>

Any and all exceptions to these specifications MUST be clearly and completely indicated on the proposal sheet. Attach additional pages if necessary. **NOT TO OFFERORS:** Please be advised that any exceptions to these specifications may cause your proposal to be disqualified. Submit proposals by SEALED proposal ONLY. Fax and e-mail proposals are not acceptable and will not be considered.

Authorized Signature: __________________________  Company Name: __________________________
Typed/Printed Name: __________________________  Date: __________________________
Audit RFP Questions

1. Why is the Village requesting RFPs this year?

   The Village Board has directed that proposals be sought. The Village had not gone “out for bid” for its auditing services for some time. Recently elected and appointed Trustees felt it important to solicit proposals as part of an elected officials’ objective to review existing contractual and professional relationships with the Village.

2. Who else has been invited to bid? Has your current provider been invited to submit a bid?

   The current provider has been invited to submit. Any qualified firm is eligible to submit a proposal. The RPF was announced in a notice published in the Chicago Tribune as well as emails to individuals at certain firms that we believe would have interest.

3. Will the Village provide copies of the most recent management letter? If not, what was the nature of the management letter comments?

   The last several years of Village CAFRs are available through the Village’s Open Government webpage. http://www.tinleypark.org/index.aspx?NID=701

   As required under Illinois Public Act 098-0738, the management letters received since fiscal year 2015 have also been posted on the webpage with the CAFRs. Only the SAS 114 letters, as posted, have been received.


4. We have noted the disclosure in the 2016 SAS 114 letter of the audit adjustment. Is this typical?

   Does the Village fully adjust trial balances for the audit? Typically how many entries are proposed by the auditors?

   As evidenced by the SAS 114 letters for fiscal years 2015 and 2016, it is not uncommon for the auditors to propose a few adjustments each year. As in the case of these two letters, the adjustments have typically been reclassifications with no direct impact to the reported financial operations.

   The Village attempts to provide fully adjusted trial balances at the start of the audit. It is possible that the Village will supply some additional adjustments after the trial balance has been provided.

5. Are all year end accrual on the full accrual basis for the government wide statements entries prepared by the Village?
Generally, yes. The Village may, from time to time, seek guidance or assistance from the auditing firm regarding adjustments that may be required.

6. Does the Village prepare the Schedule of Expenditures of Federal Awards?

The Village maintains a spreadsheet for tracking federally funded grants, awards, and the related financial activities. This template was created specifically for the tracking necessary for the determination of the applicability of the Single Audit Act reporting requirements in a given fiscal year.

While individual grants may be administered or managed in other departments, the Village’s Finance Department has established a policy that it is to be supplied with the grant agreement and related information for any grant received so that proper determination of any related auditing or reporting requirements can be made.

7. What was the total amount federal awards expended in 2016? Does the Village expect to have the same level of expenditures in 2017?

Are you anticipating needed a single audit for the fiscal year ended April 30, 2017?

Approximately $128,000 was expended in FY 2016. We do not currently anticipate expenditures to exceed the $750,000 reporting threshold in FY 2017.

Respondents are asked to provide information regarding their anticipated fees for preparing a Single Audit report, if/when required separate from the primary audit and reporting services.

8. What type of assistance does the Village need in conducting a periodic, year-end inventory of Village supplies, computers and peripheral and fleet of vehicles and/or subject to best practices?

The Village has not required assistance with regard to the referenced asset categories. However, the Village has been, and remains, open to suggestions regarding possible changes to implement/adopt best practices.

9. What assistance does the Village expect they will need from the auditors for implementation of new GASB statements?

The Village typically seeks the auditor’s involvement and assistance in implementation of new GASB statements and their requirements.

10. Are there any stand-alone programs that may or may not be integrated with the general ledger, such as payroll processing or fixed asset management programs?

What financial software does the Village use?
The Village utilizes the Eden software system from Tyler Technologies for its ERP/financial suite of applications. All of the primary financial activities are integrated through Eden. The suite of programs/applications includes: General Ledger, Accounts Payable, Payroll and Human Resources, Utility Billing, Business Licensing, Building Permits and Inspections (including Code Enforcement), Cashiering, Purchasing, Fixed Assets, Project Accounting. Separate systems are maintained for Police tickets.

We wanted to confirm the accounting for the Library discretely presented component unit. Are the Library’s funds maintained on the Village’s accounting software and does the Village provide the accounting services for the Library? (Same set of internal controls)

The Tinley Park Public Library shares use of the Village’s financial software. The Library’s funds are maintained within the same accounting software. The software provides for specific coding, where necessary, to keep certain transactional activities separated for the Library. The Library staff processes their accounts payable, payroll, and deposits activity within the financial software suite. Village Finance staff provides oversight over the activity and produces monthly financial reports for the Library Board. Village Finance staff and Library administration have a solid collaborative working relationship.

11. Does the Village anticipate having any new bond issues for 2017?

Are there any new significant activities in the 2017 fiscal year? (For example, significant debt issuances, major capital projects, significant new development or contractual agreements, etc.)

The Village is not contemplating any new bond issuances in calendar 2017.

There are no new developments or contractual agreements that are expected to have impact on the FY 2017 financial activity. No unusual or unexpected capital projects are anticipated outside of what would normally be expected for a municipality the size of Tinley Park.

12. Approximately how many cash and investment accounts are maintained?

Excluding individual Certificates of Deposits, the Village (including Police Pension and Public Library) has approximately seventeen (17) cash and investment accounts. These accounts are held at five (5) institutions.

13. Are all cash and investment accounts reconciled on a monthly basis with investments adjusted to fair values?

Accounts are reconciled on a monthly basis. Fair value adjustments are made as required.

14. Excluding operations of the Library, how many cash collection points are there?
Currently, in person collection points are Village Hall Clerk’s Office, and the Police Department. Customers also have the ability to pay utility bills on-line.

15. Does the Village maintain the general ledger, capital assets, and long-term debt for the Police Pension Fund or is an outside contractor utilized?

The Village maintains the general ledger and related expenditure and benefit payments for the Tinley Park Police Pension Fund (TPPPF). The TPPPF utilizes the services of investment managers and that activity is also summarized and posted to the TPPPF ledger accounts.

Other than the Accrued Actuarial Liability, the TPPPF has no long-term debt.

An independent actuary is utilized for any portability calculations, Annual Actuarially Determined Employer Contributions, and related year end GASB calculations.

The same actuary is utilized for GASB required OPEB disclosures on a bi-annual basis.

16. Is the Village willing to release the prior fee?

The Village has long taken pride in its efforts toward transparency and “open government,” despite contrary views expressed by its critics. Following the “10 Points of Transparency” initiative of the Illinois Policy Institute (IPI), the Village has incorporated an Open Government webpage into its website. The Open Government webpage provides a centralized location for typical information requests and serves as a springboard to additional information and resources. In the IPI’s last evaluation of the Village’s website in 2013, we achieved their “Sunshine Award” for outstanding online transparency performance with a ranking of 92%. We believe our ranking is much higher now due to additions and enhancements that have been subsequently added.

The Village’s audit agreement for the FY 2016 audit is available through the “Service Contracts” area of the Village’s Open Government webpage. The direct link to the agreement is http://il-tinleypark.civicplus.com/Archive.aspx?ADID=4079. The Village has paid the not-to-exceed amount referenced in the agreement.

17. Does the Village accounting software permit exports of electronic versions of the trial balance with budgets? Are budgets tracked by original and amended versions?

The Village’s financial software does provide for the export of the trial balance including budget amounts.
The Village has not amended a budget after it was originally adopted since 1997, in advance of the GASB 34 requirements for expanded presentations and disclosures of original and amended versions of the budget and related explanations.

18. What is the typical fieldwork duration and normally how many auditors are in the field?

What has been the typical structure of audit fieldwork in the past? (For example, three staff people for two weeks, etc.)

Fieldwork has typically encompassed generally 3 to 4 weeks to the best of our recall. Obviously, the number of auditors deemed to be needed in the field is determined by the auditing firm, not the Village. Nonetheless, we have observed at various times 1 to 3 auditors in the field, excluding manager or partner visits to supervise or review in the field.

19. The prior year audit was dated December 27, 2016 – why was the audit issued in December and is this anticipated in the future?

The Village encountered an unexpected delay in receiving its actuarial calculations for the Police Pension Fund and OPEB that were necessary for the completion of the report. This delay can partially be attributed to, and contributed to, the late issuance.

As you may (have) read in the press (and perhaps in the transmittal letter of the most recent CAFR), the Village of Tinley Park has found itself under intense pressure and scrutiny during 2016, both internally and externally. As reflected in the CAFR Officers and Officials schedule (page xxxi), and transmittal letter (page iii), the Village saw significant and unprecedented changes in elected officials in only a twelve month period between 2015 and 2016. The Village also has lost six upper level management staff members between late 2015 and the end of 2016 for a variety of reasons. Remaining management staff has, of necessity, shared in picking up and carrying some of the extra burden created by the vacant staff positions while replacements were/are being sought. Arguably, the Village Treasurer has been particularly burdened in this regard, in part due to the vast amount of Institutional Knowledge he carries beyond the confines of accounting and finance after 33 years with the Village. (It was recently noted that with the exception of two elected officials, the Treasurer is the only current upper level staff member that has more than a quarter century of service with the Village). While the Finance Department staff assisted significantly with the preparation of statistical tables and other matters related to the CAFR, there were key components that required the Treasurer’s direct involvement. As noted, his available time became abnormally compressed due to additional responsibilities assigned as a result of the staffing losses.

While we were not pleased with the extreme delays encountered with the issuance of the 2016 CAFR, we also believe the issuance delay was largely unavoidable. However, we are also hopeful that this was largely a “one off” occurrence. We are not anticipating or planning for a “repeat performance.”