

**ADDENDUM No. 2
TO
SPECIFICATION AND CONTRACT DOCUMENTS**

July 21, 2011

TO: ALL PLAN HOLDERS

FOR: RFP-027-2011 AUDIT SERVICES

This addendum sets forth changes and/or additional information as referenced and is hereby made a part of and should be attached to the subject Specifications and Contract Documents.

Proposers must acknowledge receipt of all addenda with proposal on the form provided herein.

THE PURPOSE OF THE ADDENDUM IS TO ANSWER QUESTIONS SUBMITTED BY 5:00 P.M. ON JULY 21, 2011.

Questions are answered as submitted, if there are duplicate questions there will only be one answer.

1. On page 10, the Criteria lists items to be included in the proposal. On page 11, “*Tab 2- Complete Check List of Submittal Requirements (non-scored)*” is listed as one of the required items. Does the City have a checklist of the required items that it has prepared or do we create our own based on the RFP? **No formal checklist required.**
2. We received Addendum #1. Was this addendum just to provide contact information? **Yes** Also, there is a “signature” line. Do we sign this addendum and send back to the purchasing department? **Addendum is to be signed and returned with proposal.**
3. Does the City require fee quotes for the 3 additional renewal years after the initial term with the fee schedule on page 8? **Yes, to be negotiated.**
4. The City has announced the engagement to begin with the F/Y ending September 30, 2012. Typically, governmental entities do not announce RFP opportunities until the prior year’s contract engagement (in this case F/Y 2011) has been completed. Why has the City decided to announce this opportunity? **Required by Municipal Code.**
5. Page 8 of the RFP requests Total All-Inclusive Maximum Price for F/Y 09/13 and each of the following two years. However, page 2 states the proposer is bidding on the years

ending 09/12, 09/13, and 09/14. Could the City please clarify the fiscal years covered for this RFP? **Three years beginning FY 9/12.**

6. Who will be members of the evaluation/selection committee? **Staff members.**
7. Does this City have a local ordinance/preference in place? **Not on RFP/RFQ's.**
8. Outside of the audit engagement, were there any other services rendered during the past five years by another CPA firm? If so, please indicate the nature of the service, firm that proposed and the fees that were paid. **Contractual services with Donna Duncan, CPA - \$17,912.50**
9. How long have the current auditors served the City? **1998** Is the current firm eligible to re-propose? **Yes**
10. For the past five years what has the City paid each year for completion of the City's audit? **2011 - \$61,500 2010 - \$59,335 2009 - \$58,665 2008 - \$58,000
2007 - \$56,663 2006 - \$55,112**
11. Does the City anticipate any major changes which could affect the City's government in the upcoming year? **No.**
12. How does this City anticipate single audit expenditures to change in the F/Y ending 2012? **No change.**
13. Are pension funds audited separately by a different firm or is the auditor responsible for including in the City's financial audit? **Responsible for including in city audit.**
14. Has the City applied for CAFR in the past? If not, are you planning to apply? **We are required to file a CAFR every year. If what you mean is do we prepare our own, yes we do.**
15. Could you please clarify what should be included under Tab 2 – Complete Check List of Submittal Requirements? **Review items required – no formal check list.**
16. Why is the City going out for proposals? **Current contract expires.** Is there any requirement to change firms? **No**
17. Does the City anticipate any significant changes in operations or funds between now and the 2012 fiscal year? **No**
18. What has the City budgeted for these services in the current budget? **\$61,500**
19. Is it correct the current CPA firm will perform the audit for the fiscal year ending September 30, 2011? **Yes**

20. Will the auditor prepare the financial statements and notes? **Price both ways. Client preparing/auditor preparing.**
21. Can the City provide a report at various levels of detail that shows original and final budget information? **Yes**
22. Who will prepare the City's State Annual Financial Report and other State required reports? **City prepares State Annual Financial Report. Auditor prepares Audit Clearinghouse Form SF-SAC.**
23. Approximately how many auditor-generated journal entries are made each year? **Ten – twenty.**
24. Can you email trial balances and financial reports in Excel? **Yes**
25. What has been the typical audit team makeup and duration during the field work phases? **Two week period in December or January; 4 – 6 members. One week period for summer preliminary; 2 – 4 members.**

[The remainder of this page has been left intentionally blank]

Addendum No. 1 Dated_____

Addendum No. 2 Dated_____

Signature:_____

FAILURE TO SUBMIT ACKNOWLEDGEMENT OF ANY ADDENDUM MAY BE CAUSE
OF REJECTION OF THE PROPOSAL.

THIS FORM MUST BE INCLUDED WITH PROPOSAL