

CITY OF GREENWOOD

REQUEST FOR PROPOSAL

FOR

PROFESSIONAL AUDITING SERVICES

**For the Fiscal Year Ending
December 31, 2007**

July 20, 2007

**520 Monument Street
Post Office Box 40
Greenwood, South Carolina 29648-0040**

City of Greenwood

REQUEST FOR PROPOSAL

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City of Greenwood

REQUEST FOR PROPOSAL

I. INTRODUCTION

A. General Information

The City of Greenwood is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal year ending December 31, 2007, with the option of auditing its financial statements for each of the three (3) subsequent fiscal years. These audits are to be performed in accordance with generally accepted auditing standards, the standards set forth for financial audits in the General Accounting Office's (GAO) *Government Auditing Standards* (1994), the provisions of the Federal Single Audit Act of 1984 (as amended in 1996) and the United States Office of Management and Budget (OMB) circular A-133, *Audits of States and Local Governments, and Non-Profit Organizations*, when applicable. Proposers are requested to indicate the fees associated with an A-133 audit separately on the attached bid form.

Potential auditors should note that the City of Greenwood's financial statements have been audited for many years and that the City's records have been found to be kept in excellent order. Therefore, firms should base their quotes on the assumption that the City's accounting system will minimize their difficulties in producing audit reports in an expeditious manner.

The City of Greenwood does not issue a Comprehensive Annual Financial Report (CAFR).

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

A pre-proposal conference for all the firms interested in submitting a proposal will be held at 10:00 a.m. on August 7, 2007 at the City of Greenwood Municipal Building, 520 Monument Street, Room 230, Greenwood, South Carolina to answer questions about the engagement. After this pre-proposal conference, any inquires concerning the request for proposal should be addressed to Steffanie Dorn.

To be considered, proposals must be received by the Finance Director, Steffanie Dorn, at 520 Monument Street, Room 130, Greenwood, South Carolina by 5:00 p.m. on August 28, 2007. The City of Greenwood reserves the right to reject any or all proposals submitted.

The City Manager, Finance Director and Finance Manager of the City of Greenwood will evaluate proposals submitted.

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

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

It is anticipated the selection of a firm will be completed and approved by City Council by September 17, 2007. Following the notification of the selected firm, it is expected a contract will be executed between both parties by September 21, 2007.

B. Term of Engagement

A four (4) year contract is contemplated, subject to an annual review, the satisfactory negotiation of terms (including a price acceptable to both the City of Greenwood and the selected firm), and the concurrence of the City of Greenwood and the annual availability of appropriations.

C. Subcontracting

Subcontracting of the audit or any functions of the audit will not be allowed.

II. NATURE OF SERVICES REQUIRED

A. General

The City of Greenwood is soliciting the services of qualified firms of certified public accountants to audit its financial statements for the fiscal year ending December 31, 2007, with the option to audit the City of Greenwood's financial statements for each of the three (3) subsequent fiscal years. These audits are to be performed in accordance with the provisions contained in this request for proposals.

B. Scope of Work to be Performed

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

The auditor shall also be responsible for performing certain limited procedures involving required supplementary information required by the Government Accounting Standards Board as mandated by generally accepted auditing standards.

The auditor is not required to audit the schedule of federal financial assistance. However, the auditor is to provide an “in-relation-to” report on that schedule based on the auditing procedures applied during the audit of the financial statements.

C. Auditing Standards to be Followed

To meet the requirements of this request for proposals, the audit shall be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, the standards for financial audits set forth in the United States General Accounting Office’s *Government Auditing Standards* (1994), the provisions of the Federal Single Audit Act of 1984 (as amended in 1996) and the provisions of the United States Office of Management and Budget (OMB) Circular A-133, *Audits of States and Local Governments and Non-Profit Organizations* when applicable.

D. Reports to be Issued

Following the completion of the audit of the fiscal year’s financial statements, the auditor shall issue:

1. A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles, including an opinion on the fair presentation of the supplementary schedule of expenditures of federal awards in relation to the audited financial statements.
2. A report on compliance and internal control over financial reporting based on an audit of the financial statements
3. A report on compliance and internal control over compliance applicable to each major federal program.

In the required reports on internal controls, the auditor shall communicate any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal

control structure, which could adversely affect the organization's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

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

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

The report on compliance shall include all material instance of non-compliance. All non-material instances of non-compliance shall be reported in a separate management letter, which shall be referred to in the report on compliance.

Irregularities and illegal acts. Auditors shall be required to make an immediate, written report of all irregularities and illegal acts of which they become aware to the City Manager and Finance Director.

Reporting to the City Manager and Finance Director: Auditors shall assure themselves that the City Manager and Finance Director are informed of each of the following:

1. The Auditor's responsibility under generally accepted auditing standards
2. Significant accounting policies
3. Management judgments and accounting estimates
4. Significant audit adjustments
5. Other information in documents containing audited financial statements
6. Disagreements with management
7. Management consultation with other accountants
8. Major issues discussed with management prior to retention
9. Difficulties encountered in performing the audit

E. Special Considerations

1. The City of Greenwood currently scans and stores all documents such as accounts payable checks and related documentation, grant reports, etc. in a software program that allows these documents to be converted to a PDF format. The auditor shall be required to accept this format for review, rather than original documents being provided, except where the auditor and Finance Director agree that original documents are necessary.

F. Working Paper Retention and Access to Working Papers

All working papers and reports must be retained, at the auditor's expense, for a minimum of three (3) years, unless the firm is notified in writing by the City of Greenwood 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:

- United States Government
- United States General Accounting Office (GAO)
- Parties designated by the federal or state governments or by the City of Greenwood as part of an audit quality review process
- Auditors of entities of which the City of Greenwood is sub-recipient of grant funds

III. DESCRIPTION OF THE GOVERNMENT

A. Name and Telephone Number of Contact Persons

The auditor's principal contact with the City of Greenwood will be Steffanie Dorn, Finance Director, (864)942-8416, who will coordinate the assistance to be provided by the City of Greenwood to the auditor.

B. Background Information

The City of Greenwood serves an area of 15.825 square miles with a population of approximately 22,228. The City of Greenwood's fiscal year begins January 1, 2007 and ends on December 31, 2007.

The City of Greenwood provides general governmental services of public safety, public works and general services.

The City of Greenwood has a total payroll of approximately \$6,264,000 covering approximately 185 full-time and 16 part-time employees.

The City of Greenwood is organized into eleven (11) departments and agencies. The accounting and financial reporting functions of the City of Greenwood are centralized.

C. Fund Structure

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

Fund Type	Number of Individual Funds	Number With Legally Adopted Annual Budgets
General fund	1	1
Special revenue funds	16	2
Capital projects funds	0	0
Enterprise funds	0	0
Trust and Agency funds	2	1

D. Budgetary Basis of Accounting

The City of Greenwood prepares its budgets on a basis consistent with generally accepted accounting principles.

E. Federal and State Financial Assistance

During the fiscal year to be audited, the City of Greenwood is estimated to receive the following financial assistance:

1. Four (4) Federal Grants totaling \$ 979,627
2. Three (3) State Grants totaling \$ 1,468,818

F. Pension Plans

The City of Greenwood participates in the following pension plans: State of South Carolina Police Retirement Fund and the State of South Carolina Retirement System; State of South Carolina 401(k) and 457 Deferred Compensation Plans. Actuarial services for these plans are provided by the State of South Carolina.

G. Component Units

The City of Greenwood is defined, for financial reporting purposes, in conformity with the Governmental Accounting Standards Board's *Codification of Governmental Accounting and Financial Reporting Standards*, Section 2100. Using these criteria, the City of Greenwood has no component units.

H. Magnitude of Finance Operations

The Finance Department is managed by Steffanie Dorn, Finance Director and consists of five (5) financial employees and two (2) Victims Services employees. The principal functions performed and the numbers of employees assigned to each are as follows:

<u>Function</u>	<u>Number of Employees</u>
Accounts Payable	1
Administrative Officer	1
Finance Manager	1
Finance Clerk	1
Payroll/Billing	1
Translation Specialist	1
Victims Services Coordinator	1

I. Computer Systems

Each employee has a computer workstation that is connected to the wide area network with access to the necessary modules needed to accomplish assigned tasks. The primary software for all accounting functions is InVision from Incode, a Tyler Technologies subsidiary. The following modules of the InVision software are installed and in use by the City of Greenwood:

General Ledger	Payroll
Business License	Utility Billing (Sanitation Services)
Accounts Payable	Accounts Receivable
Human Resources	Fixed Assets
Purchase Orders	Cash Collections
Check Reconciliation	Time Entry

J. Internal Audit Function

The City of Greenwood does not maintain an internal audit committee. The Finance Manager completes certain internal audit tasks.

K. Availability of Prior Audit Reports and Work Papers

Interested proposers who wish to review prior years' audit reports and management letters can do so on August 7, 2007 during the pre-proposal meeting or they may contact Steffanie Dorn at 520 Monument Street, Room 130, (864)942-8416. The City of Greenwood will use its best efforts to make prior audit reports and supporting working papers available to proposers to aid their response to this request for proposals.

IV. TIME REQUIREMENTS

A. Proposal Calendar

The following is a list of key dates up to and including the date proposals are to be submitted:

- | | |
|--|-----------------|
| 1. Request for proposal issued | July 20, 2007 |
| 2. Due date for notification of interest | August 7, 2007 |
| 3. Pre-proposal conference | August 7, 2007 |
| 4. On-site inspection | August 7, 2007 |
| 5. Due date for proposals | August 28, 2007 |

B. Notification and Contract Dates

- | | |
|---------------------------|--------------------|
| 1. Selected firm notified | September 18, 2007 |
|---------------------------|--------------------|

2. Contract Date

September 21, 2007

C. Date Audit May Commence

No Later Than February 22, 2008

The City of Greenwood will have all records ready for audit and all management personnel available to meet with the firm's personnel no later than February 15, 2008.

D. Schedule for the 2007 Fiscal Year Audit

The audit schedule will be determined subsequent to awarding of the contract. A similar time schedule will be developed for audits of future fiscal years if the City of Greenwood exercises its option for additional audits.

Each of the following should be completed by the auditor no later than the dates indicated.

1. Interim Work

The auditor shall complete interim work on a yet to be determined date.

2. Detailed Audit Plan

The auditor shall provide the City of Greenwood by December 15, 2007 a list of all schedules to be prepared by the City of Greenwood.

3. Fieldwork

The auditor shall complete all fieldwork by March 21, 2008

4. Draft Reports

The auditor shall have proposed adjusting journal entries and recommendations to management available for review by the Finance Director by April 4, 2008.

E. Entrance Conferences, Progress Reporting and Exit Conferences

A similar time schedule will be developed for audits of future fiscal years if the City of Greenwood exercises its option for additional audits.

1. Entrance Conference

Week of November 30, 2007

The auditor will meet with all key finance department personnel if necessary. The purpose of this meeting will be to discuss prior audit problems and the interim work to be performed. This meeting will also be used to establish an overall liaison for the audit and to arrange for workspace and other needs of the auditor.

2. Progress conference with the Finance Director As agreed and needed

The purpose of this meeting will be to summarize the results of the preliminary review and to maintain an open channel of communication and cooperation.

3. Exit conference with the Finance Director To be Determined

The purpose of this meeting will be to summarize the results of the fieldwork and to review significant findings.

F. Date Final Report is Due

The signed Auditor reports must be delivered to the Finance Director by April 16, 2008. Once all issues for discussion are resolved, the final signed report shall be presented to City Council at the April scheduled City Council meeting (the third Monday).

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

A. Finance Department and Clerical Assistance

The finance department staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation and explanations. The preparation of confirmations will be the responsibility of the auditor.

B. Statements and Schedules to be prepared by the staff of the City of Greenwood.

The staff of the City of Greenwood will prepare all statements and schedules for the auditor which are requested by the due date required which are reasonable and customary.

C. Work area, telephone, photocopying and fax machines.

The City of Greenwood 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 machines.

D. Report Preparation

Report editing shall be the responsibility of the auditor.

VI. PROPOSAL REQUIREMENTS

A. General Requirements

1. Submission of Notification of Interest

Firms interested in submitting a proposal must submit in writing by August 7, 2007 their "Notification of Interest."

2. Pre-proposal conference and on-site inspections

A conference for firms interested in submitting proposal will be held at 10:00 AM on August 7, 2007 at The City of Greenwood Municipal Building, 520 Monument Street, Room 230, Greenwood, South Carolina 29646. Verbal and written questions will be accepted during the conference.

3. Inquiries

Inquiries concerning the request for proposals must be made to:

The City of Greenwood
Attn: Steffanie C. Dorn, Finance Director
Post Office Box 40
Greenwood, South Carolina 29648-0040

4. Submission of Proposals

The following material is required to be received by 5:00 PM August 28, 2007 for a proposing firm to be considered:

a. A copy of a Technical Proposal to include the following:

i. Title Page

Title page showing the request for proposals subject; the firm's name; the name, address and telephone number of the contact person; and the date of the proposal.

ii. Table of Contents

iii. Transmittal Letter

A signed letter of transmittal briefly stating the proposer's understanding of the work to be done, the commitment to perform the work within the time period, a statement why the firm believes itself to be the best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for 90 days.

iv. Detailed Proposal

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

v. Executed copies of Proposer Guarantees and Proposer Warranties, attached to this request for proposal (Appendix B and Appendix C.)

b. The proposer shall submit a copy of a dollar cost bid in a separate sealed envelope marked as follows:

SEALED DOLLAR COST BID
PROPOSAL
For
THE CITY OF GREENWOOD
For
PROFESSIONAL AUDITING SERVICES
December 31, 2007

c. Proposers should send the completed proposal consisting of the two separate envelopes to the following address:

The City of Greenwood
Attn: Steffanie C. Dorn, Finance Director
Post Office Box 40
Greenwood, South Carolina 29648-0040

Or deliver to:

The City of Greenwood
Attn: Steffanie C. Dorn, Finance Director
520 Monument Street, Room 130
Greenwood, South Carolina 29646

If mailed, the proposal must be received by 5:00 PM on August 28, 2007

B. Technical Proposal

1. General Requirements

The purpose of the Technical Proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit of the City of Greenwood in conformity with the requirements of this request for proposal. As such, the substance of proposals will carry more weight than their

form or manner of presentation. The Technical Proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the request for proposals requirements.

There should be no dollar units or total costs included in the technical proposal document.

The Technical Proposal should address all the points outlined in the request for proposal (excluding any cost information which should only be included in the sealed dollar cost bid). The Proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the request for proposals. While additional data may be presented, the following subjects, item numbers 2 through 10, must be included. They represent the criteria against which the proposal will be evaluated.

2. Independence

The firms should provide an affirmative statement that is independent of the City of Greenwood as defined by generally accepted auditing standards and the United States General Accounting Office's *Government Auditing Standards* (1994).

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

The firm should also list and describe the firm's professional relationships involving the City of Greenwood or any of its agencies or component units for the past five years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

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

3. License to Practice in South Carolina

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

4. Firm Qualifications and Experience

The proposer should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed

in this engagement on a full-time basis and the number and nature of the staff to be employed on a part-time basis.

If the proposer is a joint venture or consortium, the qualifications of each firm comprising the joint venture or consortium should be separately identified and the firm that is to serve as the principal auditor should be noted, if applicable.

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

The firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years. In addition, the firm shall provide information, the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations.

5. Partner, Supervisory and Staff Qualifications and Experience

Identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement. Provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit. Indicate how the quality of staff over the term of the agreement will be assured.

The proposer should identify the extent to which staff is to be assigned to the audit which reflects the City of Greenwood's commitment to Affirmative Action.

Engagement partners, managers, other supervisory staff and specialists may be changed if they leave the firm, are promoted or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of the City of Greenwood. However, in either case, the City of Greenwood retains the right to approve or reject replacements.

Consultants and firm specialists mentioned in response to this request for proposal can only be changed with the express prior written permission of the City of Greenwood, which retains the right to approve or reject replacements.

Other audit personnel may be changed at the discretion of the proposer if replacements have substantially the same or better qualifications or experience.

6. Prior Engagements with the City of Greenwood

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

7. Similar Engagements with Other Government Entities

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum of 5) performed in the last five years that are similar to the engagement described in this request for proposal. These engagements should be ranked on the basis of total staff hours. Indicate the scope of work, date, engagement partners, total hours, and name and telephone number of the principal client contact.

8. Specific Audit Approach

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section II of this Request for Proposal. In developing the work plan, reference should be made to such sources of information as the City of Greenwood's budget and related materials, organizational charts, manuals and programs, and financial and other management information systems.

- a. Proposed segmentation of the engagement
- b. Level of staff and number of hours to be assigned to each proposed segment of the engagement

NO DOLLARS SHOULD BE INCLUDED IN THE TECHNICAL PROPOSAL

- c. Sample size and the extent to which statistical sampling is to be used in the engagement
- d. Extent of use of EDP software in the engagement
- e. Type and extent of analytical procedures to be used in the engagement
- f. Approach to be taken to gain and document an understanding of the City of Greenwood's internal control structure

- g. Approach to be taken in determining laws and regulations that will be subject to audit test work
- h. Approach to be taken in drawing audit samples for purposes of tests of compliance

9. Identification of Anticipated Potential Audit Problems

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

10. Report Format

The proposal should include sample formats of required reports.

C. Sealed Dollar Cost Bid

1. Total All-Inclusive Maximum Price

The sealed dollar cost bid should contain all pricing information relative to performing the audit engagement as described in this Request For Proposal. The total all-inclusive maximum price bid is to contain all direct and indirect costs including all out-of-pocket expenses.

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

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

- a. Name of firm
 - b. Certification that the persons signing the proposal are entitled to represent the firm, empowered to submit the bid, and authorized to sign a contract with the City of Greenwood.
 - c. A total all-inclusive maximum price for the 2007 engagement. Firms should include an all-inclusive maximum price for each of the engagement years.
2. Rates by partner, specialist, supervisory and staff level, times hours anticipated for each.

The second page of the sealed dollar costs bid should include a schedule of professional fees and expenses, presented in the format provided in Appendix D, that supports the total all-inclusive maximum price. The costs of any special services should be disclosed as separate components of the total all-inclusive maximum price and presented in the format provided in Appendix E.

3. Out-of-pocket expenses included in the total all-inclusive maximum price and reimbursement rates.

Out-of-pocket expenses for firm personnel (e.g., travel, lodging and subsistence) will be reimbursed at the rates used by the City of Greenwood for its employees. All estimated out-of-pocket expenses to be reimbursed should be presented on the second page of the sealed dollar costs bid in the format provided in Appendix D. All expense reimbursements will be charged against the total all-inclusive maximum price submitted by the firm.

In addition, a statement must be included in the sealed dollar costs bid stating the firm will accept reimbursement for travel, lodging and subsistence at the prevailing rates for the City of Greenwood's employees.

4. Rates for Additional Professional Services

If it should become necessary for the City of Greenwood to request the auditor to render any additional services to either supplement the services requested in the Request for Proposal or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between the City of Greenwood and the firm. Any such additional work agreed to between the City of Greenwood and the firm shall be performed at the same rates set forth in the schedule of fees and expenses included in the sealed dollar costs bid.

5. Manner of Payment

Progress payments will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the firm's dollar costs bid proposal. Interim billing shall cover a period of not less than one calendar month. Then ten percent (10%) will be withheld from each bill pending delivery of the firm's final report.

VII. EVALUATION PROCEDURES

A. Audit Committee

Proposals submitted will be evaluated by the City Manager, Finance Director and Finance Manager.

B. Review of Proposals

The Audit Committee will use a point formula during the review process to score proposals. The Audit Committee will first score each technical proposal by each of the criteria described in Section VII C below. They will then review and discuss these evaluations and combine the individual scores to arrive at a composite technical score for each firm. At this point, firms with an unacceptable low technical score will be eliminated from further consideration.

C. Evaluation criteria

Proposals will be evaluated using three sets of criteria. Firms meeting the mandatory criteria will have their proposals evaluated and scored for both technical qualifications and price. The principal selection criteria that will be considered during the evaluation process are as follows:

1. Mandatory Elements

- a. The audit firm is independent and licensed to practice in South Carolina.
- b. The firm has no conflict of interest with regard to any other work performed by the firm for the City of Greenwood.
- c. The firm adheres to the instructions in this request for proposal on preparing and submitting the proposal.
- d. The firm submits a copy of its last external quality control review report and the firm has a record of quality audit work.

2. Technical Quality

a. Expertise and Experience

- i. The firm's past experience and performance on comparable government engagements.
- ii. The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel is to be available for technical consultation.

b. Audit Approach

- i. Adequacy of proposed staffing plan for various segments of the engagement
- ii. Adequacy of sampling techniques
- iii. Adequacy of analytical procedures

3. Price

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

D. Oral Presentations

During the evaluation process, the Audit Committee may, at their discretion, request any one or all firms to make oral presentations. Such presentations will provide firms with an opportunity to answer any questions the Audit Committee may have on a firm's proposal. Not all firms may be asked to make such oral presentations.

E. Final Selection

The City Council will select a firm based upon the recommendation of the Audit Committee.

It is anticipated that a firm will be selected by September 17, 2007. Following notification of the firm selected, it is expected a contract will be executed between both parties by September 21, 2007.

F. Right to Reject Proposals

Submission of a proposal indicates acceptance by the firm on the conditions contained in this request for proposal unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City of Greenwood and the firm selected.

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

APPENDICES

- A. List of Key Officials, Office Locations and Telephone Numbers
- B. Proposer Guarantees
- C. Proposer Warranties
- D. Format for Schedule of Professional Fees and Expenses For the Audit of the 2007 Financial Statements
- E. Format for Schedule of Professional Fees and Expenses For OMB Circular A-133

APPENDIX A

LIST OF KEY PERSONNEL, OFFICE LOCATIONS AND TELEPHONE NUMBERS

Charles Barrineau (864) 942-8411
Assistant City Manager

Gerald L. Brooks (864) 942-8422
Chief of Police

Steven Brown (864) 942-8410
City Manager

Danny Byrd (864) 942-8444
Information Technology Manager

Steffanie Dorn (864) 942-8416
City Clerk & Treasurer

Lee Miller (864) 942-8476
Court Administrator/Administrative Judge

Sara O'Dell (864) 942-8417
Finance Manager

Lynn Walker (864) 942-8414
Personnel Specialist

Steve Welch (864) 223-8333
City Attorney

APPENDIX B

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

Signature of Official: _____

Name (typed): _____

Title: _____

Firm: _____

Date: _____

APPENDIX C

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

Signature of Official: _____

Name (typed): _____

Title: _____

Firm: _____

Date: _____

APPENDIX D

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES FOR THE AUDIT OF THE 2007 FINANCIAL STATEMENTS

	Hours	Standard Hourly Rates	Quoted Hourly Rates	Total
Partners	_____	_____	_____	_____
Managers	_____	_____	_____	_____
Supervisory Staff	_____	_____	_____	_____
Staff	_____	_____	_____	_____
Other (specify):	_____	_____	_____	_____
	_____	_____	_____	_____
Subtotal				_____
Total for services described in Section II E of the RFP (Detail on subsequent pages)				_____
Out-of-pocket expenses:	_____	_____	_____	_____
Meals and lodging	_____	_____	_____	_____
Transportation	_____	_____	_____	_____
Other (specify):	_____	_____	_____	_____
	_____	_____	_____	_____
Total all-inclusive maximum cost for the 2007 audit:				=====

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

APPENDIX E

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES FOR THE AUDIT OF THE 2007 FINANCIAL STATEMENTS SUPPORTING SCHEDULE FOR OMB CIRCULAR A-133

	Hours	Standard Hourly Rates	Quoted Hourly Rates	Total
Partners	_____	_____	_____	_____
Managers	_____	_____	_____	_____
Supervisory Staff	_____	_____	_____	_____
Staff	_____	_____	_____	_____
Other (specify):	_____	_____	_____	_____
			_____	_____
Subtotal				_____
Out-of-pocket expenses:	_____	_____	_____	_____
Meals and lodging	_____	_____	_____	_____
Transportation	_____	_____	_____	_____
Other (specify):	_____	_____	_____	_____
	_____	_____	_____	_____
Total price:				=====

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