



## ADDENDUM TO SOLICITATION DOCUMENTS

Posted Date: September 5<sup>th</sup>, 2014

Addendum No. 2

Solicitation Title: Forensic Audit Services

Solicitation No.: 54-13-14

Opening Date: September 9<sup>th</sup>, 2014 @ 3:00 PM

To All Respondents:

It is the Respondents' responsibility to assure receipt of all addenda, clarifications and inquiries regarding this Solicitation. The Respondent should verify with the designated Purchasing Agent prior to submitting a response, that all, if any, have been received. Respondents are required to acknowledge the number of addenda received as part of their response by checking the box indicated on the City Contract Form, A-5 Acknowledgement of Addendum(s).

This addendum is issued to modify the previously issued Solicitation documents and/or given for informational purposes, and is hereby made a part of the Solicitation documents.

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Q.1 Does the city have a budget set for these services? If so what is that amount?

A.1 No, City council will decide on the allocation.

Q.2 The RFP is noted as "Forensic Audit Services." However, the scope of services appears to be internal audit in nature. Why was the RFP noted as forensic services? Is there a particular item or function that prompted the City to request the scope of services as forensic?

A.2 The focus is on "forensic audits". It encumbers to the contracted firm to apply the applicable professional standards to carry out the engagement successfully.

Q.3 Section 2.6.6 – The last sentence ends with "The Respondent shall submit copies of the following." No items are listed after the word "following." What are the items the City desires to be submitted with the response?

A.3 Please refer to the list reported in the following paragraph, 2.6.7

Q.4 Section 2.6.7 – Requires 3 past performances in the last 5 years. This is contrary to 4.2.2 which asks for performance in the last 4 years. Please clarify if past experience is for the last 4 or 5 years.

A.4 Last five (5) years.

Q.5 Section 2.12 – States the deliverables are to be provided with the response as well as a percentage of completion breakdown. This same paragraph refers to the "auditing of the ten financial years and manager reports." Is it the City's intention to have the 4 departments produce financial statements and then to have the selected firm audit those financials?

A.5 The forensic audit should cover the ten fiscal years and the four departments. Financial activities by department will be made available if requested by the audit firm.

Q.6 Section 3.3 - Notes financial records maybe difficult to locate prior to 2009. If the records are not available to complete the scope of work will the City make allowance for this in the anticipated timeframes?

A.6 Yes, we will work with the firm.

- Q.7 Section 3.4 – Are the cycles that are listed for testing in this section located within a centralized City function or does each department have a cash collection function. The requirement of the contractor in this section is for “all” revenue to be analyzed. Which department collects and distributes taxes and state and federal grant monies. If a department separates from the 4 listed collects such revenue are the processes and procedures of the distributing department outside of this projects scope?
- A.7 Cash management is primarily localized in City Hall finance department.
- Q.8 Section 3.5 – States the City reserves the right to expand testing in areas with errors. This requirement makes it impossible for a firm to provide a fixed fee for the engagements as the scope of the work is dictated by the City and cannot be considered during the RFP process. Would the City allow for an adjustment to the fixed fee submitted with the RFP for expansion to scope caused by the City’s sample expansion?
- A.8 We will negotiate any reasonable adjustment in line with the contract, if warranted.
- Q.9 Section 3.11 – This section varies from the similar wording shown in section 2.12.
- A.9 Both provisions are equal in substance.
- Q.10 Section 4.1.2 (1) – Proposals shall be deemed as non-responsive if “Any firm actively performing internal and/or auditing services”. Can you clarify that the requirement is for internal or auditing services for the City?
- A.10 Firms who have provided assurance services during said period will not be considered.
- Q.11 Is there any pre-registration that we need to complete in order to submit this proposal?
- A.11 No, you can complete the vendor registration application
- Q.12 Regarding page 11 (section 2.7 – Indemnification and Insurance please elaborate on 2.7.2 Commercial Automobile Liability – covering any auto including non-owned, hired or leased. The Company has no car under the Company’s name. A representation to that effect is enough or is something else needed?
- A.12 In reference to the automobile coverage; a representation stating that the company has no vehicles is sufficient.
- Q.13 Regarding page 11 (section 2.7 – Indemnification and Insurance please elaborate on 2.7.3 Workers Compensation – is the \$1 million dollar limit for both bodily injury by accident and by disease? Because the way paragraph 2.7.3 reads right now is for bodily injury accident **OR** disease.
- A.13 In reference to employers’ liability, the \$1 million limit is for both disease and accident. (A \$500,000/\$500,000/\$500,000 coverage would work).
- Q.14 Page 17 of the RFP makes reference to Attachment A & Attachment B however these attachments were not included with the RFP?
- A.14 Please refer to the Table of Contents page: Respondent shall find online, on the City’s website, all documents relating to its operations, financial reports, budgets by department, organizational structure, etc. for the last ten years.  
The City’s CAFR are published at [www.northmiamifl.gov/departments/finance/cafr.aspx](http://www.northmiamifl.gov/departments/finance/cafr.aspx) .  
The annual budgets are available at [www.northmiamifl.gov/government/budget/default.aspx](http://www.northmiamifl.gov/government/budget/default.aspx) .
- Q.15 Page 27 of the RFP contains the Price Proposal Form. The following page (page 28) contains two statements. Should these two pages be presented together in the price proposal section of the response? Does the city want page 28 signed by the individual authorized to bind the firm?
- A.15 Yes, the attached Price Proposal Form herein the addendum supersedes the Price Proposal Form in the solicitation. Pricing must be provided on the attached page 5 of this document.

- Q.16 The Proposal Submittal Checklist indicates that (copies of) “Professional Licenses/Certifications” are a minimum requirement. Several members of our team possess one or more professional licenses/certifications relevant to the nature of this engagement. Can you specify which certifications/licenses are required? For example, several members of our team are Certified Public Accountants (which is issued by both the American Institute of Certified Public Accountants and the state of licensure), Certified in Financial Forensics, Certified Fraud Examiners, etc.?
- A.16 Firm’s state license and other specialized accounting, audit, or consulting credentials issued by a reputable national or regional body.
- Q.17 Are these documents required for all proposed team members who possess said licenses/certifications, or only managerial level?
- A.17 Fraud, forensics and similar certifications are required for the managing auditor. Please refer to section 2.6.5
- Q.18 Our understanding is that the City of North Miami is seeking a professional service firm to (1) evaluate Internal accounting and operating controls, (2) review compliance with these controls, (3) evaluate risk of fraud and misconduct, (4) recommend enhancements where necessary to strengthen the City’s practices. Would this apply to the condition of current controls or an evaluation of historical performance of the controls for all ten years?
- Q.18 The focus is on a “forensic audit” for the period specified.
- Q.19 It is also our understanding is that the City of North Miami is seeking a professional service firm to evaluate city revenue sources and controls, with consideration to Cash Receipts, Revenue Cycle, Accounts Payable Transactions and Budgetary Compliance. Would this apply to the current financial condition or an evaluation of historical performance of the controls for all ten years?
- A.19 The focus is on a “forensic audit” for the period specified.
- Q.20 Will the City of North Miami require information on proposed local subcontractor firms at the time, or can the information be provided at the time that the sub contract is finalized?
- A.20 Information can be provided separately. Information required for the managing or lead auditor.
- Q.21 With regard to the requirement to subcontract with a local firm from North Miami, is this limited to firms located in North Miami or could it include firms in the Miami-Dade County that service firms in North Miami and employ a workforce from North Miami?
- A.21 As per Section 2.15 sub-contracting is intentionally omitted from this solicitation. This is applicable to the Local Preference provisions in Section 1.33.

**General Terms & Conditions, Section 1.35 COMMUNITY BENEFITS PLAN shall be deleted from this solicitation.**

The Contractor will be required to submit, a Community Benefits Plan for approval by the City Manager. The Community Benefit plan shall be exclusive of the City of North Miami’s Local Preference requirement, under Section 7-151 of the City Code.

The Contractor will be required to document their experience and track record in delivering to a municipality, county or other local government agency a Community Benefits Plan. The Contractor shall be required to demonstrate and provide to the City a proposed Community Benefit Plan which has identifiable and observable benefit to the community within the City. Proposers are encouraged to be creative in the development of a Community Benefit Plan and the types of benefits their plan is designed to provide. The City Manager, as the City’s Chief Executive Officer, shall approve the final Community Benefits Plan proposed by the Contractor, as a precondition to the execution of any Agreement. The Contractor’s Community Benefits Plan shall be incorporated into and shall become a part of the Agreement entered into between the City and the selected Proposer.

\*\*\*\*\*All other items remain the same\*\*\*\*\*

**End of Addendum**



**PRICE PROPOSAL FORM**

**FORENSIC AUDIT  
RFP 54-13-14**

The prices listed below shall include the total cost to complete the services including but not limited to materials, labor, equipment, bonds, insurances, etc, as necessary to ensure proper delivery of services and/or products requested by the City of North Miami.

Items	Price
Forensic Audit – (FY 2012 – 2013) 4 – City Department	\$
Forensic Audit – (FY 2011 – 2012) 4 – City Department	\$
Forensic Audit – (FY 2010 – 2011) 4 – City Department	\$
Forensic Audit – (FY 2009 – 2010) 4 – City Department	\$
Forensic Audit – (FY 2008 – 2009) 4 – City Department	\$
Forensic Audit – (FY 2007 – 2008) 4 – City Department	\$
Forensic Audit – (FY 2006 – 2007) 4 – City Department	\$
Forensic Audit – (FY 2005 – 2006) 4 – City Department	\$
Forensic Audit – (FY 2004 – 2005) 4 – City Department	\$
Forensic Audit – (FY 2003 – 2004) 4 – City Department	\$
<b>TOTAL GUARANTEED MAXIMUM FEE (FY 2003 – 2013):</b>	\$

- I hereby certify that I am authorized to act on behalf of the Respondent, individual, partnership, corporation or association making this Proposal and that all statements made in this document are true and correct to the best of my knowledge. I agree to hold this offer open for a period of one hundred and eighty (180) days from the deadline for receipt of Proposals; or, if I am selected as the Top-Ranked Offeror, for such further period as is necessary for obtaining Contract signature and approval.
- I understand and agree to be bound by the conditions contained in the Request for Proposal and shall conform to all requirements of the Request for Proposal.

PROPOSER (firm name): \_\_\_\_\_

STREET ADDRESS: \_\_\_\_\_

CITY & STATE: \_\_\_\_\_

PRINT NAME OF AUTHORIZED REPRESENTATIVE: \_\_\_\_\_

SIGNATURE OF AUTHORIZED REPRESENTATIVE: \_\_\_\_\_

TITLE: \_\_\_\_\_ DATE: \_\_\_\_\_