



## Request for Statements of Qualifications

### Financial Audit Services

Date Issued: June 18, 2021

Deadline: August 13, 2021

Issued by:

Greater Salt Lake Municipal Services District

Marla Howard

Chief Financial Officer

[mahoward@msd.utah.gov](mailto:mahoward@msd.utah.gov)

2001 S. State Street, N3-600

Salt Lake City, UT 84109

Statements of Qualifications that are received after the due date and time will not be considered. Respondents should submit a complete response, clearly marked on the Subject line as: "Financial Audit Services Statement of Qualifications"

## 1. INTRODUCTION

The Greater Salt Lake Municipal Services District (the “MSD”) is soliciting Statements of Qualifications (each a “SOQ”) from qualified certified public accounting firms to perform professional auditing services for a three (3) year period beginning with the fiscal year ending December 31, 2021, with the MSD having the option to extend the contract for two (2) additional one (1) year periods. The contract may be canceled without penalty if the MSD determines, in its sole discretion, the audit services to be unsatisfactory.

The audits are to be performed in accordance with auditing standards generally accepted in the United States of America, the standards set forth for financial audits contained in the Government Auditing Standards and the U.S. Office of Management and Budget (OMB) Circular A-133 Audits of State and Local Government and Non-Profit Organizations, and the standards established by the Office of the Utah State Auditor.

There is no expressed or implied obligation for the MSD to reimburse responding firms for any expenses incurred in preparing a SOQ in response to this Request for Statements of Qualifications (“RFQ”). Materials submitted by respondents are subject to public inspection under the Government Records Access and Management Act, Title 63G, Chapter 2 of the Utah Code, unless exempt. Additionally, MSD reserves the right to reject any or all SOQs that are submitted.

Submission of an SOQ indicates acceptance by the submitting firm of the conditions contained in this RFQ, unless otherwise clearly and specifically noted in the SOQ submitted to the MSD and confirmed in the contract between the MSD and the selected firm.

## 2. CONTACT

The MSD project representative and contact for this RFQ is Marla Howard, Chief Financial Officer. She can be reached at (385) 468-6677 and her e-mail address is [mahoward@msd.utah.gov](mailto:mahoward@msd.utah.gov).

## 3. BACKGROUND

The Greater Salt Lake Municipal Services District was established in 2015 and is located within Salt Lake County, Utah. The District is a local district, created under the Municipal Services District Act, Utah Code Ann. § 17B-2a-1101 *et seq.* The MSD is comprised of the Copperton Metro Township, the Emigration Canyon Metro Township, the Kearns Metro Township, the Magna Metro Township, the White City Metro Township, the Town of Brighton and most unincorporated portions of Salt Lake County (the “Member Agencies”). The five Metro Townships and the Town of Brighton are municipalities under Utah law.

The MSD provides administrative and certain municipal-type services to the Member Agencies. Many of those municipal-type services were formerly provided by a division of Salt Lake County (Township Services). The District’s Member Agencies are located throughout Salt Lake County, including canyons to the east and south in Salt Lake County.

MSD operates under a governing Board of Trustees (the “Board”), comprised of elected mayors representing each Metro Township, a member of the Brighton Town Council, and one member of the Salt Lake County Council representing unincorporated areas of Salt Lake County. Policy making is vested in the Board, which is responsible, among other things, for adopting resolutions, adopting and periodically amending the annual budget, appointing committees, approving contracts and establishing personnel and other MSD policies. The General Manager carries out the policies of the Board and oversees the day-to-day operations of the MSD.

#### **4. SCOPE OF WORK**

Prepare the annual financial statement and compliance audits for fiscal years 2021, 2022 and 2023.

Each audit will include the following:

- Preparation and submission of the audit report to the Office of the Utah State Auditor.
- Report on compliance of financial reporting based on an audit of financial statements performed in accordance with the statutes, rules and regulations of the State of Utah. The MSD desires the firm to audit all funds of the MSD, with emphasis on funds with revenues in excess of \$1 million, in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller of the United States, in addition to standards required or directed by the Office of the Utah State Auditor.

The selected Outside Auditor will be required to complete the following tasks in relationship to the Basic Financial Statements:

- 1) Express an opinion on the financial statements as to whether they present fairly, in all material respects, the financial position of the MSD and the changes in financial position in conformity with generally accepted accounting principles (GAAP) and issue an independent auditors’ report stating this opinion.
- 2) Test internal control over financial reporting and compliance with certain provisions of law, regulations, contracts and grant agreements and other matters, in accordance with Government Auditing Standards and Utah State Auditor’s office.
- 3) Apply limited procedures related to the Required Supplementary Information (RSI), Management’s Discussion and Analysis (MD&A), budgetary comparison information, and the Supplementary Information.
- 4) Prepare a Report to the Board and management that identifies control deficiencies, significant deficiencies and material weaknesses, if any, and your recommendations for improvements in accounting and administrative controls.
- 5) If necessary, prepare a single audit in compliance with OMB A-133.
- 6) Communicate immediately and in writing all irregularities and illegal acts, or indications of illegal acts, of which you become aware, to the MSD General Manager and the MSD Board.
- 7) Complete a draft of the audit report each year by the end of May and the final audit report for review and approval by the MSD Board by the second scheduled Board meeting in June (or by the first meeting if there is only one Board meeting in June) for filing with the Utah State Auditor’s Office by the statutory deadline of June 30.
- 8) Retain, at Outside Auditor’s expense, audit working papers for three (3) years, unless the firm is notified in writing by the MSD or any governmental agency of the need to extend the retention period. In addition, the firm shall respond to reasonable inquiries of the MSD’s

Chief Financial Officer (“CFO”) and successor Outside Auditors and allow the CFO and successor Outside Auditors to review working papers relating to matters of continuing accounting significance.

- 9) Provide general consultation, as required during the year, on financial reporting matters.

The selected Outside Auditor may also be required to audit one or more of the municipal Member Agencies (the Copperton Metro Township, the Emigration Canyon Metro Township, the Kearns Metro Township, the Magna Metro Township, the White City Metro Township, and/or the Town of Brighton).

## 5. ASSISTANCE PROVIDED TO THE OUTSIDE AUDITOR

The MSD staff will be available during interim and audit field work to assist the firm by providing access and direction to information and documentation, and be available for explanations of all inquiries. Staff will provide clerical assistance for the preparation of confirmations and other routine correspondence. The MSD will be responsible for the preparation of the Management Discussion and Analysis.

The MSD will provide the Outside Auditors with reasonable workspace, wireless internet access and a copy machine.

## 6. RESPONDING TO THE RFQ

The MSD welcomes all respondents (including firms and individuals, and references in this RFQ to a “firm” or “respondent” includes qualified individuals as well as firms) and encourages them to share their expertise in financial auditing services that can advance our organization. Tell us why you are right for this project. We will assess the responses based upon the respondent’s experience and how well the responses address the scope of work and other matters mentioned in this RFQ. We request the following specific information from respondents:

- 1) **Cover letter:** Please include the firm name, the address of the nearest local office, the contact name for a response and that person’s contact information, and a statement of positive commitment to perform the services within the time period specified. Please keep the cover letter to one page. The cover letter is to be signed by an officer of the respondent who is authorized to bind the respondent firm.
- 2) **Experience:** Provide a statement of experience discussing past performance, capabilities and qualifications, with an emphasis on audits performed for Utah local districts and special service districts. Identify other similar projects with which your firm has been involved. Explain how your firm is suitable for the described scope of work. Include a statement of how long you have been in business in Utah and how many financial audits were performed by your firm for public agencies during each of the past five (5) years.

Please disclose if there are any other accounting services performed by your firm that may conflict with the ability to provide timely financial auditing services to the MSD. Indicate that you are licensed to practice in Utah. 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 so employed on a part-time basis.

Provide information on the results of any federal or state desk reviews or field reviews of the firm's audits during the past three (3) years. In addition, provide information on the circumstances and status of any disciplinary action taken or pending against the firm and/or anyone employed by or affiliated with the firm during the past three (3) years with state regulatory bodies or professional organizations.

Indicate the name of the person who will be authorized to answer questions and to bind the firm and that person's title, address, email and telephone number.

- 3) **Key personnel:** Identify key personnel who would be assigned to the project, including qualifications, experience and background for each.
- 4) **Additional information:** Provide any additional information that will help us evaluate your firm's fit for this scope of work. Please note, you may only include information that directly responds to the RFQ, please do not include any promotional material or company brochures.
- 5) **References:** Provide at least 5 references, including contact information, from previous audits of units of local government, with an emphasis on Utah local districts and special service districts.
- 6) **No Conflict Statement:** Provide a statement that no conflict of interest issues exist between the firm and the MSD, any Metro Township, the Town of Brighton, or Salt Lake County at the time of submission of the SOQ, signed by an officer who is authorized to bind the respondent firm. This statement may be included in the cover letter.

**Please keep the response to no more than 10 pages total** (including cover page).

## 7. RFQ TIMELINE

The following schedule is the anticipated timeline of the project.

- RFQ advertised on or before June 18, 2021
- Questions due by email on or before July 16, 2021 at 12:00 p.m. All questions will be shared with all interested parties.
- SOQs are due by August 13, 2021 at 12:00 p.m.
- Evaluation and selection on or before September 30, 2021, after which negotiations will be conducted as stated in 8.6 below.

## 8. SOQ EVALUATION

The SOQs will be evaluated on the following criteria and approach:

- 1) **Scoring Methodology:**
  - a) Five Points (Excellent)

- b) Four Points (Very Good)
  - c) Three Points (Good)
  - d) Two Points (Fair)
  - e) One Point (Poor)
- 2) **Multiplication Factors or Weighting:** Each scored line item will be multiplied by a weighted importance factor as shown. The scoring will be multiplied by the weighted importance factor to give the total points for that line item.
- 3) **Pass/Fail:** Some items require no scoring, but are required as an essential part of the SOQ. These items may be scored on a pass/fail basis. Failure to include any pass/fail item (see Section 6 above, “Responding to the RFQ”) may result in the rejection of the SOQ.
- 4) **SOQ Evaluation Scoring:**

Possible Points	Weighted Factor	Maximum Possible Points	Criteria
5	4	20	Independence – The firm must be in a position to deliver an independent, objective Report and audit.
5	6	30	Expertise and Experience – Including the demonstrated qualification and competence of the firm; history of the firm and resume of key personnel; Demonstrated breadth of experience; and level of success and performance of projects (audits) of a similar type, scope, and complexity.
5	6	30	Audit Approach – Including the demonstrated strength of proposed key personnel; the ability to meet a demanding schedule, maintain quality, and work with MSD team, including officials and staff; the availability of key personnel and demonstrated evidence of success in scheduling; and meeting deadlines and successfully delivering quality audits on time.
5	4	20	References *
		100	

**\*NOTE:** Reference checks may influence the evaluation of any SOQ as well the subsequent evaluation of the above criteria as related to a given SOQ.

- 5) **Committee Evaluation of SOQs:** Each SOQ will be evaluated by the MSD’s Selection Committee. The SOQs will be scored on the basis of the submittals outlined in Section 6. Non-responsive SOQs (those not conforming to the RFQ requirements) may be eliminated. The respondent bears sole responsibility for the items and information included, or not included, in the SOQ submitted by that respondent. The MSD reserves the right to disqualify any SOQ that includes significant deviations or exceptions to the terms, conditions and/or specifications in this RFQ. Upon completion of the initial scoring, the MSD may elect

to have further discussions with responsible firms that submit SOQs for the purpose of assuring a full understanding of, and responsiveness to, the requirements of this RFQ. Final recommendations of the highest ranked firm(s) will be made by the MSD's Selection Committee. Final approval of a contract will be by motion of the MSD Board of Trustees.

- 6) **Consultant Selection and Compensation:** Negotiations will be undertaken with the top scoring respondent to formalize the scope of services (the audit) and negotiate the fee structure. If negotiations are not successful with the initially selected firm, negotiations may be conducted with the next highest ranked respondent, and so on, until the MSD and a respondent reach an agreement on the hourly rates (if applicable), allowable costs, fixed fee (if applicable), and not to exceed fee (if applicable) for the respondent's services, or the MSD cancels this RFQ. The negotiated hourly rates, allowable costs, fixed fee and/or not to exceed fee and the contract will be presented to the MSD Board of Trustees for final approval. STATEMENTS MADE BY MSD PERSONNEL DURING THE RFQ PROCESS ARE NOT BINDING ON THE MSD BOARD OR ON THE MSD AND MAY NOT BE RELIED UPON BY ANY RESPONDENT UNTIL THEY HAVE BEEN CONFIRMED BY THE BOARD.

## 9. RFQ RESPONSE PROCESS

Questions related to this RFQ should be emailed to Marla Howard, Chief Financial Officer at [mahoward@msd.utah.gov](mailto:mahoward@msd.utah.gov) by no later than 12:00 p.m. (MDT) on July 15, 2021. Any submission of questions relating to this RFQ shall include "Financial Audit Services RFQ" in the email subject line and include the name of the person and firm submitting the question(s).

The MSD assumes no liability for assuring accurate/complete/on time e-mail or other transmission and receipt. The receipt of a response to this RFQ does not constitute an agreement between the MSD and the submitting respondent. Only a formal vote of acceptance by the MSD Board of Trustees is binding.

Final SOQ submission must be received in an electronic form by 12:00 p.m. (MDT,) on August 13, 2021. Please send responses by email in PDF format to [mahoward@msd.utah.gov](mailto:mahoward@msd.utah.gov). Your final SOQ submission shall include "Financial Audit Services Statement of Qualifications" in the email subject line.

## 10. Reservation of Rights: The MSD reserves the right to:

- a) Accept or reject any or all SOQs submitted pursuant to this RFQ.
- b) Waive or modify any irregularities in the RFQ.
- c) Request additional information or modifications to SOQs prior to award if such is in the best interest of the MSD.
- d) In the event of unsuccessful contract negotiations or contract termination, the MSD may enter into contract negotiations with other qualified firms that submitted acceptable SOQs.
- e) Cancel or modify the terms of this RFQ and/or the Scope of Work at any time and for any or no reason preceding the execution of a contract.

## 11. GENERAL TERMS AND CONDITIONS

- 1) Award/Public Statement – When the selection of the respondent to perform services outlined in the Scope of Work (the audit) is announced (which may not occur before negotiations are complete), a written statement identifying the approved respondent and the total score awarded to that respondent by the Selection Committee will be published. Without identifying the other respondents by name (i.e. Identified as “Offeror A”, “Offeror B” – etc.), the published list will state each Offeror’s total score.
- 2) GRAMA – As a governmental entity, the MSD is subject to the Government Records Access and Management Act, Title 63G, Chapter 2 of the Utah Code (“GRAMA”), and cannot guarantee that information provided in a SOQ will not be subject to disclosure under GRAMA.
- 3) Legal Requirements – The successful respondent will be required to satisfy all applicable governmental laws, ordinances, rules and regulations, including the requirements of Utah Code Ann. § 63G-12-302(3) respecting the verification of the status of the respondent’s new employees.
- 4) Contract – The respondent selected, after a successful negotiation, to provide the services identified in the Scope of Work will be expected to enter into a contract that is reasonably acceptable to the MSD. The contract may be for a period of up to three (3) years, subject to the MSD’s unilateral right to extend the term by up to two (2) additional one (1) year terms, and may be canceled at any time with or without cause upon thirty (30) days written notice from the MSD to the respondent.
- 5) Insurance – The respondent with which the MSD contracts shall maintain insurance coverage in amounts that are reasonable for respondents providing similar services in Salt Lake County, Utah, including workers compensation insurance as required by law and professional and liability insurance. The successful respondent may be required to provide certificates of insurance for the MSD’s review and reasonable approval.
- 6) Incurred Costs – The MSD will not be liable for any cost incurred by any respondent for any work performed prior to the execution of a contract for professional services by the MSD and the respondent.
- 7) Addenda to the RFQ – In the event the MSD decides to revise any part of this RFQ, public notice will be provided and all known respondents will be notified by e-mail that a copy of the addendum is available. It is the responsibility of the respondents that intend to respond to the RFQ to ensure that their contact information, including an e-mail address, is given to the MSD and that it is correct. The final date for the issuance and notifying of an addendum to this RFQ will be five (5) days prior to the due date of the SOQ.

**For more information regarding the MSD please visit our website at [www.msd.gov](http://www.msd.gov).**