



CITY OF NORTH SALT LAKE

**AUDIT COMMITTEE
MEETING NOTICE & AGENDA
February 18, 2025
5:00 P.M.**

Notice is given that the City of North Salt Lake's Audit Committee will hold a meeting on **February 18, 2025 at 5:00 p.m.** The meeting will be held in the Council Conference Room on the 2nd Floor of City Hall, 10 East Center Street, North Salt Lake, Utah.

Meetings of the Audit Committee may be conducted via electronic means pursuant to Utah Code Ann. §52-4-207 as amended. In such circumstances, contact will be established and maintained via electronic means and the meetings will be conducted in accordance with the City's Electronic Meetings Policy.

The following items of business will be discussed; the order of business may be changed as time permits.

AGENDA ITEMS

1. Welcome
2. Approval of Audit Committee Minutes of December 3, 2025
3. Review and Comparison of Annual Audit Service Costs
4. Review Proposed Amendments to the City Procurement Ordinance
5. Review Proposed RFP for Audit Services
6. Set Time and Agenda Items for Next Audit Committee Meeting
7. Adjourn

Audit Committee meetings are open to the public. If you need special accommodation to participate in the meeting, please call (801) 335-8709 with at least 24 hours' notice.

Notice of Posting:

I, the duly appointed City Recorder for the City of North Salt Lake, certify that copies of the agenda for the Audit Committee meeting to be February 18, 2025 were posted on the Utah Public Notice Website: <https://www.utah.gov/pmn/>, City's Website: <https://www.nslcity.org>, and at City Hall: 10 E. Center St. NSL.

Date Posted: February 13, 2025


Wendy Page, City Recorder



1 CITY OF NORTH SALT LAKE
2 AUDIT COMMITTEE MEETING
3 COUNCIL CONFERENCE ROOM
4 10 EAST CENTER STREET, NORTH SALT LAKE
5 DECEMBER 3, 2024
6 5:00 PM
7

8 **DRAFT**
9

10 COMMITTEE MEMBERS PRESENT: Brian Horrocks, Mayor; Lisa Watts Baskin, City
11 Council; Suzette Jackson, City Council.
12

13 STAFF PRESENT: Ken Leetham, City Manager; Heidi Voordeckers, Finance Director; Wendy
14 Page, City Recorder.
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16 OTHERS PRESENT: Via Zoom: Corey Urie, Child Richards CPAs & Advisors.
17

18 1. WELCOME
19

20 Brian Horrocks welcomed those present, called the meeting to order at 5:03 p.m., and noted that
21 all Committee Members were present.
22

23 2. APPROVAL OF AUDIT COMMITTEE MINUTES
24

25 The Audit Committee minutes of September 17, 2024 were reviewed and approved, as written.
26

27 **Committee Member Baskin moved to approve the Audit Committee minutes of September**
28 **17, 2024. Committee Member Suzette Jackson seconded the motion. The motion was**
29 **approved by Committee Members Baskin, Horrocks, and Jackson.**
30

31 3. UPDATE ON 2024 AUDIT WORK-COREY URIE, CHILD RICHARDS CPAS &
32 ADVISORS
33

34 Corey Urie, Child Richards CPAs & Advisors, provided an update on the 2024 audit. He shared
35 that the audit process started with obtaining financial information from various sources including
36 financials prepared by the City. He explained this information was used for year to year
37 comparison, certain ratios, and identify areas of interest. He said that other methods included
38 reviewing meeting minutes for significant events requiring further review as well as enquiring
39 about relevant staff involved in financial reporting. He noted that this was done to obtain an
40 understanding of internal controls relevant to the audit in order to design audit procedures that
41 were appropriate but not for the purpose of expressing an opinion.
42

43 Mr. Urie spoke on risks and explained that they were neither inherently good or bad. He stated
44 that one item identified in the 2024 audit was golf course revenues increased by 25% or more in
45 most of the major revenues lines which meant this would require closer review. He reviewed the
46 Auditor's responsibilities for the audit of the financial statements which were to:

47

- 48 • Exercise professional judgment and maintain professional skepticism during the audit
- 49 • Identify and assess the risks of the financial statements due to fraud or error, and design
50 and perform audit procedures responsive to those risks (examining, test basis, evidence
51 regarding the amounts and disclosures)
- 52 • Obtain an understanding of internal control in order to design appropriate audit
53 procedures
- 54 • Evaluate the appropriateness of accounting policies used and the reasonableness of
55 significant accounting estimates made by management as well as evaluate the overall
56 presentation of the financial statements
- 57 • Conclude whether there are conditions or events that raise substantial doubt at the City's
58 ability to continue as a going concern for a reasonable period of time.

59

60 Corey Urie spoke on test work as part of the audit and the circumstances for expanding scope,
61 State compliance, and rotating items (cash and money management, impact fees, etc.). He
62 mentioned third party confirmations such as tax confirmation from the County, pension
63 information from URS, and tax actuary information to corroborate information from the City. He
64 shared that the position of the 2024 audit was nearly complete, the internal review items were
65 almost finished, and appropriate journal items were noted. He explained that once the journal
66 entries were provided the financial statements could be prepared and presented to the auditors for
67 review. He concluded that the audit would be finalized with a representation letter with reports
68 on compliance and internal control.

69

70 Mayor Horrocks questioned what would be identified as findings in the report. Corey Urie
71 replied that journal entries would not necessarily identify them as findings. He said several items
72 would not constitute inclusion in a schedule of findings but would be included in the
73 communication with governance letter to be sent with, but not included in, the financial
74 statements. He spoke on the findings including:

75

- 76 1) an interfund transfer from the RDA Fund to the General Fund that exceeded the budgeted
77 amount by \$3,542;
- 78 2) reactivation fees related to the building/permitting which was charged, but not previously
79 approved as part of the fee schedule.

80

81 Mr. Urie explained that the reactivation fee issue was resolved with the passing of Resolution
82 2024-36R during the November 19, 2024 City Council meeting.

83

84 Councilmember Baskin asked if Child Richards had experienced substantial doubt about the
85 ability for a city to continue during an audit process. She commented that cities relied on audit
86 information and that this should be predictable based on prior audits. Corey Urie responded that
87 he had not experienced this but was aware of some situations where doubt had been raised
88 regarding governmental entities. He clarified that if there was a situation with constant recurrent
89 losses, such as expenditures exceeding collected revenues, then it would be addressed with the
90 entity and reported in the audit.

91
92 Councilmember Baskin asked about provisions related to procurement. Corey Urie commented
93 that any expenditures large enough to warrant a bid process and were constant/ongoing would be
94 reviewed but when evaluating different expenditures, they reviewed whether proper approvals
95 were in place (staff approval with set amounts, bidding process). He gave the example of single
96 audits such as the ARPA funds and the rules that were set in place for the use of those funds. He
97 noted that testing including a proper level of supervision or that the appropriate level of approval
98 was occurring.

99
100 Heidi Voordeckers questioned how many records were tested for expenditure control in terms of
101 individual purchase records such as invoices. Corey Urie said they tested for specific
102 expenditures not tested elsewhere such as wages, expenditure testing of 60 invoices/purchase
103 orders, as well as a month's worth of credit card statements. He explained the process of
104 obtaining an understanding of internal controls including reviewing the procedures, random
105 selection for testing (credit cards statements), levels of approval, matching invoices or similar,
106 etc.

107
108 Heidi Voordeckers commented on the aforementioned \$3,542 discrepancy and said this was
109 related to the three project area funding (RDA) and the 5% administration fee. She explained that
110 revenue was higher than anticipated which meant the 5% transfer was higher than budgeted.
111 Corey Urie mentioned that the correction could have been resolved with a budget amendment.
112 He then reviewed multiple transfers and explained which funds this pertained to and where the
113 discrepancy came from. He noted that these discrepancies would not inherently impair the ability
114 to issue an unmodified opinion or higher level of audit opinion and would be included with the
115 communication with governance due to the inconsequential amount or level of noncompliance.

116
117 Corey Urie said the goal was to ensure the documentation and audit opinion was of a high
118 quality and that the City had an understanding of how the audit went and what was reviewed.

119
120 Corey Urie concluded his presentation and discontinued his electronic participation in the
121 meeting.

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123 Ken Leetham commented on purchase orders or credit card statements and who was responsible
124 for reviewing and signing these. He said there was a weekly payment schedule, reviewal by
125 Heidi, and required signatures.

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Mayor Horrocks mentioned the suggestion to change audit firms every few years. He spoke on the continuity of retaining the same firm who knew the history of the City. Heidi Voordeckers replied that changing firms was best practice and how the former firm would transfer and share work papers.

Councilmember Baskin questioned how long the audit process took. Heidi Voordeckers responded that it took six months and could not be completed until all items (invoices) related to the fiscal year had been received. She noted a lack of responses to RFPs from other cities and said when the City went out to bid for audit services they could request a new audit partner at Child Richards if needed.

The Committee discussed the scenario of when a city might be at risk and how to avoid this by reviewing ongoing revenues (sales, property tax) and ensuring they were sufficient and diverse enough to fund operating expenditures.

4. SET PARAMETERS FOR UTILITY HARDSHIP ASSISTANCE POLICY

Heidi Voordeckers reported on Salt Lake City’s utility hardship assistance program. She said the policy for Salt Lake included eligibility requirements such as age 60 or over, a gross income at or below 150% of the federal poverty line, or was disabled. She mentioned that North Salt Lake offered a program for active duty residents. She asked what parameters the Committee would like to propose to the City Council.

The Committee discussed the active duty resident policy, application process, required documentation, tying assistance to an acute problem or event, and length of time to offer assistance.

Heidi Voordeckers mentioned finding a community partner to collect this information to help the City administer the program and determine eligibility such as Davis County Housing Authority or the Community Development Block Grant program.

5. ADJOURN

The meeting was adjourned at 6:03 p.m.

The foregoing was approved by the Audit Committee of the City of North Salt Lake on February 18, 2025 by unanimous vote of all members present.

Wendy Page, City Recorder

Entity	Total	Firm(s)
Alta Town	10,000	Gilbert & Stewart, CPA
American Fork City	23,000	Larson & Company
Bluffdale	20,500	HBME
Brigham City	24,150	Keddington Christensen
Centerfield	21,952	Keddington Christensen
Centerville	36,980	Keddington Christensen; Larson & Company
City of North Salt Lake	33,450	Child Richards
Clearfield	48,422	HBME
Clinton	48,950	Child Richards
Cottonwood Heights	22,025	Larson & Company
Davis County	42,300	Carver Florek
DCo Mosquito Abatement	8,025	Child Richards
Delta City	19,750	Larson & Company
Draper	89,160	HBME
Duchesne County	35,500	Larson & Company
Eagle Mountain City	35,000	Gilbert & Stewart, CPA
Ephraim City	24,600	Larson & Company
Erda	10,000	Larson & Company
Farmington City	30,000	Gilbert & Stewart, CPA
Farr West	12,735	Child Richards
Francis City	27,000	Gilbert & Stewart, CPA
Fruit Heights	32,100	Child Richards; Palmer, Christopher, Ambrose
Grand County	54,000	Larson & Company
Grantsville	18,000	Gilbert & Stewart, CPA
Heber	15,000	Keddington Christensen
Highland	13,500	Keddington Christensen
Hooper	17,090	Child Richards
Huntsville	12,700	Child Richards
Hyrum	47,214	Wiggins and Co
Ivins	22,000	Larson & Company
Kamas	16,000	Child Richards
Kaysville	33,000	HBME
Layton	44,398	HBME
Lehi	51,345	Osborne Robbins & Buhler
Lindon City	23,000	Gilbert & Stewart, CPA
Logan	27,400	Keddington Christensen
Midvale	26,500	Larson & Company
Millcreek	21,000	HBME
Moab City	32,000	Gilbert & Stewart, CPA
Morgan City	36,635	Child Richards
Morgan County	60,950	Carver Florek
Murray	97,571	HBME
N Ogden	25,500	Keddington Christensen

Nephi	19,800	Larson & Company
Nibley	10,200	Larson & Company
North Davis Fire	30,030	Child Richards, Ulrich & Associates
Oakley City	16,500	Ulrich & Associates
Ogden	43,824	HBME
Orem	34,500	Larson & Company
Payson	26,000	Gilbert & Stewart, CPA
Plain City	9,940	Palmer, Christopher, Ambrose
Price	21,160	Larson & Company
Provo	42,000	HBME
Randolph Town	9,225	Ulrich & Associates
Roy	21,500	Wiggins and Co
Santaquin	25,250	Larson & Company
Saratoga Springs	21,000	Gilbert & Stewart, CPA
South Davis Metro Fire	12,550	HBME
South Jordan	23,500	Gilbert & Stewart, CPA
Spanish Fork	24,900	Larson & Company
Springville	33,375	HBME
Sunset City	12,345	Palmer, Christopher, Ambrose
Toole City	43,400	Larson & Company
Uintah City	18,252	Gilbert & Stewart, CPA
ULCT	13,000	HBME
Utah County	51,400	Gilbert & Stewart, CPA
Vineyard	13,250	Gilbert & Stewart, CPA
Weber County	29,100	Palmer, Christopher, Ambrose
West Bountiful	21,150	Ulrich & Associates; Palmer, Christopher, Ambrose
West Haven	69,574	Child Richards; Ulrich & Associates
West Jordan	29,400	Keddington Christensen
West Point	14,175	Ulrich & Associates
Willard	41,525	Child Richards; Palmer, Christopher, Ambrose
Woods Cross	15,600	Keddington Christensen
WVC	96,500	Keddington Christensen



CITY OF NORTH SALT LAKE FINANCE DEPARTMENT

10 East Center Street
North Salt Lake, Utah 84054
(801) 335-8700
(801) 335-8719 Fax

Brian J. Horrocks
Mayor

Heidi Voordeckers
Finance Director

MEMORANDUM

TO: Audit Committee Members Horrocks, Baskin, and Jackson

FROM: Heidi Voordeckers, Finance Director

DATE: 2/18/2025

SUBJECT: Proposed amendments to Title 1, Chapter 11 – Procurement of Supplies, Materials, Equipment and Contractual Services; Disposal of Public Property

BACKGROUND

Staff recommends the attached changes to the procurement code for a number of reasons. First, the current code contains language that is either outdated or misleading based on governmental accounting standards. Terms like “bid” or “bidding” imply an emphasis on the cost component of selection, while other (qualitative) factors may need to be considered in order to best meet the needs of the City.

More importantly, the proposed amendment contemplates adding a new section for “Method of Award” that more accurately describes the procurement practices the City currently engages in. Projects such as the clubhouse remodel and Hatch Park expansion, for example, were acquired using a “best value” approach that was not previously defined by code. This change endeavors to facilitate greater flexibility for department heads in selecting the method of award based on the unique characteristics of their project or procurement. At the same time, it provides clear and succinct guidance that protects both the City and vendor from concerns of favoritism, cronyism, and other unfair procurement practices.

Last, the amendment removes certain language that requires professional service contracts to be acquired through a negotiation process. With these changes, essentially all solicitations in excess of \$50,000 may be awarded on the basis of either lowest cost, best value, or most qualified at the discretion of the department head, with final award and approval by the City Council.

The timeliness of authorizing these changes is critical to moving forward with a “best value” RFP for external audit services, which will also be discussed during this meeting.

Attachments:

- 1) Proposed Amendments (Ordinance 2025-05 Exhibit A)

Exhibit A

TITLE 1, ADMINISTRATION

CHAPTER 11

PROCUREMENT OF SUPPLIES, MATERIALS, EQUIPMENT AND CONTRACTUAL SERVICES; DISPOSAL OF PUBLIC PROPERTY

SECTION:

1-11-1: Statutory Authority

1-11-2: Definitions

1-11-3: Administration

1-11-4: Acquisition Of Supplies, Materials And Equipment

1-11-5: Competitive ~~Bidding~~ Solicitation Requirements

1-11-6: Exemptions To Competitive ~~Bidding~~ Solicitation Requirements

1-11-7: Use Of Purchase Requisitions

1-11-8: Interlocal Agreements Authorizing Contracts For Commodities Or Services

1-11-9: Disposal Of Surplus Property Or Lease Of Public Property

1-11-10: Prohibitions

1-11-2: DEFINITIONS:

Unless the context requires otherwise, the terms used in this chapter, or the rules and regulations adopted pursuant to this chapter, shall have the following meanings:

ADEQUATE APPROPRIATION BALANCE: Sufficient fund balance which must exist in the line item appropriation of the account against which the purchase is to be charged.

DEPARTMENT HEAD: The ~~person~~ **individual** who administers a **city** department ~~of the city or his or their~~ designee, **as** specified in writing. This also includes the city manager.

~~**ESTIMATES OF REQUIREMENTS:** Forecasts of future requirements of supplies, equipment or contractual services submitted by city departments upon request of the city manager or his designee.~~

LOCAL BIDDER: A firm or individual who regularly maintains a place of business and transacts business in, or maintains an inventory of merchandise for sale in, or is licensed by, or pays business taxes to, **the City of North Salt Lake City**.

PROFESSIONAL SERVICES: Includes, but is not limited to, professional services for auditing, banking, insurance, engineering, architectural services and other forms of consulting.

PUBLIC PROPERTY: Any item of real or personal property owned by the city.

PURCHASE REQUISITIONS: Standard forms used by departments providing detailed information as to quantity, description, price, supplier and signature authorization for purchases. These are also known as "purchase orders".

REQUEST FOR PROPOSAL: Shall mean the same as "Invitation to Bid" as used in this chapter.

RESPONSIBLE BIDDER: A bidder who submits a responsive bid; who has furnished, ~~when requested,~~ information and data to ~~provide~~ **demonstrate** that ~~his~~ **the** financial resources, production or service facilities, service reputation and experience are adequate, for the contractual services or work on which **is being bid** ~~he bids~~; and who has not violated or attempted to violate any provisions of this chapter.

RESPONSIVE BID: An offer, submitted by a responsible bidder to furnish supplies, material, equipment or services in conformity with the specifications, delivery terms and conditions, and other requirements included in the invitation for bids.

SERVICES: The furnishing of labor, time or effort by a contractor, not involving the delivery of a specific end product other than reports which are merely incidental to the required performance. This term does not include employment agreements or professional services.

SUPPLIES, MATERIALS AND EQUIPMENT: The specific end product identified in a purchase requisition, purchase order, plan or specification prepared by the city, or in the case of acquisition value at less than one thousand dollars (\$1,000.00).

SURPLUS PROPERTY: Any item of personal property or parcel of real property owned by the city that has been declared surplus by the city council. (Ord. 2010-02, 3-16-2010)

1-11-4: ACQUISITION OF SUPPLIES, MATERIALS AND EQUIPMENT:

A. Purchases or contracts for ~~purchase~~ **the acquisition** of supplies, materials or equipment where the amount to be paid by the city is less than twenty five thousand dollars (\$25,000.00) must be approved by the city manager or his designee.

B. Purchases or contracts for ~~purchase~~ **the acquisition** of supplies, materials or equipment costing the city twenty five thousand dollars (\$25,000.00) or more must be approved by the city council.

C. Open market procedures as set forth in subsections 1-11-5A and B of this chapter may be used for purchases or contracts for purchase of supplies, materials or equipment costing the city less than fifty thousand dollars (\$50,000.00). Notwithstanding the foregoing, the city manager may require any purchase for supplies, materials or equipment to be bid formally if, in his determination, such actions would be in the best interest of the city.

D. Formal bidding, as set forth in subsection 1-11-5A of this chapter, will be used for purchases or contracts for the purchase of supplies, materials or equipment where the cost to the city is fifty thousand dollars (\$50,000.00) or more, except as identified in subsection E of this section.

E. For class C roadway "construction" and "maintenance", as defined in Utah Code Annotated section 72-6-109, formal bids are required for construction projects over ~~one hundred thousand dollars (\$100,000.00)~~ **three hundred fifty thousand dollars (\$350,000.00)**, and for maintenance projects over ~~one hundred thousand dollars (\$100,000.00)~~ **three hundred fifty thousand dollars (\$350,000.00)**. (Ord. 2010-02, 3-16-2010)

1-11-5: COMPETITIVE ~~BIDDING~~ SOLICITATION REQUIREMENTS:

Except as hereinafter provided, purchases of supplies, equipment **or contractual services of an estimated value of fifty thousand dollars (\$50,000.00) or more** shall follow one of the following procedures:

A. Invitation to Bid or Request for Proposal.

~~Formal Contract Procedure: Except as otherwise provided herein, purchases of supplies, equipment or contractual services of an estimated value of fifty thousand dollars (\$50,000.00) or more shall be by written contract with the lowest responsible bidder pursuant to the procedure hereinafter prescribed:~~

1. ~~Notice of inviting bids~~ **Public notice of competitive solicitation shall:**
 - a. include a general description of the improvements, supplies, materials and equipment or services to be acquired,
 - b. ~~shall~~ state where plans and specifications and other information may be secured, ~~and~~
 - c. ~~shall~~ state the time and place for opening bids, **and**
 - d. ~~Public notices shall~~ be posted in accordance with Utah Code Annotated section 63G-6a-112, as amended, at least seven (7) days before the day of the deadline for submission of a solicitation response.
2. **The invitation to bid or request for proposal shall include all submission requirements and deadlines which a supplier must be able to produce or deliver to be considered responsive and responsible for award of a contract, including:**
 - a. **Product specifications or scope of work,**
 - b. **Minimum qualifications and performance requirements,**
 - c. **Method of award and evaluation criteria, and**
 - d. **Submission deadline.**
3. Bid Opening Procedure: Sealed bids shall be submitted as designated in the notice with the statement "bid for (item)" on the envelope. Bids shall be opened in public at the time and place stated in the notice inviting bids. A written description of all bids received shall be available for public inspection during regular business hours for a period of not less than thirty (30) days after the bid opening.

4. Rejection Of Bids: The city council reserves the right to reject any and all bids for any reason. All notices calling for bids should so state. If all bids are rejected and the city council decides to make the improvement or acquire the supplies, materials, equipment or services, it shall advertise anew in the same manner provided herein. If, after the advertising as herein provided, no bid shall be received that is satisfactory, the city council may proceed to negotiate or make the improvement or acquisition, or enter such other agreements as it deems necessary or desirable.

~~4. Award Of Contracts: Except as otherwise provided herein, it is the intention of the city council to award the contract to the lowest responsible bidder.~~

5. Method of Award: Competitive solicitations shall be awarded by the city council based on one of the following methods:

- a. Lowest Responsible and Responsive Bid. The lowest responsible and responsive bid shall be selected based on the lowest cost proposal that satisfactorily meets the minimum requirements identified in the invitation to bid. Minimum requirements include:
 - i. The ability, capacity, and skill of the bidder to perform the contract within the specified time requirements,
 - ii. The bidder's record of performance on previous contracts,
 - iii. The character, integrity, experience, and reputation of the bidder, including compliance with laws and ordinances related to the contract,
 - iv. The bidder's ability to provide future maintenance and service in relation to the contract, and
 - v. The city's agreement with any conditions attached to the bid or proposal.
- b. Best Value. An evaluation committee shall determine the proposal or response that demonstrates the best value for the city. Best value shall be measured using ranked evaluation criteria such as vendor qualifications, experience, performance data, and cost. Evaluation criteria shall be:
 - i. identified and appropriately ranked, prioritized, and weighted by the department head with respect to the timely and successful completion of the purchase or project, and
 - ii. clearly defined and published with the invitation to bid.
- c. Most Highly Qualified. An evaluation committee shall determine one firm as the most highly qualified. A bid or proposal deemed most highly qualified shall be:
 - i. evaluated based primarily on qualitative factors, such as technical expertise, that are clearly defined in the invitation to bid, and
 - ii. representative of specific success factors related to the purchase or project.

6. Tie Bids: If two (2) or more bids received are for the same total amount or unit price, quality and service being equal, and if the public interest will not permit the delay or readvertising for bids, the city council shall accept the lowest bid made by and after negotiation with the tie bidders after the time of the bid opening.
7. Performance Bonds: Before entering a contract, the city council shall have authority to require performance and payment bonds to be provided in such amounts as it shall find reasonably necessary to protect the best interests of the city and as required by law. The form and amount of said bonds shall be described in the notice inviting bids.

B. Open Market Procedure.

Any purchase or acquisition of supplies, material, equipment, improvements or services of an estimated value of less than fifty thousand dollars (\$50,000.00) may be made without calling for bids. These purchases or acquisitions shall be made pursuant to the procedure hereinafter prescribed and without observing the procedure prescribed in subsection A of this section; provided, however, all bidding may be dispensed with for purchases of supplies, equipment or contractual services having a total estimated value of less than seven thousand five hundred dollars (\$7,500.00).

1. Minimum Number Of Bids: Wherever possible, open market purchases shall be based on at least three (3) price quotations and shall be awarded to the lowest responsible bidder. (Ord. 2010-02, 3-16-2010)
2. Solicitation Of Bids: Price quotations shall be from prospective vendors by written or telephone requests. (Ord. 2010-02, 3-16-2010; amd. 2012 Code)
3. Budgetary Considerations: All purchases must conform to the annual budget and there must be an adequate balance in the appropriation for the item or service to be procured. Any substantial deviation from the annual budget or any appropriation thereunder shall be approved by the city council.

C. Acquisition Of Services.

1. Contracts for services costing the city less than fifteen thousand dollars (\$15,000.00) annually must be approved and authorized by the city manager or his designee.
2. Contracts for services costing the city fifteen thousand dollars (\$15,000.00) or more annually must be approved by the city council.
3. ~~Acquisition procedures, as set forth in subsections A and B of this section will be used for all contracts for services, with the exception of contracts for architectural, engineering, legal, computer programming or other professional or technical services. These types of service contracts shall be negotiated for on the basis of demonstrated competence and qualification and at fair and reasonable prices.~~
3. The city manager may require any acquisitions of services to be bid formally if, in his determination, such actions would be in the best interest of the city. (Ord. 2010-02, 3-16-2010; amd. Ord. 2023-09, 8-1-2023)

1-11-6: EXEMPTIONS TO COMPETITIVE ~~BIDDING~~ SOLICITATION REQUIREMENTS:

A. Contracts: Contracts, which by their nature are not well suited to award by competitive bidding solicitation, shall not be subject to the competitive bidding solicitation requirements of this chapter. These contracts include, but are not limited to, the following: contracts for items or services which may be purchased only from a single source; contracts for additions to and repair and maintenance of equipment already owned by the city which may be more efficiently added to, repaired or maintained by a certain person or firm; or contracts for equipment which, by reason of the training of the personnel or an inventory of replacement parts, is compatible with the existing equipment owned by the city.

B. Auction, Closeout, Bankruptcy Sales: If the city manager determines that budgeted supplies, materials or equipment can be purchased at any public auction, closeout sale, bankruptcy sale or other similar sale, and if a majority of the city council at a regular or special meeting concurs in such determination and makes a finding that a purchase at any such auction or sale will be made at a cost below the market cost in the community, a contract may be let, or the purchase made, without complying with the competitive bidding solicitation requirements of this chapter.

C. Exchanges: Exchanges of supplies materials or equipment between the city and any other public agency or private party which are not by sale or auction shall be by mutual agreement of the respective public agencies or private parties. Exchanges involving private parties require contractual approval of the city council.

D. Certain Construction Contracts: With the city council's authorization at a regular or special meeting, construction projects up to \$250,000 may be authorized, at the council's sole discretion without competitive bidding solicitation. These include projects where, due to the small cost of the project or the specific nature and characteristics of the project, significant cost savings may be realized by not preparing formal plan and bidding specification documents or by not having to advertise for bid and go through a formal selection process. (Ord. 2010-02, 3-16-2010; amd. Ord. 2023-13, 10-3-2023)



CITY OF NORTH SALT LAKE FINANCE DEPARTMENT

10 East Center Street
North Salt Lake, Utah 84054
(801) 335-8700
(801) 335-8719 Fax

Brian J. Horrocks
Mayor

Heidi Voordeckers
Finance Director

MEMORANDUM

TO: Audit Committee Members Horrocks, Baskin, and Jackson

FROM: Heidi Voordeckers, Finance Director

DATE: 2/18/2025

SUBJECT: Review of Proposed RFP for Auditing Services

BACKGROUND

Auditor independence is a fundamental principle of generally accepted accounting practices in governmental accounting. The auditor's role is to assess the City's financial transactions, policies, and controls with professional skepticism to provide an objective evaluation of the City's financial health.

Throughout the audit process, the contracted CPA firm collaborates with various City staff over a period of approximately six months. Governmental accounting standards acknowledge that prolonged engagements with the same audit firm can gradually compromise auditor independence as familiarity develops. To uphold best practices, it is recommended that audit services be solicited every five years, with the goal of periodically selecting a new firm.

While the City has engaged different principal CPAs to lead its audits over the past 15 years, it has continuously relied on the same auditing firm, Child Richards. The attached RFP for Auditing Services (originally distributed to the Committee in January) is intended to remedy this in the next audit cycle. A few key points in the RFP include:

- Identifying a deadline for the auditing firm to complete their work (December 15th).
- Clarifying that payment for services will occur only after the auditor's presentation to the City Council (to further encourage timeliness).
- The City Recorder as the solicitation point of contact, to prevent any interference from finance staff during the procurement.
- Use of evaluation criteria and evaluation committee to make a recommendation of award to the City Council.

- Two levels of cost proposal – with and without single audit services, so that additional work will not need to be negotiated in the midst of the audit.
- Additional language compliant with 2 CFR 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

Staff recommend proceeding with the attached solicitation and timeline, requiring proposal submissions by no later than March 13, 2025. This timeline provides the Audit Committee with approximately one month to review submissions and present a recommendation to the City Council, with the selected firm scheduled to receive a notification of award by Wednesday, May 7. This approach ensures that the auditing firm can conduct an introductory meeting with the Audit Committee in June, ahead of the Fiscal Year 2025 audit.

Attachments:

- 1) Checklist for Procuring Auditing Services (Utah State Auditors Office)
- 2) NSL Audit RFP



Procuring Audit Services

When procuring audit services, the governing body should:

Understand what is being purchased

An audit is an independent evaluation of the financial statements, notes, and accompanying information. The financial statements are prepared by *management*, while the audit of the financial statements is performed by the *independent auditor* for the governing body and the public, to provide assurance that management correctly performed its duties.

This relationship is similar to hiring a contractor to build a home. The owner trusts the contractor, which is why the owner retained the contractor's services. As the home is built, periodic inspections take place where a third party (building inspector) reviews the contractor's work. The building inspector verifies the home was correctly built or provides corrections to enable the home to pass the inspection.

Understand who selects the auditor

The auditor should be selected by the governing body or audit committee. Authorizing the entity's manager or Chief Financial Officer (CFO) to select the independent auditor is equivalent to allowing your contractor to choose the building inspector; it creates pressure to underreport and facilitates noncompliance.

Prepare the request for proposal (RFP)

A request for proposal (RFP) should provide the entity's expectations, grading criteria, and background information that will help audit firms determine the audit's size and scope. The RFP should provide past audit reports or information regarding funds, revenues, expenditures, single audit requirements, significant grants, capital expenditures, component units, or prior year changes/irregularities. Consider the following:

- **Timeline** – The audit firm should be retained prior to year-end to enable the firm to plan its resources and reduce entity costs. Determine if the firm can deliver the audit report within the entity's timeframe.
- **Experience** – The auditor should be experienced performing audits for entities of similar size and type.
- **Resources** – Consider the firm's staff and other resources.

- **Single year versus multiyear contracts** – Multiyear contracts may reduce costs, but a frequently changing perspective used to review accounts is also beneficial.

❑ **Consider providing clarification**

Occasionally, firms will ask for clarification on the entity's financial statements. If the requested clarification will impact bids, the entity should provide that information to all interested parties and/or make the clarification publicly available.

❑ **Review responses/proposals**

Depending on the governing body or audit committee's preference, reviewing proposals may be brief, or may involve interviewing each firm. The entity should document the scoring tabulation and adhere to the predetermined criteria. At a minimum, all firms proposing to perform a governmental audit within the state should:

- Have a staff containing licensed certified public accountants (CPA's).
- Provide documentation of a current peer review.
- Be in good standing with the Office of the State Auditor (OSA).

❑ **Award the audit contract**

When an audit contract is awarded, the CPA which is awarded the contact should prepare an engagement letter documenting the relationship, fees, and the responsibilities of management and the CPA firm. The engagement letter should be reviewed and approved by the governing body and/or audit committee.

❑ **Handle complaints of improper procurement procedures**

The entity should make reasonable attempts to resolve any complaints or questions regarding procurement procedures. Audits in the State of Utah are performed under the authority and supervision of the State Auditor: "The State Auditor shall adopt guidelines, qualifications criteria, and procurement procedures for the use in procurement of audit services for all entities that are required by Section 51-2a-201 to cause an accounting report to be made" (*Utah Code 51-2a*). Unresolved audit procurement complaints submitted to the OSA will be reviewed, and, depending on the severity of the procurement violation, entities may be required to complete additional training, recommence the procurement process under OSA supervision, or have the audit firm selected by OSA in accordance with administrative rule R123-5-4.

City of North Salt Lake

Request for Proposals

PROFESSIONAL AUDIT SERVICES



SUBMISSION DEADLINE: THURSDAY, MARCH 13TH, 2025 AT 5:00 p.m. MST

Submit proposals by email in PDF format to WendyP@nslcity.org with a subject line of PROPOSAL – AUDIT SERVICES. If an electronic response is not feasible, mail or deliver one (1) original and five (5) copies of your proposal to:

City of North Salt Lake
PROPOSAL – AUDIT SERVICES
Attn: Wendy Page, City Recorder
10 East Center Street
North Salt Lake, UT 84054

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CITY OF NORTH SALT LAKE

Audit Services – Request for Proposal

SECTION 1: INTRODUCTION

1.1 OBJECTIVE

The City of North Salt Lake is soliciting competitive proposals from qualified independent auditing firms to provide audit services. It is anticipated that this Request for Proposal (“RFP”) may result in a contract award to a single contractor.

This RFP is designed to provide interested offerors with sufficient basic information to submit proposals meeting minimum requirements but is not intended to limit a proposal’s content or exclude any relevant or essential data. Offerors are at liberty and are encouraged to expand upon the specifications to evidence service capability.

1.2 BACKGROUND INFORMATION

The City of North Salt Lake (the “City”) was established in 1946 and has a fiscal year end of June 30.

The City currently has the following funds:

- Governmental Funds
 - General Fund
 - Special Revenue Funds
 - Redevelopment Agency
 - Housing
 - Local Building Authority
 - Park Development
 - Police Facilities
 - Roadway Development
 - Debt Service Fund
 - Capital Projects Fund
- Proprietary Funds
 - Water Fund
 - Solid Waste Fund
 - Storm Water Fund
 - Golf Fund
 - Fleet (internal service fund)

For the fiscal year ended June 30, 2024 the City reported the following financial information:

- Total assets of \$121,557,070 for all governmental funds.
- Total liabilities of \$26,891,913 for all governmental funds.
- Total revenues of \$21,137,987 for all governmental funds.
- Total expenditures of \$20,725,455 for all governmental funds.
- Total ending fund balances of \$44,984,576 for all governmental funds.
- Outstanding debt service principal balance of \$25,784,000.

The City uses Caselle for financial reporting.

The City contributes to multiple employer-defined benefit pension plans administered by the Utah State Retirement System, including plans covering regular and public safety employees. The City also maintains a 401(k) plan, and a plan under Internal Revenue Code Section 457.

CITY OF NORTH SALT LAKE

Audit Services – Request for Proposal

The City is required by law (*Utah Code 10-6-151*) to provide an annual audit of its financial statements by a Certified Public Accountant in accordance with generally accepted auditing standards.

This requirement includes: (1) a financial statement audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, (2) a State Compliance Audit, in accordance with the *State Compliance Audit Guide* issued by the Office of the Utah State Auditor, and (3) a Single Audit in accordance with the Single Audit Act and OMB Circular A-133 (as applicable).

The general accounting and financial reporting functions of the City are mostly centralized in the Finance department; however, some departments maintain fiscal records customized to meet their unique needs.

Prior year reports for the City may be found on the City's website at: <https://nslcity.org/186/Financial-Reports>

1.3 DURATION OF WORK

The audit contract resulting from this RFP will cover the annual audits for each of the calendar years ending June 30, 2025 through June 30, 2029, subject to annual performance evaluations, budget appropriations, and City needs.

1.4 DETAILED SCOPE OF WORK

A. AUDIT STANDARDS

The offeror shall perform a financial audit, a state compliance audit, and (as applicable) a single audit of the City for each fiscal year of the contract period in accordance with the following:

- Auditing standards generally accepted in the United States of America, as promulgated by the American Institute of Certified Public Accountants ("AICPA").
- The *AICPA Audits of State and Local Governmental Units* audit and accounting guide.
- The most current revision of *Government Auditing Standards*, published by the U.S. Government Accountability Office.
- For the state compliance audit: The *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor.
- For the single audit: OMB Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations* and related OMB A-133 Compliance Supplement (as applicable).

B. REPORTING REQUIREMENTS

1. Financial Report – The offeror shall audit the financial statements and records of the City and shall issue an auditor's opinion on those financial statements. Such financial statements shall be prepared by City staff in conformity with accounting principles generally accepted in the United States of America. The offeror may assist the City's efforts to obtain the Government Finance Officers Association's Certificate of Achievement of Excellence in Financial Reporting.
2. Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters – The offeror shall issue a report of internal control over financial reporting and on compliance and other matters in accordance with *Government Auditing Standards*.
3. Reports Required for the OMB Circular A-133 Audit – The offeror shall prepare all necessary audit reports and schedules required by OMB Circular A-133.

CITY OF NORTH SALT LAKE

Audit Services – Request for Proposal

4. Report Required for State Compliance Audit – The offeror shall prepare and include a statement expressing assurance of compliance with State fiscal laws and other financial issues related to the expenditure of funds received from federal, state, or local governments identified in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor. This statement is in addition to the compliance opinion required as part of the single audit.
5. Management Letter – As appropriate, the offeror shall prepare a comprehensive management letter including the auditor’s findings and recommendations relative to the internal control over financial reporting, compliance with laws and regulations, as applicable, and adherence to generally accepted accounting principles.

The offeror shall request written responses from City officials for each recommendation and shall include such responses in the letter. If the City declines the opportunity to respond, the offeror shall so state in its letter.
6. Reporting Deadlines – The audit must be completed and an electronic copy of each of the reports must be submitted to the City by December 15 of the year following the year being audited.

C. CONTRACTUAL ARRANGEMENTS

1. Document Retention – Workpapers and reports for the audit must be retained for a period of five years after the completion of the audit and made available for inspection by the City or government auditors, including the Office of the Utah State Auditor, if requested.
2. Compensation for Services – Payment for the audit will be made by the City within 30 (thirty) days after an invoice is submitted and only after the audit reports have been presented to the City Council.
3. Availability of Staff – The City’s staff will be available to prepare schedules and trial balances and to provide documentation as their schedules permit during the course of the audit.

SECTION 2: PROCUREMENT RULES AND PROCEDURES

2.1 OVERVIEW OF RFP PROCEDURES

The procedure for the issuance of this RFP, evaluation of proposals, and selection of an independent auditor is as follows:

- Interested entities will prepare and submit their proposals according to the Timetable in Subsection 2.3.
- The City’s Audit Committee members and its support staff will evaluate all submitted proposals to determine acceptance or rejection of the proposals.
- [The recommended proposal will be forwarded to the City Council for approval.](#)
- The selected offeror will be notified of award and required to sign a contract.

CITY OF NORTH SALT LAKE

Audit Services – Request for Proposal

2.2 RULES OF PROCUREMENT

All proposals must be submitted in the proposal format outlined in Sections 3 and 4 of this RFP, and all offerors must meet the required criteria as of the date of submission.

All materials submitted in response to this RFP become the property of the City and will not be returned. Proposals submitted may be reviewed and evaluated by any person at the discretion of the City.

The City has established certain requirements with respect to proposals to be submitted by offerors. The use of “shall,” “must,” or “will” in this RFP indicates a requirement or condition from which a material deviation will not be approved by the City.

The City reserves the right to reject any or all proposals or waive minor irregularities when doing so is in the best interests of the City. Minor irregularities are those which will not have a significant adverse effect on overall competition or performance levels.

The offeror agrees that the City may terminate this procurement procedure at any time, and the City shall have no liability or responsibility to the offeror for any costs or expenses incurred in connection with this RFP, or such party’s response.

An entire proposal cannot be identified as “PROTECTED,” “CONFIDENTIAL,” or “PROPRIETARY,” and may be considered non-responsive if marked as such.

2.3 PROCUREMENT TIMETABLE

REQUIRED ACTIVITY	SCHEDULED DATE
RFP Issuance Date	Wednesday, February 19, 2025
Closing Date for Receipt of Proposals	Thursday, March 13, 2025 (5:00 PM MST)

2.4 DISQUALIFICATION OF PROPOSALS

The occurrence of any of the following will result in disqualification of a proposal:

- Failure to submit proposal by the established submission deadline.
- Failure to respond completely to all sections requested in the RFP.
- Failure to provide requested documentation at the time of proposal submission.
- Illegible responses.
- Failure to qualify legally to enter in to a contract with the City.

2.5 CONTACT INFORMATION

All questions regarding this RFP should be directed to:

Wendy Page, City Recorder
Phone: 801-335-8709
Email: WendyP@nslcity.org

Responses to submitted questions that provide relevant information outside of this RFP document will be provided to all potential offerors of the City’s website.

CITY OF NORTH SALT LAKE

Audit Services – Request for Proposal

SECTION 3: INSTRUCTIONS FOR PROPOSAL PREPARATION AND SUBMISSION

3.1 PROPOSAL ORGANIZATION

The proposal must include (in the following order):

- Title page
- Transmittal letter
- Peer review report
- Completed Cost Proposal Form provided in Exhibit A of this RFP
- Signed Signature Page Form provided in Exhibit B of this RFP

3.2 SUBMITTING A PROPOSAL

By submitting a proposal in response to this RFP, the offeror is acknowledging that the requirements, scope of work, and evaluation process outlined in the RFP are fair, equitable, not unduly restrictive, understood, and agreed to. Any exceptions to the content of the RFP must be protested to the City prior to the closing date and time for submission of the proposal.

Proposals must be received by the submission deadline of Thursday, March 13, 2025 no later than 5:00 p.m. MST. Proposals received after the deadline will be late and ineligible for consideration.

The preferred method of submitting a response to the request for proposal is by email in PDF format to WendyP@nslcity.org with a subject line of PROPOSAL – AUDIT SERVICES. If an electronic response is not feasible, mail one (1) original and five (5) copies of your proposal to the City at the following address:

City of North Salt Lake
PROPOSAL – AUDIT SERVICES
Attn: Wendy Page, City Recorder
10 East Center Street
North Salt Lake, UT 84054

Any mailed proposals must still arrive by the submission deadline of Thursday, March 13, 2025 no later than 5:00 p.m. MST.

It is anticipated that selection of the contractor will be made by Wednesday, May 7th, 2025, and all offerors submitting proposals will be notified immediately as to the selection results.

SECTION 4: PROPOSAL REQUIREMENTS

4.1 TITLE PAGE

The title page must show the title of the RFP and the firm's name.

4.2 TRANSMITTAL LETTER

The transmittal letter shall be on the bidder's official business letterhead and must be signed by an authorized agent of the firm. The letter of transmittal shall include the following sections:

- A. General Overview of Firm – This section should contain a general description of the firm, including size, indication of whether the firm is local/regional/national/international in operations, the address of the office which would provide the services requested, the number of professional staff by staff level employed at that office, and firm's website address, if applicable.

CITY OF NORTH SALT LAKE

Audit Services – Request for Proposal

- B. Key Contacts – This section should identify the supervising employee who will be assigned to the engagement and one other key contact person along with their contact information including, but not limited to, mailing address, business/cell phone number(s), and email address. Other personnel who will have key roles in the work should also be identified.
- C. Résumé Section – This section should contain brief résumés for the key professional staff who will be assigned to this engagement. Summary information should be provided covering the professional qualifications, continuing professional education, and experience of the supervising and supporting personnel who would perform the requested work.
- D. Qualifications Section - This section should describe the firm’s experience in providing auditing services for governmental entities.
- E. Significant Prior Engagements – This section should list the most significant engagements that are similar to the scope of work described in this RFP and that have been performed in the last five years for other governmental entities by the firm’s office that will be responsible for the work. Names, job titles, and contact details of these clients shall be included and may be contacted as part of the evaluation process.
- F. Current Clients – This section should list the governmental entities currently audited by the firm and the fiscal year end of those governmental entities.
- G. Approach – This section should describe the general audit work plan that will be utilized to accomplish the scope defined in this RFP. The audit work plan should demonstrate the offeror’s understanding of the audit requirements and the audit tests and procedures to be applied in completing the audit plan. The description of the audit work plan should also detail the expected number of audit hours by staff level required to complete the audit.

4.3 PEER REVIEW REPORT

A copy of the offeror’s most recent peer review report must be included in the submission.

4.4 COST PROPOSAL FORM

The Cost Proposal Form attached as Exhibit A must be completed and included in the submission. The not-to-exceed costs listed on the Cost Proposal Form shall be inclusive of all costs for all of the specified services requested in Section 1.4. Under no circumstances will the City pay more than the not-to-exceed fee listed on the Cost Proposal Form, including out-of-pocket expenses.

The City does not anticipate requiring single audit services every fiscal year, therefore the Cost Proposal Form includes pricing for annual audit services both with and without a single audit.

All pricing must be guaranteed for the entire term of the contract and is based upon successful completion of the audit within the time frame provided.

4.5 SIGNATURE PAGE FORM

The Signature Page Form attached as Exhibit B must be executed and included in the submission. The Signature Page Form will be signed, in ink, by a principal of the business who is authorized to execute the contract. Penciled signatures or notations will not be accepted.

CITY OF NORTH SALT LAKE

Audit Services – Request for Proposal

SECTION 5: EVALUATION CRITERIA

5.1 EVALUATION CRITERIA

Proposals will be evaluated and ranked according to the following evaluation criteria:

% OF SCORING WEIGHT	EVALUATION CRITERIA	RESPONSE INSTRUCTION
Mandatory	Licensing, independence, peer review, and ability to meet audit	Section 4.3
30%	Proposal responsiveness, approach, and audit timeline	Section 4.1, 4.2(G), 4.5
20%	Experience and reputation of firm	Section 4.2(A)(D)(E)(F)
20%	Qualifications and expertise of staff	Section 4.2(B)(C)
30%	Proposed not-to-exceed Fee (Cost Proposal Form)	Section 4.4, Exhibit A

The City reserves the right to reject any and all proposals submitted and to request additional information from all offerors. Any contract awarded will be made to the offeror who, based on evaluation of all responses, is determined to be the most qualified at the best value to perform annual audit services.

The City will use the following formula to score the Proposed Not-to-Exceed Fee (Cost of the Audit):

The points assigned to each offeror’s fee proposal will be based on the lowest proposed fee. The offeror with the lowest proposed fee will receive 100 percent of the Cost of the Audit points. All other offerors will receive a portion of the total points based on what percentage higher their proposed fee is than the lowest proposed fee. An offeror whose proposed fee is either double or more than double the lowest proposed fee will receive no points. The formula to compute the points is: $30 \times (2 - \text{Proposed Fee}/\text{Lowest Proposed Fee})$.

All proposals will be evaluated by the City of North Salt Lake’s Audit Committee (the “Committee”). Any of the three highest ranked proposals may be selected by the Committee for further negotiation or contract award, although the Committee may elect to reject all offers.

SECTION 6: TERMS AND CONDITIONS

6.1 TERMS AND CONDITIONS

The City will award a contract in reliance upon the information contained in proposals submitted in response to the RFP. The City will be legally bound only when, and if, there is a definitive signed agreement with the awarded contractor.

Any person who signs a proposal or contract on behalf of an offeror certifies that he or she has the authority to so act.

The successful offeror whose proposal is accepted may be required to answer further questions and provide further clarification of the proposal and responses.

Receiving this RFP or responding to it does not entitle any entity to participate in services or transactions resulting from or arising in connection with this RFP. The City shall have no liability to any person or entity under or in connection with this RFP unless and until the City and such person shall have executed and delivered a definitive written agreement.

By responding to this RFP, each offeror acknowledges that neither the City nor any of its representatives is making or has made any representation or warranty, either express or implied, as to the accuracy or completeness of any portion of the information contained in this RFP. The offeror further agrees that neither the City nor any of its representatives shall have any liability to the responding party or any of its representatives

CITY OF NORTH SALT LAKE

Audit Services – Request for Proposal

as a result of this RFP process or the legal use of the information contained in this RFP. Only the terms and conditions contained in a contract when, and if, executed, and subject to such limitations and restrictions as may be specified therein, may be relied upon by the parties in any manner as having any legal effect whatsoever.

No oral modifications or amendments to this RFP or any resulting contract shall be effective, but such may be modified or amended by a written agreement signed by the parties. If it becomes necessary to revise any part of this RFP, an addendum will be made available on the City website. It is the responsibility of the offeror to ensure that they are responding to the most recent RFP information.

Pursuant to this RFP, a contract will be executed stating the contract is for the audit of the City's fiscal year ended June 30, 2025, and commencing when executed. The City shall have an option, pursuant to that contract, to renew the contract for four additional annual audits under the same terms and conditions.

The City retains the right to refuse to negotiate on exceptions should the exceptions be excessive or not in the best interests of the City, or if the negotiations could result in excessive costs to the City or could adversely impact existing time constraints.

6.2 CONFLICT OF INTEREST

The successful offeror will be required to certify, through execution of a contract, that no person in the City's employment, directly or through subcontract, will receive any private financial interest, direct or indirect, as a result of the contract. The successful offeror will not be allowed to hire nor subcontract with any person having such conflicting interest.

EXHIBIT A: COST PROPOSAL FORM

	Not-to-Exceed Fee <u>With</u> Single Audit	Note-to-Exceed Fee <u>Without</u> Single Audit
Audit Services for the Year Ended June 30, 2025	\$ _____	\$ _____
Audit Services for the Year Ended June 30, 2026	\$ _____	\$ _____
Audit Services for the Year Ended June 30, 2027	\$ _____	\$ _____
Audit Services for the Year Ended June 30, 2028	\$ _____	\$ _____
Audit Services for the Year Ended June 30, 2029	\$ _____	\$ _____

NOTES:

1. All amounts are to include out-of-pocket expenses.
2. Any deviation from this format may result in disqualification of proposal.

EXHIBIT B: SIGNATURE PAGE

I acknowledge that I have read and understand the RFP documents.

I hereby certify that the information submitted by me/my company in response to this request for proposal, including pricing and other information, is true and accurate.

I understand that the City of North Salt Lake has the right to reject any or all proposals and to waive minor irregularities when to do so would in the best interests of the City.

I hereby certify that me/my company is legally registered to do business in the State of Utah.

I hereby certify that no owners, officers, or partners in my company have been suspended, debarred, or on the Excluded Parties List System.

I hereby certify that me/my company is independent of the City of North Salt Lake and its employees, officers, and elected officials.

I hereby certify that I am unaware of any potential conflicts of interest if me/my company were selected to perform the requested work.

I hereby certify that I am authorized to bind the firm in a contract.

Name of Firm _____

Signature _____

Print Name _____

Print Title _____

Date _____