

REQUEST FOR PROPOSALS

AUDIT SERVICES



City of Lancaster
P.O. Box 1149
216 S. Catawba Street (29720)
Lancaster, SC 29721

July 15, 2019

Submittal Deadline August 30, 2019 by 4:30 P.M. EST

Request for Proposals
City of Lancaster
Professional Auditing Services

CITY OF LANCASTER

REQUEST FOR PROPOSALS

TABLE OF CONTENTS

I. INTRODUCTION

- A. General Information
- B. Term of Engagement

II. NATURE OF SERVICES REQUIRED

- A. General
- B. Scope of Work to be performed
- C. Auditing Standards to be followed
- D. Reports to be issued
- E. Special Considerations
- F. Working Paper Retention and Access to Working Papers

III. DESCRIPTION OF THE GOVERNMENT

- A. Name and Telephone Number of Contact Persons/Organizational Chart/Location of Offices
- B. Background Information
- C. Fund Structure
- D. Budgetary Basis of Accounting
- E. Federal and State Financial Assistance
- F. Pension and OPEB Plans
- G. Component Units
- H. Joint Ventures
- I. Magnitude of Finance Operations
- J. Computer Systems
- K. Internal Audit Function
- L. Availability of Prior Reports and Working Papers
- M. Special Reporting Requirement

IV. TIME REQUIREMENTS

- A. Proposal Calendar
- B. Schedule for the June 30, 2020 Fiscal Year Audit
 - 1. Interim Work
 - 2. Detail Audit Plan and Programs
 - 3. Fieldwork
 - 4. Draft Reports
- C. Entrance Conferences, Progress Reporting and Exit Conferences
- D. Date Final Report is due

- V. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION
 - A. Finance Department and Clerical Assistance
 - B. Electronic Data Processing (EDP) Assistance
 - C. Statements and Schedules to be prepared by the Staff of the City of Lancaster
 - D. Work Area
 - E. Photocopying
 - F. Report Preparation

- VI. PROPOSAL REQUIREMENTS
 - A. General Requirements
 - 1. Inquiries
 - 2. Submission of Proposals
 - B. Technical Proposal
 - 1. General Requirements
 - 2. Independence
 - 3. License to Practice in South Carolina
 - 4. Firm Qualifications and Experience
 - 5. Partner, Supervisory and Staff Qualifications and Experience
 - 6. Similar Engagements with Other Government Entities
 - 7. Specific Audit Approach
 - C. Dollar Cost Bid
 - 1. Total All-Inclusive Maximum Price
 - 2. Manner of Payment

- VII. EVALUATION PROCEDURES
 - A. Evaluation Criteria
 - 1. Mandatory Elements
 - 2. Technical Qualifications
 - 3. Price
 - B. Oral Presentations
 - C. Final Selection
 - D. Right to Reject Proposals
 - E. Right to Waive Technicalities

APPENDICES

- A. Organizational Chart
- B. List of Key Personnel & Contact Information
- C. Proposer Guarantees
- D. Proposer Warranties
- E. Format for Schedule of Professional Fees and Expenses

CITY OF LANCASTER REQUEST FOR
PROPOSALS

I. INTRODUCTION

A. General Information

The City of Lancaster (the "City") is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal year ending June 30, 2020, with the option of auditing its financial statements for each of the three subsequent fiscal years. These audits are to be performed in accordance with generally accepted auditing standards and the provisions set forth in the U.S. Office of Management and Budget (OMB) Uniform Guidance.

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

Any inquiries concerning the request for proposals should be addressed to Dana Pinkert, Finance Director.

To be considered, the sealed proposal must be received by Dana Pinkert, Finance Director 216 S. Catawba Street (29720), PO Box 1149, Lancaster, S.C. (29721) by 4:30 PM August 30, 2019. The City of Lancaster reserves the right to reject any or all proposals submitted.

Proposals submitted will be evaluated by the Finance Director, Senior Accountant, City Administrator, and Finance Committee.

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

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

It is anticipated the selection of a firm will be completed by October 11, 2019. Following formal award by City Council the selected firm will be notified and it is expected a contract will be executed between both parties by October 31, 2019.

The selected firm will have to acquire a City of Lancaster Business License upon being awarded the contract, and each subsequent year of the contract term audit work is performed.

B. Term of Engagement

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

II. NATURE OF SERVICES REQUIRED

A. General

The City of Lancaster (the "City") is soliciting the services of qualified firms of certified public accountants to audit its financial statements for the fiscal year ending June 30, 2020, with the option to audit the City's financial statements for each of the three subsequent fiscal years. These audits are to be performed in accordance with the provisions contained in this request for proposals.

B. Scope of work to be performed

The City will be including its financial statements in a Comprehensive Annual Financial Report ("CAFR"). The auditor is to provide an audit report on the fair presentation of that set of financial statements sufficient to satisfy the requirements of the Government Finance Officers Association's Certificate of Achievement Program and in a form that complies with the AICPA's definition of the appropriate form of the independent auditor's report for audits of GASB 34 governments as defined in its current edition of *Audits of State and Local Government Units*. The audit must also cover the City's Schedule of Federal Awards, which will be included in the CAFR.

The auditor will be involved in drafting, typing, and printing the financial statements, if requested, and will assist management's efforts to obtain the Government Finance Officers Association's Certificate of Achievement of Excellence in Financial Reporting.

C. Auditing Standards to be followed

To meet the requirements of this request for proposals, the audit shall be performed in accordance with generally accepting auditing standards as set forth by the American Institute of Certified Public Accountants, the standards for financial audits set forth in the U.S. Comptroller General's *Government Auditing Standards*, the 2019 OMB Compliance Supplement and the provisions of U.S. Office of Management and Budget (OMB) Uniform Guidance.

D. Reports to be issued

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

1. A report on the fair presentation of the basic financial statements in conformity with generally accepted accounting principles and on the supplementary schedule of expenditures of federal awards;
2. A report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with *Government Auditing Standards*;
3. A report on compliance with requirements applicable to each major federal financial assistance program and on internal control over compliance in accordance with OMB Uniform Guidance;
4. A schedule of findings and questioned costs;
5. A summary of prior year findings.

In the required report on internal controls, the auditor shall communicate any control deficiencies found during the audit. A control deficiency shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Control deficiencies that are also material weaknesses shall be identified as such in the report.

The report on compliance shall include all material instances of noncompliance.

Fraud and illegal acts. Auditors shall be required to make an immediate, written report of all fraud and illegal acts or indications of illegal acts of which they become aware to the Mayor and City Administrator of the City.

Reporting to the City Council. Auditors shall assure themselves that the City's Mayor and Council and City Administrator are informed of each of the following:

1. The auditor's responsibility under generally accepted auditing standards;
2. Significant accounting policies;
3. Management judgments and accounting estimates;
4. Significant audit adjustments;

5. Other information in documents containing audited financial statements;
6. Disagreements with management;
7. Management consultation with other accountants;
8. Major issues discussed with management prior to retention;
9. Difficulties encountered in performing the audit.

E. Special Considerations

1. The City will send its comprehensive annual financial report to the Government Finance Officers Association of the United States and Canada for review in their Certificate of Achievement for Excellence in Financial Reporting program. It is anticipated that the auditor will be required to provide special assistance to the City to meet the requirements of that program.
2. The Schedule of Expenditures of Federal Awards and related auditor's report, as well as the reports on the internal controls and compliance are to be issued as part of the comprehensive annual financial report.

F. Working Paper Retention and Access to Working Papers

All working papers and reports must be retained, at the auditor's expense, for a minimum of three (3) years, unless the firm is notified in writing by the City of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the following parties or their designees:

City of Lancaster

U.S. General Accounting Office (GAO)

Parties designated by the federal or state governments or by the City as part of an audit quality review process

Auditors of entities of which the City is a sub-recipient of grant funds

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

III. DESCRIPTION OF THE GOVERNMENT

A. Name and Telephone Number of Contact Persons/Organizational Chart/Location of Offices

The auditor's principal contact with the City will be Dana Pinkert, Finance Director, or a designated representative, who will coordinate the assistance to be provided by the City to the auditor.

An organizational chart (Appendix A) and a list of key personnel with the location of their principal offices (Appendix B) are attached.

B. Background Information

The City serves an area of approximately 6 square miles with a population of 8,900. The City's fiscal year begins on July 1 and ends on June 30.

The City provides the following services to its citizens:

1. Residential and commercial sanitation
2. Water and sewer
3. Police and fire protection
4. Parks, recreation and tourism services

The City has a total payroll of approximately \$7 million covering 167 full time employees.

The City is organized into eleven departments. The accounting and financial reporting functions of the City are centralized in the Finance Department.

More detailed information on the government and its finances can be found in annual budgets, comprehensive annual financial reports and official statements available online at www.lancastercitysc.com (select Finance Department, then see links to available reports.)

C. Fund Structure

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

| <u>Fund Type/Account Group</u> | <u>Number of Individual Funds</u> | <u>Number With Legally Adopted Annual Budgets</u> |
|--------------------------------|-----------------------------------|---|
| General fund | 1 | 1 |
| Other governmental funds | 3 | 2 |
| Enterprise funds | 2 | 2 |
| Fiduciary fund | 1 | 0 |

D. Budgetary Basis of Accounting

The City prepares both the general fund, governmental funds and enterprise funds budgets on the modified accrual basis, which is consistent with the basis of accounting for its general fund and other governmental funds, but not for its enterprise funds, for which the full accrual basis of accounting is used. The City Council may adopt budget amendments, if necessary.

E. Federal and State Financial Assistance

During the fiscal year to be audited, the City will likely receive approximately \$981,000 in federal and state financial assistance from more than one federal agency (some of which passes through various State agencies).

F. Pension and OPEB Plans

The City participates in the following pension plans:

South Carolina Retirement System and South Carolina Police Officers Retirement System, both of which are defined benefit cost-sharing multiple-employer public employee retirement systems. Actuarial services for these plans are provided by the State of South Carolina.

South Carolina Deferred Compensation Commission 401(k) and 457 Plans open to all employees.

The City has implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. The City has contracted with an actuary to calculate its future liabilities for the cost of post-retirement health care benefits. Additionally, the City has joined the SC Other Retirement Benefits Employer Trust (SC ORBET) and has made all required payments for its Annual Required Contributions.

The City has implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The SC Public Employee Benefit Authority (PEBA) will provide the City with the amount of the City's share of unfunded pension benefits for the two State plans it is members of.

G. Component Units

The management of the City has determined that the following potential component units may be included in the City's financial statements beginning in Fiscal Year 2020:

| <u>Potential Component Unit</u> | <u>Criteria</u> |
|---------------------------------------|---------------------------------|
| Red Rose City Development Corporation | Significance and Direct benefit |
| See Lancaster SC | Significance and Direct benefit |

Additionally, the management of the City has determined that the following potential component units should not be included in the City's financial statements for the following reasons:

| <u>Potential Component Unit</u> | <u>Reason for Exclusion</u> |
|---------------------------------|---|
| Lancaster Housing Authority | No significant influence over operations, City not responsible for debts. |

H. Joint Ventures

The City does not participate in joint ventures with other governments.

I. Magnitude of Finance Operations

The finance department is headed by Dana Pinkert, and consists of 7 employees. The principal functions performed and the number of employees assigned to each function are as follows:

| <u>Function</u> | <u>Number of Employees</u> |
|--|----------------------------|
| Administration | 1 |
| Accounting | 1 |
| Accounts Payable | 1 |
| Utility Billing/Collections & Customer Service | 4 |

J. Computer Systems

Most of the City's general ledger, accounts payable, payroll and fixed assets accounting presently runs in a client server environment using financial and utility billing software from Incode. The systems have been in place for over 13 years and are maintained by the City's Information Technology Department. Further information on the City's computer systems may be obtained by contacting Jarvis Driggers at the City's regular mailing address, via email jdriggers@lancastercitysc.com or calling (803) 804-8332.

K. Internal Audit Function

The City does not, at present, maintain an internal audit function.

L. Availability of Prior Audit Reports and Working Papers

Interested proposers who wish to review prior years' audit reports can view several prior year CAFR's on the City's website, www.lancastercitysc.com within the link for the Finance Department. The City will use its best efforts to make prior printed audit reports and supporting working papers available to proposers to aid their response to this request for proposals.

M. Special State Reporting Requirements

SC Code of Laws Section 14-1-208 requires that the annual audit include a review of accounting controls over court assessments and further requires the City to include, in its audited financial statements, a supplementary schedule detailing the disposition of court assessments and amounts required to be used for victim services activities. The law requires that the schedule be included in the external auditor's report by an "in relation to" paragraph as required by generally accepted auditing standards when information accompanies the basic financial statements in auditor-submitted documents. The law allows up to \$1,000 to be paid from fines and assessments to the auditor for the actual cost of preparing the schedule after the audit is submitted to the State Treasurer along with a statement of the actual cost incurred.

IV. TIME REQUIREMENTS

A. Proposal Calendar

The following is a list of key dates up to and including the date the audit may commence:

| | |
|-------------------------------------|--------------------|
| Request for proposal issued | 7/15/2019 |
| Due date for proposals | 8/30/2019 |
| Council presentations(if requested) | 9/24/19 or 10/8/19 |
| Selected firm notified | 10/11/2019 |
| Contract executed | 10/31/2019 |
| Date audit may commence | 8/17/2020 |

The City will be available for an entrance conference and mid-year interim work, at the discretion of the auditor at any time following the formal award of the contract.

B. Schedule for the June 30, 2020 Fiscal Year Audit (A similar time schedule will be developed for audits of future fiscal years).

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

1. Interim Work

The auditor shall complete any interim work by June 16, 2020.

2. Detailed Audit Plan

The auditor shall provide the City by June 16, 2020 both a detailed audit plan and a list of all schedules to be prepared by the City's staff.

3. Fieldwork

City staff will have the books closed and all schedules prepared for final fieldwork to begin by August 17, 2020. The auditor shall complete all fieldwork and submit proposed adjusting entries by September 24, 2020. The City must close its books in the Incode software system by September 30 of each year due to the financial system requirements.

4. Reports

The auditor shall have drafts of the financial reports, audit reports and recommendations to management available for review by the Finance Director by October 23, 2020.

- C. Entrance Conferences, Progress Reporting and Exit Conferences (A similar time schedule will be developed for audits of future fiscal years).

These conferences should be held periodically to update the Finance Director with the progress of the work, the nature of any problems encountered, and the projected completion date of the audit. Entrance and exit conferences should be scheduled annually.

- D. Date Final Report is due

The final financial report should be completed on or before November 23, 2020 with the presentation to City Council on or before December 8, 2020.

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

- A. Finance Department and Clerical Assistance

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

- B. Electronic Data Processing (EDP) Assistance

Personnel will be available to provide systems documentation and explanations. The auditor will not be provided the use of the City's computer hardware. The auditor will be allowed to access the Incode financial system in view mode only and to be able to print informational reports through the use of a Citrix portal with assistance from the City's IT department.

- C. Statements and Schedules to be prepared by the Staff of the City

The staff of the City will prepare statements and schedules for the auditor which its level of expertise and available time allows. Assistance may include schedules of accounts payable and receivable, capital assets, construction-in-progress, miscellaneous payables, long-term debt, compensated absences, net assets and fund balances. Additionally, the City will assist in pulling and refileing documentation needed by the auditor for testing.

D. Work Area, Telephones and Photocopying

The City will provide the auditor with reasonable work space, desks, chairs and access to photocopying equipment.

E. Report Preparation

CAFR preparation, routine editing and printing shall be the shared responsibility of the City and the auditor, the extent of which will be determined during the audit planning phase. It is anticipated that the auditor will be integrally involved in substantive review and editing throughout the report preparation process.

VI. PROPOSAL REQUIREMENTS

A. General Requirements

1. Inquiries

Inquiries concerning the request for proposals and the subject of the request for proposals should be made to:

Dana Pinkert, Finance Director
(803) 289-1470
dpinkert@lancastercitysc.com

at: City of Lancaster
PO Box 1149
Lancaster, SC 29721

2. Submission of Proposals

The following material is required to be received by August 30, 2019 for a proposing firm to be considered:

1. A Technical Proposal to include the following:

i. Title Page

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

ii. Table of Contents

iii. Transmittal Letter

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

iv. Detailed Proposal

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

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

a. Proposers should send the completed proposal to the following address:

Dana Pinkert
216 S Catawba St (ZIP 29720)
PO Box 1149
Lancaster, SC 29721

The City will not be responsible for late submissions caused by the postal service or any other delivery problems.

B. Technical Proposal

1. General Requirements

The purpose of the Technical Proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit of the City in conformity with the requirements of this request for proposals. As such, the substance of proposals will carry more weight than their form or manner of presentation. The Technical Proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the request for proposals requirements.

The Technical Proposal should address all the points outlined in the request for proposals. The Proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the request for proposals. While additional data may be presented, the following subjects, items Nos. 2 through 7, must be included. They represent the criteria against which the proposal will be evaluated.

2. Independence

The firm should provide an affirmative statement that is independent of the City as defined by generally accepted auditing standards / the U.S. General Accounting Office's *Government Auditing Standards*.

3. License to Practice in South Carolina

An affirmative statement should be included that the firm and all assigned key professional staff are properly registered or licensed to practice in South Carolina. The firm, whether or not based in Lancaster, is required to have a current City of Lancaster business license during the time it is conducting the audit in Lancaster.

4. Firm Qualifications and Experience

The proposer should state the size of the firm, 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.

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

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

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

5. Partner, Supervisory and Staff Qualifications and Experience

Identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement. Indicate whether each such person is registered or licensed to practice as a certified public accountant in South Carolina. Provide information on the government auditing experience of each person. Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. However, in any case, the City retains the right to approve or reject replacements.

Consultants and firm specialists mentioned in response to this request for proposal

can only be changed with the express prior written permission of the City, which retains the right to approve or reject replacements.

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

6. Similar Engagements with Other Government Entities

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum - 5) performed in the last five years that are similar to the engagement described in this request for proposal. Note any experience with utility enterprise fund accounting and auditing. Indicate the scope of work, date, engagement partners and the name and telephone number of the principal client contact.

7. Specific Audit Approach

The proposal should briefly set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section II of this request for proposal including the level of staff and number of hours to be assigned to the major segments of the engagement.

C. Dollar Cost Bid

1. Total All-Inclusive Maximum Price

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

The City will not be responsible for expenses incurred in preparing and submitting the proposal. Such costs should not be included in the proposal.

The dollar cost bid should include the following information:

- a. Name of Firm
- b. Certification that the person signing the proposal is entitled to represent the firm, empowered to submit the bid, and authorized to sign a contract with the City.
- c. A Total All-Inclusive Maximum Price for the 2017-2020 engagements.

2. Manner of Payment

Progress payments will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the

firm's dollar cost bid proposal. Interim billing shall cover a period of not less than a calendar month. Final payment of as much as 10% of the annual fee will be made only after delivery of all final reports.

VII. EVALUATION PROCEDURES

A. Evaluation Criteria

Proposals will be evaluated using three sets of criteria. Firms meeting the mandatory criteria will have their proposals evaluated for both technical qualifications and price. The following represent the principal selection criteria which will be considered during the evaluation process.

1. Mandatory Elements

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

2. Technical Quality

a. Expertise and Experience

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

b. Audit Approach

Adequacy of proposed staffing plan for various segments of the engagement.

3. Price

Cost will not be the primary factor in the selection of an audit firm.

B. Oral Presentations

During the evaluation process, the Mayor and City Council, City Administrator or Finance Director may, at their discretion, request any one or all firms to make oral presentations.

Such presentations will provide firms with an opportunity to answer any questions City Council and management may have on a firm's proposal. Not all firms may be asked to make such oral presentations.

C. Final Selection

The City Council will select a firm after receiving the recommendation of the City Administrator and the Finance Director.

It is anticipated that a firm will be selected by October 22, 2019. Following notification of the firm selected, it is expected a contract will be executed between both parties by October 30, 2019

D. Right to Reject Proposals

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

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

E. Right to Waive Technicalities

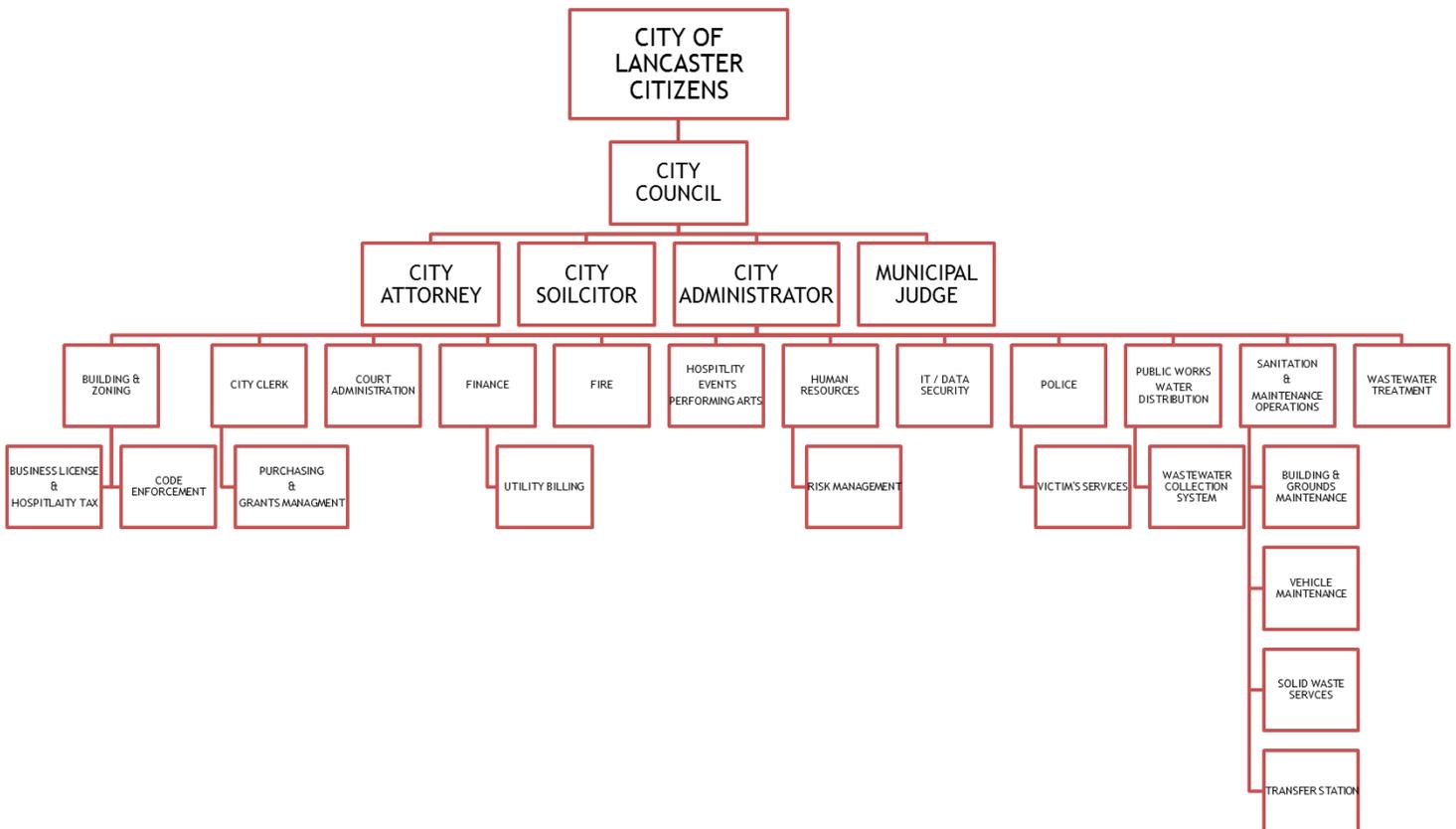
The City reserves the right to waive technicalities in its evaluation of all proposals.

APPENDICES

- A. Organizational Chart
- B. List of Key Officials, Office Locations and Telephone Numbers
- C. Proposer Guarantees
- D. Proposer Warranties
- E. Format for Schedule of Professional Fees and Expenses
- F. Format for Schedule of Additional Professional Fees



ORGANIZATIONAL CHART





LIST OF KEY PERSONNEL

| <u>Name and Title</u> | <u>Email Address</u> | <u>Telephone</u> | <u>Office Location</u> |
|---|-----------------------------|------------------|------------------------|
| T. Alston DeVenny, Mayor | adevenny@lancstercitysc.com | (803) 289-1453 | City Hall |
| Steven "Flip" Hutfles, City Administrator | shutfles@lancstercitysc.com | (803) 289-1453 | City Hall |
| Dana Pinkert, Finance Director | dpinkert@lancstercitysc.com | (803) 289-1470 | City Hall |
| Tressie Barber-Thompson, Sr. Accountant | tbarber@lancstercitysc.com | (803) 289-1471 | City Hall |
| Mitch Norrell, City Attorney (Norrell & Powers Norrell, LLC) | | (803) 289-1800 | Offsite |
| Jarvis Driggers, IT Director | jdiggers@lancstercitysc.com | (803) 289 1454 | Offsite |

PROPOSER GUARANTEES

Note: Proposer may use any word processor, spreadsheet or other formatting tool to provide this information rather than typing amounts into this schedule as long as all requested information is provided.

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

Signature of Official:

Name (typed):

Title: Firm:

Date:

PROPOSER WARRANTIES

Note: Proposer may use any word processor, spreadsheet or other formatting tool to provide this information rather than typing amounts into this schedule as long as all requested information is provided.

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

Signature of Official:

Name (typed):

Title: Firm:

Date: _____

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES FOR THE AUDITS OF
THE 2020-2023 FINANCIAL STATEMENTS

Note: Proposer may use any word processor or formatting tool to provide this information rather than typing amounts into this schedule as long as all requested information is provided.

Quoted

Hours Rates Total

Partners

Managers Other

Staff Other

(specify): Subtotal

Separate fee for actual cost of audit of Supplementary
Schedule of Court Assessments, not to exceed \$1,000
per year (see III N.)

Out-of-pocket expenses, meals and lodging, transportation
and any other (specify):

Total all-inclusive maximum price for June 30, 2020 audit

Total all-inclusive maximum price for June 30, 2021 audit

Total all-inclusive maximum price for June 30, 2022 audit

Total all-inclusive maximum price for June 30, 2023 audit