

REQUEST FOR PROPOSALS

AUDIT SERVICES

FOR

THE BOARD OF WATER, LIGHT AND SINKING FUND COMMISSIONERS

OF

THE CITY OF DALTON, GEORGIA

COMMISSIONERS

JOE YARBROUGH – CHAIRMAN

ED ANTHONY

TOMMY BOGGS

JACKIE KILLINGS

KEN WHITE

JOHN THOMAS

CHIEF EXECUTIVE OFFICER



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AUDIT SERVICES
FOR
THE WATER, LIGHT AND SINKING FUND COMMISSION
OF
THE CITY OF DALTON, GEORGIA

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**ADVERTISEMENT FOR BIDS
FOR
AUDIT SERVICES
FOR
THE BOARD OF WATER, LIGHT AND
SINKING FUND COMMISSIONERS
OF THE
CITY OF DALTON, GEORGIA
D/B/A DALTON UTILITIES**

Sealed Proposals for AUDIT SERVICES for the BOARD OF WATER, LIGHT AND SINKING FUND COMMISSIONERS OF THE CITY OF DALTON, GEORGIA D/B/A DALTON UTILITIES ("Owner") will be received in the Auditorium of the Dalton Utilities Administration Building at 1200 V.D. Parrott Jr. Parkway until **2:00 P.M.** local time **August 15, 2024.**

Work to be Done: Proposals are requested for an examination and expression of opinion on the fair presentation of the basic financial statements in conformity with generally accepted accounting principles (GAAP). The examination must be performed in accordance with generally accepted auditing standards (GAAS) as set forth by the American Institute of Certified Public Accountants, the Single Audit Act Amendments of 1996, the provisions of OMB Circular A-133, and the Government Auditing Standards issued by the United States General Accounting Office. It must also meet the requirements of the applicable laws of the State of Georgia. In addition, the auditor is to provide independent accountants reports for the agreed upon procedures relating to the Utilities' CLEC reporting requirements and the transfer payments to the City of Dalton from the Utility. The auditor is to provide an "in-relation-to" report on the supporting schedules based on the auditing procedures applied during the audit of the basic financial statements. The auditor shall be responsible for performing certain limited procedures involving supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards.

The Utility intends to issue an annual audit report containing basic financial statements and all notes and supplemental information necessary to support the financial statements in accordance with generally accepted government accounting principles and all applicable federal and state requirements.

The audit firm engaged will be responsible for advice and assistance, if needed, for the preparation and printing of the annual audit report that will include all financial statements, notes, schedules, and supplemental information required by outside agencies based on the financial information provided by the Utility. Throughout the contract period the auditor shall advise the Utility on implementation of new accounting standards as promulgated by authoritative bodies. The auditor shall also give advice to the Utility on specialized accounting questions that may arise. Dalton Utilities acknowledges its responsibility for the reliability, accuracy, and completeness of all financial preparations.

Dalton Utilities will require the following reports for each year of the audit contract:

1. A report on the fair presentation of the basic financial statements in the audit report.

2. A report on the Schedule of Federal Financial Assistance, and all reports on compliance and internal control necessary to meet the Single Audit Act Amendments of 1996 and OMB Circular A-133, if this report is required in any given year.
3. A report on compliance and on internal controls over financial reporting based on an audit of financial statements performed in accordance with government auditing standards.
4. An Independent Accountants Report for the Agreed Upon Procedures related to compliance in requirements for the Competitive Local Exchange Certificate (CLEC) granted by the Georgia Public Service Commission (GPSC).
5. An Independent Accountants Report for the Agreed Upon Procedures related to compliance in calculating the transfer payment to the City of Dalton, Georgia.
6. A summary document and presentation of the audit shall be given to the Board of Water, Light, and Sinking Fund Commissioners of the City of Dalton, GA that will assist the Board in fulfilling their obligation to oversee the financial reporting and disclosure process.

Time Allotted: Please note that work under this proposed contract begins for fiscal year 2024. For each fiscal year the audit is to be scheduled so that the audit report is in print by no later than June 15th following the year that is audited. Submission of the audit report to the State Auditor's office will be no later than June 30.

The Single Audit compliance reports will be included in the printing of the report, if required. Audit working papers are to be retained for at least five years and are to be made available for examination by authorized representatives of Dalton Utilities. Working papers are also to be available for review by successor auditors, and the audit firm shall respond to reasonable inquiries from a successor firm.

Bids: Bids shall contain complete and detailed information including pricing.

Licenses and Certifications: All bidders must possess any and all licenses and permits as may be required by applicable federal, state and/or local law/ordinances.

Withdrawal of Bids: Except as provided in O.C.G.A. Section 36-91-43, no submitted bid may be withdrawn for a period of sixty (60) days after the scheduled closing time for the receipt of bids.

Additional Instructions to Bidders, Drawings, Specifications and Contract Documents:

Additional instructions to bidders and addendum may be obtained at Dalton Utilities' website <https://www.dutil.com/resources> or in person at Dalton Utilities, 1200 V.D. Parrott Jr. Parkway, Dalton, Georgia 30721.

Acceptance or Rejection of Bids: The right is reserved to accept or reject any and all bids and to waive technicalities and informalities.

Statutory Requirements: Notwithstanding any provision of this advertisement, all proposals must also comply with the minimum applicable requirements of Chapter 91 of Title 36 of the Official Code of Georgia Annotated.

E-Verify Requirements: All contractors and subcontractors performing work for Dalton Utilities must participate in the E-Verify Program pursuant to the Georgia Security and Immigration Compliance Act (SB 529).

THE BOARD OF WATER, LIGHT AND SINKING FUND
COMMISSIONERS OF THE CITY OF DALTON, GEORGIA

By: John Thomas, Chief Executive Officer

**INSTRUCTIONS TO BIDDERS
FOR
AUDIT SERVICES
FOR THE
BOARD OF WATER, LIGHT AND SINKING FUND COMMISSIONERS
OF THE
CITY OF DALTON, GEORGIA
D/B/A DALTON UTILITIES**

Bids received until **2:00P.M.**, Local Time, **August 15, 2024**

INSTRUCTIONS TO BIDDERS

I. Evaluation of Bidders

The Contract will be awarded pursuant to O.C.G.A. Section 36-91-21 to the lowest responsible and responsive bidder whose bid meets the requirements and criteria set forth in the invitation for bids. A responsible bidder is a person or entity that has the capability in all respects to perform fully and reliably the Contract requirements as determined by Dalton Utilities (“Owner”). A responsive bidder is a person or entity that has submitted a bid that conforms in all material respects to the requirements set forth in the invitation for bids as determined by Owner. Factors to be considered may include, but are not necessarily limited to the following:

A. Determination of Contract Awardee

1. The Owner reserves the right to award the project to the Contractor who presents a bid that is determined to be the best overall value to the Owner. This does not guarantee award of the project to the lowest bidder. Award of this contract will be based on a combination of price, schedule, previous experience on similar projects, references from other sources, and all other requirements detailed in this package. The Owner will determine which is the lowest responsible and responsive bidder based on:
 - a) Demonstrated experience that meets the minimum criteria set forth in this document and a history of auditing entities with utility services similar to size, scope, and complexity of Dalton Utilities.
 - b) Auditing staff qualifications & experience.
 - c) Total cost of services proposed.
 - d) References.

B. Qualifications of Bidders

1. Submittals should provide information about the firm and should address the qualifications and depth of experience of the firm's local office in conducting governmental audits; including Single Audits. Only firms with direct experience regarding regulated utilities, asset retirement obligations, regulatory assets, electric generation assets, and organizations of similar size and complexity to Dalton Utilities will be considered. It is mandatory that a proponent be properly licensed for public practice as a Certified Public Accountant, and that a proponent meets the independence requirements of the GAO Audit Standards.

- a) The formats for information outlined are as follows:

- i. Name of Firm:
 - ii. Address of Firm Headquarters:
 - iii. Address of Local Office:
 - iv. Primary Contact Person(s) at Local Office:
 - v. Number of Employees:
 - vi. Firm: Total Audit Staff for Engagement
 - vii. Local Office: Total Audit Staff for Engagement
 - viii. Attach an affirmation of proper licensing for public practice as a Certified Public Accountant in the State of Georgia.
 - ix. Attach an affirmation that firm members meet the independence requirements of the GAO Auditing Standard

- b) Qualifications of Firm

Include a listing of audits performed for U.S. based entities meeting the minimum requirements in this section by the local office in the last three years. For each of these projects please include:

- i. Scope of services performed.
 - ii. Was a Single Audit included in the scope?
 - iii. Was the engagement completed on schedule?

2. Submittals should address the qualifications and experience of each senior and higher-level person to be assigned to the audit. If your firm is not yet ready to make an assignment, you should give information on current staff that may be assigned.

- a) Include all of the following for all personnel assigned to the audit in the proposal:

- i. Name, title and position
 - ii. Degrees, certifications or other specialized training
 - iii. Years of professional experience
 - iv. List of audits performed and reports prepared for comparable entities in the last three years
 - v. Their responsibility on each engagement listed
 - vi. Any other relevant qualifications

3. Proposals should describe the approach that the firm would use in

performing the Utilities annual audit and single audit. Address the type of audit program, statistical sampling techniques, and analytical procedures that will be used. Also discuss the proposed organization of the audit team and segmentation of the engagement, including estimated time to be spent on each segment by each level of staff. Include information on assistance expected from Dalton Utilities' staff, and a preliminary schedule. Also, explain how your firm's audit approach would meet the objectives and requirements of this RFP.

- a) Include the following:
 - i. State your understanding of Dalton Utilities' objectives and requirements for the financial audit, single audit, and financial statement / report preparation.
 - ii. Describe the approach your firm would use to meet the above objectives and requirements. Include the items that are specified in this section
4. Submittals should include references for previous and/or current clients whom the Utility may contact for a candid appraisal of the firm's services. The references should come from entities where the firm has performed annual audits that meet the criteria in the sections above.
 - a) Include all of the following for each reference listed:
 - i. Name of the client
 - ii. Services provided to the client
 - iii. Dates of service
 - iv. Client contact person
 - v. Contact telephone number
5. Submittals should address the firm's participation in quality-control programs, either AICPA sponsored or comparable. Include the results of peer reviews during the past three years, and a description of any regulatory action taken by any oversight body against the firm and/or its staff in the last three years.
6. Proposals should clearly outline the firm's hourly fee structure and the hours to be billed for the Utilities' financial audit and single audit. Make any additions necessary to the format to give a complete picture. Advise if these rates will apply to any additional work that might be requested. If not, show the rates that would apply for additional work. Also, indicate any rate increases to be made during the life of the contract.
7. Proposals should clearly indicate any other charges that might be made in conjunction with audit services. Indicate any rate increases to be made during the life of the contract.
8. Proposals should clearly state the not-to-exceed amount to be charged for each year of the potential three-year audit contract. Make any additions necessary to the format to give a complete picture.

9. Selected bidder will be required to provide proof of liability and workman's compensation insurance before work can begin. Workman's Compensation Insurance should be as required by the State of Georgia. General Liability should cover a minimum of \$1,000,000 per incident. The vendor, if awarded a contract, shall maintain insurance coverage reflecting the minimum amounts and conditions specified by Dalton Utilities for the life of the contract.
- II. If any entity contemplating submitting a bid for the Project has any question about the bid, bid requirements, or scope of services it shall submit a written request for an interpretation thereof. The entity submitting the request will be responsible for its prompt delivery in ample time for an interpretation to be issued before the bid due date. Questions must be received by **2:00 pm on August 2, 2024**. No questions will be answered within 72 hours of bid opening. Interpretations of the documents will be made only by addendum, and a copy of the addendum will be posted on the Utilities website at www.dutil.com/resources within one week of the due date for questions. Dalton Utilities will not be responsible for other interpretations of the documents. The bids shall be evaluated by Dalton Utilities without discussion with the bidders.

BID

Project Description: Audit Services

Proposal of _____
(hereinafter called "Bidder"),

To: The Board of Water, Light and Sinking Fund Commissioners of the City of Dalton, Georgia.

Gentlemen:

The Bidder, in compliance with your Advertisement for Bids, having examined the specifications and related documents, hereby proposes to furnish all labor, materials, equipment, and supplies to provide the services outlined within the time set forth therein, and at the price(s) stated below. This price(s) is to cover all expenses incurred in performing the work required, of which this proposal is a part.

Bidder hereby agrees to commence work on such a date as to adhere to the time requirements listed for each year that work is to be performed.

Bidder acknowledges receipt of the following addenda:

Bidder agrees to perform all necessary work as described to complete the Project as specified, including all appurtenant and accessory work for the attached price(s).

The attached price(s) shall include all labor, materials, equipment, supplies, overhead, profit, insurance, etc., to cover the finished work of the several kinds for which are called.

Bidder understands that the Owner reserves the right to reject any or all Bids and to waive any informality in the bidding.

The Bidder agrees that this Bid shall be good and may not be withdrawn for a period of 60 calendar days after the scheduled closing time for receiving Bids.

Respectfully submitted:

By _____
Signature

Title _____

Business Address

ATTEST:

Name _____
(Please Type)

Title _____

(SEAL)

Note: Attest for corporation secretary; for a partnership by another partner; for an individual By a Notary.

STATE OF GEORGIA COUNTY OF WHITFIELD

_____, being first duly sworn, deposes and says that:

He is _____ of _____, the Bidder that has submitted the attached Bid;

He is fully informed respecting the preparation and contents of the attached Bid and of all pertinent circumstances respecting such Bid;

Such Bid is genuine and is not a collusive or sham Bid;

Neither the said Bidder nor any of its officers, partners, owners, agents, representatives, employees or parties in interest, including this Affiant, has in any way colluded, conspired, connived or agreed, directly or indirectly with any other Bidder, firm or person to submit a collusive or sham Bid in connection with the Contract for which the attached Bid has been submitted or to refrain from bidding in connection with such Contract, or has in any manner, directly or indirectly, sought by agreement or collusion or communication or conference with any other Bidder, firm or person to fix the price or prices in the attached Bid or of any other Bidder, or to fix any overhead, profit or cost element of the Bid price or the Bid price of any other Bidder, or to secure through any collusion, conspiracy, connivance or unlawful agreement any advantage against the Board of Water, Light and Sinking Funding Fund Commissioners of the City of Dalton or any person interested in the proposed Contract; and

The price or prices quoted in the attached Bid are fair and proper and are not tainted by any collusion, conspiracy, connivance or unlawful agreement on the part of the Bidder or any of its agents, representatives, owners, employees, or parties in interest, including this Affiant.

(Signed) _____
(Signature on File)

(Title) _____

Subscribed and Sworn to before me this ____ day of _____, 2024.

(Signature on File) (Notary Public)

My Commission Expires: _____
(SEAL)

CORPORATE CERTIFICATE

I, _____ certify that I am the Secretary of the corporation named as Contractor in the foregoing proposal; that _____, who signed said proposal in behalf of the Contractor was then _____ of said corporation; that said proposal was duly signed for and in behalf of said corporation by authority of its Board of Directors, and is within the scope of its corporate powers; that said corporation is organized under the laws of the State of _____ and its registered and in good standing with the _____ Secretary of State.

This _____ day of _____, 2024.

(SEAL)

Contractor Affidavit under O.C.G.A. §13-10-91(b)(1)

By executing this affidavit, the undersigned contractor verifies its compliance with O.C.G.A. §13-10-91, stating affirmatively that the individual, firm or corporation which is engaged in the physical performance of services on behalf of the Water, Light and Sinking Fund Commission of the City of Dalton, Georgia d/b/a Dalton Utilities has registered with, is authorized to use and uses the federal work authorization program commonly known as E-Verify, or any subsequent replacement program, in accordance with the applicable provisions and deadlines established in O.C.G.A. §13-10-91. Furthermore, the undersigned contractor will continue to use the federal work authorization program throughout the contract period and the undersigned contractor will contract for the physical performance of services in satisfaction of such contract only with subcontractors who present an affidavit to the contractor with the information required by O.C.C.A. §13-10-91(b). Contractor hereby attests that its federal work authorization user identification number and date of authorization are as follows:

Federal Work Authorization User Identification Number

Date of Authorization

Name of Contractor

Name of Project

Name of Public Employer

I hereby declare under penalty of perjury that the foregoing is true and correct.

Executed on _____, ____, 202__ in _____ (city), _____
(state).

Signature of Authorized Officer or Agent

Printed Name and Title of Authorized Officer or Agent

SUBSCRIBED AND SWORN BEFORE ME
ON THIS THE ____ DAY OF _____, 202__.

NOTARY PUBLIC
My Commission Expires: _____

Subcontractor Affidavit under O.C.G.A. §13-10-91(b)(3)

By executing this affidavit, the undersigned subcontractor verifies its compliance with O.C.G.A. §13-10-91, stating affirmatively that the individual, firm or corporation which is engaged in the physical performance of services under a contract with _____ (*name of contractor*) on behalf of the Water, Light and Sinking Fund Commission of the City of Dalton, Georgia d/b/a Dalton Utilities has registered with, is authorized to use and uses the federal work authorization program commonly known as E-Verify, or any subsequent replacement program, in accordance with the applicable provisions and deadlines established in O.C.G.A. §13-10-91. Furthermore, the undersigned subcontractor will continue to use the federal work authorization program throughout the contract period and the undersigned subcontractor will contract for the physical performance of services in satisfaction of such contract only with sub-subcontractors who present an affidavit to the subcontractor with the information required by O.C.G.A. §13-10-91(b). Additionally, the undersigned subcontractor will forward notice of the receipt of an affidavit from a sub-subcontractor to the contractor within five business days of receipt. If the undersigned subcontractor receives notice of receipt of an affidavit from any sub-subcontractor that has contracted with a sub-subcontractor to forward, within five business days of receipt, a copy of such notice to the contractor. Subcontractor hereby attests that its federal work authorization user identification number and date of authorization are as follows:

Federal Work Authorization User Identification Number

Date of Authorization

Name of Subcontractor

Name of Project

Name of Public Employer

I hereby declare under penalty of perjury that the foregoing is true and correct.

Executed on _____, ____ 202__ in _____ (city), _____ (state).

Signature of Authorized Officer or Agent

Printed Name and Title of Authorized Officer or Agent

SUBSCRIBED AND SWORN BEFORE ME ON THIS THE ____ DAY OF _____, 202__.

NOTARY PUBLIC

My Commission Expires: _____

Sub-subcontractor Affidavit under O.C.G.A. §13-10-91(b)(4)

By executing this affidavit, the undersigned sub-subcontractor verifies its compliance with O.C.G.A. §13-10-91, stating affirmatively that the individual, firm or corporation which is engaged in the physical performance of services under a contract for _____ (name of subcontractor or sub-subcontractor with whom such sub-subcontractor has privity of contract) and _____ (name of contractor) on behalf of the Water, Light and Sinking Fund Commission of the City of Dalton, Georgia d/b/a Dalton Utilities has registered with, is authorized to use and uses the federal work authorization program commonly known as E-Verify, or any subsequent replacement program, in accordance with the applicable provisions and deadlines established in O.C.G.A. §13-10-91. Furthermore, the undersigned sub-subcontractor will continue to use the federal work authorization program throughout the contract period and the undersigned sub-subcontractor will contract for the physical performance of services in satisfaction of such contract only with sub-subcontractors who present an affidavit to the sub-subcontractor with the information required by O.C.G.A. §13-10-91(b). The undersigned sub-subcontractor shall submit, at the time of such contract, this affidavit to _____ (name of subcontractor or sub-subcontractor with whom such sub-subcontractor has privity of contract). Additionally, the undersigned sub-subcontractor will forward notice of the receipt of any affidavit from a sub-subcontractor to _____ (name of subcontractor or sub-subcontractor with whom such sub-subcontractor has privity of contract). Sub-subcontractor hereby attests that its federal work authorization user identification number and date of authorization are as follows:

Federal Work Authorization User Identification Number

Date of Authorization

Name of Sub-subcontractor

Name of Project

Name of Public Employer

I hereby declare under penalty of perjury that the foregoing is true and correct.

Executed on _____, _____, 202__ in _____ (city), _____ (state).

Signature of Authorized Officer or Agent

Printed Name and Title of Authorized Officer or Agent

SUBSCRIBED AND SWORN BEFORE ME ON THIS THE __ DAY OF _____, 202__.

NOTARY PUBLIC

My Commission Expires: _____

GENERAL INFORMATION, REQUIREMENTS, AND CONDITIONS

Purpose: Dalton Utilities intends to award a three-year contract for performance of audit services, with an option to extend up to two additional years awarded annually. To that end it requests proposals from qualified firms to examine and state an opinion on its financial statements for fiscal years 2024 through 2026. The Utilities' fiscal year runs from January 1 through December 31.

RFP Submission: One (1) Fully executed electronic copy of the response (in .pdf format) and (2) printed versions of the complete signed submittal must be received **2:00 P.M.** local time **August 15, 2024**. Proposals must be submitted in a sealed envelope stating on the outside, the vendor's name, address, and the RFP title (Audit Services).

Hand delivered copies may be delivered to the above address ONLY between the hours of 8:30 a.m. and 4:00 p.m. ET, Monday through Friday, excluding holidays observed by Dalton Utilities.

Bidders are responsible for informing any commercial delivery service, if used, of all delivery requirements and for ensuring that the required address information appears on the outer wrapper or envelope used by such service. The Submittal must be signed by a company officer who is legally authorized to enter into a contractual relationship in the name of the vendor.

Contact Person and Inquiries: Bidders are encouraged to contact **James Wascher**, jwascher@dutil.com, (706) 529-1377 or **Dexter Stamper**, dstamper@dutil.com, (706) 529-1225 to clarify any part of the RFP requirements. All questions that arise must be submitted prior to five business days before the submittal due date (see 1.1) and shall be directed to the contact person in writing via email. Any unauthorized contact shall not be used as a basis for responding to this RFP and also may result in the disqualification of the vendor's submittal.

Bidders may not contact any commission member or other utility employee to discuss the proposal process or proposal opportunities. Contact of this nature will result in immediate disqualification of the vendor.

Additional Information/ Addenda: Dalton Utilities will issue responses to inquiries and any other corrections or amendments it deems necessary in written addenda issued prior to the due date. Vendors should not rely on any representations, statements or explanations other than those made in this RFP or in any addendum to this RFP. Where there appears to be a conflict between the RFP and any addenda issued, the last addendum issued will prevail.

Addenda will be emailed to all interested parties upon request after the deadline for questions on August 2, 2024. Vendors must acknowledge any issued addenda. Proposals which fail to acknowledge the vendor's receipt of any addendum will result in the rejection of the offer if the addendum contains information which substantively changes the Owner's requirements.

Bid Opening: RFP submittals will be opened and reviewed by a selected committee.

Description of Dalton Utilities: Dalton Utilities is a municipal public utility, operated as a competitive business utilizing enterprise accounting. The Utility is governed by a 5-member Board of Commissioners who are appointed by the Mayor and Council of the City of Dalton. The organization has annual operating revenues of approximately \$300 million and approximately \$1.4 billion in assets including restricted investment funds of \$90 million. The Utility operates in the electric, natural gas, water, wastewater, and information technology business sectors.

Currently, the Combined Utility System maintains an A2 rating from Moody's Investor Services and an A rating from Standard & Poor's Corporation. Dalton Utilities desires an audit relationship in which communications are open and timely to ensure that management and staff are prepared to address any questions presented by the auditors.

Dalton Utilities has operations in the following utility sectors: electric, natural gas, water, wastewater, internet, tv, and telecom. The entity does not include any departments or divisions for the operations of the City of Dalton. The Utility does contribute to a pension plan for qualified employees hired before July 1, 2002 and participates in this plan in conjunction with the City of Dalton. The plan is considered a single employer plan for the City of Dalton under the Public Retirement Systems Standards Law (Georgia Code Section 47-20-10).

Accounting Systems and Records: The Utilities' accounting records are maintained through multiple software systems such as Microsoft GP, Northstar, and Sage Fixed Assets. These systems include general ledger, payroll, utility and tax billing, accounts payable and accounts receivable, and fixed assets. The Utilities' accounting records are maintained on the accrual basis. The CFO is responsible for maintaining the organizations accounting records, as well as for the Treasury function. The CFO is also responsible for audit coordination, and will meet with audit staff as needed. The accounting staff will also be available as needed to confer with audit staff, answer questions, ensure that necessary information is provided to the auditor on a timely basis, etc. All Financial Services personnel are instructed that assistance to audit staff and meeting audit schedule deadlines are high priorities.