

**AGREEMENT FOR  
FINANCIAL AUDIT SERVICES**

**THIS AGREEMENT**, made this 20<sup>th</sup> day of August 2012, by and between the City of Fort Lauderdale, a Florida municipality, ("City"), whose address is 100 North Andrews Avenue, Fort Lauderdale, FL 33301-1016, and Crowe Horwath LLP, an Indiana limited liability partnership authorized to transact business in the State of Florida, ("Contractor" or "Company"), whose address and phone number are 401 East Las Olas Boulevard, Suite 1100, Fort Lauderdale, FL 33301, Phone: 954-202-8600, Fax: 954-202-8639, for the term specified herein,

NOW THEREFORE, for and in consideration of the mutual promises and covenants set forth herein and other good and valuable consideration, the City and the Contractor covenant and agree as follows:

**WITNESSETH:**

**I. DOCUMENTS**

The following documents (collectively "Contract Documents") are hereby incorporated into and made part of this Agreement:

- (1) Request for Proposal 125-10876 financial audit services, including any and all addenda, prepared by the City of Fort Lauderdale, ("RFP" or "Exhibit A").
- (2) The Contractor's response to the RFP, dated February 16, 2012 ("Exhibit B"), except that the Contractor's use of its proposed subcontractor in the Contractor's performance of this Agreement is subject to the City's City Commission's prior approval.
- (3) The Contractor's Best and Final dated April 18, 2012 ("Exhibit C")
- (4) The Contractor's Engagement Letter dated July 25, 2012 ("Exhibit D")

All Contract Documents may also be collectively referred to as the "Documents." In the event of any conflict between or among the Documents or any ambiguity or missing specifications or instruction, the following priority is established:

- A. First, specific direction from the City Manager (or designee)
- B. Second, this Agreement dated Aug. 20, 2012, and any attachments.
- C. Third, Exhibit D
- D. Fourth, Exhibit C
- E. Fifth, Exhibit A
- F. Sixth, Exhibit B

**II. SCOPE**

The Contractor shall perform the Work under the general direction of the City as set forth in the Contract Documents. The Contract has withdrawn all variances listed in their proposal.

Unless otherwise specified herein, the Contractor shall perform all Work identified in this Agreement. The parties agree that the scope of services is a description of Contractor's obligations and responsibilities, and is deemed to include preliminary considerations and prerequisites, and all labor, materials, equipment, and tasks which are such an inseparable part of the work described that exclusion would render performance by Contractor impractical, illogical, or unconscionable.

Contractor acknowledges and agrees that the City's Contract Administrator has no authority to make changes that would increase, decrease, or otherwise modify the Scope of Services to be provided under this Agreement.

By signing this Agreement, the Contractor represents that it thoroughly reviewed the documents incorporated into this Agreement by reference and that it accepts the description of the Work and the conditions under which the Work is to be performed.

The page titled "Variances" in the Contractor's response to the RFP is deleted.

### **III. TERM OF AGREEMENT**

The initial contract period shall commence on July 1, 2012, and shall end on June 30, 2015. In the event the term of this Agreement extends beyond the end of any fiscal year of City, to wit, September 30, the continuation of this Agreement beyond the end of such fiscal year shall be subject to both the appropriation and the availability of funds.

### **IV. COMPENSATION**

The Contractor agrees to provide the services and/or materials as specified in the Contract Documents at the cost specified in Exhibit C, in the annual amount of \$247,000, for the first three years. It is acknowledged and agreed by Contractor that this amount is the maximum payable and constitutes a limitation upon City's obligation to compensate Contractor for Contractor's services related to this Agreement. This maximum amount, however, does not constitute a limitation of any sort upon Contractor's obligation to perform all items of work required by or which can be reasonably inferred from the Scope of Services. Except as otherwise provided in the solicitation, no amount shall be paid to Contractor to reimburse Contractor's expenses.

### **V. METHOD OF BILLING AND PAYMENT**

Contractor may submit invoices for compensation no more often than monthly, but only after the services for which the invoices are submitted have been completed. An original invoice plus one copy are due within fifteen (15) days of the end of the month except the final invoice which must be received no later than sixty (60) days after this Agreement expires. Invoices shall designate the nature of the services performed and/or the goods provided.

City shall pay Contractor within forty-five (45) days of receipt of Contractor's proper invoice, as provided in the Florida Local Government Prompt Payment Act.

To be deemed proper, all invoices must comply with the requirements set forth in this Agreement and must be submitted on the form and pursuant to instructions prescribed by the City's Contract Administrator. Payment may be withheld for failure of Contractor to comply with a term, condition, or requirement of this Agreement.

Notwithstanding any provision of this Agreement to the contrary, City may withhold, in whole or in part, payment to the extent necessary to protect itself from loss on account of inadequate or defective work that has not been remedied or resolved in a manner satisfactory to the City's Contract Administrator or failure to comply with this Agreement. The amount withheld shall not be subject to payment of interest by City.

## **VI. GENERAL CONDITIONS**

### **A. Indemnification**

Contractor shall protect and defend at Contractor's expense, counsel being subject to the City's approval, and indemnify and hold harmless the City and the City's officers, employees, volunteers, and agents from and against any and all losses, penalties, fines, damages, settlements, judgments, claims, costs, charges, expenses, or liabilities, including any award of attorney fees and any award of costs, in connection with or arising directly or indirectly out of any act or omission by the Contractor or by any officer, employee, agent, invitee, subcontractor, or sublicensee of the Contractor. The provisions and obligations of this section shall survive the expiration or earlier termination of this Agreement. To the extent considered necessary by the City Manager, any sums due Contractor under this Agreement may be retained by City until all of City's claims for indemnification pursuant to this Agreement have been settled or otherwise resolved, and any amount withheld shall not be subject to payment of interest by City.

### **B. Intellectual Property**

Contractor shall protect and defend at Contractor's expense, counsel being subject to the City's approval, and indemnify and hold harmless the City from and against any and all losses, penalties, fines, damages, settlements, judgments, claims, costs, charges, royalties, expenses, or liabilities, including any award of attorney fees and any award of costs, in connection with or arising directly or indirectly out of any infringement or allegation of infringement of any patent, copyright, or other intellectual property right in connection with the Contractor's or the City's use of any copyrighted, patented or un-patented invention, process, article, material, or device that is manufactured, provided, or used pursuant to this Agreement. If the Contractor uses any design, device, or materials covered by letters, patent or copyright, it is mutually agreed and understood without exception that the bid prices shall include all royalties or costs arising from the use of such design, device, or materials in any way involved in the work.

### **C. Termination for Cause**

The aggrieved party may terminate this Agreement for cause if the party in breach has not corrected the breach within ten (10) days after written notice from the aggrieved party identifying the breach. The City Manager may also terminate this Agreement upon such notice as the City Manager deems appropriate under the circumstances in the event the City Manager determines that termination is necessary to protect the public health or safety. The parties agree that if the City erroneously, improperly or unjustifiably terminates for cause, such termination shall be deemed a termination for convenience, which shall be effective thirty (30) days after such notice of termination for cause is provided.

This Agreement may be terminated for cause for reasons including, but not limited to, Contractor's repeated (whether negligent or intentional) submission for payment of false

or incorrect bills or invoices, failure to perform the Work to the City's satisfaction; or failure to continuously perform the work in a manner calculated to meet or accomplish the objectives as set forth in this Agreement.

**D. Termination for Convenience**

The City reserves the right, in its best interest as determined by the City, to cancel this contract for convenience by giving written notice to the Contractor at least thirty (30) days prior to the effective date of such cancellation. In the event this Agreement is terminated for convenience, Contractor shall be paid for any services performed to the City's satisfaction pursuant to the Agreement through the termination date specified in the written notice of termination. Contractor acknowledges and agrees that he/she/it has received good, valuable and sufficient consideration from City, the receipt and adequacy of which are hereby acknowledged by Contractor, for City's right to terminate this Agreement for convenience.

**E. Cancellation for Unappropriated Funds**

The City reserves the right, in its best interest as determined by the City, to cancel this contract for unappropriated funds or unavailability of funds by giving written notice to the Contractor at least thirty (30) days prior to the effective date of such cancellation. The obligation of the City for payment to a Contractor is limited to the availability of funds appropriated in a current fiscal period, and continuation of the contract into a subsequent fiscal period is subject to appropriation of funds, unless otherwise provided by law.

**F. Insurance**

The Contractor shall furnish proof of insurance requirements as indicated below. The coverage is to remain in force at all times during the contract period. The following minimum insurance coverage is required. The commercial general liability insurance policy shall name the City of Fort Lauderdale, a Florida municipality, as an "additional insured." This MUST be written in the description section of the insurance certificate, even if there is a check-off box on the insurance certificate. Any costs for adding the City as "additional insured" shall be at the Contractor's expense.

The City of Fort Lauderdale shall be given notice 10 days prior to cancellation or modification of any required insurance. The insurance provided shall be endorsed or amended to comply with this notice requirement. In the event that the insurer is unable to accommodate, it shall be the responsibility of the Contractor to provide the proper notice. Such notification will be in writing by registered mail, return receipt requested and addressed to the Procurement Services Division.

The Contractor's insurance must be provided by an A.M. Best's "A-" rated or better insurance company authorized to issue insurance policies in the State of Florida, subject to approval by the City's Risk Manager. Any exclusions or provisions in the insurance maintained by the contractor that excludes coverage for work contemplated in this solicitation shall be deemed unacceptable, and shall be considered breach of contract.

**Workers' Compensation and Employers' Liability Insurance**

Limits: Workers' Compensation – Per Chapter 440, Florida Statutes  
Employers' Liability - \$500,000

Any firm performing work for or on behalf of the City of Fort Lauderdale must provide Workers' Compensation insurance. Exceptions and exemptions will be allowed, by the City's Risk Manager, if they are in accordance with Florida Statutes.

**Commercial General Liability Insurance**

Covering premises-operations, products-completed operations, independent contractors and contractual liability.

Limits: Combined single limit bodily injury/property damage \$1,000,000.

This coverage must include, but not limited to:

- a. Coverage for the liability assumed by the contractor under the indemnity provision of the contract.
- b. Coverage for Premises/Operations
- c. Products/Completed Operations
- d. Broad Form Contractual Liability
- e. Independent Contractors

**Automobile Liability Insurance**

Covering all owned, hired and non-owned automobile equipment.

Limits: Bodily injury	\$250,000 each person, \$500,000 each occurrence
Property damage	\$100,000 each occurrence

**Professional Liability (Errors & Omissions)**

Consultants

Limits: \$2,000,000 per occurrence

Certificate holder should be addressed as follows:

City of Fort Lauderdale  
Procurement Services Division  
100 N. Andrews Avenue, Room 619  
Fort Lauderdale, FL 33301

**G. Environmental, Health and Safety**

Contractor shall place the highest priority on health and safety and shall maintain a safe working environment during performance of the Work. Contractor shall comply, and shall secure compliance by its employees, agents, and subcontractors, with all applicable environmental, health, safety and security laws and regulations, and performance conditions in this Agreement. Compliance with such requirements shall represent the

minimum standard required of Contractor. Contractor shall be responsible for examining all requirements and determine whether additional or more stringent environmental, health, safety and security provisions are required for the Work. Contractor agrees to utilize protective devices as required by applicable laws, regulations, and any industry or Contractor's health and safety plans and regulations, and to pay the costs and expenses thereof, and warrants that all such persons shall be fit and qualified to carry out the Work.

#### **H. Standard of Care**

Contractor represents that he/she/it is qualified to perform the Work, that Contractor and his/her/its subcontractors possess current, valid state and/or local licenses to perform the Work, and that their services shall be performed in a manner consistent with that level of care and skill ordinarily exercised by other qualified contractors under similar circumstances.

#### **I. Rights in Documents and Work**

Any and all reports, photographs, surveys, and other data and documents provided or created in connection with this Agreement are and shall remain the property of City; and Contractor disclaims any copyright in such materials. In the event of and upon termination of this Agreement, any reports, photographs, surveys, and other data and documents prepared by Contractor, whether finished or unfinished, shall become the property of City and shall be delivered by Contractor to the City's Contract Administrator within seven (7) days of termination of this Agreement by either party. Any compensation due to Contractor shall be withheld until Contractor delivers all documents to the City as provided herein.

#### **J. Audit Right and Retention of Records**

City shall have the right to audit the books, records, and accounts of Contractor and Contractor's subcontractors that are related to this Agreement. Contractor shall keep, and Contractor shall cause Contractor's subcontractors to keep, such books, records, and accounts as may be necessary in order to record complete and correct entries related to this Agreement. All books, records, and accounts of Contractor and Contractor's subcontractors shall be kept in written form, or in a form capable of conversion into written form within a reasonable time, and upon request to do so, Contractor or Contractor's subcontractor, as applicable, shall make same available at no cost to City in written form.

Contractor and Contractor's subcontractors shall preserve and make available, at reasonable times for examination and audit by City in Broward County, Florida, all financial records, supporting documents, statistical records, and any other documents pertinent to this Agreement for the required retention period of the Florida public records law, Chapter 119, Florida Statutes, as may be amended from time to time, if applicable, or, if the Florida Public Records Act is not applicable, for a minimum period of three (3) years after termination of this Agreement. If any audit has been initiated and audit findings have not been resolved at the end of the retention period or three (3) years, whichever is longer, the books, records, and accounts shall be retained until resolution of the audit findings. If the Florida public records law is determined by City to be applicable to Contractor and Contractor's subcontractors' records, Contractor and Contractor's subcontractors shall comply with all requirements thereof; however, Contractor and Contractor's subcontractors shall violate no confidentiality or non-disclosure requirement of either federal or state law. Any incomplete or incorrect entry in such books, records,

and accounts shall be a basis for City's disallowance and recovery of any payment upon such entry.

Contractor shall, by written contract, require Contractor's subcontractors to agree to the requirements and obligations of this Section.

The Contractor shall maintain during the term of the contract all books of account, reports and records in accordance with generally accepted accounting practices and standards for records directly related to this contract.

**K. Public Entity Crime Act**

Contractor represents that the execution of this Agreement will not violate the Public Entity Crime Act, Section 287.133, Florida Statutes, as may be amended from time to time, which essentially provides that a person or affiliate who is a contractor, consultant, or other provider and who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid on a contract to provide any goods or services to City, may not submit a bid on a contract with City for the construction or repair of a public building or public work, may not submit bids on leases of real property to City, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with City, and may not transact any business with City in excess of the threshold amount provided in Section 287.017, Florida Statutes, as may be amended from time to time, for category two purchases for a period of 36 months from the date of being placed on the convicted vendor list. Violation of this section shall result in termination of this Agreement and recovery of all monies paid by City pursuant to this Agreement, and may result in debarment from City's competitive procurement activities.

**L. Independent Contractor**

Contractor is an independent contractor under this Agreement. Services provided by Contractor pursuant to this Agreement shall be subject to the supervision of the Contractor. In providing such services, neither Contractor nor Contractor's agents shall act as officers, employees, or agents of City. No partnership, joint venture, or other joint relationship is created hereby. City does not extend to Contractor or Contractor's agents any authority of any kind to bind City in any respect whatsoever.

**M. Inspection and Non-Waiver**

Contractor shall permit the representatives of CITY to inspect and observe the Work at all times.

The failure of the City to insist upon strict performance of any other terms of this Agreement or to exercise any rights conferred by this Agreement shall not be construed by Contractor as a waiver of the City's right to assert or rely on any such terms or rights on any future occasion or as a waiver of any other terms or rights.

**N. Assignment and Performance**

Neither this Agreement nor any right or interest herein shall be assigned, transferred, or encumbered without the written consent of the other party. In addition, Contractor shall

not subcontract any portion of the work required by this Agreement, except as provided in the Schedule of Subcontractor Participation. City may terminate this Agreement, effective immediately, if there is any assignment, or attempted assignment, transfer, or encumbrance, by Contractor of this Agreement or any right or interest herein without City's written consent.

Contractor represents that each person who will render services pursuant to this Agreement is duly qualified to perform such services by all appropriate governmental authorities, where required, and that each such person is reasonably experienced and skilled in the area(s) for which he or she will render his or her services.

Contractor shall perform Contractor's duties, obligations, and services under this Agreement in a skillful and respectable manner. The quality of Contractor's performance and all interim and final product(s) provided to or on behalf of City shall be comparable to the best local and national standards.

In the event Contractor engages any subcontractor in the performance of this Agreement, Contractor shall ensure that all of Contractor's subcontractors perform in accordance with the terms and conditions of this Agreement. Contractor shall be fully responsible for all of Contractor's subcontractors' performance, and liable for any of Contractor's subcontractors' non-performance and all of Contractor's subcontractors' acts and omissions. Contractor shall defend at Contractor's expense, counsel being subject to City's approval or disapproval, and indemnify and hold City and City's officers, employees, and agents harmless from and against any claim, lawsuit, third party action, fine, penalty, settlement, or judgment, including any award of attorney fees and any award of costs, by or in favor of any of Contractor's subcontractors for payment for work performed for City by any of such subcontractors, and from and against any claim, lawsuit, third party action, fine, penalty, settlement, or judgment, including any award of attorney fees and any award of costs, occasioned by or arising out of any act or omission by any of Contractor's subcontractors or by any of Contractor's subcontractors' officers, agents, or employees. Contractor's use of subcontractors in connection with this Agreement shall be subject to City's prior written approval, which approval City may revoke at any time.

#### **O. Conflicts**

Neither Contractor nor any of Contractor's employees shall have or hold any continuing or frequently recurring employment or contractual relationship that is substantially antagonistic or incompatible with Contractor's loyal and conscientious exercise of judgment and care related to Contractor's performance under this Agreement.

Contractor further agrees that none of Contractor's officers or employees shall, during the term of this Agreement, serve as an expert witness against City in any legal or administrative proceeding in which he, she, or Contractor is not a party, unless compelled by court process. Further, Contractor agrees that such persons shall not give sworn testimony or issue a report or writing, as an expression of his or her expert opinion, which is adverse or prejudicial to the interests of City in connection with any such pending or threatened legal or administrative proceeding unless compelled by court process. The limitations of this section shall not preclude Contractor or any persons in any way from representing themselves, including giving expert testimony in support thereof, in any action or in any administrative or legal proceeding.

In the event Contractor is permitted pursuant to this Agreement to utilize subcontractors to perform any services required by this Agreement, Contractor agrees to require such subcontractors, by written contract, to comply with the provisions of this section to the same extent as Contractor.

**P. Schedule and Delays**

Time is of the essence in this Agreement. By signing, Contractor affirms that it believes the schedule to be reasonable; provided, however, the parties acknowledge that the schedule might be modified as the City directs.

**Q. Materiality and Waiver of Breach**

City and Contractor agree that each requirement, duty, and obligation set forth herein was bargained for at arm's-length and is agreed to by the parties in exchange for *quid pro quo*, that each is substantial and important to the formation of this Agreement and that each is, therefore, a material term hereof.

City's failure to enforce any provision of this Agreement shall not be deemed a waiver of such provision or modification of this Agreement. A waiver of any breach of a provision of this Agreement shall not be deemed a waiver of any subsequent breach and shall not be construed to be a modification of the terms of this Agreement.

**R. Compliance With Laws**

Contractor shall comply with all applicable federal, state, and local laws, codes, ordinances, rules, and regulations in performing Contractor's duties, responsibilities, and obligations pursuant to this Agreement.

**S. Severance**

In the event a portion of this Agreement is found by a court of competent jurisdiction to be invalid or unenforceable, the provisions not having been found by a court of competent jurisdiction to be invalid or unenforceable shall continue to be effective.

**T. Limitation of Liability**

The City desires to enter into this Agreement only if in so doing the City can place a limit on the City's liability for any cause of action for money damages due to an alleged breach by the City of this Agreement, so that its liability for any such breach never exceeds the sum of \$1,000. Contractor hereby expresses its willingness to enter into this Agreement with Contractor's recovery from the City for any damage action for breach of contract or for any action or claim arising from this Agreement to be limited to a maximum amount of \$1,000 less the amount of all funds actually paid by the City to Contractor pursuant to this Agreement.

Accordingly, and notwithstanding any other term or condition of this Agreement, Contractor hereby agrees that the City shall not be liable to Contractor for damages in an amount in excess of \$1,000 which amount shall be reduced by the amount actually paid by the City to Contractor pursuant to this Agreement, for any action for breach of contract or for any action or claim arising out of this Agreement. Nothing contained in this paragraph

or elsewhere in this Agreement is in any way intended to be a waiver of the limitation placed upon City's liability as set forth in Article 768.28, Florida Statutes.

**U. Jurisdiction, Venue, Waiver, Waiver of Jury Trial**

This Agreement shall be interpreted and construed in accordance with and governed by the laws of the State of Florida. Venue for any lawsuit by either party against the other party or otherwise arising out of this Agreement, and for any other legal proceeding, shall be in the Seventeenth Judicial Circuit in and for Broward County, Florida, or in the event of federal jurisdiction, in the Southern District of Florida, Fort Lauderdale Division.

In the event Contractor is a corporation organized under the laws of any province of Canada or is a Canadian federal corporation, the City may enforce in the United States of America or in Canada or in both countries a judgment entered against the Contractor. The Contractor waives any and all defenses to the City's enforcement in Canada of a judgment entered by a court in the United States of America.

**V. Amendments**

No modification, amendment, or alteration in the terms or conditions contained herein shall be effective unless contained in a written document prepared with the same or similar formality as this Agreement and executed by the Mayor-Commissioner and/or City Manager, as determined by City Charter and Ordinances, and Contractor or others delegated authority to or otherwise authorized to execute same on their behalf.

**W. Prior Agreements**

This document represents the final and complete understanding of the parties and incorporates or supersedes all prior negotiations, correspondence, conversations, agreements, and understandings applicable to the matters contained herein. The parties agree that there is no commitment, agreement, or understanding concerning the subject matter of this Agreement that is not contained in this written document. Accordingly, the parties agree that no deviation from the terms hereof shall be predicated upon any prior representation or agreement, whether oral or written.

**X. Payable Interest**

Except as required and provided for by the Florida Local Government Prompt Payment Act, City shall not be liable for interest for any reason, whether as prejudgment interest or for any other purpose, and in furtherance thereof Contractor waives, rejects, disclaims and surrenders any and all entitlement it has or may have to receive interest in connection with a dispute or claim based on or related to this Agreement.

**Y. Representation of Authority**

Each individual executing this Agreement on behalf of a party hereto hereby represents and warrants that he or she is, on the date he or she signs this Agreement, duly authorized by all necessary and appropriate action to execute this Agreement on behalf of such party and does so with full legal authority.

**AA. Uncontrollable Circumstances ("Force Majeure")**

The City and Contractor will be excused from the performance of their respective obligations under this agreement when and to the extent that their performance is delayed or prevented by any circumstances beyond their control including, fire, flood, explosion, strikes or other labor disputes, act of God or public emergency, war, riot, civil commotion, malicious damage, act or omission of any governmental authority, delay or failure or shortage of any type of transportation, equipment, or service from a public utility needed for their performance, provided that:

A. The non performing party gives the other party prompt written notice describing the particulars of the Force Majeure including, but not limited to, the nature of the occurrence and its expected duration, and continues to furnish timely reports with respect thereto during the period of the Force Majeure;

B. The excuse of performance is of no greater scope and of no longer duration than is required by the Force Majeure;

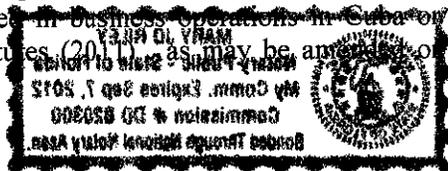
C. No obligations of either party that arose before the Force Majeure causing the excuse of performance are excused as a result of the Force Majeure; and

D. The non-performing party uses its best efforts to remedy its inability to perform. Notwithstanding the above, performance shall not be excused under this Section for a period in excess of two (2) months, provided that in extenuating circumstances, the City may excuse performance for a longer term. Economic hardship of the Contractor will not constitute Force Majeure. The term of the agreement shall be extended by a period equal to that during which either party's performance is suspended under this Section.

**BB. Scrutinized Companies**

This Section applies to any contract for goods or services of \$1 million or more:

The Contractor certifies that it is not on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List and that it does not have business operations in Cuba or Syria as provided in section 287.135, Florida Statutes (2011), as may be amended or revised. The City may terminate this Contract at the City's option if the Contractor is found to have submitted a false certification as provided under subsection (5) of section 287.135, Florida Statutes (2011), as may be amended or revised, or been placed on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List or has been engaged in business operations in Cuba or Syria, as defined in Section 287.135, Florida Statutes (2011), as may be amended or revised.



IN WITNESS WHEREOF, the City and the Contractor execute this Contract as follows:

CITY OF FORT LAUDERDALE

By: [Signature]  
City Manager

Approved as to form:

[Signature]  
Senior Assistant City Attorney

ATTEST

By: [Signature]  
Print Name: Mary Jo Riley  
Title: Administrative Assistant

CONTRACTOR

By: [Signature]  
Print Name: Deborah P. Garringer  
Partner

(CORPORATE SEAL)

STATE OF Florida :  
COUNTY OF Polk :

The foregoing instrument was acknowledged before me this 15<sup>th</sup> day of August, 2012, by Deborah P. Garringer as partner for Crowe Horwath LLP, an Indiana limited liability partnership authorized to transact business in the State of Florida.

(SEAL)



Notary Public, State of Florida  
(Signature of Notary Public)

[Signature]  
(Print, Type, or Stamp Commissioned Name of Notary Public)

Personally Known  OR Produced Identification   
Type of Identification Produced \_\_\_\_\_



**Crowe Horwath LLP**  
Independent Member Crowe Horwath International  
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Fort Lauderdale, Florida 33301-4230  
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[www.crowehorwath.com](http://www.crowehorwath.com)

August 15, 2012

Mr. Douglas R. Wood, Director of Finance  
City of Fort Lauderdale  
100 North Andrews Avenue  
Fort Lauderdale, FL 33301

Dear Mr. Wood:

This engagement letter is part of the Agreement for Financial Audit Services dated August 15, 2012, between Crowe Horwath LLP and the City of Fort Lauderdale ("Agreement") and confirms the arrangements for Crowe Horwath LLP ("Crowe" or "us" or "we" or "our") to provide the professional services discussed in this letter to The City of Fort Lauderdale ("the City" or "you" or "your") for the years ending September 30, 2012, 2013 and 2014. The attached Crowe Engagement Terms is an integral part of this letter, and its terms are incorporated herein.

## AUDIT SERVICES

### Our Responsibilities

We will audit and report on the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information which collectively comprise the basic financial statements of the City of Fort Lauderdale for the periods indicated. We will also audit and report on the Schedule of Large User Wastewater Treatment Rate Computation for the years ending September 30, 2012, 2013, and 2014.

In addition to our report on the financial statements, we plan to evaluate the presentation of the following supplementary information in relation to the financial statements as a whole, and to report on whether this supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole:

- Combining and Individual Fund Financial Statements and Schedules
- Schedule of Expenditures of Federal Awards and State Financial Assistance

In addition to our report on the financial statements, we also plan to perform specified procedures in order to describe in our report whether the following required supplementary information is presented in accordance with applicable guidelines. However, we will not express an opinion or provide any assurance on this information due to our limited procedures.

- Management's Discussion and Analysis
- Budgetary Comparison Schedules
- Schedule of Funding Progress (Pension and/or OPEB)

The document will also include the following additional information that will not be subjected to the auditing procedures applied in our audit of the financial statements, and for which our auditor's report will disclaim an opinion:

- Introductory Section of the Comprehensive Annual Financial Report
- Statistical Section of the Comprehensive Annual Financial Report

The objective of the audit is the expression of an opinion on the financial statements. We will plan and perform the audit in accordance with auditing standards generally accepted in the United States of America, and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and, the Single Audit Act Amendments of 1996, and the provisions of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and Chapter 10.550 Rules of the Florida Auditor General. Those standards require that we obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement whether caused by error or fraud, and that we report on the Schedule of Expenditures of Federal Awards (as noted above), and on your compliance with laws and regulations and on your internal controls as required for a Single Audit. Because of inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with applicable standards. An audit is not designed to detect error or fraud that is immaterial to the financial statements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks that the financial statements could be misstated by an amount we believe would influence the financial statement users. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

In making our risk assessments, we consider internal control relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the City of Fort Lauderdale's internal control. However, we will communicate in writing to those charged with governance and management concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit. We will communicate to management other deficiencies in internal control identified during the audit that have not been communicated to management by other parties and that, in our professional judgment, are of sufficient importance to merit management's attention. We will also communicate certain matters related to the conduct of the audit to those charged with governance, including (1) fraud involving senior management, and fraud (whether caused by senior management or other employees) that causes a material misstatement of the financial statements, (2) illegal acts that come to our attention (unless they are clearly inconsequential) (3) disagreements with management and other significant difficulties encountered in performing the audit and (4) various matters related to the City of Fort Lauderdale's accounting policies and financial statements. Our engagement is not designed to address legal or regulatory matters, which matters should be discussed by you with your legal counsel.

We expect to issue a written report upon completion of our audit of the financial statements. Our report will be addressed to the City Commission through the Audit Advisory Board of the City of Fort Lauderdale. Circumstances may arise in which it is necessary for us to modify our opinion, add an emphasis of matter or other matter paragraph, or withdraw from the engagement.

In addition to our report on the financial statements and supplementary information, we plan to report on:

The Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*.  
*The Report on Compliance With Requirements that Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133.*

We will also perform tests of controls including testing underlying transactions, as required by OMB Circular A-133, to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of your major federal awards programs. We will determine major programs in accordance with OMB Circular A-133. Our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed. We will inform you of any deficiencies or other matters involving internal control, if any, as required by OMB Circular A-133.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will also perform tests of your compliance with applicable laws, regulations, contracts and grants. However, because of the concept of reasonable assurance and because we will not perform a detailed examination of all transactions, there is a risk that material errors, irregularities, or illegal acts, including fraud or defalcations, may exist and not be detected by us. The objective of our audit of compliance relative to the financial statements will not be to provide an opinion on overall compliance with such provisions, and we will not express such an opinion. We will advise you, however, of any matters of that nature that come to our attention, unless they are clearly inconsequential.

Our audit and work product are intended for the benefit and use of the City of Fort Lauderdale only. The audit will not be planned or conducted in contemplation of reliance by any other party or with respect to any specific transaction and is not intended to benefit or influence any other party. Therefore, items of possible interest to a third party may not be specifically addressed or matters may exist that could be assessed differently by a third party. Our reports on internal control and compliance will each include a statement that the report is intended for the information and use of management, the City Commission, the Audit Advisory Board, specific legislative or regulatory bodies, and federal awarding agencies, and if applicable, pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

The working papers for this engagement are the property of Crowe and constitute confidential information. However, we may be requested to make certain working papers available to your oversight agency or grantors pursuant to authority given to them by law, regulation, or contract. If requested, access to such working papers will be provided under the supervision of our personnel. Furthermore, upon request, we may provide photocopies of selected working papers to your oversight agency or grantors. The working papers for this engagement will be retained for a minimum of three years after the date our report is issued or for any additional period requested by the oversight agency or pass-through entity. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party contesting the audit finding for guidance prior to destroying the working papers.

*Government Auditing Standards* require that we provide you with a copy of our most recent peer review report, which accompanies this letter along with the related letter of comment and response thereto.

#### The City of Fort Lauderdale's Responsibilities

The City of Fort Lauderdale's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud. The City of Fort Lauderdale's management is also responsible for complying with applicable laws, regulations, contracts and grants and such responsibility extends to identifying the requirements and designing internal control policies and procedures to provide reasonable assurance that compliance is achieved. Additionally, as required by OMB Circular A-133, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings, which should be available for our review, and a corrective action plan.

Management has the responsibility to adopt sound accounting policies, maintain an adequate and efficient accounting system, safeguard assets, and design and implement programs and controls to prevent and detect fraud. Management's judgments are typically based on its knowledge and experience about past and current events and its expected courses of action. Management's responsibility for financial reporting includes establishing a process to prepare the accounting estimates included in the financial statements.

Management is responsible for providing to us, on a timely basis, all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters. Management is also responsible for providing such other additional information we may request for the purpose of the audit, and unrestricted access to persons within the City of Fort Lauderdale from whom we determine it necessary to obtain audit evidence. Additionally, those charged with governance are responsible for informing us of their views about the risks of fraud within the City of Fort Lauderdale, and their knowledge of any fraud or suspected fraud affecting the City of Fort Lauderdale.

Management is responsible for adjusting the financial statements to correct material misstatements related to accounts or disclosures. As part of our audit process, we will request from management written confirmation concerning representations made to us in connection with the audit, including that the effects of any uncorrected misstatements aggregated by us during the audit are immaterial, both individually and in the aggregate, to the financial statements and to compliance with the requirements of its Federal programs. Because of the importance of management's representations to an effective audit, you agree to release Crowe and its personnel from any liability and costs relating to our services under this letter attributable to any misrepresentations by management.

Management is responsible for the preparation of the supplementary information identified above in accordance with the applicable criteria. As part of our audit process, we will request from management certain written representations regarding management's responsibilities in relation to the supplementary information presented, including but not limited to its fair presentation in accordance with the applicable criteria, the method of measurement and presentation and any significant assumptions or interpretations underlying the supplementary information. In addition, it is management's responsibility to include the auditor's report on supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information. It is also management's responsibility to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the City of Fort Lauderdale of the supplementary information and the auditor's report thereon.

Management is responsible for the preparation of the required supplementary information identified above in accordance with the applicable guidelines. We will request from management certain written representations regarding management's responsibilities in relation to the required supplementary information presented, including but not limited to whether it has been measured and presented in accordance with prescribed guidelines, the method of measurement and presentation and any significant assumptions or interpretations underlying the supplementary information.

At the conclusion of the engagement, it is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the designated federal clearinghouse and, if appropriate, to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of thirty days after receipt of the auditor's reports or nine months after the end of the audit period.

### OTHER SERVICES

You agree to be responsible to: make all management decisions and perform all management functions; designate an individual who possesses suitable skill, knowledge, and/or experience, preferably within senior management to oversee our services; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services.

Standard billing rates to be used for any requested other services are as follows:

#### Audit

Partner - \$325  
Principle - \$215  
Supervisor - \$160  
Senior - \$130  
Staff - \$116

#### IT Consultant

Partner - \$325  
Manager - \$175  
Analyst - \$155

Any additional services will be the subject of a separate agreement.

### FEES

Our fees, including out-of-pocket expenses, are outlined below. Our invoices are due and payable in accordance with the Florida Local Government Prompt Payment Act. Invoices that are not paid within 45 days of receipt are subject to a monthly interest charge in accordance with the Florida Local Government Prompt Payment Act, which we may elect to waive at our sole discretion. In litigation regarding the payment of fees following any ensuing appeal the non-prevailing party agrees to pay the prevailing party's reasonable attorneys' fees. If any amounts invoiced remain unpaid 45 days after the invoice date, you agree that Crowe may, in its sole discretion, cease work until all such amounts are paid or terminate this engagement.

Audit of financial statements for the year ending September 30:

2012 - \$200,000  
2013 - \$200,000  
2014 - \$200,000

Audit of the Schedule of Large User Wastewater Treatment Rate Computation for the year ended September 30:

2012 - \$2,000  
2013 - \$2,000  
2014 - \$2,000

Federal and State Single Audit for the year ending September 30:

2012 - \$5,000 per program  
2013 - \$5,000 per program  
2014 - \$5,000 per program

In the event we are requested or authorized by the City or are required by government regulation, subpoena, or other legal process to produce our documents or our personnel as witnesses with respect to our engagements for the City, the City will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the reasonable fees and expenses of our counsel, incurred in responding to such requests. Any expenses shall be in accordance with the City's Travel Allowance and Subsistence Policy.

Circumstances may arise under which we must perform additional work and, thus, require additional billings for our services. Examples of such circumstances include, but are not limited to:

- Other changing audit requirements
- New professional standards or regulatory requirements
- New financial statement disclosures
- Work caused due to the identification of, and management's correction of, inappropriate application of accounting pronouncements
- Erroneous or incomplete accounting records
- New or unusual transactions
- Failure of your staff to prepare information in a timely manner
- Numerous revisions to your information
- Lack of availability of appropriate City of Fort Lauderdale personnel during audit fieldwork.

Additionally, to accommodate requests to reschedule audit fieldwork without reasonable notice, additional billings for our services could be required, and our assigned staffing and ability to meet agreed-upon deadlines could be impacted.

Our fee assumes that we will be provided with auditable trial balances for all funds at year end, that all bank accounts and investment accounts will be reconciled through the end of the year being audited to the trial balances, that interfund and transfer accounts will balance, that subsidiary ledgers will reconcile to the general ledger and that beginning fund equity amounts will be reconcilable to prior year audited ending fund equity. We assume that the City of Fort Lauderdale will cooperate with our requests for information such as explanations of account activity.

Additionally, we assume the City of Fort Lauderdale will provide a copy of the capital assets ledger including current year additions and dispositions and depreciation by functional expense. We assume that requested records such as invoices, contracts, grant agreements and supporting documentation will be located and provided to us. We also assume the City of Fort Lauderdale will prepare confirmation letters, and the draft CAFR including the Introductory Section, the MD&A section and the Statistical section of the report.

This estimate takes into account the agreed-upon level of preparation and assistance from your personnel. We will advise management should this not be provided or should any other circumstances arise that may cause our time to exceed this estimate. If there is a significant change in your organizational structure, controls or size due to acquisitions or other events, we reserve the right to revise our fees, subject to the City's approval. Further, these fees do not consider any time that might be necessary to assist management in the implementation or adoption of new or existing accounting, reporting, or regulatory requirements that may apply.

When we become aware of circumstances which impact the amount or scheduling of our work, we will issue, for your approval, a formal change order detailing the reason and the anticipated impact of the change.

\* \* \* \* \*

Other Matters

From time to time, and depending upon the circumstances, personnel from any affiliate of Crowe, any other member of Crowe Horwath International or any of their respective affiliates other than Crowe, and from independent third party service providers (including independent contractors, subject to the City's approval), may participate in providing the Audit Services.

By your signature below, you confirm that the City, through its City Commission, has expressly authorized you to enter into this Agreement with us on behalf of, and to bind the City.

The parties agree that Crowe shall not be liable for or subject to non-monetary or equitable relief of any sort or any other remedy that (i) is inconsistent with the Agreement to which this engagement letter is attached, or (ii) would impose liability inconsistent with applicable professional standards. The parties agree that any liability of Crowe shall not include punitive damages or any other damages not measured by the prevailing party's actual direct damages, and the City expressly waives any right to obtain such damages from Crowe.

If a dispute is not resolved by negotiation, the parties agree to waive a jury trial to facilitate judicial resolution and save time and expense. Each party has sought review of this waiver by its counsel. This waiver is irrevocable, may not be modified either orally or in writing, and shall apply to any amendments, renewals, or modifications. In the event of litigation, this Agreement may be filed as written consent to a bench trial.

Notwithstanding anything to the contrary in the Agreement, no provision in this Agreement (including without limitation the Indemnification provision of the Agreement) shall be construed to require performance or require Crowe to assume any obligation inconsistent with any applicable professional rules or standards, and no provision shall be given effect if such effect would require performance or require Crowe to assume any obligation inconsistent with any applicable professional rules or standards or which would impair Crowe's independence as that term is understood under professional rules and standards relating to audit and/or accounting services. In addition, the management of the City is responsible for the financial statements, including selecting and applying the accounting policies. Management is also responsible for establishing and maintaining effective internal control that will, among other things, permit the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America.

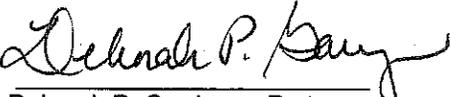
The required insurance certificates have been submitted to the City and have been approved as meeting the Agreement insurance requirements.

This engagement letter and the contract and all attachments to the contract reflect the entire Agreement between us relating to the services set forth in this letter.

If the terms of this letter and the attached Crowe Engagement Terms are acceptable to you, please sign and date below and return a copy of this letter at your earliest convenience. If you have any questions, please contact Deborah Garringer at 863.712.7356.

Very truly yours,

Crowe Horwath LLP

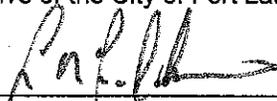
By:   
Deborah P. Garringer, Partner

I have reviewed the arrangements outlined above and in the attached Crowe Engagement Terms, and I accept on behalf of the City of Fort Lauderdale the terms and conditions as stated.

City of Fort Lauderdale

Authorized Representative of the City of Fort Lauderdale's Management:

Signature:



Printed Name:

Lee R. Feldman

Title:

City manager

Date:

8/20/12

## **Crowe Engagement Terms**

We want you to understand the basis under which we offer our services to you and determine our fees, as well as to clarify the relationship and responsibilities between your organization and ours. These terms are part of our engagement letter and apply to all future services, unless a specific engagement letter is entered into for those services. We specifically note that no advice we may provide should be construed to be investment advice.

Crowe Horwath International Report: Crowe Horwath LLP ("Crowe") is an independent member of Crowe Horwath International, a Swiss verein. Each member firm of Crowe Horwath International is a separate and independent legal entity. Crowe and its affiliates are not responsible or liable for any acts or omissions of Crowe Horwath International or any other member of Crowe Horwath International and specifically disclaim any and all responsibility or liability for acts or omissions of Crowe Horwath International or any other member of Crowe Horwath International. Crowe Horwath International does not render any professional services and does not have an ownership or partnership interest in Crowe. Crowe Horwath International and its other member firms are not responsible or liable for any acts or omissions of Crowe and specifically disclaim any and all responsibility or liability for acts or omissions of Crowe.



**EXHIBIT A**

**Solicitation 125-10876**  
**Financial Audit Services**



**CITY OF FORT LAUDERDALE**

**City of Fort Lauderdale**

## Bid 125-10876

### Financial Audit Services

Bid Number **125-10876**  
Bid Title **Financial Audit Services**

Bid Start Date **Jan 24, 2012 12:09:50 PM EST**  
Bid End Date **Feb 20, 2012 2:00:00 PM EST**  
Question & Answer End Date **Feb 9, 2012 2:00:00 PM EST**

Bid Contact **Michael F Walker**  
**Procurement & Contracts Manager**  
**Procurement**  
**954-828-5677**  
**mwalker@fortlauderdale.gov**

Pre-Bid Conference **Feb 2, 2012 2:00:00 PM EST**  
**Attendance is optional**  
**Location: City of Fort Lauderdale**  
**100 N. Andrews Avenue**  
**8th Floor Training Room OR**  
**Remote Participants Instructions:**  
**1. Dial the Conference Bridge Telephone Number: 954-828-7451**  
**2. Follow the first prompt instructions:**  
**"Please enter your meeting ID followed by the # sign": Meeting ID: 1112#**  
**3. Follow the second prompt instructions:**  
**"Welcome to the Conference Call, please say your name after the tone"**  
**Fort Lauderdale, FL 33301**

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#### Changes made on Feb 7, 2012 10:17:37 AM EST

New Documents **RFP 10876 - Schedule of Large User document.pdf**

#### Changes were made to the following items:

[Financial Audit Services](#)

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#### Changes made on Feb 8, 2012 12:44:11 PM EST

New Documents **RFP 9434 ERNST YOUNG CONTRACT.pdf**

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#### Description

The City of Fort Lauderdale, Florida (City) is seeking proposals from qualified proposers, hereinafter referred to as the Contractor, to provide Professional Financial Audit Services for the City's Finance Department, in accordance with the terms, conditions, and specifications contained in this Request for Proposals (RFP).

For information concerning procedures for responding to this solicitation, contact Procurement and Contracts Manager, Michael F. Walker at (954) 828-5677 or email at mwalker@fortlauderdale.gov . Such contact shall be for clarification purposes only. For information concerning technical specifications, please utilize the question / answer feature provided by BidSync at [www.bidsync.com](http://www.bidsync.com) . Questions of a material nature must be received prior to the cut-off date specified in the RFP Schedule. Material changes, if any, to the scope of services or bidding procedures will only be transmitted by written addendum. (See addendum section of BidSync Site). Contractor's please note: Proposals shall be submitted as stated in PART VI -

Requirements of the Proposal. No part of your proposal can be submitted via FAX. No variation in price or conditions shall be permitted based upon a claim of ignorance. Submission of a proposal will be considered evidence that the Contractor has familiarized themselves with the nature and extent of the work, and the equipment, materials, and labor required. The entire proposal must be submitted in accordance with all specifications contained in this solicitation.

Added on Feb 7, 2012:

See Attached document called - RFP 10876 - Schedule of Large User Document.

See Attached document called - RFP 9434 Ernst & Young Contract.

**Changes made on Feb 7, 2012 10:17:37 AM EST**

**RFP # 125-10876****TITLE: Financial Audit Services****PART I – INTRODUCTION/INFORMATION****01. PURPOSE**

The City of Fort Lauderdale, Florida (City) is seeking proposals from qualified proposers, hereinafter referred to as the "Contractor" or "Auditor", to provide Professional Financial Audit Services for the City's Finance Department, in accordance with the terms, conditions, and specifications contained in this Request for Proposals (RFP).

**02. INFORMATION OR CLARIFICATION**

For information concerning procedures for responding to this solicitation, contact Procurement and Contracts Manager Michael F. Walker at (954) 828-5677 or email at [mwalker@fortlauderdale.gov](mailto:mwalker@fortlauderdale.gov). Such contact shall be for clarification purposes only.

For information concerning technical specifications, please utilize the question / answer feature provided by BidSync at [www.bidsync.com](http://www.bidsync.com). Questions of a material nature must be received prior to the cut-off date specified in the RFP Schedule. Material changes, if any, to the scope of services or bidding procedures will only be transmitted by written addendum. (See addendum section of BidSync Site). Contractor's please note: Proposals shall be submitted as stated in PART VI – Requirements of the Proposal. No part of your proposal can be submitted via FAX. No variation in price or conditions shall be permitted based upon a claim of ignorance. Submission of a proposal will be considered evidence that the Contractor has familiarized themselves with the nature and extent of the work, and the equipment, materials, and labor required. The entire proposal must be submitted in accordance with all specifications contained in this solicitation.

**03. TRANSACTION FEES**

The City of Fort Lauderdale uses BidSync ([www.bidsync.com](http://www.bidsync.com)) to distribute and receive bids and proposals. There is no charge to vendors/contractors to register and participate in the solicitation process, nor will any fees be charged to the awarded vendor.

**04. PRE-PROPOSAL CONFERENCE**

There will be a pre-proposal conference scheduled for this Request for Proposal as stated in PART II – RFP Schedule. It is strongly suggested that all Contractor's attend the pre-proposal conference.

It is the sole responsibility of the Contractor to become familiar with the scope of the City's requirements and systems prior to submitting a proposal. No variation in price or conditions shall be permitted based upon a claim of ignorance. It is strongly suggested that all Contractor's attend the pre-proposal meeting and/or site visit.

**05. ELIGIBILITY**

To be eligible for award of a contract in response to this solicitation the Contractor must demonstrate that they have successfully completed services, as specified in the Technical Specifications / Scope of Services section of this solicitation, are normally and routinely engaged in performing such services and are properly and legally licensed to perform such work.

To be eligible to respond to this RFP, the proposing firm must demonstrate that they have the

following minimum qualifications and experience:

- The audit firm is independent and licensed to practice public accounting in the State of Florida.
- The audit firm's professional personnel have received adequate continuing professional education within the preceding three (3) years in accordance with the requirements of the Florida State Board of Accountancy.
- The audit firm must have no conflict of interest with regard to any other work performed by the firm for the City of Fort Lauderdale.
- The audit firm has a record of quality audit work (peer reviews).
- The audit firm must have completed at least three (3) annual audits of similar complexity to the technical specifications contained in this RFP for a governmental entity similar in size to the City of Fort Lauderdale.
- The audit firm adheres to the instructions in this RFP for preparing and submitting proposals.

06. PRICING/DELIVERY

All pricing should be identified in Proposal Part III Cost Information. No additional costs may be accepted, other than the costs stated on the Proposal pages.

Contractor must quote a firm, fixed annual price for all services stated in the RFP, which includes any travel associated with coming to the City of Fort Lauderdale.

07. RFP DOCUMENTS

The Contractor shall examine this RFP carefully. Ignorance of the requirements will not relieve the Contractor from liability and obligation under the Contract.

08. AWARD

Award may be by Group or Item, whichever is determined to be in the best interest of the City. The City reserves the right to award to that proposer who will best serve the interests of the City, for that product/service that will best serve the needs of the City of Fort Lauderdale.

The City also reserves the right to waive minor variations in the specifications and in the bidding process. The City further reserves the right to accept or reject any and/or all proposals and to award or not award a contract based on this bid solicitation.

09. PRICE VALIDITY

Prices provided in this Request for Proposal (RFP) are valid for 120 days from time of RFP opening. The City shall award contract within this time period or shall request to the recommended awarded vendor an extension to hold pricing, until products/services have been awarded.

**PART II - RFP SCHEDULE**

EVENT	DATE/TIME
Release of RFP	01/24/12
Pre-Proposal Conference: Place: Fort Lauderdale City Hall 100 N. Andrews Avenue 8 <sup>th</sup> Floor Conference Room Fort Lauderdale, FL 33301 Time: 2:00pm EST  <u>Remote Participants Instructions:</u> 1) Dial the Conference Bridge Telephone Number: 954-828-7451  2) Follow the first prompt instructions: "Please, enter your meeting ID followed by the # sign": 1112#  3) Follow the second prompt instructions: "Welcome to the Conference Call, please say your name after the tone"	02/02/12
Deadline for Questions/Request for Clarifications	02/09/12
Addendum Release (if required)	02/13/12
Proposal Due Date/Time (Deadline)	02/20/12, PRIOR TO 2:00pm EST

**PART III - SPECIAL CONDITIONS**

01. **GENERAL CONDITIONS**  
RFP General Conditions Form G-107 Rev. 12/11 (GC) are included and made a part of this RFP.
02. **NEWS RELEASES/PUBLICITY**  
News releases, publicity releases, or advertisements relating to this contract or the tasks or projects associated with the project shall not be made without prior City approval.
03. **RFP DOCUMENTS**  
The Contractor shall examine this RFP carefully. Ignorance of the requirements will not relieve the Contractor from liability and obligations under the Contract.
04. **CONTRACTORS' COSTS**  
The City shall not be liable for any costs incurred by Contractor in responding to this RFP.
05. **RULES AND PROPOSALS**  
The signer of the proposal must declare that the only person(s), company or parties interested in the proposal as principals are named therein; that the proposal is made without collusion with any other person(s), company or parties submitting a proposal; that it is in all respects fair and in good faith, without collusion or fraud; and that the signer of the proposal has full authority to bind the principal Contractor.
06. **CONTRACT PERIOD**  
The initial contract term shall commence on July 1, 2012, and shall expire three years from that date. The City reserves the right to extend the contract for two, additional one-year term, providing all terms conditions and specifications remain the same, both parties agree to the extension, and such extension is approved by the City.  
  
In the event services are scheduled to end because of the expiration of this contract, the Contractor shall continue the service upon the request of the City as authorized by the awarding authority. The extension period shall not extend for more than ninety (90) days beyond the expiration date of the existing contract. The Contractor shall be compensated for the service at the rate in effect when this extension clause is invoked by the City.
07. **COST ADJUSTMENTS**  
Prices quoted shall be a firm fixed annual cost for the initial (3) three years of the contract, and also shall be firm fixed annual cost for the additional two, one-year contract extensions, if approved by both parties.
08. **CONTRACT COORDINATOR**  
The City may designate a Contract Coordinator whose principal duties shall be:
  - Liaison with Contractor.
  - Coordinate and approve all work under the contract.
  - Resolve any disputes.
  - Assure consistency and quality of Contractor's performance.
  - Schedule and conduct Contractor performance evaluations and document findings.
  - Review and approve for payment all invoices for work performed or items delivered.

09. CONTRACTOR PERFORMANCE REVIEWS AND RATINGS

The City Contract Coordinator may develop a Contractor performance evaluation report. This report shall be used to periodically review and rate the Contractor's performance under the contract with performance rating as follows:

Excellent	Far exceeds requirements.
Good	Exceeds requirements
Fair	Just meets requirements.
Poor	Does not meet all requirements and contractor is subject to penalty provisions under the contract.
Non-compliance	Either continued poor performance after notice or a performance level that does not meet a significant portion of the requirements. This rating makes the Contractor subject to the default or cancellation for cause provisions of the contract.

The report shall also list all discrepancies found during the review period. The Contractor shall be provided with a copy of the report, and shall respond in writing if he takes exception to the report or wishes to comment on the report. Contractor performance reviews and subsequent reports will be used in determining the suitability of contract extension.

10. INVOICES/PAYMENT

Each invoice shall fully detail the related costs and shall specify the status of the particular task or project as of the date of the invoice as regards the accepted schedule for that task or project. Payment will be made within (45) days after receipt of an invoice acceptable to the City, in accordance with the Florida Local Government Prompt Payment Act. If, at any time during the contract, the City shall not approve or accept the Contractor's work product, and agreement cannot be reached between the City and the Contractor to resolve the problem to the City's satisfaction, the City shall negotiate with the Contractor on a payment for the work completed and usable to the City. The final invoice shall not be submitted until after the City's Annual Financial Report is transmitted and accepted by the City Commission.

11. RELATED EXPENSES/TRAVEL EXPENSES

All costs including travel are to be included in your proposal. The City will not accept any additional costs.

12. NO EXCLUSIVE CONTRACT/ADDITIONAL SERVICES

While this contract is for services provided to the department referenced in this Request for Proposals, the City may require similar work for other City departments. Contractor agrees to take on such work unless such work would not be considered reasonable or become an undue burden to the Contractor.

Contractor agrees and understands that the contract shall not be construed as an exclusive arrangement and further agrees that the City may, at any time, secure similar or identical services from another vendor at the City's sole option.

The City may require additional items or services of a similar nature, but not specifically listed in the contract. The Contractor agrees to provide such items or services, and shall provide the City prices on such additional items or services based upon a formula or method, which is the same or similar to that used in establishing the prices in the proposal. If the price(s) offered are not acceptable to the City, and the situation cannot be resolved to the satisfaction of the City, the City reserves the right to procure those items or services from other vendors,

or to cancel the contract upon giving the Contractor thirty (30) days written notice.

13. **DELETION OR MODIFICATION OF SERVICES**

The City reserves the right to delete any portion of the Contract at any time without cause, and if such right is exercised by the City, the total fee shall be reduced in the same ratio as the estimated cost of the work deleted bears to the estimated cost of the work originally planned. If work has already been accomplished on the portion of the Contract to be deleted, the Contractor shall be paid for the deleted portion on the basis of the estimated percentage of completion of such portion.

If the Contractor and the City agree on modifications or revisions to the task elements, after the City has approved work to begin on a particular task or project, and a budget has been established for that task or project, the Contractor will submit a revised budget to the City for approval prior to proceeding with the work.

14. **SUBSTITUTION OF PERSONNEL**

It is the intention of the City that the Contractor's personnel proposed for the contract will be available for the initial contract term. In the event the Contractor wishes to substitute personnel, he shall propose personnel of equal or higher qualifications and all replacement personnel are subject to City approval. In the event substitute personnel are not satisfactory to the City and the matter cannot be resolved to the satisfaction of the City, the City reserves the right to cancel the Contract for cause. See Section 5.09 General Conditions.

15. **INSURANCE**

The Contractor shall furnish proof of insurance requirements as indicated below. The coverage is to remain in force at all times during the contract period. The following minimum insurance coverage is required. The City is to be added as an "additional insured" with relation to General Liability Insurance. This MUST be written in the description section of the insurance certificate, even if you have a check-off box on your insurance certificate. Any costs for adding the City as "additional insured" will be at the contractor's expense.

The City of Fort Lauderdale shall be given notice 10 days prior to cancellation or modification of any stipulated insurance. The insurance provided shall be endorsed or amended to comply with this notice requirement. In the event that the insurer is unable to accommodate, it shall be the responsibility of the Contractor to provide the proper notice. Such notification will be in writing by registered mail, return receipt requested and addressed to the Procurement Services Department.

The Contractor's insurance must be provided by an A.M. Best's "A-" rated or better insurance company authorized to issue insurance policies in the State of Florida, subject to approval by the City's Risk Manager. Any exclusions or provisions in the insurance maintained by the contractor that precludes coverage for work contemplated in this RFP shall be deemed unacceptable, and shall be considered breach of contract.

**Workers' Compensation and Employers' Liability Insurance**

Limits: Workers' Compensation – Per Florida Statute 440  
Employers' Liability - \$500,000

Any firm performing work on behalf of the City of Fort Lauderdale must provide Workers' Compensation insurance. Exceptions and exemptions can only be made if they are in

A person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a proposal on a contract to provide any goods or services to a public entity, may not submit a proposal on a contract with a public entity for the construction or repair of a public building or public work, may not submit proposals on leases of real property to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any public entity in excess of the threshold amount provided in Section 287.017, Florida Statutes, for Category Two for a period of 36 months from the date of being placed on the convicted vendor list.

21. **DAMAGE TO PUBLIC OR PRIVATE PROPERTY**

Extreme care shall be taken to safeguard all existing facilities, site amenities, irrigation systems, vehicles, etc. on or around the job site. Damage to public and/or private property shall be the responsibility of the Contractor and shall be repaired and/or replaced at no additional cost to the City.

22. **CANADIAN COMPANIES**

The City may enforce in the United States of America or in Canada or in both countries a judgment entered against the Contractor. The Contractor waives any and all defenses to the City's enforcement in Canada, of a judgment entered by a court in the United States of America. All monetary amounts set forth in this Contract are in United States dollars.

23. **LOBBYING ACTIVITIES**

ALL CONTRACTORS PLEASE NOTE: Any contractor submitting a response to this solicitation must comply, if applicable, with City of Fort Lauderdale Ordinance No. C-00-27 & Resolution No. 07-101, Lobbying Activities. Copies of Ordinance No. C-00-27 and Resolution No. 07-101 may be obtained from the City Clerk's Office on the 7th Floor of City Hall, 100 N. Andrews Avenue, Fort Lauderdale, Florida. The ordinance may also be viewed on the City's website at: <http://www.fortlauderdale.gov/clerk/LobbyistDocs/lobbyistord1009.pdf>.

24. **BID TABULATIONS/INTENT TO AWARD**

(Notice of Intent to Award Contract/Bid, resulting from the City's Formal solicitation process, requiring City Commission action, may be found at [http://www.fortlauderdale.gov/purchasing/notices\\_of\\_intent.htm](http://www.fortlauderdale.gov/purchasing/notices_of_intent.htm). Tabulations of receipt of those parties responding to a formal solicitation may be found at <http://www.fortlauderdale.gov/purchasing/bidresults.htm>, or any interested party may call the Procurement Office at 954-828-5933.

25. **CONTRACT AGREEMENT**

Sample Contract Agreement Form (Attachment A) is included and made a part of this Request for Proposals. Terms and Conditions of final agreement will be included as applicable to this RFP.

## PART IV - TECHNICAL SPECIFICATIONS/SCOPE OF SERVICES

### 01. GENERAL INFORMATION/NATURE OF SERVICES REQUIRED

The City of Fort Lauderdale is requesting proposals from qualified certified public accounting firms, hereinafter referred to as the auditor, to audit the City's financial statements for the three fiscal years ending September 30, 2012 through September 30, 2014 with the option of auditing its financial statements for each of the two (2) subsequent fiscal years. Meeting the requirements of Section 10.02 of the City Charter, these audits are to be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, the rules of the Auditor General of the State of Florida, the Florida Single Audit Act, the standards for financial audits set forth by the U.S. Office of Management and Budget (OMB) revised Circular A-133, Audits of State, Local Governments and Non-Profit Organizations and other authoritative standards.

#### 01.1 Scope of Work to be Performed:

The City desires the auditor to express an opinion on the fair presentation of its basic financial statements in conformity with generally accepted accounting principles. The basic financial statements include the governmental activities, the business-type activities, any discretely presented component units, each major fund and the aggregate remaining fund information of the City of Fort Lauderdale.

The auditor is not required to audit the combining financial statements and schedules. However, the auditor is to provide an "in-relation-to" report on the combining financial statements and schedules based on the auditing procedures applied during the audit of the basic financial statements. The auditor is not required to audit the statistical section of the report.

The auditor shall also be responsible for performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards.

**The auditor is not required to audit the schedules of federal and state financial assistance. However, the auditor is to provide "in-relation-to" reports on those schedules based on the auditing procedures applied during the audit of the financial statements.**

The auditor is expected to express an opinion on the fair presentation of its schedule of large user wastewater treatment rate computation in conformity with generally accepted accounting principles.

On an as needed basis, the auditor is expected to perform services related to the City issuance of debt (statement reviews and debt defeasances schedules) and perform review services, as necessary, on supplemental financial statements based upon the Comprehensive Annual Financial Report (CAFR).

It should be understood that the City's management has responsibility for properly recording transactions in the accounting records and maintaining an internal control structure sufficient to permit the preparation of reliable financial statements. It should also be understood that the City's management is responsible for the effectiveness of its internal control structure and for

representations contained in the financial statements and that the auditor will require a written representation letter be furnished to the auditor by members of the City's management near the completion of the audit. The auditor's responsibility is to express an opinion on the financial statements based upon their audits, the responses to their inquiries to the City's management and the written representations of the City's management. Because of the importance of management's representations to an effective audit, City agrees to release auditor and its personnel from any liability and costs relating to services under this RFP attributable to any misrepresentations by City's management.

## 02. AUDITING STANDARDS TO BE FOLLOWED

To meet the requirements of this request for proposals, the audit shall be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, the rules of the Auditor General of the State of Florida, the Florida Single Audit Act, the standards for financial audits set forth by the U.S. OMB revised Circular A-133, Audits of State, Local Governments and Non-Profit Organizations and other authoritative standards.

## 03. REPORTS TO BE ISSUED

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

### a. For the City:

- 1) A report on fair presentation of the basic financial statements, as a whole, in conformity with generally accepted accounting principles.
- 2) A report on the internal control structure based solely on the auditor's understanding of the control structure made as part of the audit of the financial statements.
- 3) A report on compliance with applicable laws and regulations that may have a material effect on the financial statements.

### b. For the City's Federal Awards and State Financial Assistance Programs:

Federal and State single audit reports that comply with OMB Circular A-133 and the Florida Single Audit Act.

### c. For the City's large user wastewater agreements:

A report on fair presentation of the schedule of large user wastewater treatment rate computation, in conformity with generally accepted accounting principles.

### d. Reporting to the Audit Advisory Board.

The City currently has an Audit Advisory Board composed of members appointed by the City Commission in accordance with City Ordinance #C-03-46. Auditors shall meet with the City's Audit Advisory Board periodically to:

- 1) Review Management Letter Comments
- 2) Review Draft General Distribution CAFR.
- 3) Review and advise of independent audit findings.
- 4) Review Draft Single Audit Findings.
- 5) Discuss the corrective actions needed on (3) and (4) above

Auditors shall assure themselves that the City's Audit Advisory Board is 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. Reporting on irregularities and illegal acts.

It is understood that the audits may not reveal all errors, irregularities or illegal acts which may have occurred during the year. Auditors shall be required to make an immediate, written report of all irregularities and illegal acts of which they become aware to the Audit Advisory Board and the City Manager. If the illegal act involves funds from other governmental entities, it is the City Manager's responsibility to inform the other governmental entities of the acts.

f. As needed (for additional fees) – **HOURLY RATES SHALL BE SUBMITTED AS PART OF YOUR RESPONSE.**

- 1) Updates for City bond issues
- 2) Supplemental reports
- 3) Defeasance schedules

04. SPECIAL CONSIDERATIONS

- a. The City will send its CAFR to the Government Finance Officers Association of the United States and Canada (GFOA) for review in its Certificate of Achievement for Excellence in Financial Reporting program. It is anticipated that the auditor will not be required to provide special assistance to the City to meet the requirements of that

- program, but will schedule the audit timeline to assist the City in meeting the March 31<sup>st</sup> submittal to GFOA deadline.
- b. The City may prepare one or more official statements in connection with the sale of debt securities, which will contain the basic financial statements and the auditor's report thereon. The auditor shall be required, if requested by the financial advisor and/or the underwriter, to issue a "consent and citation of expertise" as the auditor and any necessary "comfort letters".
  - c. The Department of Housing and Urban Development currently functions as the City's oversight agency in accordance with the provisions of the revised OMB Circular A-133.
  - d. The large user wastewater treatment rate computation and related auditor's report is not to be included in the CAFR, but is to be issued separately.
  - e. The federal and state single audit report is to be included in the CAFR.
  - f. The auditor's response should include a brief explanation of the impact of GASB statements 60, 61 and 62, and their affect on the preparation of the CAFR, including any audit implications.

#### 05. WORKING PAPER RETENTION AND ACCESS TO WORKING PAPERS

All working papers and reports must be retained, at the auditor's office where the work will be performed and at the auditor's expense, for a minimum of five (5) 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 by the City.

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

#### 06. INFORMATION ON THE CITY OF FORT LAUDERDALE FINANCIAL OPERATIONS

##### a. Contact Persons

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

##### b. Background Information

The City was incorporated in 1911 and covers an area of approximately 36 square miles. An elected five-member commission composed of a Mayor and four District Commissioners governs the City. Services provided to its approximately 180,400 residents include law enforcement, fire control, water and sewer, public works, community enrichment and development and various recreational services.

##### c. Fund Structure

A copy of the City's application to the GFOA's Certificate of Achievement for Excellence in Financial Reporting for its Fiscal Year 2010 report is available in the 2010 – CAFR online at: [http://www.fortlauderdale.gov/documents/financial\\_rpts.htm](http://www.fortlauderdale.gov/documents/financial_rpts.htm).

- d. **Budgetary Basis of Accounting**  
Budgets are prepared on a basis consistent with generally accepted accounting principles with the following exceptions: Advances from other funds are presented as revenues, and encumbrances, advances to other funds and principal on long-term debt of the proprietary funds are presented as expenditures or expenses.
- e. **Federal, State and Local Financial Assistance**  
During the 2010 fiscal year, the City expended nearly \$21.4 million in Federal Awards and \$7.3 million in State financial assistance, the details of which can be found in the CAFR Schedule of Expenditures of Federal Awards and State Financial Assistance. Refer to 09. Reference section for website information.
- f. **Pension Plans**  
The City provides separate single-employer defined benefit pension plans for its general employees and police and firefighters. The City also provides a defined contribution pension plan for certain general employees not participating in the defined benefit plan.
- g. **Joint Ventures**  
The City participates in a joint venture with the Downtown Development Authority and the Broward County Performing Arts Center Authority more fully described in Note 8, Page 49 of the City's CAFR for the year ended September 30, 2010.
- h. **Description of Finance Operations – 2012 - City of Fort Lauderdale Operating Budget is available online at:** <http://www.fortlauderdale.gov/documents/budget.htm>.

## 07. TIME REQUIREMENTS

- a. **Commencement of Audit**  
The City will have all requested records ready for audit and all management personnel available to meet with the firm's personnel immediately upon appointment.
- b. **Schedule for the 2012 Fiscal Year Audit**  
Each of the following shall be completed by the auditor no later than the dates indicated.
  - 1) **Detailed Audit Plan**  
The auditor shall provide the City and the Audit Advisory Board a detailed audit plan by July 14, 2012.
  - 2) **Fieldwork**  
The auditor shall begin initial fieldwork as soon as practical, but no later than October 1, 2012 with final completion by January 14, 2013.
  - 3) **Reports**  
It is anticipated that the City will deliver its 2012 audited financial statements (included in the CAFR) to the City Commission in March, 2013.
- c. **Entrance Conferences, Progress Reporting and Exit Conferences**  
There will be an entrance conference with key Finance Department personnel and possibly the Audit Advisory Board within one week of City Commission appointment of the auditors. Progress conferences will be held with Finance Department personnel as well as the Audit Advisory Board, throughout the engagement with an exit conference at the

conclusion of the engagement. There may also be a need for entry and exit interviews with the City Manager and the City Auditor.

d. Preparing the Report

The City Finance Department shall prepare draft financial statements, notes and all required supplementary schedules and statistical data. The auditor shall provide all recommendations, revisions and suggestions for improvement to the Director of Finance or the City Controller, and the Audit Advisory Board as soon as possible thereafter.

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

a. Finance Department Accounting 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. In addition, some clerical support will be made available to the auditor for the preparation of routine correspondence. The Finance Department staff will prepare initial confirmations but follow up to non-responsive confirms will be provided by the audit firm. The Finance Department staff will provide all data as requested but the audit form is required to format the data to accommodate their firms required schedules and workpapers.

b. Information Technology Department (IT)

Certain IT personnel will be available to assist the auditor in performing the engagements. IT personnel will also be available to provide systems documentation and explanations.

c. Work Area, Telephones, Photocopying and FAX Machines

The City will provide the auditor with reasonable workspace with access to telephone, photocopying and FAX machines. The auditor will provide their own laptop computers and necessary peripheral devices.

09. REFERENCES

- a. 2010 – CAFR is available online at [http://www.fortlauderdale.gov/documents/financial\\_rpts.htm](http://www.fortlauderdale.gov/documents/financial_rpts.htm).
- b. 2012 - City of Fort Lauderdale Operating Budget is available online at <http://www.fortlauderdale.gov/documents/budget.htm>.

## PART V – PROPOSAL EVALUATION CRITERIA

### 1. Expertise and Experience

- a. The firm's local office or office designated to do the work, past experience and performance on comparable government engagements. Weight factor: 5%
- b. The firm's national expertise and experience in local governmental auditing. Weight factor: 10%
- c. 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. Weight factor: 10%
- d. The firm making available continuing professional education opportunities for staff of the City's Financial Departments by sharing in-house or local training opportunities. Weight factor: 5%
- e. Client references. Weight factor: 5%
- f. The sufficiency of resources to perform the contract. Weight factor: 5%

### 2. Audit Approach

- a. Adequacy of proposed staffing plan for various segments of the local engagement. Weight factor: 15%
- b. Adequacy of analytical procedures used in risk assessment. Weight factor: 5%
- c. Assessment of firm's ability to meet prescribed report publication date. Weight factor: 10%

### 3. Cost to the City. Weight factor: 30%

An evaluation committee consisting of the Audit Advisory Board will conduct evaluations of proposals. It may be a two-step process. In step one; the committee will evaluate all responsive proposals based upon the information and references contained in the proposals as submitted. The committee shall review each proposal and rank each proposer's evaluation criteria as stated in this RFP (i.e. criteria 1, 2, 3, 4), and determine a minimum of three (3), if more than three (3) proposals are responsive, to be finalists for further consideration. In the event there are less than three (3) responsive proposals, the committee will give further consideration to all responsive proposals received. In step two, the committee may then conduct discussions (oral presentations), for clarification purposes only, with the finalists and re-score and re-rank the finalists' proposals. The evaluation committee may then make a recommendation, resulting from this process, to the City Manager for award of a contract.

The City may require visits to customer installations or demonstrations of product by Contractor's, as part of the evaluation process.

The City of Fort Lauderdale reserves the right, before awarding the contract, to require a Proposer to submit any evidence of its qualifications as the City may deem necessary, and to consider any

evidence available of financial, technical and other qualifications and capabilities, including performance experience with past and present users.

The City of Fort Lauderdale reserves the right to request additional clarifying information and request an oral presentation from any and all Proposers prior to determination of award.

The City reserves the right to award the contract to that Proposer who will best serve the interest of the City. The City reserves the right based upon its deliberations and in its opinion, to accept or reject any or all proposals. The City also reserves the right to waive minor irregularities or variations to the specifications and in the bidding process.

The City uses a mathematical formula for determining allocation of evaluation criteria including cost points, to each responsive, responsible proposer. Each evaluation criteria stated in the RFP has an identified weighted factor. Each evaluation committee member will rank each criteria, from each proposer, giving their first ranked proposer as number 1, and second proposer as number 2 and so on. The City shall average the ranking for each criteria, for all evaluation committee members, and then multiply that average ranking by the weighted criteria identified in the RFP. The lowest average final ranking score will determine the recommendation by the evaluation committee to the City Manager.

## **PART VI - REQUIREMENTS OF THE PROPOSAL**

All proposals must be submitted as specified on the proposal pages, which follow. Any attachments must be clearly identified. To be considered, the proposal must respond to all parts of the RFP. Any other information thought to be relevant, but not applicable to the enumerated categories, should be provided as an appendix to the proposal. If publications are supplied by a proposer to respond to a requirement, the response should include reference to the document number and page number. Proposals not providing this reference will be considered to have no reference material included in the additional documents. The City prefers all responses to this RFP to be less than 50 pages and that the Contractor utilize recyclable materials as much as possible. Expensive or fancy binders are not preferred.

All proposals must be submitted in a sealed package with the RFP number, due and open date, and RFP title clearly marked on the outside. If more than one package is submitted they should be marked 1 of 2, etc.

**THIS IS A PAPER RFP WITH CD.** All proposals must be received by the City of Fort Lauderdale, in the Procurement Services Division, Room 619, City Hall, 100 North Andrews Avenue, Fort Lauderdale, Florida, 33301 prior to 2:00 pm on the date specified in PART II – RFP SCHEDULE. Submittal of response by fax or e-mail will NOT be acceptable.

**PROPOSERS MUST SUBMIT AN IDENTIFIED ORIGINAL HARD COPY, PLUS (2) ADDITIONAL HARD COPIES OF THEIR PROPOSAL PAGES INCLUDING ANY ATTACHMENTS.**

**THE ABOVE REQUIREMENTS TOTAL (3) HARD COPIES OF YOUR PROPOSAL. CONTRACTORS SHOULD SUBMIT YOUR PROPOSAL ALSO ON A CD. CONTRACTOR SHOULD PROVIDE (10) CD COPIES OF YOUR PROPOSAL. CD COPIES MUST MATCH THE ORIGINAL HARDCOPY. IN CASE OF ANY DISCREPANCY BETWEEN THE ORIGINAL HARD COPIES AND THE CD, THE ORIGINAL HARD COPY PREVAILS. FAILURE TO PROVIDE PROPOSALS AS STATED ABOVE, MAY BE GROUNDS TO FIND CONTRACTOR NON-RESPONSIVE.**

The proposer understands that the information contained in these Proposal Pages is to be relied upon by the City in awarding the proposed Agreement, and such information is warranted by the proposer to be true. The proposer agrees to furnish such additional information, prior to acceptance of any proposal, relating to the qualifications of the proposer, as may be required by the City.

**A representative who is authorized to contractually bind the Contractor shall sign the Bid/Proposal Signature page. Omission of a signature on that page may result in rejection of your proposal.**

### **PROPOSAL PAGES ARE AS FOLLOWS:**

- Part I – Expertise & Experience**
- Part II – Audit Approach**
- Part III -- Cost Information**

## **PROPOSAL PART I Expertise & Experience**

### **A. GENERAL REQUIREMENTS**

The purpose of this part is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit of the City of Fort Lauderdale 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 proposer should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement.

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 B through F must be included. They represent information that will be used to determine responsiveness of your proposal, and will be the basis of allocating proposal evaluation points.

### **B. INDEPENDENCE**

The firm should provide an affirmative statement that it is independent of the City of Fort Lauderdale as defined by the U.S. General Accounting Office's Government Auditing Standards (1988).

The firm should also list and describe the firm's (or proposed subcontractor's) professional relationships involving the City of Fort Lauderdale or any of its agencies for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

In addition, the firm shall give the City of Fort Lauderdale written notice of any professional relationships entered into during the period of this agreement

### **C. LICENSE TO PRACTICE IN FLORIDA**

An affirmative statement should be included indicating that the firm and all assigned key professional staff are properly licensed to practice in Florida.

### **D. FIRM QUALIFICATIONS AND EXPERIENCE**

The proposal should state the size of the firm, the size of the firm's governmental staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis.

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.

In a joint proposal, the principal firm should complete and sign the Proposal Signature Page, and the structure, duties, and responsibilities of each firm should be clearly delineated.

The firm is also required to submit a copy of the report on its most recent peer 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 its audits 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 the firm during the past three (3) years with state regulatory bodies or professional organizations.

The firm should describe any outstanding claims or litigation or threatened claims or litigation of which the proposer is aware, which involve any Florida based office or which may threaten the existence or current stability of the firm. The firm should also describe any past disciplinary findings or sanctions by the Florida State Board of Accountancy or the Auditor General related to your firm.

#### E. PARTNER, SUPERVISORY, AND STAFF QUALIFICATIONS AND EXPERIENCE

The firm shall identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement and indicate whether each such person is licensed to practice as a certified public accountant in Florida. The firm also shall provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit.

The firm should provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. The firm also should indicate how the quality of staff over the term of the agreement will be assured.

The proposer should identify the extent to which staff to be assigned to the audit reflect the City of Fort Lauderdale's commitment to Affirmative Action.

If MBE or WBE participation as subcontractors or as part of a joint venture are included in your relevant proposal, please clearly identify the firms and state their duties and responsibilities, as well as their expertise and experience.

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. These personnel may also be changed for other reasons with the express prior written permission of the City of Fort Lauderdale. However, in either case, the City of Fort Lauderdale retains the right to approve or reject replacements.

Consultants and firm specialists mentioned in response to this request for proposals can only be changed with the express prior written permission of the City of Fort Lauderdale, 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.

**F. PRIOR ENGAGEMENTS WITH THE CITY OF FORT LAUDERDALE**

The firm should list separately all engagements within the last five years for the City of Fort Lauderdale by type of engagement (i.e., audit, management, advisory services, other). For each engagement, the firm should indicate the scope of work, date, engagement partners, total hours, the location of the firm's office from which the engagement was performed, and the name and telephone number of the principal client contact.

**G. SIMILAR ENGAGEMENTS WITH OTHER GOVERNMENTAL ENTITIES**

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum of 5) performed in the last five years that are similar to the engagement described in the request for proposals.

Indicate the scope of work, date, engagement partners, total hours, and the Company name, Contact person, e-mail address and telephone number of the principal client contact.

**PROPOSAL PART II  
Specific Audit Approach****A. WORK PLAN**

The proposal should set forth a work plan and a schedule, including an explanation of the audit methodology to be followed, to perform the services required in Section IV of this request for proposals.

Proposers will be required to provide the following information on their audit approach:

1. Proposed segmentation of the engagement
2. Sample sizes and the extent to which statistical sampling will be used in transaction testing during the engagement
3. Type and extent of analytical procedures to be used in the engagement
4. Approach to be taken to gain and document an understanding of the City of Fort Lauderdale's internal control structure
5. Approach to be taken in determining laws and regulations that will be subject to audit testing
6. Approach to be taken in drawing audit samples for purposes of compliance testing

**B. IDENTIFICATION OF ANTICIPATED POTENTIAL AUDIT PROBLEMS**

The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from the City of Fort Lauderdale.

**C. REPORT FORMAT**

The proposal should include sample formats for required reports.

**PROPOSAL - PART III  
Cost Information**

**BASIC AUDITING SERVICES**

**Annual Firm, Fixed Cost to the City**

General Financial Audit	\$ _____
Federal Award or State Financial Assistance Program (price per program)	\$ _____
Large User Wastewater Agreements	\$ _____

**ADDITIONAL "AS NEEDED" AUDITING SERVICES**

Please describe the Proposer's basis for quoting fees for additional auditing services to be performed on an "as needed" basis such as for statement reviews, defeasance schedules for city issuance of debt, review of supplemental financial statements, etc.  
(Provide any rate schedules if applicable). **HOURLY RATES SHALL BE SUBMITTED AS PART OF YOUR RESPONSE.**

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**CITY OF FORT LAUDERDALE  
GENERAL CONDITIONS**

These instructions are standard for all contracts for commodities or services issued through the City of Fort Lauderdale Procurement Services Division. The City may delete, supersede, or modify any of these standard instructions for a particular contract by indicating such change in the Invitation to Bid (ITB) Special Conditions, Technical Specifications, Instructions, Proposal Pages, Addenda, and Legal Advertisement. In this general conditions document, Invitation to Bid (ITB) and Request for Proposal (RFP) are interchangeable.

**PART I BIDDER PROPOSAL PAGE(S) CONDITIONS:**

- 1.01 BIDDER ADDRESS:** The City maintains automated vendor address lists that have been generated for each specific Commodity Class item through our bid issuing service, BidSync. Notices of Invitations to Bid (ITB'S) are sent by e-mail to the selection of bidders who have fully registered with BidSync or faxed (if applicable) to every vendor on those lists, who may then view the bid documents online. Bidders who have been informed of a bid's availability in any other manner are responsible for registering with BidSync in order to view the bid documents. There is no fee for doing so. If you wish bid notifications be provided to another e-mail address or fax, please contact BidSync. If you wish purchase orders sent to a different address, please so indicate in your bid response. If you wish payments sent to a different address, please so indicate on your invoice.
- 1.02 DELIVERY:** Time will be of the essence for any orders placed as a result of this ITB. The City reserves the right to cancel any orders, or part thereof, without obligation if delivery is not made in accordance with the schedule specified by the Bidder and accepted by the City.
- 1.03 PACKING SLIPS:** It will be the responsibility of the awarded Contractor, to attach all packing slips to the OUTSIDE of each shipment. Packing slips must provide a detailed description of what is to be received and reference the City of Fort Lauderdale purchase order number that is associated with the shipment. Failure to provide a detailed packing slip attached to the outside of shipment may result in refusal of shipment at Contractor's expense.
- 1.04 PAYMENT TERMS AND CASH DISCOUNTS:** Payment terms, unless otherwise stated in this ITB, will be considered to be net 30 days after the date of satisfactory delivery at the place of acceptance and receipt of correct invoice at the office specified, whichever occurs last. Bidder may offer cash discounts for prompt payment but they will not be considered in determination of award. If a Bidder offers a discount, it is understood that the discount time will be computed from the date of satisfactory delivery, at the place of acceptance, and receipt of correct invoice, at the office specified, whichever occurs last.
- 1.05 TOTAL BID DISCOUNT:** If Bidder offers a discount for award of all items listed in the bid, such discount shall be deducted from the total of the firm net unit prices bid and shall be considered in tabulation and award of bid.
- 1.06 BIDS FIRM FOR ACCEPTANCE:** Bidder warrants, by virtue of bidding, that the bid and the prices quoted in the bid will be firm for acceptance by the City for a period of ninety (90) days from the date of bid opening unless otherwise stated in the ITB.
- 1.07 VARIANCES:** For purposes of bid evaluation, Bidder's must indicate any variances, no matter how slight, from ITB General Conditions, Special Conditions, Specifications or Addenda in the space provided in the ITB. No variations or exceptions by a Bidder will be considered or deemed a part of the bid submitted unless such variances or exceptions are listed in the bid and referenced in the space provided on the bidder proposal pages. If variances are not stated, or referenced as required, it will be assumed that the product or service fully complies with the City's terms, conditions, and specifications.

By receiving a bid, City does not necessarily accept any variances contained in the bid. All variances submitted are subject to review and approval by the City. If any bid contains material variances that, in the City's sole opinion, make that bid conditional in nature, the City reserves the right to reject the bid or part of the bid that is declared, by the City as conditional.

- 1.08 NO BIDS:** If you do not intend to bid please indicate the reason, such as insufficient time to respond, do not offer product or service, unable to meet specifications, schedule would not permit, or any other reason, in the space provided in this ITB. Failure to bid or return no bid comments prior to the bid due and opening date and time, indicated in this ITB, may result in your firm being deleted from our Bidder's registration list for the Commodity Class Item requested in this ITB.
- 1.09 MINORITY AND WOMEN BUSINESS ENTERPRISE PARTICIPATION AND BUSINESS DEFINITIONS:** The City of Fort Lauderdale wants to increase the participation of Minority Business Enterprises (MBE), Women Business Enterprises (WBE), and Small Business Enterprises (SBE) in its procurement activities. If your firm qualifies in accordance with the below definitions please indicate in the space provided in this ITB.

Minority Business Enterprise (MBE) "A Minority Business" is a business enterprise that is owned or controlled by one or more socially or economically disadvantaged persons. Such disadvantage may arise from cultural, racial, chronic economic circumstances or background or other similar cause. Such persons include, but are not limited to: Blacks, Hispanics, Asian Americans, and Native Americans.

The term "Minority Business Enterprise" means a business at least 51 percent of which is owned by minority group members or, in the case of a publicly owned business, at least 51 percent of the stock of which is owned by minority group members. For the purpose of the preceding sentence, minority group members are citizens of the United States who include, but are not limited to: Blacks, Hispanics, Asian Americans, and Native Americans.

Women Business Enterprise (WBE) a "Women Owned or Controlled Business" is a business enterprise at least 51 percent of which is owned by females or, in the case of a publicly owned business, at least 51 percent of the stock of which is owned by females.

Small Business Enterprise (SBE) "Small Business" means a corporation, partnership, sole proprietorship, or other legal entity formed for the purpose of making a profit, which is independently owned and operated, has either fewer than 100 employees or less than \$1,000,000 in annual gross receipts.

BLACK, which includes persons having origins in any of the Black racial groups of Africa.

WHITE, which includes persons whose origins are Anglo-Saxon and Europeans and persons of Indo-European decent including Pakistani and East Indian.

HISPANIC, which includes persons of Mexican, Puerto Rican, Cuban, Central and South American, or other Spanish culture or origin, regardless of race.

NATIVE AMERICAN, which includes persons whose origins are American Indians, Eskimos, Aleuts, or Native Hawaiians.

ASIAN AMERICAN, which includes persons having origin in any of the original peoples of the Far East, Southeast Asia, the Indian subcontinent, or the Pacific Islands.

#### 1.10 MINORITY-WOMEN BUSINESS ENTERPRISE PARTICIPATION

It is the desire of the City of Fort Lauderdale to increase the participation of minority (MBE) and women-owned (WBE) businesses in its contracting and procurement programs. While the City does not have any preference or set aside programs in place, it is committed to a policy of equitable participation for these firms. Proposers are requested to include in their proposals a narrative describing their past accomplishments and intended actions in this area. If proposers are considering minority or women owned enterprise participation in their proposal, those firms, and their specific duties have to be identified in the proposal. If a proposer is considered for award, he or she will be asked to meet with City staff so that the intended MBE/WBE participation can be formalized and included in the subsequent contract.

#### 1.11 SCRUTINIZED COMPANIES

This Section applies to any contract for goods or services of \$1 million or more:

The Contractor certifies that it is not on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List as provided in section 287.135, Florida Statutes (2011), as may be amended or revised. The City may terminate this Contract at the City's option if the Contractor is found to have submitted a false certification as provided under subsection (5) of section 287.135, Florida Statutes (2011), as may be amended or revised, or been placed on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List.

#### 1.12 DEBARRED OR SUSPENDED BIDDERS OR PROPOSERS

The bidder or proposer certifies, by submission of a response to this solicitation, that neither it nor its principals are presently debarred or suspended by any Federal department or agency.

### Part II DEFINITIONS/ORDER OF PRECEDENCE:

#### 2.01 BIDDING DEFINITIONS

The City will use the following definitions in it's general conditions, special conditions, technical specifications, instructions to bidders, addenda and any other document used in the bidding process:

INVITATION TO BID (ITB) when the City is requesting bids from qualified Bidders.

REQUEST FOR PROPOSALS (RFP) when the City is requesting proposals from qualified Proposers.

BID – a price and terms quote received in response to an ITB.

PROPOSAL – a proposal received in response to an RFP.

BIDDER – Person or firm submitting a Bid.

PROPOSER – Person or firm submitting a Proposal.

RESPONSIVE BIDDER – A person whose bid conforms in all material respects to the terms and conditions included in the ITB.

RESPONSIBLE BIDDER – A person who has the capability in all respects to perform in full the contract requirements, as stated in the ITB, and the integrity and reliability that will assure good faith performance.

FIRST RANKED PROPOSER – That Proposer, responding to a City RFP, whose Proposal is deemed by the City, the most advantageous to the City after applying the evaluation criteria contained in the RFP.

SELLER – Successful Bidder or Proposer who is awarded a Purchase Order or Contract to provide goods or services to the City.

CONTRACTOR – Successful Bidder or Proposer who is awarded a Purchase Order, award Contract, Blanket Purchase Order agreement, or Term Contract to provide goods or services to the City.

CONTRACT – A deliberate verbal or written agreement between two or more competent parties to perform or not to perform a certain act or acts, including all types of agreements, regardless of what they may be called, for the procurement or disposal of equipment, materials, supplies, services or construction.

CONSULTANT – Successful Bidder or Proposer who is awarded a contract to provide professional services to the City.

The following terms may be used interchangeably by the City: ITB and/or RFP; Bid or Proposal; Bidder, Proposer, or Seller; Contractor or Consultant; Contract, Award, Agreement or Purchase Order.

#### 2.02 SPECIAL CONDITIONS:

Any and all Special Conditions contained in this ITB that may be in variance or conflict with these General Conditions shall have precedence over these General Conditions. If no changes or deletions to General Conditions are made in the Special Conditions, then the General Conditions shall prevail in their entirety,

### PART III BIDDING AND AWARD PROCEDURES:

#### 3.01 SUBMISSION AND RECEIPT OF BIDS:

To receive consideration, bids must be received prior to the bid opening date and time. Unless otherwise specified, Bidder's should use the proposal forms provided by the City. These forms may be duplicated, but failure to use the forms may cause the bid to be rejected. Any erasures or corrections on the bid must be made in ink and initialed by Bidder in ink. All information submitted by the Bidder shall be printed, typewritten or filled in with pen and ink. Bids shall be signed in ink. Separate bids must be submitted for each ITB issued by the City in separate sealed envelopes properly marked. When a particular ITB or RFP requires multiple copies of bids or proposals they may be included in a single envelope or package properly sealed and identified. Only send bids via facsimile transmission (FAX) if the ITB specifically states that bids sent via FAX will be considered. If such a statement is not included in the ITB, bids sent via FAX will be rejected. Bids will be publicly opened in the Procurement Office, or other designated area, in the presence of Bidders, the public, and City staff. Bidders and the public are invited and encouraged to attend bid openings. Bids will be tabulated and made available for review by Bidder's and the public in accordance with applicable regulations.

#### 3.02 MODEL NUMBER CORRECTIONS:

If the model number for the make specified in this ITB is incorrect, or no longer available and replaced with an updated model with new specifications, the Bidder shall enter the correct model number on the bidder proposal page. In the case of an updated model with new specifications, Bidder shall provide adequate information to allow the City to determine if the model bid meets the City's requirements.

- 3.03 PRICES QUOTED:** Deduct trade discounts, and quote firm net prices. Give both unit price and extended total. In the case of a discrepancy in computing the amount of the bid, the unit price quoted will govern. All prices quoted shall be F.O.B. destination, freight prepaid (Bidder pays and bears freight charges, Bidder owns goods in transit and files any claims), unless otherwise stated in Special Conditions. Each item must be bid separately. No attempt shall be made to tie any item or items contained in the ITB with any other business with the City.
- 3.04 TAXES:** The City of Fort Lauderdale is exempt from Federal Excise and Florida Sales taxes on direct purchase of tangible property. Exemption number for EIN is 59-6000319, and State Sales tax exemption number is 85-8013875678C-1.
- 3.05 WARRANTIES OF USAGE:** Any quantities listed in this ITB as estimated or projected are provided for tabulation and information purposes only. No warranty or guarantee of quantities is given or implied. It is understood that the Contractor will furnish the City's needs as they arise.
- 3.06 APPROVED EQUAL:** When the technical specifications call for a brand name, manufacturer, make, model, or vendor catalog number with acceptance of APPROVED EQUAL, it shall be for the purpose of establishing a level of quality and features desired and acceptable to the City. In such cases, the City will be receptive to any unit that would be considered by qualified City personnel as an approved equal. In that the specified make and model represent a level of quality and features desired by the City, the Bidder must state clearly in the bid any variance from those specifications. It is the Bidder's responsibility to provide adequate information, in the bid, to enable the City to ensure that the bid meets the required criteria. If adequate information is not submitted with the bid, it may be rejected. The City will be the sole judge in determining if the item bid qualifies as an approved equal.
- 3.07 MINIMUM AND MANDATORY TECHNICAL SPECIFICATIONS:** The technical specifications may include items that are considered minimum, mandatory, or required. If any Bidder is unable to meet or exceed these items, and feels that the technical specifications are overly restrictive, the bidder must notify the Procurement Services Division immediately. Such notification must be received by the Procurement Services Division prior to the deadline contained in the ITB, for questions of a material nature, or prior to five (5) days before bid due and open date, whichever occurs first. If no such notification is received prior to that deadline, the City will consider the technical specifications to be acceptable to all bidders.
- 3.08 MISTAKES:** Bidders are cautioned to examine all terms, conditions, specifications, drawings, exhibits, addenda, delivery instructions and special conditions pertaining to the ITB. Failure of the Bidder to examine all pertinent documents shall not entitle the bidder to any relief from the conditions imposed in the contract.
- 3.09 SAMPLES AND DEMONSTRATIONS:** Samples or inspection of product may be requested to determine suitability. Unless otherwise specified in Special Conditions, samples shall be requested after the date of bid opening, and if requested should be received by the City within seven (7) working days of request. Samples, when requested, must be furnished free of expense to the City and if not used in testing or destroyed, will upon request of the Bidder, be returned within thirty (30) days of bid award at Bidder's expense. When required, the City may request full demonstrations of units prior to award. When such demonstrations are requested, the Bidder shall respond promptly and arrange a demonstration at a convenient location. Failure to provide samples or demonstrations as specified by the City may result in rejection of a bid.
- 3.10 LIFE CYCLE COSTING:** If so specified in the ITB, the City may elect to evaluate equipment proposed on the basis of total cost of ownership. In using Life Cycle Costing, factors such as the following may be considered: estimated useful life, maintenance costs, cost of supplies, labor intensity, energy usage, environmental impact, and residual value. The City reserves the right to use those or other applicable criteria, in its sole opinion that will most accurately estimate total cost of use and ownership.
- 3.11 BIDDING ITEMS WITH RECYCLED CONTENT:** In addressing environmental concerns, the City of Fort Lauderdale encourages Bidders to submit bids or alternate bids containing items with recycled content. When submitting bids containing items with recycled content, Bidder shall provide documentation adequate for the City to verify the recycled content. The City prefers packaging consisting of materials that are degradable or able to be recycled. When specifically stated in the ITB, the City may give preference to bids containing items manufactured with recycled material or packaging that is able to be recycled.
- 3.12 USE OF OTHER GOVERNMENTAL CONTRACTS:** The City reserves the right to reject any part or all of any bids received and utilize other available governmental contracts, if such action is in its best interest.
- 3.13 QUALIFICATIONS/INSPECTION:** Bids will only be considered from firms normally engaged in providing the types of commodities/services specified herein. The City reserves the right to inspect the Bidder's facilities, equipment, personnel, and organization at any time, or to take any other action necessary to determine Bidder's ability to perform. The Procurement Director reserves the right to reject bids where evidence or evaluation is determined to indicate inability to perform.
- 3.14 BID SURETY:** If Special Conditions require a bid security, it shall be submitted in the amount stated. A bid security can be in the form of a bid bond or cashiers check. Bid security will be returned to the unsuccessful bidders as soon as practicable after opening of bids. Bid security will be returned to the successful bidder after acceptance of the performance bond, if required; acceptance of insurance coverage, if required; and full execution of contract documents, if required; or conditions as stated in Special Conditions.
- 3.15 PUBLIC RECORDS/TRADE SECRETS/COPYRIGHT:** The Proposer's response to the RFP is a public record pursuant to Florida law, which is subject to disclosure by the City under the State of Florida Public Records Law, Florida Statutes Chapter 119.07 ("Public Records Law"). The City shall permit public access to all documents, papers, letters or other material submitted in connection with this RFP and the Contract to be executed for this RFP, subject to the provisions of Chapter 119.07 of the Florida Statutes.

Any language contained in the Proposer's response to the RFP purporting to require confidentiality of any portion of the Proposer's response to the RFP, except to the extent that certain information is in the City's opinion a Trade Secret pursuant to Florida law, shall be void. If a Proposer submits any documents or other information to the City which the Proposer claims is Trade Secret information and exempt from Florida Statutes Chapter 119.07 ("Public Records Laws"), the Proposer shall clearly designate that it is a Trade Secret and that it is asserting that the document or information is exempt. The Proposer must specifically identify the exemption being claimed under Florida Statutes 119.07. The City shall be the final arbiter of whether any information contained in the Proposer's response to the RFP constitutes a Trade Secret. The city's determination of whether an exemption applies shall be final, and the proposer agrees to defend, indemnify, and hold harmless the city and the city's officers, employees, and agent, against any loss or damages incurred by any person or entity as a result of the city's treatment of records as public records. Proposals purporting to be subject to copyright protection in full or in part will be rejected.

EXCEPT FOR CLEARLY MARKED PORTIONS THAT ARE BONA FIDE TRADE SECRETS PURSUANT TO FLORIDA LAW, DO NOT MARK YOUR RESPONSE TO THE RFP AS PROPRIETARY OR CONFIDENTIAL. DO NOT MARK YOUR RESPONSE TO THE RFP OR ANY PART THEREOF AS COPYRIGHTED.

- 3.16 PROHIBITION OF INTEREST:** No contract will be awarded to a bidding firm who has City elected officials, officers or employees affiliated with it, unless the bidding firm has fully complied with current Florida State Statutes and City Ordinances relating to this issue. Bidders must disclose any such affiliation. Failure to disclose any such affiliation will result in disqualification of the Bidder and removal of the Bidder from the City's bidder lists and prohibition from engaging in any business with the City.
- 3.17 RESERVATIONS FOR AWARD AND REJECTION OF BIDS:** The City reserves the right to accept or reject any or all bids, part of bids, and to waive minor irregularities or variations to specifications contained in bids, and minor irregularities in the bidding process. The City also reserves the right to award the contract on a split order basis, lump sum basis, individual item basis, or such combination as shall best serve the interest of the City. The City reserves the right to make an award to the responsive and responsible bidder whose product or service meets the terms, conditions, and specifications of the ITB and whose bid is considered to best serve the City's interest. In determining the responsiveness of the offer and the responsibility of the Bidder, the following shall be considered when applicable: the ability, capacity and skill of the Bidder to perform as required; whether the Bidder can perform promptly, or within the time specified, without delay or interference; the character, integrity, reputation, judgment, experience and efficiency of the Bidder; the quality of past performance by the Bidder; the previous and existing compliance by the Bidder with related laws and ordinances; the sufficiency of the Bidder's financial resources; the availability, quality and adaptability of the Bidder's supplies or services to the required use; the ability of the Bidder to provide future maintenance, service or parts; the number and scope of conditions attached to the bid.

If the ITB provides for a contract trial period, the City reserves the right, in the event the selected bidder does not perform satisfactorily, to award a trial period to the next ranked bidder or to award a contract to the next ranked bidder, if that bidder has successfully provided services to the City in the past. This procedure to continue until a bidder is selected or the contract is re-bid, at the sole option of the City.

- 3.18 LEGAL REQUIREMENTS:** Applicable provisions of all federal, state, county laws, and local ordinances, rules and regulations, shall govern development, submittal and evaluation of all bids received in response hereto and shall govern any and all claims and disputes which may arise between person(s) submitting a bid response hereto and the City by and through its officers, employees and authorized representatives, or any other person, natural or otherwise; and lack of knowledge by any bidder shall not constitute a cognizable defense against the legal effect thereof.
- 3.19 BID PROTEST PROCEDURE:** ANY PROPOSER OR BIDDER WHO IS NOT RECOMMENDED FOR AWARD OF A CONTRACT AND WHO ALLEGES A FAILURE BY THE CITY TO FOLLOW THE CITY'S PROCUREMENT ORDINANCE OR ANY APPLICABLE LAW MAY PROTEST TO THE DIRECTOR OF PROCUREMENT SERVICES DIVISION (DIRECTOR), BY DELIVERING A LETTER OF PROTEST TO THE DIRECTOR WITHIN FIVE (5) DAYS AFTER A NOTICE OF INTENT TO AWARD IS POSTED ON THE CITY'S WEB SITE AT THE FOLLOWING LINK: [http://www.fortlauderdale.gov/purchasing/notices\\_of\\_intent.htm](http://www.fortlauderdale.gov/purchasing/notices_of_intent.htm)

THE COMPLETE PROTEST ORDINANCE MAY BE FOUND ON THE CITY'S WEB SITE AT THE FOLLOWING LINK: <http://www.fortlauderdale.gov/purchasing/protestordinance.pdf>

#### **PART IV BONDS AND INSURANCE**

- 4.01 PERFORMANCE BOND:** If a performance bond is required in Special Conditions, the Contractor shall within fifteen (15) working days after notification of award, furnish to the City a Performance Bond, payable to the City of Fort Lauderdale, Florida, in the face amount specified in Special Conditions as surety for faithful performance under the terms and conditions of the contract. If the bond is on an annual coverage basis, renewal for each succeeding year shall be submitted to the City thirty (30) days prior to the termination date of the existing Performance Bond. The Performance Bond must be executed by a surety company of recognized standing, authorized to do business in the State of Florida and having a resident agent.

Acknowledgement and agreement is given by both parties that the amount herein set for the Performance Bond is not intended to be nor shall be deemed to be in the nature of liquidated damages nor is it intended to limit the liability of the Contractor to the City in the event of a material breach of this Agreement by the Contractor.

- 4.02 INSURANCE:** If the Contractor is required to go on to City property to perform work or services as a result of ITB award, the Contractor shall assume full responsibility and expense to obtain all necessary insurance as required by City or specified in Special Conditions.

The Contractor shall provide to the Procurement Services Division original certificates of coverage and receive notification of approval of those certificates by the City's Risk Manager prior to engaging in any activities under this contract. The Contractor's insurance is subject to the approval of the City's Risk Manager. The certificates must list the City as an ADDITIONAL INSURED for General Liability Insurance, and shall have no less than thirty (30) days written notice of cancellation or material change. Further modification of the insurance requirements may be made at the sole discretion of the City's Risk Manager if circumstances change or adequate protection of the City is not presented. Bidder, by submitting the bid, agrees to abide by such modifications.

#### **PART V PURCHASE ORDER AND CONTRACT TERMS:**

- 5.01 COMPLIANCE TO SPECIFICATIONS, LATE DELIVERIES/PENALTIES:** Items offered may be tested for compliance to bid specifications. Items delivered which do not conform to bid specifications may be rejected and returned at Contractor's expense. Any violation resulting in contract termination for cause or delivery of items not conforming to specifications, or late delivery may also result in:
- Bidders name being removed from the City's bidder's mailing list for a specified period and Bidder will not be recommended for any award during that period.
  - All City Departments being advised to refrain from doing business with the Bidder.
  - All other remedies in law or equity.

- 5.02 ACCEPTANCE, CONDITION, AND PACKAGING:** The material delivered in response to ITB award shall remain the property of the Seller until a physical inspection is made and the material accepted to the satisfaction of the City. The material must comply fully with the terms of

the ITB, be of the required quality, new, and the latest model. All containers shall be suitable for storage and shipment by common carrier, and all prices shall include standard commercial packaging. The City will not accept substitutes of any kind. Any substitutes or material not meeting specifications will be returned at the Bidder's expense. Payment will be made only after City receipt and acceptance of materials or services.

- 5.03 SAFETY STANDARDS:** All manufactured items and fabricated assemblies shall comply with applicable requirements of the Occupation Safety and Health Act of 1970 as amended, and be in compliance with Chapter 442, Florida Statutes. Any toxic substance listed in Section 38F-41.03 of the Florida Administrative Code delivered as a result of this order must be accompanied by a completed Material Safety Data Sheet (MSDS).
- 5.04 ASBESTOS STATEMENT:** All material supplied must be 100% asbestos free. Bidder, by virtue of bidding, certifies that if awarded any portion of the ITB the bidder will supply only material or equipment that is 100% asbestos free.
- 5.05 OTHER GOVERNMENTAL ENTITIES:** If the Bidder is awarded a contract as a result of this ITB, the bidder may, if the bidder has sufficient capacity or quantities available, provide to other governmental agencies, so requesting, the products or services awarded in accordance with the terms and conditions of the ITB and resulting contract. Prices shall be F.O.B. delivered to the requesting agency.
- 5.06 VERBAL INSTRUCTIONS PROCEDURE:** No negotiations, decisions, or actions shall be initiated or executed by the Contractor as a result of any discussions with any City employee. Only those communications which are in writing from an authorized City representative may be considered. Only written communications from Contractors, which are assigned by a person designated as authorized to bind the Contractor, will be recognized by the City as duly authorized expressions on behalf of Contractors.
- 5.07 INDEPENDENT CONTRACTOR:** The Contractor is an independent contractor under this Agreement. Personal services provided by the Proposer shall be by employees of the Contractor and subject to supervision by the Contractor, and not as officers, employees, or agents of the City. Personnel policies, tax responsibilities, social security, health insurance, employee benefits, procurement policies unless otherwise stated in this ITB, and other similar administrative procedures applicable to services rendered under this contract shall be those of the Contractor.
- 5.08 INDEMNITY/HOLD HARMLESS AGREEMENT:** The Contractor agrees to protect, defend, indemnify, and hold harmless the City of Fort Lauderdale and its officers, employees and agents from and against any and all losses, penalties, damages, settlements, claims, costs, charges for other expenses, or liabilities of every and any kind including attorneys fees, in connection with or arising directly or indirectly out of the work agreed to or performed by Contractor under the terms of any agreement that may arise due to the bidding process. Without limiting the foregoing, any and all such claims, suits, or other actions relating to personal injury, death, damage to property, defects in materials or workmanship, actual or alleged violations of any applicable Statute, ordinance, administrative order, rule or regulation, or decree of any court shall be included in the indemnity hereunder.
- 5.09 TERMINATION FOR CAUSE:** If, through any cause, the Contractor shall fail to fulfill in a timely and proper manner its obligations under this Agreement, or if the Contractor shall violate any of the provisions of this Agreement, the City may upon written notice to the Contractor terminate the right of the Contractor to proceed under this Agreement, or with such part or parts of the Agreement as to which there has been default, and may hold the Contractor liable for any damages caused to the City by reason of such default and termination. In the event of such termination, any completed services performed by the Contractor under this Agreement shall, at the option of the City, become the City's property and the Contractor shall be entitled to receive equitable compensation for any work completed to the satisfaction of the City. The Contractor, however, shall not be relieved of liability to the City for damages sustained by the City by reason of any breach of the Agreement by the Contractor, and the City may withhold any payments to the Contractor for the purpose of setoff until such time as the amount of damages due to the City from the Contractor can be determined.
- 5.10 TERMINATION FOR CONVENIENCE:** The City reserves the right, in its best interest as determined by the City, to cancel contract by giving written notice to the Contractor thirty (30) days prior to the effective date of such cancellation.
- 5.11 CANCELLATION FOR UNAPPROPRIATED FUNDS:** The obligation of the City for payment to a Contractor is limited to the availability of funds appropriated in a current fiscal period, and continuation of the contract into a subsequent fiscal period is subject to appropriation of funds, unless otherwise authorized by law.
- 5.12 RECORDS/AUDIT:** The Contractor shall maintain during the term of the contract all books of account, reports and records in accordance with generally accepted accounting practices and standards for records directly related to this contract. The Contractor agrees to make available to the City's Internal Auditor, during normal business hours and in Broward, Miami-Dade or Palm Beach Counties, all books of account, reports and records relating to this contract should be retained for the duration of the contract and for three years after the final payment under this Agreement, or until all pending audits, investigations or litigation matters relating to the contract are closed, whichever is later.
- 5.13 PERMITS, TAXES, LICENSES:** The successful Contractor shall, at their own expense, obtain all necessary permits, pay all licenses, fees and taxes, required to comply with all local ordinances, state and federal laws, rules and regulations applicable to business to be carried out under this contract.
- 5.14 LAWS/ORDINANCES:** The Contractor shall observe and comply with all Federal, state, local and municipal laws, ordinances rules and regulations that would apply to this contract.
- 5.15 NON-DISCRIMINATION:** There shall be no discrimination as to race, sex, color, creed, age or national origin in the operations conducted under this contract.
- 5.16 UNUSUAL CIRCUMSTANCES:** If during a contract term where costs to the City are to remain firm or adjustments are restricted by a percentage or CPI cap, unusual circumstances that could not have been foreseen by either party of the contract occur, and those circumstances significantly affect the Contractor's cost in providing the required prior items or services, then the Contractor may request adjustments to the costs to the City to reflect the changed circumstances. The circumstances must be beyond the control of the Contractor, and the requested adjustments must be fully documented. The City may, after examination, refuse to accept the adjusted costs if they are not properly documented, increases are considered to be excessive, or decreases are considered to be insufficient. In the event the City does not wish to accept the adjusted costs and the matter cannot be resolved to the satisfaction of the City, the City will reserve the following options:

1. The contract can be canceled by the City upon giving thirty (30) days written notice to the Contractor with no penalty to the City or Contractor. The Contractor shall fill all City requirements submitted to the Contractor until the termination date contained in the notice.
2. The City requires the Contractor to continue to provide the items and services at the firm fixed (non-adjusted) cost until the termination of the contract term then in effect.
3. If the City, in its interest and in its sole opinion, determines that the Contractor in a capricious manner attempted to use this section of the contract to relieve themselves of a legitimate obligation under the contract, and no unusual circumstances had occurred, the City reserves the right to take any and all action under law or equity. Such action shall include, but not be limited to, declaring the Contractor in default and disqualifying him for receiving any business from the City for a stated period of time.

If the City does agree to adjusted costs, these adjusted costs shall not be invoiced to the City until the Contractor receives notice in writing signed by a person authorized to bind the City in such matters.

- 5.17 ELIGIBILITY:** If applicable, the Contractor must first register with the Department of State of the State of Florida, in accordance with Florida State Statutes, prior to entering into a contract with the City.
- 5.18 PATENTS AND ROYALTIES:** The Contractor, without exception, shall indemnify and save harmless the City and its employees from liability of any nature and kind, including cost and expenses for or on account of any copyrighted, patented or un-patented invention, process, or article manufactured or used in the performance of the contract, including its use by the City. If the Contractor uses any design, device, or materials covered by letters, patent or copyright, it is mutually agreed and understood without exception that the bid prices shall include all royalties or costs arising from the use of such design, device, or materials in any way involved in the work.
- 5.19 ASSIGNMENT:** Contractor shall not transfer or assign the performance required by this ITB without the prior written consent of the City. Any award issued pursuant to this ITB, and the monies, which may become due hereunder, are not assignable except with the prior written approval of the City Commission or the City Manager or City Manager's designee, depending on original award approval.
- 5.20 LITIGATION VENUE:** The parties waive the privilege of venue and agree that all litigation between them in the state courts shall take place in Broward County, Florida and that all litigation between them in the federal courts shall take place in the Southern District in and for the State of Florida.

**SAMPLE**

**ATTACHMENT A**

**AGREEMENT FOR  
(TITLE)**

**THIS AGREEMENT**, made this \_\_\_\_ day of \_\_\_\_\_ 2011, by and between the City of Fort Lauderdale, a Florida municipality, ("City"), whose address is 100 North Andrews Avenue, Fort Lauderdale, FL 33301-1016, and \_\_\_\_\_, a \_\_\_\_\_ corporation authorized to transact business in the State of Florida, ("Contractor" or "Company"), whose address and phone number are \_\_\_\_\_, for the term specified herein,

NOW THEREFORE, for and in consideration of the mutual promises and covenants set forth herein and other good and valuable consideration, the City and the Contractor covenant and agree as follows:

**WITNESSETH:**

**I. DOCUMENTS**

The following documents (collectively "Contract Documents") are hereby incorporated into and made part of this Agreement:

- (1) Request for Proposal/Invitation to Bid xxx-xxxxx, XXXXXXXXXXXXXXXXXXXX, including any and all addenda, prepared by the City of Fort Lauderdale, ("RFP"/"ITB") ( or "Exhibit A").
- (2) Response to the RFP/ITB, dated \_\_\_\_\_ ("Exhibit B").

All Contract Documents may also be collectively referred to as the "Documents." In the event of any conflict between or among the Documents or any ambiguity or missing specifications or instruction, the following priority is established:

- A. First, specific direction from the City Manager (or designee)
- B. Second, this Agreement dated \_\_\_\_\_, 2011, and any attachments.
- C. Third, Exhibit A
- D. Fourth, Exhibit B

**II. SCOPE**

The Contractor shall perform the Work under the general direction of the City as set forth in the Contract Documents.

Unless otherwise specified herein, the Contractor shall perform all Work identified in this Agreement. The parties agree that the scope of services is a description of Contractor's obligations and responsibilities, and is deemed to include preliminary considerations and prerequisites, and all labor, materials, equipment, and tasks which are such an inseparable part of

the work described that exclusion would render performance by Contractor impractical, illogical, or unconscionable.

Contractor acknowledges and agrees that the City's Contract Administrator has no authority to make changes that would increase, decrease, or otherwise modify the Scope of Services to be provided under this Agreement.

By signing this Agreement, the Contractor represents that it thoroughly reviewed the documents incorporated into this Agreement by reference and that it accepts the description of the Work and the conditions under which the Work is to be performed.

### **III. TERM OF AGREEMENT**

The initial contract period shall commence on "DATE" and shall end on "DATE". Performance under this Agreement shall commence no later than \_\_\_\_\_, 2011. In the event the term of this Agreement extends beyond the end of any fiscal year of City, to wit, September 30, the continuation of this Agreement beyond the end of such fiscal year shall be subject to both the appropriation and the availability of funds.

### **IV. COMPENSATION**

The Contractor agrees to provide the services and/or materials as specified in the Contract Documents at the cost specified in Exhibit B. It is acknowledged and agreed by Contractor that this amount is the maximum payable and constitutes a limitation upon City's obligation to compensate Contractor for Contractor's services related to this Agreement. This maximum amount, however, does not constitute a limitation of any sort upon Contractor's obligation to perform all items of work required by or which can be reasonably inferred from the Scope of Services. Except as otherwise provided in the solicitation, no amount shall be paid to Contractor to reimburse Contractor's expenses.

### **V. METHOD OF BILLING AND PAYMENT**

Contractor may submit invoices for compensation no more often than monthly, but only after the services for which the invoices are submitted have been completed. An original invoice plus one copy are due within fifteen (15) days of the end of the month except the final invoice which must be received no later than sixty (60) days after this Agreement expires. Invoices shall designate the nature of the services performed and/or the goods provided.

City shall pay Contractor within forty-five (45) days of receipt of Contractor's proper invoice, as provided in the Florida Local Government Prompt Payment Act.

To be deemed proper, all invoices must comply with the requirements set forth in this Agreement and must be submitted on the form and pursuant to instructions prescribed by the City's Contract Administrator. Payment may be withheld for failure of Contractor to comply with a term, condition, or requirement of this Agreement.

Notwithstanding any provision of this Agreement to the contrary, City may withhold, in whole or in part, payment to the extent necessary to protect itself from loss on account of inadequate or defective work that has not been remedied or resolved in a manner satisfactory to the City's Contract Administrator or failure to comply with this Agreement. The amount withheld shall not be subject to payment of interest by City.

## VI. GENERAL CONDITIONS

### A. Indemnification

Contractor shall protect and defend at Contractor's expense, counsel being subject to the City's approval, and indemnify and hold harmless the City and the City's officers, employees, volunteers, and agents from and against any and all losses, penalties, fines, damages, settlements, judgments, claims, costs, charges, expenses, or liabilities, including any award of attorney fees and any award of costs, in connection with or arising directly or indirectly out of any act or omission by the Contractor or by any officer, employee, agent, invitee, subcontractor, or sublicensee of the Contractor. The provisions and obligations of this section shall survive the expiration or earlier termination of this Agreement. To the extent considered necessary by the City Manager, any sums due Contractor under this Agreement may be retained by City until all of City's claims for indemnification pursuant to this Agreement have been settled or otherwise resolved, and any amount withheld shall not be subject to payment of interest by City.

### B. Intellectual Property

Contractor shall protect and defend at Contractor's expense, counsel being subject to the City's approval, and indemnify and hold harmless the City from and against any and all losses, penalties, fines, damages, settlements, judgments, claims, costs, charges, royalties, expenses, or liabilities, including any award of attorney fees and any award of costs, in connection with or arising directly or indirectly out of any infringement or allegation of infringement of any patent, copyright, or other intellectual property right in connection with the Contractor's or the City's use of any copyrighted, patented or un-patented invention, process, article, material, or device that is manufactured, provided, or used pursuant to this Agreement. If the Contractor uses any design, device, or materials covered by letters, patent or copyright, it is mutually agreed and understood without exception that the bid prices shall include all royalties or costs arising from the use of such design, device, or materials in any way involved in the work.

### C. Termination for Cause

The aggrieved party may terminate this Agreement for cause if the party in breach has not corrected the breach within ten (10) days after written notice from the aggrieved party identifying the breach. The City Manager may also terminate this Agreement upon such notice as the City Manager deems appropriate under the circumstances in the event the City Manager determines that termination is necessary to protect the public health or safety. The parties agree that if the City erroneously, improperly or unjustifiably terminates for cause, such termination shall be deemed a termination for convenience, which shall be effective thirty (30) days after such notice of termination for cause is provided.

This Agreement may be terminated for cause for reasons including, but not limited to, Contractor's repeated (whether negligent or intentional) submission for payment of false or incorrect bills or invoices, failure to perform the Work to the City's satisfaction; or failure to continuously perform the work in a manner calculated to meet or accomplish the objectives as set forth in this Agreement.

**D. Termination for Convenience**

The City reserves the right, in its best interest as determined by the City, to cancel this contract for convenience by giving written notice to the Contractor at least thirty (30) days prior to the effective date of such cancellation. In the event this Agreement is terminated for convenience, Contractor shall be paid for any services performed to the City's satisfaction pursuant to the Agreement through the termination date specified in the written notice of termination. Contractor acknowledges and agrees that he/she/it has received good, valuable and sufficient consideration from City, the receipt and adequacy of which are hereby acknowledged by Contractor, for City's right to terminate this Agreement for convenience.

**E. Cancellation for Unappropriated Funds**

The City reserves the right, in its best interest as determined by the City, to cancel this contract for unappropriated funds or unavailability of funds by giving written notice to the Contractor at least thirty (30) days prior to the effective date of such cancellation. The obligation of the City for payment to a Contractor is limited to the availability of funds appropriated in a current fiscal period, and continuation of the contract into a subsequent fiscal period is subject to appropriation of funds, unless otherwise provided by law.

**F. Insurance**

The Contractor shall furnish proof of insurance requirements as indicated below. The coverage is to remain in force at all times during the contract period. The following minimum insurance coverage is required. The commercial general liability insurance policy shall name the City of Fort Lauderdale, a Florida municipality, as an "additional insured." This MUST be written in the description section of the insurance certificate, even if there is a check-off box on the insurance certificate. Any costs for adding the City as "additional insured" shall be at the Contractor's expense.

The City of Fort Lauderdale shall be given notice 10 days prior to cancellation or modification of any required insurance. The insurance provided shall be endorsed or amended to comply with this notice requirement. In the event that the insurer is unable to accommodate, it shall be the responsibility of the Contractor to provide the proper notice. Such notification will be in writing by registered mail, return receipt requested and addressed to the Procurement Services Division.

The Contractor's insurance must be provided by an A.M. Best's "A-" rated or better insurance company authorized to issue insurance policies in the State of Florida, subject to approval by the City's Risk Manager. Any exclusions or provisions in the insurance maintained by the contractor that excludes coverage for work contemplated in this solicitation shall be deemed unacceptable, and shall be considered breach of contract.

**Workers' Compensation and Employers' Liability Insurance**

Limits: Workers' Compensation – Per Chapter 440, Florida Statutes  
Employers' Liability - \$500,000

Any firm performing work for or on behalf of the City of Fort Lauderdale must provide Workers' Compensation insurance. Exceptions and exemptions can only be made, by the City's Risk Manager, if they are in accordance with Florida Statutes.

### **Commercial General Liability Insurance**

Covering premises-operations, products-completed operations, independent contractors and contractual liability.

Limits: Combined single limit bodily injury/property damage \$1,000,000.

This coverage must include, but not limited to:

- a. Coverage for the liability assumed by the contractor under the indemnity provision of the contract.
- b. Coverage for Premises/Operations
- c. Products/Completed Operations
- d. Broad Form Contractual Liability
- e. Independent Contractors

### **Automobile Liability Insurance**

Covering all owned, hired and non-owned automobile equipment.

Limits: Bodily injury	\$250,000 each person, \$500,000 each occurrence
Property damage	\$100,000 each occurrence

### **Professional Liability (Errors & Omissions) – "IF REQUIRED IN BID SPECS"**

#### Consultants

Limits: \$2,000,000 per occurrence

Certificate holder should be addressed as follows:

City of Fort Lauderdale  
Procurement Services Division  
100 N. Andrews Avenue, Room 619  
Fort Lauderdale, FL 33301

### **G. Environmental, Health and Safety**

Contractor shall place the highest priority on health and safety and shall maintain a safe working environment during performance of the Work. Contractor shall comply, and shall secure compliance by its employees, agents, and subcontractors, with all applicable environmental, health, safety and security laws and regulations, and performance conditions in this Agreement. Compliance with such requirements shall represent the minimum standard required of Contractor. Contractor shall be responsible for examining all requirements and determine whether additional or more stringent environmental, health, safety and security provisions are required for the Work. Contractor agrees to

utilize protective devices as required by applicable laws, regulations, and any industry or Contractor's health and safety plans and regulations, and to pay the costs and expenses thereof, and warrants that all such persons shall be fit and qualified to carry out the Work.

#### **H. Standard of Care**

Contractor represents that he/she/it is qualified to perform the Work, that Contractor and his/her/its subcontractors possess current, valid state and/or local licenses to perform the Work, and that their services shall be performed in a manner consistent with that level of care and skill ordinarily exercised by other qualified contractors under similar circumstances.

#### **I. Rights in Documents and Work**

Any and all reports, photographs, surveys, and other data and documents provided or created in connection with this Agreement are and shall remain the property of City; and Contractor disclaims any copyright in such materials. In the event of and upon termination of this Agreement, any reports, photographs, surveys, and other data and documents prepared by Contractor, whether finished or unfinished, shall become the property of City and shall be delivered by Contractor to the City's Contract Administrator within seven (7) days of termination of this Agreement by either party. Any compensation due to Contractor shall be withheld until Contractor delivers all documents to the City as provided herein.

#### **J. Audit Right and Retention of Records**

City shall have the right to audit the books, records, and accounts of Contractor and Contractor's subcontractors that are related to this Agreement. Contractor shall keep, and Contractor shall cause Contractor's subcontractors to keep, such books, records, and accounts as may be necessary in order to record complete and correct entries related to this Agreement. All books, records, and accounts of Contractor and Contractor's subcontractors shall be kept in written form, or in a form capable of conversion into written form within a reasonable time, and upon request to do so, Contractor or Contractor's subcontractor, as applicable, shall make same available at no cost to City in written form.

Contractor and Contractor's subcontractors shall preserve and make available, at reasonable times for examination and audit by City in Broward County, Florida, all financial records, supporting documents, statistical records, and any other documents pertinent to this Agreement for the required retention period of the Florida public records law, Chapter 119, Florida Statutes, as may be amended from time to time, if applicable, or, if the Florida Public Records Act is not applicable, for a minimum period of three (3) years after termination of this Agreement. If any audit has been initiated and audit findings have not been resolved at the end of the retention period or three (3) years, whichever is longer, the books, records, and accounts shall be retained until resolution of the audit findings. If the Florida public records law is determined by City to be applicable to Contractor and Contractor's subcontractors' records, Contractor and Contractor's subcontractors shall comply with all requirements thereof; however, Contractor and Contractor's subcontractors shall violate no confidentiality or non-disclosure requirement of either federal or state law. Any incomplete or incorrect entry in such books, records, and accounts shall be a basis for City's disallowance and recovery of any payment upon such entry.

Contractor shall, by written contract, require Contractor's subcontractors to agree to the requirements and obligations of this Section.

The Contractor shall maintain during the term of the contract all books of account, reports and records in accordance with generally accepted accounting practices and standards for records directly related to this contract.

**K. Public Entity Crime Act**

Contractor represents that the execution of this Agreement will not violate the Public Entity Crime Act, Section 287.133, Florida Statutes, as may be amended from time to time, which essentially provides that a person or affiliate who is a contractor, consultant, or other provider and who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid on a contract to provide any goods or services to City, may not submit a bid on a contract with City for the construction or repair of a public building or public work, may not submit bids on leases of real property to City, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with City, and may not transact any business with City in excess of the threshold amount provided in Section 287.017, Florida Statutes, as may be amended from time to time, for category two purchases for a period of 36 months from the date of being placed on the convicted vendor list. Violation of this section shall result in termination of this Agreement and recovery of all monies paid by City pursuant to this Agreement, and may result in debarment from City's competitive procurement activities.

**L. Independent Contractor**

Contractor is an independent contractor under this Agreement. Services provided by Contractor pursuant to this Agreement shall be subject to the supervision of the Contractor. In providing such services, neither Contractor nor Contractor's agents shall act as officers, employees, or agents of City. No partnership, joint venture, or other joint relationship is created hereby. City does not extend to Contractor or Contractor's agents any authority of any kind to bind City in any respect whatsoever.

**M. Inspection and Non-Waiver**

Contractor shall permit the representatives of CITY to inspect and observe the Work at all times.

The failure of the City to insist upon strict performance of any other terms of this Agreement or to exercise any rights conferred by this Agreement shall not be construed by Contractor as a waiver of the City's right to assert or rely on any such terms or rights on any future occasion or as a waiver of any other terms or rights.

**N. Assignment and Performance**

Neither this Agreement nor any right or interest herein shall be assigned, transferred, or encumbered without the written consent of the other party. In addition, Contractor shall not subcontract any portion of the work required by this Agreement, except as provided in the Schedule of Subcontractor Participation. City may terminate this Agreement, effective immediately, if there is any assignment, or attempted assignment, transfer, or

encumbrance, by Contractor of this Agreement or any right or interest herein without City's written consent.

Contractor represents that each person who will render services pursuant to this Agreement is duly qualified to perform such services by all appropriate governmental authorities, where required, and that each such person is reasonably experienced and skilled in the area(s) for which he or she will render his or her services.

Contractor shall perform Contractor's duties, obligations, and services under this Agreement in a skillful and respectable manner. The quality of Contractor's performance and all interim and final product(s) provided to or on behalf of City shall be comparable to the best local and national standards.

In the event Contractor engages any subcontractor in the performance of this Agreement, Contractor shall ensure that all of Contractor's subcontractors perform in accordance with the terms and conditions of this Agreement. Contractor shall be fully responsible for all of Contractor's subcontractors' performance, and liable for any of Contractor's subcontractors' non-performance and all of Contractor's subcontractors' acts and omissions. Contractor shall defend at Contractor's expense, counsel being subject to City's approval or disapproval, and indemnify and hold City and City's officers, employees, and agents harmless from and against any claim, lawsuit, third party action, fine, penalty, settlement, or judgment, including any award of attorney fees and any award of costs, by or in favor of any of Contractor's subcontractors for payment for work performed for City by any of such subcontractors, and from and against any claim, lawsuit, third party action, fine, penalty, settlement, or judgment, including any award of attorney fees and any award of costs, occasioned by or arising out of any act or omission by any of Contractor's subcontractors or by any of Contractor's subcontractors' officers, agents, or employees. Contractor's use of subcontractors in connection with this Agreement shall be subject to City's prior written approval, which approval City may revoke at any time.

#### **O. Conflicts**

Neither Contractor nor any of Contractor's employees shall have or hold any continuing or frequently recurring employment or contractual relationship that is substantially antagonistic or incompatible with Contractor's loyal and conscientious exercise of judgment and care related to Contractor's performance under this Agreement.

Contractor further agrees that none of Contractor's officers or employees shall, during the term of this Agreement, serve as an expert witness against City in any legal or administrative proceeding in which he, she, or Contractor is not a party, unless compelled by court process. Further, Contractor agrees that such persons shall not give sworn testimony or issue a report or writing, as an expression of his or her expert opinion, which is adverse or prejudicial to the interests of City in connection with any such pending or threatened legal or administrative proceeding unless compelled by court process. The limitations of this section shall not preclude Contractor or any persons in any way from representing themselves, including giving expert testimony in support thereof, in any action or in any administrative or legal proceeding.

In the event Contractor is permitted pursuant to this Agreement to utilize subcontractors to perform any services required by this Agreement, Contractor agrees to require such

subcontractors, by written contract, to comply with the provisions of this section to the same extent as Contractor.

**P. Schedule and Delays**

Time is of the essence in this Agreement. By signing, Contractor affirms that it believes the schedule to be reasonable; provided, however, the parties acknowledge that the schedule might be modified as the City directs.

**Q. Materiality and Waiver of Breach**

City and Contractor agree that each requirement, duty, and obligation set forth herein was bargained for at arm's-length and is agreed to by the parties in exchange for *quid pro quo*, that each is substantial and important to the formation of this Agreement and that each is, therefore, a material term hereof.

City's failure to enforce any provision of this Agreement shall not be deemed a waiver of such provision or modification of this Agreement. A waiver of any breach of a provision of this Agreement shall not be deemed a waiver of any subsequent breach and shall not be construed to be a modification of the terms of this Agreement.

**R. Compliance With Laws**

Contractor shall comply with all applicable federal, state, and local laws, codes, ordinances, rules, and regulations in performing Contractor's duties, responsibilities, and obligations pursuant to this Agreement.

**S. Severance**

In the event a portion of this Agreement is found by a court of competent jurisdiction to be invalid or unenforceable, the provisions not having been found by a court of competent jurisdiction to be invalid or unenforceable shall continue to be effective.

**T. Limitation of Liability**

The City desires to enter into this Agreement only if in so doing the City can place a limit on the City's liability for any cause of action for money damages due to an alleged breach by the City of this Agreement, so that its liability for any such breach never exceeds the sum of \$1,000. Contractor hereby expresses its willingness to enter into this Agreement with Contractor's recovery from the City for any damage action for breach of contract or for any action or claim arising from this Agreement to be limited to a maximum amount of \$1,000 less the amount of all funds actually paid by the City to Contractor pursuant to this Agreement.

Accordingly, and notwithstanding any other term or condition of this Agreement, Contractor hereby agrees that the City shall not be liable to Contractor for damages in an amount in excess of \$1,000 which amount shall be reduced by the amount actually paid by the City to Contractor pursuant to this Agreement, for any action for breach of contract or for any action or claim arising out of this Agreement. Nothing contained in this paragraph or elsewhere in this Agreement is in any way intended to be a waiver of the limitation placed upon City's liability as set forth in Article 768.28, Florida Statutes.

**U. Jurisdiction, Venue, Waiver, Waiver of Jury Trial**

This Agreement shall be interpreted and construed in accordance with and governed by the laws of the State of Florida. Venue for any lawsuit by either party against the other party or otherwise arising out of this Agreement, and for any other legal proceeding, shall be in the Seventeenth Judicial Circuit in and for Broward County, Florida, or in the event of federal jurisdiction, in the Southern District of Florida, Fort Lauderdale Division.

In the event Contractor is a corporation organized under the laws of any province of Canada or is a Canadian federal corporation, the City may enforce in the United States of America or in Canada or in both countries a judgment entered against the Contractor. The Contractor waives any and all defenses to the City's enforcement in Canada of a judgment entered by a court in the United States of America.

**V. Amendments**

No modification, amendment, or alteration in the terms or conditions contained herein shall be effective unless contained in a written document prepared with the same or similar formality as this Agreement and executed by the Mayor-Commissioner and/or City Manager, as determined by City Charter and Ordinances, and Contractor or others delegated authority to or otherwise authorized to execute same on their behalf.

**W. Prior Agreements**

This document represents the final and complete understanding of the parties and incorporates or supersedes all prior negotiations, correspondence, conversations, agreements, and understandings applicable to the matters contained herein. The parties agree that there is no commitment, agreement, or understanding concerning the subject matter of this Agreement that is not contained in this written document. Accordingly, the parties agree that no deviation from the terms hereof shall be predicated upon any prior representation or agreement, whether oral or written.

**X. Payable Interest**

Except as required and provided for by the Florida Local Government Prompt Payment Act, City shall not be liable for interest for any reason, whether as prejudgment interest or for any other purpose, and in furtherance thereof Contractor waives, rejects, disclaims and surrenders any and all entitlement it has or may have to receive interest in connection with a dispute or claim based on or related to this Agreement.

**Y. Representation of Authority**

Each individual executing this Agreement on behalf of a party hereto hereby represents and warrants that he or she is, on the date he or she signs this Agreement, duly authorized by all necessary and appropriate action to execute this Agreement on behalf of such party and does so with full legal authority.

**Z. Uncontrollable Circumstances ("Force Majeure")**

The City and Contractor will be excused from the performance of their respective obligations under this agreement when and to the extent that their performance is delayed or prevented by any circumstances beyond their control including, fire, flood, explosion,

strikes or other labor disputes, act of God or public emergency, war, riot, civil commotion, malicious damage, act or omission of any governmental authority, delay or failure or shortage of any type of transportation, equipment, or service from a public utility needed for their performance, provided that:

A. The non performing party gives the other party prompt written notice describing the particulars of the Force Majeure including, but not limited to, the nature of the occurrence and its expected duration, and continues to furnish timely reports with respect thereto during the period of the Force Majeure;

B. The excuse of performance is of no greater scope and of no longer duration than is required by the Force Majeure;

C. No obligations of either party that arose before the Force Majeure causing the excuse of performance are excused as a result of the Force Majeure; and

D. The non-performing party uses its best efforts to remedy its inability to perform. Notwithstanding the above, performance shall not be excused under this Section for a period in excess of two (2) months, provided that in extenuating circumstances, the City may excuse performance for a longer term. Economic hardship of the Contractor will not constitute Force Majeure. The term of the agreement shall be extended by a period equal to that during which either party's performance is suspended under this Section.

**AA. Scrutinized Companies**

This Section applies to any contract for goods or services of \$1 million or more:

The Contractor certifies that it is not on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List as provided in section 287.135, Florida Statutes (2011), as may be amended or revised. The City may terminate this Contract at the City's option if the Contractor is found to have submitted a false certification as provided under subsection (5) of section 287.135, Florida Statutes (2011), as may be amended or revised, or been placed on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List.

IN WITNESS WHEREOF, the City and the Contractor execute this Contract as follows:

CITY OF FORT LAUDERDALE

By: \_\_\_\_\_  
City Manager

Approved as to form:

\_\_\_\_\_  
Senior Assistant City Attorney

ATTEST

CONTRACTOR

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

(CORPORATE SEAL)

STATE OF \_\_\_\_\_:  
COUNTY OF \_\_\_\_\_:

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2011, by \_\_\_\_\_ as (title): \_\_\_\_\_ for \_\_\_\_\_ (Contractor name), a \_\_\_\_\_ corporation.

(SEAL)

\_\_\_\_\_  
Notary Public, State of \_\_\_\_\_  
(Signature of Notary Public)

\_\_\_\_\_  
(Print, Type, or Stamp Commissioned Name of Notary Public)

Personally Known \_\_\_\_ OR Produced Identification \_\_\_\_\_  
Type of Identification Produced \_\_\_\_\_

**NON-COLLUSION STATEMENT:**

By signing this offer, the vendor/contractor certifies that this offer is made independently and free from collusion. Vendor shall disclose below any City of Fort Lauderdale, FL officer or employee, or any relative of any such officer or employee who is an officer or director of, or has a material interest in, the vendor's business, who is in a position to influence this procurement.

Any City of Fort Lauderdale, FL officer or employee who has any input into the writing of specifications or requirements, solicitation of offers, decision to award, evaluation of offers, or any other activity pertinent to this procurement is presumed, for purposes hereof, to be in a position to influence this procurement.

For purposes hereof, a person has a material interest if they directly or indirectly own more than 5 percent of the total assets or capital stock of any business entity, or if they otherwise stand to personally gain if the contract is awarded to this vendor.

In accordance with City of Fort Lauderdale, FL Policy and Standards Manual, 6.10.8.3,

3.3. City employees may not contract with the City through any corporation or business entity in which they or their immediate family members hold a controlling financial interest (e.g. ownership of five (5) percent or more).

3.4. Immediate family members (spouse, parents and children) are also prohibited from contracting with the City subject to the same general rules.

**Failure of a vendor to disclose any relationship described herein shall be reason for debarment in accordance with the provisions of the City Procurement Code.**

<u>NAME</u>	<u>RELATIONSHIPS</u>
_____	_____
_____	_____
	_____
	_____

**In the event the vendor does not indicate any names, the City shall interpret this to mean that the vendor has indicated that no such relationships exist.**

**BID/PROPOSAL SIGNATURE PAGE**

**How to submit bids/proposals:** Proposals must be submitted by hard copy only. It will be the sole responsibility of the Bidder to ensure that the bid reaches the City of Fort Lauderdale, City Hall, Procurement Department, Suite 619, 100 N. Andrews Avenue, Fort Lauderdale, FL 33301, prior to the bid opening date and time listed. Bids/proposals submitted by fax or email will NOT be accepted.

The below signed hereby agrees to furnish the following article(s) or services at the price(s) and terms stated subject to all instructions, conditions, specifications addenda, legal advertisement, and conditions contained in the bid. I have read all attachments including the specifications and fully understand what is required. By submitting this signed proposal I will accept a contract if approved by the CITY and such acceptance covers all terms, conditions, and specifications of this bid/proposal.

**Please Note:** All fields below **must** be completed. If the field does not apply to you, please note N/A in that field.

Submitted by: \_\_\_\_\_  
(signature) (date)

Name (printed) \_\_\_\_\_ Title: \_\_\_\_\_

Company: (Legal Registration) \_\_\_\_\_

**CONTRACTOR, IF FOREIGN CORPORATION, MAY BE REQUIRED TO OBTAIN A CERTIFICATE OF AUTHORITY FROM THE DEPARTMENT OF STATE, IN ACCORDANCE WITH FLORIDA STATUTE §607.1501 (visit <http://www.dos.state.fl.us/>).**

Address: \_\_\_\_\_

City \_\_\_\_\_ State: \_\_\_\_\_ Zip \_\_\_\_\_

Telephone No. \_\_\_\_\_ FAX No. \_\_\_\_\_ Email: \_\_\_\_\_

Delivery: Calendar days after receipt of Purchase Order (section 1.02 of General Conditions): \_\_\_\_\_

Payment Terms (section 1.04): \_\_\_\_\_ Total Bid Discount (section 1.05): \_\_\_\_\_

Does your firm qualify for MBE or WBE status (section 1.09): MBE \_\_\_\_\_ WBE \_\_\_\_\_

**ADDENDUM ACKNOWLEDGEMENT** - Proposer acknowledges that the following addenda have been received and are included in the proposal:

Addendum No. \_\_\_\_\_ Date Issued \_\_\_\_\_

**P-CARDS: Will your firm accept the City's Credit Card as payment for goods/services?**

**YES** \_\_\_\_\_ **NO** \_\_\_\_\_

**VARIANCES:** State any variations to specifications, terms and conditions in the space provided below or reference in the space provided below all variances contained on other pages of bid, attachments or bid pages. No variations or exceptions by the Proposer will be deemed to be part of the bid submitted unless such variation or exception is listed and contained within the bid documents and referenced in the space provided below. If no statement is contained in the below space, it is hereby implied that your bid/proposal complies with the full scope of this solicitation. **HAVE YOU STATED ANY VARIANCES OR EXCEPTIONS BELOW? BIDDER MUST CLICK THE EXCEPTION LINK IF ANY VARIATION OR EXCEPTION IS TAKEN TO THE SPECIFICATIONS, TERMS AND CONDITIONS.** If this section does not apply to your bid, simply mark N/A in the section below.

Variances: \_\_\_\_\_



Ernst & Young LLP  
Suite 500  
5100 Town Center Circle  
Boca Raton, FL 33486  
Tel: +1 561 955 8000  
Fax: +1 561 955 8200  
www.ey.com

## Report of Independent Certified Public Accountants

The Honorable Mayor, Members of the  
City Commission and City Manager,  
City of Fort Lauderdale, Florida

We have audited the accompanying schedule of large user wastewater treatment rate computation of the City of Fort Lauderdale, Florida (the City), for the year ended September 30, 2010. This schedule is the responsibility of the City's management. Our responsibility is to express an opinion on this schedule based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedule showing the large user wastewater treatment rate computation is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the schedule showing the large user wastewater treatment rate computation, assessing the accounting principles used and significant estimates made by management, and evaluating the overall schedule presentation. We believe that our audit provides a reasonable basis for our opinion.

The basis for calculation of the large user wastewater treatment rates is provided in Article V of the following Large User Agreements between the City of Fort Lauderdale and the governmental units listed below:

- City of Oakland Park dated April 20, 1982, as amended August 6, 1982, April 22, 1987, and August 1, 2001.
- City of Tamarac dated October 28, 1981, as amended May 13, 1987 and August 1, 2001.
- City of Wilton Manors dated April 20, 1982, as amended May 21, 1987 and August 1, 2001.
- Broward County, formerly Port Everglades Authority, dated February 21, 1979, as amended April 23, 1987 and August 1, 2001.
- Town of Davie dated November 1, 1988, as amended August 1, 2001.



As described in Note 1, the accompanying schedule of large user wastewater treatment rate computation was prepared for the purpose of complying with, and on the basis of accounting practices specified in, the Large User Agreements mentioned above and is not intended to be a presentation in conformity with accounting principles generally accepted in the United States.

In our opinion, the accompanying schedule of large user wastewater treatment rate computation presents fairly, in all material respects, allowable user charges for the year ended September 30, 2010, in conformity with Article V of each of the aforementioned Large User Agreements.

This report was prepared solely for the information and use of the addressees, City of Fort Lauderdale management, and the parties to the above-mentioned Large User Agreements and is not intended to be, and should not be, used by anyone other than these specified parties.

*Ernst & Young LLP*

April 4, 2011

## City of Fort Lauderdale, Florida

Schedule of Large User  
Wastewater Treatment Rate Computation

For the Year Ended September 30, 2010

Operation and maintenance costs	\$ 10,381,573
Debt service and bond covenant requirements, net	2,523,697
Replacement costs	<u>3,212,493</u>
Total user costs	16,117,763
Less interest earnings	<u>136,919</u>
Total user charges	<u>\$ 15,980,844</u>
Gallons treated (in 1,000's)	<u>14,208,261</u>
User charge per 1,000 gallons treated	<u>\$ 1.12475721</u>

*See accompanying notes.*

## City of Fort Lauderdale, Florida

### Notes to Schedule of Large User Wastewater Treatment Rate Computation

September 30, 2010

#### **1. Background**

The accompanying schedule of large user wastewater treatment rate computation presents the wastewater transmission, treatment and disposal charges allocated to the central regional wastewater treatment plant operated by the City of Fort Lauderdale, Florida (the City). In addition to the City, the plant provides wastewater treatment services to the cities of Oakland Park, Tamarac, Wilton Manors, and the Port Everglades Authority, succeeded by Broward County effective October 1, 1994, and the Town of Davie. The basis for calculation of the costs to operate the plant is defined in Article V of the large user agreements with each of the respective governmental units listed above.

#### **2. Operation and Maintenance Costs**

Operation and maintenance costs include labor, materials, equipment, fuel, utilities, chemicals, transportation, travel, administrative expenses, billing expenses, supplies, rent, insurance, employee benefits, liability insurance costs, workers' compensation insurance costs, outside services, and any other costs of operation and maintenance of the central regional wastewater transmission, treatment, and disposal facilities.

#### **3. Debt Service and Bond Covenant Requirements**

Debt service and debt covenant requirements include charges for principal, interest, and amounts necessary to meet the requirements of debt obligations and covenants for those portions of the City's bond issues and loans used to purchase or construct capital assets of the central regional wastewater transmission treatment and disposal facilities.

On March 20, 2003, the City sold \$90,000,000 of Water and Sewer Revenue Bonds, Series 2003 of which \$4,082,575 was used to finance improvements to the central regional wastewater plant capital assets. The bond issue provides for semiannual principal and interest payments with interest rates ranging from 2.000% to 4.625%, with a final maturity on September 1, 2031.

In order to take advantage of low interest rates, the City is participating in the State of Florida revolving loan program to finance sewer system capital improvements. The loan program operates on a reimbursement basis. When proceeds are issued, the loan accrues interest based upon the rate approved by the State at the date of closing. The liability due to the State is the

## City of Fort Lauderdale, Florida

Notes to Schedule of Large User  
Wastewater Treatment Rate Computation (continued)**3. Debt Service and Bond Covenant Requirements (continued)**

original loan amount plus accrued interest until the date repayments commence. The loans provide for semi-annual principal and interest payments with interest rates ranging from 2.0% to 4.6%. As of September 30, 2010, the Central Regional Wastewater System's liability for these loans totaled \$22,729,071.

**4. Replacement Costs**

Replacement costs, which are required by Public Law 92-500, provide for replacement or addition of equipment that will be needed to maintain the performance and capacity of the central regional wastewater facilities during the next 20 years of operation. Replacement costs for the succeeding 20-year period were originally estimated on June 14, 1985, and are updated annually by the City's consulting engineers. The amount of replacement cost to be collected in a given year is based on the total estimated replacement costs less the amount accumulated in the reserve for replacement, divided by 20.

**5. Interest Earnings**

Interest earned on investments held by the central regional wastewater treatment system is reflected as a reduction of costs used to compute the wastewater treatment rate in accordance with provisions of the large user agreements as amended.

**6. Gallons Treated**

Gallons treated are based on metering devices located at the wastewater treatment plant and maintained by the City.

**7. Interim Billing Rate**

The large user agreements provide for the City to bill each user an interim wastewater treatment rate based on budgeted operation and maintenance costs, debt service, and bond covenant costs, and replacement costs for the fiscal year. At the close of the fiscal year, an adjustment is made based on actual user charges. The interim-billing rate used in fiscal 2010 was \$1.280 per 1000 gallons.

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**About Ernst & Young**

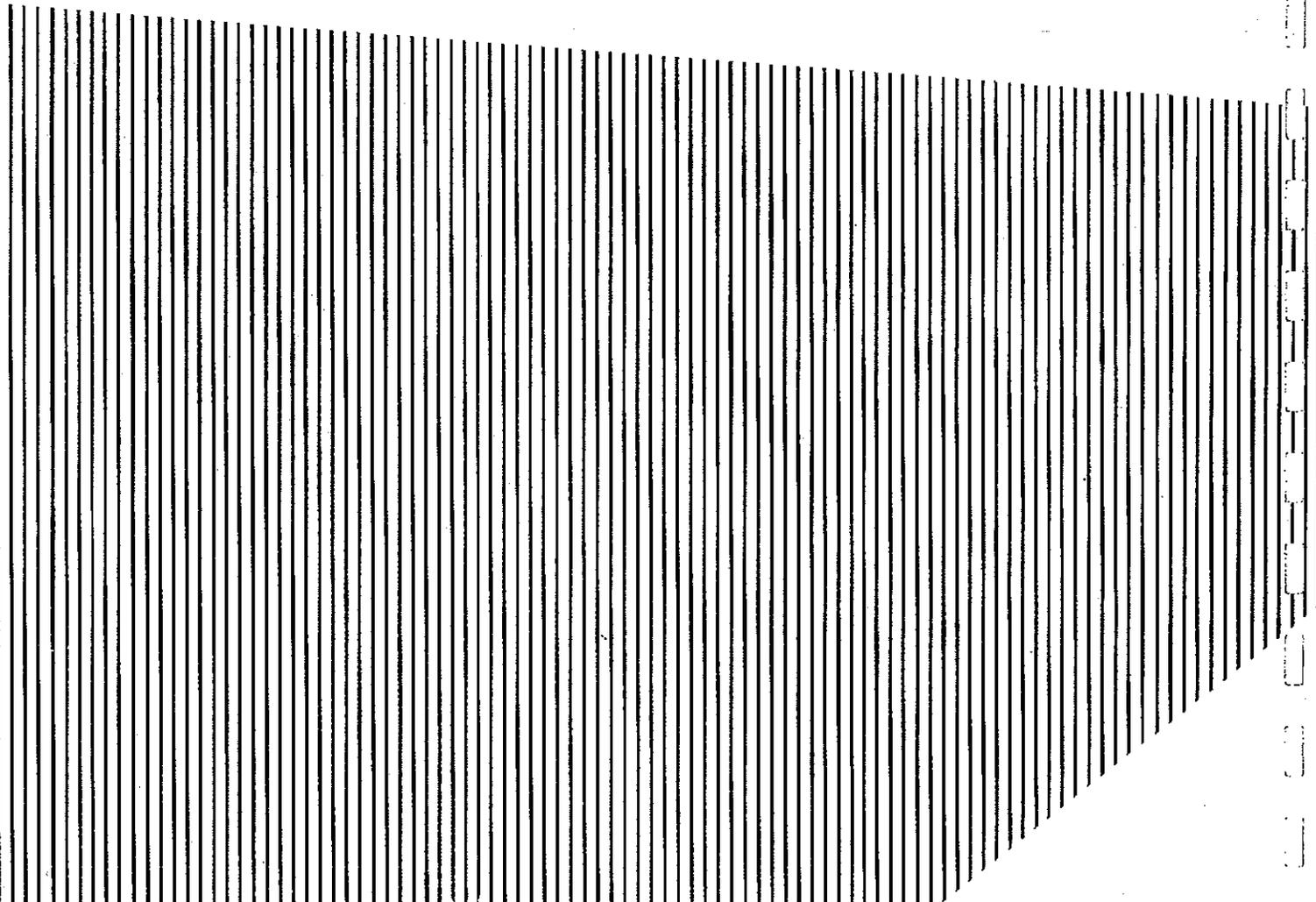
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**Agreement to Supply:**

FINANCIAL AUDIT SERVICES

This agreement, made and entered into this the \_\_\_\_\_ day of \_\_\_\_\_, 2006, is by and between the CITY OF

FORT LAUDERDALE, a Florida municipality, City Hall, 100 North Andrews Avenue, Fort Lauderdale, FL 33301, hereinafter called the "City" and

Name of CONTRACTOR: Ernst & Young LLP

Address: 100 NE 3 Avenue, Suite 700 City: Fort Lauderdale State: FL Zip: \_\_\_\_\_

A Corporation  A Partnership  An Individual  Other:  Limited Liability Partnership

authorized to do business in the State of Florida, hereinafter called the "Company" or "Contractor." Witnesseth that: Whereas, the City did advertise and issue a Request for Proposal (RFP) for supplying the requirements of the City for the items and/or service listed above for a period of five (5) years with three (3), one (1) year contract extension options and the Contractor submitted a proposal that was accepted and approved by the City.

Formal authorization of this contract was adopted by the City Commission on: July 5, 2006 Pm-12

Now, therefore, for and in consideration of the premises and the mutual covenants herein contained, the parties covenant and agree as follows:

1. The Company agrees to sell to the City and the City agrees to buy from the Company, during the period beginning 10/1/06 and ending 09/30/11 for the requirements listed above and according to the following specifications, terms, covenants and conditions:

a. The Request for Proposal containing General Conditions, Special Conditions, Specifications, addenda, if any, and other attachments forming a part of RFP Number 762-9434, the Contractor's proposal in response, and the Engagement Letter dated August 15, 2006, form a part of this contract and by reference are made a part hereof.

b. In construing the rights and obligations between the parties, the order of priority in cases of conflict between the documents shall be as follows:  
1) This contract Form G-110, Rev. 12/00  
2) Engagement Letter dated August 15, 2006  
3) The City's RFP and all addenda thereto  
4) Contractor's proposal in response to the City's RFP

c. **Warranty:** The Company by executing this contract embodying the terms herein warrants that the product and/or service that is supplied to the City shall remain fully in accord with the specifications and be of the highest quality. In the event any product and/or service as supplied to the City is found to be defective or does not conform to specifications the City reserves the right to cancel that order upon written notice to the Contractor and to adjust billing accordingly.

d. **Cancellation:** The City may cancel this contract upon notice in writing should the Contractor fail to reasonably perform the service of furnishing the products and/or services as specified herein upon 30 days written notice. This applies to all items of goods or services.

e. **Taxes Exempt:** State Sales (#16-03-196479-54C) and Federal Excise (#59-600319) Taxes are normally exempt, however, certain transactions are taxable. Consult your tax practitioner for guidance where necessary.

f. **Invoicing:** Contractor will forward all invoices in duplicate for payment to the following: Finance Department, 100 N. Andrews Avenue, 6th Floor, Fort Lauderdale, FL 33301. If discount, other than prompt payment terms applies, such discount MUST appear on the invoice.

2. **Contract Special Conditions:** The following special conditions are made a part of and modify the standard provisions contained in this contract Form-G-110.

3. **Contract Summary:**

a. Attachments:

Ernst & Young's response to the RFP, a copy of the RFP document, and Engagement Letter dated August 15, 2006.

b. Payment Terms:

Per RFP

c. Delivery:

Per RFP

d. Insurance:

Yes  No

e. Performance Bond/Letter of Credit:

Yes  No

f. Procurement Specialist's Initials:

NW

4. **Contractor's Phone Numbers:**

Office: 954-557-5019

Mobile:

5. **Contractor's Fax Number:**

954-558-5180

6. **Contractor's E-Mail Address:**

tom.brady@erand.com

Website:

www.erand.com

City of Fort Lauderdale

By:

*[Signature]*

Director of Procurement Services (City Manager's Designee)

Auth: Sec. 2-180(8) of Code and Procurement Memo No. 04-03

Date:

12/1/06

Assistant City Attorney (approved as to form)

Date:

*[Signature]*

11/9/06

Contractor/Vendor

Thomas J. Bradley

Name of Company Officer (please type or print)

By:

*[Signature]*

Authorized Officer's Signature

Title:

PARTNER

Date:

11-27-06

Joy A. Mathis

Secretary (please type or print)

Attest:

*[Signature]*

Signature of Secretary



August 15, 2006

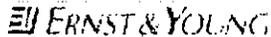
Ms. Betty Burrell  
Director of Finance  
The City of Fort Lauderdale  
100 N. Andrews Avenue  
Fort Lauderdale, FL 33301

Dear Betty:

This will confirm the engagement of Ernst & Young LLP ("we" or "E&Y") to audit and report on the basic financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements of the City of Fort Lauderdale, Florida (the City), for the year ended September 30, 2006. The objective of our audit of the financial statements is to express opinions on the fairness, in all material respects, of the presentation of the basic financial statements for each applicable opinion unit in conformity with accounting principles generally accepted in the United States. We will also audit and report on the Schedule of Large User Wastewater Treatment Rate Computation for the year ended September 30, 2006. We also will conduct an audit in accordance with the Single Audit Act Amendments of 1996, and the provisions of OMB Circular A-133 *Audits of States, Local Governments and Non-Profit Organizations* (OMB Circular A-133) ("A-133 Audit"), and Section 215.97 Florida Statutes, (collectively the "Federal and State Single Audit"), and will include tests of accounting records, a determination of major program(s) in accordance with OMB Circular A-133, and other procedures we consider necessary to enable us to express an opinion on compliance for each major program and to render the required reports. The services described in this paragraph may hereafter be referred to as either "Audit Service" or "Audit Services." This document will hereafter be referred to as the "Agreement."

We also will provide a report on internal control over financial reporting related to the financial statements and compliance with laws, regulations, and the provisions of contracts or grant agreements and other matters, noncompliance with which could have a material effect on the financial statements, as required by *Government Auditing Standards*. We will not perform sufficient procedures to render an opinion on internal control over financial reporting nor on compliance with laws, regulations, and the provisions of contracts or grant agreements and other matters, and therefore, we will not express such an opinion. This report is intended solely for the information and use of the Audit Advisory Board, management, and specific legislative or regulatory bodies and is not intended to be and should not be used by anyone other than these specified parties.

We will report on the fairness of the schedule of expenditures of federal awards and state financial assistance when considered in relation to the financial statements taken as a whole. We also will report on:



Ernst &amp; Young LLP

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The City of Fort Lauderdale

August 15, 2006

- i. Internal control related to major programs and provide an opinion on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133 and Section 215.97 Florida Statutes.
- ii. The A-133 report on internal control and compliance is intended only for the information and use of the Audit Advisory Board, management, specific legislative or regulatory bodies, federal awarding agencies, and, if applicable, pass-through entities and are not intended to be and should not be used by anyone other than these specified parties.

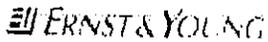
Should conditions not now anticipated preclude us from completing our audits and issuing our reports as contemplated by the preceding paragraphs, we will advise you and the Audit Advisory Board promptly and take such action as we deem appropriate.

#### **Audit Responsibilities and Limitations**

We will conduct our audit of the basic financial statements in accordance with auditing standards generally accepted in the United States, as promulgated by the American Institute of Certified Public Accountants ("AICPA"), and the standards for financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we obtain reasonable rather than absolute assurance that the basic financial statements for each opinion unit are free of material misstatement whether caused by error or fraud. We will conduct the A-133 audit in accordance with auditing standards promulgated by the AICPA, the standards for financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Single Audit Act Amendments of 1996, OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," and Section 215.97 Florida Statutes. As the City is aware, there are inherent limitations in the audit process, including, for example, selective testing and the possibility that collusion or forgery may preclude the detection of material error, fraud, and illegal acts. Accordingly, a material misstatement may remain undetected. Also, an audit is not designed to detect error or fraud that is immaterial to the basic financial statements.

As part of our audits, we will consider, solely for the purpose of planning our audit and determining the nature, timing, and extent of our audit procedures, the City's internal control over financial reporting. This consideration will not be sufficient to enable us to provide assurance on internal control over financial reporting or to identify all significant deficiencies and material weaknesses.

We will communicate in writing to management and to the Audit Advisory Board all significant deficiencies and material weaknesses identified during the audit of the City's financial statements, as



Ernst &amp; Young LLP

The City of Fort Lauderdale

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August 15, 2006

well as any significant deficiencies and material weaknesses communicated to management and to the Audit Advisory Board in previous audits that have not yet been remediated.

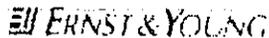
If we determine that there is evidence that fraud or possible illegal acts may have occurred, we will bring such matters to the attention of an appropriate level of management. If we become aware of fraud involving senior management or fraud (whether by senior management or other employees) that causes a material misstatement of the basic financial statements, we will report this matter directly to the Audit Advisory Board. We will determine that the Audit Advisory Board and appropriate members of management are adequately informed of illegal acts that come to our attention unless they are clearly inconsequential. In addition, we will inform the Audit Advisory Board and appropriate members of management of significant audit adjustments, material violations of contracts or grant agreements and material abuse noted during our audit procedures.

We also may communicate other opportunities we observe for economies in or improved controls over the City's operations.

In accordance with auditing standards promulgated by the AICPA, we will communicate certain matters related to the conduct and results of the audit to the Audit Advisory Board. Such matters include, when applicable, disagreements with management, whether or not resolved; serious difficulties encountered in performing the audit; our level of responsibility under auditing standards promulgated by the AICPA for the financial statements, for internal control, and for other information in documents containing the audited financial statements; unrecorded audit differences that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements as a whole; changes in the City's significant accounting policies and methods for accounting for significant unusual transactions or for controversial or emerging areas; our judgments about the quality of the City's accounting principles; our basis for conclusions as to sensitive accounting estimates; management's consultations, if any, with other accountants; and major issues discussed with management prior to our retention.

As part of our engagement, we will apply certain limited procedures to the City's required supplementary information (RSI). The RSI consists of the Management's Discussion and Analysis and the pension plan required supplementary information. Those limited procedures will consist principally of inquiries of management regarding the methods of measurement and presentation of RSI, which management will affirm to us in its representation letter. However, we will not audit the information and will not express an opinion on it.

Supplementary information other than RSI, such as the introductory and statistical sections, and combining financial statements and other financial information, also may accompany the City's basic financial statements. We will subject all supplementary information that is financially oriented such as the combining financial statements and other financial information to the audit procedures applied in our audit of the basic financial statements and render our opinion on whether that information is fairly stated, in all material respects, in relation to the basic financial statements taken as whole. We will not subject supplementary information that comprises nonaccounting information or accounting



■ Ernst &amp; Young LLP

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The City of Fort Lauderdale

August 15, 2006

information not directly related to the basic financial statements such as the introductory and statistical sections to the auditing procedures applied in our audit of the basic financial statements, and therefore will not express an opinion on this supplementary information.

To the extent required by law, we will make our audit documentation available to a federal agency or the Comptroller General of the United States Government Accountability Office and provide copies upon their request. Audit documentation also will be made available upon request to appropriate auditors and reviewers. We shall promptly notify the City of any such request to review our audit documentation.

An audit performed in accordance with *Government Auditing Standards* is not designed to detect violations of laws or regulations or provisions of contracts or grant agreements that do not have a direct and material effect on the financial statements or other financial data significant to the audit objectives.

Because the determination of abuse is subjective, an audit conducted in accordance with *Government Auditing Standards* does not provide reasonable assurance of detecting abuse.

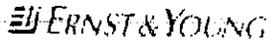
In some circumstances in accordance with *Government Auditing Standards*, we may be required to report fraud, illegal acts, violations of provisions of contracts or grant agreements and abuse directly to parties external to the City.

In accordance with *Government Auditing Standards*, we will report in a management letter immaterial violations of provisions of contracts or grant agreements, immaterial abuse, and deficiencies in internal control other than significant deficiencies (and those that individually, or in the aggregate, are material weaknesses) unless clearly inconsequential considering both qualitative and quantitative factors.

Under *Government Auditing Standards*, we are required to provide to the City our most recent peer review report and any letter of comment, as well as subsequent peer review reports and letters of comment received during the term of this Agreement. Our most recent peer review report, letter of comment, and our responses to the letter of comment were provided in our Proposal to Provide Professional Financial Audit Services to the City dated May 24, 2006.

### **Management's Responsibilities and Representations**

The basic financial statements are the responsibility of the City's management, which is also responsible for establishing and maintaining effective internal control, for properly recording transactions in the accounting records, for safeguarding assets, and for the overall fair presentation of the basic financial statements. Management of the City also is responsible for the identification of, and for the City's compliance with, laws and regulations and provisions of contracts and grant agreements applicable to its activities.



Ernst &amp; Young LLP

The City of Fort Lauderdale

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August 15, 2006

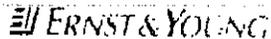
Management is responsible for adjusting the basic financial statements to correct material misstatements and for affirming to us in its representation letter that the effects of any unrecorded audit differences accumulated by us during the current audit and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the basic financial statements taken as a whole.

Management is responsible for apprising us of all allegations involving financial improprieties received by management or the Audit Advisory Board (regardless of the source or form and including, without limitation, allegations by "whistle-blowers"), and providing us full access to these allegations and any internal investigations of them, on a timely basis. Allegations of financial improprieties include allegations of manipulation of financial results by management or employees, misappropriation of assets by management or employees, intentional circumvention of internal controls, inappropriate influence on related party transactions by related parties, intentionally misleading E&Y, or other allegations of illegal acts or fraud that could result in a misstatement of the financial statements or otherwise affect the financial reporting of the City. If the City limits the information otherwise available to us under this paragraph (based on the City's claims of attorney/client privilege, work product doctrine, or otherwise), the City will immediately inform us of the fact that certain information is being withheld from us. Any such withholding of information could be considered a restriction on the scope of the audit and may prevent us from opining on the City's financial statements; alter the form of report we may issue on such financial statements; or otherwise affect our ability to continue as the City's independent auditors. The City and we will disclose any such withholding of information to the Audit Advisory Board.

As required by auditing standards as promulgated by the AICPA, we will make specific inquiries of management about the representations contained in the basic financial statements and the Federal and State Single Audit reports. Those standards also require that, at the conclusion of the audit, we obtain representation letters from certain members of management about these matters. The responses to those inquiries, the written representations, and the results of our audit tests comprise the evidential matter we will rely upon in forming an opinion on the applicable opinion units for the basic financial statements and the Federal and State Single Audit. Management is responsible for providing E&Y with all financial records and related information on a timely basis, and its failure to do so may cause us to delay our report, modify our procedures, or even terminate our engagement.

Management is responsible for the following, as provided in *Government Auditing Standards*:

- Distributing the report on internal control over financial reporting and on compliance and other matters, as well as making copies thereof available for public inspection unless the report is restricted by law or regulation, or contains privileged and confidential information.



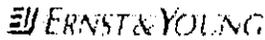
The City of Fort Lauderdale

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August 15, 2006

- Acknowledging the auditor's role (if any) in preparing draft financial statements and related notes, or in converting cash-basis financial statements to accrual-based financial statements.
- Reviewing, approving and taking responsibility for the financial statements and related notes.
- Identifying for you previous financial audits, attestation engagements, performance audits or other studies (not performed by Ernst & Young) related to the objectives of the audit being undertaken and the corrective actions taken to address significant findings and recommendations.
- Applying a process to track the status of audit findings and recommendations.
- Providing views on any potential current year external audit findings, conclusions, and recommendations, as well as management's planned corrective actions, for the report, and the timing and format for providing that information.
- Taking timely and appropriate steps to remedy fraud, illegal acts, violations of provisions of contracts or grant agreements, or abuse that you report.

Management is responsible for the following as provided in OMB Circular A-133:

- Complying with the requirements of Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*;
- Preparing the appropriate financial statements, including the schedule of expenditures of federal awards, in accordance with OMB Circular A-133;
- Establishing and maintaining effective internal control over compliance for federal programs that provides reasonable assurance that federal awards are being managed in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its federal programs;
- Complying with laws, regulations, and the provisions of contracts and grant agreements related to each of its federal programs;
- Following up and taking corrective action on audit findings, including preparing a summary schedule of prior audit findings and corrective action plans as required by OMB Circular A-133;
- Submitting the reporting package to required recipients and the data collection form to the designated federal audit clearinghouse; and



Ernst & Young

August 15, 2006

The City of Fort Lauderdale

- Communicating to E&Y any significant vendor relationships where the vendor is responsible for program compliance.

**Fees and Billings**

Our fee for the following fiscal year 2006 audit services is:

Audit of the Basic Financial Statements of the City	\$172,000
Report on Large User Wastewater Agreements	<u>4,000</u>
Subtotal	\$176,000

Single Audit:

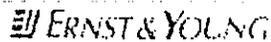
Federal Financial Assistance	\$24,000
State Financial Assistance	<u>20,000</u>
Subtotal	\$44,000

Total \$220,000

We will submit our invoices to the City according to the following schedule, and we expect that payment of them will be made upon receipt.

	Financial Statement Audit	Single Audit	Total
September 30, 2006	\$ 40,000	+ \$ 14,000	= \$ 54,000
November 1, 2006	100,000	+ 10,000	= 110,000
December 1, 2006	<u>36,000</u>	+ <u>20,000</u>	= <u>56,000</u>
	<u>\$ 176,000</u>	<u>\$ 44,000</u>	<u>\$ 220,000</u>

Our fees and schedule of performance are based upon, among other things, our preliminary review of the City's records, including, the number of major funds, the number of opinion units, the number of major programs and whether the City qualifies as a low-risk auditee in accordance with OMB Circular A-133 and the representations City personnel have made to us and are dependent upon the City's personnel providing a reasonable level of assistance. Should our assumptions with respect to these matters be incorrect or should the condition of the records, degree of cooperation, or other matters beyond our reasonable control require additional commitments by us beyond those upon which our fees are based, we may adjust our fees and planned completion dates. In addition, fees for any special audit-related projects, such as proposed business combinations or research and/or consultation on special business or financial issues, will be billed separately from the audit fee referred to above and will be the subject of other written agreements.



■ Ernst &amp; Young LLP

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The City of Fort Lauderdale

August 15, 2006

In the event we are requested or authorized by the City or are required by government regulation, subpoena, or other legal process to produce our documents or our personnel as witnesses with respect to our engagements for the City, the City will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such requests.

### **Other Matters**

From time to time, and depending upon the circumstances, personnel from any affiliate of E&Y, any other member of the global Ernst & Young network or any of their respective affiliates other than E&Y, and from independent third party service providers (including independent contractors), may participate in providing the Audit Services.

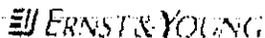
The City shall not, during the term of this Agreement and for 12 months following its termination for any reason, without the prior written consent of E&Y, solicit for employment, or hire, any current or former partner, principal, or professional employee of E&Y, any affiliate thereof, or any other member of the global Ernst & Young network or any of their respective affiliates a) if such partner, principal, or professional employee has been involved in the performance of any audit, review, or attest service for or relating to the City at any time during the then current fiscal year of the City up to and including the date of the audit report for that year, or in the 12 months preceding the audit report date for the immediately preceding fiscal year and b) unless such partner, principal, or professional employee does not influence E&Y's operations or financial policies and has no capital balances or any other financial arrangement with E&Y.

By your signature below, you confirm that the City, through its Board of Commissioners, has expressly authorized you to enter into this Agreement with us on behalf of, and to bind the City.

Except for a claim limited solely to seeking non-monetary or equitable relief, any dispute or claim arising out of or relating to the Audit Services, this Agreement or any other services provided by or on behalf of E&Y or any of its subcontractors or agents to the City or at the City's request (including any matter involving any third party for whose benefit any such services are provided), shall be resolved by mediation or arbitration as set forth in the attachment to this Agreement. Judgment on any arbitration award may be entered in any court having jurisdiction.

If any portion of this Agreement is held to be void, invalid, or otherwise unenforceable, in whole or part, the remaining portions of this Agreement shall remain in effect.

We will audit and report on the basic financial statements and the Federal and State Single Audit of the City for each of its subsequent fiscal years through fiscal year 2010 with three one year options for renewal subject to the City Commission approval or until either the City or E&Y terminates this Agreement. Changes in the scope of our audit services and estimated fees for such services in subsequent fiscal years will be communicated in supplemental letters.



Ernst & Young LLP

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The City of Fort Lauderdale

E&Y appreciates the opportunity to be of assistance to the City. If this Agreement accurately reflects the terms on which the City has agreed to engage E&Y, please sign below on behalf of the City and return it Thomas J. Bradley, Ernst & Young LLP, 100 N.E. 3<sup>rd</sup> Avenue, Suite 700, Fort Lauderdale, FL 33301.

Very truly yours,

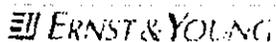
*Ernst + Young LLP*

Agreed and accepted by:

The City of Fort Lauderdale

By: *Betty J. Burrell*  
Betty Burrell  
Director of Finance

Date: *August 25, 2006*



Ernst &amp; Young LLP

The City of Fort Lauderdale

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## Dispute Resolution Procedures

### *Mediation*

A party shall submit a dispute to mediation by written notice to the other party or parties. The mediator shall be selected by the parties. If the parties cannot agree on a mediator, the International Institute for Conflict Prevention and Resolution ("CPR") shall designate a mediator at the request of a party. Any mediator must be acceptable to all parties.

The mediator shall conduct the mediation as he/she determines, with the agreement of the parties. The parties shall discuss their differences in good faith and attempt, with the mediator's assistance, to reach an amicable resolution of the dispute. The mediation shall be treated as a settlement discussion and shall therefore be confidential. The mediator may not testify for either party in any later proceeding relating to the dispute. The mediation proceedings shall not be recorded or transcribed.

Each party shall bear its own costs in the mediation. The parties shall share equally the fees and expenses of the mediator.

If the parties have not resolved a dispute within 90 days after written notice beginning mediation (or a longer period, if the parties agree to extend the mediation), the mediation shall terminate and the dispute shall be settled by arbitration. In addition, if a party initiates litigation, arbitration, or other binding dispute resolution process without initiating mediation, or before the mediation process has terminated, an opposing party may deem the mediation requirement to have been waived and may proceed with arbitration.

### *Arbitration*

The arbitration will be conducted in accordance with the procedures in this document and the CPR Rules for Non-Administered Arbitration ("Rules") as in effect on the date of the Agreement, or such other rules and procedures as the parties may agree. In the event of a conflict, the provisions of this document will control.

The arbitration will be conducted before a panel of three arbitrators, to be selected in accordance with the screened selection process provided in the Rules. Any issue concerning the extent to which any dispute is subject to arbitration, or concerning the applicability, interpretation, or enforceability of any of these procedures, shall be governed by the Federal Arbitration Act and resolved by the arbitrators. No potential arbitrator may be appointed unless he or she has agreed in writing to these procedures.

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The City of Fort Lauderdale

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The arbitration panel shall have no power to award non-monetary or equitable relief of any sort or to make an award or impose a remedy that (i) is inconsistent with the agreement to which these procedures are attached or any other agreement relevant to the dispute, or (ii) could not be made or imposed by a court deciding the matter in the same jurisdiction. It shall also have no power to award punitive damages or any other damages not measured by the prevailing party's actual damages; and the parties expressly waive their right to obtain such damages in arbitration or in any other forum.

Discovery shall be permitted in connection with the arbitration only to the extent, if any, expressly authorized by the arbitration panel upon a showing of substantial need by the party seeking discovery.

All aspects of the arbitration shall be treated as confidential. The parties and the arbitration panel may disclose the existence, content or results of the arbitration only in accordance with the Rules or applicable professional standards. Before making any such disclosure, a party shall give written notice to all other parties and shall afford them a reasonable opportunity to protect their interests, except to the extent such disclosure is necessary to comply with applicable law, regulatory requirements or professional standards.

The result of the arbitration shall be binding on the parties, and judgment on the arbitration award may be entered in any court having jurisdiction.

Compliance with these procedures is subject to compliance with Chapter 119, Florida Statutes, and Section 286.011, Florida Statutes.

CONTRACT  
COPY

**Solicitation 762-9434**

**FINANCIAL AUDIT SERVICES**

**City of Fort Lauderdale**

## Bid 762-9434 FINANCIAL AUDIT SERVICES

Bid Number **762-9434**  
Bid Title **FINANCIAL AUDIT SERVICES**

Bid Start Date **Apr 14, 2006 2:22:55 PM EDT**  
Bid End Date **May 24, 2006 2:00:00 PM EDT**  
Question & Answer End Date **May 19, 2006 5:00:00 PM EDT**

Bid Contact **Richard Ewell**  
**Purchasing**  
**954-828-5138**  
**rewell@fortlauderdale.gov**

Contract Duration **5 years**  
Contract Renewal **3 annual renewals**  
Prices Good for **90 days**  
Pre-Bid Conference **May 15, 2006 2:00:00 PM EDT**  
**Attendance is optional**  
**Location: City Hall 8th Floor Conference Room**  
**100 N. Andrews Avenue**  
**Fort Lauderdale, FL 33301**

Bid Comments **The City of Fort Lauderdale, Florida is seeking proposals from qualified certified public accounting firms to provide professional financial audit services for the City's Finance Department, in accordance with the terms, conditions, and specifications contained in this Request for Proposals.**

### Item Response Form

Item **762-9434-1-01 - General Financial Audit**  
Quantity **1 each**  
Unit Price   
Delivery Location **City of Fort Lauderdale**  
No Location Specified  
  
Qty 1

**Description**  
Firm fixed cost

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Item **762-9434-1-02 - Federal Financial Assistance Program**  
Quantity **1 each**  
Unit Price   
Delivery Location **City of Fort Lauderdale**  
No Location Specified  
  
Qty 1

**Description**  
Firm fixed cost

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Item                   **762-9434-1-03 - State Financial Assistance Program**  
Quantity             **1 each**  
Unit Price            |  
Delivery Location    **City of Fort Lauderdale**  
                          No Location Specified  
  
                          **Qty 1**

**Description**  
Firm fixed cost

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Item                   **762-9434-1-04 - Large User Wastewater Agreements**  
Quantity             **1 each**  
Unit Price            |  
Delivery Location    **City of Fort Lauderdale**  
                          No Location Specified  
  
                          **Qty 1**

**Description**  
Firm fixed cost

**PROPOSAL SIGNATURE PAGE**

TO: The CITY of Fort Lauderdale, FL

The below signed hereby agrees to furnish the following article(s) or services at the price(s) and terms stated subject to all instructions, conditions, specifications addenda, legal advertisement, and conditions contained in the RFP. I have read all attachments including the specifications and fully understand what is required. By submitting this signed proposal I will accept a contract if approved by the CITY and such acceptance covers all terms, conditions, and specifications of this proposal.

**Please Note:** If responding to this solicitation through RFP Depot, the electronic version of the bid response will prevail, unless a paper version is clearly marked **by the bidder** in some manner to indicate that it will supplant the electronic version.

Proposal submitted by: \_\_\_\_\_  
(signature) (date)

Name (printed): \_\_\_\_\_ Title: \_\_\_\_\_

Company: (Legal Registration): \_\_\_\_\_

**(CONTRACTOR, IF FOREIGN CORPORATION, SHALL BE REQUIRED TO OBTAIN A CERTIFICATE OF AUTHORITY FROM THE DEPARTMENT OF STATE, IN ACCORDANCE WITH FLORIDA STATUTE §607.1501 (visit <http://www.dos.state.fl.us/doc/>)**

Address: \_\_\_\_\_

CITY: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Telephone No.: \_\_\_\_\_ FAX No.: \_\_\_\_\_

E-MAIL: \_\_\_\_\_

Does your firm qualify for MBE or WBE status in accordance with Section 1.08 of General Conditions?  
MBE  WBE

**ADDENDUM ACKNOWLEDGEMENT** - Proposer acknowledges that the following addenda have been received and are included in his proposal:

Addendum No. \_\_\_\_\_ Date Issued \_\_\_\_\_

**VARIANCES:** State any variations to specifications, terms and conditions in the space provided below or reference in the space provided below all variances contained on other pages of RFP, attachments or proposal pages. No variations or exceptions by the Proposer will be deemed to be part of the proposal submitted unless such variation or exception is listed and contained within the proposal documents and referenced in the space provided below. If no statement is contained in the below space, it is hereby implied that your proposal complies with the full scope of this RFP.

Variances:



## PART I - INTRODUCTION/INFORMATION

### 01. PURPOSE

The City of Fort Lauderdale, Florida (City) is seeking proposals from qualified certified public accounting firms, hereinafter referred to as the Contractor, to provide professional financial audit services for the City's Finance Department, in accordance with the terms, conditions, and specifications contained in this Request for Proposals (RFP).

### 02. INFORMATION OR CLARIFICATION

For information concerning procedures for responding to this RFP, technical specifications, etc., utilize the question / answer feature provided by RFP Depot. Such contact shall be for clarification purposes only. Material changes, if any, to the scope of services or bidding procedures will only be transmitted by written addendum (See addendum section of RFP Depot Site). No variation in price or conditions shall be permitted based upon a claim of ignorance. Submission of a proposal will be considered evidence that the proposer has familiarized himself with the nature and extent of the work, and the equipment, materials, and labor required.

### 03. PRE-PROPOSAL CONFERENCE

There will be a pre-proposal conference on the date and time specified in the Schedule Section of the RFP.

It will be the sole responsibility of the proposer to inspect the City's facilities and systems prior to submitting a proposal. No variation in price or conditions shall be permitted based upon a claim of ignorance. Submission of a proposal will be considered evidence that the proposer is familiar with the nature and extent of the work, and the equipment, materials, and labor required.

While attendance is not mandatory, it is strongly suggested that all proposers attend the pre-proposal conference.

### 04. ELIGIBILITY

To be eligible to respond to this RFP, the proposing firm must demonstrate that they have the following minimum qualifications and experience:

- The audit firm is independent and licensed to practice public accounting in the State of Florida.
- The audit firm's professional personnel have received adequate continuing professional education within the preceding three (3) years in accordance with the requirements of the Florida State Board of Accountancy.
- The firm has no conflict of interest with regard to any other work performed by the firm for the City of Fort Lauderdale.
- The firm has a record of quality audit work.

- The firm must have completed at least three (3) annual audits of similar complexity to the technical specifications contained in this RFP for a governmental entity similar in size to the City of Fort Lauderdale.
- The firm adheres to the instructions in this RFP for preparing and submitting proposals.

**PART II - RFP SCHEDULE**

Release RFP	04/17/06
Pre Proposal Conference City Hall, 100 North Andrews Avenue 8 <sup>th</sup> Floor Conference Room, Fort Lauderdale, FL. 2:00 PM	05/15/06
Last Date for Receipt of Questions of a Material Nature	05/17/06
Addendum Release (If required)	05/19/06
PROPOSAL DUE (Prior to 2:00 PM)	05/24/06
Selection Committee Review and Select Short List	05/31/06*
Negotiations with Highest Ranked Proposer	06/05-09/06*
City Commission Award	06/20/06*

\* Anticipated Dates

### PART III - SPECIAL CONDITIONS

#### 01. GENERAL CONDITIONS

RFP General Conditions Form G-107 Rev. 09/04 (GC) are included and made a part of this RFP.

#### 02. VARIANCES

While the City allows Contractors to take variances to the RFP terms, conditions, and specifications, the number and extent of variances taken will be considered in determining proposal responsiveness and in allocating proposal evaluation points. See Section 1.06 of GC.

#### 03. PUBLIC ENTITY CRIMES

A person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid on a contract to provide any goods or services to a public entity, may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work, may not submit bids on leases of real property to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any public entity in excess of the threshold amount provided in Section 287.017, Florida Statutes, for Category Two for a period of 36 months from the date of being placed on the convicted vendor list.

#### 04. NEWS RELEASES/PUBLICITY

News releases, publicity releases, or advertisements relating to this contract or the tasks or projects associated with the project shall not be made without prior approval of the City Manager.

#### 05. RFP DOCUMENTS

The Contractor shall examine this RFP carefully. Ignorance of the requirements will not relieve the Contractor from liability and obligations under the Contract.

#### 06. PROPOSERS' COSTS

The City shall not be liable for any costs incurred by proposers in responding to this RFP.

#### 07. RULES AND PROPOSALS

The signer of the proposal must declare that the only person(s), company or parties interested in the proposal as principals are named therein; that the proposal is made without collusion with any other person(s), company or parties submitting a proposal; that it is in all respects fair and in good faith, without collusion or fraud; and that the signer of the proposal has full authority to bind the principal proposer.

08. CONTRACT PERIOD

The initial contract term shall commence upon final execution of the contract by the City and shall expire five years from that date. The City reserves the right to extend the contract for three (3) additional one (1) year terms providing all terms conditions and specifications remain the same, both parties agree to the extension, and such extension is approved by the City.

In the event services are scheduled to end because of the expiration of this contract, the Contractor shall continue the service upon the request of the Director of Procurement Services. The extension period shall not extend for more than ninety (90) days beyond the expiration date of the existing contract. The Contractor shall be compensated for the service at the rate in effect when this extension clause is invoked by the City.

09. INVOICES/PAYMENT

Contractor shall submit invoices on a monthly basis, following commencement of work. The first invoice for each contract year shall not be submitted earlier than October 1 of that year. The final invoice shall not be submitted until after the City's Annual Financial Report is transmitted and accepted by the City Commission.

10. CONTRACT COST ADJUSTMENTS

Prices quoted shall be a firm, fixed cost for the first year of the initial contract term. Thereafter, costs shall be subject to negotiation each year with the Director of Finance for a firm fixed fee, based on the City's most current reporting requirements and shall not exceed ten percent (10%).

Any requested adjustment shall be fully documented and submitted to the City at least ninety (90) days prior to the contract anniversary date. Any approved cost adjustments shall become effective on the beginning date of the next anniversary term.

The City may, after examination, refuse to accept the adjusted costs if they are not properly documented, or considered to be excessive, or if decreases are considered to be insufficient. In the event the City does not wish to accept the adjusted costs and the matter cannot be resolved to the satisfaction of the City, the Contract will be considered cancelled on the scheduled expiration date.

11. NO EXCLUSIVE CONTRACT/ADDITIONAL SERVICES

Contractor agrees and understands that the contract shall not be construed as an exclusive arrangement and further agrees that the City may, at any time, secure similar or identical services at its sole option.

While this contract is for services provided to the City's Finance Department, the City may require similar work for other City departments. Contractor agrees to take on such work unless such work would not be considered reasonable or become an undue burden to the Contractor.

12. DELETION OR MODIFICATION OF SERVICES

The City reserves the right to delete any portion of this Contract at any time without cause, and

if such right is exercised by the City, the total fee shall be reduced in the same ratio as the estimated cost of the work deleted bears to the estimated cost of the work originally planned. If work has already been accomplished on the portion of the Contract to be deleted, the Contractor shall be paid for the deleted portion on the basis of the estimated percentage of completion of such portion.

If the Contractor and the City agree on modifications or revisions to the task elements, after the City has approved work to begin on a particular task or project, and a budget has been established for that task or project, the Contractor will submit a revised budget to the City for approval prior to proceeding with the work.

### 13. ADDITIONAL ITEMS

The City may require additional items of a similar nature, but not specifically listed in the contract. The Contractor agrees to provide such items, and shall provide the City prices on such additional items based upon a formula or method which is the same or similar to that used in establishing the prices in his proposal. If the price(s) offered are not acceptable to the City, and the situation cannot be resolved to the satisfaction of the City, the City reserves the right to procure those items from other vendors, or to cancel the contract upon giving the Contractor thirty (30) days written notice.

### 14. SUBSTITUTION OF PERSONNEL

It is the intention of the City that the Contractor's personnel proposed for the contract will be available for the initial contract term. In the event the Contractor wishes to substitute personnel, he shall propose personnel of equal or higher qualifications and all replacement personnel are subject to City approval. In the event substitute personnel are not satisfactory to the City and the matter cannot be resolved to the satisfaction of the City, the City reserves the right to cancel the Contract for cause. See Section 5.09 General Conditions.

### 15. INDEPENDENT CONTRACTOR

The Contractor is an independent contractor under this Agreement. Personal services provided by the Contractor shall be by employees of the Contractor and subject to supervision by the Contractor, and not as officers, employees, or agents of the City. Personal policies, tax responsibilities, social security, health insurance, employee benefits, purchasing policies and other similar administrative procedures applicable to services rendered under this Contract shall be those of the Contractor.

### 16. UNCONTROLLABLE CIRCUMSTANCES ("Force Majeure")

The City and Contractor will be excused from the performance of their respective obligations under this agreement when and to the extent that their performance is delayed or prevented by any circumstances beyond their control including, fire, flood, explosion, strikes or other labor disputes, act of God or public emergency, war, riot, civil commotion, malicious damage, act or omission of any governmental authority, delay or failure or shortage of any type of transportation, equipment, or service from a public utility needed for their performance, provided that:

- A. the non-performing party gives the other party prompt written notice describing the particulars of the Force Majeure including, but not limited to, the nature of the occurrence and its expected duration, and continues to furnish timely reports with respect thereto during the period of the Force Majeure;
- B. the excuse of performance is of no greater scope and of no longer duration than is required by the Force Majeure;
- C. no obligations of either party that arose before the Force Majeure causing the excuse of performance are excused as a result of the Force Majeure; and
- D. the non performing party uses its best efforts to remedy its inability to perform.

Notwithstanding the above, performance shall not be excused under this Section for a period in excess of two (2) months, provided that in extenuating circumstances, the City may excuse performance for a longer term. Economic hardship of the Contractor will not constitute Force Majeure. The term of the agreement shall be extended by a period equal to that during which either party's performance is suspended under this Section.

## 17. INSURANCE

Contractor shall furnish the Purchasing Division original certificates of insurance as outlined in the RFP, and prior to the date on which the Contractor or any sub-contractor commences any performance of any operations under this contract. Certificates of insurance shall be subject to review and approval by the City's Risk Manager. All required insurance certificates, which shall be maintained in full force by the Contractor and all subcontractors for the duration of the contract term, and any extension terms.

All certificates of insurance shall include the following provisions:

- a. Not less than thirty (30) days notice prior to cancellation or material change in coverage;
- b. The City of Fort Lauderdale, Florida, its elected officials, employees and agents shall be specifically named as "additional insured" on the policies for commercial general liability;
- c. Certificates of insurance for all types of insurance required under this contract shall delete the words "endeavor to" and "but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents, or representatives" from the cancellation wording of the certificate of insurance;
- d. Certificates of insurance shall be delivered to the Purchasing Division, 100 N. Andrews Avenue, RM 619, Ft. Lauderdale, FL 33301, prior to commencement of any contract work.
- e. Contractor shall provide the following insurance coverage:
  - 1. Workers' Compensation & Employer's Liability Insurance as required by Florida Statutes for benefit of Contractor employees. Notwithstanding FS 440.055, any firm performing work on behalf of the City of Fort Lauderdale must provide:

**Exceptions: Workers' Compensation Insurance will not be required if the**

**individuals performing the work are a Corporate Officer, sole proprietor, or partner. In such case the firm must provide copies of their waivers as provided for by FS 440.05 & 440.055.**

2. Commercial General Liability including: hazards of premises/operations; independent contractors; employees as additional insureds; products completed operations; contractual liability coverage; broad form property damage coverage; and personal injury and advertising injury liability coverage. Policy limits will be for no less than \$1 million annual aggregate, \$1 million completed operations aggregate and \$1 million each occurrence.

3. Automobile liability coverage covering all owned, non-owned, and hired automobiles for limits of not less than **\$500,000**. Combined single limit per occurrence for bodily injury and property damage.

4. Professional Liability coverage providing no less than \$1 million per occurrence limit for errors and omissions.

#### 18. LOBBYING ACTIVITIES

ALL BIDDERS/PROPOSERS PLEASE NOTE: Any bidder or proposer submitting a response to this solicitation must comply, if applicable, with City of Fort Lauderdale Ordinance No. C-00-27, Lobbying Activities. Copies of Ordinance No. C-00-27 may be obtained from the City Clerk's Office on the 7th Floor of City Hall, 100 N. Andrews Avenue, Fort Lauderdale, Florida. The ordinance may also be viewed on the City's website at <http://ci.ftlaud.fl.us/documents/index.htm>.

#### 19. TRANSACTION FEES:

The City of Fort Lauderdale uses RFP Depot ([www.rfpdepot.com](http://www.rfpdepot.com)) to distribute and receive bids and proposals. There is no charge to vendors/contractors to register and participate in the solicitation, nor will any fees be charged to the awarded vendor. Refer to [www.rfpdepot.com](http://www.rfpdepot.com) for further information.

#### 20. SUB-CONTRACTING:

If the Contractor proposes to use subcontractors in the course of providing these services to the City, this information shall be a part of the RFP response. Such information shall be subject to review, acceptance and approval of the City, prior to any contract award. The City reserves the right to approve or disapprove of any subcontractor candidate in its best interest.

#### 21. CONFIDENTIAL INFORMATION

Florida law provides that municipal records shall at all times be open for personal inspection by any person. Section 119.01, F.S., The Public Records Law.

Information and materials received by the City in connection with all proposers' responses shall be deemed to be public records subject to public inspection upon award,

recommendation for award or ten (10) days after opening, whichever occurs first. However, certain exemptions to the public records law are statutorily provided for in Section 119.07, F.S.

Therefore, if the proposer believes any of the information contained in his or her response is exempt from the Public Records Law then the proposer must in his or her response specifically identify the material which is deemed to be exempt and cite the legal authority for the exemption. Otherwise, the City will treat all materials received as public records.

## 22. ALTERNATE PRODUCT PROPOSALS

The Technical Specifications contained in this RFP are to be used as a reference only and are not to be considered of a proprietary nature. These specifications represent a level of quality and features which are desired by the City of Fort Lauderdale. The City is receptive to any product which would be considered by qualified City personnel as an approved equal.

The proposer must state clearly in his proposal pages any variance to the specifications. If proposing an approved equal or alternate product, it will be the proposer's responsibility to provide adequate information in his proposal to enable the City to ensure that the proposal meets the required criteria. If adequate information is not submitted with the proposal, it may be rejected.

The City of Fort Lauderdale will be the sole judge in determining if the product proposed qualifies as approved equal. The City reserves the right to award to that proposal which will best serve the interest of the City as determined by the City. The City further reserves the right to waive minor variations to specifications and in the bidding process.

## PART IV - TECHNICAL SPECIFICATIONS/SCOPE OF SERVICES

### 01. GENERAL INFORMATION/NATURE OF SERVICES REQUIRED

The City of Fort Lauderdale is requesting proposals from qualified firms of certified public accountants, hereinafter referred to as the auditor, **to audit its financial statements for the five fiscal years ending September 30, 2006 through September 30, 2010 with the option of auditing its financial statements for each of the three (3) subsequent fiscal years.** Meeting the requirements of Section 10.02 of the City Charter, these audits are to be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, the rules of the Auditor General of the State of Florida, the Florida Single Audit Act, the standards for financial audits set forth by the U.S. Office of Management and Budget (OMB) revised Circular A-133, Audits of State, Local Governments and Non-Profit Organizations and other authoritative standards.

#### 01.1 Scope of Work to be Performed:

The City desires the auditor to express an opinion on the fair presentation of its basic financial statements in conformity with generally accepted accounting principles. The basic financial statements include the governmental activities, the business-type activities, any discretely presented component units, each major fund and the aggregate remaining fund information of the City of Fort Lauderdale.

The auditor is not required to audit the combining financial statements and schedules. However, the auditor is to provide an "in-relation-to" report on the combining financial statements and schedules based on the auditing procedures applied during the audit of the basic financial statements. The auditor is not required to audit the statistical section of the report.

The auditor shall also be responsible for performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards.

**The auditor is not required to audit the schedules of federal and state financial assistance. However, the auditor is to provide "in-relation-to" reports on those schedules based on the auditing procedures applied during the audit of the financial statements.**

The auditor is expected to express an opinion on the fair presentation of its schedule of large user wastewater treatment rate computation in conformity with generally accepted accounting principles.

On an as needed basis, the auditor is expected to perform services related to the City issuance of debt (statement reviews and debt defeasances schedules) and perform review services, as necessary, on supplemental financial statements based upon the Comprehensive Annual Financial Report (CAFR).

It should be understood that the City's management has responsibility for properly recording transactions in the accounting records and maintaining an internal control structure sufficient to

permit the preparation of reliable financial statements. It should also be understood that the City's management is responsible for the effectiveness of its internal control structure and for representations contained in the financial statements and that the auditor will require a written representation letter be furnished to the auditor by members of the City's management near the completion of the audit. The auditor's responsibility is to express an opinion on the financial statements based upon their audits, the responses to their inquiries to the City's management and the written representations of the City's management. Because of the importance of management's representations to an effective audit, City agrees to release auditor and its personnel from any liability and costs relating to services under this RFP attributable to any misrepresentations by City's management.

## 02. AUDITING STANDARDS TO BE FOLLOWED

To meet the requirements of this request for proposals, the audit shall be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, the rules of the Auditor General of the State of Florida, the Florida Single Audit Act, the standards for financial audits set forth by the U.S. OMB revised Circular A-133, Audits of State, Local Governments and Non-Profit Organizations and other authoritative standards.

## 03. REPORTS TO BE ISSUED

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

### a. For the City:

- 1) A report on fair presentation of the basic financial statements, as a whole, in conformity with generally accepted accounting principles.
- 2) A report on the internal control structure based solely on the auditor's understanding of the control structure made as part of the audit of the financial statements.
- 3) A report on compliance with applicable laws and regulations that may have a material effect on the financial statements.

### b. For the City's Federal and State Financial Assistance Programs:

Federal and State single audit reports that comply with OMB Circular A-133 and the Florida Single Audit Act.

### c. For the City's large user wastewater agreements:

A report on fair presentation of the schedule of large user wastewater treatment rate computation, in conformity with generally accepted accounting principles.

### d. Reporting to the Audit Advisory Board.

The City currently has an Audit Advisory Board composed of members appointed by the City Commission in accordance with City Ordinance #C-03-46. Auditors shall

assure themselves that the City's Audit Advisory Board is 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. Reporting on irregularities and illegal acts.

It is understood that the audits may not reveal all errors, irregularities or illegal acts which may have occurred during the year. Auditors shall be required to make an immediate, written report of all irregularities and illegal acts of which they become aware to the Audit Advisory Board and the City Manager. If the illegal act involves funds from other governmental entities, it is the City Manager's responsibility to inform the other governmental entities of the acts.

- f. As needed (for additional fees)
- 1) Updates for City bond issues
  - 2) Supplemental reports
  - 3) Defeasance schedules

#### 04. SPECIAL CONSIDERATIONS

- a. The City will send its CAFR to the Government Finance Officers Association of the United States and Canada (GFOA) for review in its Certificate of Achievement for Excellence in Financial Reporting program. It is anticipated that the auditor will not be required to provide special assistance to the City to meet the requirements of that program.
- b. The City may prepare one or more official statements in connection with the sale of debt securities, which will contain the basic financial statements and the auditor's report thereon. The auditor shall be required, if requested by the financial advisor and/or the underwriter, to issue a "consent and citation of expertise" as the auditor and any necessary "comfort letters". This may be the subject of an additional fee.

- c. The Department of Housing and Urban Development currently functions as the City's oversight agency in accordance with the provisions of the revised OMB Circular A-133.
- d. The large user wastewater treatment rate computation and related auditor's report is not to be included in the CAFR, but is to be issued separately.
- e. The federal and state single audit report is to be included in the CAFR.
- f. The auditor's response should include a brief explanation of the impact of GASB statements 43, 44 and 45, and their affect on the preparation of the CAFR, including any audit implications. The City will be implementing GASB 44 for the 2006 fiscal year.

#### 05. WORKING PAPER RETENTION AND ACCESS TO WORKING PAPERS

All working papers and reports must be retained, at the auditor's office where the work will be performed and at the auditor's expense, for a minimum of five (5) 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 by the City.

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

#### 06. INFORMATION ON THE CITY OF FORT LAUDERDALE FINANCIAL OPERATIONS

##### a. Contact Persons

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

##### b. Background Information

The City was incorporated in 1911 and covers an area of approximately 36 square miles. An elected five-member commission composed of a Mayor and four District Commissioners governs the City. Services provided to its approximately 170,000 residents include law enforcement, fire control, water and sewer, public works, community enrichment and development and various recreational services.

##### c. Fund Structure

A copy of the City's application to the GFOA's Certificate of Achievement for Excellence in Financial Reporting for its Fiscal Year 2005 report is included as an attachment to this RFP and provides valuable information regarding the City's fund structure and other relevant information.

##### d. Budgetary Basis of Accounting

Budgets are prepared on a basis consistent with generally accepted accounting principles with the following exceptions: Advances from other funds are presented as revenues, and

encumbrances, advances to other funds and principal on long-term debt of the proprietary funds are presented as expenditures or expenses.

e. Federal, State and Local Financial Assistance

During the 2005 fiscal year, the City was awarded nearly \$52 million in financial assistance, the details of which can be found in the attachments section of this RFP.

f. Pension Plans

The City provides separate single-employer defined benefit pension plans for its general employees and police and firefighters. The City also provides a defined contribution pension plan for certain general employees not participating in the defined benefit plan.

g. Joint Ventures

The City participates in a joint venture with the Downtown Development Authority and the Broward County Performing Arts Center Authority more fully described in Note 8, Page 48 of the City's CAFR for the year ended September 30, 2005.

h. Description of Finance Operations – See attached 2006 Operating Budget

07. TIME REQUIREMENTS

a. Commencement of Audit

The City will have all records ready for audit and all management personnel available to meet with the firm's personnel immediately upon appointment.

b. Schedule for the 2006 Fiscal Year Audit

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

1) Detailed Audit Plan

The auditor shall provide the City and the Audit Advisory Board a detailed audit plan by July 14, 2006.

2) Fieldwork

The auditor shall begin initial fieldwork as soon as practical, but no later than October 1, 2006 with final completion by December 15, 2006.

3) Reports

It is anticipated that the City will deliver its 2006 audited financial statements (included in the CAFR) to the City Commission in February, 2007.

c. Entrance Conferences, Progress Reporting and Exit Conferences

There will be an entrance conference with key Finance Department personnel within one week of City Commission appointment of the auditors. Progress conferences will be held with Finance Department personnel throughout the engagement with an exit conference at the conclusion of the engagement.

d. Preparing the Report

The City Finance Department shall prepare draft financial statements, notes and all required supplementary schedules and statistical data. The auditor shall provide all recommendations, revisions and suggestions for improvement to the Director of Finance as soon as possible thereafter.

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

a. Finance Department Accounting 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. In addition, some clerical support will be made available to the auditor for the preparation of routine correspondence.

b. Information Technology Department (IT)

Certain IT personnel will be available to assist the auditor in performing the engagements. IT personnel will also be available to provide systems documentation and explanations.

c. Work Area, Telephones, Photocopying and FAX Machines

The City will provide the auditor with reasonable workspace with access to telephone, photocopying and FAX machines. The auditor will provide their own laptop computers and necessary peripheral devices.

09. REFERENCES

- a. 2005 – CAFR is available online at [http://www.fortlauderdale.gov/documents/financial\\_rpts.htm](http://www.fortlauderdale.gov/documents/financial_rpts.htm). Hard copies are available by calling Linda Cohen at 954-828-5165.
- b. 2006 - City of Fort Lauderdale Operating Budget is available online at <http://www.fortlauderdale.gov/documents/budget.htm>. Hard copies are available by calling Linda Cohen at 954-828-5165.

## PART V – CONSIDERATION FOR AWARD/AWARD PROCEDURES

The award of the contract will be based on certain objective and subjective considerations listed below:

### 1. Expertise and Experience

- a. The firm's local office, or office designated to do the work, past experience and performance on comparable government engagements. Weight factor: 15%
- b. The firm's national expertise and experience in local governmental auditing. Weight factor: 10%
- c. 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. Weight factor: 10%
- d. The firm making available continuing professional education opportunities for staff of the City's Financial Departments by sharing in-house or local training opportunities. Weight factor: 5%
- e. Client references. Weight factor: 5%
- f. The sufficiency of resources to perform the contract. Weight factor: 5%

### 2. Audit Approach

- a. Adequacy of proposed staffing plan for various segments of the local engagement. Weight factor: 15%
- b. Adequacy of analytical procedures used in risk assessment. Weight factor: 10%
- c. Assessment of firm's ability to meet prescribed report publication date. Weight factor: 5%

### 3. Cost to the City. Weight factor: 20%

Evaluation of proposals will be conducted by an Audit Selection Committee appointed by the City Commission. It may be a two-step process. In step one the committee will evaluate all responsive proposals based upon the information and references contained in the proposals as submitted. The committee will score and rank all responsive proposals and determine a minimum of three (3), if more than three (3) proposals are responsive, to be finalists for further consideration. In the event there are less than three (3) responsive proposals, the committee will give further consideration to all responsive proposals received. If necessary, the committee will then conduct discussions, for clarification purposes only, with the finalists and re-score and re-rank the finalists proposals. The committee will then make a recommendation to the Fort Lauderdale City Commission for award.

Proposers or Finalists may be required to provide an oral presentation by appearing before the Selection Committee or by conference telephone call for clarification purposes only.

Information and references submitted will be considered in the award.

The City may require additional information and Proposers agree to furnish such information. The City reserves the right to award the contract to that Proposer who will best serve the interest of the City. The City reserves the right, based upon its deliberations and in its opinion, to accept or reject any or all proposals. The City also reserves the right to waive minor irregularities or variations to the specifications and in the bidding process.

The City uses a mathematical formula for determining allocation of cost points to each responsive, responsible proposer. The lowest, responsive, responsible proposer receives the maximum allowable points. When using this formula, a proposer that submits a cost or fee which is two times greater than the cost / fee of the lowest responsive, responsible proposer, will result in receiving zero points for cost.

## **PART VI - REQUIREMENTS OF THE PROPOSAL**

All proposals must be submitted as specified on the proposal pages that follow. Any attachments must be clearly identified. To be considered, the proposal must respond to all parts of the RFP. Any other information thought to be relevant, but not applicable to the enumerated categories, should be provided as an appendix to the proposal. If publications are supplied by a proposer to respond to a requirement, the response should include reference to the document number and page number. This will provide a quick reference for the evaluators. Proposals not providing this reference will be considered to have no reference material included in the additional documents.

Proposers may submit an electronic proposal through RFP Depot and must mail all required copies. All mailed proposals must be received in the Procurement Services Department, Room 619, 100 N. Andrews Avenue, Fort Lauderdale, FL, 33301 prior to 2:00 pm on the date specified in the SCHEDULE Section of this RFP. Paper submittals are required and shall prevail over any electronic submittals if different.

All proposals must be submitted in a sealed package with the RFP number, due and open date, and RFP title clearly marked on the outside. If more than one package is submitted they should be marked 1 of 2, etc.

The proposal shall be signed by a representative who is authorized to contractually bind the Contractor.

**PROPOSERS MUST SUBMIT AN IDENTIFIED  
ORIGINAL PLUS EIGHT (8) COPIES OF THE  
PROPOSAL PAGES INCLUDING ANY ATTACHMENTS**

THE ABOVE REQUIREMENT TOTALS NINE (9) COPIES OF YOUR PROPOSAL

**PROPOSAL PAGES ARE AS FOLLOWS:**

Part I – Expertise & Experience

Part II – Audit Approach

Part III -- Cost Information

Signature Page

Attachments

**PROPOSAL PART I**  
**Expertise & Experience**

**A. GENERAL REQUIREMENTS**

The purpose of this part is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit of the City of Fort Lauderdale 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 proposer should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement.

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 B through F must be included. They represent information that will be used to determine responsiveness of your proposal, and will be the basis of allocating proposal evaluation points.

**B. INDEPENDENCE**

The firm should provide an affirmative statement that it is independent of the City of Fort Lauderdale as defined by the U.S. General Accounting Office's Government Auditing Standards (1988).

The firm should also list and describe the firm's (or proposed subcontractor's) professional relationships involving the City of Fort Lauderdale or any of its agencies for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

In addition, the firm shall give the City of Fort Lauderdale written notice of any professional relationships entered into during the period of this agreement

**C. LICENSE TO PRACTICE IN FLORIDA**

An affirmative statement should be included indicating that the firm and all assigned key professional staff are properly licensed to practice in Florida.

**D. FIRM QUALIFICATIONS AND EXPERIENCE**

The proposal should state the size of the firm, the size of the firm's governmental staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis.

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.

In a joint proposal, the principal firm should complete and sign the Proposal Signature Page, and the structure, duties, and responsibilities of each firm should be clearly delineated.

The firm is also required to submit a copy of the report on its most recent peer 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 its audits 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 the firm during the past three (3) years with state regulatory bodies or professional organizations.

The firm should describe any outstanding claims or litigation or threatened claims or litigation of which the proposer is aware, which involve any Florida based office or which may threaten the existence or current stability of the firm. The firm should also describe any past disciplinary findings or sanctions by the Florida State Board of Accountancy or the Auditor General related to your firm.

#### E. PARTNER, SUPERVISORY, AND STAFF QUALIFICATIONS AND EXPERIENCE

The firm should identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement and indicate whether each such person is licensed to practice as a certified public accountant in Florida. The firm also should provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit.

The firm should provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. The firm also should indicate how the quality of staff over the term of the agreement will be assured.

The proposer should identify the extent to which staff to be assigned to the audit reflect the City of Fort Lauderdale's commitment to Affirmative Action.

If MBE or WBE participation as subcontractors or as part of a joint venture are included in your relevant proposal, please clearly identify the firms and state their duties and responsibilities, as well as their expertise and experience.

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. These personnel may also be changed for other reasons with the express prior written permission of the City of Fort Lauderdale. However, in either case, the City of Fort Lauderdale retains the right to approve or reject replacements.

Consultants and firm specialists mentioned in response to this request for proposals can only be changed with the express prior written permission of the City of Fort Lauderdale, 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.

**F. PRIOR ENGAGEMENTS WITH THE CITY OF FORT LAUDERDALE**

The firm should list separately all engagements within the last five years for the City of Fort Lauderdale by type of engagement (i.e., audit, management, advisory services, other). For each engagement, the firm should indicate the scope of work, date, engagement partners, total hours, the location of the firm's office from which the engagement was performed, and the name and telephone number of the principal client contact.

**G. SIMILAR ENGAGEMENTS WITH OTHER GOVERNMENTAL ENTITIES**

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum of 5) performed in the last five years that are similar to the engagement described in the request for proposals.

Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

## **PROPOSAL PART II**

### **Specific Audit Approach**

#### **A. WORK PLAN**

The proposal should set forth a work plan and a schedule, including an explanation of the audit methodology to be followed, to perform the services required in Section IV of this request for proposals. In developing the work plan, reference should be made to such sources of information as the City of Fort Lauderdale's budget and related materials, organizational charts, manuals and programs, and financial and other management information systems.

Proposers will be required to provide the following information on their audit approach:

1. Proposed segmentation of the engagement
2. Sample sizes and the extent to which statistical sampling will be used in transaction testing during the engagement
3. Type and extent of analytical procedures to be used in the engagement
4. Approach to be taken to gain and document an understanding of the City of Fort Lauderdale's internal control structure
5. Approach to be taken in determining laws and regulations that will be subject to audit testing.
6. Approach to be taken in drawing audit samples for purposes of compliance testing.

#### **B. IDENTIFICATION OF ANTICIPATED POTENTIAL AUDIT PROBLEMS**

The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from the City of Fort Lauderdale.

#### **C. REPORT FORMAT**

The proposal should include sample formats for required reports.

**PROPOSAL - PART III**  
**Cost Information**

**BASIC AUDITING SERVICES**

**Firm, Fixed Cost to the City**

General Financial Audit	\$ _____
Federal Financial Assistance Program	_____
State Financial Assistance Program	_____
Large User Wastewater Agreements	_____
<b>Total Cost to the City:</b>	<b>\$ _____</b>

**ADDITIONAL "AS NEEDED" AUDITING SERVICES**

Please describe the Proposer's basis for quoting fees for additional auditing services to be performed on an "as needed" basis such as for statement reviews, defeasance schedules for city issuance of debt, review of supplemental financial statements, etc.

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**SECTION X – INDEX OF ATTACHMENTS**

1. Comprehensive Annual Financial Report (CAFR) submission to GFOA
2. Schedule of Federal, State, and Local Financial Assistance for the Fiscal Year Ended September 30, 2005

**CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING PROGRAM**

**Participant Application**

*(Please type or print)*

**Section I: Government Information:**

Three copies of this completed application, three copies of the government unit's comprehensive annual financial report (CAFR) and the appropriate fee should be sent (postmarked) to GFOA within six months of the government unit's fiscal year end. In addition, if the CAFR was submitted to the program in the immediate prior year, please include three copies of the government unit's responses to the comments and suggestions for improvement and any other correspondence that may assist the program with the current year's review. This information will be sent to Special Review Committee (SRC) members to assist them in their review. The official requesting the review will receive the results upon completion of the review process.

Note: This application includes preprinted information for questions 1 through 6. If this is the application you send with your next submission, simply update the information on the preprinted application, as necessary, and complete all of the other information for Sections I through VII of the application. Alternatively, you may complete a new application for each submission to the program (visit the "Forms" section of GFOA's website, [www.gfoa.org](http://www.gfoa.org), to download a copy). If you have any questions contact us at: [cafrprogram@gfoa.org](mailto:cafrprogram@gfoa.org) or call the Technical Services Center at (312) 977-9700.

1. Name of Unit **City of Fort Lauderdale**
2. Fiscal Year Ended (month, day, year) **09/30/05**
3. Is the government unit a previous participant in the Certificate of Achievement Program? **Yes**
  - a. What was the most recent year? **2004**, and
  - b. What was the report number which appeared in the upper left-hand corner of the government's "Summary of Grading" **2,190.00**
4. Official Requesting Review (receives notification of results, detailed comments and suggestions for improvement, the Award for Financial Reporting Achievement (AFRA), a press release, information regarding presentation by a GFOA State Representative and the Certificate of Achievement plaque). A street address is required for shipment of the plaque.  
 Name: **Raymond P. Mannion** Phone: **954/828-5165** Fax: **954/828-5168**  
 Title: **Director of Finance** E-Mail: **RMannion@FortLauderdale.gov**  
 Results Address 1: **100 North Andrews Avenue** Plaque Address 1: **100 North Andrews Avenue**  
 Results Address 2: Plaque Address 2:  
 City: **Fort Lauderdale** State: **FL** Zip: City: **Fort Lauderdale** State: **FL** Zip:  
**33301-4250** **33301-4250**
5. If the government unit is awarded a Certificate of Achievement for Excellence in Financial Reporting, the Award of Financial Reporting Achievement (AFRA) will be prepared for the individual or department noted below as being primarily responsible for the unit's success in earning the certificate.  

**Finance Department, City of Fort Lauderdale**

6. If the submission qualifies for the Certificate of Achievement for Excellence in Financial Reporting, whom (mayor, board chair, etc.) should GFOA send a formal announcement of the award and a related press release.

Name: **George Gretsas**  
 Title: **City Manager**  
 Address 1: **100 North Andrews Avenue**  
 Address 2:  
 City: **Fort Lauderdale** State: **FL** Zip: **33301-4250** E-mail:

7. For municipalities (e.g., cities, townships, villages and counties, please provide your population figure. For school districts, please provide your total student enrollment figure. 152,397

GFOA Use Only: Date: _____	Check #: _____	Amount: _____
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**Section I: Government Information (Continued):**

8. To support the GFOA's recent recommended practice titled *Using Websites to Improve Access to Budget Documents and Financial Reports*\*, the GFOA will provide a link to CAFRs that are available on a government's website. Does your entity follow this recommendation and publish its CAFR on its website? **Yes** No (circle one)  
If yes, please provide the direct hyperlink address to the CAFR document (rather than your government's general home page information) below:

http://www. fortlauderdale.gov/documents/financial\_rpts.htm

This link will be on the list of award winners of the Certificate of Achievement for Excellence in Financial Reporting that can be found in the "Awards program" area of GFOA's website, www.gfoa.org.

(\*Please refer to the recommended practices area of the GFOA's website, www.gfoa.org, for the full text of the recommendation).

**Section II: Audit Information:**

Agency or Firm Name: ERNST & YOUNG LLP  
Contact name (optional): ALYSON SILVA  
Street Address: 100 NE THIRD AVENUE, SUITE 700  
Phone: 954/888-8000 E-mail: \_\_\_\_\_  
City: FORT LAUDERDALE State: FL Zip Code: 33301

**Section III: Fee Calculation:**

Is the fee calculation based on the government unit's implementation of GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*? **Yes** No (circle one)

If not, use the amounts from the General Purpose Financial Statements (GPFS) that correspond to the applicable items below.

- \* Total revenues from the governmental funds Statement of revenues, expenditures and changes in fund balances (exclude other financing sources) \$ 287,594,529
  - \* Total expenses from the proprietary funds Statement of revenues, expenses and changes in net assets/fund equity \$ 135,059,265
  - \* Total additions from the fiduciary funds Statement of changes in fiduciary net assets (if total additions are negative, use the total amount of contributions from all sources) \$ 118,352,914
  - \* Total program revenues of discretely presented component units from the government-wide Statement of activities \$ —
  - \* If applicable, total revenues reported for discretely presented component units and not-for-profit organizations reported on a separate operating statement(s) or statement(s) of activity \$ —
- TOTAL** \$ 541,006,648

If you have not already paid for this review, please include a check payable to the GFOA with this application form or provide the following information if you wish to pay by credit card:

Credit card type: \_\_\_\_\_ Account number: \_\_\_\_\_ Expiration date (mandatory): \_\_\_\_\_  
Signature (mandatory): \_\_\_\_\_

Use the following schedule to determine the appropriate fee based on the TOTAL calculated above. Member rates apply if a government joins GFOA at the time of their submission (in this case indicate below that the government is a GFOA member).

TOTAL	GFOA Member	Nonmember
Under \$1 million	\$ 275	\$ 550
\$1-10 million	\$ 350	\$ 700
\$10-50 million	\$ 415	\$ 830
\$50-100 million	\$ 480	\$ 960
\$100-250 million	\$ 550	\$1,100
\$250-500 million	\$ 690	\$1,380
\$500-750 million	\$ 825	\$1,650
\$750 million - \$1 billion	\$ 965	\$1,930
Over \$1 billion	\$1,045	\$2,090

Name of the government as it is listed in our membership database: City of Fort Lauderdale  
We show that your government is a member and your account number is 66343001

Name of unit: City of Fort Lauderdale  
(as a reference for SRC reviewers)

**Section IV: Fund Information:**

Indicate below how many individual funds of each generic fund type for which the primary government reports operations and/or balances (including the funds of blended component units and component units that are fiduciary in nature) and how many discretely presented component units the government-wide statements report at year end (if GASB 34 has not been implemented include the total number of discretely presented component units from all general purpose financial statements). Also, indicate the number of individual funds of each generic fund type with legally adopted annual budgets.

<u>Fund Type</u>	<u>Number of Funds and Discretely Presented Component Units</u>	<u>Number of Funds with Legally Adopted Annual Budgets</u>
<b>Primary Government:</b>		
General	1	1
Special Revenue	4	1
Debt Service	5	5
Capital Project	9	-
Permanent	1	-
Enterprise	5	5
Internal Service	3	3
Pension Trust	2	-
Investment Trust	-	-
Private-purpose Trust	-	-
Agency	1	-
Other (apply only if GASB 34 has not been implemented):		
Expendable Trust	-	-
Nonexpendable Trust	-	-

**Discretely Presented Component Units:**

Governmental entities	1	N/A
Other (e.g., nongovernmental entities following the commercial or not-for-profit model)	-	N/A

**Section V: Pension Information:**

Indicate below the individual pension plans in which the government unit participates or with which it is otherwise connected (e.g., contributions made on behalf of employees by another government) and indicate the type of plan (see GASB Statement 27, Para. 8, 19, 28 and 39 for guidance). Also, indicate whether the government unit includes a pension trust fund in its CAFR to report the individual pension plan. For the separate report of a Public Employee Retirement System (PERS) list the individual pension plans reported by the PERS.

<u>Pension Plan</u>	<u>Multiple Employer Defined Benefit Plans</u>		<u>Single Employer Defined Benefit Plans</u>	<u>Defined Contribution</u>	<u>Special Funding Situations (GASBS 27, Paragraph 28)</u>	<u>Reported as a Pension Trust Fund? Yes or No</u>
	<u>Cost Sharing</u>	<u>Agent</u>				
a) <u>GEN. EMPLOYEES RET. SYSTEM</u>			X			<u>Yes</u>
b) <u>POLICE &amp; FIREFIGHTERS RET. SYSTEM</u>			X			<u>Yes</u>
c) <u>GEN. EMPLOYEES SPECIAL CLASS PLAN</u>				X		<u>No</u>
d) <u>NON-CLASSIFIED EMPLOYEES RET. PLAN</u>				X		<u>No</u>
e) _____						
f) _____						
g) _____						

Section VI: Display and Disclosure Questions:

Please answer each of the following questions by circling the appropriate response. Your answers will assist the SRC in determining whether the item addressed by the question is properly displayed or disclosed in the CAFR. Comments and suggestions for improvement will be issued to your government unit if discrepancies are noted between the information presented in the CAFR and the answers to these questions. (Note: The following questions are in order by when a question relating to the topic first appears on the *General Purpose Checklist*.)

All Questions are Applicable to Material Items Only.

- |   |   |                                     |     |
|---|---|-------------------------------------|-----|
| 1. Does the government unit have any debt that is being repaid by special assessments?  | Yes   | <input checked="" type="radio"/> No | N/A |
| If yes:   |   |                                     |     |
| a. Is the government unit obligated in some manner for all or a portion of the debt?  | Yes   | No                                  | N/A |
| b. Is the government unit not obligated in any manner for the debt?   | Yes   | No                                  | N/A |
| 2. Has the government unit given or received a capital contribution in connection with a public entity risk pool?   | Yes   | <input checked="" type="radio"/> No | N/A |
| If yes:   |   |                                     |     |
| a. Does the pool actually pool or transfer the risks of participants?   | Yes   | No                                  | N/A |
| b. Is the return of the contribution probable?  | Yes   | No                                  | N/A |
| 3. Did the government unit engage in securities lending transactions during the year?   | Yes   | <input checked="" type="radio"/> No | N/A |
| 4. Did the government unit engage in any reverse repurchase agreements during the year?   | Yes   | <input checked="" type="radio"/> No | N/A |
| 5. During the year, has the government unit or its component units engaged in any refunding(s) of debt that resulted in the defeasance or redemption of debt?   | Yes   | <input checked="" type="radio"/> No | N/A |
| If yes:   |   |                                     |     |
| a. Did the transaction(s) take place in a fund that uses governmental fund accounting?  | Yes   | No                                  | N/A |
| b. Did the transaction(s) take place in a fund that uses proprietary fund accounting?   | Yes   | No                                  | N/A |
| c. Did the transaction(s) take place in a discretely presented component unit?  | Yes   | No                                  | N/A |
| 6. Is the government retaining risk (i.e., "self-insurance")?   | <input checked="" type="radio"/> Yes        | No                                  | N/A |
| If yes:   |   |                                     |     |
| a. Please identify the fund(s) used to report this activity:  | <u>CITY INSURANCE INTERNAL SERVICE FUND</u> |                                     |     |
| 7. Does the government unit own or operate a municipal solid waste landfill where it is required by federal, state, or local law or regulation to incur closure and postclosure care costs?   | <input checked="" type="radio"/> Yes        | No                                  | N/A |
| 8. Does the government unit sponsor an arrangement that commingles (pools) the resources of legally separate entities that are not part of the same financial reporting entity as the sponsoring government and invests those resources on behalf of the participants in an investment portfolio? | Yes   | <input checked="" type="radio"/> No | N/A |
| If yes:   |   |                                     |     |
| a. Is a separate financial report issued for the pool?  | Yes   | No                                  | N/A |
| 9. Is the government unit included in the reporting entity of another governmental unit (e.g., as a department, enterprise fund, fiduciary fund, or component unit)?  | Yes   | <input checked="" type="radio"/> No | N/A |
| If yes:   |   |                                     |     |
| a. Is this government unit reported either 1) in one or more separate funds within the primary government, or 2) as a discretely presented component unit in that government's CAFR?  | Yes   | No                                  | N/A |
| 10. Which option does the government unit use for its enterprise funds (and business-type activities, if applicable)?   | <u>OPTION 1</u>                             |                                     |     |

**Option 1:** Apply only FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989, unless they conflict with or contradict GASB Pronouncements (GASBS 20, Paragraph 6). List relevant funds if both options are used.

N/A

**Section VI: Display and Disclosure Questions (Continued):**

**Option 2:** Also apply all FASB Statements and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements (GASBS 20, Paragraph 7). List relevant funds if both options are used.

N/A

- |  |                                      |                                     |     |
|--|--------------------------------------|-------------------------------------|-----|
| 11. As of the end of the fiscal period, did the government have uninsured deposits that were<br>1) uncollateralized, 2) collateralized with securities held by the pledging financial institution,<br>or 3) collateralized with securities held by the pledging financial institution's trust department or<br>agent but not in the depositor-government's name? | Yes                                  | <input checked="" type="radio"/> No | N/A |
| 12. As of the end of the fiscal period, did the government have investments evidenced by securities<br>that were neither insured nor registered and that were held by either 1) the counterparty, 2) the<br>counterparty's trust department or agent but not in the government's name?   | Yes                                  | <input checked="" type="radio"/> No | N/A |
| 13. As of the end of the fiscal period, is the government party to a derivative that is not reported<br>at fair value on the face of the financial statements?   | Yes                                  | <input checked="" type="radio"/> No | N/A |
| 14. Did any significant subsequent events occur after the balance sheet date but before the date of<br>the auditor's report (e.g., debt issuances or settlements of litigation)?   | <input checked="" type="radio"/> Yes | No                                  | N/A |
| 15. Has the government unit violated any finance-related legal or contractual provisions?  | Yes                                  | <input checked="" type="radio"/> No | N/A |
| 16. Is the government unit a lessee in an operating lease?<br>If so,   | Yes                                  | <input checked="" type="radio"/> No | N/A |
| a. Are any of the agreements noncancelable?  | Yes                                  | No                                  | N/A |
| b. Do any of the agreements have scheduled rent increases?   | Yes                                  | No                                  | N/A |
| 17. Is the government unit a lessor in an operating lease? If so,<br>If so,  | <input checked="" type="radio"/> Yes | No                                  | N/A |
| a. Are any of the agreements noncancelable?  | Yes                                  | <input checked="" type="radio"/> No | N/A |
| b. Do any of the agreements have scheduled rent increases?   | <input checked="" type="radio"/> Yes | No                                  | N/A |
| 18. Does the government unit have any construction commitments outstanding at year end?  | <input checked="" type="radio"/> Yes | No                                  | N/A |
| 19. Does the government unit sponsor and include as part of its financial reporting entity a public<br>entity risk pool that provides coverage to units outside the government unit's financial<br>reporting entity?   | Yes                                  | <input checked="" type="radio"/> No | N/A |
| 20. Did the government engage in short-term debt activity during the year (e.g., anticipation<br>notes, use of lines of credit), even if no short-term debt was outstanding at the beginning or<br>end of the year?  | Yes                                  | <input checked="" type="radio"/> No | N/A |
| 21. Did the government unit engage in transactions with any related parties?   | Yes                                  | <input checked="" type="radio"/> No | N/A |
| 22. Is the government unit a participant in one or more joint ventures?<br>If yes:   | <input checked="" type="radio"/> Yes | No                                  | N/A |
| a. are any of these joint ventures reported as component units of this government unit?  | Yes                                  | <input checked="" type="radio"/> No | N/A |
| If no:   |                                      |                                     |     |
| b. does this government unit have an equity interest in the joint venture that it reports in:  |                                      |                                     |     |
| 1. Governmental funds?   | <input checked="" type="radio"/> Yes | <input checked="" type="radio"/> No | N/A |
| 2. Proprietary funds?  | <input checked="" type="radio"/> Yes | No                                  | N/A |
| 23. Does the government unit pay all or a portion of the cost of postemployment benefits other than<br>pension benefits (OPEB) for employees?<br>If yes:   | <input checked="" type="radio"/> Yes | No                                  | N/A |
| a. Are the OPEB provided through a pension plan?   | Yes                                  | <input checked="" type="radio"/> No | N/A |
| If yes:  |                                      |                                     |     |
| b. Are any OPEB healthcare benefits provided through a pension plan that is reported as a<br>pension trust fund by this government?  | Yes                                  | <input checked="" type="radio"/> No | N/A |

Section VI: Display and Disclosure Questions (Continued):

- 24. Has another entity made on-behalf payments for fringe benefits and salaries (e.g., pension contributions, health and life insurance premiums, and salary supplements) to a third party recipient for the government unit's employees?  Yes    No    N/A
- 25. Has the government issued debt in its name for which it is not liable in any manner (i.e., conduit or no commitment debt) and where the debt is not reported as a liability in the financial statements?  Yes    No    N/A
- 26. If separately issued financial statements are not available for any individual discretely presented component unit, does the CAFR include fund information for that component unit (i.e., fund financial statements with major funds, nonmajor funds, and fund type information, as appropriate)? Yes    No     N/A
- 27. If blended component units are included in the financial reporting entity, has the government unit refrained from including the general fund of a blended component unit as part of the general fund of the primary government?  Yes    No    N/A
- 28. Describe, in detail, your government unit's legal level of budgetary control:

DEPARTMENT WITHIN FUND

- a. If the government unit does not demonstrate compliance at the legal level of budgetary control within the CAFR, do the notes to the financial statements refer to a separately issued budgetary report that does so? If so, one copy of that report must be included as part of the submission packet. Please note that the annual budget document itself is not adequate for this purpose as it does not demonstrate compliance. Yes    No     N/A

Section VII: Authorization:

With this application form we are officially requesting that the Certificate of Achievement for Excellence in Financial Reporting Program review our CAFR. We agree to comply with the policies and procedures of the program.

Ronald P. Manning  
(Signature of official requesting review)

3-15-06  
(Date)

The following list is provided to help the government unit ensure the completeness of its submission:

- Did you include three copies of the application?
- Did you include three copies of the CAFR?
- Did you include three copies of responses to prior year comments (applies only if the CAFR was submitted to the program in the immediate prior year)?
- Did you provide payment (e.g., by a check or credit card) for the amount of the appropriate fee?
- If applicable, did you include a copy of the separately issued budget report that demonstrates legal compliance at the legal level of budgetary control (See Section VI, questions 28 and 28a)?
- If not postmarked within six months of the government unit's fiscal year end, was an extension requested and approved?

Mail all necessary items to: Government Finance Officers Association  
Certificate of Achievement Program  
203 North LaSalle Street Suite 2700  
Chicago, IL 60601

**CITY OF FORT LAUDERDALE  
SUMMARY OF AWARDS  
FOR THE YEAR ENDED 09/30/05**

**Grantor Agency**

**Federal Awards:**

U.S. Dept. of Housing and Urban Development	\$9,915,935
U.S. Dept. of Agriculture	65,045
U.S. Dept. of Justice	683,653
U.S. Dept. of Transportation	8,165,019
U. S. Dept of Homeland Security	770,760
U. S. Dept of Homeland Security- Unusual (Hurricane and OAS) expenditures not award	6,466,663
Capitalization Grants for State Revolving Funds	
Clean Water State Revolving Fund Loan #3	18,922,508
<b>Total</b>	<b>44,989,583</b>

**State Awards:**

Department of Law Enforcement	50,000
Department of Transportation	1,149,254
Florida Housing Finance Corp	1,784,380
<b>Total</b>	<b>2,983,634</b>

**Local Awards:**

Broward County	3,372,708
South Florida Water Management District	255,000
Downtown Development Authority	375,000
<b>Total</b>	<b>4,002,708</b>

**\$51,975,925**

\$2,500,000 included in Broward County is federal pass through grant,  
\$6,500,000 included in Homeland Security unusual is not award, but  
total expenditures in accounting system for FY05

## City of Fort Lauderdale GENERAL CONDITIONS

These instructions are standard for all contracts for commodities or services issued through the City of Fort Lauderdale Procurement Services Department. The City may delete, supersede, or modify any of these standard instructions for a particular contract by indicating such change in the Invitation to Bid (ITB) Special Conditions, Technical Specifications, Instructions, Proposal Pages, Addenda, and Legal Advertisement.

### **PART I BIDDER PROPOSAL PAGE(S) CONDITIONS:**

- 1.01 BIDDER ADDRESS:** The City maintains automated vendor mailing lists for each specific Commodity Class Item. Invitation to Bid (ITB'S) will be mailed first to a selection of Bidders who have fully registered on our system. Requests will be mailed to unregistered Bidders within a reasonable time frame for that bid only. Neither the mailing of one ITB to the vendor, nor a bid in return, will register a vendor on our system. If you wish purchase orders sent to a different address, please so indicate. If you wish payments sent to a different address, please so indicate on your invoice.
- 1.02 DELIVERY:** Time will be of the essence for any orders placed as a result of this ITB. The City reserves the right to cancel any orders, or part thereof, without obligation if delivery is not made in accordance with the schedule specified by the Bidder and accepted by the City.
- 1.03 PAYMENT TERMS AND CASH DISCOUNTS:** Payment terms, unless otherwise stated in this ITB, will be considered to be net 30 days after the date of satisfactory delivery at the place of acceptance and receipt of correct invoice at the office specified, whichever occurs last. Bidder may offer cash discounts for prompt payment but they will not be considered in determination of award. If a Bidder offers a discount, it is understood that the discount time will be computed from the date of satisfactory delivery, at the place of acceptance, and receipt of correct invoice, at the office specified, whichever occurs last.
- 1.04 TOTAL BID DISCOUNT:** If Bidder offers a discount for award of all items listed in the bid, such discount shall be deducted from the total of the firm net unit prices bid and shall be considered in tabulation and award of bid.
- 1.05 BIDS FIRM FOR ACCEPTANCE:** Bidder warrants, by virtue of bidding, that his bid and the prices quoted in his bid will be firm for acceptance by the City for a period of ninety (90) days from the date of bid opening unless otherwise stated in the ITB.
- 1.06 VARIANCES:** For purposes of bid evaluation, Bidder's must indicate any variances, no matter how slight, from ITB General Conditions, Special Conditions, Specifications or Addenda in the space provided in the ITB. No variations or exceptions by a Bidder will be considered or deemed a part of the bid submitted unless such variances or exceptions are listed in the bid and referenced in the space provided on the bidder proposal pages. If variances are not stated, or referenced as required, it will be assumed that the product or service fully complies with the City's terms, conditions, and specifications.

By receiving a bid, City does not necessarily accept any variances contained in the bid. All variances submitted are subject to review and approval by the City. If any bid contains material variances that, in the City's sole opinion, make that bid conditional in nature, the City reserves the right to reject the bid or part of the bid that is declared, by the City as conditional.

- 1.07 NO BIDS:** If you do not intend to bid please indicate the reason, such as insufficient time to respond, do not offer product or service, unable to meet specifications, schedule would not permit, or any other reason, in the space provided in this ITB. Failure to bid or return no bid comments prior to the bid due and opening date and time, indicated in this ITB, may result in your firm being deleted from our Bidder's registration list for the Commodity Class Item requested in this ITB.
- 1.08 MINORITY AND WOMEN BUSINESS ENTERPRISE PARTICIPATION AND BUSINESS DEFINITIONS:** The City of Fort Lauderdale wants to increase the participation of Minority Business Enterprises (MBE), Women Business Enterprises (WBE), and Small Business Enterprises (SBE) in its procurement activities. If your firm qualifies in accordance with the below definitions please indicate in the space provided in this ITB.

Minority Business Enterprise (MBE) "A Minority Business" is a business enterprise that is owned or controlled by one or more socially or economically disadvantaged persons. Such disadvantage may arise from cultural, racial, chronic economic circumstances or background or other similar cause. Such persons include, but are not limited to: Blacks, Hispanics, Asian Americans, and Native Americans.

The term 'Minority Business Enterprise' means a business at least 51 percent of which is owned by minority group members or, in the case of a publicly owned business, at least 51 percent of the stock of which is owned by minority group members. For the purpose of the preceding sentence, minority group members are citizens of the United States who include, but are not limited to: Blacks, Hispanics, Asian Americans, and Native Americans.

Women Business Enterprise (WBE) a "Women Owned or Controlled Business" is a business enterprise at least 51 percent of which is owned by females or, in the case of a publicly owned business, at least 51 percent of the stock of which is owned by females.

Small Business Enterprise (SBE) "Small Business" means a corporation, partnership, sole proprietorship, or other legal entity formed for the purpose of making a profit, which is independently owned and operated, has either fewer than 100 employees or less than \$1,000,000 in annual gross receipts.

BLACK, which includes persons having origins in any of the Black racial groups of Africa.

WHITE, which includes persons whose origins are Anglo-Saxon and Europeans and persons of Indo-European decent including Pakistani and East Indian.

HISPANIC, which includes persons of Mexican, Puerto Rican, Cuban, Central and South American, or other Spanish culture or

origin, regardless of race.

NATIVE AMERICAN, which includes persons whose origins are American Indians, Eskimos, Aleuts, or Native Hawaiians.

ASIAN AMERICAN, which includes persons having origin in any of the original peoples of the Far East, Southeast Asia, the Indian subcontinent, or the Pacific Islands.

**1.09 MINORITY-WOMEN BUSINESS ENTERPRISE PARTICIPATION**

It is the desire of the City of Fort Lauderdale to increase the participation of minority (MBE) and women-owned (WBE) businesses in its contracting and procurement programs. While the City does not have any preference or set aside programs in place, it is committed to a policy of equitable participation for these firms. Proposers are requested to include in their proposals a narrative describing their past accomplishments and intended actions in this area. If proposers are considering minority or women owned enterprise participation in their proposal, those firms, and their specific duties have to be identified in the proposal. If a proposer is considered for award, he will be asked to meet with City staff so that the intended MBE/WBE participation can be formalized and included in the subsequent contract.

- 1.09(a) CERTIFICATION BY BROWARD COUNTY, FL:** If awarded a contract or purchase order as a result of this solicitation, and if the awarded contractor/vendor is claiming minority status in accordance with Section 1.08 of the General Conditions, then said awarded contractor/vendor shall apply for certification by Broward County, Florida, Division of Equal Employment and Small Business Opportunity. Contractor/vendor shall provide documentation of application status, and once approved or disapproved by Broward County, must also provide that documentation to the Procurement Services Department of the City of Fort Lauderdale.

**Part II DEFINITIONS/ORDER OF PRECEDENCE:**

- 2.01 BIDDING DEFINITIONS** The City will use the following definitions in its general conditions, special conditions, technical specifications, instructions to bidders, addenda and any other document used in the bidding process:  
 INVITATION TO BID (ITB) when the City is requesting bids from qualified Bidders.  
 REQUEST FOR PROPOSALS (RFP) when the City is requesting proposals from qualified Proposers.  
 BID – a price and terms quote received in response to an ITB.  
 PROPOSAL – a proposal received in response to an RFP.  
 BIDDER – Person or firm submitting a Bid.  
 PROPOSER – Person or firm submitting a Proposal.  
 RESPONSIVE BIDDER – A person whose bid conforms in all material respects to the terms and conditions included in the ITB.  
 RESPONSIBLE BIDDER – A person who has the capability in all respects to perform in full the contract requirements, as stated in the ITB, and the integrity and reliability that will assure good faith performance.  
 FIRST RANKED PROPOSER – That Proposer, responding to a City RFP, whose Proposal is deemed by the City, the most advantageous to the City after applying the evaluation criteria contained in the RFP.  
 SELLER – Successful Bidder or Proposer who is awarded a Purchase Order or Contract to provide goods or services to the City.  
 CONTRACTOR – Successful Bidder or Proposer who is awarded a Purchase Order, award Contract, Blanket Purchase Order agreement, or Term Contract to provide goods or services to the City.  
 CONTRACT – A deliberate verbal or written agreement between two or more competent parties to perform or not to perform a certain act or acts, including all types of agreements, regardless of what they may be called, for the procurement or disposal of equipment, materials, supplies, services or construction.  
 CONSULTANT – Successful Bidder or Proposer who is awarded a contract to provide professional services to the City.  
 The following terms may be used interchangeably by the City: ITB, or RFP; Bid or Proposal; Bidder, Proposer, or Seller; Contractor or Consultant; Contract, Award, Agreement or Purchase Order.
- 2.02 SPECIAL CONDITIONS:** Any and all Special Conditions contained in this ITB that may be in variance or conflict with these General Conditions shall have precedence over these General Conditions. If no changes or deletions to General Conditions are made in the Special Conditions, then the General Conditions shall prevail in their entirety.

**PART III BIDDING AND AWARD PROCEDURES:**

- 3.01 SUBMISSION AND RECEIPT OF BIDS:** To receive consideration, bids must be received prior to the bid opening date and time. Unless otherwise specified, Bidder's should use the proposal forms provided by the City. These forms may be duplicated, but failure to use the forms may cause the bid to be rejected. Any erasures or corrections on the bid must be made in ink and initialed by Bidder in ink. All information submitted by the Bidder shall be printed, typewritten or filled in with pen and ink. Bids shall be signed in ink. Separate bids must be submitted for each ITB issued by the City in separate sealed envelopes properly marked. When a particular ITB or RFP requires multiple copies of bids or proposals they may be included in a single envelope or package properly sealed and identified. Only send bids via facsimile transmission (FAX) if the ITB specifically states that bids sent via FAX will be considered. If such a statement is not included in the ITB, bids sent via FAX will be rejected. Bids will be publicly opened in the Procurement Office, or other designated area, in the presence of Bidder's, the public, and City staff. Bidders and the public are invited and encouraged to attend bid openings. Bids will be tabulated and made available for review by Bidder's and the public in accordance with applicable regulations.
- 3.02 MODEL NUMBER CORRECTIONS:** If the model number for the make specified in this ITB is incorrect, or no longer available and replaced with an updated model with new specifications, the Bidder shall enter the correct model number on the bidder proposal page. In the case of an updated model with new specifications, Bidder shall provide adequate information to allow the City to determine if the model bid meets the City's requirements.
- 3.03 PRICES QUOTED:** Deduct trade discounts, and quote firm net prices. Give both unit price and extended total. In the case of a discrepancy in computing the amount of the bid, the unit price quoted will govern. All prices quoted shall be F.O.B. destination, freight prepaid (Bidder pays and bears freight charges, Bidder owns goods in transit and files any claims), unless otherwise stated

- in Special Conditions. Each item must be bid separately. No attempt shall be made to file any item or items contained in the ITB with any other business with the City.
- 3.04 TAXES:** The City of Fort Lauderdale is exempt from Federal Excise and Florida Sales taxes on direct purchase of tangible property. Exemption number for Federal Excise taxes is 59-74-0111K, and State Sales tax exemption number is 16-03-196479-54C.
- 3.05 WARRANTIES OF USAGE:** Any quantities listed in this ITB as estimated or projected are provided for tabulation and information purposes only. No warranty or guarantee of quantities is given or implied. It is understood that the Contractor will furnish the City's needs as they arise.
- 3.06 APPROVED EQUAL:** When the technical specifications call for a brand name, manufacturer, make, model, or vendor catalog number with acceptance of APPROVED EQUAL, it shall be for the purpose of establishing a level of quality and features desired and acceptable to the City. In such cases, the City will be receptive to any unit that would be considered by qualified City personnel as an approved equal. In that the specified make and model represent a level of quality and features desired by the City, the Bidder must state clearly in his bid any variance from those specifications. It is the Bidder's responsibility to provide adequate information, in his bid, to enable the City to ensure that the bid meets the required criteria. If adequate information is not submitted with the bid, it may be rejected. The City will be the sole judge in determining if the item bid qualifies as an approved equal.
- 3.07 MINIMUM AND MANDATORY TECHNICAL SPECIFICATIONS:** The technical specifications may include items that are considered minimum, mandatory, or required. If any Bidder is unable to meet, or exceed these items, and feels that the technical specifications are overly restrictive, he must notify the Procurement Division immediately. Such notification must be received by the Procurement Services Department prior to the deadline contained in the ITB, for questions of a material nature, or prior to five (5) days before bid due and open date, whichever occurs first. If no such notification is received prior to that deadline, the City will consider the technical specifications to be acceptable to all bidders.
- 3.08 MISTAKES:** Bidders are cautioned to examine all terms, conditions, specifications, drawings, exhibits, addenda, delivery instructions and special conditions pertaining to the ITB. Failure of the Bidder to examine all pertinent documents shall not entitle him to any relief from the conditions imposed in the contract.
- 3.09 SAMPLES AND DEMONSTRATIONS:** Samples or inspection of product may be requested to determine suitability. Unless otherwise specified in Special Conditions, samples shall be requested after the date of bid opening, and if requested should be received by the City within seven (7) working days of request. Samples, when requested, must be furnished free of expense to the City and if not used in testing or destroyed, will upon request of the Bidder, be returned within thirty (30) days of bid award at Bidder's expense. When required, the City may request full demonstrations of units prior to award. When such demonstrations are requested, the Bidder shall respond promptly and arrange a demonstration at a convenient location. Failure to provide samples or demonstrations as specified by the City may result in rejection of a bid.
- 3.10 LIFE CYCLE COSTING:** If so specified in the ITB, the City may elect to evaluate equipment proposed on the basis of total cost of ownership. In using Life Cycle Costing, factors such as the following may be considered: estimated useful life, maintenance costs, cost of supplies, labor intensity, energy usage, environmental impact, and residual value. The City reserves the right to use those or other applicable criteria, in its sole opinion that will most accurately estimate total cost of use and ownership.
- 3.11 BIDDING ITEMS WITH RECYCLED CONTENT:** In addressing environmental concerns, the City of Fort Lauderdale encourages Bidders to submit bids or alternate bids containing items with recycled content. When submitting bids containing items with recycled content, Bidder shall provide documentation adequate for the City to verify the recycled content. The City prefers packaging consisting of materials that are degradable or able to be recycled. When specifically stated in the ITB, the City may give preference to bids containing items manufactured with recycled material or packaging that is able to be recycled.
- 3.12 USE OF OTHER GOVERNMENTAL CONTRACTS:** The City reserves the right to reject any part or all of any bids received and utilize other available governmental contracts, if such action is in its best interest.
- 3.13 QUALIFICATIONS/INSPECTION:** Bids will only be considered from firms normally engaged in providing the types of commodities/services specified herein. The City reserves the right to inspect the Bidder's facilities, equipment, personnel, and organization at any time, or to take any other action necessary to determine Bidder's ability to perform. The Procurement Director reserves the right to reject bids where evidence or evaluation is determined to indicate inability to perform.
- 3.14 BID SURETY:** If Special Conditions require a bid security, it shall be submitted in the amount stated. A bid security can be in the form of a bid bond, postal money order, cashiers check, or irrevocable letter of credit. Bid security will be returned to the unsuccessful bidders as soon as practicable after opening of bids. Bid security will be returned to the successful bidder after acceptance of the performance bond or irrevocable letter of credit, if required; acceptance of insurance coverage, if required; and full execution of contract documents, if required; and full execution of contract documents, if required; or conditions as stated in Special Conditions.
- 3.15 PUBLIC RECORDS:** Florida law provides that municipal records shall at all times be open for personal inspection by any person. Section 119.01, F.S., The Public Records Law. Information and materials received by City in connection with an ITB response shall be deemed to be public records subject to public inspection upon award, recommendation for award, or 10 days after bid opening, whichever occurs first. However, certain exemptions to the public records law are statutorily provided for in Section 119.07, F.S. If the Proposer believes any of the information contained in his or her response is exempt from the Public Records Law, then the Proposer, must in his or her response, specifically identify the material which is deemed to be exempt and cite the legal authority for the exemption. The City's determination of whether an exemption applies shall be final, and the Proposer agrees to defend, indemnify, and hold harmless the City and the City's officers, employees, and agents, against any loss or damages incurred by any person or entity as a result of the City's treatment of records as public records.
- 3.15 PROHIBITION OF INTEREST:** No contract will be awarded to a bidding firm who has City elected officials, officers or employees

affiliated with it, unless the bidding firm has fully complied with current Florida State Statutes and City Ordinances relating to this issue. Bidders must disclose any such affiliation. Failure to disclose any such affiliation will result in disqualification of the Bidder and removal of the Bidder from the City's bidder lists and prohibition from engaging in any business with the City.

- 3.16 RESERVATIONS FOR AWARD AND REJECTION OF BIDS:** The City reserves the right to accept or reject any or all bids, part of bids, and to waive minor irregularities or variations to specifications contained in bids, and minor irregularities in the bidding process. The City also reserves the right to award the contract on a split order basis, lump sum basis, individual item basis, or such combination as shall best serve the interest of the City. The City reserves the right to make an award to the responsive and responsible bidder whose product or service meets the terms, conditions, and specifications of the ITB and whose bid is considered to best serve the City's interest. In determining the responsiveness of the offer and the responsibility of the Bidder, the following shall be considered when applicable: the ability, capacity and skill of the Bidder to perform as required; whether the Bidder can perform promptly, or within the time specified, without delay or interference; the character, integrity, reputation, judgment, experience and efficiency of the Bidder; the quality of past performance by the Bidder; the previous and existing compliance by the Bidder with related laws and ordinances; the sufficiency of the Bidder's financial resources; the availability, quality and adaptability of the Bidder's supplies or services to the required use; the ability of the Bidder to provide future maintenance, service or parts; the number and scope of conditions attached to the bid.

If the ITB provides for a contract trial period, the City reserves the right, in the event the selected bidder does not perform satisfactorily, to award a trial period to the next ranked bidder or to award a contract to the next ranked bidder, if that bidder has successfully provided services to the City in the past. This procedure to continue until a bidder is selected or the contract is re-bid, at the sole option of the City.

- 3.17 LEGAL REQUIREMENTS:** Applicable provisions of all federal, state, county laws, and local ordinances, rules and regulations, shall govern development, submittal and evaluation of all bids received in response hereto and shall govern any and all claims and disputes which may arise between person(s) submitting a bid response hereto and the City by and through its officers, employees and authorized representatives, or any other person, natural or otherwise; and lack of knowledge by any bidder shall not constitute a cognizable defense against the legal effect thereof.

#### PART IV BONDS AND INSURANCE

- 4.01 PERFORMANCE BOND/IRREVOCABLE LETTER OF CREDIT:** If a performance bond or irrevocable letter of credit is required in Special Conditions, the Contractor shall within fifteen (15) working days after notification of award, furnish to the City a Performance Bond or an Unconditional Irrevocable Letter of Credit payable to the City of Fort Lauderdale, Florida, in the face amount specified in Special Conditions as surety for faithful performance under the terms and conditions of the contract. If the bond is on an annual coverage basis, renewal for each succeeding year shall be submitted to the City thirty (30) days prior to the termination date of the existing Performance Bond. The Performance Bond must be executed by a surety company of recognized standing, authorized to do business in the State of Florida and having a resident agent. If a Letter of Credit is chosen, it must be in a form acceptable to the City, drawn on a local (Broward, Dade or Palm Beach Counties) bank acceptable to the City and issued in favor of the City of Fort Lauderdale, Florida. If a Bidder wishes to use a non-local bank, he must have prior City approval of the requirements to draw against the Letter of Credit.

Acknowledgement and agreement is given by both parties that the amount herein set for the Performance Bond or Irrevocable Letter of Credit is not intended to be nor shall be deemed to be in the nature of liquidated damages nor is it intended to limit the liability of the Contractor to the City in the event of a material breach of this Agreement by the Contractor.

- 4.02 INSURANCE:** If the Contractor is required to go on to City property to perform work or services as a result of ITB award, the Contractor shall assume full responsibility and expense to obtain all necessary insurance as required by City or specified in Special Conditions.

The Contractor shall provide to the Procurement Services Department original certificates of coverage and receive notification of approval of those certificates by the City's Risk Manager prior to engaging in any activities under this contract. The Contractor's insurance is subject to the approval of the City's Risk Manager. The certificates must list the City as an ADDITIONAL INSURED and shall have no less than thirty (30) days written notice of cancellation or material change. Further modification of the insurance requirements may be made at the sole discretion of the City's Risk Manager if circumstances change or adequate protection of the City is not presented. Bidder, by submitting his bid, agrees to abide by such modifications.

#### PART V PURCHASE ORDER AND CONTRACT TERMS:

- 5.01 COMPLIANCE TO SPECIFICATIONS, LATE DELIVERIES/PENALTIES:** Items offered may be tested for compliance to bid specifications. Items delivered which do not conform to bid specifications may be rejected and returned at Contractor's expense. Any violation resulting in contract termination for cause or delivery of items not conforming to specifications, or late delivery may also result in:
- Bidder's name being removed from the City's bidder's mailing list for a specified period and Bidder will not be recommended for any award during that period.
  - All City Departments being advised to refrain from doing business with the Bidder.
  - All other remedies in law or equity.
- 5.02 ACCEPTANCE, CONDITION, AND PACKAGING:** The material delivered in response to ITB award shall remain the property of the Seller until a physical inspection is made and the material accepted to the satisfaction of the City. The material must comply fully with the terms of the ITB, be of the required quality, new, and the latest model. All containers shall be suitable for storage and shipment by common carrier, and all prices shall include standard commercial packaging. The City will not accept substitutes of any kind. Any substitutes or material not meeting specifications will be returned at the Bidder's expense. Payment will be made only after City receipt and acceptance of materials or services.
- 5.03 SAFETY STANDARDS:** All manufactured items and fabricated assemblies shall comply with applicable requirements of the Occupational Safety and Health Act of 1970 as amended, and be in compliance with Chapter 442, Florida Statutes. Any toxic

- substance listed in Section 38F-41.03 of the Florida Administrative Code delivered as a result of this order must be accompanied by a completed Material Safety Data Sheet (MSDS).
- 5.04 **ASBESTOS STATEMENT:** All material supplied must be 100% asbestos free. Bidder, by virtue of bidding, certifies that if awarded any portion of the ITB he will supply only material or equipment that is 100% asbestos free.
- 5.05 **OTHER GOVERNMENTAL ENTITIES:** If the Bidder is awarded a contract as a result of this ITB, he will, if he has sufficient capacity or quantities available, provide to other governmental agencies, so requesting, the products or services awarded in accordance with the terms and conditions of the ITB and resulting contract. Prices shall be F.O.B. delivered to the requesting agency.
- 5.06 **VERBAL INSTRUCTIONS PROCEDURE:** No negotiations, decisions, or actions shall be initiated or executed by the Contractor as a result of any discussions with any City employee. Only those communications which are in writing from an authorized City representative may be considered. Only written communications from Contractors, which are assigned by a person designated as authorized to bind the Contractor, will be recognized by the City as duly authorized expressions on behalf of Contractors.
- 5.07 **INDEPENDENT CONTRACTOR:** The Contractor is an independent contractor under this Agreement. Personal services provided by the Proposer shall be by employees of the Contractor and subject to supervision by the Contractor, and not as officers, employees, or agents of the City. Personnel policies, tax responsibilities, social security, health insurance, employee benefits, procurement policies unless otherwise stated in this ITB, and other similar administrative procedures applicable to services rendered under this contract shall be those of the Contractor.
- 5.08 **INDEMNITY/HOLD HARMLESS AGREEMENT:** The Contractor agrees to protect, defend, indemnify, and hold harmless the City of Fort Lauderdale and its officers, employees and agents from and against any and all losses, penalties, damages, settlements, claims, costs, charges for other expenses, or liabilities of every and any kind including attorney fees, in connection with or arising directly or indirectly out of the work agreed to or performed by Contractor under the terms of any agreement that may arise due to the bidding process. Without limiting the foregoing, any and all such claims, suits, or other actions relating to personal injury, death, damage to property, defects in materials or workmanship, actual or alleged violations of any applicable Statute, ordinance, administrative order, rule or regulation, or decree of any court shall be included in the indemnity hereunder.
- 5.09 **TERMINATION FOR CAUSE:** If, through any cause, the Contractor shall fail to fulfill in a timely and proper manner its obligations under this Agreement, or if the Contractor shall violate any of the provisions of this Agreement, the City may upon written notice to the Contractor terminate the right of the Contractor to proceed under this Agreement, or with such part or parts of the Agreement as to which there has been default, and may hold the Contractor liable for any damages caused to the City by reason of such default and termination. In the event of such termination, any completed services performed by the Contractor under this Agreement shall, at the option of the City, become the City's property and the Contractor shall be entitled to receive equitable compensation for any work completed to the satisfaction of the City. The Contractor, however, shall not be relieved of liability to the City for damages sustained by the City by reason of any breach of the Agreement by the Contractor, and the City may withhold any payments to the Contractor for the purpose of setoff until such time as the amount of damages due to the City from the Contractor can be determined.
- 5.10 **TERMINATION FOR CONVENIENCE:** The City reserves the right, in its best interest as determined by the City, to cancel contract by giving written notice to the Contractor thirty (30) days prior to the effective date of such cancellation.
- 5.11 **CANCELLATION FOR UNAPPROPRIATED FUNDS:** The obligation of the City for payment to a Contractor is limited to the availability of funds appropriated in a current fiscal period, and continuation of the contract into a subsequent fiscal period is subject to appropriation of funds, unless otherwise authorized by law.
- 5.12 **RECORDS/AUDIT:** The Contractor shall maintain during the term of the contract all books of account, reports and records in accordance with generally accepted accounting practices and standards for records directly related to this contract. The form of all records and reports shall be subject to the approval of the City's Internal Auditor. The Contractor agrees to make available to the City's Internal Auditor, during normal business hours and in Broward, Dade or Palm Beach Counties, all books of account, reports and records relating to this contract for the duration of the contract and retain them for a minimum period of one (1) year beyond the last day of the contract term.
- 5.13 **PERMITS, TAXES, LICENSES:** The successful Contractor shall, at his own expense, obtain all necessary permits, pay all licenses, fees and taxes, required to comply with all local ordinances, state and federal laws, rules and regulations applicable to business to be carried on under this contract.
- 5.14 **LAWS/ORDINANCES:** The Contractor shall observe and comply with all Federal, state, local and municipal laws, ordinances rules and regulations that would apply to this contract.
- 5.15 **NON-DISCRIMINATION:** There shall be no discrimination as to race, sex, color, creed, age or national origin in the operations conducted under this contract.
- 5.16 **UNUSUAL CIRCUMSTANCES:** If during a contract term where costs to the City are to remain firm or adjustments are restricted by a percentage or CPI cap, unusual circumstances that could not have been foreseen by either party to the contract occur, and those circumstances significantly affect the Contractor's cost in providing the required items or services, then the Contractor may request adjustments to the costs to the City to reflect the changed circumstances. The circumstances must be beyond the control of the Contractor, and the requested adjustments must be fully documented. The City may, after examination, refuse to accept the adjusted costs if they are not properly documented, increases are considered to be excessive, or decreases are considered to be insufficient. In the event the City does not wish to accept the adjusted costs and the matter cannot be resolved to the satisfaction of the City, the City will reserve the following options:
1. The contract can be canceled by the City upon giving thirty (30) days written notice to the Contractor with no penalty to the

City or Contractor. The Contractor shall fill all City requirements submitted to the Contractor until the termination date contained in the notice.

2. The City requires the Contractor to continue to provide the items and services at the firm fixed (non-adjusted) cost until the termination of the contract term then in effect.
3. If the City, in its interest and in its sole opinion, determines that the Contractor in a capricious manner attempted to use this section of the contract to relieve themselves of a legitimate obligation under the contract, and no unusual circumstances had occurred, the City reserves the right to take any and all action under law or equity. Such action shall include, but not be limited to, declaring the Contractor in default and disqualifying him for receiving any business from the City for a state period of time.

If the City does agree to adjusted costs, these adjusted costs shall not be invoiced to the City until the Contractor receives notice in writing signed by a person authorized to bind the City in such matters.

- 5.17 **ELIGIBILITY:** If applicable, the Contractor must first register with the Department of State of the State of Florida, in accordance with Florida State Statutes, prior to entering into a contract with the City.
- 5.18 **PATENTS AND ROYALTIES:** The Contractor, without exception, shall indemnify and save harmless the City and its employees from liability of any nature and kind, including cost and expenses for or on account of any copyrighted, patented or un-patented invention, process, or article manufactured or used in the performance of the contract, including its use by the City. If the Contractor uses any design, device, or materials covered by letters, patent or copyright, it is mutually agreed and understood without exception that the bid prices shall include all royalties or costs arising from the use of such design, device, or materials in any way involved in the work.
- 5.19 **ASSIGNMENT:** Contractor shall not transfer or assign the performance required by this ITB without the prior written consent of the City. Any award issued pursuant to this ITB, and the monies, which may become due hereunder, are not assignable except with the prior written approval of the City Manager or selected designee.
- 5.20 **LITIGATION VENUE:** The parties waive the privilege of venue and agree that all litigation between them in the state courts shall take place in Broward County, Florida and that all litigation between them in the federal courts shall take place in the Southern District in and for the State of Florida.

**NON-COLLUSION STATEMENT:**

By signing this offer, the vendor/contractor certifies that this offer is made independently and free from collusion. Vendor shall disclose below, to their best knowledge, any City of Fort Lauderdale, FL officer or employee, or any relative of any such officer or employee as defined in Section 112.3135 (1) (c), Fla. Stat. (1989), who is an officer or director of, or has a material interest in, the vendor's business, who is in a position to influence this procurement. Any City of Fort Lauderdale, FL officer or employee who has any input into the writing of specifications or requirements, solicitation of offers, decision to award, evaluation of offers, or any other activity pertinent to this procurement is presumed, for purposes hereof, to be in a position to influence this procurement. For purposes hereof, a person has a material interest if they directly or indirectly own more than 5 percent of the total assets or capital stock of any business entity, or if they otherwise stand to personally gain if the contract is awarded to this vendor.

In accordance with City of Fort Lauderdale, FL Policy and Standards Manual, 6.10.8.3,

3.3. City employees may not contract with the City through any corporation or business entity in which they hold a controlling financial interest (ownership of five (5) percent or more), unless in their City duties they are not involved in:  
3.3.1 The award of the contract, or  
3.3.2 Determining contract provisions, or  
3.3.3 The enforcement of the contract.

Failure of a vendor to disclose any relationship described herein shall be reason for debarment in accordance with the provisions of the City Procurement Code.

<u>NAME</u>	<u>RELATIONSHIPS</u>

In the event the vendor does not indicate any names, the City shall interpret this to mean that the vendor has indicated that no such relationships exist.



Question and Answers for Bid #762-9434 - FINANCIAL AUDIT SERVICES

**Overall Bid Questions**

**Question 1**

Who is the current Firm providing these services and what is their fee? (Submitted: Apr 20, 2006 12:58:32 PM EDT)

**Answer**

- The current auditor is Ernst & Young, LLP and the fee for our 2005 audit was \$212,529 broken down as follows:  
General financial - \$151,820  
Federal/State single audits - \$55,091  
Large user wastewater compliance - \$5,618 (Answered: Apr 24, 2006 8:26:19 AM EDT)

**Question 2**

Are there any restrictions not listed in the RFP? (Submitted: Apr 20, 2006 12:58:51 PM EDT)

**Answer**

- We are not sure what is meant by restrictions not listed in the RFP, so unless more information is provided as to those restrictions, we would have to say there are no restrictions. (Answered: Apr 24, 2006 8:29:41 AM EDT)

**Question 3**

How many hours did it take the auditor last year to perform these services? (Submitted: May 18, 2006 10:23:30 AM EDT)

**Answer**

- 1,975 hours. (Answered: May 18, 2006 10:23:52 AM EDT)

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CONTRACT  
COPY

City of Fort Lauderdale, Florida

Proposal to Provide Professional Financial Audit Services

**Proposer:**

Ernst & Young LLP  
100 Northeast Third Avenue  
Suite 700  
Fort Lauderdale, Florida 33301  
Phone: (954) 888-8000

**Contact:**

Thomas J. Bradley, CPA  
Coordinating Partner  
(954) 888-8013

**Subcontractor:**

C Borders-Byrd, CPA LLC  
Accountants and Consultants  
101 Northeast Third Avenue  
Suite 1500  
Fort Lauderdale, FL 33301  
Phone: (954) 742-7997

May 24, 2006

ORIGINAL  
BID



■ ERNST & YOUNG LLP      ■ Phone: (954) 868-8000  
100 Northeast Third Avenue      www.ey.com  
Suite 700  
Fort Lauderdale, FL 33301-1166

May 24, 2006

Auditor Selection Committee  
City of Fort Lauderdale  
Procurement Services Department  
Room 619  
100 N. Andrews Avenue  
Fort Lauderdale, FL 33301

Dear Members of the Auditor Selection Committee:

We appreciate the opportunity to respond to your request for proposal to provide professional financial audit services to the City of Fort Lauderdale (the City). The City is an important and valuable client of our firm! Over the last four years, Ernst & Young has had a valuable and productive relationship with the City, and we have a strong interest in continuing to work with you and contribute to the City's future success. We believe that of all the firms, Ernst & Young is uniquely qualified and best suited to continue serving the City in addressing your financial risks and achieving your business objectives for a number of reasons, including the following:

- We offer an experienced, responsive local team that knows the City. As a result of serving the City for the past four years, we fully understand your challenges and will continue to proactively work with you to successfully address your issues. We have already demonstrated to you through prior projects that we are very knowledgeable of your key business objectives and responsive to your needs. Each member of our team brings a wealth of financial audit technical knowledge, and government service experience to this engagement. A competitive advantage for us and a significant benefit to you are our local audit team members who have served you for the last four years. Tom Bradley, your coordinating partner, Alyson Silva, engagement senior manager, and Patrice Jones, manager, know the details of the City, as well as your people and culture. No other firm can make this claim.
- A proven track record of quality service to the City. Ernst & Young is proud of our record for providing proactive advice and quality services related to important accounting and reporting matters to the City. In our renewed relationship with the City, we commit to providing you with the same level of quality audit and outstanding client service that you have come to expect from us.
- No learning curve, no disruption of service, no time lost or costs associated with changing auditors. We are familiar with the City's operations, objectives, and timelines. As demonstrated over the last four years, Ernst & Young has a full understanding and an appropriate audit focus on the key accounting issues facing the City. Our institutional knowledge of the City puts us ahead of our competition, making us the clear choice for the City. In retaining Ernst & Young as your auditors, the City will not incur costs associated with switching auditors or experience any disruptions in service associated with an auditor transition. With Ernst & Young continuing to serve as your auditor, the pace of your operations will not be slowed as in the case of another service provider playing "catch-up." In fact, we would have a jump-start on your 2006 audit. As such, we are in the best position to continue delivering seamless service with no interruption or additional cost to the City.



- The largest government practice of any Big Four firm. Ernst & Young is a leader in serving government and public sector clients. In Florida, we serve six of the largest counties, three of the largest cities, and 11 of the largest school districts. Nationally, we work with more than 2,000 public sector and not-for-profit entities. Our professionals have years of experience with the systems, programs, and issues that are unique to your sector. Our dominant position within the government and public sector arena along with our current knowledge of the City provide unparalleled benefits to the City that cannot be matched by any other firm. We will continue to leverage our knowledge and our firm's extensive resources to help the City stay abreast of regulatory changes affecting your industry both today and moving forward. For example, we are utilizing our extensive knowledge of GASB Statements No. 43 and 45 (Other Post Employment Benefits) to assist many of our clients with implementation of these comprehensive new standards.
- Teaming with local firms. Ernst & Young's commitment to this engagement extends beyond our firm to our subcontractor firm. We will be subcontracting with C Borders-Byrd, CPA LLC, Accountants and Consultants, a recently formed woman-owned minority business on this engagement to help support the growth and success of this business. Cynthia Borders-Byrd served as an Audit Senior Manager with Ernst & Young for many years before starting her own business. Cynthia has served a number of government and public sector clients, including the City of Fort Lauderdale. As a result, she has extensive experience serving various segments of the City as well as other public sector clients and has worked closely with your Ernst & Young team members in the past. The firm will be integrated into our engagement team and will provide approximately 20% of the audit effort. We chose to work with C Borders-Byrd, CPA LLC, Accountants and Consultants, which is located only a block away from the City, because of their knowledge and experience in working with the City as well as their past experience working with Ernst & Young's audit methodology and service approach.
- We are committed to your success. As you conduct your RFP process, each firm you interview will talk about the features it brings to the table. They might describe the benefits of a "fresh look" at your operations. However, you have witnessed first-hand the quality of Ernst & Young's work in serving the City. For example, you have read the management letters we have issued, which continue to provide extensive, substantive recommendations to improve the City's operations and internal controls. We believe that the benefits of continuing your relationship with Ernst & Young far outweigh the potential risks and costs associated with changing auditors. Most important, we have made significant investment in the City, and we are committed to the continued success of our relationship. We fully understand the services requested and are able and willing to commit and maintain staffing, both number and level, to successfully conclude the audit services within the time constraints outlined in your RFP.

On behalf of Ernst & Young and our team to serve you, I look forward to continuing to provide financial audit services to the City and participating in the City's future growth and success. I am authorized to represent Ernst & Young LLP. Please feel free to contact me at (954) 888-8013 with any questions you may have regarding our proposal.

Sincerely,

A handwritten signature in black ink that reads "Tom Bradley". The signature is written in a cursive, slightly slanted style.

Tom Bradley  
Partner

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## Part I — Expertise and Experience

### A. GENERAL REQUIREMENTS

We have prepared our proposal to be responsive to the general requirements and format proscribed in the City's request for proposal. For your reference, we have included the following section to reference each requirement used in the evaluation process to the related principal pages where we have addressed each requirement.

#### 1. Expertise and Experience

- a. The firm's local office, or office designated to do the work, past experience and performance on comparable government engagements. See pages 3-4, and 6-12.
- b. The firm's national expertise and experience in local governmental auditing. See pages 3-6, and 8-12.
- c. 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. See pages 14-23; and 43-44.
- d. The firm making available continuing professional education opportunities for staff of the City's Financial Departments by sharing in-house or local training opportunities. See pages 12 and 24.
- e. Client references. See page 29.
- f. The sufficiency of resources to perform the contract. See page 4.

#### 2. Audit Approach

- a. Adequacy of proposed staffing plan for various segments of the local engagement. See pages 30-38.
- b. Adequacy of analytical procedures used in risk assessment. See pages 39-40.
- c. Assessment of firm's ability to meet prescribed report publication date. See page 30.

#### 3. Cost to the City. See page 46.

## Part I — Expertise and Experience

Our subcontractor Partner, C Borders-Byrd, CPA LLC, is a limited liability company properly registered and licensed by the State of Florida. C Borders-Byrd, CPA LLC is a firm of certified public accountants, and all members of the team assigned to this engagement are properly licensed to practice in Florida. Cynthia Borders-Byrd, managing member, has been licensed to practice public accounting in the State of Florida for over 20 years. The firm's license number with the Florida Department of Professional Regulation is AD-64330.

### D. FIRM QUALIFICATIONS AND EXPERIENCE

*The proposal should state the size of the firm, the size of the firm's governmental staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis.*

*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 City will be served primarily by Ernst & Young's Fort Lauderdale practice located at the following address:

100 Northeast Third Avenue  
Suite 700  
Fort Lauderdale, Florida 33301  
Phone: (954) 888-8000

Tom Bradley, Coordinating Partner, and Patrice Jones, Audit Manager, are both based in our Fort Lauderdale office. Alyson Silva, Audit Senior Manager is based in our West Palm Beach office but frequently works out of our Fort Lauderdale office. Additionally, the senior and staff assigned to the City's audit will also be based out of the Fort Lauderdale office.

Ernst & Young will be teaming with Cynthia Borders-Byrd, a Partner, at C Borders-Byrd CPA LLC, Accountants and Consultants, a woman-owned minority subcontractor, located only a block away from the City. More information about C Borders-Byrd, CPA LLC is included in our cover letter and also on pages 22, 23, 26 and 27.

#### **About Ernst & Young**

Ernst & Young is a global organization with over 100,000 professionals located in 700 cities in 140 countries, and revenues in excess of \$16 billion. Over the past several years, we have focused on successfully transforming our firm into a streamlined, integrated global structure, and we have implemented a global strategy that is centered on a vision of delivering consistent service and quality to our clients. As a global organization, Ernst & Young has the breadth and depth of resources to do business wherever our clients conduct their business.

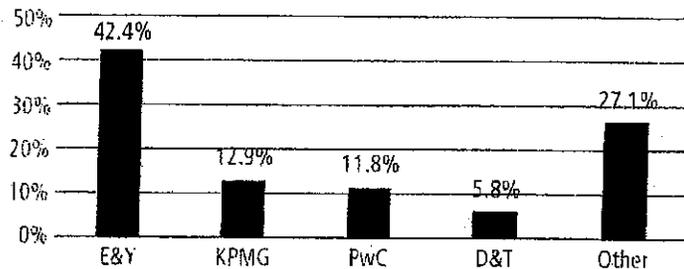
## Part I — Expertise and Experience

The senior and staff assigned to the City's engagement would be at the City on a daily basis during the scheduled fieldwork dates. The engagement executives will maintain daily contact with the senior and staff and will be on site at the City on a regular basis during our fieldwork.

### Ernst & Young's Government Experience

Among the Big Four firms, Ernst & Young has the largest public sector practice. We serve more government and not-for-profit clients than any other firm. Nationally, we have over 2,500 professionals with experience serving these clients.

Ames Research Group Big Four Market Share for Government, Public Sector, and Nonprofit Industries.



### National Public Sector Leadership and Experience

Ernst & Young has one of the largest public sector practices in the profession. Our public sector practice comprises professionals skilled in the auditing, accounting, and budgeting methods, systems, and controls that today's government clients need.

Nationally, we serve more than 2,000 public sector and not-for-profit clients. Our professionals have decades of experience with the systems, programs, and issues facing the public sector. Several of our professionals are former policy makers or senior executives or served as department heads within the government sector. Our public sector professionals keep close tabs on the industry they serve through a variety of professional networks, to ensure they deliver current, relevant advice to our clients. They also work closely with standard-setting and professional organizations, including the following:

- Governmental Accounting Standards Board
- Government Finance Officers' Association (GFOA)
- National Association of State Auditors, Comptrollers, and Treasurers
- Council of State Governments
- Association of Government Accountants
- Intergovernmental Audit Forum
- Joint Financial Management Improvement Program
- Other professional public sector organizations

# Part I — Expertise and Experience

## Selected Florida Government Clients Recently Served

Services Provided	Annual Audit	A-133 Reports	GFOA Cert.	Bond Services	Arbitrage Rebate	Actuarial Services	IT Advisory	Various Accty. Services
<b>COUNTIES</b>								
Broward	X	X	X	X	X	X		X
Charlotte	X	X	X					
Hillsborough	X	X	X		X			X
Lake	X	X	X	X	X	X	X	X
Miami-Dade	X	X	X	X				
Palm Beach	X	X	X		X			
<b>MUNICIPALITIES</b>								
Fort Lauderdale	X	X	X		X			
Jacksonville	X	X	X	X				X
Lake Worth	X	X	X	X	X			X
Orlando	X	X	X					
Tampa	X	X	X	X	X	X		X
<b>DEPARTMENTS &amp; AGENCIES</b>								
Gainesville Regional Utilities	X	X		X				X
Greater Orlando Aviation Authority	X	X	X	X		X	X	X
Jacksonville Utility Authority	X	X		X	X			X
Kissimmee Utility Authority	X	X	X	X			X	X
Lee County Electric - Co-op	X	X						
Central Florida Transportation Authority (LYNX)	X	X						X
Miami-Dade County Aviation Dept. (Miami Int'l Airport)	X	X	X	X				X
Tampa International Airport	X	X						
Tampa Bay Water Authority	X	X					X	
V.I. Water and Power Authority	X	X		X				X
Jacksonville Airport Authority	X	X	X	X				X
<b>SCHOOL DISTRICTS</b>								
Alachua	X	X			X			
Brevard	X	X	X					X
Broward	X	X	X				X	
Duval	X	X	X				X	X
Hillsborough								X
Lee	X	X						
Miami-Dade County	X	X	X					
Orange	X	X	X		X		X	X
Pasco	X	X	X					
Polk	X	X						
St. Lucie	X	X						
Seminole	X	X	X	X				
Volusia	X	X	X		X			

## Part I — Expertise and Experience

Additionally, many of our OMB Circular A-133 audits have received quality control reviews from federal agencies over the years. On a selective basis, oversight organizations (e.g., federal inspectors general) have the authority, and do, perform desk and quality control reviews. As a matter of course, such quality control reviews have been made of Ernst & Young's audit policies, procedures, and practices by the GAO, several federal inspectors general, and state auditors. In addition, federal and state officials perform desk reviews on hundreds of the reports issued for government audit engagements. These reviews have substantively supported the fact that the quality of our audits meets all federal, state, and professional requirements. In fact, numerous letters have been received after such quality control reviews commenting on the professionalism of our approach to these audits. These quality control reviews have not resulted in any sanctions or disciplinary actions with any state boards of accountancy. This fact attests to our knowledge of and quality in performing OMB Circular A-133 audits.

We have the technical knowledge, the range of industry experience, and above all, the right people in place to provide responsive, innovative business advice to the City. Further, Ernst & Young has a global network of business advisors with direct experience in government audits. Our local team has direct access to this group. We will continue to leverage this wealth of resource and experience to deliver a full range of services to the City, and to keep you informed about current trends and breakthroughs impacting the public sector industry.

### Public Sector Leadership

As the leading firm serving public sector entities, we have been fortunate to have had numerous opportunities to provide a variety of accounting assistance services to state and local government clients. In fact, we view accounting assistance and similar services as an integral part of our public sector assurance and advisory practice, and remain committed to providing our clients with the highest level of responsiveness and thought leadership. In recent years, we have provided our government clients with accounting assistance services in a number of areas, including the following categories:

- **GASB 34 reporting model services** — projects within this category have varied as to scope, from performing implementation readiness assessments to full implementation support. Recent projects have included:
  - Implementation readiness assessments for school cities and counties
  - On-site tailored training and education of client accounting personnel
  - Ongoing GASB 34 advisory engagements tailored to each client's needs based on co-development sessions with management
  - Use of Computer Assisted Audit Tools (CAATs) to assist governments in evaluating the propriety of necessary opening balance adjustments (e.g., accumulated depreciation)
- **Financial Condition Assessment Services** — These services have involved the preparation and assessment of various trend analyses and benchmarking studies designed to provide board members and management with early warning signals of any indications of deteriorating financial condition. In connection with these assessments, we have provided specific detailed recommendations to management to improve financial condition and operating efficiency.

## Part I — Expertise and Experience

- **Early Implementation Assistance** – We routinely provide our clients with updates on emerging accounting standard changes as part of our audit relationship, and in many cases are requested to provide assistance in their implementation. These types of services go beyond just providing education and information about the requirements of new and emerging standards, and involve assistance in evaluating policy alternatives, providing specific implementation tools and techniques, and compiling data and information necessary to affect the early implementation.

### **Keeping the City and Our Professionals Current on Public Sector Issues**

Using Ernst & Young's state-of-the-art technology resources, our local team has the resources and capabilities to open the channels to a wealth of industry and regulatory knowledge on the City's behalf. Primary among those technology resources is our Public Sector PowerPack, a proprietary database containing process models, leading practices, specialized tools and diagnostics, and industry publications (including GASB pronouncements and other technical literature). Using this and other leading-edge technology resources, we are able to provide our Florida government clients with a level of service that consistently goes beyond just performing the audit.

All of the team members assigned to the City's audit are members and active participants in a number of professional organizations, such as the AICPA, FICPA, Florida GFOA, and U.S. GFOA. In addition, many of our senior team members frequently serve as speakers and instructors on emerging and current accounting and auditing topics and issues. We believe that such participation is a way to grow and share ideas and to give something back to the community and profession. As a result, we are uniquely positioned to provide the City with early warnings and proactive insights on how the activities of standard-setting organizations will affect it.

## Part I — Expertise and Experience

*In a joint proposal, the principal firm should complete and sign the Proposal Signature Page, and the structure, duties, and responsibilities of each firm should be clearly delineated.*

Please refer to Attachment A for our Signature Page and Attachment B for our Vendor Response Form.

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

Ernst & Young's most recent peer review was conducted in accordance with the AICPA's SEC Practice Section peer review program for the year ended June 30, 2004. The external peer review is one measure of a firm's quality and is a mandatory requisite of Government Auditing Standards. The peer reviews have specifically included government engagements. The 2004 peer review results confirmed that Ernst & Young's system of quality control for our accounting and auditing practice meets the requirements of the quality control standards for an accounting and auditing practice established by the AICPA, and was being complied with, providing Ernst & Young with reasonable assurance of complying with professional standards.

Our most recent peer review report is provided in Attachment C of this proposal.

*The firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits 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 the firm during the past three (3) years with state regulatory bodies or professional organizations.*

Federal and state officials have performed desk reviews on many of our government audit engagements and have conducted quality control (field) reviews (HUD and DOT, FTA) on several others during the past three years. These reviews have supported the quality of our audits in meeting federal, state, and professional requirements. In fact, recent field reviews by federal officials have resulted in commendations about Ernst & Young's audit process and documentation protocols. There have been no disciplinary actions taken or pending against the firm during the past three years by state regulatory bodies or professional organizations.

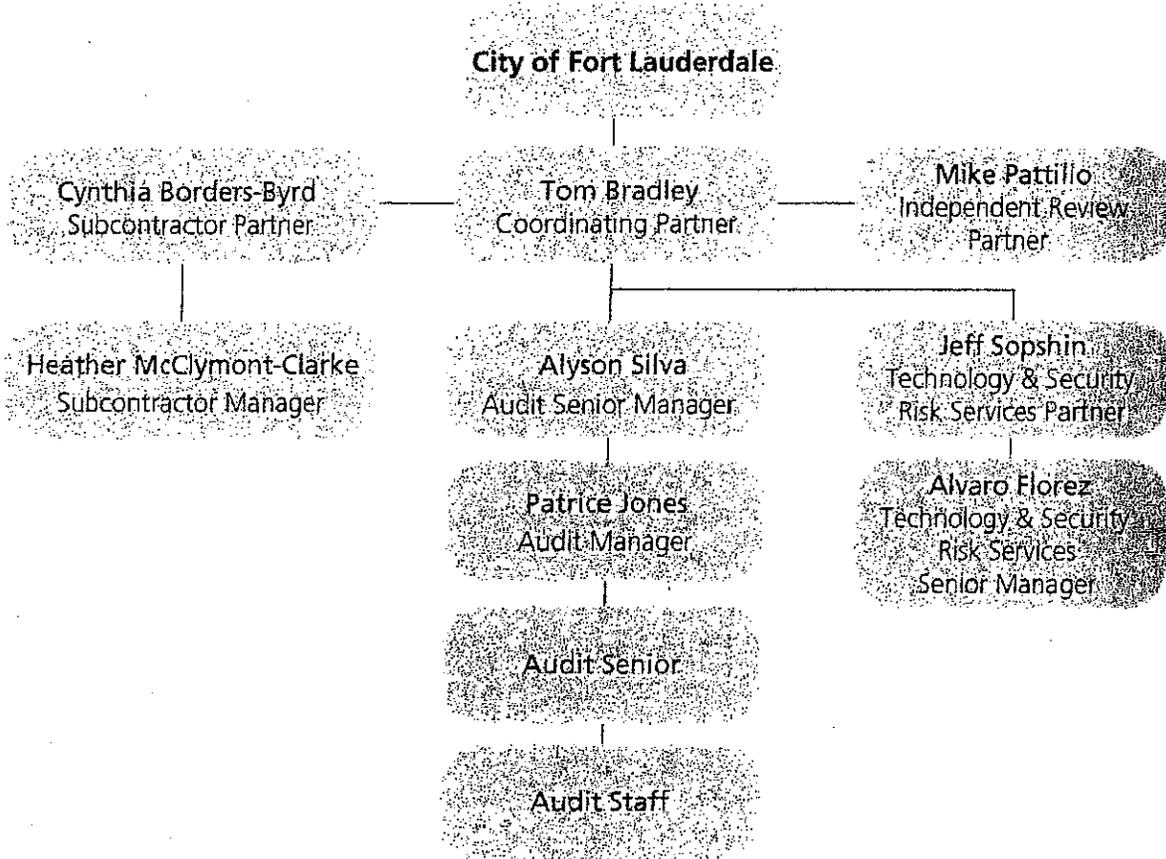
*The firm should describe any outstanding claims or litigation or threatened claims or litigation of which the proposer is aware, which involve any Florida based office or which may threaten the existence or current stability of the firm. The firm should also describe any past disciplinary findings or sanctions by the Florida State Board of Accountancy or the Auditor General related to your firm.*

There are no disciplinary actions that have been instituted, proposed or taken against any of our Florida practices or any partners or employees by the Florida State Board of Accountancy or the Auditor General during the past three years.

At present, we are aware of no outstanding claims or litigation, nor are there any threatened claims or litigation against any of our Florida-based offices. In addition, there are no claims or litigation threatening the existence of our firm.

Ernst & Young, as true of all major accounting firms, is involved in litigation in the normal course of our professional activities. We believe the mere filing of a suit against a firm provides no meaningful indication of the quality of work, since the complaint represents merely the unproven allegations of a plaintiff. The outcome, moreover, may not bear a

# Part I — Expertise and Experience



The key members of our engagement team currently serve the City. Cynthia Borders-Byrd, our subcontractor partner, has previously served the City in the senior manager role while working for Ernst & Young.

## Part I — Expertise and Experience

### Ernst & Young Engagement Team



**Mike Pattillo**  
**Independent Review Partner**  
**Phone: (407) 872-6757**  
**Location: Orlando**  
**E-mail: michael.pattillo@ey.com**

#### Engagement Role

In his continued role as Independent Review Partner, Mike will provide a quality control review of our audit and serve as a direct link to the group that monitors and established our policies with respect to current and emerging government accounting, auditing, and reporting developments.

#### Background and Relevant Experience

Mike has more than 17 years of public sector and not-for-profit audit experience. He has extensive experience performing financial and compliance audits of local governments, Florida colleges and universities, school districts, and other not-for-profit organizations. Mike is also experienced in performing Single Audits in accordance with OMB Circular A-133, the Florida Single Audit Act, and Rules of the Florida Auditor General. Mike has assisted numerous government and public sector clients with tax-exempt bond offerings and non-recourse financing arrangements. He routinely participates as an instructor in accounting and audit programs at statewide conferences.

#### Education and Professional Affiliations

Mike received his Bachelor of Science in Accounting degree from Florida State University and is a licensed CPA in the State of Florida. He is a member of the American Institute of CPAs, the Florida Institute of CPAs, Government Financial Officers Association, Florida Government Finance Officers' Association, and the National Association of College and University Business Officers.

#### Selected Government Clients Served

City of Jacksonville, City of Lake Worth, City of Boynton Beach, City of Orlando, City of Delray Beach, Palm Beach County (technical advisory role), Broward County (technical advisory role), Sarasota County, Duval County Public Schools, Orange County Public Schools, School Board of Broward County, Miami-Dade County School Board, Seminole County Public Schools, JEA, Kissimmee Utility Authority, Gainesville Regional Utilities, Virgin Islands Water & Power Authority, Lee County Electric Cooperative, Florida High Speed Rail Authority, Jacksonville Airport Authority, Hartsfield Atlanta International Airport, Greater Orlando Aviation Authority, and Miami International Airport (Miami-Dade Aviation Department).

#### Continuing Professional Education

Mike has completed over 120 hours of relevant government and other CPE credits over the past three years.

## Part I — Expertise and Experience

### Ernst & Young Engagement Team



Patrice Jones  
Audit Manager  
Phone: (954) 888-8083  
Location: Fort Lauderdale  
E-mail: patrice.jones@ey.com

#### Engagement Role

Patrice will participate in the day-to-day supervision of the audit.

#### Background and Relevant Experience

Patrice has more than five years of public accounting experience providing a wide range of assurance and advisory services to a variety of public sector and not-for-profit entities. Patrice also has experience in performing audits under the Single Audit Act, OMB Circular A-133, and the rules of the Auditor General.

#### Education and Professional Affiliations

Patrice holds a Bachelor of Business Administration degree from the University of Florida and a Master of Accounting degree from University of Notre Dame. She is a certified public accountant in the states of Florida and Georgia.

#### Selected Government Clients Served

City of Fort Lauderdale, School Board of Miami Dade County, and Broward County Sheriff's Office.

#### Continuing Professional Education

Patrice has completed over 120 hours of relevant government and other CPE credits over the past three years.

## Part I — Expertise and Experience

### Ernst & Young Engagement Team



Alvaro Florez  
TSRS Senior Manager  
Phone: (954) 888-8023  
Location: Fort Lauderdale  
E-mail: alvaro.florez@ey.com

#### Engagement Role

Alvaro will work closely with Jeff to coordinate the delivery of all Information Technology audit services, assess IT audit risk relating to the external audit, and identify areas of significant IT risk to the City.

#### Background and Relevant Experience

Alvaro has more than over 14 years of information systems strategy, system security, and system implementation experience. He has served as project manager in the implementation of financial, procurement, human resources, payroll, and grant management applications for public sector clients. Alvaro has worked with several Florida public sector clients to help implement application controls, ERP access, and security controls and assessed the effectiveness of the IT environment. He also worked with several public school boards to implement, stabilize, and optimize leading business practices and reengineer IT processes. Alvaro has established project management practices guiding the implementation of ERP applications.

#### Education and Professional Affiliations

Alvaro received his Bachelor's degree in Information Systems and his M.B.A. from Florida International University. He is a Certified Information Systems Auditor.

#### Selected Government Clients Served

School Board of Broward County, State of Florida Technology Review Work Group, Orange County Public School, Duval County Public Schools, Polk County Public Schools, the State of Florida, and Brevard Public Schools.

#### Continuing Professional Education

Government CPE credits are not required for our TSRS professionals. However, Alvaro has in excess of 120 hours of CPE credits over the past three years.

## Part I — Expertise and Experience

### C Borders-Byrd, CPA LLC Engagement Team



**Heather McClymont-Clarke**  
**Audit Manager**  
**Phone: (954) 742-7997**  
**Location: Fort Lauderdale**

#### Engagement Role

Heather will work under the direction of Cynthia and closely with the team to conduct the Federal and State Single Audit.

#### Background and Relevant Experience

Heather is a skilled professional with over five years of experience. She has supervised external audit and contract internal audit services (including internal control and operational audits), which included public sector engagements. She has also performed and reviewed compliance with terms of contractual agreements and established procedures for monitoring financial transactions and financial standing. Her experience also includes the review of SEC financial reporting and comfort letters issued to underwriters in connection with public and private offerings (including automobile-related securitizations).

#### Education and Professional Affiliations

Heather holds a Master of Business Administration and a Bachelor of Business Administration – Accounting (Honors) from Florida Atlantic University, and she is a CPA licensed to practice in Florida.

#### Selected Government Clients Served

The City of Coral Springs and the Private Industry Council of Palm Beach County.

#### Continuing Professional Education

Heather has completed over 120 hours of relevant government and other CPE credits over the past three years.

## Part I — Expertise and Experience

### Employee Retention Initiatives

We strive to provide an environment where talented people can develop and flourish. We call this our People First culture. People First has made Ernst & Young one of the Fortune "100 Best Companies to Work For" for seven years in a row and one of the "100 Best Companies for Working Mothers" from Working Mother magazine for eight consecutive years. To continue to attract and retain great people, we believe we must continue to be an outstanding place to work. Each year, we renew our commitment to help everyone at Ernst & Young achieve both their professional and personal goals through an environment that fosters flexibility, and provides continuous opportunities to develop new skills and knowledge. Some of the initiatives that support our commitment to flexibility and creating a great place to work are:

- **People Point** — People Point is a feedback tool we devised in 2000 to create a comprehensive evaluation of the effectiveness of our partners, principals, executive directors and directors. It asks for anonymous responses to a single question: "How committed is this individual to fostering a positive work environment and helping our people?"
- **Training Top 100 (March 2005)** — Ernst & Young ranks seventh on *Training* magazine's list of the top 100 businesses that excel at human capital development and received best practice recognition for our Career Counseling program. It's the fourth year in a row that the quality of Ernst & Young's learning organization and commitment to professional and personal development for its people has been recognized on this list of business learning's elite.
- **Flexible Work Arrangements** — More than 2,000 Ernst & Young employees, including nearly 90 partners, principals, executive directors, and directors, have formal flexible work arrangements (FWAs). Some of those arrangements involved reduced work weeks; others involve telecommuting, flexible hours, seasonal schedules, or some combination thereof.
- **Technology** — All client serving professionals have personal laptops, and 24/7 technical assistance is available to those in the office and at remote locations.
- **Parental Leave** — A total of 949 Ernst & Young people (roughly half men and half women) took a parental leave of absence in the first year this benefit was offered to new parents.

*The proposal should identify the extent to which staff to be assigned to the audit reflect the City of Fort Lauderdale's commitment to Affirmative Action*

On every engagement, including your client service team, Ernst & Young strives to create diverse, inclusive teams as we find that diversity increases sharing of ideas and different points of view. Your engagement team includes both women and minority personnel and includes MBE/WBE subcontracted personnel.

### Ernst & Young's Affirmative Action Program

Ernst & Young has a long-standing commitment to affirmative action. Developing and maintaining an inclusive environment at Ernst & Young—one that respects and builds on the assets and talents of everyone to create diversity of thought—is the main focus of the firm's Offices of Minority Recruiting and Diversity Strategy and Development. These offices work with national and local organizations that promote the interests of women and minorities.

Ernst & Young also actively recruits at minority schools and universities designated as national recruiting sources, and at various career conferences sponsored by the National Association of Black Accountants, National Black MBA Association, National Society of Hispanic MBAs, and other professional organizations.

## Part I — Expertise and Experience

### About C Borders-Byrd, CPA LLC Accountants and Consultants

C Borders-Byrd, CPA LLC  
 Accountants and Consultants  
 101 N.E. Third Avenue  
 Suite 1500  
 Fort Lauderdale, FL 33301  
 Phone: (954) 742-7997  
 Fax: (954) 206-0634  
 E-mail: cbbyrd@aol.com

As stated earlier, Ernst & Young will be teaming with Cynthia Borders-Byrd, Partner at C Borders-Byrd, CPA LLC, a woman-owned, minority business. We chose to work with C Borders-Byrd, CPA LLC, which is located only a block away from the City, because of their knowledge and experience in working with the City as well as their past experience working with Ernst & Young's audit methodology and service approach. C Borders-Byrd, CPA LLC is a limited liability company properly registered and licensed by the State of Florida. The firm has five staff members in addition to Cynthia and is a full service accounting firm primarily providing accounting, auditing, tax and management advisory services to entities in the government, non profit, and health care industries, and to small businesses. Cynthia Borders-Byrd, managing member, has been licensed to practice public accounting in the State of Florida for over 20 years.

### Expertise and Experience

Prior to establishing C Borders-Byrd, CPA LLC, Cynthia was employed by Ernst & Young as an Audit Senior Manager. In that role, Cynthia served primarily government and public sector clients, including the City of Fort Lauderdale. Cynthia is well versed in Ernst & Young's global audit methodology and has worked with clients such as the City of Pompano Beach, Miami-Dade County, Broward County, Miami-Dade Public Schools and Palm Beach County. She has managed the external audit for the John S. and James L. Knight Foundation, and Broward Community and Family Health Centers, Inc. Cynthia also served as an auditor for over four years with the Office of the Auditor General, State of Florida and Broward County. Cynthia also has considerable experience performing audits under the Single Audit Act, OMB Circular A-133 and the Rules of the State Auditor General. Having served the City, Cynthia is very familiar with the City's culture, business processes and issues.

Cynthia holds a Bachelor of Science in Accounting, Florida State University and a Masters in Business Administration, Florida Atlantic University. She is a CPA, licensed to practice in Florida, a member of the AICPA and the FICPA, and a number of other professional organizations. For more information on Cynthia's qualifications and experience, please refer to her biography on page 22.

### Duties and Responsibilities

C Borders-Byrd CPA LLC will be integrated into our engagement team and will provide approximately 20% of the audit effort. Specifically, we anticipate that C Borders-Byrd CPA LLC would perform the Federal and State Single Audit and issue the related report. We believe that such an engagement will help support the growth and success of this MBE/WBE firm while providing value to the City based on the firm's extensive experience in conducting single audits. If the City were to prefer for Ernst & Young to sign the single audit report, we would work with C Borders-Byrd CPA LLC to direct and supervise the conduct of the single audit and would provide C Borders-Byrd CPA LLC with the opportunity to assist in additional areas of the audit.

# Part I — Expertise and Experience

## G. SIMILAR ENGAGEMENTS WITH OTHER GOVERNMENTAL ENTITIES

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum of 5) performed in the last five years that are similar to the engagement described in the request for proposals.

Indicate the scope of work, date, engagement partner, total hours, and the name and telephone number of the principal client contact.

Our South Florida practice has served numerous public sector clients in the last five years, including the City of Fort Lauderdale. The following is a list of select clients for which we have performed the financial statement audit, the federal and state single audit, as well as certain audit-related advisory services.

Client	Years	Engagement Partner/ Office Location	Total Hours	Name and Phone Number Principal Client Contact
Palm Beach County	1999-Present	Tom Bradley/ Ft. Lauderdale	5,000	Liz Bloeser Budget Director (561) 355-2587
The School Board of Broward County	2002 - Present	Mike Pattillo/ Ft. Lauderdale	1,250	Patrick Reilly Chief Auditor (754) 321-8300
School Board of Miami-Dade County	2003 - Present	Mike Pattillo/ Ft. Lauderdale	2,607	Allen Vann Chief Auditor (305) 995-1436
Miami-Dade County	2003-2004	Tom Bradley/ Ft. Lauderdale	8,000	Rachel Baum Finance Director (305) 375-5147
City of Orlando	2005 -- Present	Mike Pattillo/ Orlando*	2,150	Rebecca Sutton Chief Financial Officer (407) 246-2341

\*Mike Pattillo, who will be your Independent Review Partner, is based in the Orlando office; however, he serves a significant number of public sector clients in South Florida and works frequently from our Fort Lauderdale office.

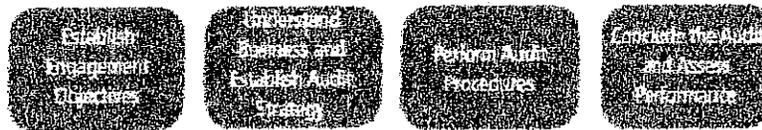
## Part II — Specific Audit Approach

### Our Audit Approach

Our audit approach places increased reliance on controls and focuses on inherent risks. This approach enables our professionals to leverage their industry and technical experience in order to increase audit effectively, addressing compelling risks to the City. Our intensive audit planning approach is designed to first identify the City's most pressing risks and then tailor our audit approach to address them.

Client Needs and Expectations/Our Responsibilities/Professional Standards

Value/Knowledge/Teamwork



Combined Risk Assessment

Value Observations

Our audit approach involves the following key elements:

#### *Establish Engagement Objectives*

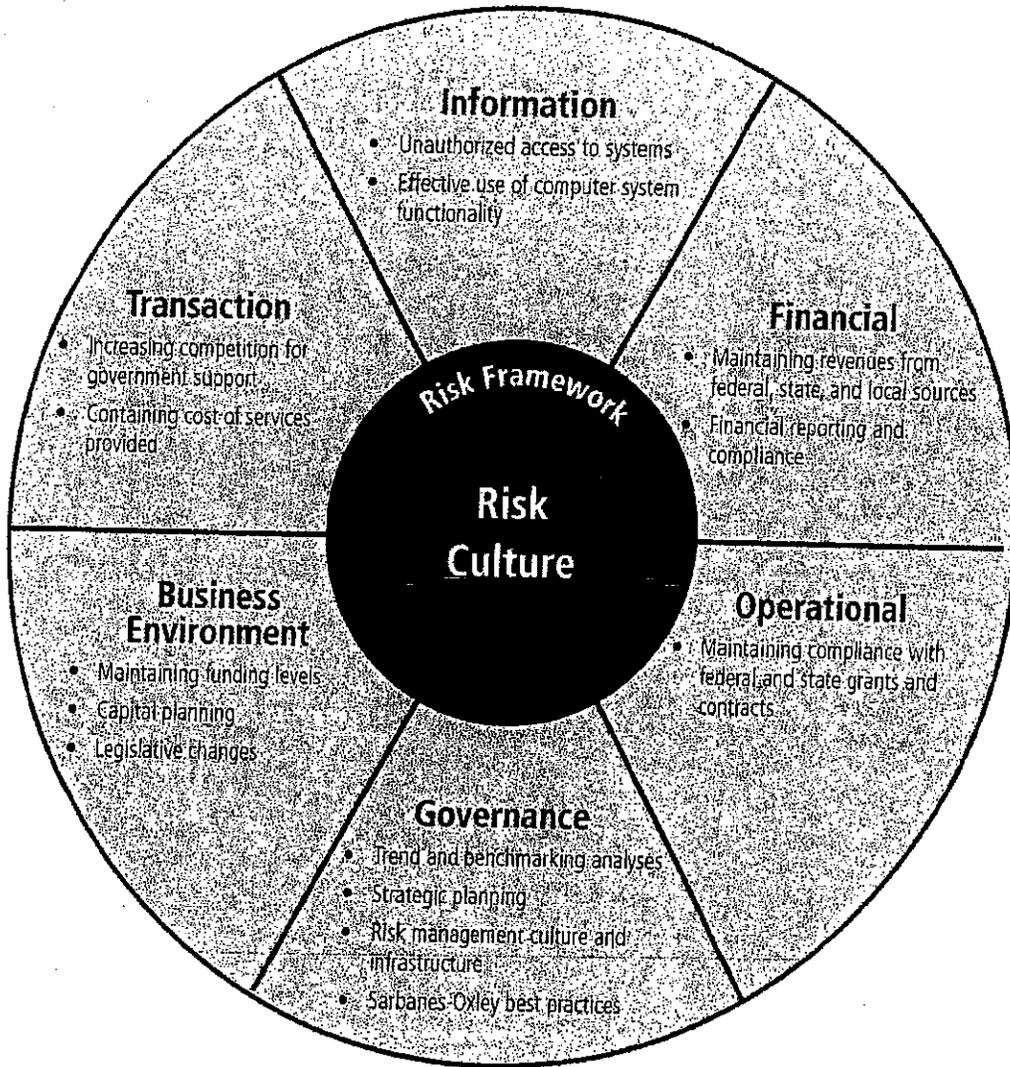
- Work with management and the City to identify and confirm their expectations for the conduct of the audit.
- Identify and orient the team members ensuring that we have appropriate levels of continuity and industry experience.
- Effectively address decentralized processes and the related allocation of audit resources (i.e., nature, timing, and extent of procedures at the component units).

#### *Understand the City's Business and Establish Audit Strategy*

- Conduct interviews with the City's key operating and finance personnel to further and update our understanding of the business.
- Consider industry and other risks developed and communicated to us from our industry resources.
- Assess internal control at the entity level (tone at the top).
- Assess the City's risk of fraud.
- Develop our preliminary audit strategy.
- Understand and evaluate significant processes and related controls.
- Perform tests of controls.
- Perform our risk assessments at the financial statement account level and develop our customized audit solution (programs) to address those risks.

# Part II — Specific Audit Approach

## Anticipated Risk Areas



## Part II — Specific Audit Approach

### **Our Commitment to Management and the Audit Advisory Board**

We have a professional responsibility to report to management and the Audit Advisory Board. We believe that reporting simply on the audit's findings is not enough. It is beneficial to both sides to have open discussions, making sure that all implications and explanations are fully understood. As we've done in the past, our team will provide timely and complete reporting on all aspects of our audit of the financial statements, including the scope and results of the audit, and certain matters regarding management's responsibilities with regard to the financial statements.

We will continue to regularly initiate discussions and observations about the City, its business, and its team. Our team's extensive government knowledge allows them to share industry insights and best practices with the City.

### **Our Approach to Communication**

Ongoing communication throughout the year with management and the Audit Advisory Board has been and will continue to be a key focus of our audit process and plan. We will continually work with you to ensure that a collaborative communication approach is followed.

Our communication protocols emphasize the following:

- Direct and open lines of communication.
- Develop an understanding of our working relationship in a changing environment.
- Communication of early identification of any significant accounting and auditing issues, allowing sufficient time for resolution.
- Meet with the Audit Advisory Board at appropriate points throughout the year, supplemented as necessary for emerging issues.
- Constantly maintain open channels to discuss proposed changes in accounting standards, industry protocols, and other matters that may affect the City.
- Continue to support our communication process that delivers the right information at the right time in a format that you require.

### **Our Approach to Automated Systems**

Ernst & Young has made a strong commitment to information systems auditing. The local area Technology and Security Risk Services (TSRS) team is led by Jeff Sopshin, who will coordinate our information systems auditing services for the City. As part of the audit team, the TSRS role is to assist in evaluating and assessing the level of complexity and risk associated with the IT environment. Just as our overall audit approach is based on your business processes and their associated business risks, our IT audit approach is based on the IT environment as a business process and the associated business risks.

Our IT process model outlines the detailed approach we will follow. This model has been developed by Ernst & Young and now is considered a "leading practice" approach for conducting IT environment reviews and assessments. Using the IT process model, our review will document and assess the processes and controls in operation within the four components identified, and will consider their impact on the City's overall internal control environment.

## Part II — Specific Audit Approach

*Auditor's Workstation (AWS)* is a powerful automated tool for audit execution that maintains an electronic copy of all of our audit work papers (including schedules that your staff prepare). AWS revolutionizes how our service teams share and collaborate on information during an audit. It enables them to have real-time sharing of audit working papers.

*Digital Analyzer and Profile Analyzer* are powerful analytical tools that enable more focused testing selections, increased identification and mitigation of risk areas, enhanced root cause analysis, and the identification of data anomalies. All of these tools enhance the efficiency of the audit process. In addition to the audit techniques outlined above, the audit engagement team will employ a full array of software throughout the course of this engagement – from audit planning to reaching a conclusion – to perform more efficient and effective audits and to improve the quality of audit service the City has come to expect. Our use of technology by audit phase is detailed below.

Audit Phase	Software	Documents/Task
General Planning	EY/AWS EY/Time Tracker	<ul style="list-style-type: none"> <li>Managing engagement evidence and documentation.</li> <li>Budgeting and controlling engagement for audit areas.</li> </ul>
Understanding and Evaluating Sources of Information	EY/AWS	<ul style="list-style-type: none"> <li>Documenting our understanding of client controls and completing the control analysis form.</li> </ul>
Assessing Risk and Developing Audit Approach	EY/AWS RADAR	<ul style="list-style-type: none"> <li>Developing the audit approach plan based on our risk assessment using decision support capabilities and databases with audit procedures.</li> <li>Planning strategies.</li> </ul>
Execution	EY/MicroSTART	<ul style="list-style-type: none"> <li>Calculating sample sizes.</li> </ul>
	EY/Random	<ul style="list-style-type: none"> <li>Generating random numbers for sampling.</li> <li>Evaluating results of audit samples.</li> </ul>
	EY/AWS	<ul style="list-style-type: none"> <li>Generating Audit Programs with detailed work instructions that reflect the audit approach plan.</li> <li>Preparing lead schedules.</li> </ul>
	Caseware	<ul style="list-style-type: none"> <li>Monitoring and controlling post trail balance adjustments.</li> <li>Consolidating working papers.</li> <li>Preparing lead schedules.</li> </ul>
	EY/ASAP	<ul style="list-style-type: none"> <li>Generating audit programs with detailed work instructions that reflect the audit approach plan.</li> </ul>
	Microsoft Excel	<ul style="list-style-type: none"> <li>Preparing lead schedules.</li> <li>Monitoring and controlling post trail balance adjustments.</li> <li>Consolidating working papers.</li> <li>Preparing financial statements.</li> </ul>
	EY/Time Tracker	<ul style="list-style-type: none"> <li>Recording actual time versus time budgeted.</li> </ul>
	ACL	<ul style="list-style-type: none"> <li>Interrogating and analyzing large volumes of client data.</li> </ul>
Conclusion	EY/Time Tracker	<ul style="list-style-type: none"> <li>Reconciling actual time for final billing.</li> </ul>
Throughout the Process	Microsoft Excel and Word	<ul style="list-style-type: none"> <li>Making calculations and producing work papers.</li> </ul>
	Lotus Notes™	<ul style="list-style-type: none"> <li>Communication with audit team and industry/firm specialists.</li> </ul>
	Public Sector Power Pack	<ul style="list-style-type: none"> <li>Lotus Notes-based database used to research industry publications, GASB and other technical literature, best practices information, and the latest firm information on the industry.</li> </ul>
	Federal Financial Assistance Database	<ul style="list-style-type: none"> <li>Firm-wide question and answer database to disseminate single audit information and ensure consistency of audit approach across the firm, as well as to ensure efficiency of single audits.</li> </ul>

## Part II — Specific Audit Approach

In general, our sample sizes for control testing at the City, depending on the nature of the control and the frequency of performance, are as follows:

Nature of Control and Frequency of Performance	Full Tests of Controls—Minimum Number of Items to Test
Manual control, performed many times per day	25
Manual control, performed daily	25
Manual control, performed weekly	5
Manual control, performed monthly	2
Manual control, performed quarterly	2
Manual control, performed annually	Test Annually
Application control	Test one application of each application control for each type of transaction if supported by effective IT general controls (that have been tested); otherwise test 25
IT general controls	Follow guidance above for manual and automated aspects of IT general controls

When substantively auditing an account balance, we utilize EY/MicroSTART, which is a software program that assists in planning an efficient sampling plan for certain significant accounts. It can be used to consider the audit strategy effects of testing controls beyond a walk-through, obtaining additional assurance from other substantive procedures, expanding tests of details of individual key items, and so forth. EY/MicroSTART allows the auditor to quickly enter data required for planning samples and immediately see the effect on planned sample sizes. Data entry includes materiality thresholds, information about the population being tested, risk assessments and assurance from other substantive procedures, key item information, and sample selection technique and expected error information.

We use EY/MicroStart at the City when determining sample sizes and random selections for substantively testing areas such as the existence of receivables, grant expenditure compliance, and compensated absences.

### 3. Type and extent of analytical procedures to be used in the engagement

The type and extent of analytical procedures to be performed is based on many factors, including risk assessments pertaining to significant accounts and key processes, effectiveness of internal controls, and materiality levels. For significant risks, if controls are ineffective or we choose not to test them, the audit procedures appropriate to address such significant risks consist of tests of details or a combination of tests of details and substantive analytical procedures that are specifically responsive to the significant risk.

Our first step in performing analytics is to determine the objectives of the procedures (e.g., to obtain substantive audit evidence regarding the completeness of revenues or to identify unusual (higher risk) items) and to consider whether analytics are appropriate in the circumstances given the audit evidence we need. For the purpose of designing our analytic procedures, we group them into the following techniques:

- **Data Analysis** – analyze each item in the population or data set to identify higher risk items (e.g., unusual items) and unusual patterns within a population or data set (e.g., revenue transactions, accounts receivable detail listing). We typically perform data analysis using electronic tools (e.g., ACL) as described above. These analyses are driven from auditor-defined parameters of acceptable and unacceptable data or from sophisticated electronic tools that have built-in intelligence.

## Part II — Specific Audit Approach

Upon completing our assessment of the accounting and business processes, we determine: (1) if the controls are effective over the accounting/business processes and (2) whether we will design tests to specifically test those controls. Generally, the most effective and efficient audit strategy is to test and rely on controls. Our audit strategy includes a significant concentration on internal control testing. We will design and execute tests of controls and evaluate the results of our tests. For controls we have evaluated as effective, we update our evaluation of those controls from the time of our interim work through year-end. Upon completion of our testing and evaluation of control, we will use the information and audit evidence gathered during the performance of earlier procedures and use that information and audit evidence to make informed assessments of the inherent and control risks (our combined risk assessment) associated with each of your significant accounts and their related assertions. We then respond to our combined risk assessments by determining the nature, timing, and extent of our remaining substantive audit procedures. This activity, while generally completed at this stage of the audit, actually encompasses procedures performed throughout the audit, rather than at one particular time.

Our understanding of the City's internal control structure includes extensive documentation of the City's critical processes and the related controls embedded in those processes summarized by type as follows:

### Routine Data Processes:

- Revenue and accounts receivable process
- Cash receipts process
- Cash disbursements process
- Purchases and accounts payable process
- Payroll process
- Fixed assets process (acquisitions, dispositions, impairment)
- Marketable securities and other investments (acquisitions, dispositions and portfolio management) process
- Budget process

### Non-Routine Data Processes:

- Debt issuance recording and monitoring process
- Amortization of deferred debt issuance costs
- Inventory count and valuation process
- Financial statement close process

### Estimation Processes:

- Depreciation process
- Self-insurance liability process

## Part II — Specific Audit Approach

For the City, the statistical sampling concepts underlying E&Y/MicroSTART are the foundation of our approach and work plan for substantively auditing account balances as well as compliance auditing. We have embedded sampling techniques in our approach to auditing the City's basic financial statements and compliance. Our sampling plans, and their sample sizes, vary depending upon the audit objective. Statistical sampling is the preferred technique for auditing effectiveness of internal controls and compliance, and sample sizes vary from 5 to 60 sample items. The number of sample items is predicated on the nature of the underlying population.

### B. IDENTIFICATION OF ANTICIPATED POTENTIAL AUDIT PROBLEMS

*The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from the City of Fort Lauderdale.*

Ernst & Young is proud of its recognized position as a leader in technical accounting standards and emerging issues, and the various Regional and National Professional Practice groups provide input to standard setters and regulators on a regular basis. The firm's top technical resources in our National Professional Practice Group work with client engagement partners to identify emerging practice issues as well as understand the effects of proposed standards, interpretations or rules on our clients. Accordingly, we do not anticipate audit problems. Should questions or issues arise pertaining to technical accounting matters, our team will work directly with our Professional Practice Group, as well as the City's staff, to timely resolve such matters.

Through communication protocols established at the initiation of our audit service relationship, Ernst & Young facilitates the development of transparent, direct, and timely communication protocols with the Audit Advisory Board and management. These protocols are of critical importance during consultation on technical matters, when both speed and accuracy are required. The diagram on the following page illustrates a typical process established between our engagement team, management and the Audit Advisory Board for consultation on technical issues.

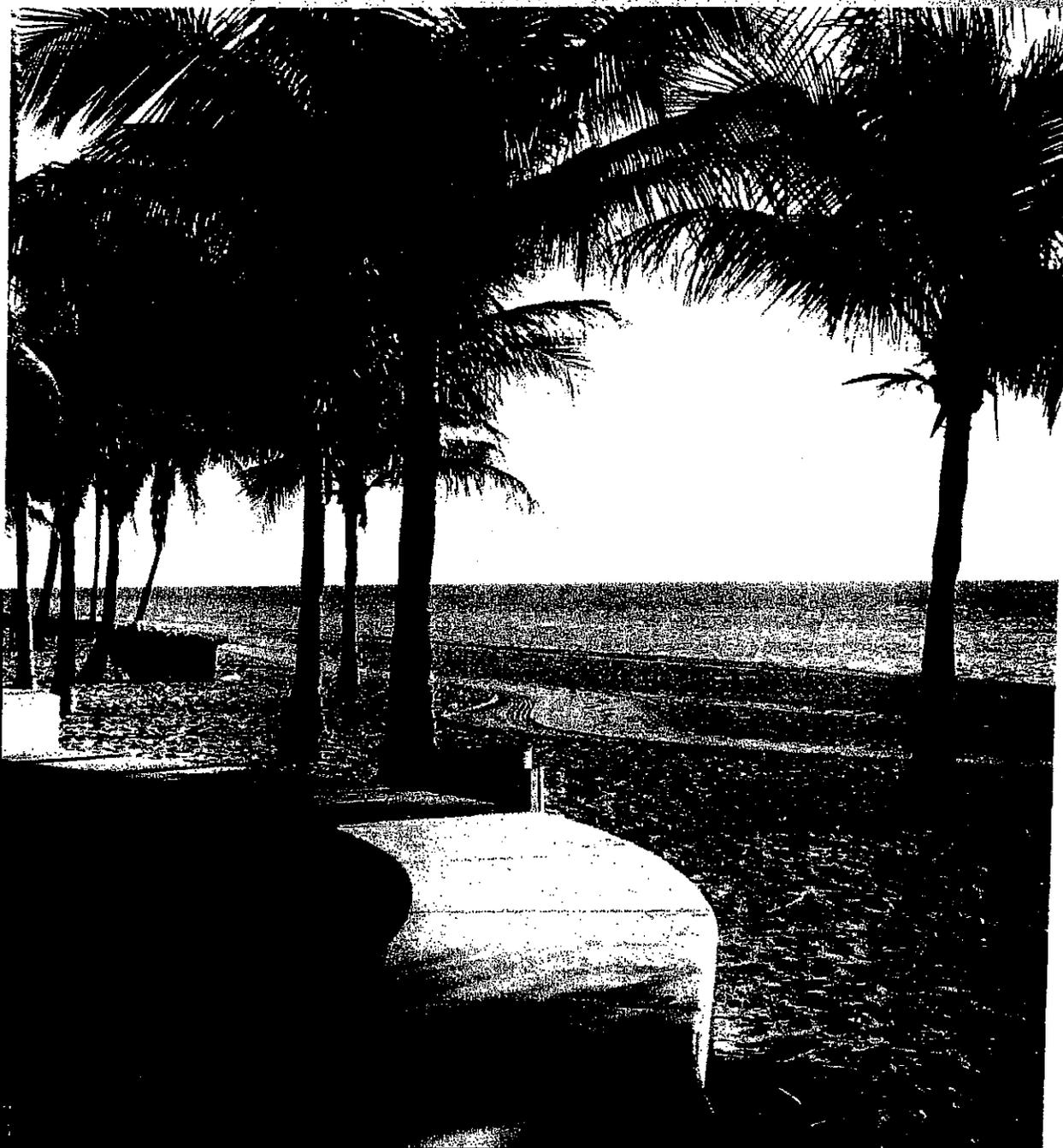
## Part II — Specific Audit Approach

### C. REPORT FORMAT

*The proposal should include sample formats for required reports.*

We have previously issued each of the required reports as the City's existing auditors. Sample reports provided in Attachment D consist of the reports that we issued for the fiscal year 2005 audit, as we would expect the format of future reports to remain substantially the same. We have also issued our "Audit Results and Communications" report to the Audit Advisory Board as well as our Management Letter for the fiscal year 2005 audit and would expect the format of such reports to remain consistent.

# Attachment A



Vendor Response Form

PROPOSAL SIGNATURE PAGE

TO: The CITY of Fort Lauderdale, FL

The below signed hereby agrees to furnish the following article(s) or services at the price(s) and terms stated subject to all instructions, conditions, specifications addenda, legal advertisement, and conditions contained in the RFP. I have read all attachments including the specifications and fully understand what is required. By submitting this signed proposal I will accept a contract if approved by the CITY and such acceptance covers all terms, conditions, and specifications of this proposal.

**Please Note:** If responding to this solicitation through RFP Depot, the electronic version of the bid response will prevail, unless a paper version is clearly marked by the bidder in some manner to indicate that it will supplant the electronic version.

Proposal submitted by: Thomas J. Bradley (signature) 5-24-06 (date)

Name (printed): Thomas J. Bradley Title: Partner

Company: (Legal Registration): Ernst & Young LLP

(CONTRACTOR, IF FOREIGN CORPORATION, SHALL BE REQUIRED TO OBTAIN A CERTIFICATE OF AUTHORITY FROM THE DEPARTMENT OF STATE, IN ACCORDANCE WITH FLORIDA STATUTE §607.1501 (visit <http://www.dos.state.fl.us/doc/>)

Address: 100 Northeast Third Avenue, Suite 700

CITY: Fort Lauderdale State: FL Zip: 33301

Telephone No.: (954) 888-8013 FAX No.: (954) 888-8160

E-MAIL: tom.bradley1@ey.com

Does your firm qualify for MBE or WBE status In accordance with Section 1.08 of General Conditions?

MBE  WBE

ADDENDUM ACKNOWLEDGEMENT - Proposer acknowledges that the following addenda have been received and are included in his proposal:

Addendum No.

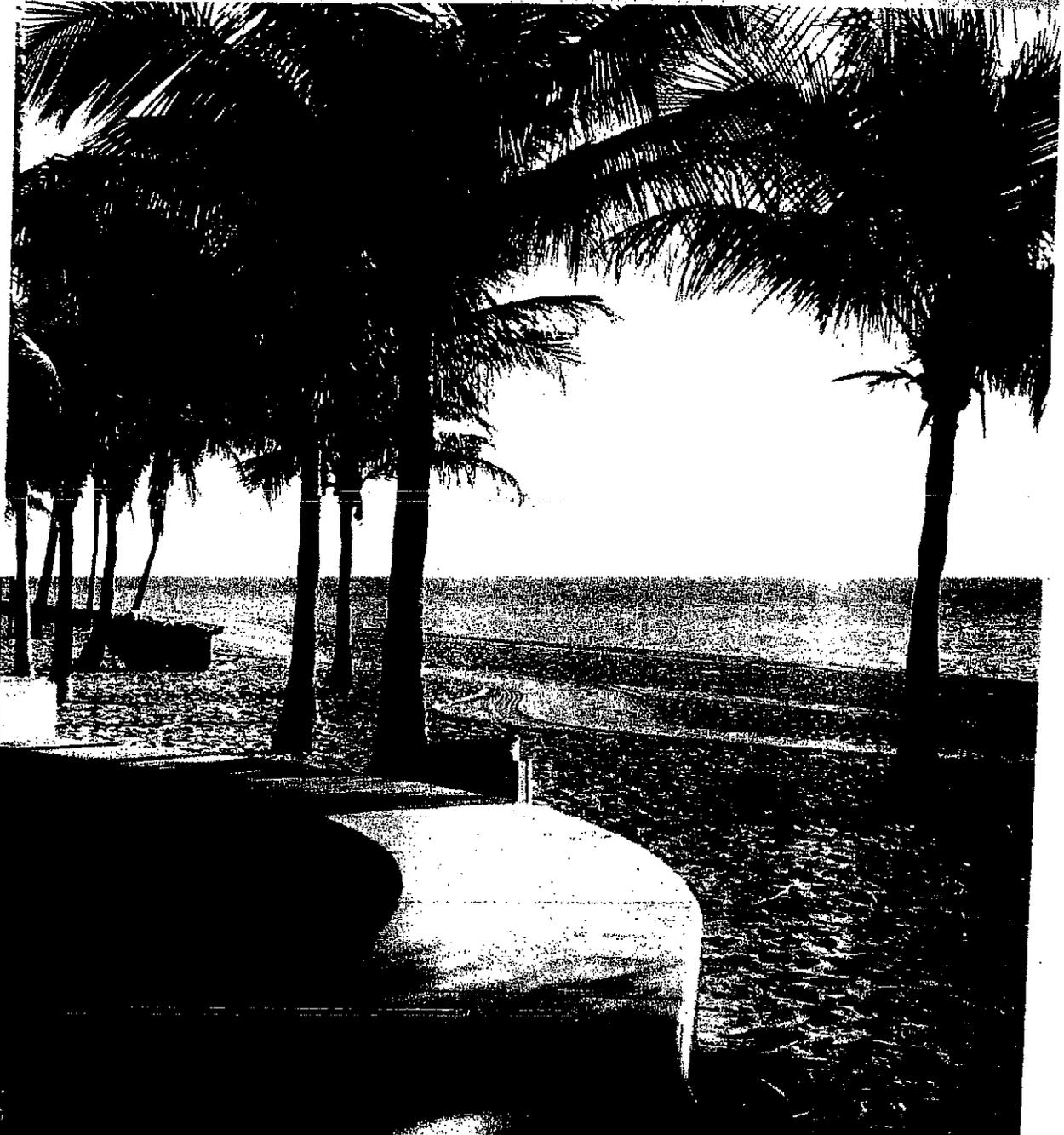
Date Issued

**VARIANCES:** State any variations to specifications, terms and conditions in the space provided below or reference in the space provided below all variances contained on other pages of RFP, attachments or proposal pages. No variations or exceptions by the Proposer will be deemed to be part of the proposal submitted unless such variation or exception is listed and contained within the proposal documents and referenced in the space provided below. If no statement is contained in the below space, it is hereby implied that your proposal complies with the full scope of this RFP.

Variances:

We have read the general conditions of the vendor response form. As a result of our professional standards and related independence requirements, we are unable to provide certain indemnification to clients. In the past, we have executed an engagement letter with the City covering our audit services. If we are selected, we would expect to execute a similar engagement letter and would be pleased to discuss the terms of the engagement letter during the negotiation process. We have included an example engagement letter in Attachment E of our proposal.

# Attachment B



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### Vendor Response Form

**NON-COLLUSION STATEMENT:**

By signing this offer, the vendor/contractor certifies that this offer is made independently and free from collusion. Vendor shall disclose below, to their best knowledge, any City of Fort Lauderdale, FL officer or employee, or any relative of any such officer or employee as defined in Section 112.3135 (1) (c), Fla. Stat. (1989), who is an officer or director of, or has a material interest in, the vendor's business, who is in a position to influence this procurement. Any City of Fort Lauderdale, FL officer or employee who has any input into the writing of specifications or requirements, solicitation of offers, decision to award, evaluation of offers, or any other activity pertinent to this procurement is presumed, for purposes hereof, to be in a position to influence this procurement. For purposes hereof, a person has a material interest if they directly or indirectly own more than 5 percent of the total assets or capital stock of any business entity, or if they otherwise stand to personally gain if the contract is awarded to this vendor.

In accordance with City of Fort Lauderdale, FL Policy and Standards Manual, 6.10.8.3,

3.3. City employees may not contract with the City through any corporation or business entity in which they hold a controlling financial interest (ownership of five (5) percent or more), unless in their City duties they are not involved in:  
3.3.1 The award of the contract, or  
3.3.2 Determining contract provisions, or  
3.3.3 The enforcement of the contract.

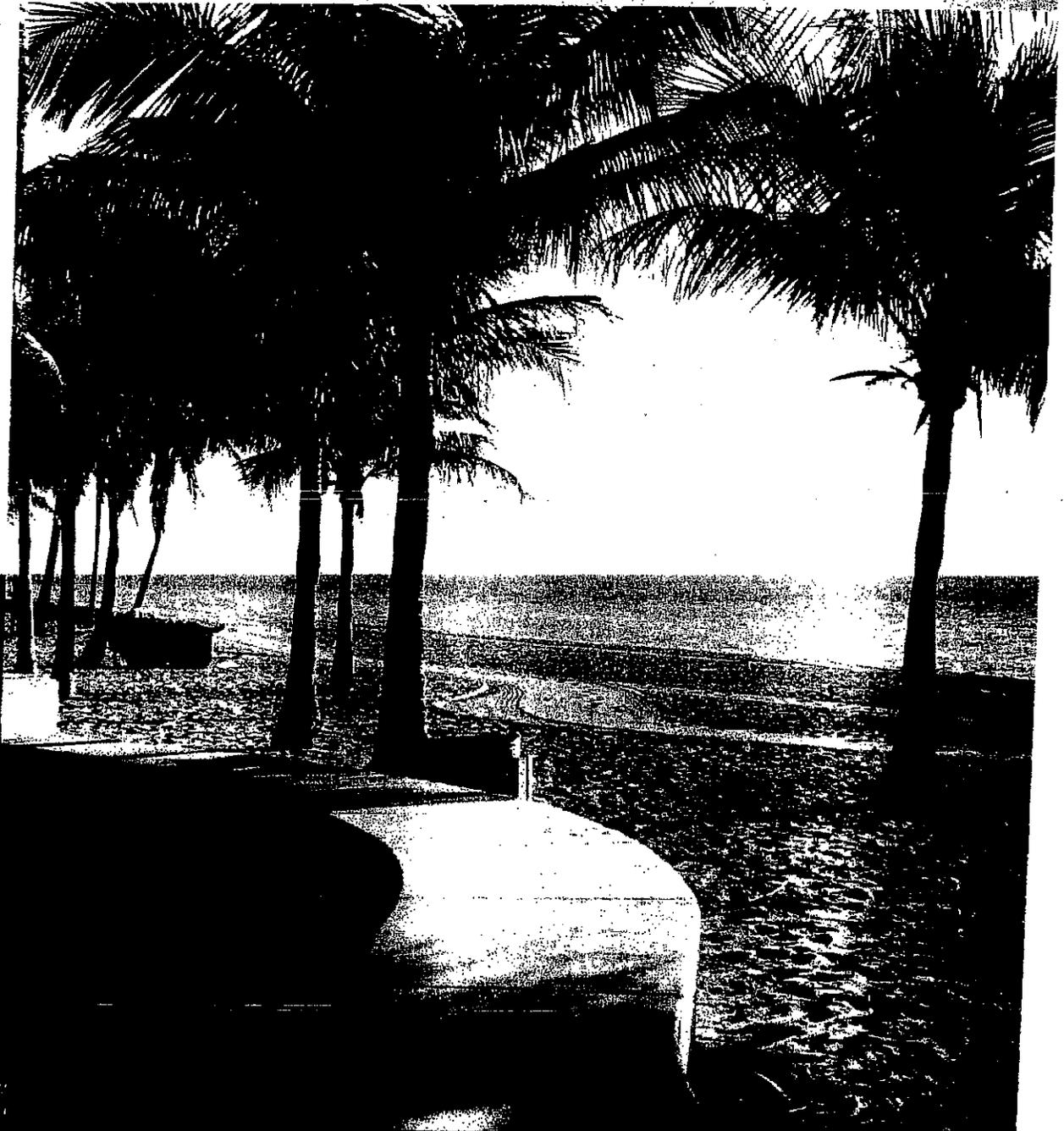
Failure of a vendor to disclose any relationship described herein shall be reason for debarment in accordance with the provisions of the City Procurement Code.

<u>NAME</u>	<u>RELATIONSHIPS</u>
None	N/A

In the event the vendor does not indicate any names, the City shall interpret this to mean that the vendor has indicated that no such relationships exist.

*Thos Bradley* 5-24-06

# Attachment C



**ERNST & YOUNG**  
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345 Park Avenue  
New York, NY 10017

Telephone 212 758 9700  
Fax 212 872 3001

To the Partners of Ernst & Young LLP  
and the Center for Public Company Audit Firms Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Ernst & Young LLP (the "Firm") applicable to non-SEC issuers in effect for the year ended June 30, 2004. The Firm's accounting and auditing practice applicable to SEC issuers was not reviewed by us since the Public Company Accounting Oversight Board (PCAOB) is responsible for inspecting that portion of the Firm's accounting and auditing practice in accordance with PCAOB requirements. A system of quality control encompasses the Firm's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of complying with professional standards. The elements of quality control are described in the Statements on Quality Control Standards issued by the American Institute of Certified Public Accountants (the AICPA). The design of the system, and compliance with it, are the responsibilities of the Firm. Our responsibility is to express an opinion on the design of the system and the Firm's compliance with that system based on our review.

Our review was conducted in accordance with standards established by the Peer Review Committee of the Center for Public Company Audit Firms and included procedures to plan and perform the review that are summarized in the attached description of the peer review process. Our review would not necessarily disclose all weaknesses in the system of quality control or all instances of lack of compliance with it since it was based on selective tests. Because there are inherent limitations in the effectiveness of any system of quality control, departures from the system may occur and not be detected. Also, projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the system of quality control for the accounting and auditing practice applicable to non-SEC issuers of Ernst & Young LLP in effect for the year ended June 30, 2004, has been designed to meet the requirements of the quality control standards for an accounting and auditing practice established by the AICPA, and was complied with during the year then ended to provide the Firm with reasonable assurance of complying with applicable professional standards.

As is customary in a peer review, we are issuing a letter under this date that sets forth comments relating to certain policies and procedures or compliance with them. The matters described in this letter were not considered to be of sufficient significance to affect the opinion expressed in this report.

**KPMG LLP**

February 7, 2005





To the Partners of Ernst & Young LLP  
and the Center for Public Company Firms  
Peer Review Committee  
February 7, 2005

Attachment to the Peer Review Report of Ernst & Young LLP  
Description of the Peer Review Process

Overview

Firms enrolled in the AICPA Center for Public Company Audit Firms (the Center) have their system of quality control periodically reviewed by independent peers. These reviews are system and compliance oriented with the objective of evaluating whether:

The reviewed firm's system of quality control for its accounting and auditing practice applicable to non-SEC issuers has been designed to meet the requirements of the Quality Control Standards established by the AICPA.

The reviewed firm's quality control policies and procedures applicable to non-SEC issuers were being complied with to provide the firm with reasonable assurance of complying with professional standards.

A peer review is based on selective tests and directed at assessing whether the design of and compliance with the firm's system of quality control for its accounting and auditing practice applicable to non-SEC issuers provides the firm with reasonable, not absolute, assurance of complying with professional standards. Consequently a peer review on the firm's system of quality control is not intended to, and does not, provide assurance with respect to any individual engagement conducted by the firm or that none of the financial statements audited by the firm should be restated.

The Center's Peer Review Committee (PRC) establishes and maintains review standards. At regular meetings and through report evaluation task forces, the PRC considers each peer review, evaluates the reviewer's competence and performance, and examines every report, letter of comments, and accompanying response from the reviewed firm that states its corrective action plan before the peer review is finalized. The Center's staff plays a key role in overseeing the performance of peer reviews working closely with the peer review teams and the PRC.

Once the PRC accepts the peer review reports, letters of comments, and reviewed firms' responses, these documents are maintained in a file available to the public. In some situations, the public file also includes a signed undertaking by the firm agreeing to specific follow-up action requested by the PRC.

Firms that perform audits or play a substantial role in the audit of one or more SEC issuers, as defined by the Public Company Accounting Oversight Board (PCAOB) are required to be registered with and have their accounting and auditing practice applicable to SEC issuers inspected by the



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5 Times Square  
New York, New York 10036

■ Phone: 212 573 1000  
www.ey.com

February 7, 2005

Center for Public Company Audit Firms Peer Review Committee  
American Institute of Certified Public Accountants  
Practice Monitoring Department  
Harborside Financial Center  
201 Plaza Three  
Jersey City, New Jersey 07311-3881

Ladies and Gentlemen:

This letter represents our response to the letter of comments issued in connection with our firm's peer review for the year ended June 30, 2004 and should be read in conjunction with that letter.

### **Engagement Performance**

#### *Policy and Process Changes*

During late 2003, we issued a comprehensive set of audit guidance on policy and process changes for audits of public companies and other engagements with higher risk or complexity that focused primarily on aspects of audit planning and documentation. In addition, we issued guidance to clarify expectations for, and to provide reminders about, our substantive tests for certain significant accounts. During 2004, our Global Audit Methodology was revised to adopt significant elements of these policy changes for all audits. In addition, our electronic working paper system was enhanced to facilitate the documentation and review of planning and interim procedures.

We have been and will continue to update firm policies to address the changed expectations regarding working paper documentation and the new PCAOB Audit Standard No. 3, which we will apply to all audit engagements. In addition, we intend to pilot the next generation of our electronic working paper system during 2005, which is being designed to enhance compliance with our documentation requirements and our ability to perform effective reviews of the work performed.

#### *Information Technology*

The consideration and documentation of IT risk has become an increasingly important element of the audit process. Accordingly, we have taken several measures to increase the attention on IT audit risks, including the following: (a) increased the number of IT audit professionals by over 50% in the past 12 months; (b) increased the targeted involvement of our IT audit professionals on clients with complex or moderately complex IT environments; and (c) increased the amount of time that IT audit executives spent on audit integration assignments. For our core audit professionals who are expected to address IT risk in less complex environments, we have added several IT modules to our core training programs. We also have expanded the IT component of our annual internal inspection program and will subject each IT audit partner to this review process on at least a bi-annual basis. Further, as part of the core training and executive learning



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Center for Public Company Audit Firms Peer Review Committee  
American Institute of Certified Public Accountants

Page 2  
February 7, 2005

events that took place during 2004, and will continue in 2005, we have emphasized documentation matters related to general and application controls.

#### *Documentation*

During 2004, we conducted mandatory training (and additional optional training) regarding the integrated audit and reporting on internal controls, which included significant emphasis on the documentation requirements of controls testing as well as substantive audit procedures. Although primarily directed at audits of public companies, much of the training pertained to all controls-based audits.

We accelerated the timing of the year-end internal *Accounting and Auditing Update* sessions during 2004 and included several "refresher" topics, including auditing income taxes, analytical review procedures, use of outside specialists, summary of audit differences and impairment testing.

During 2005, our internal inspection program will focus attention on the engagement performance matters described in the letter of comments.

#### **Employee Benefit Plans**

We have developed additional planning documentation to address, among other things, consideration of internal controls at a service organization that affect the benefit plan's significant accounts or processes when developing the extent of our planned substantive audit procedures. These enhancements were required for 2003 employee benefit plan audit engagements, which for the most part, were not subject to review during the peer review due to the timing of these engagements.

During 2004, we distributed additional guidance to employee benefit plan audit engagement teams reinforcing our policies regarding the extent of substantive testing for assertions relevant to significant account balances or transaction classes when a service auditor's report (SAS 70) is received. Specific examples for investments and participant data were provided in this guidance.

Employee Benefit Plan continuing education planned for 2005 will include sessions on the use of service auditor's reports and related substantive procedures, including analytical review procedures.

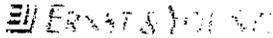
During 2005, our internal inspection program for audits of employee benefit plans will focus attention on the matters described in the letter of comments.

Very truly yours,

A handwritten signature in black ink that reads 'Ernst &amp; Young LLP' in a cursive script.

# Attachment D



 ERNST & YOUNG

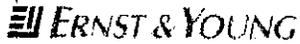
## Report of Independent Certified Public Accountants

To the Honorable Mayor, Members of the  
City Commission and City Manager,  
City of Fort Lauderdale, Florida

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Fort Lauderdale, Florida (the City), as of and for the year ended September 30, 2005, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the City's internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of September 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States.



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In accordance with Government Auditing Standards, we have also issued our report dated January 17, 2006 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and the pension plan required supplementary information on pages 3 through 10, 60 and 61, respectively, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory and statistical sections, combining financial statements and other financial information, and the schedule of expenditures of federal awards and state financial assistance projects, as listed in the accompanying table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining financial statements and other financial information and the schedule of expenditures of federal awards and state financial assistance projects have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Ernst & Young LLP*

January 17, 2006



Ernst & Young LLP  
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100 Northeast Third Avenue  
Fort Lauderdale, Florida 33301-1166

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Report of Independent Certified Public Accountants on Internal  
Control Over Financial Reporting and on Compliance and Other Matters  
Based on an Audit of the Basic Financial Statements Performed in  
Accordance with *Government Auditing Standards*

To the Honorable Mayor, Members of the  
City Commission and City Manager,  
City of Fort Lauderdale, Florida

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Fort Lauderdale, Florida (the City) as of and for the year ended September 30, 2005, which collectively comprise the City's basic financial statements and have issued our report thereon dated January 17, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the basic financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.



■ Ernst &amp; Young LLP

In our opinion, City of Fort Lauderdale, Florida complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal awards programs and state financial assistance projects for the year ended September 30, 2005. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 05-01 and 05-02.

### **Internal Control Over Compliance**

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal awards programs and state financial assistance projects. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal awards program or state financial assistance project in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, Section 215.97, and Chapter 10.550.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal awards program or state financial assistance project being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, the Mayor, Members of the City Commission, the City Manager, City management, the Auditor General of the State of Florida, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Ernst + Young LLP*

January 27, 2006



Ernst & Young LLP  
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## Report of Independent Certified Public Accountants

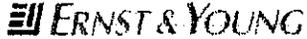
To the Honorable Mayor, Members of the  
City Commission and City Manager,  
City of Fort Lauderdale, Florida

We have audited the accompanying schedule of large user wastewater treatment rate computation of the City of Fort Lauderdale, Florida (the City), for the year ended September 30, 2005. This schedule is the responsibility of the City's management. Our responsibility is to express an opinion on this schedule based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedule showing the large user wastewater treatment rate computation is free of material misstatement. We were not engaged to perform an audit of the City's internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the schedule showing the large user wastewater treatment rate computation, assessing the accounting principles used and significant estimates made by management and evaluating the overall schedule presentation. We believe that our audit provides a reasonable basis for our opinion.

The basis for calculation of the large user wastewater treatment rates is provided in Article V of the following Large User Agreements between the City of Fort Lauderdale and the governmental units listed below:

- City of Oakland Park dated April 20, 1982, as amended August 6, 1982, April 22, 1987 and August 1, 2001
- City of Tamarac dated October 28, 1981, as amended May 13, 1987 and August 1, 2001
- City of Wilton Manors dated April 20, 1982, as amended May 21, 1987 and August 1, 2001
- Broward County, formerly Port Everglades Authority, dated February 21, 1979, as amended April 23, 1987 and August 1, 2001
- Town of Davie dated November 1, 1988, as amended August 1, 2001



■ Ernst &amp; Young LLP

As described in Note 1, the accompanying schedule of large user wastewater treatment rate computation was prepared for the purpose of complying with, and on the basis of accounting practices specified in, the Large User Agreements mentioned above and is not intended to be a presentation in conformity with accounting principles generally accepted in the United States.

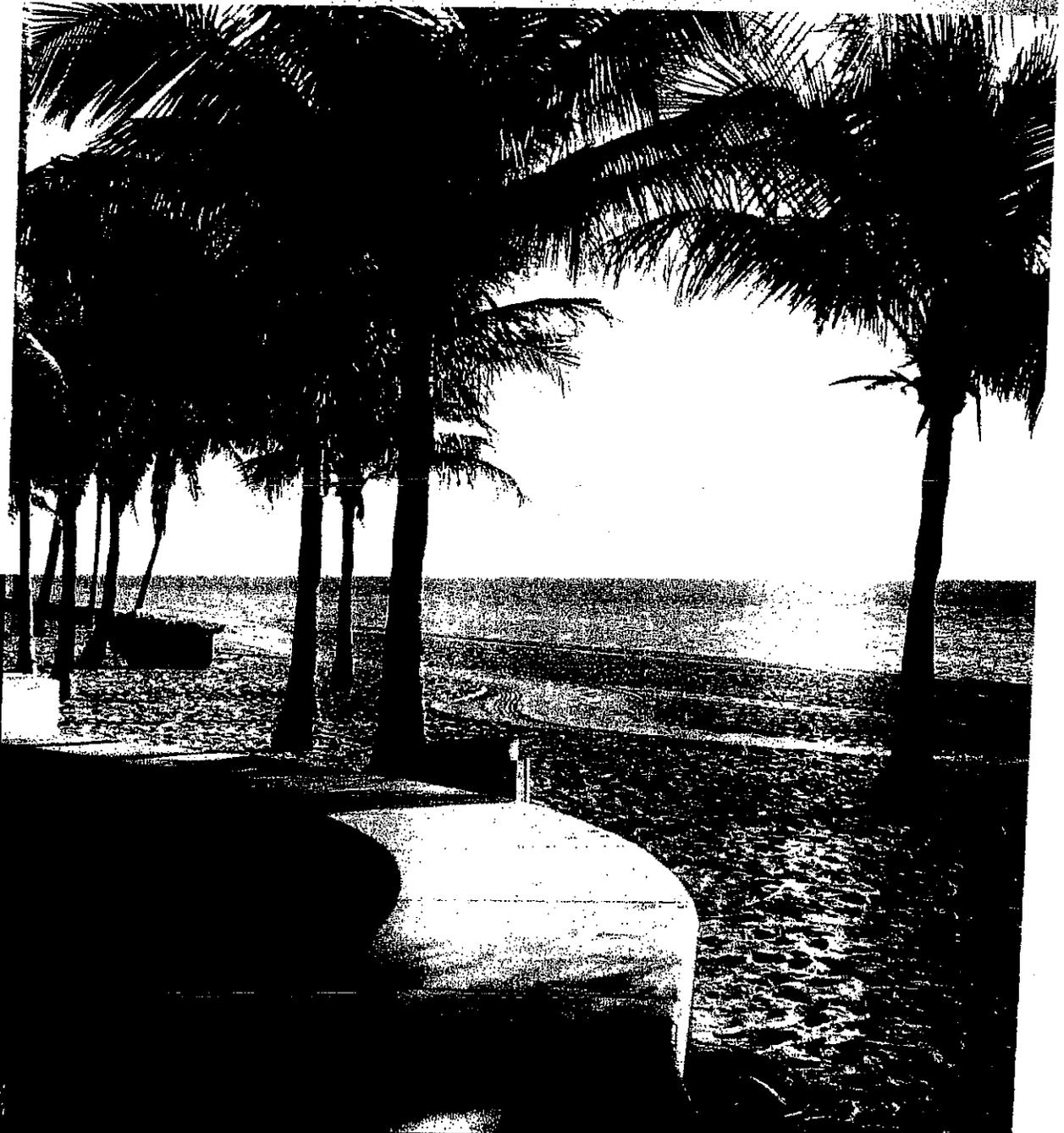
In our opinion, the accompanying schedule of large user wastewater treatment rate computation presents fairly, in all material respects, allowable user charges for the year ended September 30, 2005 in conformity with Article V of each of the aforementioned Large User Agreements.

This report was prepared solely for the information and use of the addressees, City of Fort Lauderdale management and the parties to the above-mentioned Large User Agreements and is not intended to be and should not be used by anyone other than these specified parties.

*Ernst + Young LLP*

January 17, 2006

# Attachment E



**ERNST & YOUNG**  
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**Attachment E: Sample Engagement Letter**

[Date]

[Name and Address of Government]

Attention: [Name of Client Official]

Ladies and Gentlemen:

This will confirm the engagement of Ernst & Young LLP ("we" or "E&Y") to audit and report on the basic financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements of [Name of Government] for the year ended [balance sheet date]. The objective of our audit of the financial statements is to express opinions on the fairness, in all material respects, of the presentation of the basic financial statements for each applicable opinion unit in conformity with accounting principles generally accepted in the United States. We also will conduct an audit in accordance with the Single Audit Act Amendments of 1996, and the provisions of OMB Circular A-133 *Audits of States, Local Governments and Non-Profit Organizations* (OMB Circular A-133), ("A-133 Audit"), and will include tests of accounting records, a determination of major program(s) in accordance with OMB Circular A-133, and other procedures we consider necessary to enable us to express an opinion on compliance for each major program and to render the required reports. The services described in this paragraph may hereafter be referred to as either "Audit Service" or "Audit Services." This document will hereafter be referred to as the "Agreement."

We also will provide a report on internal control over financial reporting related to the financial statements and compliance with laws, regulations, and the provisions of contracts or grant agreements and other matters, noncompliance with which could have a material effect on the financial statements, as required by *Government Auditing Standards*. We will not perform sufficient procedures to render an opinion on internal control over financial reporting nor on compliance with laws, regulations, and the provisions of contracts or grant agreements and other matters, and therefore, we will not express such an opinion. This report is intended solely for the information and use of the audit committee, management, and specific legislative or regulatory bodies and is not intended to be and should not be used by anyone other than these specified parties.

We will report on the fairness of the schedule of expenditures of federal awards when considered in relation to the financial statements taken as a whole. We also will report on:

- i. Internal control related to major programs and provide an opinion on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program

in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133.

- ii. The A-133 report on internal control and compliance is intended only for the information and use of the audit committee, management, specific legislative or regulatory bodies, federal awarding agencies, and, if applicable, pass-through entities and are not intended to be and should not be used by anyone other than these specified parties.

Should conditions not now anticipated preclude us from completing our audits and issuing our reports as contemplated by the preceding paragraphs, we will advise you and the Audit Committee promptly and take such action as we deem appropriate.

#### **Audit Responsibilities and Limitations**

We will conduct our audit of the basic financial statements in accordance with auditing standards generally accepted in the United States, as promulgated by the American Institute of Certified Public Accountants ("AICPA"), and the standards for financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we obtain reasonable rather than absolute assurance that the basic financial statements for each opinion unit are free of material misstatement whether caused by error or fraud. As the [Name of Government] is aware, there are inherent limitations in the audit process, including, for example, selective testing and the possibility that collusion or forgery may preclude the detection of material error, fraud, and illegal acts. Accordingly, a material misstatement may remain undetected. Also, an audit is not designed to detect error or fraud that is immaterial to the basic financial statements. We will conduct our A-133 audit in accordance with auditing standards promulgated by the AICPA, the standards for financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Single Audit Act Amendments of 1996, and OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

As part of our audits, we will consider, solely for the purpose of planning our audit and determining the nature, timing, and extent of our audit procedures, the [Name of Government]'s internal control. This consideration will not be sufficient to enable us to provide assurance on internal control over financial reporting or to identify all reportable conditions.

If we determine that there is evidence that fraud or possible illegal acts may have occurred, we will bring such matters to the attention of an appropriate level of management. If we become aware of fraud involving senior management or fraud (whether by senior management or other employees) that causes a material misstatement of the basic financial statements, we will report this matter directly to the Audit Committee. We will determine that the Audit Committee and appropriate members of management are adequately informed of illegal acts that come to our attention unless they are clearly inconsequential. In addition, we will inform the Audit Committee and

appropriate members of management of significant audit adjustments, material violations of contracts or grant agreements, material abuse, reportable conditions, and material weaknesses noted during our audit procedures.

We also may communicate other opportunities we observe for economies in or improved controls over the [Name of Government]'s operations.

As part of our engagement, we will apply certain limited procedures to [Name of Government]'s required supplementary information (RSI). The RSI consists of **[indicate the required supplementary information, e.g., Management's Discussion and Analysis, budgetary comparison schedules, pension information and infrastructure information under modified approach reporting]**. Those limited procedures will consist principally of inquiries of management regarding the methods of measurement and presentation of RSI, which management will affirm to us in its representation letter. However, we will not audit the information and will not express an opinion on it.

Supplementary information other than RSI, such as **[identify relevant supplementary information such as combining and individual fund and nonmajor fund financial statements, introductory and statistical sections]**, also may accompany [Name of Government]'s basic financial statements. We will subject all supplementary information that is financially oriented **[identify relevant supplementary information such as combining and individual fund and nonmajor fund financial statements]** to the audit procedures applied in our audit of the basic financial statements and render our opinion on whether that information is fairly stated, in all material respects, in relation to the basic financial statements taken as whole. We will not subject supplementary information that comprises nonaccounting information or accounting information not directly related to the basic financial statements **[identify relevant supplementary information such as the introductory and/or statistical sections]** to the auditing procedures applied in our audit of the basic financial statements, and therefore will not express an opinion on this supplementary information.

To the extent required by law, we will make our audit documentation available to a federal agency or the Comptroller General of the United States Government Accountability Office and provide copies upon their request. Audit documentation also will be made available upon request to appropriate auditors and reviewers. We shall promptly notify [Name of Government] of any such request to review our audit documentation.

An audit performed in accordance with *Government Auditing Standards* is not designed to detect violations of laws or regulations or provisions of contracts or grant agreements that do not have a direct and material effect on the financial statements or other financial data significant to the audit objectives.

Because the determination of abuse is subjective, an audit conducted in accordance with *Government Auditing Standards* does not provide reasonable assurance of detecting abuse.

In some circumstances in accordance with *Government Auditing Standards*, we may be required to report fraud, illegal acts, violations of provisions of contracts or grant agreements and abuse directly to parties external to [Name of Government].

In accordance with *Government Auditing Standards*, we will report in a management letter immaterial violations of provisions of contracts or grant agreements, immaterial abuse, and deficiencies in internal control other than reportable conditions (and those that individually, or in the aggregate, are material weaknesses) unless clearly inconsequential considering both qualitative and quantitative factors.

Under *Government Auditing Standards*, we are required to provide to [Name of Government] our most recent peer review report and any letter of comment, as well as subsequent peer review reports and letters of comment received during the term of this Agreement. Our most recent peer review report, letter of comment, and our responses to the letter of comment accompany this Agreement.

#### **Management's Responsibilities and Representations**

The basic financial statements are the responsibility of the [Name of Government]'s management, which is also responsible for establishing and maintaining effective internal control, for properly recording transactions in the accounting records, for safeguarding assets, and for the overall fair presentation of the basic financial statements. Management of the [Name of Government] also is responsible for the identification of, and for the [Name of Government]'s compliance with, laws and regulations and provisions of contracts and grant agreements applicable to its activities.

Management is responsible for adjusting the basic financial statements to correct material misstatements and for affirming to us in its representation letter that the effects of any unrecorded audit differences accumulated by us during the current audit and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the basic financial statements taken as a whole.

Management is responsible for apprising us of all allegations involving financial improprieties received by management or the Audit Committee (regardless of the source or form and including, without limitation, allegations by "whistle-blowers"), and providing us full access to these allegations and any internal investigations of them, on a timely basis. Allegations of financial improprieties include allegations of manipulation of financial results by management or employees, misappropriation of assets by management or employees, intentional circumvention of internal controls, inappropriate influence on related party transactions by related parties, intentionally misleading E&Y, or other allegations of illegal acts or fraud that could result in a misstatement of the financial statements or otherwise affect the financial reporting of the [Name of Government]. If the [Name of Government] limits the information otherwise available to us under this paragraph (based on the [Name of Government]'s claims of attorney/client privilege, work product doctrine, or otherwise), the [Name of

**Government]** will immediately inform us of the fact that certain information is being withheld from us. Any such withholding of information could be considered a restriction on the scope of the audit and may prevent us from opining on the **[Name of Government]**'s financial statements; alter the form of report we may issue on such financial statements; or otherwise affect our ability to continue as the **[Name of Government]**'s independent auditors. The **[Name of Government]** and we will disclose any such withholding of information to the Audit Committee.

As required by auditing standards as promulgated by the AICPA, we will make specific inquiries of management about the representations contained in the basic financial statements. Those standards also require that, at the conclusion of the audit, we obtain representation letters from certain members of management about these matters. The responses to those inquiries, the written representations, and the results of our audit tests comprise the evidential matter we will rely upon in forming an opinion on the applicable opinion units for the basic financial statements. Management is responsible for providing us with all financial records and related information on a timely basis, and its failure to do so may cause us to delay our report, modify our procedures, or even terminate our engagement.

Management is responsible for informing us about (1) the nature of any direct or material indirect business relationships that any officer or director, or any member of his or her immediate family (i.e., spouse, spousal equivalent, and dependents), has with E&Y or any of its affiliates, or (2) any ownership interest of five percent or more held by any such person in, or situations where any of them serves as an officer or director of, any entity (public or private) that has a direct or material indirect business relationship with E&Y or any of its affiliates.

Management is responsible for the following, as provided in *Government Auditing Standards*:

- Distributing the report on internal control over financial reporting and on compliance and other matters, as well as making copies thereof available for public inspection unless the report is restricted by law or regulation, or contains privileged and confidential information.
- Acknowledging the auditor's role (if any) in preparing draft financial statements and related notes, or in converting cash-basis financial statements to accrual-based financial statements.
- Reviewing, approving and taking responsibility for the financial statements and related notes.
- Identifying for you previous financial audits, attestation engagements, performance audits or other studies related to the objectives of the audit being undertaken and the corrective actions taken to address significant findings and recommendations.

- Applying a process to track the status of audit findings and recommendations.
- Providing views on any of your current findings, conclusions, and recommendations, as well as management's planned corrective actions, for the report, and the timing and format for providing that information.
- Taking timely and appropriate steps to remedy fraud, illegal acts, violations of provisions of contracts or grant agreements, or abuse that you report.

Management is responsible for the following as provided in OMB Circular A-133:

- Complying with the requirements of Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*;
- Preparing the appropriate financial statements, including the schedule of expenditures of federal awards, in accordance with OMB Circular A-133;
- Establishing and maintaining effective internal control over compliance for federal programs that provides reasonable assurance that federal awards are being managed in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its federal programs;
- Complying with laws, regulations, and the provisions of contracts and grant agreements related to each of its federal programs;
- Following up and taking corrective action on audit findings, including preparing a summary schedule of prior audit findings and corrective action plans as required by OMB Circular A-133;
- Submitting the reporting package to required recipients and the data collection form to the designated federal audit clearinghouse; and
- Communicating to E&Y any significant vendor relationships where the vendor is responsible for program compliance.

#### **Fees and Billings**

We estimate that the fee for our [20XX] audit services will be approximately [state specifics, e.g., \$xxx,xxx]. We will submit our invoices monthly [describe schedule], and payment of them will be made upon receipt.

Our estimated fees and schedule of performance [if further explanation is necessary, provide details] are based upon, among other things, our preliminary review of the [Name of Government]'s records, including, the number of major funds, the number of opinion units, the number of major programs and whether the [Name of Government] qualifies as a low-risk auditee in accordance with OMB Circular A-133 and the representations [Name of Government] personnel have made to us and are dependent upon the Company's personnel providing a reasonable level of assistance: [if further explanation is necessary, state specifics]. Should our assumptions with respect to these matters be incorrect or should the condition of the records, degree of cooperation, or other matters beyond our reasonable control require additional commitments by us beyond those upon which our estimated fees are based, we may adjust our fees and planned completion dates. In addition, fees for any special audit-related projects, such as proposed business combinations or research and/or consultation on special business or financial issues, will be billed separately from the audit fee referred to above and will be the subject of other written agreements.

In the event we are requested or authorized by the [Name of Government] or are required by government regulation, subpoena, or other legal process to produce our documents or our personnel as witnesses with respect to our engagements for the [Name of Government], the [Name of Government] will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such requests.

#### Other Matters

From time to time, and depending upon the circumstances, third party service providers, independent contractors, and consultants to E&Y may participate in providing the Audit Services.

The [Name of Government] shall not, during the term of this agreement and for 12 months following its termination for any reason, without the prior written consent of E&Y, solicit for employment, or hire, any current or former partner or professional employee of E&Y, any affiliate thereof, or any other member of the global Ernst & Young network or any of their respective affiliates, if such partner or professional employee has been involved in the performance of any audit, review, or attest service for or relating to the [Name of Government] at any time during the then current fiscal year of the [Name of Government] up to and including the date of the audit report for that year, or in the 12 months preceding the audit report date for the immediately preceding fiscal year.

By your signature below, you confirm that the [Name of Government], through its Board of Directors [or equivalent governance body], has expressly authorized you to enter into this agreement with us on behalf of, and to bind [Name of Government].

## **Dispute Resolution Procedures**

### **Mediation**

A party shall submit a dispute to mediation by written notice to the other party or parties. The mediator shall be selected by the parties. If the parties cannot agree on a mediator, the CPR Institute for Dispute Resolution ("CPR") shall designate a mediator at the request of a party. Any mediator must be acceptable to all parties.

The mediator shall conduct the mediation as he/she determines with the agreement of the parties. The parties shall discuss their differences in good faith and attempt, with the assistance of the mediator, to reach an amicable resolution of the dispute. The mediation shall be treated as a settlement discussion and shall therefore be confidential. The mediator may not testify for either party in any later proceeding relating to the dispute. The mediation proceedings shall not be recorded or transcribed.

Each party shall bear its own costs in the mediation. The parties shall share equally the fees and expenses of the mediator.

### **Arbitration**

If the parties have not resolved a dispute within 90 days after written notice beginning mediation (or a longer period, if the parties agree to extend the mediation), the mediation shall terminate and the dispute shall be settled by arbitration. The arbitration will be conducted in accordance with the procedures in this document and the CPR Rules for Non-Administered Arbitration ("Rules") as in effect on the date of the Agreement, or such other rules and procedures as the parties may agree. In the event of a conflict, the provisions of this document will control.

The arbitration will be conducted before a panel of three arbitrators, of which each of the parties (or each group of aligned parties) shall select one from the CPR Panels of Distinguished Neutrals using the screened selection process provided in the Rules, and the third of which shall be selected as set forth in the Rules. Any issue concerning the extent to which any dispute is subject to arbitration, or concerning the applicability, interpretation, or enforceability of any of these procedures, shall be governed by the Federal Arbitration Act and resolved by the arbitrators. No potential arbitrator may be appointed unless he or she has agreed in writing to these procedures.

The arbitration panel shall have no power to award non-monetary or equitable relief of any sort. Damages that are inconsistent with any applicable agreement, that are punitive in nature, or that are not measured by the prevailing party's actual damages, shall be unavailable in arbitration or any other forum. The parties expressly waive the right to such damages, and the arbitrators shall have no power to award them. The arbitration panel shall have no power to make an award or impose a remedy that could not be made or imposed by a court deciding the matter in the same jurisdiction.

Discovery shall be permitted in connection with the arbitration only to the extent, if any, expressly authorized by the arbitration panel upon a showing of substantial need by the party seeking discovery.

All aspects of the arbitration shall be treated as confidential. The parties and the arbitration panel may disclose the existence, content or results of the arbitration only in accordance with the Rules or applicable professional standards. Before making any such disclosure, a party shall give written notice to all other parties and shall afford them a reasonable opportunity to protect their interests, except to the extent such disclosure to government agencies or other regulators is necessary for the disclosing party to comply with applicable law or regulatory requirements.

The result of the arbitration shall be binding on the parties, and judgment on the arbitration award may be entered in any court having jurisdiction.

## Our Team to Serve the City of Fort Lauderdale

As a result of serving the City for the past four years, we fully understand your operations and your challenges and will continue to proactively work with you to successfully address your issues. We have already demonstrated to you through prior projects that we are very knowledgeable of your key business objectives and responsive to your needs. Each member of our team brings a wealth of financial audit technical knowledge, and government service experience to this engagement.

These are the key team members that will be presenting to you today and who will serve on the 2006 audit.



### **Tom Bradley, Coordinating Partner**

Tom will continue to lead the audit engagement at the City and will be responsible for overseeing that all of the firm's resources are involved as necessary, enabling the City to leverage the full benefit of Ernst & Young's depth of industry and local resources and knowledge. He will maintain close, personal contact with the City's Audit Advisory Board and management team to discuss significant issues and to consider any special needs regarding our services. Tom has served as the engagement partner for the four years that Ernst & Young has been auditing the City.



### **Alyson Silva, Senior Manager**

Alyson will oversee the planning and execution of the audit and coordinate communication with management. She will work directly with your team to create value through the audit and ensure satisfaction through on-time delivery and prompt resolution of all issues. Alyson has served the City for the last two years.



### **Patrice Jones, Manager**

Patrice will participate in the day-to-day supervision of the audit. She will be responsible for developing and executing our audit plan to efficiently focus on areas of significant risk. Patrice has served the City for the last three years.



### **Cynthia Borders-Byrd, Subcontractor Partner**

Cynthia and her firm's personnel will work closely with Ernst & Young to provide seamless service to the City. Cynthia's firm will be responsible for the Federal and State Single Audit. Cynthia has several years of experience with Ernst & Young and extensive experience in previously serving the City.

## C Borders-Byrd, CPA

- Minority/women-owned CPA firm located in downtown Fort Lauderdale
- Excited about partnering with Ernst & Young
- Over twenty-five years of experience performing government audits, including the City of Fort Lauderdale
- Performed or supervised the audits of over \$1.5 billion of Federal and State Single Audits
- Responsible for the single audit, including issuing the auditor's report
- Selecting our team supports the growth and development of this firm

## The Ernst & Young Difference

### We have a proven track record of quality service to the City

- Proactive advice, quality and integrity of our audits
- Commitment to value-added ideas
- Best practices introduced
- Best in class audit tools and technology resources

### We offer an experienced, proactive local team that knows the City

- Significant executive involvement
- Education/training of our team
- Significant local resources

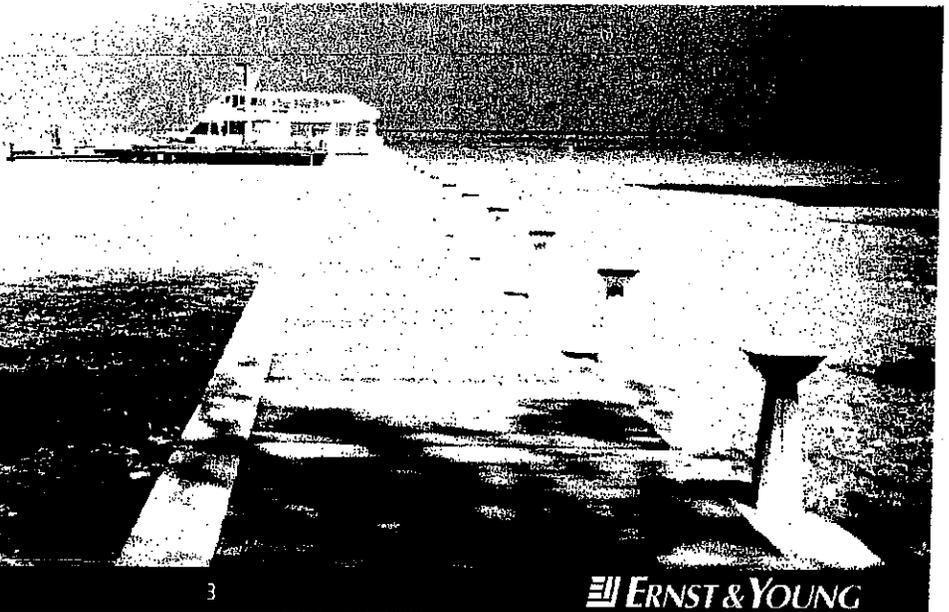
No learning curve, no disruption of service, no time lost or costs associated with changing auditors

### Public sector thought leadership and Firm's commitment to the industry

- Dedicated public sector group
- Training offered to our clients
- National office resources

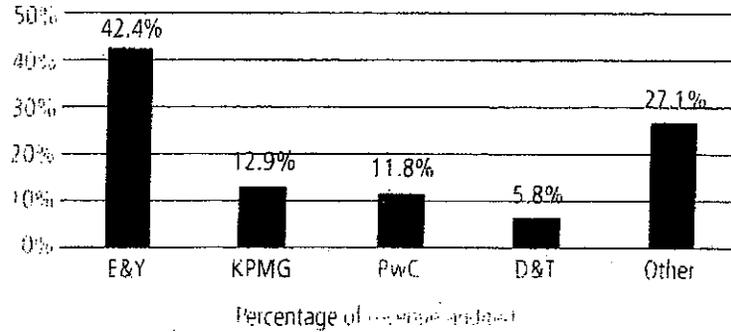
### The largest government practice of any Big Four firm

- Nationally, we serve more than 2,000 public sector and not-for-profit clients.
- In Florida, we serve six of the largest counties, three of the largest cities, and 11 of the largest school districts



# Largest Government Practice

Ames Research Group Big Four Market Share for Government, Public Sector, and Nonprofit Industries



## Our National Public Sector Professionals

- Have decades of experience with the systems, programs, and issues facing the public sector
- Served many of the most complex and prestigious public sector organizations in the world
- Several are former policy makers or senior executives or served as department heads within the government sector
- Keep close tabs on the industry they serve through a variety of professional networks and work closely with standard-setting and professional organizations including:
  - Governmental Accounting Standards Board
  - Government Finance Officers' Association (GFOA)
  - National Association of State Auditors, Comptrollers, and Treasurers
  - Association of Government Accountants

## Our Florida Government Practice

- We are a leading firm in serving Florida government entities
- We have an established Public Sector Practice that employs over 100 professionals who focus on serving government entities
- 70+ public sector entities served annually in Florida
- Extensive experience in auditing under Government Auditing Standards and in performing single audits
- Our South Florida practice has over 300 audit, tax and consulting professionals, including over 30 professionals with experience in serving public sector clients

## Why Choose Our Team?

- Experienced, proactive team that knows the City
- High quality audit and outstanding client service
- No auditor transition required
- Availability of local office resources
- Unmatched government practice and industry leadership
- Commitment to the City of Fort Lauderdale



## Question and Answers for Bid #125-10876 - Financial Audit Services

### OVERALL BID QUESTIONS

#### Question 1

1. What were the financial audit fees as well as the Single audit fees for FYE September 30, 2011 and 2010?
2. When will the FYE September 30, 2011 CAFR be available to download?
3. Who are the current members of the Audit Advisory Board? **(Submitted: Jan 26, 2012 6:58:01 PM EST)**

#### Answer

- 1. 2010 and 2011 - \$298,800 base contract which includes four major federal and state grant programs, and \$11,200 for each additional major federal and state grant program; no additional fees for grant programs with expenditures equal to or less than \$50,000 that are required to be audited as major programs.
- 2. April 6, 2012, but this version will not include the single audit section. The CAFR with the single audit will be available for download by June 30, 2012.
- 3. Marty Kurtz - Chair, Cindy Probeck - Vice Chair, Richard Owen, Roger Oeike, and Roger Ailly. **(Answered: Jan 27, 2012 1:02:40 PM EST)**

#### Question 2

Will there be a cone of silence period related to this RFP? **(Submitted: Jan 30, 2012 2:21:33 PM EST)**

#### Answer

- The City does not have a cone of silence. **(Answered: Jan 30, 2012 4:05:26 PM EST)**

#### Question 3

1. Can the current auditor propose for this solicitation? 2. How much small/minority participation was in the previous contract? **(Submitted: Feb 2, 2012 3:54:56 PM EST)**

#### Answer

- 1. Yes
- 2. There were no small/minority participation goals in the previous contract. **(Answered: Feb 3, 2012 6:50:29 AM EST)**

#### Question 4

Can you please provide a copy of the report that was issued for the Large User Agreement services provided and can you please provide the fee that was charged for this service? **(Submitted: Feb 4, 2012 2:33:11 PM EST)**

#### Answer

- The fee for this report is included in the base fee. See attached document called RFP 10876 - Schedule of Large User Document. **(Answered: Feb 7, 2012 10:11:44 AM EST)**

#### Question 5

Please confirm the status of the implementation of corrective action of the internal control and single audit findings and management letter comments that were reported in the 2010 audit reports. Will any of these be repeated in the 2011 audit reports? **(Submitted: Feb 6, 2012 1:48:00 PM EST)**

#### Answer

- The City has implemented a monitoring system that is overseen by the Audit Advisory Board. The major item to be repeated from the management letter comments will be the items on Fixed Assets. Both of these will be repeated with some qualification that the City now has a plan in place to address and remedy the issue. We are not aware of any other substantive issues from last year. Since this year's single audit has not yet commenced, we do not know what findings will be carried forward from last year. **(Answered: Feb 6, 2012 5:16:48 PM EST)**

#### Question 6

Please provide the breakdown of the 2011 prior year audit fee in the following components: General Financial Audit; Federal Award or State Financial Assistance Program (price per program); Large User Wastewater Agreements **(Submitted: Feb 6, 2012 1:49:04 PM EST)**

#### Answer

- Base contract which included four grants and the Large User report: \$298,800. Audits of grant programs in excess of the four included in the base contract will be billed at a rate of \$11,200 for each major program. For grant programs with expenditures of \$50,000 or less that are required to be audited as major programs, there will be no additional fee for such programs. **(Answered: Feb 6, 2012 5:16:48 PM EST)**

#### Question 7

Please provide a copy of the Large User Wastewater report that was issued for the prior year. **(Submitted: Feb 6, 2012 1:49:21 PM EST)**

#### Answer

- See attached document called RFP 10876 - Schedule of Large User Document. **(Answered: Feb 7, 2012 10:11:44 AM EST)**

#### Question 8

4. What general ledger software program, financial reporting software program, payroll program and utility billing programs are currently utilized? Are there any system conversions being planned? **(Submitted: Feb 6, 2012 1:49:33 PM EST)**

#### Answer

- Financial program - FAMIS

Payroll program - Cyborg

Utility billing - Cayenta

No software conversions currently being planned but always up for discussion. (Answered: Feb 6, 2012 5:16:48 PM EST)

**Question 9**

5. How many major programs were tested as part of the 2011 audit and are there any significant changes anticipated for the 2012 fiscal year? (Submitted: Feb 6, 2012 1:49:46 PM EST)

**Answer**

- FY 2011 Single Audit not performed as of yet

FY 2010 nine major program audits

No significant changes that we are aware of. (Answered: Feb 6, 2012 5:16:48 PM EST)

**Question 10**

When is the final SEFA prepared by management and when can the single audit fieldwork begin? (Submitted: Feb 6, 2012 1:50:02 PM EST)

**Answer**

- By 02/10/2012; In a normal year the list would have already been provided and the fieldwork would have commenced by 01/31/2012. management is trying to speed up the process and have some of the grants audited over the summer to allow for a quicker completion of the single audit. (Answered: Feb 6, 2012 5:16:48 PM EST)

**Question 11**

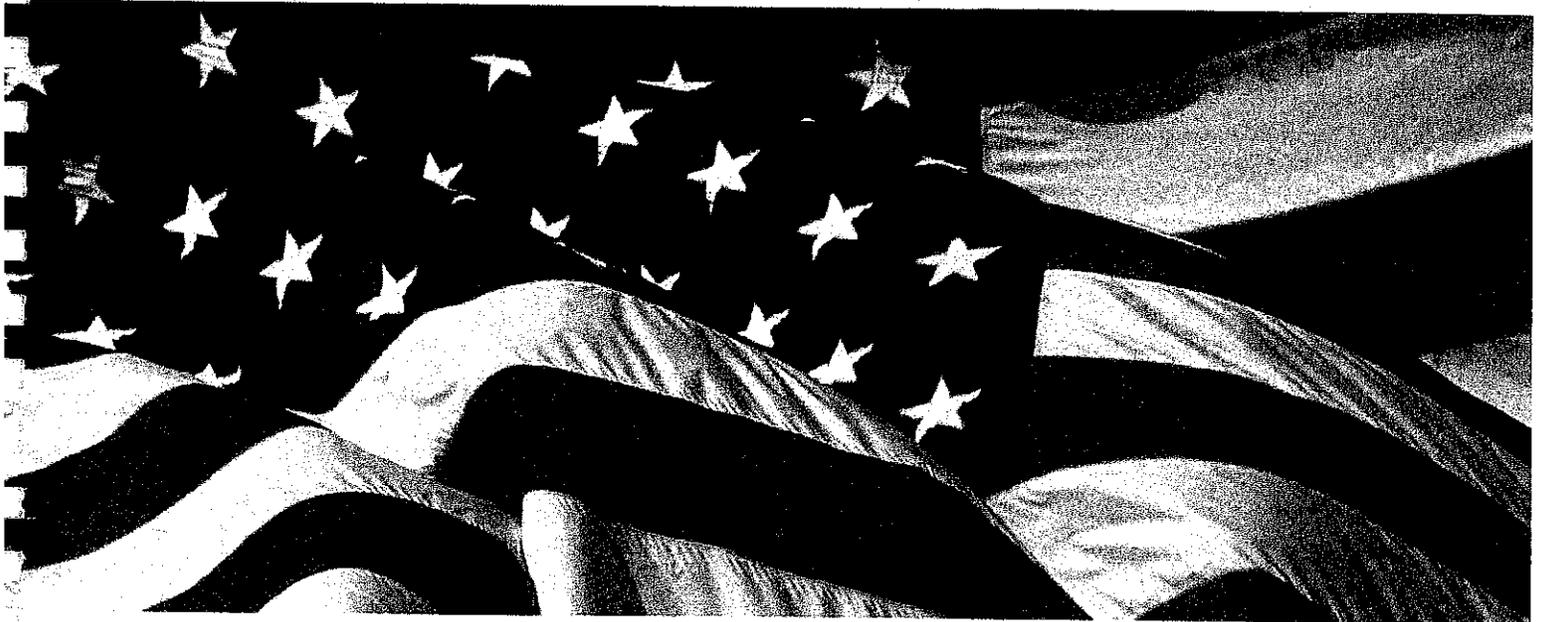
Can you please provide a copy of the current contract with the current audit firm? (Submitted: Feb 6, 2012 1:50:18 PM EST)

**Answer**

- See attached document called RFP 9434 Ernst & Young Contract (Answered: Feb 7, 2012 10:19:02 AM EST)



The Unique Alternative to the Big Four®



# Proposal to Provide Financial Audit Services

CONTRACT  
COPY

February 20, 2012  
RFP No. 125-10876

Submitted to:  
Audit Advisory Board  
c/o Michael Walker, Contracts Manager  
City of Fort Lauderdale  
Procurement Services Division, Rm 619  
City Hall  
100 North Andrews Avenue  
Fort Lauderdale, Florida 33301



Submitted by:  
Mrs. Deborah P. Garringer, Partner  
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401 East Las Olas Boulevard, Suite 1100  
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February 20, 2012

Audit Advisory Board  
c/o Michael Walker, Contracts Manager  
City of Fort Lauderdale  
Procurement Services Division, Rm 619  
City Hall  
100 North Andrews Avenue  
Fort Lauderdale, Florida 33301

Dear Audit Advisory Board,

Crowe Horwath LLP ("Crowe"), along with our subcontractor Moore Stephens Lovelace, P.A. ("MSL"), appreciate the opportunity to present our firms to the City of Fort Lauderdale (the "City") to provide financial audit services for the three fiscal years ending September 30, 2012 through September 30, 2014, with the option of renewal for the two (2) subsequent fiscal years.

This proposal illustrates why Crowe is uniquely qualified to serve as the external audit firm for the City. It also demonstrates how we differentiate our services from other firms. Our "Areas of Excellence" provide focus for industry and discipline-based specialties. This focused approach allows us to be recognized as a leading provider of services and solutions in local government. The leadership that can only come from direct Partner involvement in every client relationship provides a higher level of expertise and commitment to responsive services that is not always found in other firms.

#### **Firm Background and Qualifications**

Crowe provides innovative business solutions in the areas of assurance, consulting, risk management, tax and technology. Celebrating more than 66 years of "Building Value with Values," Crowe is one of the top 10 public accounting and consulting firms in the United States. Crowe employs more than 2,500 professionals across many areas of expertise, including Public Sector Services ("PSS").

Our PSS Group works with **state and local government entities**, special purpose districts, school districts, colleges and universities, membership organizations and many other not-for-profit entities. This group provides expertise in assurance, financial advisory services, and many consulting areas including operations, technology, utility rates, regulatory and other disciplines.

#### **About MSL**

MSL has been in business for over 35 years and has grown to be **one of the largest** independently owned and operated firms of certified public accountants in **Florida** with offices in the Tampa area, Orlando Miami, and Tallahassee.

MSL's governmental practice group is chaired by Dan O'Keefe who has over 30 years experience providing accounting auditing and consulting to the government sector. Members of MSL have provided services to over 50 Florida municipalities, 14 counties, 4 state agencies, 3 school districts and numerous special districts and authorities in Florida. MSL is currently the prime auditing firm for the Broward County School District which is also one of the largest local government entities in Florida. Our audit plan proposes working with MSL to perform the Federal and State Single Audit work. Dan O'Keefe is the primary author of the Florida Single Audit Act.

### Why Choose Our Team?

We offer the following reasons to choose our team:

■ **We are dedicated to working with governments.** Crowe's PSS group is comprised of more than 170 individuals in six states, and serves more than 500 governmental organizations nationwide. MSL has also developed practices which are substantially devoted to working with Governments in Florida.

■ **We understand the County's operations, funding, financial reporting and compliance.** We have significant experience working with Cities. Our national expertise is complimented by the depth of experience that is brought to your team by MSL's local experience.

Crowe has recently developed an innovative tool for our clients, as well as our own audit personnel, to more effectively manage the many requests for information necessary to conduct an audit. CiRT® is a secure, web-based repository that allows auditors to post requests for pre-audit information, and for client personnel to respond most often via attachments. CiRT offers clients improved efficiency, effectiveness, and auditor/client communication because it provides numerous benefits to the engagement that we have outlined in our proposal.

■ **We invest in maintaining high quality audit services** – We maintain close working relationships accounting regulatory agencies and associations such as the AICPA's State and Local Government Expert Panel and CPE Advisory Committee, the American Association of Government Accountants, Government Audit Quality Center and the Government Finance Officers Association including the Certificate of Achievement for Excellence in Financial Reporting program, the FGFOA and the FICPA State and Local Government Section. The partner who leads our National government audit practice, John Weber, has been appointed to the U.S Government Accountability Office - Advisory Council on Government Auditing Standards.

■ **We have extensive experience auditing Federal and State Funds** and have conducted courses on the revised Single Audit Act (A-133) for major government agencies. We have also directed our government and non-profit clients on the requirements for the Schedule of Expenditures of Federal Awards, including recommendations for improvements in contract, compliance and grant administration and specifically ARRA funding. Based on 2010 submissions to the Federal Audit Clearinghouse, having audited over \$3.3 billion in Federal Funds in 2010.

■ **We have extensive experience in CAFR preparation.** We have provided Crowe's reference for the City of Fort Worth. We have been providing CAFR preparation services for the City of Fort Worth and working in collaboration with their Big 4 auditors. Crowe has assisted numerous governmental entities in obtained the GFOA Certificate of Excellence in Financial Reporting.

■ **Our areas of expertise** are on the cutting edge of governmental consulting and compliance. Crowe's accounting consulting group has currently been awarded contracts to provide Stimulus Act compliance for several states agencies.

In addition, MSL brings in the following advantages:

■ **Governmental Practice Cornerstone of the Firm** - MSL's governmental practice is one of the Firm's four cornerstones. Many firms use their governmental practice as filler work. At MSL, their governmental practice is one of their premier practice groups.

■ **Florida Government Experience** - In the evaluation of controls, it is important to understand not only the entity but also its environment. Because MSL's base of operations is in the state of Florida, they will always be aware of the economic, social, and political issues that face the City on a regular basis. In addition, their broad range of experience providing services for governmental entities throughout Florida uniquely positions them to view various accounting and internal audit functions so they can bring the best of these practices to use in their work for the City. Members of their audit team have provided accounting, auditing, and consulting services to over 30 Florida municipalities. Their experience with auditing local governments in Florida is second to none.

- **Continuing Professional Education Available in Florida** - MSL believes that education and cooperation is key to a successful relationship with our clients. To ensure that their clients and their staff are always up to date on the latest governmental accounting, reporting, and auditing issues, MSL offers CPE on a bi-annual basis. This training is free to all of their clients, and they encourage open dialog during these sessions.
- **Staying Current** - A very important part of the accounting profession is staying current. MSL not only stays current, but they are proactive in participating with standard-setting and rule-making bodies. **Dan O'Keefe** served on the AICPA State and Local Government Expert Panel and continues to provide support when needed. The purpose of this group is to identify state and local governmental financial reporting and auditing issues and to work with appropriate bodies for resolutions benefiting the public interest; to conduct liaison activities with the GASB, and regulators such as the GAO and OMB, and applicable industry associations; and to advise and assist in the development of AICPA products and services related to state and local governmental audits.

#### **Concluding Comments**

This proposal is being submitted by Deborah P. Garringer, Partner, who is authorized to represent the firm, is empowered to submit the proposal and is authorized to negotiate and execute a contract with the City. Crowe understands that both parties reserve their respective rights to negotiate appropriate and mutually acceptable provisions prior to execution of any Contract should Crowe be considered for final negotiations.

Crowe understands the work to be done and is committed to perform it within the established time period stated in the RFP. Crowe is fully qualified to provide superior services to the City. Equally important, we have a strong desire to assist you and believe that we can add value to you by completing the audit in a timely manner and by actively seeking ways to assist you in improving your operations. Crowe is committed to perform the work and to meet the stipulated timelines identified by the City. Our proposal is firm and irrevocable offer and will be valid for 120 days.

Together, Crowe, and MSL are fully qualified to provide quality and cost-effective services to the City. Equally important, we have a strong desire to assist you and believe that we can continue adding value to you by completing the audit in a timely manner and by actively seeking ways to assist you in improving your operations. We want your business! We believe we have provided you with a very cost effective solution. Our teams are very technically qualified, and we are committed to an audit approach that is effective yet efficient.

Again, we appreciate this opportunity to present our firms for your consideration, and if selected, will give the City our closest attention. Should you have any questions or require additional information, please do not hesitate to contact me at 954.202.8600.

Sincerely,



Deborah P. Garringer  
Partner

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## Part I – Expertise & Experience

### General Requirements

Our proposal has addressed all the points outlined in this request for proposals. It has been prepared simply and economically, providing a straightforward, concise description of Crowe's capabilities to satisfy the requirements of the request for proposals.

### Independence

Crowe has policies and procedures to provide reasonable assurance that all professional personnel maintain independence, integrity and objectivity, as required under professional standards.

Independence precludes relationships that may appear to impair objectivity in rendering attestation services. Integrity requires personnel to be honest and candid within the constraints of client confidentiality. Service and the public trust should not be subordinated to personal gain and advantage. Objectivity is a state of mind and a quality that lends value to a firm's services. The principle of objectivity imposes the obligation to be impartial, intellectually honest, and free of conflicts of interest.

Personnel must consciously refuse to subordinate their judgment to that of others, and avoid relationships which may impair objectivity or influence judgments. Crowe's policy is that all professional personnel must be, and appear to be, independent in attitude, in conduct of the work performed, and in relationships with clients, when required.

All professional personnel shall follow the applicable rules and regulations of the AICPA Code of Professional Conduct, the relevant State Boards of Accountancy, the Securities and Exchange Commission (for public company audit clients), the Government Accounting Office (GAO) (for government audits), the Independence Standards Board (for public company audit clients), and other regulatory agencies relating to independence. We communicate the AICPA rules regarding independence to help provide assurance that our personnel follow these rules.

Crowe and MSL are independent (as defined by generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States) of the City and any of its agencies, its elected or appointed officials and employees, and we will provide the City written notice of any professional relationships entered into during the period of this engagement. We follow guidance provided by Statement of Auditing Standards (SAS) No. 1, and the second general standard of auditing promulgated by the American Institute of Certified Public Accountants (AICPA) and guidance provided by the second general standard for governmental auditing regarding independence found in *Government Auditing Standards*. Crowe and MSL do not have any conflicts of interest relative to performing the proposed audit for the City.

### Licensed to Practice in Florida

Crowe Horwath LLP is a licensed public accounting firm certified by the State of Florida to practice public accounting in the State of Florida and is registered and in good standing with the State of Florida Department of Business and Professional Regulation Board of Accountancy. In addition, all assigned key professionals are properly licensed to practice in Florida. Some are licensed through mobility. We have provided a copy of our license below.



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AC#5887451 STATE OF FLORIDA  
 DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION  
 BOARD OF ACCOUNTANCY SEC#L11111600490

DATE	BATCH NUMBER	LICENSE NBR
11/16/2011	118095531	AD65785

The ACCOUNTANCY PARTNERSHIP  
 Named below IS LICENSED  
 Under the provisions of Chapter 473 FS.  
 Expiration date: DEC 31, 2013

CROWE HORWATH LLP  
 401 E LAS OLAS BLVD SUITE 1100  
 FORT LAUDERDALE FL 33301-4230

RICK SCOTT GOVERNOR  
 KEN LAWSON SECRETARY

DEPT. BY AS REGISTERED BY LAW

## Firm Qualifications and Experience

### About Crowe Horwath LLP

Crowe Horwath LLP ([www.crowehorwath.com](http://www.crowehorwath.com)) is one of the largest public accounting and consulting firms in the United States. Under its core purpose of "Building Value with Values®," Crowe assists public and private company clients in reaching their goals through audit, tax, advisory, risk and performance services. With offices coast to coast and 2,500 personnel, Crowe is recognized by many organizations as one of the country's best places to work. Crowe serves clients worldwide as an independent member of Crowe Horwath International, one of the largest networks in the world. Crowe Horwath International is ranked among the top 10 global accounting networks with more than 150 independent accounting and advisory services firms in over 100 countries around the world.

### Position in the Industry: One of the Nation's Largest Public Accounting and Consulting Firms

Crowe is one of the largest U.S. public accounting and consulting firm (based on U.S. net revenue) according to the 2011 Accounting Today Top 100 Firms and the Public Accounting Report (PAR) Top 100 List for 2011. In addition, Accounting Today ranks Crowe second among leaders in audit and assurance services, based on revenue, among firms with revenue over \$100 million but excluding the top six firms; Crowe ranks fourth among leaders in tax services, based on revenue, among firms with revenue over \$100 million but excluding the top six firms; and Crowe ranks fifth among leaders in management advisory services, based on revenue, among firms with revenue over \$100 million but excluding the top six firms.

According to the PAR Top List for 2008, Crowe has the eighth largest U.S. Securities and Exchange Commission (SEC) audit practice (based on the number of SEC clients). In addition, Crowe ranked first on the PAR SEC Audit Change Leaderboard\* for the full year of 2009. The firm's net gain of 24 SEC entities topped all other firms. Crowe posted across-the-board net gains in:

- Revenue audited;
- Assets audited; and
- Audit fees gained for the year.

Crowe and only one other firm posted positive net gains in SEC entities for the full year.

\*Source: "Public Accounting Report" (PAR) Jan. 31, 2010

**PUBLIC ACCOUNTING REPORT**  
 The Independent Division of the Accounting Professions Since 1978  
 January 21, 2010

**Crowe Takes Annual Audit Crown**  
 Several big wins guide PwC to second place.

Firm		2009 Revenue	2009 Net Gain	2009 SEC Audit Change
1	Crowe Horwath LLP	\$1,274,111,111	\$127,411,111	24
2	PricewaterhouseCoopers	\$1,274,111,111	\$127,411,111	23
3	Deloitte	\$1,274,111,111	\$127,411,111	22
4	Ernst & Young	\$1,274,111,111	\$127,411,111	21
5	KPMG	\$1,274,111,111	\$127,411,111	20
6	Grant Thornton	\$1,274,111,111	\$127,411,111	19
7	BDO	\$1,274,111,111	\$127,411,111	18
8	Montgomery & Alexander	\$1,274,111,111	\$127,411,111	17
9	Capgemini	\$1,274,111,111	\$127,411,111	16
10	Deloitte	\$1,274,111,111	\$127,411,111	15

**Source Note:** The above list is based on 2009 revenue and net gain. Revenue and net gain are reported in millions of dollars. SEC Audit Change is reported in the number of SEC entities audited. Revenue and net gain are reported in millions of dollars. SEC Audit Change is reported in the number of SEC entities audited.

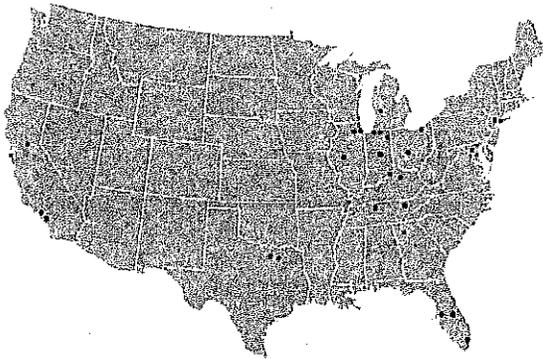


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### Office Locations

Crowe serves clients coast to coast from the following office locations:



- California | Los Angeles, Orange County, Sacramento, San Francisco
- District of Columbia | Washington D.C.
- **Florida | Fort Lauderdale, Tampa, Lakeland**
- Georgia | Atlanta
- Illinois | Chicago, Oak Brook, Springfield
- Indiana | Elkhart, Ft Wayne, Indianapolis (2), South Bend
- Kentucky | Lexington, Louisville
- Michigan | Grand Rapids
- New Jersey | Livingston
- New York | New York
- Ohio | Cleveland, Columbus
- Tennessee | Knoxville, Nashville
- Texas | Dallas, Irving

We are pleased to announce that the former partners and professionals of Perry-Smith LLP joined Crowe on November 1, 2011. The addition of Perry-Smith's 16 partners and a team of more than 100 professionals in San Francisco and Sacramento will allow Crowe to further develop its practice and serve clients on the West Coast. Adding to Crowe's existing California offices in Los Angeles and Orange County, we believe that a presence in San Francisco and Sacramento will enhance its ability to serve the needs of Crowe's clients and also to create new client relationships in the Northern California market.

#### Location of Office Where Work Will Be Performed

The engagement team will be staffed with resources from our local office in Fort Lauderdale. This office provides Assurance and Financial Advisory, Tax, Public Sector Services, Risk, Enterprise Solutions and Information Solutions. The office provides comprehensive accounting, tax, and business related consulting services to a variety of industries. The majority of the practice is devoted to mid-size, closely held-corporations and partnerships and their owners and public sector organizations. In addition, this office includes a team that serves a wide range of governmental entities from independent special districts to cities and counties across Florida.

The proposed engagement team, employed by Crowe on a full-time basis (none will be employed on a part-time basis), will consist of the engagement Partner, one subject matter specialist partner, one IT audit partner, one government senior manager, one government audit manager, two government Senior Audit Staff, two Staff Auditors, one IT Audit Manager, one IT Audit Senior, and an IT Audit Staff.

Crowe's Public Sector Services (PSS) Group (firm-wide government audit staff) is comprised of over 170 professionals in six states and has worked with over 500 state and local governments and other public sector entities. All of the proposed engagement team members for the City engagement are members of the PSS group and spend 100% of their time working on Public Sector entities therefore you can be assured that they have the necessary skills and training to provide the type of services needed for your engagement.

Our approach is to bring the best experience to the client to best serve the needs of the client. In today's environment, specialized skills are needed and our Public Sector team spends 100% of their time serving clients in the public sector so that the clients receive the best expertise the firm has to offer regardless of where they are located.



### Areas of Specialization

Crowe is unique in that we have dedicated teams focused on key industry issues, including:



- Construction
- Financial Services
- Food and Commodities
- **Government**
- Healthcare
- Higher Education
- Manufacturing and Distribution
- Not-for-Profit
- Private Equity Groups
- Retail Dealer

### The Big Four Reasons to Consult Crowe

- **National Reputation and Global Reach.** In today's world of rapid globalization and increasingly competitive markets, business leaders around the world are expressing needs we can help fulfill with our internationally recognized audit, tax, and advisory services. Crowe leverages the comprehensive knowledge we gain through a global network to offer timely, accurate, and cost-effective services no matter where your business is located. We can help sort through the complexities for U.S. companies with operations abroad and for global companies doing business in this country.
- **Technical and Solution Thought Leadership.** While some markets are shrinking, opportunities to innovate and grow are found by staying close to the source of change. The Crowe Innovation Model is our process for researching, predicting, developing, and validating solutions to meet your needs. Our new-product development funding and training programs allow us to continually invest in meeting the emerging needs of our markets. Our cross-functional professionals are regularly working together to hone their innovation skills, sustain new solutions, and provide value for our markets.
- **Industry and Service Expertise.** By aligning our specialists along industry lines, we add depth and breadth of knowledge to our solutions. Industry specialization gives us a better view to success in achieving your business goals and positioning your organization for a strong competitive advantage. You can trust us for advice on your market and business challenges because of our proven reputation and track record for credibility among key industry players, including lenders and professional organizations.
- **Commitment to Client Service Excellence.** In today's environment, having a trusted adviser is more important than ever. Our client relationship model provides the framework for delivering our highest levels of service and client satisfaction. The high expectations we set for our service delivery teams are articulated in our client service standards. We hold ourselves accountable to the standards of superior performance by monitoring our service through feedback tools to track client satisfaction, engagement value, and timely issue resolution.

### Government Practice

Crowe has been serving the needs of government organizations for more than 40 years. We work with many different types of government organizations, including, municipalities, special service districts, school districts, counties, library districts, state agencies, and quasi-governmental entities.



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Our Public Sector Services ("PSS") Group, which includes our governmental audit staff in all offices, is comprised of over 170 professionals and has worked with 500 state and local governments and other public sector entities. This nationally managed group provides expertise in assurance, financial advisory services, and many consulting areas including operations, technology, utility rates, regulatory and other disciplines throughout the United States. Crowe is unique because we manage by industry specialization versus office location. We believe this provides value to our clients because we bring the best resources to the engagement and staff that are most knowledgeable to do the work most efficiently and provided value added services, suggestions and recommendations.

Improve Performance	Optimize Revenue	Manage Risk
<ul style="list-style-type: none"> <li>■ Plan for Success: Strategic Advisory Services</li> <li>■ Practice Operational Efficiency: Program Effectiveness Services</li> <li>■ Utilize Advanced Technology: Business System Implementation Services</li> <li>■ Grow a Talented Workforce: Organizational Effectiveness Services</li> </ul>	<ul style="list-style-type: none"> <li>■ Maximize Fiscal Resources: Financial Management Services</li> <li>■ Cultivate Economic Growth: Economic Development Services</li> </ul>	<ul style="list-style-type: none"> <li>■ Mitigate Financial Risk: Financial Risk Management</li> <li>■ Ensure Regulatory Compliance: Regulatory Compliance Risk Management</li> <li>■ Monitor Stimulus Funding: Accountability Risk Management</li> <li>■ Protect Data and Technology: Information Technology Risk Management</li> </ul>

Goal	Strategy	Services
Improve Performance	Plan for Success: Strategic Advisory Services	<ul style="list-style-type: none"> <li>■ Strategic Planning</li> <li>■ Performance Review</li> <li>■ Shared Services</li> <li>■ Technology Planning</li> </ul>
	Practice Operational Efficiency: Program Effectiveness Services	<ul style="list-style-type: none"> <li>■ Process Optimization</li> <li>■ Cross-sector Collaboration</li> <li>■ Program Management</li> <li>■ Organizational Change Management</li> </ul>
	Utilize Advanced Technology: Business System Implementation Services	<ul style="list-style-type: none"> <li>■ Enterprise Systems</li> <li>■ Enterprise Content Management</li> <li>■ Constituent Support Systems</li> <li>■ Web-site Development</li> <li>■ Performance Management</li> </ul>
	Grow a Talented Workforce: Organizational Effectiveness Services	<ul style="list-style-type: none"> <li>■ Human Resources Strategy</li> <li>■ Staffing Assessment and Recruiting</li> <li>■ Compensation and Rewards</li> </ul>
Optimize Revenue	Maximize Fiscal Resources: Financial Management Services	<ul style="list-style-type: none"> <li>■ Debt Issuance and Management</li> <li>■ Financial Management</li> <li>■ Rate/Revenue Studies</li> <li>■ Budgeting and Forecasting</li> </ul>



Goal	Strategy	Services
Manage Risk	Cultivate Economic Growth: Economic Development Services	<ul style="list-style-type: none"> <li>☐ Tax Increment Financing</li> <li>☐ Fiscal Impact Studies</li> <li>☐ Smart Growth Initiatives</li> </ul>
	Mitigate Financial Risk: Financial Risk Management	<ul style="list-style-type: none"> <li>☐ Financial and Single Audit Reporting</li> <li>☐ Forensic Accounting and Fraud Investigation</li> <li>☐ Arbitrage Rebate</li> <li>☐ Verification</li> </ul>
	Ensure Regulatory Compliance: Regulatory Compliance Risk Management	<ul style="list-style-type: none"> <li>☐ Corporate Governance</li> <li>☐ Enterprise Risk Management</li> <li>☐ Internal Audit</li> <li>☐ Federal and State Programmatic Compliance</li> </ul>
	Monitor Stimulus Funding: Accountability Risk Management	<ul style="list-style-type: none"> <li>☐ Fund Monitoring and Reporting</li> <li>☐ Communication</li> <li>☐ Program Management</li> <li>☐ Fraud Prevention/Recovery</li> <li>☐ Benchmarking</li> </ul>
	Protect Data and Technology: Information Technology Risk Management	<ul style="list-style-type: none"> <li>☐ Data Privacy</li> <li>☐ Web Services Security</li> <li>☐ Vulnerability and Threat Management</li> <li>☐ Business Continuity Management</li> </ul>

**GFOA’s Certificate of Achievement for Excellence in Financial Reporting.**

Members of our PSS practice group are participants in the GFOA CAFR review program and are able to bring insight and expertise and value to our client base. In the current year, Crowe is working with clients on recent pronouncements such as, Statement No. 54.

We take a very proactive approach in helping our clients understand GASB and FASB activities from exposure drafts to implementation of new standards. We accomplish this through our collaborations with GASB, GFOA, AICPA Government Audit Quality Center, through our *Government Advantage* quarterly publication, and more importantly by taking the time to sit down with clients to discuss and plan for the impact of new GASB and FASB standards.

Members of our PSS practice group are participants in the GFOA CAFR review program and are able to bring insight and expertise and value to our client base.

We take a very proactive approach in helping our clients understand GASB activities from exposure drafts to implementation of new standards. We accomplish this through our collaborations with GASB, GFOA, AICPA Government Audit Quality Center, through our *Government Advantage* quarterly publication, and more importantly by taking the time to sit down with clients to discuss and plan for the impact of new GASB standards. In addition, we offer webinars for our clients on a continuing basis. We invite City staff to participate. In information about future upcoming webinars which can be found on our website. A recent *Government Advantage* article discusses the several new GASB standards (#48 - #53) that are being implemented can be found on our website as follows:



[http://folio.crowehorwath.com/files/PDF/GOV8003C4\\_NewGASB\\_lo.pdf](http://folio.crowehorwath.com/files/PDF/GOV8003C4_NewGASB_lo.pdf)

In addition, we are able to remain current with developments of the GASB and FASB because of our membership in numerous **National Professional Standards Associations and Regulatory Organizations** as follows:

Organizations that Crowe and MSL have roles of participation and leadership in national professional standards associations and regulatory organizations such as:

- American Institute of Certified Public Accountants (AICPA)
- American Institute of Certified Public Accountants Governmental Audit Quality Center
- Public Company Accounting Oversight Board (PCAOB) Standing Advisory Group
- Financial Accounting Standards Board (FASB)
- Center for Audit Quality (CAQ)
- Tax Executives Institute (TEI)
- International Federation of Accountants
- Internal Revenue Service (IRS)
- U.S. Securities Exchange Commission (SEC)
- Institute of Internal Auditors (IIA)
- American Productivity and Quality Center (APQC)
- Association of Certified Fraud Examiners (ACFE)

#### **Quality Control**

Crowe places strong emphasis on maintaining a high level of professional audit quality. To achieve this level of quality we have developed an internal quality control system led by our Assurance Professional Practice (APP) Group. We also undergo a triennial external peer review and as one of ten firms auditing more than 100 public companies, Crowe is subject the full, detailed annual inspection process of the Public Company Accounting Oversight Board (PCAOB). In addition, Crowe has a long-standing role of participation and leadership in national professional standards associations and regulatory organizations. Members of our firm serve on the Ethics Committees in their relevant states, the AICPA's national ethics committee and the AICPA's State and Local Government Expert Panel and CPE Advisory Committee.

#### *Internal Quality Control Review*

Crowe has a fully developed set of policy, procedure and review activities supporting our audit practice. Quality control for all assurance efforts is established by the national office of Assurance Professional Practice ("APP") and documented in our Quality Control Manual that includes the following six elements along with the related objectives:

- Leadership Responsibilities for Quality Within the Firm
- Relevant Ethical Requirements
- Acceptance and Continuation of Client Relationships and Specific Engagements
- Human Resources
- Engagement Performance
- Monitoring

APP is also responsible for managing and communicating independence and ethics directives of the Firm. All audit personnel are responsible for knowing and understanding important Firm protocol, including:



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- Independence
- Integrity and Objectivity
- Technical and General Standards, including AICPA and accounting principals
- Information about our responsibilities to clients, including listings regarding commissions, confidential information and contingent fees
- Information about our other responsibilities and practices, including general information and listings related to commissions and discreditable acts

APP is also responsible for handling inquiries from engagement teams on matters related to those policy areas.

APP also performs a function within our Firm which we believe is unique among major firms. Most audit engagements, public or private, are subject to a pre-issuance review by APP. This review includes a review of the financial statements and certain other deliverables, and may include a review of the workpapers supporting the judgments made on key accounting and auditing areas.

Other important quality control policies and procedures include the procedure that all public company audit engagements are subjected to an Engagement Quality Review by an individual other than the Engagement Authorized Signer.

In addition to the PCAOB and Peer Review inspections, the Firm also performs an annual internal inspection selected audit engagements. These inspections focus on adherence to professional standards and Firm policies and procedures. This process is led by a member of APP.

#### External Quality Control Review

Crowe is subject to a Peer Review of our audit practice every three years. In total, we have had eleven Peer Reviews completed. Crowe's current external quality control review organization is Moss Adams LLP. Moss-Adams has 20 locations in Washington, Oregon, California, Arizona and New Mexico. In our most recent peer review, for the year ended June 30, 2010, our Firm received the highest rating. The review included reviews of specific public sector engagements as well as other aspects of our Firm's operations. We have included a copy of our most recent Peer Review Report in **Appendix A** of our proposal.

#### PCAOB Inspection

As previously mentioned Crowe is one of ten firms required to have an annual PCAOB inspection due to the size of its public company audit practice. Through the annual PCAOB inspection process, we commit to continuous improvement and are very much dedicated to making enhancements to our systems.

#### AICPA's Governmental Audit Quality Center

Crowe is a member of the AICPA's Governmental Audit Quality Center (the Center), which is a firm-based, voluntary membership Center designed to help CPAs meet the challenges of performing quality single audits in this unique and complex area.

The Center's primary purpose is to promote the importance of quality governmental audits and the value of such audits to purchasers of governmental audit services. The Center also offers resources to enhance the quality of a firm's governmental audits. The mission of the Governmental Audit Quality Center is to:

- Raise awareness about the importance of governmental audits
- Serve as a comprehensive resource provider on governmental audits for member firms
- Create a community of firms that demonstrates a commitment to governmental audit quality



- ❑ Provide Center members with an online forum tool for sharing best practices as well as discussions on audit, accounting, and regulatory issues
- ❑ List member firms to enable purchasers of governmental audit services to identify firms that are members

#### **Federal or State Desk Reviews**

We have had audits reviewed by Federal Inspector General Offices as a part of desk and field reviews. All single audits performed are submitted to the Federal Audit Clearinghouse for distribution to the appropriate federal agency. Our Single Audit Reports are regularly accepted by those federal agencies.

We have performed single audits of federal funds from the following Federal agencies:

- ❑ U.S. Department of Education
- ❑ U.S. Department of Transportation
- ❑ Federal Highway Administration
- ❑ Federal Transit Administration
- ❑ Railroad Administration
- ❑ National Traffic Safety Administration
- ❑ U.S. Environment Protection Agency
- ❑ U.S. Department of Agriculture
- ❑ Federal Emergency Management Agency
- ❑ U.S. Department of the Interior
- ❑ U.S. Department of Justice
- ❑ U.S. Department of Health & Human Services
- ❑ U.S. Department of Labor
- ❑ U.S. Department of Homeland Security

Additionally, the U.S. Department of Transportation's Office of the Inspector General, U.S. Department of Education's Office of the Inspector General and the U.S. Federal Emergency Management Agency's Inspector General have performed field reviews of our workpapers. **All reviews performed resulted in the acceptance of the work performed.**

#### **Disciplinary Actions**

Crowe, its partners, managers, and/or other key staff members, have not been subject to any disciplinary action in the past three years with state regulatory bodies or professional organizations or by any court or administrative agency which has ruled against its professional activities or performance.

#### **Legal Matters**

Like all large professional service firms, Crowe Horwath LLP is subject to claims from time to time for a variety of reasons, and we occasionally receive notice of claims. Crowe has pending litigation, but it is Crowe's policy not to discuss any specific matters. However, in the view of management, there are no current claims that will result in significant losses to Crowe. Crowe has no pending or threatened litigation, administrative or regulatory proceedings or similar matters that could affect its ability to perform the required services. Crowe has not been the target of any criminal investigation, indictment, prosecution or other proceeding and there are no known felony convictions of any Owners, officers, or primary partners of Crowe. We understand the need for continued reporting of status changes related to this area.



## Partner, Supervisory, and Staff Qualifications and Experience

Crowe has built its reputation on close partner involvement and maintaining a strong client relationship. The ultimate success of our client relationships is largely attributable to one key component – our people. The proposed engagement team is well qualified to provide quality, timely, and personalized services to you.

We have also structured our engagement team with extensive partner involvement. Crowe has built its reputation on close partner involvement and maintaining a strong client relationship. You will find our average partner-to-staff leverage ratio is higher than most other firms. **By having partners involved in the daily execution**, we reduce the time required to respond to accounting issues and thereby close the expectation gap. We are able to achieve this leverage by making significant investments in technology, uniform platforms and methodology, investments that allow us to work smarter and more efficiently. Our technology capabilities are widely recognized and commensurate with that of the Big Four accounting firms.

We have structured the engagement team with **local resources who are available to the City of Fort Lauderdale on a daily basis**. Crowe has a sophisticated Centralized Resource Management function that is responsible for ensuring that the City’s needs are met with the experienced and trained staff from our local offices, and if needed, from across our firm. As the 9<sup>th</sup> largest firm in the U.S., we are able to call upon a large base of talented individuals and resources. Our **Fort Lauderdale** office will provide the local presence and attention that you expect and deserve, and function as coordinator of all required resources throughout the firm and will be the base of operation for the engagement.

The work that we will perform will be conducted in a timely, planned and orderly manner, without the uncertainty and confusion associated with a delayed, last minute performance. The proposed team takes pride in their client service ethic and in responding promptly to client inquiries. Their policy is to check voice mail throughout the day and return phone calls usually on the day received or within 24 hours at the latest. Likewise, they are typically able to access e-mail even when out of the office and respond promptly. Your Engagement Team is available to address your needs and concerns.

An overview of how we plan to structure your engagement team is as follows. Note that all of the proposed team members will be employed on a **full time basis** actively involved in the planning, interim, fieldwork or reporting phases of the engagement, and you can expect to meet these individuals and they will be onsite and involved in planning, progress meetings, or final presentations.

Key Personnel	Title	Role	Government Experience
Deborah P. Garringer, CPA	Partner	Engagement Partner Responsible for Client Contact and Overall Responsibility for Engagement Team and Issuance of Reports	Deborah has 24 years of experience providing auditing and consulting services to Florida government entities including municipalities, counties and special districts. Her experience includes A133 engagements and consulting providing CAFR preparation assistance. Deborah has extensive experience with large governments such as City of Tampa, City of Lakeland, Broward County and Miami Dade County.
John C. Weber, CPA	Partner	National Government Audit Partner provide technical review and supervision to audit team	John has 24 years of experience in government auditing and consulting and is Crowe's government assurance practice leader. He is a member of the AICPA's Government Audit Quality Center and the US Comptroller General's Advisory Council on Government Auditing Standards.



Key Personnel	Title	Role	Government Experience
Robert W. Benson, CPA	Partner	Local office client relationship Partner	Bob has over 25 years of experience in providing audit services to clients in the Ft. Lauderdale market. Bob will be the local office client relationship partner and currently serves that role on the firm's Broward County engagement.
Aazan St. Rose (CPA license in another state)	Manager	Government audit manager providing daily client contact and on site supervision to engagement team.	Aazan has 7 years of experience auditing local governments in Florida including counties, municipalities, special districts in Florida including large governments such as Broward County and Miami Dade County.
Bob Grapenthien (CPA license in another state)	Senior Manager	Government audit senior manager provide technical review and supervision to engagement team	Bob has over nine years of experience in public accounting, specializing in governmental organizations providing auditing and consulting services.
Abbey Hennessey, CPA	Senior Auditor	Engagement Senior performing audit fieldwork	Abby has 3 years of experience auditing local governments in Florida including counties, municipalities, special districts including large municipalities such as City of Tampa.
Joe McElroy (CPA license pending)	Staff Auditor	Engagement Senior performing audit fieldwork	Joe joined Crowe in September, 2008, he coming with over 2 year of experience in the area of healthcare, not-for-profit, for-profit, and governmental entities in both audit and compliance functions. Joe has extensive experience auditing government entities in Florida including large municipalities such as City of Tampa.
Local office audit staff	Audit Staff	Audit Fieldwork	1-3 years of audit experience including working with the Public Sector Services Team
Daniel O'Keefe, CPA, CFE, MBA MSL	Shareholder	Subcontract firm will perform the Federal and State Single Audit	Dan O'Keefe is a shareholder at MSL and director of MSL's Governmental Practice Group has over 35 years of governmental, nonprofit and public accounting and auditing experience. Dan has extensive experience auditing governmental and nonprofit agency financial operations, including services provided to 50 municipalities, 14 counties, four state agencies, and numerous special districts and authorities. In addition, he provides consulting services in the areas of internal control assessments, litigation support, fraud remediation, and performance reviews. Dan was the author of the Florida Single Audit Act.
Bill Blend, CPA MSL	Shareholder	Subcontract firm will perform the Federal and State Single Audit	Bill Blend is a Shareholder at MSL and has performed audits on over 24 governmental entities. Bill has substantial experience in planning, performing, supervising, reviewing, and preparing financial statements related to



Key Personnel	Title	Role	Government Experience
Carl Hoffman, CPA MSL	Manager	Manager Subcontract firm will perform Federal and State Single Audit	the audits of governmental entities subject to Government Auditing Standards, Federal Single Audit requirements, and Florida Single Audit requirements.  Carl is a Manager with MSL and has over 22 years of governmental audit experience in Florida and Georgia. He is a full-time member of the Governmental Practice Group. Carl is proficient in evaluating compliance with laws, regulations, contracts and grant agreements, and reporting on the results of those evaluations in accordance with Government Auditing Standards and the Single Audit Act. He has extensive experience in GASB implementation issues, is current and well-versed in pronouncements as they apply to individual governments.
Ehab Azer, CPA MSL	Supervisor	Supervisor Subcontract firm will perform the Federal and State Single Audit	Ehab Azer is a Supervisor at MSL and has over eleven years of governmental audit experience, including serving over seven governmental clients with utility experience, and will serve as the co-field in-charge for this audit engagement. Ehab has extensive experience in performing Federal and State Single Audits.
Natalee K. Camoesas, CPA MSL	Senior	Senior Subcontract firm will perform the Federal and State Single Audit	Natalee is a Senior at MSL. Natalee has over 3 of years of public accounting experience and has experience in individual taxation. Within these years, Natalee has conducted audits, reviews, and compliance work for not-for-profit and governmental entities.

All engagement team members are properly licensed to practice in Florida, some through mobility. We have provided resumes of the key individuals listed above in **Appendix B** of our proposal. The resumes detail educational background as well years of experience, continuing education, licenses and certifications, professional affiliations and detailed relevant experience.

**Subcontractor**



Moore Stephens Lovelace, P.A. ("MSL") has been in business for over 35 years and has grown to be **one of the largest** independently owned and operated firms of certified public accountants in Florida with offices in the Tampa area, Orlando Miami, and Tallahassee.

MSL's governmental practice group is chaired by Dan O'Keefe who has over 30 years of experience providing accounting auditing and consulting to the government sector. Members of MSL have provided services to over 50 Florida municipalities, 14 counties, 4 state agencies, 3 school districts and numerous special districts and authorities in Florida. MSL is currently the prime auditing firm for the Broward County School District which is also one of the largest local government entities in Florida. Our audit plan proposes working with MSL to perform the Federal and State Single Audit work. Dan O'Keefe is the primary author of the Florida Single Audit Act.



### Continuing Professional Education

The number of CPE hours for key members of the engagement team is as follows:

Crowe Personnel	CPE Hours In the Past 3 Years
Deborah P. Garringer	197.50
John C. Weber	85.50
Bob Benson	172.50
Aazan St. Rose	26.50
Bob Grapenthien	101.50
Abbey Hennessey	129
Joe McElroy	142.50

MSL Personnel	CPE Hours In the Past 3 Years
Daniel O'Keefe	114
Bill Blend	134
Carl Hoffman	150
Ehab Azer	94
Natalee K. Camoesas	82

Crowe is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors.

We stress the importance of maintaining professional certifications. The resumes included with this proposal demonstrate our commitment to this end. Professional designations require minimum levels of annual training in order to maintain certification. Since our specialists spend 100% of their time serving the government industry, continuing education is focused on their field of expertise.

Our professionals generally are required to receive 120 hours of training every three years, averaging 40 hours annually. This aligns with most professional certification requirements. However, our actual hours spent in training are usually much higher than that. In the last two years, our professionals received an average of more than 50 hours of continuing professional education.

In addition to our training, we are committed to developing our people beyond the classroom. Every Crowe employee is assigned a coach. Coaches are the employee's advocate and make sure that employees receive formal feedback performance from their supervisors. Every employee maintains an annual plan, indicating the professional goals and accomplishments they will achieve. The coach monitors these activities and provides support and guidance throughout the year.

Each of the proposed team members is educated in their chosen profession and holds a minimum of a four-year college degree in accounting. Several have advanced degrees and/or multiple degrees in related areas. All personnel assigned to the engagement have completed continuing professional education (CPE) requirements that exceed the minimum required for state licensing (on average 60-80 hours per year), including CPE that is necessary under Governmental Auditing Standards.



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This includes formalized training specific to government either through attendance at seminars and classes provided by outside sources such as GFOA, FGFOA, FICAP, AICPA or through attendance at courses developed in-house, specific to governments and audits of compliance under OMB circulars.

During the past three years, the audit engagement team members have attended classes and conferences including the following topics: GAAP Updates; Auditing Standard Updates; Governmental and Single Audit Report Review; FASB Updates; Financial Reporting for Non-Profit Organizations; Peer Review and Quality Control; and Compliance and Performance Auditing, IT controls. In addition, several members of the firm have taught or led seminars sponsored by professional organizations. In addition, our IT audit team members hold many additional certifications for auditing information systems and maintain the required continuing education in IT related courses to maintain these certifications.

Our Human Resources staff maintains a full-time employee to administer an HR database of all licensing and related CPE requirements. Careful monitoring and management of this process serves to ensure that all professionals have met the requirements of their licenses.

The development of this practice provides exciting challenges for our staff relative to the complex issues and ever-changing needs of entities like the Tax Collector. Our professionals are personally interested in our government and not-for-profit clients and are focused on providing outstanding service. This approach and commitment benefits the Tax Collector, our business, and the community as a whole.

We have provided specific experience, including total CPE hours, for each team member in the table provided above. In addition, we included resumes for the key personnel, detailing relevant and specific experience, personal and academic qualifications and other vital information in the previous section of our proposal. Should you require additional information or resumes for the proposed staff, we would be happy to provide such information upon request.

#### **Staff Continuity**

We would like to emphasize our commitment to maintaining professional staff continuity in servicing this engagement. Many of our clients rely on having the same resources available to them because it reflects a commitment to their organization and a deeper understanding of what their organization is trying to achieve. Our staff builds a relationship based upon integrity, trust, and mutual respect, which is a primary reason that we maintain long-term professional relationships.

In assigning staff to engagements, we place high importance on maintaining continuity of staff from one year to the next. This is important from both a client service as well as an engagement efficiency perspective. As our staff gains familiarity with a client, they are able to complete the engagement more efficiently and are able to identify recommendations for improvement within our client's operations.

As with any accounting firm, it does at times become necessary to replace a member of the engagement team. When this occurs they are replaced with someone of comparable skills and experience. While we strive to maintain continuity, the turnover that is inherent in today's environment provides for staff rotation and the additional benefit of a fresh approach. We have been very successful over the years in appropriately staffing our jobs and this has resulted in high client retention rates and tremendous growth for the firm.

If during the engagement it is necessary to call upon other thought leaders from Crowe's vast group of governmental specialists, the engagement partner, Deborah Garringer, will request prior authorization to do so from the District.



## **Affirmative Action**

### *EEO Statement*

Crowe Horwath LLP abides by the principles of equal employment opportunity. In accordance with law, the firm recruits, hires, trains and promotes individuals without regard to race, color, creed, religion, sex, age, national origin, sexual orientation, veteran's status, disability, genetic information or status within any other protected group. For personnel actions such as compensation, benefits, promotions or transfers, only valid position-related requirements are considered. Continuing professional education and social and recreational programs are planned in accordance with equal opportunity standards.

An individual, who has a physical or mental disability which substantially limits one or more major life activity, is provided the same opportunities accorded other individuals in all areas of employment, provided the individual is otherwise able to perform the essential functions of the position.

Crowe is committed to diversity and equality in the work place and strives to create a work environment that leverages the diversity of all people. The following are highlights of the resources and activities devoted to the promotion of diverse populations within the firm:

### *Inclusion and Diversity Initiative*

Crowe's promotes an inclusive work environment fostering mutualism where respect, trust and integrity are valued and all people are free to contribute in ways that enable them to reach their full potential and make a difference to our clients, our people and our communities.

Crowe is committed to creating a progressive work environment that leverages the diversity of all people. The diversity initiative works to help us understand, appreciate and address the unique perspectives and needs of all of our personnel, clients and those we impact throughout the communities in which we work.

Crowe strives to be inclusive by involving all employees, regardless of gender, religion, race, ethnicity, culture, language, education, geographic location, color, sexual orientation, national origin, age, physical ability, level, experience, opinions, beliefs, or thoughts, in the activities and life of the organization so everyone feels respected, valued, and capable of performing their best work.

We recognize that our goal to increasingly deliver unique and valuable solutions for our clients will be driven by a diverse work force. Our diversity initiative is built upon the concept of mutualism, which is the collaboration of differences to achieve greater value.

Mutualism supports our belief that a diverse work force enhances the creativity and innovative thinking which is fundamental to Crowe's success. Building our initiative upon the basis of mutualism furthers our understanding of the needs of our people, our clients, and our communities, leading to a competitive advantage as we compete for talent, move to new markets, seek new clients, and expand our geographic footprint.

### *MWBE Subcontracting Initiative*

The Minority, Women and Disadvantaged Owned and Small Business initiative is a logical extension of Crowe's commitment to diversification and inclusion. Crowe actively seeks out and includes these businesses to assist with projects in the areas in which Crowe provides services. Crowe has used small and disadvantaged businesses successfully in the past and is committed to subcontracting to the extent possible in the future.

We utilize local professional organizations in the geography where work is to occur, as well as network with current and past subcontractors. We also contact those professional organizations and trade associations that are representative of the various business categories. These include, but are not limited to, Certified Public Accounting firms, Small Business Administration offices, United States Department of Veterans Affairs business location and the National Association of Women Business Owners. We identify qualifying organizations through networking at professional conferences.



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In addition, we have a related company that specializes in supplementing personnel needs who we can engage to identify qualifiers from their database.

Crowe has a national presence and as such has many contacts within the various professional disciplines which are not part of the business categories above. We leverage these contacts to assist in meeting our commitments and stated goals.

## Prior Engagements with the City of Fort Lauderdale

Crowe and MSL have no prior engagements with the City of Fort Lauderdale.

## Similar Engagements with Other Governmental Entities

Crowe has been serving the needs of government organizations for more than 40 years. We work with many different types of government organizations, including, municipalities, special service districts, school districts, counties, library districts, state agencies, and quasi-governmental entities.

Today's government leaders are charged with delivering superior service in the midst of declining revenues and funding, greater public demand and scrutiny, and increasingly complex regulations. At Crowe, we strive to help governments to better serve their communities by providing solutions that improve performance, optimize revenue, and manage risk. Crowe's innovative solutions help address the financial and operational issues most critical to governments in challenging economic times. Our extensive scope of competencies – business process, technology, finance, accounting, fraud investigation, risk consulting, economic development, and performance - allows us to deliver effective, cost-efficient services and just, as important, provides your audit team with an in-depth understanding of the unique needs of a local government.

### References

Similar Quality work, based upon strong competency and directed towards our client's needs, is the core element of creating value for our clients. Quality service involves prompt and efficient service delivery and effective communications with clients. Business relationships involve gaining trust and respect by listening to our client's needs and developing a comprehensive understanding of their business and vision for the future before providing advice. We have delivered high value to our clients for decades and we feel that we are well-suited to help the City. We have provided specific references to demonstrate our experience. Our clients are the best judges of our ability to exceed your expectations. Please feel free to contact any of the individuals listed below for an appraisal of our work.

#### Crowe Horwath LLP

Broward County, Florida	
Telephone Number	954.357.7590
Principal Client Contact	Evan Lukic
Email	elukic@broward.org
Dates of Service	2010 to 2014
Scope of Work	Annual Financial Audit and Single Audit, Board of County Commissioners and Constitutional Officers, includes and separate financial statements of enterprise funds
Engagement Partner	Deborah Garringer
Total Hours	7,000



**City of Tampa, Florida**

Telephone Number	(813) 274-8644
Principal Client Contact	Bill Spinelli, Accounting Operations Manager
Email	Bill.Spinelli@ci.tampa.fl.us
Dates of Service	2011-2014
Scope of Work	Annual financial audit and single audit including employee pension fund and component unit and CRA funds
Engagement Partner	Deborah Garringer
Total Hours	2,300

**City of Lakeland, Florida**

Telephone Number	863.834.6203
Principal Client Contact	Mr. Greg Finch, Finance Director
Email	greg.finch@lakelandgov.net
Dates of Service	2007 to 2011 (Crowe's duration of project) Engagement Partner has been involved with the project for 20+ years
Scope of Work	Annual Financial and Single Audit, employee pension fund, Lakeland Electric, separate financial statements, assistance with bond issues and Certified Audit for Florida Sales and Use Tax
Engagement Partner	Deborah Garringer
Total Hours	1,500

**Miami-Dade Transit**

Telephone Number	786.469.5189
Principal Client Contact	Nirav Bhatt, Financial Reporting Manager
Email	nbhatt@miamidade.gov
Dates of Service	2011 - 2013
Scope of Work	Annual audit, federal and Florida single audit; agreed upon procedures for NTD report.
Engagement Partner	Deborah Garringer
Total Hours	930



**Hillsborough Area Regional Transit Authority**

Telephone Number	813.449.4729
Principal Client Contract	Ken Wagner, Manager of Budget and Finance
Email	wagnerk@goHART.org
Dates of Service	2010--2012
Scope of Work	Annual Financial Audit and Single Audit Agreed Upon Procedures for NTD Report
Engagement Partner	Deborah Garringer
Total Hours	500

MSL**City of Daytona Beach**

Telephone Number	386.671.8062
Principal Client Contract	Laurie Matta, Chief Finance Officer
Email	mattal@codb.us
Dates of Service	2002-2011
Scope of Work	Annual audit (includes water & sewer, stormwater and single audit)
Engagement Partner	Dan O'Keefe
Total Hours	500

**City of Altamonte Springs**

Telephone Number	407.571.8090
Principal Client Contract	Mark DeBoard, Finance Director
Email	mbdeboard@altamonte.org
Dates of Service	2005-2011
Scope of Work	Annual audit (including water & sewer)
Engagement Partner	Dan O'Keefe
Total Hours	400



City of Palm Bay	
Telephone Number	321.952.3400
Principal Client Contract	Linda Logan, Director of Fiscal Services
Email	mcdony@palmbayflorida.org
Dates of Service	2005-2011
Scope of Work	Annual audit (including single audit, water & sewer)
Engagement Partner	Dan O'Keefe
Total Hours	500

### National Government Experience

To demonstrate our National government audit experience, we have provided below a sample listing of our National governmental clients worked on in the last five years to demonstrate the depth of our National practice. This is only a representative listing and additional client projects and experience can be provided upon request.

#### Crowe Horwath LLP Governmental Clients

Clients	A=Audit C=Consulting I=Internal Audit	A-133 Audit	GFOA/ ASBO
City of Forth Worth	C		X
City of Chicago	C		
City of Los Angeles	C		
City of Indianapolis	C		
Chicago Transit Authority	A	X	X
North Texas Tollway Authority	A	X	
Chicago Public Schools	I		
Illinois Office of the Auditor General	A	X	
Illinois Department of Corrections	C		
Illinois Department of Transportation	C		
State of Indiana	C	X	
Southern Illinois University	A	X	X
California State Teachers Retirement System	A		
City of Lakeland	A, C	X	X
Town of Palm Beach	I		
Hamilton County	C	X	
Broward County	A	X	X
Broward County Sheriff	A, C	X	



Clients	A=Audit C=Consulting I=Internal Audit	A-133 Audit	GFOA/ ASBO
Port Everglades	A	x	
Miami Dade County	C		
Lakeland Area Mass Transit District	A,C	x	
Children's Board of Hillsborough County	A, C	x	
Hillsborough Area Regional Transit Agency	A	x	x
City of St Pete	C		

#### MSL's Governmental Clients

We believe the following list shows the strength of our governmental practice, as well as our commitment to this sector of governmental clients:

Client Name	Office	Annual Budget	FYE	Current Client
City of Altamonte Springs	Orlando	\$76 million	09/30	Yes
City of Casselberry	Orlando	\$22 million	09/30	Yes
City of Cocoa Beach	Orlando	\$32 million	09/30	Yes
City of Daytona Beach	Orlando	\$199 million	09/30	Yes
City of Gulfport	Orlando/Tampa Area	\$20 million	09/30	Yes
City of Indian Rocks Beach	Orlando/Tampa Area	\$7 million	09/30	Yes
City of Kissimmee	Orlando/Tampa Area	\$137 million	09/30	Yes
City of Maitland	Orlando	\$24 million	09/30	Yes
City of Mount Dora	Orlando	\$48 million	09/30	Yes
City of Sanford	Orlando	\$140 million	09/30	Yes
City of St. Cloud	Orlando	\$88 million	09/30	Yes
City of Palm Bay	Orlando	\$110 million	09/30	Yes
City of Leesburg	Orlando	\$147 million	09/30	Yes
City of Tampa – Historic Streetcar*	Orlando	\$49 million	09/30	Yes
City of Tampa – Single Audit*	Orlando	\$2 million	09/30	Yes
School Board of Broward County	Orlando/Miami	\$5 billion	06/30	Yes
School Board of Seminole County	Orlando	\$700 million	06/30	Yes
School Board of Volusia County	Orlando	\$800 million	06/30	Yes



Client Name	Office	Annual Budget	FYE	Current Client
Miami Dade Expressway Authority	Orlando/Miami	\$108 million	06/30	Yes
North Brevard Hospital District/Parrish Medical	Orlando	\$2.1 million	9/30	Yes
Barefoot Bay Recreation District	Orlando	\$5 million	09/30	Yes
East Central Florida Regional Planning Council	Orlando	\$1.8 million	09/30	Yes
Florida Intergovernmental Finance Commission	Orlando	\$6 million	09/30	Yes
Greater Orlando Aviation Authority	Orlando	\$250 million	09/30	Yes
MetroPlan Orlando	Orlando	\$4.3 million	06/30	Yes
Osceola Heritage Park	Orlando	\$4.5 million	09/30	Yes
TOHO Water Authority	Orlando	\$177 million	09/30	Yes
West Volusia Hospital Authority	Orlando	\$18 million	09/30	Yes
Broward County *	Orlando/Miami	\$3 billion	09/30	Yes
Lake County	Orlando	\$395 million	09/30	Yes
Osceola County	Orlando	\$889 million	09/30	Yes
Seminole County	Orlando	\$540 million	09/30	Yes
Citrus County	Orlando	\$241 million	09/30	Yes
Volusia County - Clerk of the Circuit Court	Orlando	\$20 million	09/30	Yes

\* Joint Venture with Crowe & HCT

#### New GASB Pronouncement Experience

Our firm encourages our clients to adopt all applicable Governmental Accounting Standards Board (GASB) statements. In recent years, several standards were monumental in that they established new financial reporting requirements for state and local governments throughout the United States and restructured much of the information that had been presented in the past. Our firm responded to those standards and worked with several municipalities, community colleges, and school districts as their GASB implementation consultants. We assisted these clients in assessing their readiness to implement the new standard as well as guiding them through the actual implementation.

In working with our clients in an audit engagement, when we review the CAFR in connection with the issuance of our audit opinion, we often bring in our Subject Matter Specialists to assist with technical questions and offer a "cold review" as to "what would the review committee say" about a particular position or issue. We often begin our review by analyzing the GFOA's prior year comments to insure that the City has been able to correct and implement. We also utilize the GFOA's preparation checklist as our review checklist to insure that the CAFR has met all of the requirements and incorporate any additional recommendations into our review comments provided to the City to provide recommendation and assistance to insure that the Certificate can be maintained.



**Federal Programs Experience**

Crowe possesses valuable experience with the Single Audit Act and OMB Circular-A133 requirements auditing Billions in federal funds on an annual basis. We currently audit over 80 clients that follow GASB Standards, over 110 clients that follow GAGAS (Yellow Book) Standards and approximately 100 clients that follow A-133 Standards. A sample of the federal programs we have experience auditing include:

Agency	Program Title
Education	Adult Education (Federal Basic, EL Civics)
	Carl D. Perkins Vocational Education
	Federal Direct Student Loans
	Federal Family Educational Loans (Stafford, Unsubsidized Stafford Loans, Parent Plus Loans)
	Federal Perkins Loans
	Federal Work Study
	IDEA (Preschool, Flow-through, Room and Board)
	Pell Grant
	Title I Low Income
Agriculture	Title II Teacher Quality
	Trio
	National School Lunch Program
	School Breakfast Program
	Special Milk Program for Children
Environmental Protection Agency	Special Supplemental Nutrition Program for Women, Infants & Children
	Summer Food Service Program for Children
Federal Transit Administration	Capitalization Grants for Drinking Water State Revolving Funds
FEMA	State Revolving Fund Loan Program
Homeland Security	Federal Transit Urbanized Area Formula Grants
	Emergency Snow Removal
Housing and Urban Development	State Domestic Preparedness Equipment Support Program
	Learn and Serve America, School and Community Based Programs
	Community Development Block Grants/Entitlement Grants
Human Services	Community Development Block Grants/Small Cities Program
	Home Investment Partnership Program
	Consolidated Health Centers
	Head Start
	Medical Assistance Program



Agency	Program Title
	Medicaid Matching
	State Survey and Certification of Health Care Providers and Suppliers
	Temporary Assistance for Needy Families
Justice	Asset Forfeiture Program
	Byrne Formula Grant Program
	Local Law Enforcement Block Grant
Labor	Community Based Job Training
	WIA Adult Program
	WIA Youth Activities
	WIA Dislocated Workers
Transportation	Airport Improvement Program
	Appalachian Development Highway System
	Highway Planning and Construction
	Federal Transit -- Capital Investment Grants
	Federal Transit -- Formula Grants
Treasury	Assets Forfeiture Program



## Part II – Specific Audit Approach

### Work Plan

#### Transition Approach

A smooth transition is important to both the City and Crowe. You have been audited by the same firm for several years and may have grown accustomed to certain ways of doing things. This is your chance to re-think how you perceive your internal financial management, audit and business partner relationships and start fresh. However, with a change in auditors, both Crowe and the City must be willing to invest the time necessary to properly facilitate change. We expect to make an investment in our relationship which will be mutually beneficial to our organizations.

Upon approval of Crowe as City's auditors, we will schedule a planning meeting to meet with management to discuss roles and expectations of Crowe and the City. Other audit planning meetings may be scheduled to discuss specific accounting and financial reporting and to analyze the programs and operational activity.

Key elements of an effective transition plan include:

- Developing client and auditor expectations and performance measurements
- Developing time lines for audit services
- Communicating our audit approach

We will move quickly to execute the Contract. We will perform our formal due diligence and client acceptance procedures after you have communicated with your previous CPA. As part of that process we will assist you in requesting that Crowe have access to the current firm's workpapers and schedule a time to review those workpapers. The above services are included in the fee agreement we have provided.

The basic timeline that would be followed for transition is: 1) preparation of the engagement letter for submittal to the City, 2) request the City to provide a letter to the prior auditors to allow us to review the workpapers and begin communication with the prior auditors regarding timing of review of audit workpapers, 3) set up a meeting with the City to define expectations and develop the timeline for the audit, and 4) develop and submit a client assistance request.

#### 1. Proposed Segmentation of the Engagement

The audit of the City will be managed and performed with our PSS Group. This specialization allows us to utilize customized programs, procedures, checklists and workpapers developed specifically for governmental organizations. We then structure them to address the specific audit needs of each individual organization.

Our audit approach places a strong emphasis on gaining an understanding of our clients' activities and controls. We become familiar with accounting and computer controls through our analyses performed during the planning phase of our audits. We then focus our audit procedures to areas where we have assessed higher risk. Information related to the audit approach by area is included below.

#### Phase I: Audit Planning

- **Strategic Analysis.** We gain an understanding of your internal business dynamics, including organizational objectives, performance indicators, and business risks and controls.



**Phase II: Process Analysis**

- **Business Process Analysis.** After gaining a better understanding of your organization, we further document your key business processes by evaluating the risks inherent in these processes and the controls in place to manage them.
- **Risk Assessment.** We evaluate your strategic and process risk and assess the effectiveness of your controls.

**Phase III: Fieldwork**

- **Business Measurement.** Based on the procedures completed above, we design and perform substantive audit procedures to obtain additional audit evidence.

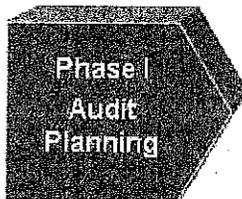
**Phase IV: Reporting**

- **Performance Improvement.** We discuss with you key audit areas, potential issues, and our recommendations as they arise instead of waiting for the end of the audit process. We focus on ideas for improvement using cost/benefit analysis.
- **Reporting.** We present the results of our audit procedures in the audited financial statements, management letter recommendations, and SAS 114 letter to those charged with Governance.

Using a risk-based audit approach, we spend more time analyzing areas that are important to the success of the City.

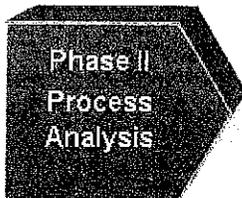
Key Activities

Key activities of each phase are described in below:



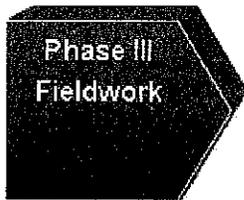
Planning allows us to develop our audit objectives and decide how and when we will achieve those objectives. We develop reasonable procedures based upon our industry experience as auditors. This includes understanding your organization, assessing risk - including the risk of fraud, understanding of your internal controls, analyzing the types of transactions that have or are likely to have occurred, and discussing these ideas with management. During the planning phase we also focus on performing the necessary *Statement on Auditing Standards No. 99 – Consideration of Fraud in a Financial Statement Audit* procedures, including brainstorming sessions, fraud risk assessments, and discussions with audit/finance committee representatives and management.

We will hold a planning meeting to discuss audit scope, timelines and expectations. This is a critical discussion to assist both the City and Crowe in managing the audits and continuing to challenge procedures, work paper preparation, and processes to gain future engagement enhancements.



During the Process Analysis Phase we document our understanding of the internal control structure. Upon receiving internal controls documented initially by your internal staff, we determine whether control policies and procedures in place are functioning properly in significant business processes. We review the design and operation of the City's internal control systems and structure. The purpose of the review is to provide us with sufficient information to properly design our audit tests. This testing is usually conducted during our interim audit procedures.





Year-end fieldwork is the culmination of the continuous audit planning process. It involves updating our understanding of the business operation, business processes, internal controls, financial and non-financial indicators, and results of reviews to affirm that our audit programs are addressing risks. Our year-end fieldwork will focus on the operating statement activities, year-end balance sheet account reconciliations, and putting all the pieces together to provide meaningful and materially accurate information to stakeholders of the City.

**Based on our initial review of your financial statements and our meeting with management, the primary audit emphasis areas are expected to include:**

- **Procurement and construction costs**
- **Payroll and benefit controls processes**
- **Federal and State Grants Compliance**
- **Bond and loan agreement compliance**
- **Reporting entity determination**
- **Risk management**
- **Capital improvements**
- **Financial Condition Assessment**
- **Budgetary compliance**
- **Relate Party Transactions**
- **Subsequent Events**



The audit culminates with the issuance of our reports on the audited financial statements. At the completion of the audit, we also submit our management letter. We also report on certain matters to be communicated under SAS No. 114, which includes a discussion of new accounting pronouncements, any material proposed audit adjustments, and significant audit estimates, along with other items. Draft reports will be provided to management. Once reports have been reviewed by management, we plan to meet with those charged with governance to review the reports and address any questions.

#### Audit Technology

Crowe utilizes several key technology systems to improve audit efficiency and effectiveness. Our use of technology in the audit process benefits you in the following ways:

- **Efficiency.** Your audit files are designed with you in mind including planning forms, audit programs and procedures, and other unique aspects of the City. This promotes efficiency and allows for easy documentation, exchange and review of information.
- **Communication.** When you have a question, all client information is at our fingertips to access at any time no matter where we are located, even from prior year audits. Questions on workpapers or other issues can be accumulated and sent via e-mail in order to reduce the number of interruptions to your daily routine during audit fieldwork.
- **Technical Information.** In addition to our extensive industry experience, the ARM system allows us to provide up-to-date technical information quickly. Accounting standards and support can be provided to management at any time during the audit process.



Our auditing philosophy, commitment, attitude and technology effectively distinguish us with our clients and in the marketplace.

**Accounting Research Manager**

Accounting Research Manager (ARM), is a comprehensive online database of expert-written analytical accounting, auditing, as well as primary source data. It includes the full suite of publications from the Financial Accounting Standards Board, Emerging Issues Task Force, Securities and Exchange Commission, American Institute of Certified Public Accountants, and International Accounting Standards Board. In addition, interpretive analyses are provided in many areas.

**Automated Workpapers**

Automated Workpapers (AWP) was developed using a database system to achieve a nearly paperless audit. AWP also allows us the ability to query prior year audit databases for client information.

**CiRT®**

Crowe has recently developed an innovative tool for our clients, as well as our own Audit personnel to more effectively manage the many requests for information necessary to conduct an audit. CiRT is a secure web-based repository that allows Auditors to post requests for pre-audit information, and for Client personnel to respond (most often via attachments). As needed, Client personnel can ask clarifying questions and can even delegate requests to other client personnel. All CiRT requests/responses and questions/answers are maintained in an easy-to-access website for both the current year and the prior year. And, because all CiRT requests are tracked by assigned individual, status, due date and complete date, both Client and Audit management are easily able to monitor the progress and quickly address any issues in the audit information request/response process.

The screenshot displays the CiRT web application interface. On the left, a table titled 'All Requests by Status' lists various requests with columns for Status, Request ID, Request, Due Date, and Owner. The requests are categorized into Requested, Returned, Submitted, and Acknowledged. On the right, a 'Request Statistics Report' provides a summary of the request status, including a bar chart showing the distribution of requests by status: Requested (6, 33%), Returned (3, 17%), Submitted (4, 22%), and Acknowledged (5, 28%), with a total of 18 requests. Below the chart, there are sections for 'Excel Reports' with options for 'Historical Summary' and 'CIRT Owner Status', and a note about the Excel XML format used in the reports.

Status	Request ID	Request	Due Date	Owner
Requested	A138.06-IR	Organizational Chart	12/05/2008	Sarah Tester
	E1050.03-IRC	Cash Receipts - Other	12/05/2008	Client Controller
	LL100.01-IR	Allowance for Unusable Accounts	12/05/2008	Sarah Tester
	K100.05-IR	Bank Statements and Cancelled Checks	12/05/2008	
	F901.01-IR	Equity Inflow/Outflow Interest	12/05/2008	
	E405.02-IR	Notes Payable Rollforward-IL	02/12/2010	
Returned	A138.99-IR	Tax Return - Client Request Information	12/05/2008	
	W215.04-IRC	Owner Assets Distribution YF	12/05/2008	
Submitted	L105.08-IR	Compensated Absence Accrual	12/05/2008	
	U403.10-IR	(1500) Employee Listings	12/05/2008	
	K100.04-IR	Accounts Payable Schedule-YF	12/05/2008	
Acknowledged	M100.13-IR	Deferred Income Tax - Prior Year Provision	12/05/2008	
	E105.02-IR	Bank Reconciliation-IL	02/12/2010	
	ADD-IR	Detailed General Ledgers	12/05/2008	
	A138.09-IR	Attorney Letters	12/05/2008	
	G1000.11-IR	Insurance and Advertising Assistance	12/05/2008	



CiRT offers clients improved efficiency, effectiveness, and auditor/client communication because it:

- ☐ Provides one place to post all information requests/responses, thus eliminating missing or repeated requests;
- ☐ Enables Clients to ask questions regarding requests, the answers to which are automatically saved;
- ☐ Allows Client management to easily re-assign tasks internally and review completed responses before submission;
- ☐ Retains prior year's audit information requests/responses for reference and/or re-use;
- ☐ Displays the status of all requests by status, due date, completion date, and assigned responder;
- ☐ Is accessible at all times, to both Client and Crowe personnel, from any web-connected computer; and
- ☐ Uses an encrypted connection to send documents, avoiding shipping or faxing expenses and e-mail security risks.

Our projected budgeted project hours by segmentation of the project are as follows:

Level	Phase I	Phase II	Phase III	Phase IV	Total
Partner	32	66	67	18	183
Senior Manager	77	158	159	45	439
Senior	150	306	309	85	850
Staff	146	298	301	85	828
Total	405	828	836	231	2300

## 2. Sample sizes and the extent to which statistical sampling will be used in the transaction testing during the engagement.

Crowe will use a risk based process to determine what transaction or cycle populations that we want to test controls or perform substantive tests. Samples will be used both for financial audit procedures and compliance procedures. We will use statistical random sampling techniques and judgmental techniques depending on the nature, amount, and extent of activity or the nature and frequency of the control.

We use industry standards in determining sample sizes for control tests and sampling sizes for substantive tests are highly variable based on the activity and risk associated with the activity. We use custom data sheets to determine sample sizes but always apply auditor judgment.

## 3. Type and extent of analytical procedures to be used in the engagement.

Analytical procedures will be used during planning, fieldwork and in final review as follows:

- ☐ Planning: To determine unusual fluctuations or relationships between financial data and to focus additional attention on such data during fieldwork.
- ☐ Fieldwork: To provide substantive evidence that provides additional assurance regarding audit objectives.
- ☐ Final Review: To assist in assessing conclusions reached and in evaluation of the overall financial statement presentation.



#### 4. Approach to be taken to gain and document an understanding of the City of Fort Lauderdale's internal control structure.

Expectations for improved corporate governance have caused governmental organizations to rethink how they manage and control risk. Governments are reviewing the roles and responsibilities of internal audit and newly created internal controls functions to respond to the increased expectations of stakeholders. Crowe's public sector specialists have the breadth of knowledge and depth of experience necessary to effectively address compliance issues and implement new reporting and disclosure requirements for government organizations.

We provide a multidisciplinary approach to assessing financial and structural vulnerability and accountability that brings the type of governance, internal accounting and operational control, and regulatory oversight consulting that is becoming mainstream in corporate America and is at the forefront of thinking in the public sector. Measurement and mitigation of risk in the government context requires more than an auditor's approach. Our teams combine traditional accounting and auditor resources with operational design consultants and program managers to evaluate financial risk in light of program objectives and balance the need for increased accountability with the need to address program objectives.

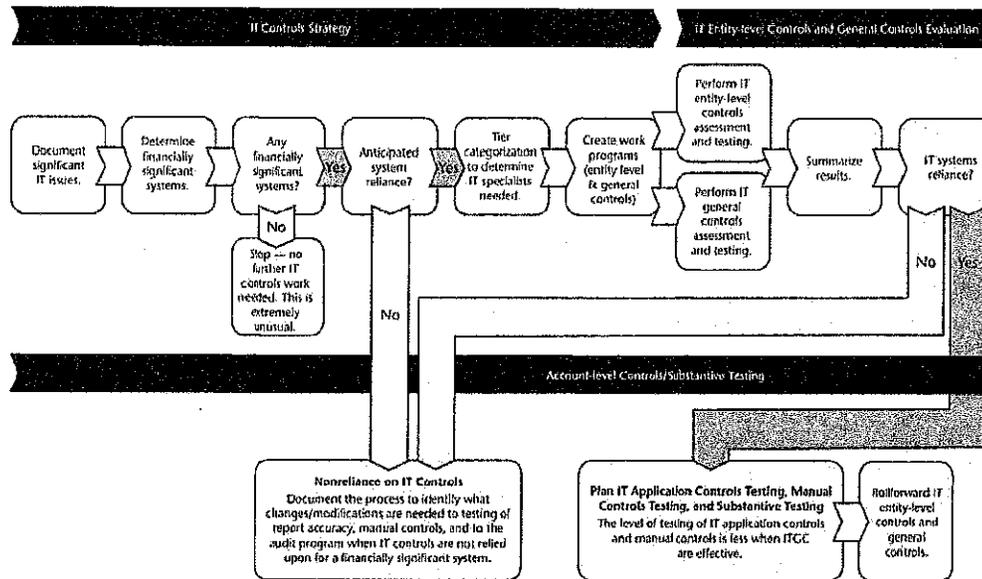
The Statements on Auditing Standards (SAS) Nos. 104 through 111 and 114, issued by the American Institute of Certified Public Accountants (AICPA), considerably affect the way audits for government organizations are to be completed. Government entities need to select an audit firm that can meet the requirements of these regulations as well as the specific needs of the organization.

Crowe uses a risk based approach to auditing that heavily emphasizes the understanding, corroborating and testing internal control to assess risk within the client organization. The primary areas we cover include entity wide controls, IT controls and specific account or cycle level controls. We use personal interaction, flow charting and web based interactive tools to understand, gather, corroborate and test internal controls in order to assess risk. A primary emphasis will be on the risk areas identified above in the beginning of the audit approach section labeled- High Risk Areas.

##### Phase 1 – Entity and Environment

- **Documentation of Our Understanding of Your Entity and Its Environment.** This is the ongoing process of gathering and analyzing information about the entity and its environment that continues throughout the audit. We will perform risk assessment procedures to gain an understanding of the entity, such as regulatory and other external factors, the nature of the entity and its related operations, entity objectives and strategies and the related operating risks that may result in a material misstatement of the financial statements; measurement and review of the entity's financial performance; laws and regulations; and internal control, which includes the selection and application of accounting policies. Our procedures include inquiries, analytical procedures, observation, and inspection. It will include obtaining the internal audit reports that have been prepared during the year and including the results in the risk assessment.
- **Regulatory and Statutory.** We have GAS internal control documents and risk assessment forms designed for the Tax Collector including compliance with State and Local laws and Rules that have a direct and material impact on the financial statements.
- **Documentation of Information Technology Systems.** This process includes a system overview and testing of the system for adherence to acceptable standards. Our approach to testing is documented in the chart below.





During Phase 1, we will document any significant risks that are identified, as well as our planned response.

***Phase 2 – Account-level Controls Assessment and Testing***

Account level controls are the policies and procedures that address risks related to one particular type (or small group) of transactions or accounts. Once we have gained an understanding of your operations and controls at the account level, the engagement team will assess inherent risk and expected control risk by assertion. We will then corroborate the information we have collected and evaluate if controls were implemented as designed and that the design is appropriate. Corroboration must be accomplished even when testing of controls will not be performed. Corroboration includes observation and obtaining evidence such as documented approvals and any other relevant information that may be retained to show that a control has been implemented as designed. Inquiry alone is not sufficient as a form of corroboration. The assertions identified in SAS 106, "Audit Evidence," may be classified in the following three broad categories:

- Assertions about classes of transactions and events for the period under audit;
- Assertions about account balances at the period-end;
- Assertions about presentation and disclosure.

Inherent risk is the susceptibility of a relevant assertion to a material misstatement, assuming there are no related controls. Control risk is the risk that a material misstatement could occur in a relevant assertion and will not be prevented or detected on a timely basis by the entity's internal controls. When assessing inherent risk, the Crowe team will consider:

- The entity and environment (for example, an increasing or declining tax base);
- External factors (for example, regulatory changes that may require major changes in operations);
- Complexity of underlying calculations;
- Susceptibility to theft or fraud;
- Volume of transactions;
- Degree of judgment required and extent of estimates involved;
- Competence of client personnel; and



- Prior-period misstatements.

When assessing control risk, the Crowe team will consider:

- Prior findings in the specific account;
- Results of internal audits;
- Results of grant audits performed by state or federal auditors;
- Record-keeping and accounting;
- Control procedures and environment;
- Materiality of financial impact;
- Likelihood material amounts of cash or other assets could be misappropriated through fraud or theft;
- High public or political sensitivity to the subject matter; and
- Newness of the activity or changes in related conditions.

Risk assessment procedures are performed to provide a basis for assessing the risk of material misstatement (combined assessment of inherent and control risk) for each relevant assertion. Then, in the next phase, we design further audit procedures tailored to address each relevant assertion based on the risks identified.

#### **5. Approach to be taken in determining laws and regulations that will be subject to audit testing.**

Crowe has used its experience with Government Auditing Standards, and specific statutes and local laws to develop a comprehensive planning approach to identify laws and regulations, and provisions in contracts that may affect the financial and compliance reporting requirements. We are committed to learning specific laws and rules that will impact the City to assist them in assessing the fiduciary duties that will impact tests of compliance with laws and regulations. We will use the planning documents as a facilitation tool to discuss with the City management in the audit planning process. Another tool that we use is the FICPA guide for compliance auditing in Florida.

#### **6. Approach to be taken in drawing audit samples for purposes of compliance testing.**

Crowe will use a risk based process to determine what transaction or cycle populations that we want to test controls or perform substantive tests. Samples will be used both for financial audit procedures and compliance procedures. We will use statistical random sampling techniques and judgmental techniques depending on the nature, amount, and extent of activity or the nature and frequency of the control.

We use industry standards in determining sample sizes for control tests and sampling sizes for substantive tests are highly variable based on the activity and risk associated with the activity. We use custom data sheets to determine sample sizes but always apply auditor judgment.

### **Identification of Anticipated Potential Audit Problems**

We believe that our clients and Crowe share a common goal—minimizing the entity's financial reporting risk. Our service style is designed to help you perform at your best in the financial reporting area, and to also conduct a thorough audit.

We do not anticipate problems in the performance of the audit. However, if a conflict in the presentation of financial information or any other issue should arise during the audit process we make every attempt to resolve the issue within the engagement team and your personnel. The vast majority of issues are resolved in this manner. However, in instances where this does not occur, our process is to involve our Accounting Professional Practice (APP) group.



Crowe's APP group performs a pre-issuance review of every audit performed by our firm. These individuals devote 100% of their time in this capacity, and as such we are often able to resolve issues in hours rather than days or weeks. Many of these individuals serve on AICPA committees allowing us to anticipate and communicate to you, new accounting pronouncements before they are formally issued. An APP Executive reviews all financial statements and files prior to issuance and works closely with the team and client on complex accounting and audit issues.

We believe several factors allow us to differentiate ourselves from other firms in our ability to respond to technical issues. These factors include:

- Industry knowledge allows for better communication and understanding of the issues raised.
- Integration of APP into our offices allows us to have direct communication with them in a timely manner
- APP's fast turn-a-round service standard assists in timely response where input is required.
- The engagement team truly has ownership of the response. We don't utilize "National Office" as an excuse for a response. We utilize APP (our national office) as a tool to insure we provide the proper response.

Any issues that do arise will be discussed with management as they come up. This ensures that there are no surprises when it is time to deliver the final reports. Our working relationship with our clients is a primary factor in the tremendous growth of the firm over the years.

#### **Communication with Management and the Audit Committee**

We believe in creating a positive, interactive relationship with the City's staff and management, while maintaining a high level of professional skepticism and independence that is essential to the audit process. While a good working relationship with the City's staff is very important to continuing a long-term audit relationship, we believe that our first level of accountability is to the Audit Committee that have engaged us to perform audit services to assist in their fiduciary duties over the City. In some cases, we have to make difficult decisions on balancing our responsibilities as independent auditors with the agreement of, or working relationship with, Management. Our duty is to present factual information as well as our interpretation of those facts to the Audit Committee in order to provide the Audit Committee with enough information to affirm financial reporting of transactions or disclosures reported by the City's management. We always meet with the client's staff to review a draft of any document being developed to ensure that information is properly disclosed, that our interpretations are understood, and allow the responses of the City's management to be incorporated as requested.

We commit to continue to hold weekly status meetings and include all professionals involved to ensure the decentralized nature of the City's organization and audit process is well coordinated. The primary responsibility for coordinating these efforts will be the engagement manager.

#### **Report Format**

The audit culminates in our report on your audited financial statements, which will include an opinion on the fair presentation of the basic financial statements as they conform to accounting principles generally accepted in the United States of America. We will include a report on compliance of your internal control structure with applicable laws and regulations based on the auditors' understanding of the control structure.

At the completion of the audit, we will submit the following draft reports to management:

- Year-end financial statements with auditors' report;
- Report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with the Yellow Book;
- Single audit report(s)



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- Management letter, if applicable, which will offer recommendations to improve internal controls, administrative efficiencies, and profitability;
- Report on matters required by SAS 114, which includes a discussion of new accounting procedures implemented, proposed audit adjustments, significant audit estimates, and any additional applicable items; and
- Other reports as necessary under statutory requirements.

Once the reports have been reviewed by management and are approved in final form, we will be available to meet with your board and/or audit committee to review the reports and address questions. Auditing standards require the auditor's report not be dated earlier than the date on which the auditor has obtained sufficient appropriate audit evidence to support the opinion. Among other things, sufficient appropriate audit evidence includes evidence that the audit documentation has been reviewed and the entity's financial statements, including disclosures, have been prepared and the organization has asserted it has taken responsibility for the financial statements. We will discuss your acceptance procedures with you at the start of the engagement to determine who within your entity assumes responsibility for the statements. This will ensure the engagement is properly planned to provide sufficient time for review and acceptance procedures by your organization so final reports are available in advance of any and all reporting deadlines.

As requested in the RFP, we have included a sample report under separate cover.



## Part III – Cost Information

Crowe believes in providing high-quality professional services at a fair price. We work hard to minimize the cost to our clients by effective pre-planning the engagement, budget control of staff time, electronic audit work papers, use of "state of the art" audit software, and maximum utilization of schedules and data prepared by your accounting personnel.

While we understand your selection will be based in part on a competitive bid process, we believe that with our resources and experience, you will receive new value that you have not received from prior audit relationships. This value can be realized in many ways by the City.

We have provided our total all-inclusive maximum price, including all direct and indirect costs and out-of-pocket expenses on the Cost form on the following page.

### Fee Assumptions

Our price takes into account the agreed-upon level of preparation and assistance from your personnel. We will advise management should this not be provided or should any other circumstances arise that may cause our hours to exceed that included in our price proposal. If there is a significant change in your organizational structure or size due to acquisitions or other events, we reserve the right to revise our hours estimate. Our base fee assumes four major programs for Federal and State Single Audit purposes. Our base fee also assumes that management is preparing the CAFR, transmittal letter, MDA, footnotes and SEFA. We also assume that we will be provided with an auditable trial balance, all cash investment accounts will be reconciled on a timely basis, beginning net assets will be rolled forward, fixed assets will be reconciled and all closing entries will be posted on a timely basis.

Circumstances may arise under which we must perform additional work and, thus, require additional billings for our services and which may delay the issuance of our report on the financial statements.

Examples of such circumstances include, but are not limited to:

- Changing audit requirements
- Work due to the identification of, and management's correction of, fraud, irregularities, errors or inappropriate application of accounting pronouncements
- Erroneous or incomplete accounting records
- Evidence of material weaknesses or significant deficiencies in internal controls
- New or unusual transactions
- Failure of your staff to prepare information in a timely manner
- Numerous revisions to audit information
- Rescheduling of audit fieldwork without reasonable notice (at least a full week in advance)

To the extent that the amount of time required to provide the services described in this letter increases due to such changes or that additional time is required to complete any new tasks outside the scope of the engagement, required by such changes, we reserve the right to adjust our hours appropriately. We will present you with our estimate of any hours revisions before beginning our work in the impacted area(s).



**PROPOSAL - PART III  
Cost Information**

**BASIC AUDITING SERVICES**

**Annual Firm, Fixed Cost to the City**

**Year 1**

General Financial Audit	\$ 278,000
Federal Award or State Financial Assistance Program (price per program)	\$ 9,800
Large User Wastewater Agreements	\$ 2,000

**Year 2**

General Financial Audit	\$ 286,340
Federal Award or State Financial Assistance Program (price per program)	\$ 10,094
Large User Wastewater Agreements	\$ 2,060

**Year 3**

General Financial Audit	\$ 294,930
Federal Award or State Financial Assistance Program (price per program)	\$ 10,397
Large User Wastewater Agreements	\$ 2,122

\*General Financial Audit Fee includes 4 major Single Audit programs  
 \*\*For each additional option year fee would increase 3% from previous year's fee

**ADDITIONAL "AS NEEDED" AUDITING SERVICES**

Please describe the Proposer's basis for quoting fees for additional auditing services to be performed on an "as needed" basis such as for statement reviews, defeasance schedules for city issuance of debt, review of supplemental financial statements, etc.  
 (Provide any rate schedules if applicable).

**HOURLY RATES SHALL BE SUBMITTED AS PART OF YOUR RESPONSE.**

Standard billing rates will be used for any as needed auditing services. Standard billing rates are listed below.

<u>Audit:</u>		<u>IT Consultant:</u>	
Partner	\$350	Partner	\$350
Principle	\$230	Manager	\$190
Supervisor	\$175	Analyst	\$170
Senior	\$140		
Staff	\$125		

\*\*\*Hourly rates shall be adjusted each fiscal year by the same percentage increase in the Consumer Price Index ("CPI") or 3%, whichever is less



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## Required Forms

We have included the following completed forms on the pages hereafter:

- Bid/Proposal Signature Page
- Non-Collusion Statement

*Due to varying file types the following may not appear on the Table of Contents.*



**BID/PROPOSAL SIGNATURE PAGE**

**How to submit bids/proposals:** Proposals must be submitted by hard copy only. It will be the sole responsibility of the Bidder to ensure that the bid reaches the City of Fort Lauderdale, City Hall, Procurement Department, Suite 619, 100 N. Andrews Avenue, Fort Lauderdale, FL 33301, prior to the bid opening date and time listed. Bids/proposals submitted by fax or email will NOT be accepted.

The below signed hereby agrees to furnish the following article(s) or services at the price(s) and terms stated subject to all instructions, conditions, specifications addenda, legal advertisement, and conditions contained in the bid. I have read all attachments including the specifications and fully understand what is required. By submitting this signed proposal I will accept a contract if approved by the CITY and such acceptance covers all terms, conditions, and specifications of this bid/proposal.

**Please Note:** All fields below **must** be completed. If the field does not apply to you, please note N/A in that field.

Submitted by: Deborah P. Garringer February 16, 2012  
(signature) (date)

Name (printed) Deborah P. Garringer Title: Partner

Company: (Legal Registration) Crowe Horwath LLP

**CONTRACTOR, IF FOREIGN CORPORATION, MAY BE REQUIRED TO OBTAIN A CERTIFICATE OF AUTHORITY FROM THE DEPARTMENT OF STATE, IN ACCORDANCE WITH FLORIDA STATUTE §607.1501 (visit <http://www.dos.state.fl.us/>).**

Address: 401 East Las Olas Boulevard, Suite 1100

City Fort Lauderdale State: FL Zip 33301-4230

Telephone No. 954.202.8600 FAX No. 954.202.8639, Email: deborah.garringer@crowehorwath.com

Delivery: Calendar days after receipt of Purchase Order (section 1.02 of General Conditions): N/A

Payment Terms (section 1.04): N/A Total Bid Discount (section 1.05): N/A

Does your firm qualify for MBE or WBE status (section 1.09): MBE      WBE      No

**ADDENDUM ACKNOWLEDGEMENT** - Proposer acknowledges that the following addenda have been received and are included in the proposal:

Addendum No. #1 and #2 Date Issued 2/7/12 and 2/8/12

**P-CARDS:** Will your firm accept the City's Credit Card as payment for goods/services?

YES  NO

**VARIANCES:** State any variations to specifications, terms and conditions in the space provided below or reference in the space provided below all variances contained on other pages of bid, attachments or bid pages. No variations or exceptions by the Proposer will be deemed to be part of the bid submitted unless such variation or exception is listed and contained within the bid documents and referenced in the space provided below. If no statement is contained in the below space, it is hereby implied that your bid/proposal complies with the full scope of this solicitation. **HAVE YOU STATED ANY VARIANCES OR EXCEPTIONS BELOW? BIDDER MUST CLICK THE EXCEPTION LINK IF ANY VARIATION OR EXCEPTION IS TAKEN TO THE SPECIFICATIONS, TERMS AND CONDITIONS.** If this section does not apply to your bid, simply mark N/A in the section below.

Variations:

\_\_\_\_\_  
Please see attached page

## Variances

We have reviewed the specifications and general terms and conditions provided for in this RFP. In accordance with professional standards and in order to remain independent, we cannot indemnify the City and cannot agree to certain terms and conditions in the RFP. We have provided a template engagement letter on the following pages and respectfully request that should we be selected to engage in negotiations for services, the parties will use this letter in lieu of the sample document provided by the City to negotiate appropriate and mutually acceptable terms and conditions.





Crowe Horwath LLP  
Independent Member Crowe Horwath International  
401 East Las Olas Boulevard, Suite 1100  
Tel 954.202.8600  
Fax 954.202.8639  
www.crowehorwath.com

February 17, 2012

City of Fort Lauderdale, Florida  
101 N. Andrews Avenue  
Fort Lauderdale, Florida 33301

This letter confirms the arrangements for Crowe Horwath LLP ("Crowe" or "us" or "we" or "our") to provide the professional services discussed in this letter to the City of Fort Lauderdale, Florida ("the City" or "you" or "your") for the year ending September 30, 2012, 2013, and 2014. The attached Crowe Engagement Terms is an integral part of this letter, and its terms are incorporated herein.

## AUDIT SERVICES

### Our Responsibilities

We will audit the financial statements of the governmental activities, (if applicable), the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements of the City of Fort Lauderdale, Florida for the periods indicated. Also, the document we submit to you will include the following additional information that will be subjected to the auditing procedures applied in our audit of the financial statements:

1. Combining and Individual Fund Financial Statements and Schedules (for in-relation to opinions)
2. Schedule of Expenditures of Federal Awards and State Financial Assistance

The document will also include the following additional information that will not be subjected to the auditing procedures applied in our audit of the financial statements, and for which our auditor's report will disclaim an opinion:

1. Required Supplementary Information – Management's Discussion and Analysis
2. Required Supplementary Information – Budgetary Comparison Schedules
3. Required Supplementary Information – Pension Information
4. Introductory Section of the Comprehensive Annual Financial Report
5. Statistical Section of the Comprehensive Annual Financial Report

The objective of the audit is the expression of an opinion on the financial statements. We will plan and perform the audit in accordance with auditing standards generally accepted in the United States of America, the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996, and the provisions of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Chapter 10.500, Rules of the Auditor General. Those standards require that we obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement whether caused by error or fraud, to report on the Schedule of Expenditures of Federal Awards and State Financial Assistance, and on your compliance with laws and regulations and on its internal controls as required for a single audit. Therefore, a material misstatement may remain undetected.

We will examine, on a test basis, evidence supporting the amounts and disclosures in your financial statements and evaluate the accounting principles used and the overall financial statement presentation. We will assess the risk that error or fraud might misstate the financial statements by an amount we believe would influence the financial statement users. An audit is not designed to detect error or fraud that is immaterial to the financial statements. Our opinion on the financial statements will state whether we believe that the financial statements present fairly, in all material respects, your financial position, and change in net assets and cash flows, where applicable, in conformity with accounting principles generally accepted in the United States of America.

In addition to our report on the financial statements, we plan to report on:

- The Schedule of Expenditures of Federal Awards which will be subjected to the auditing procedures applied in our audit of the financial statements
- Internal control related to the financial statements and compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*
- Internal control related to major programs and an opinion on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

An audit includes obtaining an understanding of the entity and its environment, including its internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify significant deficiencies in internal control. However, we will communicate, in writing to those charged with governance and management matters that come to our attention which, in our judgment, are significant deficiencies or material weaknesses in internal control that could adversely affect your ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles. We will also communicate suggestions we have to improve controls and business operations. Our engagement is not designed to address legal or regulatory matters, which matters should be discussed by you with your legal counsel.

We will also perform tests of controls including testing underlying transactions, as required by OMB Circular A-133, to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of your major federal awards programs. We will determine major programs in accordance with OMB Circular A-133. Our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed. We will inform you of any deficiencies or other matters involving internal control, if any, as required by OMB Circular A-133.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will also perform tests of your compliance with applicable laws, regulations, contracts and grants. However, because of the concept of reasonable assurance and because we will not perform a detailed examination of all transactions, there is a risk that material errors, irregularities, or illegal acts, including fraud or defalcations, may exist and not be detected by us. However, the objective of our audit of compliance relative to the financial statements will not be to provide an opinion on overall compliance with such provisions, and we will not express such an opinion. We will advise you, however, of any matters of that nature that come to our attention, unless they are clearly inconsequential.

OMB Circular A-133 requires that we plan and perform the audit to obtain reasonable assurance about whether you have complied with certain provisions of laws, regulations, contracts and grants. Our procedures will consist of the applicable procedures described in the OMB Circular A-133 Compliance Supplement and the requirements described in the Executive Office of the Governor's State Projects Compliance Supplement for the types of compliance requirements that could have a direct and material effect on each of your major programs. The purpose of our audit will be to express an opinion on your

compliance with requirements applicable to major Federal award programs and state financial assistance projects.

Our audit and work product are intended for the benefit and use of the City of Fort Lauderdale, Florida, only. The audit will not be planned or conducted in contemplation of reliance by any other party or with respect to any specific transaction and is not intended to benefit or influence any other party. Therefore, items of possible interest to a third party may not be specifically addressed or matters may exist that could be assessed differently by a third party. Our reports on internal control and compliance will each include a statement that the report is intended for the information and use of the management, specific legislative or regulatory bodies, and federal awarding agencies, and if applicable, pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

The working papers for this engagement are the property of Crowe and constitute confidential information. However, we may be requested to make certain workpapers available to your oversight agency or grantors pursuant to authority given to them by law, regulation, or contract. If requested, access to such workpapers will be provided under the supervision of our personnel. Furthermore, upon request, we may provide photocopies of selected workpapers to your oversight agency or grantors. The workpapers for this engagement will be retained for a minimum of three years after the date our report is issued or for any additional period requested by the oversight agency or pass-through entity. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party contesting the audit finding for guidance prior to destroying the workpapers.

As a part of our services, we may assist your staff in drafting your financial statements and disclosures and may assist with bookkeeping functions such as maintaining depreciation schedules. With regard to such non-attest services, you agree to be responsible to: make all management decisions and perform all management functions; designate an individual who possesses suitable skill, knowledge, and/or experience, preferably within senior management to oversee our services; evaluate the adequacy and results of the services performed; accept responsibility for the results of the services; and establish and maintain internal controls, including monitoring ongoing activities.

*Government Auditing Standards* require that we provide you with a copy of our most recent peer review report, letter of comment and response thereto, which documents accompany this letter.

#### The City's Responsibilities

Your management is responsible for the financial statements, including selecting and applying the accounting policies. Management is also responsible for establishing and maintaining effective internal control, including ongoing monitoring activities that will, among other things, permit the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The City's management is also responsible for complying with applicable laws, regulations, contracts and grants and such responsibility extends to identifying the requirements and designing internal control policies and procedures to provide reasonable assurance that compliance is achieved. Additionally, as required by OMB Circular A-133, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings, which should be available for our review, and a corrective action plan.

Management has the responsibility to adopt sound accounting policies, maintain an adequate and efficient accounting system, safeguard assets, and design and implement programs and controls to prevent and detect fraud. Management's judgments are typically based on its knowledge and experience about past and current events and its expected courses of action. Management's responsibility for financial reporting includes establishing a process to prepare the accounting estimates included in the financial statements and adjusting the financial statements to correct material misstatements.

Management is responsible for making available to us, on a timely basis, all financial records and related information and your personnel to whom we may direct inquiries. Management agrees to provide us with written representations relating to matters contained in or related to the financial statements including that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole, and to its compliance with the requirements of its Federal programs. Because of the importance of management's representations to an effective audit, you agree to release Crowe and its personnel from any liability and costs relating to our services under this letter attributable to any misrepresentations by management.

At the conclusion of the engagement, it is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the designated federal clearinghouse and, if appropriate, to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of thirty days after receipt of the auditor's reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the oversight agency for audit.

#### OTHER SERVICES

You agree to be responsible to: make all management decisions and perform all management functions; designate an individual who possesses suitable skill, knowledge, and/or experience, preferably within senior management to oversee our services; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services.

#### FEES

We will invoice you for our services on a periodic basis as services are rendered, except that we agree that our gross fee will not exceed the amounts as listed on the following schedule:

Audit of the City of Fort Lauderdale, Florida financial statements for the years ending:

- September 30, 2012
- September 30, 2013
- September 30, 2014
- September 30, 2015 (Optional Renewal)
- September 30, 2016 (Optional Renewal)

Our invoices are due and payable upon receipt. Bills that are not paid within 30 days of receipt are subject to a monthly interest charge of one percent per month or the highest interest rate allowed by law, whichever is less, which we may elect to waive at our sole discretion, plus costs of collection including reasonable attorneys' fees.

We will reconfirm our engagement terms annually with an updated engagement letter.

Circumstances may arise under which we must perform additional work and, thus, require additional billings for our services. Examples of such circumstances include, but are not limited to:

- Changing audit requirements
- New professional standards or regulatory requirements
- New financial statement disclosures
- Work caused due to the identification of, and management's correction of, inappropriate application of accounting pronouncements
- Erroneous or incomplete accounting records
- New or unusual transactions
- Failure of your staff to prepare information in a timely manner
- Numerous revisions to your information
- Lack of availability of appropriate City personnel during audit fieldwork.

Additionally, to accommodate requests to reschedule audit fieldwork without reasonable notice, additional billings for our services could be required, and our assigned staffing and ability to meet agreed-upon deadlines could be impacted.

Our fee assumes that we will be provided with auditable trial balances for all funds at year end, that all bank accounts and investment accounts will be reconciled through the end of the year being audited to the trial balances, that interfund and transfer accounts will balance, that subsidiary ledgers will reconcile to the general ledger and that beginning fund equity amounts will be reconcilable to prior year audited ending fund equity. We assume that the City will cooperate with our requests for information such as explanations of account activity.

Additionally, we assume the City will provide a copy of the capital assets ledger including current year additions and dispositions and depreciation by functional expense. We assume that requested records such as invoices, contracts, grant agreements and supporting documentation will be located and provided to us. We also assume the City will prepare confirmation letters, the CAFR, the SEFA and all separate fund financial statements as outlined above.

Our fee does not include implementation of any other future accounting or auditing pronouncements and/or government requirements that may change, thus, the scope or amount of auditing necessary to complete our engagements may increase beyond what is currently anticipated. Should such events occur, we would present you with our estimate of any possible increase prior to beginning our audit for the given year. An equitable adjustment in the proposed fee will be negotiated if the cost of time required for performance of the audit service is increased or decreased pursuant to a change in scope of the audit requested by the City or required by State or Federal regulations.

Additional services may be requested, but are not included in the fees listed above and can be contracted at our standard governmental rates as follows:

♦ Executive	\$XXX	-	\$XXX
♦ Manager	\$XXX	-	\$XXX
♦ Senior Staff	\$XXX	-	\$XXX
♦ Staff	\$XX	-	\$XXX

\* \* \* \* \*

This engagement letter and the attached Crowe Engagement Terms reflect the entire agreement between us relating to the services covered by this letter. The headings included in this letter are to assist in ease of reading only; the letter and attachment are to be construed as a single document, with the provisions of each section applicable throughout. This agreement may not be amended or varied except by a written document signed by both parties. It replaces and supersedes any other proposals, correspondence, agreements and understandings, whether written or oral, relating to the services covered by this letter. The agreements of the City and Crowe contained in this engagement letter shall survive the completion or termination of this engagement. If any term hereof is found unenforceable or invalid, this shall not affect the other terms hereof, all of which shall continue in effect as if the stricken term had not been included. This agreement shall be interpreted and construed under, and governed by the internal laws of the State of Florida, without regard for choice of law principles.

If the terms of this letter and the attached Crowe Engagement Terms are acceptable to you, please sign and date below and return a copy of this letter at your earliest convenience.

Very truly yours,

Crowe Horwath LLP

By: \_\_\_\_\_  
Deborah P. Garringer, Partner

I have reviewed the arrangements outlined above and in the attached Crowe Engagement Terms, and I accept on behalf of the City the terms and conditions as stated.

City of Fort Lauderdale, Florida

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## **Crowe Engagement Terms**

We want you to understand the basis under which we offer our services to you and determine our fees, as well as to clarify the relationship and responsibilities between your organization and ours. These terms are part of our engagement letter and apply to all future services, unless a specific engagement letter is entered into for those services. We specifically note that no advice we may provide should be construed to be investment advice.

**YOUR ASSISTANCE** - For us to provide our services effectively and efficiently, you agree to provide us timely with the information we request and to make your employees available for our questions. You will also provide our personnel with access to the Internet (if available). The availability of your personnel and the timetable for their assistance are key elements in the successful completion of our services and in the determination of our fees. Completion of our work depends on appropriate and timely cooperation from your personnel; complete, accurate, and timely responses to our inquiries; and timely communication by you of all significant accounting and financial reporting matters of which you are aware. If for any reason this does not occur, a revised fee to reflect the additional time or resources required by us will be mutually agreed upon, and you agree to hold us harmless against all matters that arise in whole or in part from any resulting delay.

If circumstances arise that, in our professional judgment, prevent us from completing this engagement, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue other work product or withdrawing from the engagement.

**THIRD PARTY PROVIDER** - We may use a third-party service provider in providing professional services to you which may require our sharing your confidential information with the provider. If we use a third-party service provider, we will enter into a confidentiality agreement with the provider to require them to maintain the confidentiality of your confidential information. The terms of our engagement letter and these engagement terms shall apply to any third party provider.

**CONFIDENTIALITY** - We will maintain the confidentiality of your confidential information in accordance with professional standards. You agree not to disclose any confidential material you obtain from us without our prior written consent, except to the extent such disclosure is an agreed objective of this engagement. Your use of our work product shall be limited to its stated purpose and to your business use only. We retain the right to use the ideas, concepts, techniques, industry data, and know-how we use or develop in the course of the engagement. You agree to the use of fax, email, and voicemail to communicate both sensitive and non-sensitive matters; provided, however, that nonpublic personal information regarding your customers or consumers shall not be communicated by unencrypted email.

**CHANGES** - We may periodically communicate changes in laws, rules, or regulations to you. However, you have not engaged us to and we do not undertake an obligation to advise you of changes in laws, rules, regulations, industry or market conditions, your own business practices, or other circumstances, except to the extent required by professional standards.

**PUBLICATION** - You agree to obtain our specific permission before using our report or our firm's name in a published document, and you agree to submit to us copies of such documents to obtain our permission before they are filed or published.

**NO PUNITIVE OR CONSEQUENTIAL DAMAGES** - Any liability of Crowe to you shall not include any special, indirect, consequential, incidental, punitive, or exemplary damages or loss nor any lost profits, savings, or business opportunity.

**LIMIT OF LIABILITY** - The provisions of this section establishing a limit of liability will not apply if, as determined in a judicial proceeding, we performed our services with gross negligence or willful misconduct. Our engagement with you is not intended to shift risks normally borne by you to us. With respect to any services or work product or this engagement in general, the liability of Crowe and its personnel shall not exceed the fees we receive for the portion of the work giving rise to liability. A claim for a return of fees paid shall be the exclusive remedy for any damages. This limitation of liability is intended to apply to the full extent allowed by law, regardless of the grounds or nature of any claim asserted. This limitation of liability shall also apply after termination of this agreement.

**NO TRANSFER OR ASSIGNMENT OF CLAIMS** - No claim against Crowe, or any recovery from or against Crowe, may be sold, assigned or otherwise transferred, in whole or in part.

**RESPONSE TO LEGAL PROCESS** - If we are requested by subpoena, request for information, or through some other legal process, or other proceedings to produce documents or testimony pertaining to you or the Professional Services and we are not a named party to the applicable proceeding, you will reimburse us for our professional time, plus out-of-pocket expenses, as well as reasonable attorney fees we incur in responding to such request.

**MEDIATION** - If a dispute arises, in whole or in part, out of or related to this engagement, or after the date of this agreement, between you, and Crowe, and if the dispute cannot be settled through negotiation, you and Crowe agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its mediation rules for professional accounting and related services disputes before resorting to litigation or any other dispute-resolution procedure. The results of mediation shall be binding only upon agreement of each party to be bound. Costs of any mediation shall be shared equally by both parties.

**JURY TRIAL WAIVER** - IN THE UNLIKELY EVENT THAT DIFFERENCES CONCERNING OUR SERVICES OR FEES ARISE BETWEEN US THAT ARE NOT RESOLVED BY MUTUAL AGREEMENT OR MEDIATION, YOU AND WE AGREE TO WAIVE A TRIAL BY JURY TO FACILITATE JUDICIAL RESOLUTION AND SAVE THE TIME AND EXPENSE OF BOTH PARTIES.

**LEGAL AND REGULATORY CHANGE** - The scope of services and the fees for the services covered by the accompanying letter are based on current laws and regulations. If changes in laws or regulations change your requirements or the scope of our work, you and we agree that our fees will be modified to a mutually agreed-upon amount to reflect the changed level of our effort.

**CONSENT TO HIRE** - You and we acknowledge the importance of retaining key personnel. Accordingly, both parties agree that during the period of this agreement and for one year after its expiration or termination, neither party will solicit any personnel of the other party for employment without the written consent of the other party. If an individual becomes an employee of the other party, the other party agrees to pay a fee equal to the individual's compensation for the prior full twelve-month period to the original employer.

**AFFILIATES** - Crowe Horwath LLP ("Crowe") is an independent member of Crowe Horwath International, a Swiss verein. Each member firm of Crowe Horwath International is a separate and independent legal entity. Crowe and its affiliates are not responsible or liable for any acts or omissions of Crowe Horwath International or any other member of Crowe Horwath International and specifically disclaim any and all responsibility or liability for acts or omissions of Crowe Horwath International or any other member of Crowe Horwath International. Crowe Horwath International does not render any professional services and does not have an ownership or partnership interest in Crowe. Crowe Horwath International and its other member firms are not responsible or liable for any acts or omissions of Crowe and specifically disclaim any and all responsibility or liability for acts or omissions of Crowe.

**NON-COLLUSION STATEMENT:**

By signing this offer, the vendor/contractor certifies that this offer is made independently and *free* from collusion. Vendor shall disclose below any City of Fort Lauderdale, FL officer or employee, or any relative of any such officer or employee who is an officer or director of, or has a material interest in, the vendor's business, who is in a position to influence this procurement.

Any City of Fort Lauderdale, FL officer or employee who has any input into the writing of specifications or requirements, solicitation of offers, decision to award, evaluation of offers, or any other activity pertinent to this procurement is presumed, for purposes hereof, to be in a position to influence this procurement.

For purposes hereof, a person has a material interest if they directly or indirectly own more than 5 percent of the total assets or capital stock of any business entity, or if they otherwise stand to personally gain if the contract is awarded to this vendor.

In accordance with City of Fort Lauderdale, FL Policy and Standards Manual, 6.10.8.3,

3.3. City employees may not contract with the City through any corporation or business entity in which they or their immediate family members hold a controlling financial interest (e.g. ownership of five (5) percent or more).

3.4. Immediate family members (spouse, parents and children) are also prohibited from contracting with the City subject to the same general rules.

**Failure of a vendor to disclose any relationship described herein shall be reason for debarment in accordance with the provisions of the City Procurement Code.**

<u>NAME</u>	<u>RELATIONSHIPS</u>
N/A	N/A
_____	_____
_____	_____
_____	_____
_____	_____

**In the event the vendor does not indicate any names, the City shall interpret this to mean that the vendor has indicated that no such relationships exist.**

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## Appendix A: Peer Review Report

*Due to varying file types the following may not appear on the Table of Contents.*



**MOSS-ADAMS** LLP  
Certified Public Accountants | Business Consultants

## System Review Report

To the Partners of Crowe Horwath LLP  
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Crowe Horwath LLP (the firm) applicable to non SEC issuers in effect for the year ended June 30, 2010. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary).

As required by the standards, engagements selected for review included engagements performed under the *Government Auditing Standards*, audits of employee benefit plans, and audits performed under FDICIA.

In our opinion, the system of quality control for the accounting and auditing practice of Crowe Horwath LLP applicable to non SEC issuers in effect for the year ended June 30, 2010, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Crowe Horwath LLP has received a peer review rating of *pass*.

*Moss Adams LLP*

November 5, 2010



**AICPA Peer Review Program**

Administered by the  
National Peer Review Committee

December 17, 2010

Charles Allen, CPA  
Crowe Horwath LLP  
One Mid America Pl Ste 700  
Oakbrook Terrace, IL 60181

Dear Mr. Allen:

It is my pleasure to notify you that on December 9, 2010, the National Peer Review Committee accepted the report on the most recent system peer review of your firm. The due date for your next review is December 31, 2013. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Sincerely,

Betty Jo Charles  
Chair—National PRC

cc: Jeff Brown, CPA

Firm Number: 10014904

Review Number: 311547

## Appendix B: Resumes

### Deborah P. Garringer, CPA, CFST – Partner

#### Professional Summary

Mrs. Garringer has 24 years of public accounting experience. Mrs. Garringer has worked in the areas of governmental and not-for-profit auditing her entire career. Mrs. Garringer is also a frequent speaker in the area of governmental auditing standards.

In addition to assurance services, her experience includes internal audit services and consulting in areas of financial reporting, fund reporting, A-133 compliance, operations and accounting systems, internal controls performance auditing and other agreed-upon procedures.

#### Experience

- Audit engagement planning, fieldwork, supervision and reporting for numerous governmental, quasi-governmental and nonprofit organizations, which include reporting compliance with Government Auditing Standards and OMB Circular A-133 requirements.
- Internal Audits for Government Entities in Florida
- Consulting on financial reporting.
- Consulting with organizations on agreed-upon procedures, monitoring of subrecipient projects
- Consulting with organizations on financial management, compliance and internal controls

#### Audit Experience

##### Not-for-Profit and Higher Education

- Florida Southern College
- Jacksonville University
- Alliance for Independence
- Archways
- Florida United Methodist Foundation, Inc.
- Florida United Methodist Conference, Inc.
- Lakeland Chamber of Commerce, Inc.
- Lakeland Chamber Foundation, Inc.
- Cigar Family Foundation, Inc.
- The Tampa Yacht and Country Club
- The St Pete Yacht and County Club
- The Crossing Church
- Florida Association for Pediatric Tumors
- USA Water Ski Association, Inc.
- Learning Resource Center, Inc.
- University Club of Tampa, Inc.
- Lowry Park Zoo Endowment Foundation, Inc.
- Sun 'n Fun Fly-In, Inc.
- United Way
- Florida Baptist Children's Homes

##### State Agencies

- Florida Agency for Workforce Innovation
- Florida State Board of Administration
- Florida Department of Revenue
- Florida Department of Health
- Illinois Department of Transportation

##### School District

- Polk County School District

##### Public Utilities

- Lakeland Electric



**Municipalities**

- City of Lakeland
- Town of Palm Beach
- City of Lake Wales
- City of St Petersburg
- City of Tampa

**A-133 Audits**

- Florida Rural Legal Services
- Healthy Start Coalition of Polk, Highlands, and Hardee Counties, Inc.
- Pasco Hernando Jobs & Education Partnership Regional Board, Inc.
- Florida Baptist Children's Homes, Inc.
- Archways
- Polk County Workforce Development Board, Inc.
- LifePath Solutions, Inc.

**Special Districts**

- Lakeland Area Mass Transit District
- Polk Transit Authority
- Hillsborough Transit Authority
- Children's Board of Hillsborough County
- Hillsborough County Hospital Authority
- Various Special Districts in Hillsborough County

**Counties**

- Polk County
- Miami Dade County Transit Department
- Broward County
  - Broward County Sheriff
  - Port Everglades

**Public Universities**

- The Sun Dome, Inc. (University of South Florida)

**Consulting Engagements**

- Agreed Upon Procedure Engagements for Bond Issues
- Comfort Letters
- Management Recruiting
- Operational and Procedural Audits
- Internal Control Documentation Projects
- Assistance with New Accounting Pronouncement Implementation
- Lease Analysis
- Analysis of Federal and State Monitoring Findings

**Airport Experience**

- Lakeland Linder Regional Airport Fund
- Broward County Airport Fund

**Publications and Speaking Engagements****Lecturer**

- FICPA Accounting Conference: Government Auditing Standards Update, August 2007
- EUCI Course June 2010: Government Audits of Federal Grant Recipients
- 2008 Best Practices Conference: Clerk and Comptroller Palm Beach County October 2008 (Fiscal Fitness: Workshop in Internal Controls)



[www.crowehorwath.com](http://www.crowehorwath.com)



- Community Foundation Lakeland Spring Continuing Education Conference 2008: Governmental Update
- Florida School Finance Officers Association: Government Auditing Standards Update, October 2007
- FICPA State Tax Conference, February 1998, state tax topics
- FICPA Florida State University Accounting Conference, state tax topics
- FICPA various local chapter meetings, state tax topics

#### Author

- "Sales & Use Tax Audits", Florida CPA Today, July 1992
- "DOR Contract Auditing: A CPAs perspective", Florida CPA Today, August 1995
- "Privatization", Florida CPA Today, February/March 1996 \*contributing author
- FGFOA: SAS 112 Article
- White Paper Contributing Author-Selecting the Right Auditor

#### Licenses and Certifications

- Certified Public Accountant (CPA) | Florida
- Certified Florida Sales and Use Tax (CFST) designation

#### Professional Affiliations

- American Institute of Certified Public Accountants | Member
- Florida Institute of Certified Public Accountants | Member
  - Polk County Chapter | President 1994-1995, Board Member 1995-1999
  - State Tax Section | Chairman 1995-1996, Member 1991-2005
  - Board of Governors | Former Member-At-Large
  - Nominations Committee | Former Member
  - Certified Audit Program Task Force | Member
  - Not-for-Profit Task Force | Member
  - 2011 Women to Watch Award

#### Community Involvement and Other Professional Activities

- PKF North American Network, Leadership Development Program - Graduate
- Polk County School Board | Former Audit Committee Chair
- Leadership Florida | Graduate, Member Finance Committee
- Lakeland Area Chamber of Commerce | Member, Leadership Lakeland Class XXII - Graduate
- Lakeland Yacht & Country Club: Former Board of Directors and Finance Committee
- Peace River Center | Chair Board of Directors, Former Vice Chair, Former Treasurer
- Polk Museum of Art | Trustee, Treasurer, Investment Committee Member
- Bartow Area Chamber of Commerce | Member, Leadership Bartow VI - Graduate
- Explorations V, Inc., Polk County Children's Museum | Board of Directors Former Member and Advisory Board Former Member



## Education

- Bachelor of Science in Business Administration
- Masters of Accountancy
  - University of South Florida, Tampa, Florida



## John C. Weber, CPA – Partner

### Professional Summary

Mr. John Weber has eighteen years of experience in public accounting and government auditing. Mr. Weber has experience with governmental and non-profit organizations providing auditing and consulting services.

### Experience

#### Audit Experience

##### State

- Office of the Auditor General
  - Illinois Department of Revenue
  - Illinois Department of Corrections
  - Illinois Environmental Protection Agency
  - Illinois State Treasurer's Office
- Southern Illinois University Illinois Department of State Police – Metropolitan Enforcement Groups
- Indiana Bureau of Motor Vehicles
- Indiana State Lottery Commission
- Kentucky Lottery Corporation\*\*

##### Special Districts

- Broward County Florida Sheriff's Department
- **Chicago Transit Authority\***
- Marion County Indiana Sheriff's Department
- **Metra\***
- Metropolitan Water Reclamation District of Greater Chicago\* \*\*
- **Northern Indiana Commuter Transportation District\***
- **North Texas Tollway Authority**
- **Pace\* \*\***

##### Higher Education

- College of DuPage\* \*\*
- Lake County College\* \*\*
- Lincoln Land Community College\* \*\*
- Moraine Valley Community College\* \*\*
- Northern Illinois University (NCAA)
- University of Illinois at Chicago (NCAA)

\* Federal Compliance audit performed in accordance with OMB circular A-133

\*\* Current Recipient of GFOA or ASBO Certificate of Achievement for Excellence in Financial Reporting



## Consulting Engagements

### Financial Advisory

- Capital Budgeting
- Departmental Costing Analysis
- Litigation Support
- Management of an Internal Audit Department
- Management Recruiting
- Operational and Procedural Audits

### Business Process Reengineering

- Procedures Manual Development
- Departmental Re-Structuring
- Transition Auditing

### Information Technology

- Needs Analysis/System Implementation
- Fund Structure and Chart of Accounts

## Certifications

- Certified Public Accountant | Florida, Illinois, Indiana, Kentucky, Texas

## Professional Affiliations

- American Institute of Certified Public Accountants | Government Audit Quality Center Representative
- Illinois CPA Society | Ethics Committee
- Illinois Government Finance Officers Association | Member

## Education

- Bachelor of Science in Accounting
  - Elmhurst College, Elmhurst, Illinois



## Robert W. Benson, CPA – Partner

### Experience

Bob is the Partner-in-Charge of Crowe's Assurance and Financial Advisory Delivery Unit in Fort Lauderdale and has over 25 years of audit and tax experience. In this capacity he has worked with clients in a number of industries on various financial reporting, business planning and other matters. Bob has authored numerous articles in various publications and has conducted periodic seminars on industry related topics.

Bob has been the recipient of a number business, leadership and civic awards which have included the South Florida Business Journal's Excellence in Accounting Award, South Florida Business Journal Up & Comers Award, the United Way's Community Hero Award and the National Association for Community Leadership Award.

### Certifications

- Certified Public Accountant | Florida
- Construction Financial Management Association | Certified Construction Industry Financial Professional designation

### Professional Affiliations

- Florida Institute of Certified Public Accountants | Past President, Board of Directors - Broward Chapter; past Board of Governors
- Construction Association of South Florida | Financial Advisor to the Board of Directors
- Greater Fort Lauderdale Chamber of Commerce | Past Finance Chair, Member of Board of Directors and Executive Committee
- Healthcare Financial Management Association | Member
- Construction Executives Association | Member of Board of Directors, past President

### Community Involvement and Other Professional Activities

Bob has been an active member in the South Florida community for years and is presently a member of the Board of Directors for the Broward Partnership for the Homeless and recently accepted a Board position with the Boys & Girls Club of Broward County. Bob has previously served on the Board of Directors for the Stranahan House, Women In Distress, Epilepsy Association and Kiwanis Club.

### Education

- Pace University, New York



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## Aazan St. Rose, CPA – Manager

### Professional Summary

Mr. St. Rose began his career in public accounting in October 2005. Throughout his career, he has worked on numerous financial statement audit and Federal (OMB A-133) and State Single Audit engagements for municipalities and special districts and not-for-profit entities throughout the State of Florida. His experience also includes numerous financial statement audit and attestation engagements, including review, agreed-upon procedures, internal control and compliance engagements for several not-for-profit and for-profit entities. Mr. St. Rose is also experienced in auditing the financial statements of defined-contribution and defined-benefit plans for local government, not-for-profit and for-profit entities.

### Experience

#### Audit Experience

##### Local Government Entities

###### Counties

- Broward County, Florida<sup>(1)</sup>
- Miami-Dade County Transit, Florida (An Enterprise Fund of Miami-Dade County)

###### Municipalities

- City of Delray Beach, Florida<sup>(1)</sup>
- City of Boynton Beach, Florida
- Town of Palm Beach, Florida

###### Special Districts

- Solid Waste Authority of Palm Beach County
- Health Care District of Palm Beach County
- Delray Beach Community Redevelopment Agency
- West Palm Beach Downtown Development Authority

##### Not-for-Profit Entities

- Alzheimer's Community Care, West Palm Beach
- Palm Healthcare Foundation, Inc., West Palm Beach
- Planned Parent of South Florida and the Treasure Coast, West Palm Beach
- Scripps Florida Funding Corporation, West Palm Beach
- The Raymond F. Kravis Center for the Performing Arts, Inc., West Palm Beach

##### For-Profit Entities

- BBC International, LLC, Boca Raton
- Cheney Brothers, Inc., Riviera Beach
- Cypress Capital Group, Inc., Palm Beach

*(1) Includes transportation department audits and other attest engagements*

### Licenses and Certifications

- Certified Public Accountant (CPA) | Florida

### Professional Affiliations

- American Institute of Certified Public Accountants | Member
- Florida Institute of Certified Public Accountants | Member
- Florida Government Finance Officers Association | Member

### Education

- Bachelor of Science, CPA-Accounting and Finance
  - New York University, New York, New York



## Robert H. Grapenthien, CPA – Senior Manager

### Professional Summary

Mr. Robert Grapenthien has over nine years experience in public accounting. Mr. Grapenthien has experience with governmental organizations providing auditing and consulting services.

### Experience

#### Audit Experience

##### Municipalities

- Village of Bridgeview
- Village of Bolingbrook
- Village of Elmwood Park
- Village of Stickney
- Village of River Grove
- Village of Westmont
- Village of Brookfield

##### State of Illinois – Office of the Auditor General

- Illinois State Board of Education
- Illinois Department of Public Aid
- Illinois State Toll Highway Authority
- Southern Illinois University
- Southern Illinois University Related Organizations

##### Special Districts

- Metra
- Pace-Suburban Bus Division of the RTA
- Pace RTA 401k
- Leyden Township

##### National

- City of Lakeland, FL

##### Higher Education

- South Suburban College
- Triton College Community College
- College of Lake County

#### Consulting Engagements

##### Financial Advisory

- Illinois Office of the Comptroller (Statewide) GAAP Review
- Accounting Services for the Chicago Housing Authority

##### Licenses and Certifications

- Certified Public Accountant (CPA) | Illinois

##### Professional Affiliations

- American Institute of Certified Public Accountants | Member

##### Education

- Bachelor of Arts in Accounting
- Masters of Business Administration
  - Aurora University, Aurora, Illinois



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## Joseph McElroy – Senior Staff

### Professional Summary

Mr. McElroy joined Crowe in September, 2008, he comes with over 1 year of experience in the area of healthcare, not-for-profit, for-profit, and governmental entities in both audit and compliance functions.

### Experience

Mr. McElroy's industry significant responsibilities and experience includes:

- Conducting financial statement audits, agreed-upon procedures, and other attestation engagements, and consulting for governmental and nonprofit entities.
- Monitoring engagement performance ensuring proper alignment with client's goals and expectations.
- Financial audits and internal control review engagements for various institutions forthwith.

#### Municipalities and Government Entities

- Children's Board of Hillsborough County
- Pasco Hernando Jobs & Education Partnership Regional Board, Inc.

#### For-Profit Entities

- Ideal Image Development Corporation
- Consolidated Bedding, Inc.
- DSE, Inc.
- Kane's Furniture

#### Not-for-Profit/Higher Education

- Florida Baptist Children's Homes
- The Florida United Methodist Foundation, Inc.
- Florida Southern College
- Tampa Yacht & Country Club
- United Way of Central Florida
- Cigar Family Charitable Foundation
- Lakeland Association of Realtors
- Hospice of the Florida Suncoast

### Professional Affiliations

- Institute of Internal Auditors | Member
- Hansen Manor Homeowner's Association | Treasurer

### Education

- Bachelor of Arts, Accounting
  - Saint Leo University, St Leo, Florida



## Abigail M. Hennessey, CPA – Senior Staff

### Professional Summary

Ms. Hennessey was an intern with Crowe in the summer of 2008 and joined Crowe full-time in January 2010. She has experience in the areas of governmental, nonprofit, and healthcare entities in audit, compliance, and consulting functions.

### Experience

Ms. Hennessey's industry significant responsibilities and experience includes:

- Planning and performing financial statement and A-133 audits, agreed-upon procedures, and other attestation engagements for governmental, nonprofit, and commercial entities.
- Monitoring engagements for convergence of results with client's goals and expectations.
- Conducting audits and other attestation engagements for the various entities, including the following:

### Audit Experience

#### Governmental Entities

- Broward County
- Children's Board of Hillsborough County
- City of Lakeland
- City of Tampa
- Eastern Kentucky University
- Hillsborough Area Regional Transit
- Lakeland Area Mass Transit District
- Northern Kentucky University
- Polk Transit Authority
- Florida State Board of Administration
- Sun Dome, Inc.
- Western Kentucky University

#### Nonprofit Entities

- Florida Baptist Children's Homes
- Florida Conference of the United Methodist Church
- Jacksonville University
- Tampa Yacht & Country Club
- The Crossing Church
- United Way of Central Florida

#### Healthcare Entities

- Dunganarvin, Inc.
- FSC Trilogy Investors, LLC
- Trilogy Health Services, LLC

### Licenses and Certifications

- Certified Public Accountant | Florida

### Professional Affiliations

- American Institute of Certified Public Accountants | Member
- Beta Gamma Sigma | Member
- Emerge Tampa Bay | Member
- Florida Institute of Certified Public Accountants | Member

### Education

- Bachelor of Business Administration
  - Goizueta Business School, Emory University, Atlanta, Georgia



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## Daniel O'Keefe, CPA, CFE, MBA

Shareholder

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### Education and Certifications

- M.B.A. Degree in Accounting, Florida State University
- B.S. Degree in Accounting, Canisius College, Buffalo, New York
- C.P.A., Certified Public Accountant – Florida
- C.F.E., Certified Fraud Examiner
- Member of the International Honor Society of Beta Gamma Sigma

### Professional Memberships

- American Institute of Certified Public Accountants (AICPA)
- Served on the AICPA State and Local Government Expert Panel
- Florida Institute of Certified Public Accountants (FICPA)
- Government Finance Officers Association (GFOA)
- Florida Government Finance Officers Association (FGFOA)
- Member of the FICPA Governance Task Force
- Association of Certified Fraud Examiners (ACFE)
- UCF Accounting Advisory Board member
- Vice-Chairman of the Martin State College Foundation

**Background** - Dan has 35 years of public accounting, governmental, and not-for-profit experience. He has provided services to numerous municipalities, counties, and other governmental entities and is a nationally recognized expert in the area of governmental auditing. He is one of the most sought-after public sector instructors in the state.

**Professional Experience** - Dan has extensive experience auditing governmental financial operations, including services provided to 50 municipalities, 15 counties, four state agencies, and numerous special districts and authorities. He also provides consulting services in the areas of internal control assessments, litigation support, fraud remediation, and performance reviews.

He provides Continuing Professional Education ("CPE") services to clients, peers, and governmental agencies nationwide. He has authored numerous CPE courses on governmental accounting and auditing; instructed CPE sponsored by the AICPA and the FICPA; and previously served a four-year term on the Florida Board of Accountancy CPE Committee. He is a three-time recipient of the FICPA Outstanding Seminar Leader Award and two-time recipient of the AICPA Outstanding Instructor Award.

Dan is the co-author of *A State Lottery: A Challenge for Auditors*; co-author of *Auditing Budget Requirements for Florida's Local Governments*; and author of the *1996 Single Audit Requirements*. In addition, Dan authored *The Florida Single Audit Act*.



**Governmental Clients Audited:****Counties**

Alachua  
 Broward \*  
 Citrus\*  
 Collier  
 DeSoto  
 Hillsborough  
 Indian River  
 Lake\*  
 Manatee  
 Marion  
 Okeechobee  
 Orange  
 Osceola\*  
 Martin  
 Seminole\*  
 Volusia

**Municipalities**

Altamonte Springs\*  
 Apopka  
 Belle Isle  
 Bradenton  
 Bunnell  
 Casselberry\*  
 Cocoa Beach  
 Crystal River  
 Davie  
 Daytona Beach\*  
 Daytona Beach Shores  
 DeBary  
 DeLand  
 Deltona  
 Green Cove Springs  
 Gulfport\*  
 Holly Hill  
 Indian Rocks Beach\*

**Municipalities (cont'd.)**

Kissimmee\*  
 Lake Mary  
 Lake Park  
 Lauderdale Lakes  
 Leesburg\*  
 Longwood  
 Maitland  
 Margate  
 Mount Dora  
 Ocala  
 Orchid  
 Orlando  
 Ormond Beach  
 Pahokee  
 Palm Bay\*  
 Palm Beach  
 Palm Beach Gardens  
 Pembroke Park  
 Pembroke Pines\*  
 Pomona Park  
 Port Orange  
 St. Cloud\*  
 Sanford\*  
 Sebring  
 South Daytona  
 Tamarac  
 Tampa  
 Vero Beach  
 Wellington  
 West Palm Beach  
 Winter Garden  
 Winter Haven  
 Winter Park  
 Winter Springs

**State Agencies**

Florida Lottery  
 Florida Health Department  
 Florida Housing Finance Agency  
 Florida Department of Elder Affairs

**Special Districts and Authorities**

Barefoot Bay Recreation District  
 Fort Pierce Utilities Authority  
 East Central Fl. Regional Planning Council  
 Greater Orlando Aviation Authority\*  
 Miami Dade Expressway Authority\*  
 Memphis-Shelby County Airport Authority  
 MetroPlan Orlando  
 Orange County Housing Finance Authority  
 Orange County Library District  
 Reedy Creek Improvement District  
 VOTRAN  
 TOHO Water Authority\*  
 West Volusia Hospital Authority

**Educational**

Stetson University  
 Bethune-Cookman College  
 Early Learning Coalition of Flagler/Volusia County  
 Futures, Inc.  
 Reading Edge Academy  
 Kissimmee Charter School  
 Orlando Lutheran Academy  
 Frank Scanga Charter School  
 Academie DaVinci Charter School  
 Florida A&M University  
 School District of Broward County\*  
 School District of Martin County  
 School District of Pasco County  
 School District of Seminole County\*  
 School District of Volusia County\*

**Other**

Florida Intergovernmental Finance Commission

\*Denotes current clients that participated in the **Certificate of Achievement for Excellence in Financial Reporting** program (2010 program results)



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## William Blend, CPA, CFE

Technical Reviewer/Shareholder

### Education, Certifications and Licenses

- B.S. Degree in Accounting, Long Island University
- C.P.A., Certified Public Accountant – Florida
- C.F.E., Certified Fraud Examiner

### Affiliations and Community Involvement

- American Institute of Certified Public Accountants (AICPA)
- Florida Institute of Certified Public Accountants (FICPA)
- Florida Government Finance Officers Association (FGFOA)
- FGFOA Conference Committee
- FGFOA Technical Committee
- Instructor for the FGFOA and develops and teaches Firm auditing classes
- FICPA Discussion Leader – Ethics for Governmental CPAs in Florida
- FICPA Technical Committee
- Association of Certified Fraud Examiners
- FICPA High School Coordinator for Seminole County

**Background** - Bill Blend is a Shareholder at MSL and a member of the Firm's Governmental Practice Group. Bill has over 17 years of public and private sector accounting experience.

**Professional Experience** - Bill has performed audits on over 40 governmental entities. Bill has substantial experience in planning, performing, supervising, reviewing, and preparing financial statements related to the audits of governmental entities subject to governmental auditing standards, Federal Single Audit requirements, and Florida Single Audit requirements. He has experience in revenue bond covenant compliance and audits under federal and Florida Single Audit.

Bill has completed over 80 hours of Continuing Professional Education ("CPE") in the areas of governmental accounting and auditing within the past three years. Bill is a Certified Fraud Examiner by the Committee of the Board of Regents and is also trained in the use of the "IDEA" data mining software.



**Governmental, educational, and other entities served include the following:**

**Counties**

Broward\*  
Citrus\*  
Indian River  
Lake\*  
Osceola\*  
Seminole\*  
Volusia

**Municipalities**

Altamonte Springs\*  
Apopka  
Casselberry\*  
Town of Davie  
Daytona\*  
Deltona  
Gulfport\*  
Indian River Shores

**Municipalities (cont'd.)**

Kissimmee\*  
Lake Helen  
Leesburg\*  
Maitland  
Mt. Dora  
New Smyrna Beach  
Oak Hill  
Palm Bay\*  
Palm Beach Gardens  
Pembroke Pines\*  
Port Orange  
Sanford\*  
St. Cloud\*  
Tampa\*  
Vero Beach  
Winter Park

**Special Districts and Authorities**

Barefoot Bay Recreation District  
East Central Florida Regional Planning Council  
Florida Intergovernmental Finance Commission  
Greater Orlando Aviation Authority (GOAA) \*  
Hobe Sound Water Management District  
Miami Dade Expressway Authority  
MetroPlan Orlando  
New Smyrna Beach Utility Authority  
TOHO Water Authority \*  
West Volusia Hospital Authority  
Winter Garden Heritage Foundation

**Educational**

Academie DaVinci Charter School  
The Reading Edge Academy  
Florida A&M University  
School District of Broward County\*  
School District of Seminole County \*  
School District of Volusia County \*

*\*Denotes current clients that participated in the **Certificate of Achievement for Excellence in Financial Reporting** program (2010 program results)*



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## Carl Hofmann, CPA

Manager

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### Education, Certifications and Licenses

- B.B.A. Degree in Accounting, University of Georgia, Athens, Georgia
- C.P.A., Certified Public Accountant – Florida, Georgia

### Affiliations and Community Involvement

- American Institute of Certified Public Accountants (AICPA)
- Government Finance Officers Association (GFOA)
- Florida Government Finance Officers Association (FGFOA)
- Florida Institute of Certified Public Accountants (FICPA)
- Georgia Society of Certified Public Accountants (GSCPA)
- Student Advisory Council – Eastbrook Elementary School (Seminole County Schools)

**Background** - Carl is a Manager at MSL and has over 22 years of governmental audit experience in Florida and Georgia. He is a full-time member of the Governmental Practice Group. Carl is proficient in evaluating compliance with laws, regulations, contracts and grant agreements, and reporting on the results of those evaluations in accordance with *Government Auditing Standards* and the Single Audit Act. He has extensive experience in GASB implementation issues, is current and well-versed in pronouncements as they apply to individual governments.

**Professional Experience** - Previously, Carl worked with Karp, Ronning and Tindol, P.C., a public accounting firm based in Savannah, Georgia, specializing in governmental auditing of cities, counties, and school boards. Prior to that, he worked with the Georgia State Auditor's Office, specializing in audits of county school boards, colleges and universities, technical institutes, and state agencies.

Carl has completed over 90 hours of Continuing Professional Education ("CPE") in the areas of governmental accounting and auditing within the past two years. He previously taught classes on the implementation of GASB 40, *Deposit and Investment Disclosures* and *Annual Governmental GAAP Updates*. Most recently, Carl taught *Single Audit Update* class for the FICPA and MSL's Governmental GAAP Update.



**Governmental, educational, and other entities served include the following:**

**Counties**

Broward\*  
 Lake\*  
 Osceola\*  
 Seminole\*  
 Volusia  
 Liberty (GA)  
 Chatham (GA)  
 Camden (GA)

**Municipalities**

Cocoa Beach\*  
 Daytona Beach\*  
 Gulfport\*  
 Indian Rocks Beach\*  
 Maitland  
 Mount Dora  
 Palm Bay\*  
 St. Cloud\*  
 Hinesville (GA)  
 Pooler (GA)  
 Port Wentworth (GA)  
 Richmond Hill (GA)  
 Savannah (GA)  
 Thunderbolt (GA)

**Special Districts and Authorities**

VOTRAN  
 TOHO Water Authority  
 Savannah Housing Authority (GA)  
 Millen Housing Authority (GA)  
 Screven Housing Authority (GA)  
 Greensboro Housing Authority (SC)  
 Waynesboro Housing Authority (GA)  
 Louisville Housing Authority (GA)  
 Sylvania Housing Authority (GA)  
 Metter Housing Authority (GA)  
 GA Maritime Trade Center (GA Authority)

**Educational**

Reading Edge Academy  
 Academie DaVinci Charter School  
 Georgia Southern University (GA)  
 Armstrong Atlantic State University (GA)  
 Oglethorpe Academy (GA)  
 Palm Bay Charter Schools

**School Districts**

Broward County\*  
 Martin County  
 Seminole County\*  
 Volusia County\*  
 City of Bremen (GA)  
 Catoosa County (GA)  
 Chatham County (GA)  
 Glynn County (GA)  
 Liberty County (GA)  
 Screven (GA)  
 Treutlen County (GA)  
 Ware County (GA)  
 Wayne County (GA)  
 Webster County (GA)  
 Wheeler County (GA)  
 White County (GA)

*\*Denotes current clients that participated in the Certificate of Achievement for Excellence in Financial Reporting program (2010 program results)*



## Ehab Azer, CPA

Supervisor

### Education, Certifications and Licenses

- B.S. Degree in Accounting, University of Alexandria
- C.P.A., Certified Public Accountant - Florida, Virginia
- Chartered Accountant - Egypt

### Affiliations and Community Involvement

- American Institute of Certified Public Accountants (AICPA)
- Florida Institute of Certified Public Accountants (FICPA)
- Florida Government Finance Officers Association (FGFOA)

**Background** - Ehab Azer is a Supervisor at MSL and is a member of the Firm's Governmental Practice Group. He has over six years of public and private sector accounting experience. He has experience performing audits and compliance work with governmental and not-for-profit entities.

**Professional Experience** - Ehab has focused experience performing audits and reviews for not-for-profit and governmental entities. As an audit Supervisor, Ehab oversees the engagement team's staff accountants and works with client management to develop strong relationships, resolves issues arising from the audit process, and ensures that the engagement is performed in a manner that is consistent with our clients' goals. Ehab also has extensive experience providing tax consulting and preparation services at the federal, state and local levels for public corporations, not-for-profit organizations and individuals.

Ehab has over the 80 hours required in accordance with the continuing professional education requirements of the Florida State Board of Accountancy and the AICPA.



**Governmental, educational, and other entities served include the following:****Counties**

Broward\*  
Citrus \*  
Lake \*  
Orange  
Osceola\*  
Seminole \*

**Special Districts and Authorities**

Barefoot Bay Recreation District  
East Central Florida Regional Planning Council  
Florida Intergovernmental Finance Commission  
Greater Orlando Aviation Authority \*  
MetroPlan Orlando  
Orlando-Orange County Expressway Authority  
Orlando Utilities Commission  
Osceola Heritage Park  
West Volusia Hospital Authority

**Municipalities**

Altamonte Springs\*  
Casselberry\*  
Daytona Beach \*  
Eatonville  
Gulfport\*  
Indian Rocks Beach \*  
Kissimmee\*  
Leesburg \*  
Maitland  
Orlando  
St. Cloud\*  
Sanford\*  
Winter Park

**Educational**

School District of Broward County\*  
School District of Pasco County  
School District of Seminole County \*  
School District of Volusia County\*

*\*Denotes current clients that participated in the **Certificate of Achievement for Excellence in Financial Reporting** program (2010 program results)*



## Natalee Camoesas CPA

Senior

### Education, Certifications and Licenses

- B.S. Degree, Accounting, Florida State University
- B.S. Degree, Finance, Florida State University
- Certified Public Accountant – Florida

### Affiliations and Community Involvement

- American Institute of Certified Public Accountants (AICPA)
- Florida Government Finance Officers Association (FGFOA)
- Florida Institute of Certified Public Accountants (FICPA)

### Governmental and educational entities served include the following:

#### Counties:

Broward\*  
Citrus\*  
Liberty  
Nassau

#### Municipalities

Daytona Beach\*  
Fernandina Beach  
Jacksonville Beach  
Jacob City  
Leesburg

### Special Districts, Authorities and Associations

Broward Airport Authority\*  
Broward Water/Waste Water Authority\*  
Dog Island Conservation District  
Greater Orlando Aviation Authority\*

### Educational

School Board of Broward County\*

**Background** - Natalee is a Senior at MSL. Natalee has over 3 of years of public accounting experience and has experience in individual taxation. Within these years, Natalee has conducted audits, reviews, and compliance work for not-for-profit and governmental entities.

**Professional Experience** - Natalee's work experience includes performing governmental, municipal, cooperative, not-for-profit, and for-profit financial statement audits.

Natalee has completed over 40 hours of Continuing Professional Education ("CPE") in the areas of governmental accounting and auditing within the past two years.

*\*Denotes current clients that participated in the Certificate of Achievement for Excellence in Financial Reporting program (2010 program results)*



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City of Fort Lauderdale • Procurement Services Division  
100 N. Andrews Avenue, #619 • Fort Lauderdale, Florida 33301  
954-828-5933 FAX 954-828-5576  
[purchase@fortlauderdale.gov](mailto:purchase@fortlauderdale.gov)

**BEST AND FINAL**

**EXHIBIT C**

RFP 125-10876  
Financial Audit Services  
ISSUED: April 6, 2012

In accordance with Section 2-194 Competitive Negotiations section of the CODE OF ORDANCES OF THE CITY OF FORT LAUDERDALE, FLORIDA, your firm is requested to submit your Best and Final offer for the requested services for RFP 125-10876 Financial Audit Services.

**PLEASE FILL IN THE STATED COST PORTIONS OF THIS BEST AND FINAL OFFER DOCUMENT, AND HAVE AN AUTHORIZED PERSON SIGN AND RETURN TO THE CITY OF FORT LAUDERDALE. (SEE ATTACHED COST PROPOSAL PAGE.)**

In order to be considered your firm's BEST AND FINAL OFFER is required to be delivered no later than **April 18, 2012 prior to 2:00 P.M. EDT** to the City of Fort Lauderdale, City Hall, 100 N. Andrews Avenue, Fort Lauderdale, FL 33301, Procurement Services Division, Room #619. Place this completed document in a sealed envelope labeled with the RFP number and title and the words "BEST AND FINAL OFFER" and deliver as specified in this paragraph.

**This Best and Final offer will supersede your original offer provided in your original RFP proposal.**

Company

Name: Crowe Horwath LLP

(Please print)

Authorized Contractors

Signature: \_\_\_\_\_

*Deborah P. Barry Crowe Horwath LLP*

Date: 4/18/2012

**ALL OTHER TERMS, CONDITIONS AND SPECIFICATIONS SHALL REMAIN THE SAME.**



City of Fort Lauderdale • Procurement Services Division  
100 N. Andrews Avenue, #619 • Fort Lauderdale, Florida 33301  
954-828-5933 FAX 954-828-5576  
[purchase@fortlauderdale.gov](mailto:purchase@fortlauderdale.gov)

**COST PROPOSAL PAGE – BEST AND FINAL**

The City is asking that the short-listed proposers provide a Best & Final Offer, which will be considered in the determination of the final scoring for award.

DO NOT DEVIATE FROM WHAT IS BEING ASKED ON THIS COST PROPOSAL PAGE, OR YOUR OFFER MAY BE DEEMED NON-RESPONSIVE. PLEASE PROVIDE A FIRM FIXED COST FOR THE FIRST THREE YEARS (2012, 2013, and 2014). THE COST FOR EACH BASIC AUDITING SERVICE STATED BELOW MUST **BE THE SAME FOR EACH OF THE FIRST THREE YEARS**, FOR THE GENERAL FINANCIAL AUDIT, FEDERAL AWARD AND STATE FINANCIAL ASSISTANCE PROGRAMS, AND LARGE USER WASTEWATER AGREEMENTS.

PLEASE USE THIS COST PROPOSAL PAGE AND ONLY THIS COST PROPOSAL PAGE TO PROVIDE YOUR COST FOR THE BEST AND FINAL.

<b><u>Basic Auditing Services</u></b>	<b><u>Annual Firm Fixed Cost to the City for (3) Years (2012, 2013, 2014)</u></b>
<b>General Financial Audit</b> Est. – One audit per year	<u>\$ 200,000 (no Federal and State single audit programs included)</u>
<b>Federal Award or State Financial Assistant Program (price per program)</b> Provide ONE PRICE, which should be the same for Federal or State Program Est. – Nine audits per year, (Any combination of State or Federal)	<u>\$ 5,000 per program (\$45,000 total for Federal and State Single Audit for nine major programs)</u>
<b>Large User Wastewater Agreements</b> Est. - One audit per year	<u>\$ 2,000</u>



DO NOT DEVIATE FROM WHAT IS BEING ASKED ON THIS COST PROPOSAL PAGE, OR YOUR OFFER MAY BE DEEMED NON-RESPONSIVE. PLEASE PROVIDE A FIRM FIXED COST FOR THE TWO, ONE-YEAR RENEWAL YEARS (2015 AND 2016). THE COST FOR EACH BASIC AUDITING SERVICE STATED BELOW MUST BE THE SAME FOR EACH OF THE TWO RENEWAL YEARS, FOR THE GENERAL FINANCIAL AUDIT, FEDERAL AWARD AND STATE FINANCIAL ASSISTANCE PROGRAMS, AND LARGE USER WASTEWATER AGREEMENTS.

PLEASE USE THIS COST PROPOSAL PAGE AND ONLY THIS COST PROPOSAL PAGE TO PROVIDE YOUR COST FOR THE BEST AND FINAL.

**Basic Auditing Services** **Annual Firm Fixed Cost to the City for (2) Renewal Years (2015 and 2016)**

**General Financial Audit**

Est. – One audit per year

\$ 206,000 (No Federal and State Single Audit Programs included)

**Federal Award or State Financial**

Assistant Program (price per program)

Provide ONE PRICE, which should be the same for Federal or State Program

Est. – Nine audits per year,

(Any combination of State or Federal)

\$5,200 per program (\$46,800 total for Federal and State Single Audit for nine major programs)

**Large User Wastewater Agreements**

Est. - One audit per year

\$ 2,000

**Provide your Best & Final Hourly Rates for Additional Professional Services (attach document if needed):**

Standard billing rates will be used for any as needed auditing services. Standard billing rates are listed below.

**Audit:**

Partner \$325

Principle \$215

Supervisor \$160

Senior \$130

Staff \$116

**IT Consultant:**

Partner \$325

Manager \$175

Analyst \$155

