

REQUEST FOR PROPOSALS
MARICOPA ASSOCIATION OF GOVERNMENTS (MAG)
FY 2017 – 2021 FINANCIAL AUDIT SERVICES



September 6, 2016

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PUBLIC NOTICE
REQUEST FOR PROPOSALS
FY 2017 – 2021 AUDIT SERVICES

The Maricopa Association of Governments (MAG) is requesting proposals from qualified audit firms for Audit Services for FY 2017 – 2021. The purpose of this procurement is to hire a qualified accounting firm capable of providing professional auditing services in the areas of Single Audit and Financial Audit services to MAG. The duration of the Audit Services will be to audit the financial statements and to conduct a compliance audit for FY ending June 30, 2017 with the option of auditing MAG's financial statements and conducting the Single Audit for each of the four subsequent fiscal years upon evaluation and approval by MAG.

Detailed proposal requirements may be obtained by contacting the MAG Office at the address indicated below or may be downloaded from <http://www.azmag.gov>, then "RFPs and RFQs." For further information, please submit questions in writing by email to rkimbrough@azmag.gov not later than ten (10) working days prior to the closing date of November 16, 2016. Any addenda responding to questions will be posted on MAG's website at <http://www.azmag.gov> under "RFPs and RFQs" not later than six (6) working days prior to the closing date of November 16, 2016.

Proposals will be accepted until 12:00 Noon MST (Mountain Standard Time) on November 16, 2016, at MAG, 302 North First Avenue, Suite 200, Phoenix, AZ 85003.

SCOPE OF SERVICES

Introduction

The purpose of this Request for Proposals (RFP) is to solicit proposals from qualified audit firms for FY 2017 - 2021 Financial Audit Services for both the Financial Audit and the Single Audit for the Maricopa Association of Governments (MAG). The Maricopa Association of Governments (MAG) fiscal year goes from July 1 through June 30 each year. It is anticipated that the firm selected to serve as MAG's independent auditor will be retained for up to five (5) years, with annual evaluations made of the firm's services, and renewal of each year based upon these annual evaluations. These audits are to be performed in accordance with the generally accepted auditing standards and the standards applicable to financial statement audits of Government Auditing Standards as issued by the Comptroller General of the United States, as well as the provisions set forth in this RFP. In addition, the auditor will be required to conduct a compliance audit over major federal award programs in accordance with requirements of the Single Audit Act and the Office of Management and Budget.

Background

The Maricopa Association of Governments (MAG) is a Council of Governments (COG) that serves as the regional agency for the metropolitan Phoenix area. When MAG was formed in 1967, the elected officials recognized the need for long-range planning and policy development on a regional scale. They realized that many issues such as transportation and air quality affected residents beyond the borders of their individual jurisdictions.

MAG was founded in the spirit of cooperation. MAG members believe that by uniting, they can solve common problems, take an active role in long-range regional issues and address concerns that affect all of the communities.

MAG is the designated Metropolitan Planning Organization (MPO) for transportation for all jurisdictions in Maricopa County, including the Phoenix urbanized area and the contiguous urbanized area in Pinal County, including the Town of Florence and City of Maricopa. MAG has also been designated by the Governor to serve as the principal planning agency for the region in a number of other areas, including air quality, water quality management and solid waste management. In addition, through an Executive Order from the Governor, MAG develops population estimates and projections for the region.

The Maricopa Association of Governments desires the auditor to audit and to express opinions on the fair presentation of the basic financial statements in conformity with generally accepted accounting principles. The opinion units will include: MAG's governmental activities, any business-type activities, each major fund, and the aggregate remaining fund information. The entities included in the scope of this audit are the Maricopa Association of Governments (MAG) and two blended component units including the Maricopa Association of Governments Information Center (MAGIC) and Regional Community Partners (RCP).

The audit objectives shall accomplish, and are not limited to, the following:

1. Determining whether the financial statements present fairly the respective financial position of the governmental activities, the business-type activities, the two blended component units, each major fund, and the aggregate remaining fund information. The Audit also, includes obtaining the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the general fund and special revenue funds in conformity with accounting principles generally accepted in the United States of America. In addition, the audit includes determining whether the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

MAG Request For Proposals for FY 2017 – 2021 Financial Audit Services

2. Obtaining an understanding of internal control over financial reporting sufficient to plan the audit. This may be done by performing procedures to understand both the design of controls relevant to an audit of financial statements and whether they have been placed in operation, and assess control risk, in accordance with all relevant American Institute of Certified Public Accountants Statement on Auditing Standards (SAS).
3. Providing reasonable assurance of detecting material misstatements resulting from violations of provisions of contracts or grant agreements that have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives. If specific information comes to the auditor's attention that provides evidence concerning the existence of possible violations of provisions of contracts or grant agreements that could have a material indirect effect on the determination of financial statement amounts or other financial data significant to the audit objectives, auditors should apply audit procedures specifically directed to ascertain whether violations of provisions of contracts or grant agreements have occurred or are likely to have occurred. In addition, auditors should be alert to situations or transactions that could be indicative of abuse. If indications of abuse exist that could significantly affect the financial statement amounts or other financial data, auditors should apply audit procedures specifically directed to ascertain whether abuse has occurred and the effect on the financial statement amounts or other financial data
4. Ensuring that audit documentation related to planning, conducting, and reporting on the audit contains sufficient information to enable an experienced auditor who has had no previous connection with the audit to ascertain from the audit documentation that the documentation supports the auditors' significant judgments and conclusions. Before issuing reports, the auditor must ensure that the audit documentation contains support for auditor's findings, conclusions, and recommendations.
5. The Management Discussion and Analysis and budgetary comparison schedules will be presented as required supplementary information. The auditor will be responsible for applying certain limited procedures, which consist principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, the auditor is not expected to audit the information nor express an opinion on it.
6. The combining and individual financial statements and schedules for nonmajor funds, and other non-required supplementary information schedules will be presented for purposes of additional analysis. The auditor is to provide the required reports on these statements and supporting schedules based on the auditing procedures applied during the audit of the basic financial statements.
7. The Maricopa Association of Governments Fiscal staff will prepare end of year adjusting entries and will prepare working trial balances for the auditor. MAG staff may also prepare confirmations and certain schedules at year end which assist the external accounting firm. MAG Fiscal Services staff will prepare the statements, footnotes, and other information for the Comprehensive Annual Financial Report (CAFR). This report will be compiled, finalized and provided to MAG in both electronic and hard-copy format (130 copies) by the successful audit firm.
8. Considering the results of previous audits and attestation engagements and follow up on known significant findings and recommendations that directly relate to the objectives of the audit being undertaken.
9. The auditor will be responsible for providing any proposed adjusting entries to MAG management for review and acceptance. The audit firm will also provide a list of immaterial audit differences not proposed for adjustment. Once the audit is completed,

the audit firm will provide an electronic copy of the Comprehensive Annual Financial Report and will print and supply MAG with 130 hard copies of signed audit opinions and any related reports as well as 130 printed copies of the Comprehensive Annual Financial Report. The audit will be completed and these reports should be submitted to MAG prior to December 15 each year unless a GFOA extension has been granted.

10. All working papers and reports must be retained, at the auditor's expense, for a minimum of five (5) years, unless the firm is notified in writing by MAG of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the following parties:
 - The Maricopa Association of Governments
 - Parties designated by the federal or state government or by MAG as part of an audit quality review process
 - Auditors of entities of which MAG is a recipient or sub-recipient of grant funds
11. The independent accounting firm should be familiar with the Government Finance Officer's Association (GFOA) requirements and standards for Excellence in Financial Reporting and the firm will be asked to review and comment on the GFOA points and responses for the fiscal year being audited.
12. The Maricopa Association of Governments will provide the auditor with reasonable work space, desks and chairs. The auditor will also be provided with access to all telephone and data lines and photocopying facilities.
13. MAG Fiscal Services staff will be available during the audit to assist the audit firm by providing information, documentation and explanations.
14. The accounting firm will be readily available to answer questions throughout the year and meet with MAG staff if requested.
15. 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.
16. The firm will present the final report to the Maricopa Association of Governments Executive Committee and, upon request, to the Maricopa Association of Governments Management Committee and Regional Council. The firm will file all required federal reports within the appropriate time frame each year.
17. All other required objectives of the audit shall be performed.

PROPOSED TASKS

The Proposer is encouraged to be creative in developing a sound analytical approach which achieves the goals for this project. The Proposer is urged to be as specific as possible when describing the activities that will be performed to support each task. The Proposer is also urged to make maximum use of matrices, tables and drawings in working papers produced for the project to ensure conciseness and clarity and to minimize the amount of text required. In preparing a proposal for consideration by MAG, the Proposer will not be required to adhere strictly to the proposed tasks specified below. Additional tasks may be warranted.

The auditor shall prepare the following required audit reports, including those required by Government Auditing Standards and Office of Management and Budget, at the completion of the audit:

1. Standard Report on the Financial Statements.

Reference should be made that the audit was conducted in accordance with generally accepted government auditing standards. Auditors should include in their report on the financial statements either a (1) description of the scope of the auditors' testing of internal control over financial reporting and compliance with laws, regulations, and provisions of contracts or grant agreements and the results of those tests or (2) reference to the separate report(s) containing that information. If auditors report separately, the opinion or disclaimer should contain a reference to the separate report containing this information and state that the separate report is an integral part of the audit and should be considered in assessing the results of the audit.

2. Report on Compliance and on Internal Control Over Financial Reporting based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.

The report should describe the scope of the auditor's testing of compliance with laws and regulations and present the results of those tests. The report should also describe the scope of the auditor's testing of internal control and present the results of those tests. Also separate identification and written communication of all reportable conditions, including those reportable conditions that are individually or cumulatively material weaknesses, is required. As stated in paragraph 5.12 of Government Auditing Standards, "auditors should report, as applicable to the objectives of the audit (1) deficiencies in internal control considered to be reportable conditions as defined in AICPA standards, (2) all instances of fraud and illegal acts unless clearly inconsequential, and (3) significant violations of provisions of contracts or grant agreements and abuse."

3. Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With the Office of Management and Budget.

The auditor is required to express an opinion on whether the government entity complied with laws, regulations, and with the provisions of contracts or grant agreements which could have a direct and material effect on each major program and, where applicable, refer to a separate schedule of findings and questioned costs. The report on internal control over major programs should describe the scope of testing internal control and the results of the tests, and, where applicable, refer to a separate schedule of findings and questioned costs.

4. In accordance with Office of Management and Budget, the auditor's report(s) may be in the form of either combined or separate reports. The auditor's report(s) shall include an opinion as to whether the financial statements are presented fairly in all material respects in conformity with generally accepted accounting principles and an opinion as to whether the schedule of expenditures of federal awards is presented fairly in all material respects in relation to the financial statements taken as a whole. Auditors should follow all applicable guidance.

5. A written management letter containing matters not included in the auditor's report on compliance and on internal control over financial reporting shall be prepared and presented to the MAG's director at the conclusion of each audit. This letter shall address all exceptions in accounting practices, immaterial instances of noncompliance with laws and regulations, and deficiencies in the internal control that are not reportable conditions as required by auditing standards. Such immaterial instances of noncompliance and deficiencies in internal control that are not reportable conditions should be referred to in the report on compliance and on internal control over financial reporting. It is important to note that all audit findings required to be reported under the Office of Management and Budget guidelines. The auditor must offer recommendations for appropriate corrective action for each item contained in the management letter.
6. A preliminary draft of all reports shall be submitted to MAG prior to their release. MAG will review and approve the release of all draft reports. Draft reports should be submitted to ***Rebecca Kimbrough, Fiscal Services Manager, 302 N. 1st Avenue, Suite 100, Phoenix, AZ 85003.***

Deliverable Products:

Required products of this project are listed below. An administrative draft of each deliverable will be submitted in electronic form and, when requested, hard copy format, to the MAG project manager for review.

1. The winning proposer will be responsible for producing the Comprehensive Annual Financial Report (CAFR) document both electronically and in hard copy which will include the Office of Management and Budget Single Audit Reports. MAG's CAFR including the Office of Management and Budget Single Audit Reports has generally been about 140 pages total. An electronic copy and one hundred and thirty (130) copies of the CAFR are required.
2. Any other required reports required shall be submitted to MAG upon request.
3. Engagement Letter from audit firm each year of audit by June 1.

PROPOSAL REQUIREMENTS AND CONTENT

Project Schedule and Cost

The estimated time frame to be onsite for this audit is up to two to three weeks to conduct an annual audit of the financial statements and to conduct a compliance audit for FY ending June 30, 2017 with the option of auditing MAG's financial statements for each of the four subsequent fiscal years upon evaluation and approval by MAG. The field work and the audit must be completed and 130 hard copies of the final CAFR issued no later than December 15th each year.

Proposal Content

It is required that the proposal include the following items in the same order as they are listed below. Failure to provide the requested information may result in rejection of the proposal. Brief and concise submittals are encouraged. The total number of pages must not exceed 30 pages excluding the resumes, the cover letter, tabs, appendices, and forms. Blank pages are not included in the total page count. The outside packaging of the submittal must be clearly marked with the Project Title, the RFP Due Date, and the Proposer's name.

1. **Identification.** A cover letter or equivalent which includes:
 - a. The title of this solicitation.
 - b. Proposer's name and business address.
 - c. The name, title, mailing address, and telephone number and email address of the principal contact.
 - d. Signature from a representative or officer authorized to bind the audit firm.
2. **Table of Contents.** Include a clear identification of the material by section and page number.
3. **Organization and Approach.** A brief statement describing the audit firm's organization and outlining its approach to completing the work required by this solicitation. This statement shall briefly illustrate the Proposer's overall understanding of the project.
4. **Work Plan.** A concise explanation of how the audit firm will carry out the objectives of the audit. In the work plan, the audit firm shall describe the audit in more detail and proposed approach to the audit as clearly and thoroughly as possible.
 - a. Proposer should clearly identify the principal people who worked on past projects and the amount of time they devoted to the work effort.
5. **Preliminary Schedule.** An estimated audit schedule will indicate all work plan tasks and their durations. The schedule shall clearly identify project deliverable dates.
6. **Staffing Plan.** The plan shall include the following:
 - a. Identify the supervisors, including audit in-charge or senior accountants **who will work** on the audit.
 - b. Identify staff from other than the proposing office and list their home office(s).
 - c. Include name and phone number of the person authorized to answer questions about the proposal.

- d. **Résumés.** Resumes for each supervisory person assigned to the audit should be included and specific expertise indicated. Proposer should clearly identify the principal people who worked on past projects and the amount of time they devoted to the work effort.
1. **Budget.** A completed audit budget (Appendix A) for the financial audit and separately, the Single Audit as noted below:

Include a cost sheet that is a point by point breakdown showing a schedule of fees by for the financial audit and separately, the Single Audit, for each year. These fees shall be detailed as follows:

 - a. Rates which will be charged for services of personnel to be used to fulfill the terms of the contract.
 - b. Any other costs for which the Proposer wishes to be reimbursed under the contract; e.g. supplies, reproduction costs.
 - c. Total cost of the Financial Audit and, separately, total cost for the Single Audit for each of the (5) five years.
 2. **Recent Examples.** Audit firm recent experience in performing work similar to that anticipated herein. This description shall include the following:
 - a. Date of the project.
 - b. **Governmental Experience** - Describe *local* office auditing experience for the last three (3) years similar to the type of audit(s) requested.
 - c. Names of current clients. Provide names and telephone numbers of client officials responsible for those audits listed.
 - d. Proposer team members involved in these audits and their roles.
 3. **Additional Information.** Any additional information that the Proposer believes would be useful to MAG in evaluating the proposal.

----- **Forms and Appendices** -----

4. **Rules of Professional Conduct Certification Statement.** A signed statement, located on the last page of Appendix B, certifying that CONSULTANT will comply with, in all respects, the rules of professional conduct set forth in A.A.C. R4-30-301 (Appendix B), which is the official compilation of Administrative Rules and Regulations for the State of Arizona.
5. **Information Form.** A completed Proposer's Information Form (Appendix C). If applicable, completed Proposer's Information Form for each Subconsultant proposed for this project.

By signature on the Proposers Information Form, the audit firm certifies that:

- a. The submission of the offer did not involve collusion or other anti-competitive practices.
- b. The Proposer will not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11246.

- c. The Proposer has not given or offered to give and does not intend to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip favor, or service to a public servant in connection with the submitted offer.
 - d. Failure to sign the offer, or the falsity of a statement in a signed offer, shall void the submitted offer or any resulting contracts, and the Proposer may be debarred.
6. **Debarment and Suspension Certification.** As required by 49 CFR 29 (Debarment and Suspension), certification of Consultant's eligibility to receive Federal funds and a copy of such certification for which may be furnished to ADOT or other government entities. A certification to this effect is included in this RFP as Appendix D and must be submitted by Proposer in order for Proposer to be considered responsible and their proposal to be considered responsive.
7. **Conflict of Interests.** Each Proposer shall document within its proposal any potential conflicts of interests. A conflict of interest shall be cause for disqualifying a Proposer from consideration. A potential conflict of interest includes, but is not limited to:
- a. Accepting an assignment where duty to the client would conflict with the Proposer's personal interest, or interest of another client.
 - b. Performing work for a client or having an interest which conflicts with this contract.
 - c. Employing personnel who worked for MAG or one of its member agencies within the past three years.
 - d. All relationships with MAG and/or any employees of MAG.

MAG shall be the final determining body as to whether a conflict of interest exists.

8. **Confidential Portions Identification.** In accordance with Arizona Administrative Code R2-7-103, the audit firm may designate as confidential portions of a Proposal. A summary index of any such designation must be included in the Table of Contents or cover letter in the Proposal documents. If MAG determines to disclose the information provided, MAG shall inform the audit firm in writing of such determination.
9. **Anti-Lobbying:** MAG complies with the provisions of Section 1352 of Title 31, U.S. Code (Public law 101.121) as codified in Title 48, Federal Acquisition Regulations Subpart 3.8 and Subpart 52.203-11 and 23 CFR 630.112(c)(5). That legislation prohibits Federal funds from being expended by a recipient or any lower tier sub-recipients of a Federal contract, grant, loan, or cooperative agreement to pay any person for influencing or attempting to influence a Federal agency or Congress in connection with the award of any Federal contract, the making of any Federal grant or loan, or entering into any cooperative agreement, including the extension, continuation, renewal, amendments or modification of any Federal contract, grant, loan or cooperative agreement.

PROPOSER'S CHECKLIST

Before submitting a proposal, please make sure all required information as specified in "Proposal Requirement" have been included.

1. Five (5) copies of the proposal with a maximum of 30 pages.
2. Cover letter signed by a party authorized to bind the entity submitting the proposal.
3. Description of Proposer's organization and approach to work required by the solicitation.
4. Work plan including preliminary schedule, staffing plan, résumés, and similar experience.
5. Include an audit cost sheet that is a point by point breakdown showing a schedule of fees for the Financial Audit and separately, the Single Audit, for each year (Appendix A). These fees shall be detailed as follows:
 - a. Rates which will be charged for services of personnel to be used to fulfill the terms of the contract.
 - b. Any other costs for which the Proposer wishes to be reimbursed under the contract; e.g. supplies, reproduction costs.
 - c. Total cost of the Financial Audit and, separately, total cost for the Single Audit for each of the five years(5)
6. Signed certification of Proposer's compliance with the rules of professional conduct set forth in A.A.C. R4-30-301.
7. Signed audit firm's Information Form for Prime audit firm and for any proposed Subconsultants. Must be signed by a party authorized to bind the entity submitting the proposal.
8. Documentation of any potential conflicts of interest.
9. Debarment and Suspension Certification form.
10. Proposal submitted not later than November 16, 2016, 12:00 noon MST at 302 North First Avenue, Suite 200, Phoenix, AZ 85003.

PROPOSAL DELIVERY AND OPENING

1. FIVE (5) copies of the proposal must be submitted by 12:00 noon Mountain Standard Time (MST), November 16, 2016, to the following address:

Maricopa Association of Governments
Attention: Rebecca Kimbrough
302 North First Avenue, Suite 200
Phoenix, AZ 85003

Timely receipt of proposals shall be determined by the date and time the proposal is received at the above address. No late submissions, facsimile, or electronic submissions shall be accepted after the time indicated. Hand delivery is therefore encouraged to assure timely receipt. Proposals received after the deadline shall be stamped for time and date and returned unopened to the Proposer.

Proposals will be opened publicly and the name of each entity submitting a proposal will be read at 12:05 PM MST on November 16, 2016 at the MAG Offices, Agave Room, 302 North First Avenue, Suite 100, Phoenix, AZ 85003.

All material submitted in response to this solicitation becomes the property of MAG and shall not be returned. After contract award, the proposals shall be open for public inspection except to the extent that the withholding of information is permitted or required by law. If the Proposer designates a portion of its proposal as confidential, it shall isolate and identify in writing the confidential portions in accordance with Arizona Administrative Code R2-7-103 and shall be included in the proposal. Upon receipt of written notification, MAG will review any portions of the proposal that the Proposer considers to be confidential and will then make a determination on what should be released. MAG will also notify the Proposer in writing of the determination and provide an opportunity for the Proposer to respond to the decision prior to releasing the proposal.

2. Any questions regarding this Request for Proposals should be submitted in writing to Rebecca Kimbrough, MAG Fiscal Services Manager, by email at rkimbrough@azmag.gov not later than ten (10) working days prior to the closing date of November 16, 2016. Responses to questions submitted will be posted on the MAG Web site at <http://www.azmag.gov> under “RFPs and RFQs” not later than six (6) working days prior to the closing date of November 16, 2016. Additional information regarding MAG activities, including Committee meeting schedules, may be found on the MAG Web site <http://www.azmag.gov>.

PROPOSAL EVALUATION AND SELECTION PROCESS

1. **Evaluation Criteria.** All proposals will be evaluated by a group consisting of MAG staff and member agencies. Evaluation criteria include, but are not limited to, the following:
 - a. The ability, capacity, skill and experience of the audit firm to fulfill the terms of the contract or provide the service required and the education and relevant experience of personnel in providing similar services.
 - b. Whether the audit firm can fulfill the terms of the contract or provide the service promptly or within the time specified without delay or interference. Availability of key personnel throughout the audit effort. Proven track record in this area of audit.
 - c. The character, integrity, reputation, judgement, experience and efficiency of the audit firm.
 - d. The quality of fulfillment of the terms of previous contracts or services. Ability and commitment to deliver required products and services, meet all deadlines for submitting associated work products, and ensure quality control.
 - e. The previous and present compliance of the audit firm with laws and ordinances relating to the contract or service.
 - f. The sufficiency of the financial resources and ability of the audit firm to fulfill the terms of the contract or provide the services required.
 - g. The quality, availability and adaptability of the audit services to the particular use required. Recognition of work priorities and flexibility to deal with change and contingencies.
 - h. Price, except for the procurement of architectural or engineering (A&E) services.
2. **Interviews.** On the basis of the above evaluation criteria, selected firms submitting proposals may be interviewed prior to the selection of an audit firm. In-person interviews may be scheduled for the week of November 28, 2016. It is anticipated that firms selected for interviews will be contacted approximately one (1) week prior to the in-person interview date. MAG strongly suggests that the project manager and key members of the audit firm team be present at the in-person interview.
3. MAG may conduct discussions with Proposers who submit proposals determined likely to be selected for the award.
4. MAG reserves the right to:
 - a. Cancel this solicitation.
 - b. Reject any and all proposals and re-advertise.
 - c. Select the proposal(s) that will, in its judgment, best meet MAG's needs, despite any differences in estimated project costs between the proposer and all others.
 - d. Negotiate a contract that covers selected parts of a proposal, or a contract that will be interrupted for a period, or canceled, for lack of funds.
 - e. Conform with the State of Arizona Public Records law(s).

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5. Contact with MAG or MAG Member Agency Employees. All firms interested in this RFP (including the firm's employees, representatives, agents, lobbyists, attorneys, and subconsultants) will refrain, under penalty of disqualification, from direct or indirect contact for the purpose of influencing the selection or creating bias in the selection process with any person who may play a part in the selection process. This policy is intended to create a level playing field for all potential firms, and to protect the integrity of the selection process. All questions on this selection process should be addressed to the authorized representative at MAG.
6. **MAG Approval.** A recommendation for approval of the audit firm selection shall be made by the MAG Executive Director to the MAG Regional Council. The decision of the Regional Council is final.

ADMINISTRATIVE REQUIREMENTS

1. This Request for Proposals is for a cost-reimbursement plus fixed fee contract.
2. An audit examination of the audit firm's records may be required.
3. The firm selected will be required to comply with MAG insurance requirements, which may include: Workers' Compensation, Architects and Engineers Professional Liability insurance, Commercial General Liability insurance, Business Automobile Liability insurance, and Valuable Papers insurance.
4. The firm selected is required to document any potential conflicts of interest during the contract period. A conflict of interest shall be cause for terminating a contract. A potential conflict of interest includes, but is not limited to:
 - a. Accepting an assignment where duty to the client would conflict with the audit firm's personal interest, or interest of another client.
 - b. Performing work for a client or having an interest which conflicts with this contract
 - c. Employing personnel who worked for MAG or one of its member agencies within the past three (3) years.

MAG shall be the final determining body as to whether a conflict of interest exists.

5. Non-Discrimination:
 - a. During the performance of this procurement, MAG, its audit firms, Subconsultants, assignees and successors shall:
 - i. Not discriminate on the basis of race, color, national origin, or sex and shall carry out applicable requirements of 49 CFR Part 26 in the performance of this Contract. Failure by the audit firm to carry out these requirements is a material breach of this Contract, which may result in the termination of this Contract, disqualification from proposing on other Contracts or other remedy as the State deems appropriate.
 - ii. Comply with Executive Order 2009-09, "Prohibition of Discrimination in Employment by Government Contractors and Subcontractors," which is hereby included in its entirety by reference and considered a part of this Contract.
 - iii. Comply with the provisions of Executive Order 11246, entitled "Equal Employment Opportunity," as amended by Executive Order 11375, and as supplemented in Department of Labor Regulations (41 CFR Part 60). Said provisions are made applicable by reference and are hereinafter considered a part of this Contract.
 - iv. Post in conspicuous places available to employees and applicants for employment, the following notice:

“It is the policy of this company not to discriminate against any employee, or applicant for employment, because of race, color, religion, creed, national origin, sex, age, handicapped, or disabled veterans and Vietnam era veterans. Such actions shall include, but are not limited to: employment, upgrading, demotion, transfer, recruitment, or recruitment advertising; laying-off or termination; rates of pay or other compensation; and selection

for training, and on-the-job training. Also, it is the policy to ensure and maintain a working environment free of harassment, intimidation and coercion.”

- v. Comply with the Regulations relative to nondiscrimination in Federally-assisted programs of the U.S. Department of Transportation (hereinafter USDOT), 49 CFR Part 21, as they may be amended from time to time, (hereinafter referred to as the Regulations), which are herein incorporated by reference and made a part of this Contract.
 - vi. Not discriminate on the grounds of race, color, sex, or national origin in the selection and retention of Subconsultants, including procurement of materials and leases of equipment. The audit firm shall not participate either directly or indirectly in the discrimination prohibited by Section 21.5 of the Regulations, including employment practices.
 - vii. In all solicitations either by competitive bidding or negotiations made by the audit firm for work to be performed under a subcontract, including procurement of materials or leases of equipment, notify each potential Subconsultant or supplier of the Audit Firm’s obligations under this Contract and the Regulations relative to nondiscrimination on the ground of race, color, or national origin.
 - viii. Provide all information and reports required by the Regulations or directives issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information and its facilities as may be determined by the State to be pertinent to ascertain compliance with such Regulations, orders and instructions. Where any information required of a audit firm is in the exclusive possession of another who fails or refuses to furnish this information, the Audit Firm shall so certify to the State as appropriate, and shall set forth what efforts it has made to obtain the information.
- b. In the event of the audit firm’s noncompliance with the NONDISCRIMINATION provision of this solicitation, the State shall impose such Contract sanctions as the State or FHWA may determine to be appropriate, including but not limited to:
- i. Withholding of payments to the A audit firm under the Contract until the audit firm complies, and/or;
 - ii. Cancellation, termination, or suspension of the Contract, in whole or in part.
- c. The audit firm shall include the provisions of paragraph a.i through a.viii in every subcontract with Subconsultants, DBEs and Non-DBEs, including procurement of materials and equipment leases, unless exempt by the Regulations or directives issued pursuant thereto.
- d. The audit firm shall take such action with respect to any Subconsultants or procurement as the State or the Federal Aviation Administration (FAA), FHWA and the Federal Transit Administration (FTA) may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, however, that in the event the audit firm becomes involved in or is threatened with litigation with a Subconsultant or supplier as a result of such direction, the audit firm may request the State to enter into such litigation to protect the interests of the State, and in addition, the audit firm may request the United States to enter into such litigation to protect the interests of the United States.
6. Affirmative Action

The audit firm shall take the following affirmative action steps with respect to securing supplies, equipment or services under the terms of this Contract.

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- a. Include qualified firms owned by socially and economically disadvantaged individuals on solicitation lists.
- b. Assure that firms owned by socially and economically disadvantaged individuals are solicited whenever they are potential sources.
- c. When economically feasible, dividing total requirements into smaller tasks or quantities so as to permit maximum participation by firms owned by socially and economically disadvantaged individuals.
- d. Where the requirement permits, establish delivery schedules which shall encourage participation by firms owned by socially and economically disadvantaged individuals.
- e. Use the services and assistance of ADOT DBE Supportive Services Program, the Small Business Administration, the Office of Minority Business Enterprise of the Department of Commerce and the Community Services Administration as needed

APPENDIX A – AUDIT BUDGET

Include a contract costs sheet that is a point by point breakdown showing a schedule of fees by for the financial audit and separately, the Single Audit, for each year. These fees shall be detailed as follows:

- Rates which will be charged for services of personnel to be used to fulfill the terms of the contract.
- Any other costs for which the Proposer wishes to be reimbursed under the contract; e.g. supplies, reproduction costs.
- Total cost of the financial audit and, separately, total cost for the Single Audit for each of the five (5) years.

APPENDIX B – ARIZONA ADMINISTRATIVE CODE R4-30-301

CH. 30

BOARD OF TECHNICAL REGISTRATION

R4-30-301

**ARTICLE 3. REGULATORY PROVISION
R4-30-301. Rules of Professional Conduct**

All registrants shall comply with the following rules of professional conduct:

1. A registrant shall not submit any materially false statements or fail to disclose any material facts requested in connection with an application for registration or certification, or in response to a subpoena.
2. A registrant shall not engage in fraud, deceit, misrepresentation or concealment of material facts in advertising, soliciting, or providing professional services to members of the public.
3. A registrant shall not commit bribery of a public servant as proscribed in A.R.S. § 13-2602, commit commercial bribery as proscribed in A.R.S. § 13-2605, or violate any Federal statute concerning bribery.
4. A registrant shall comply with State, municipal, and county laws, codes, ordinances, and regulations pertaining to the registrant's area of practice.
5. A registrant shall not violate any State or Federal criminal statute involving dishonesty, fraud, misrepresentation, embezzlement, theft, forgery, perjury, bribery, or breach of fiduciary duty, if the violation is reasonably related to the registrant's area of practice.
6. A registrant shall apply the technical knowledge and skill that would be applied by other qualified registrants who practice the same profession in the same area and at the same time.
7. A registrant shall not accept an engagement if the duty to a client or the public would conflict with the registrant's personal interest or the interest of another client without making a full written disclosure of all material facts of the conflict to each person who might be related to or affected by the engagement.
8. A registrant shall not accept compensation for services related to the same engagement from more than one party without making a full written disclosure of all material facts to all parties and obtaining the express written consent of all parties involved.
9. A registrant shall make full disclosure to all parties concerning:
 - a. Any transaction involving payments to any person for the purpose of securing a contract, assignment, or engagement, except payments for actual and substantial technical assistance in preparing the proposal; or
 - b. Any monetary, financial, or beneficial interest the registrant holds in a contracting firm or other entity providing goods or services, other than the registrant's professional services, to a project or engagement.
10. A registrant shall not solicit, receive, or accept compensation from material, equipment, or other product or services suppliers for specifying or endorsing their products, goods or services to any client or other person without full written disclosure to all parties.

11. If a registrant's professional judgment is overruled or not adhered to under circumstances where a serious threat to the public health, safety, or welfare may result, the registrant shall immediately notify the responsible party, appropriate building official, or agency, and the Board of the specific nature of the public threat.
12. If called upon or employed as an arbitrator to interpret contracts, to judge contract performance, or to perform any other arbitration duties, the registrant shall render decisions impartially and without bias to any party.
13. To the extent applicable to the professional engagement, a registrant shall conduct a land survey engagement in accordance with the April 12, 2001 Arizona Professional Lands Surveyors Association (APLS) Arizona Boundary Survey Minimum Standards, as adopted by the Board on June 15, 2001, the provisions of which are incorporated in this subsection by reference and on file with the Office of the Secretary of State. This incorporation by reference does not include any later amendments or editions and is available at the Board's office and APLS at <http://www.aia.org>.
14. A registrant shall comply with any subpoena issued by the Board or its designated administrative law judge.
15. A registrant shall update the registrant's address and telephone number of record with the Board within 30 days of the date of any change.
16. A registrant shall not sign, stamp, or seal any professional documents not prepared by the registrant or a bona fide employee of the registrant.
17. Except as provided in subsections (18) and (19), a registrant shall not accept any professional engagement or assignment outside the registrant's professional registration category unless:
 - a. The registrant is qualified by education, technical knowledge, or experience to perform the work; and
 - b. The work is exempt under A.R.S. § 32-143.
18. A registered professional engineer may accept professional engagements or assignments in branches of engineering other than that branch in which the registrant has demonstrated proficiency by registration but only if the registrant has the education, technical knowledge, or experience to perform such engagements or assignments.
19. Except as otherwise provided by law, a registrant may act as the prime professional for a given project and select collaborating professionals; however, the registrant shall perform only those professional services for which the registrant is qualified by registration to perform and shall seal and sign only the work prepared by the registrant or by the registrant's bona fide employee.
20. A registrant who is designated as a responsible registrant shall be responsible for the firm or corporation. The Board may impose disciplinary action on the responsible registrant for any violation of Board statutes or rules that is committed by a non-registrant employee, firm, or corporation.
21. A registrant shall not enter into a contract for expert witness services on a contingency fee basis or any other arrangement in a disputed matter where the registrant's fee is directly related to the outcome of the dispute.

Amended by final rulemaking at 12 A.A.R. 1609, effective July 1, 2006 (Supp. 06-2).

COMPLIANCE WITH RULES OF PROFESSIONAL CONDUCT CERTIFICATION

I hereby certify to the best of my knowledge and belief that _____
(Name of Consulting Firm)

and I _____ as the _____ shall comply with, in all
(Name) (Title)

respects, the rules of professional conduct sent forth in A.A.C. R4-30-301.

(Signature)

(Print Name)

(Date)

APPENDIX C – PROPOSER’S INFORMATION FORM

Consultants proposing as prime Consultants or Subconsultants on Maricopa Association of Governments’ (MAG) projects are required to complete this form and return it with your proposal.

If you have any questions about this information form, please call the MAG Fiscal Services Manager, (602) 254-6300.

1. GENERAL INFORMATION:

Name of Firm: _____
 Street Address: _____
 City, State, Zip: _____
 Telephone Number: _____ Fax Number: _____
 Email Address: _____
 Web address: _____ Year firm was established: _____
 Is this firm a prime consultant? Yes _____ No _____
 Is this firm a subconsultant? Yes _____ No _____
 If so identify specialty: _____
 Is this firm a certified DBE? Yes _____ No _____
 If so, by whom? _____
 Is this firm currently debarred? Yes _____ No _____
 Is this firm currently the subject of debarment proceeding? Yes _____ No _____

2. FINANCIAL INFORMATION

Firm’s annual gross receipts (average of last three years)
 _____ <\$300,000
 _____ \$300,000 - \$599,999
 _____ \$600,000 - \$999,999
 _____ \$1,000,000 - \$4,999,999
 _____ >\$5,000,000

Information will be maintained as confidential to the extent allowed by Federal and State law. The undersigned swears that the above information is correct. Any material misrepresentation may be grounds for terminating any contract which may be awarded and initiating action under Federal and State laws concerning false statements.

 [NAME, TITLE]

 Date

APPENDIX D – DEBARMENT/SUSPENSION CERTIFICATION

STATE OF)

SS.)

COUNTY OF)

I, _____ of the City of _____, in the County of

_____ and the State of _____, of full age, being duly sworn according to the law of my oath depose and say that:

In accordance with the terms of U.S. DOT regulations, “Nonprocurement Suspension and Debarment,” 2 CFR Part 1200, which adopts and supplements the provisions of U.S. Office of Management and Budget (U.S. OMB) “Guidelines to Agencies on Government-wide Debarment and Suspension (Nonprocurement),” 2 CFR Part 180:

1. Proposer certifies to the best of its knowledge and belief, that it and its principals, including its first tier Subconsultants: (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded or disqualified from covered transactions by any Federal department or agency; (b) Have not within a three-year period preceding its latest application or proposal been convicted of or had a civil judgment rendered against any of them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction, or contract under a public transaction; violation of any Federal or State antitrust statute; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making any false statement, or receiving stolen property; (c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses listed in subparagraph (1)(b) of this certification; (d) Have not within a three-year period preceding this certification had one or more public transactions (Federal, State, or local) terminated for cause or default.
2. Proposer certifies that it and its principals, including its first tier Subconsultants will treat each lower tier contract or lower tier subcontract under the Project that (a) equals or exceeds \$25,000, (b) is for audit services, or (c) requires the consent of a Federal official, as a covered contract for purposes of 2 CFR Part 1200 and 2 CFR Part 180, and will otherwise comply with the Federal requirements of 2 CFR Part 1200 and 2 CFR Part 180, and will assure that each lower tier participant involved in the Project is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded or disqualified from participation in this transaction by any Federal department or agency;
3. Proposer certifies that if, later, it or its principals, including any of its first tier Subconsultants, become aware of any information contradicting the statements of subparagraphs (1)(a) through (d) above, it will promptly provide any necessary information to MAG;
4. If Proposer or any of its principals, including any of its first tier Subconsultants or lower tier participants, is unable to certify to the statements within paragraphs 1, 2, and 3 above, the Proposer shall indicate so on its Signature Page.
5. The Proposer further certifies that their firm is not currently debarred, suspended, or proposed for debarment or suspension by the State of Arizona, or any subdivision thereof.
6. Proposer agrees to notify MAG of any change in the status or facts certified above, should one occur, until such time as the Contract is actually executed by MAG, and thereafter during performance of the Contract.

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Dated: _____

Signature of Proposer

Printed/Typed Name of Proposer

Corporate seal (if applicable)

Sworn to before me this ____ day of _____, 201__, in the County of _____,

State of _____

Notary Public

APPENDIX E – TITLE VI AGREEMENT/CONTRACT REQUIREMENTS

The Maricopa Association of Governments, in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252.42 U.S.C. §§ 2000d-4) and the Regulations, hereby notifies all advertisement, disadvantaged business enterprises will be afforded full and fair opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, or national origin in consideration for an award.

The contractor shall comply with the following non-discrimination acts:

State Executive Order No. 99-4 Amending 75-5 which mandates that all persons, regardless of race, color, religion, sex, age, national origin or political affiliation, shall have equal access to employment opportunities.

Section 503 of the Rehabilitation Act of 1973, as amended, which prohibits discrimination in the employment or advancement in employment of qualified persons because of physical or mental handicap

During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "contractor") agrees as follows:

1. **Compliance with Regulations:** The contractor (hereinafter includes consultants) will comply with the Acts and the Regulations relative to Non-discrimination in Federally-assisted programs of the U.S. Department of Transportation, Federal Highway Administration or the Arizona Department of Transportation, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.
2. **Non-discrimination:** The contractor, with regard to the work performance by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor will not participate directly or indirectly in the discrimination prohibited by the Acts and the Regulations, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR Part 21.
3. **Solicitations for Subcontracts, Including Procurements of Materials and Equipment:** In all solicitations, either by competitive bidding, or negotiation made by the contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the contractor of the contractor's obligations under this contract and the Acts and Regulations relative to Non-discrimination on the grounds of race, color, or national origin.
4. **Information and Reports:** The contractor will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Recipient, the Federal Highway Administration or Arizona Department of Transportation to be pertinent to ascertain compliance with such Acts, Regulations, and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the contractor will so certify to the Recipient, the Federal Highway Administration, or Arizona Department of Transportation, as appropriate, and will set forth what efforts it has made to obtain the information.
5. **Sanctions for Noncompliance:** In the event of a contractor's noncompliance with the Non-discrimination provisions of this contract, the Recipient will impose such contract sanctions as it or the Federal Highway Administration or Arizona Department of Transportation, may determine to be appropriate, including, but not limited to:
 - a. withholding payments to the contractor under the contract until the contractor complies; and/or
 - b. cancelling, terminating, or suspending a contract, in whole or in part.

6. **Incorporation of Provisions:** The contractor will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. The contractor will take action with request to any subcontract or procurement as the Recipient, the Federal Highway Administration, or Arizona Department of Transportation may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the contractor becomes involved in, or is threatened with litigation by a subcontractor or supplier because of such direction, the contractor may request the Recipient to enter into any litigation to protect the interests of the Recipient. In addition, the contractor may request the United States to enter into the litigation to protect the interests of the United States. During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "contractor") agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

Pertinent Non-Discrimination Authorities:

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq.*, 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin); and 49 CFR Part 21.
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Federal-Aid Highway Act of 1973, (23 U.S.C. § 324 *et seq.*), (prohibits discrimination on the basis of sex);
- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 *et seq.*), as amended, (prohibits discrimination on the basis of disability); and 49 CFR Part 27;
- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 *et seq.*), (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131-12189) as implemented by Department of Transportation regulations at 49 C.F.R. parts 37 and 38;
- The Federal Aviation Administration's Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1687 *et seq.*).