

ACCOUNTING FIRM'S NAME
ADDRESS,
CITY, STATE ZIP

PHONE NO.
FAX NO.

Wilbur M. Berry Jr.
Commissioner of Finance and Revenue
P. O. Box 928
104 Public Square
Clarksville, Tennessee 37041-0928

NOTIFICATION OF INTEREST

Dear Mr. Berry:

Our firm is interested in submitting a proposal to audit the City of Clarksville's financial statements for the fiscal year ending June 30, 1997, with the option of auditing the City of Clarksville's financial statements for the four [4] subsequent fiscal years, as set forth in the Request for Proposals (RFP) dated January 3, 1997.

[Please select from the following as applicable]

_____ We plan to have representatives attend a preproposal conference for firms interested in submitting proposals. The preproposal conference will be held at 1:00 p.m., Friday, January 31, 1997, in your office at 104 Public Square.

_____ We are attaching a list of questions for which we are requesting a response or additional information which we need to submit a proposal.

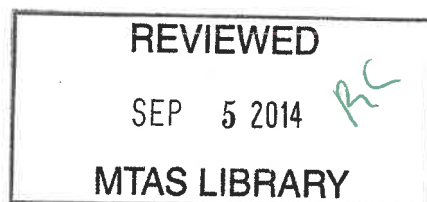
-OR-

_____ We will be **unable** to send representatives to the preproposal conference, but we will be submitting a proposal.

_____ We are attaching a list of questions for which we are requesting a response or additional information which we need to submit a proposal.

Yours very truly,

[AUDIT FIRM]



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CITY OF CLARKSVILLE

FINANCE AND ADMINISTRATION COMMITTEE
DEPARTMENT OF FINANCE AND REVENUE
104 PUBLIC SQUARE

REQUEST FOR PROPOSALS

FOR

PROFESSIONAL AUDITING SERVICES

FOR THE YEARS ENDING JUNE 30, 1997, 1998, 1999, 2000, AND 2001

REQUEST FOR PROPOSAL DATE: JANUARY 3, 1997

CITY OF CLARKSVILLE

REQUEST FOR PROPOSALS

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CITY OF CLARKSVILLE

REQUEST FOR PROPOSALS

I. INTRODUCTION

A. General Information

The City of Clarksville is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal year ending June 30, 1997, with the option of auditing its financial statements for each of the four [4] subsequent fiscal years. These audits are to be performed in accordance with generally accepted auditing standards, the standards set forth for financial audits in the General Accounting Office's (GAO) Government Auditing Standards (1988), the applicable provisions of the federal Single Audit Act of 1984 and U.S. Office of Management and Budget (OMB) Circular A-128 and/or Circular A-133, Audits of State and Local Governments as well as the requirements of the Comptroller of the State of Tennessee.

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

A preproposal conference for all the firms interested in submitting a proposal will be held at 1:00 p.m. on Friday, January 31, 1997, at the Department of Finance and Revenue, 104 Public Square in second floor Council Chambers to answer questions about the engagement. After this preproposal conference, any inquiries concerning the request for proposals should be addressed to Wilbur M. Berry Jr., Commissioner of Finance and Revenue.

To be considered, six [6] copies of a proposal must be received by Wilbur M. Berry Jr. at 104 Public Square by 4:00 p.m. on Friday, February 14, 1997. The City of Clarksville reserves the right to reject any or all proposals submitted after this time.

Proposals submitted will be evaluated by a four member Finance and Administration Committee (the "Audit Committee") selected by the Mayor of the City of Clarksville, consisting of four members from the Clarksville City Council appointed to the Finance and Administration Committee.

During the evaluation process, the Finance and Administration Committee and the City of Clarksville reserve the right, where it may serve the City of Clarksville's best interest, to request additional information or clarifications from proposers, or to allow corrections of errors or omissions. At the discretion of the City of Clarksville or the Finance and Administration Committee (the "Audit Committee"),

firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

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

It is anticipated the selection of a firm will be completed by Friday, February 28, 1997. Following the notification of the selected firm it is expected a contract will be executed between both parties by Friday, March 14, 1997.

B. Term of Engagement

A five-year contract is contemplated, subject to the annual review and approval of the Finance and Administration Committee, the satisfactory negotiation of terms (including a price acceptable to both the City of Clarksville and the selected firm), the annual concurrence of the Finance and Administration Committee, the annual availability of an appropriation, and the approval of the Comptroller of the Treasury's Division of Municipal Audit.

C. Subcontracting

Firms submitting proposals may consider subcontracting portions of the engagement to small audit firms or audit firms owned and controlled by socially and economically disadvantaged individuals. If this is to be done, that fact, and the name of the proposed subcontracting firms, must be clearly identified in the proposal. Following the award of the audit contract, no additional subcontracting will be allowed without the express prior written consent of the City of Clarksville.

II. NATURE OF SERVICES REQUIRED

A. General

The City of Clarksville is soliciting the services of qualified firms of certified public accountants to audit its financial statements for the fiscal year ending June 30, 1997, with the option to audit the City of Clarksville's financial statements for each of the four [4] subsequent fiscal years. These audits are to be performed in accordance with the provisions contained in this request for proposals. The funds and the account groups to be audited are

- a. Governmental Funds
 - i. General Fund

- ii. Special Revenue Funds
 - a. Drug Fund
 - b. Community Development
 - c. Parks and Recreation Funds
 - iii. Debt Service Fund
 - iv. Capital Projects Fund
 - b. Account Groups
 - i. General Fixed Assets Account Group
 - ii. General Long-Term Debt Account Group
 - c. Enterprise Funds
 - i. Transit System
 - ii. Parking Authority
 - iii. American Snuff Co. Building
 - d. Fiduciary Fund
 - i. Section 457 Deferred Compensation Plan
 - ii. Pension Fund (Tennessee Consolidated Retirement System)
 - e. Internal Service Funds
 - i. Dental Fund
 - ii. Health Fund
 - iii. Liability Fund (general, on the job injury, and auto)

B. Scope of Work to be Performed

The City of Clarksville also desires the auditor to express an opinion on the fair presentation of its combining and individual fund and account group financial statements and schedules in conformity with generally accepted accounting principles. The auditor is not required to audit the supporting schedules contained in the comprehensive annual financial report. However, the auditor is to provide an "in-relation-to" opinion on the supporting schedules based on the auditing procedures applied during the audit of the general purpose financial statements and the combining and individual fund financial statements and schedules. The auditor may be requested to aid in the preparation of any schedule necessary or provide advice on the preparation of necessary schedules. The auditor is not required to audit the statistical section of the report. The auditor may be requested to aid in the preparation of the statistical section or provide advice on the preparation of the statistical section.

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 schedule of federal financial assistance. However, the auditor is to provide an "in-relation-to" report on that schedule based on the auditing procedures applied during the audit of the financial statements.

The auditor shall be responsible for the issue of financial statements and the combining and individual fund and account group financial statements of the City of Clarksville. Activities of the auditors of the City of Clarksville shall be coordinated with the activities of the auditors of the other units, agencies, boards, component units, or any other entity whose audit should be included in the audit of the City of Clarksville.

The auditor shall be responsible for satisfying all audit requirements for Tennessee municipal governments as promulgated by the Comptroller of the State of Tennessee for all municipal financial statements issued.

C. Auditing Standards To Be Followed

To meet the requirements of this request for proposals, the audit shall be performed in accordance with generally accepting auditing standards as set forth by the American Institute of Certified Public Accountants, the standards for financial audits set forth in the U.S. General Accounting Office's Government Auditing Standards (1988), the provisions of the Single Audit Act of 1984 and the provisions of U.S. Office of Management and Budget (OMB) Circular A-128 and/or A-133, Audits of State and Local Governments as applicable.

To meet the requirements of this request for proposal, the audit shall be performed in accordance with all the requirements of the Comptroller of the Treasury's Department of Audit and all applicable provisions of the Tennessee Code Annotated.

D. Reports to be Issued

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

1. A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles.
2. A report on the internal control structure based on the auditors' understanding of the control structure and assessment of control risk.
3. A report on the fair presentation of the financial statements in accordance with government auditing standard.

4. A report on compliance with applicable laws and regulations
5. An "in-relation-to" report on the schedule of federal financial assistance
6. A report on the internal control structure used in administering federal financial assistance programs.
7. A report on compliance with general requirements applicable to major federal financial assistance programs.
8. A report on compliance with specific requirements applicable to major federal financial assistance programs.
9. A report on compliance with general requirements applicable to non-major federal financial assistance programs.
10. A report on compliance with specific requirements applicable to non-major federal financial assistance programs.
11. All reports which may be required by the Comptroller of the Treasury and U.S. General Accounting Office's Government Auditing Standards (1988), the provisions of the Single Audit Act of 1984 and the provisions of U.S. Office of Management and Budget (OMB) Circular A-128 and/or A-133, Audits of State and Local Governments.
12. In the required report[s] on internal controls, the auditor shall communicate any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions that are also material weaknesses shall be identified as such in the report. Nonreportable conditions discovered by the auditors shall be reported in a separate letter to management, which shall be referred to in the report[s] on internal controls. The reports on compliance shall include all instances of noncompliance.

Irregularities and illegal acts. Auditors shall be required to immediately contact the Comptroller of the Treasury's Division of Municipal Audit when they become aware of irregularities and illegal acts. After contacting the Division of Municipal Audit, the auditors shall then make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the following parties in the sequence listed:

- a. Comptroller of the Treasury's Division of Municipal Audit
- b. Chairman of the Finance and Administration Committee
- c. Mayor of the City of Clarksville
- d. City Attorney
- e. Commissioner of Finance and Revenue

Reporting to the Finance and Administration Committee (the "Audit committee").

Auditors shall insure that the City of Clarksville's Finance and Administration Committee (the "Audit committee") is aware of and 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.

The auditors may schedule a conference or conferences as they feel necessary with the Audit Committee to make the Committee aware and keep the Committee informed of above areas.

E. Special Considerations

1. The City of Clarksville may prepare one or more official statements in connection with the sale of debt securities which will contain the general purpose financial statements and the auditor's report thereon. The auditor shall be required, if requested by the fiscal advisor and/or the underwriter, to issue a "consent and citation of expertise" as the auditor and any necessary "comfort letters."
2. The City of Clarksville has determined that the United States Department of Bureau of Census will function as the single audit clearing house in accordance with the provisions of the Single Audit Act of 1984 and U.S.

Office of Management and Budget (OMB) Circular A-128 and/or A-133,
Audits of State and Local Governments.

3. The schedule of federal financial assistance and related auditor's report, as well as the reports on the internal controls and compliance are to be issued as part of the comprehensive annual financial report
4. A list of findings and other weaknesses from the City of Clarksville's most recent available financial statement audit, as well as a list of findings from internal audits conducted during the most recent fiscal period to be audited, are attached to this document (Appendix A). Of those findings and other weaknesses, management believes that all findings and weaknesses are in the process of being corrected, however the Commissioner of Finance and Revenue will respond to questions concerning the current status of any finding or weakness during the preproposal conference for all the firms interested in submitting a proposal held at 1:00 p.m. on Friday, January 31, 1997, at the Department of Finance and Revenue, 104 Public Square in second floor Council Chambers.
5. Difficulties may be anticipated in implementing and complying with reporting requirements that have been or that may be mandated by the GASB. The City of Clarksville may require the auditor's assistance to comply with these GASB implementation and reporting requirements

F. Working Paper, Schedules, and Reports

All working papers, schedules, and reports which are prepared in support of the disclosures found in annual financial statements must be provided bound or in a notebook in good form, to the City of Clarksville's Department of Finance and Revenue, at the auditor's expense. These working papers, schedules, and reports shall be bound in notebook form and shall clearly support the amounts reported in the annual financial statements of the City of Clarksville for all funds audited.

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

1. Comptroller of the Treasury, State of Tennessee.
2. Any Federal or State Agency.
3. US. General Accounting Office (GAO).

4. Parties designated by the federal or state governments or by the City of Clarksville as part of an audit quality review process.
5. Auditors of entities of which the City of Clarksville is a subrecipient of grant funds.
6. Auditors of entities of which the City of Clarksville is a component unit (if any).

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

Release of information to other persons or agencies not listed is prohibited unless expressly authorized in writing by the City of Clarksville.

III. DESCRIPTION OF THE GOVERNMENT

A. General Information and Names of Officials:

The City of Clarksville, located in Montgomery County Tennessee, was organized under the Chapter 292 of the 1957 Private Acts of the General Assembly of the State of Tennessee. The city operates under the Mayor and city council form of government. The elected officials of the City Government are as follows:

Mayor	Honorable Donald W. Trotter
City Council	
First Ward	Sam Johnson
Second Ward	Staton Shelby
Third Ward	Gabriel Segovia
Fourth Ward	Wallace Redd
Fifth Ward	John Aldridge
Sixth Ward	Mark Holleman
Seventh Ward	Mary Jo Dozier
Eighth Ward	Tad Boren
Ninth Ward	Ron Edmondson
Tenth Ward	Curtis Johnson
Eleventh Ward	Morrell Boyd
Twelfth Ward	Mike Alexander
City Judge	Larry B. Watson

The appointed officials of the City of Clarksville are:

Commissioner of Finance and Revenue	Wilbur Berry
City Engineer	Denzil Biter
City Attorney	David Haines

City Clerk

Sylvia Skinner

The Finance and Administration Committee members (the "Audit Committee") are

Tenth Ward	Curtis Johnson (Chair Person)
Eleventh Ward	Morrell Boyd
Sixth Ward	Mark Holleman
Second Ward	Staton Shelby

Location of Office: Mayor's Office, 102 Public Square
Finance and Revenue Department, 104 Public Square

The auditor's principal contact with the City of Clarksville will be Wilbur M. Berry Jr., Commissioner of Finance or Debra J. Frazier, Chief Accountant, or a designated representative, who will coordinate the assistance to be provided by the City of Clarksville to the auditor.

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

B. Background Information

The City of Clarksville serves an area of 75 square miles with a population of 89,246 (1995 census). The City of Clarksville's fiscal year begins on July 1 and ends on June 30.

The City of Clarksville provides the following services to its citizens:

1. Public Safety
 - a. Fire Protection
 - i. Fire Prevention
 - ii. Rescue Truck Operations
 - iii. Fire Suppression
 - iv. Public Education
 - b. Police Protection
 - i. Patrol
 - ii. Detectives and Investigations
 - iii. Drug Enforcement
 - iv. Drug Education and Awareness
 - v. Citizen Involvement
2. Highways and Streets
 - a. Street Construction and Maintenance
 - b. Street Markings and Signs
 - c. Street Lighting and Traffic Signals

3. Parks and Recreation
 - a. Parks and Playgrounds
 - b. Community Centers
 - c. Recreation Facilities (softball, baseball, tennis, and swimming)
 - d. Golf Courses (18-hole and 9-hole courses)
 - e. Seasonal Programs for Citizens.
4. General government
 - a. Executive and Legislative Branches
 - b. Department of Finance
 - c. Human Resources and Risk Management
 - d. Codes Enforcement
 - e. Property Maintenance
 - f. Garage
 - g. Cemetery
5. Public Transportation
6. Public Parking
7. Public Utilities
 - a. Water
 - b. Sewer
 - c. Gas
 - d. Electric
8. Public Housing Rehabilitation (community development)

The City of Clarksville has a total payroll of \$13,200,000 covering 564 employees.

The City of Clarksville is organized as follows:

- a. General Government:
 - i. Human Resources
 - ii. Mayor's Office
 - iii. Administration (City Council)
 - iv. Cemetery
 - v. Traffic Control (Street and Roads)
 - vi. Police Department
 - vii. Fire Department
 - viii. Building Codes (Codes Enforcement)
 - ix. Finance and Revenue
 - x. Garage
 - xi. Property Maintenance

- xii. Purchasing
 - xiii. Streets and Road Maintenance
 - xiv. Parks Department
 - xv. Golf Courses
 - xvi. Community Development
- b. Enterprise funds:
 - i. Electric Department
 - ii. Gas Department
 - iii. Water Department
 - iv. Sewer Department
 - v. Public Transportation
 - vi. Public Parking
 - vii. American Snuff Co. Building
- c. Internal service funds:
 - i. Dental
 - ii. On-The-Job Injury
 - iii. Health
 - iv. Liability
- d. Capital projects fund
- e. Debt service fund
- f. Trust and agency funds
 - i. Deferred Compensation Fund
 - ii. Tennessee Consolidated Retirement System
- g. The accounting and financial reporting functions of the City of Clarksville are decentralized.

More detailed information on the government and its finances can be found in organizational chart, the annual audit, and the annual budget.

C. Fund Structure

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

<u>Fund Type/Account Group</u>	<u>Number of Individual Funds</u>	<u>Number With Legally Adopted Annual Budgets</u>
General fund	<u>1</u>	<u>1</u>
Special revenue funds	<u>3</u>	<u>3</u>

Debt service funds	<u>1</u>	<u>1</u>
Capital projects funds	<u>1</u>	<u>1</u>
Enterprise funds	<u>7</u>	<u>4</u>
Internal service funds	<u>4</u>	<u>0</u>
Expendable trust funds	<u>0</u>	<u>0</u>
Nonexpendable trust funds	<u>0</u>	<u>0</u>
Pension trust funds	<u>1</u>	<u>0</u>
Agency funds	<u>2</u>	<u>0</u>
General fixed assets		
account group	<u>1</u>	<u>NA</u>
General long-term debt		
account group	<u>1</u>	<u>NA</u>

D. Budgetary Basis of Accounting

The City of Clarksville prepares its budgets on a basis consistent with generally accepted accounting principles.

E. Federal and State Financial Assistance

During the fiscal year to be audited, based on FY 1994-95, the City of Clarksville generally receives the following financial assistance, this list may not be all inclusive:

U. S. Department of Agriculture	10 550
U. S. Department of Housing and Urban Development	14 218
U. S. Department of Transportation	83 516
U. S. Environmental Protection Agency	20 507
Tennessee Department of Transportation	NS-E94-003
Tennessee Housing Development Agency	NS-E93-02
Tennessee Housing Development Agency	NS-E94-003
Tennessee Historical Commission	GG-3-064764-00
Tennessee Arts Commission	Z-5-070946-5-0
Tennessee Department of Environment and Conversation	Z-5-60762-3-00
Tennessee State Revolving Loan-division of Bond Finance	

F. Pension Plans

The City of Clarksville participates in the Tennessee Consolidate Retirement System. For the years FY 1996-97 and FY 1997-98, the City of Clarksville will pay into the fund at a rate of 6% of its payroll. The 6% includes both the employer's and employees' contribution into the TCRS. The Clarksville Department of Electricity is covered under a defined contribution, single employer public employee retirement system. See Note 8 of the 1994-95 Financial statement for relevant details, 1995-96 not available as of this date, but we believe that this

note will not change for the year 1996-97 as applicable to the description of the Clarksville Department of Electricity's pension plan.

G. Component Units

The City of Clarksville is defined, for financial reporting purposes, in conformity with the Governmental Accounting Standards Board's Codification of Governmental Accounting and Financial Reporting Standards, Section 2100. Using these criteria, there are no identified component units which are to be included in the City of Clarksville's financial statements.

H. Joint Ventures

The City of Clarksville does not participate in joint ventures with other governments. The City of Clarksville does make annual appropriations for contributions to certain governmental and non-profit agencies. Montgomery County generally makes a similar appropriation to these agencies.

I. Magnitude of Finance Operations

The finance department is headed by Wilbur M. Berry Jr., Commissioner of Finance and Revenue and excluding the Commissioner's position, consists of 11 employees. The principal functions performed and the number of employees assigned to each are as follows:

<u>Function</u>	<u>Number of Employees</u>
Property and Business Tax Collections	3
Accounts Payable	3
Payroll	1
Accounting	3
Secretarial	1

J. Computer Systems:

The City of Clarksville's computer hardware and software are scheduled for and funds have been appropriated for an upgrade in FY 1996-97. The following descriptions are based on this scheduled upgrade.

Hardware

<u>Type of Equipment</u>	<u>Number</u>	<u>Make of Equipment</u>	<u>Networked?</u>
Main Computer	1	Data General	Yes, to work stations
Workstations-PC's	12	Various Brands	Only to main computer

Departmental PC's through out city	14	Various Brands	No, dial in through modem
County Trustee, tube and keyboard only	1	Data Quest	No, dial in through modem

Software

<u>Major Application</u>	<u>Vendor</u>
General Ledger	Data Quest, Columbia, TN
Accounts Payable	Data Quest, Columbia, TN
Accounts Receivable	Data Quest, Columbia, TN
Property Tax	Data Quest, Columbia, TN
Business Tax	Data Quest, Columbia, TN
Fixed Assets	Data Quest, Columbia, TN
Cash Receipts System	Data Quest, Columbia, TN
Lotus 1-2-3	Lotus
Lotus Ami Pro	Lotus
Microsoft Excel	Microsoft
Microsoft Word	Microsoft

K. Internal Audit Function

The City of Clarksville has maintained an internal audit function for the past 2 years. The internal audit function reports to Mayor Don Trotter and is staffed one contracted CPA. Gil Bowers, CPA serves as the city's internal auditor on a contract basis.

L. Availability of Prior Audit Reports and Working Papers

Interested proposers who wish to review and discuss prior years' audit reports and schedules should contact Ms. Debbie Frazier, 104 Public Square, P. O. Box 928, Clarksville, Tennessee 37041-0928, 615-645-7443 to arrange a mutually acceptable time for an appointment to review and discuss the prior year's audit reports with the city's accounting staff.

IV. TIME REQUIREMENTS

A. Proposal Calendar

The following is a list of key dates up to and including the date proposals are due to be submitted:

Request for proposal issued	January 3, 1997
Due date for notification of interest	January 30, 1997
Preproposal conference	January 31, 1997
On-site inspection	January 31, 1997
Due date for proposals	February 14, 1997

B. Notification and Contract Dates

March 1-31, 1997

Selected firm notified

March 1 1997

Contract date

**(pending approval by
Comptroller of the State of
Tennessee of Contract)**

Date Audit May Commence

To be scheduled and subject
to the approval of the City of
Clarksville's Department of
Finance and Revenue

The City of Clarksville will have all records ready for audit and all management personnel available to meet with the firm's personnel as of a date to be mutually agreed upon.

C. Schedule for the 1997 Fiscal Year Audit:

A similar time schedule will be developed for audits of future fiscal years if the City of Clarksville exercises its option for additional audits.

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

1. Interim Work: to be scheduled at a time agreeable to the City of Clarksville.
2. Detailed Audit Plan:

The auditor shall provide City of Clarksville by May 1 both a detailed audit plan and a list of all schedules to be prepared by the City of Clarksville.

3. Fieldwork

The auditor shall complete all fieldwork by **November 30** following the June 30 close of the fiscal year. Fieldwork cannot start before **October 1** unless mutually agreed to by the City of Clarksville

4. Draft Reports

The auditor shall have drafts of the audit report[s] and recommendations to management available for review by the Commissioner of Finance, and Revenue, Chief Accountant, and the Audit Committee by **December 15**

D. Entrance Conferences, Progress Reporting and Exit Conferences

A similar time schedule will be developed for audits of future fiscal years if the City of Clarksville exercises its option for additional audits.

At a minimum, the following conferences should be held by the dates indicated on the schedule:

Entrance conference with Wilbur M. Berry Jr. Debbie Frazier, and other appropriate personnel	<u>Not Later Than</u> May 15, 1997
The purpose of this meeting will be to discuss prior audit problems and the interim work to be performed. This meeting will also be used to establish overall liaison for the audit and to make arrangements for work space and other needs of the auditor	
Progress conference with Debbie Frazier and other personnel as necessary	October 15, 1997 & October 31, 1997
Progress conference with Debbie Frazier and other personnel as necessary	Last day of field work.
Preliminary exit conference with Wilbur M. Berry, Debbie Frazier, and Mayor	Upon presentation of draft copy for review.
Formal exit conference with Mayor and Audit Committee copy for review.	Upon presentation of final draft of audit, signed by auditor.

E. Date Final Report is Due

December 31, 1997

F. Statement and Schedules to be Prepared by City Staff:

The City of Clarksville shall prepare all schedules, reconciliations, and other required supplementary schedules [and statistical data] by a mutually agreed upon date. The auditor shall provide all recommendations, revisions and suggestions for improvement to the Commissioner of Finance and Revenue and to the Chief Accountant by November 30 or a mutually acceptable date.

A revised draft report, including draft auditor's report(s) shall be delivered to the audit committee by **December 15, 1997**

The Commissioner of Finance and Revenue, the Chief Accountant and the Mayor will complete their review of the draft report as expeditiously as possible. It is not expected that this process should exceed one week. During that period, the auditor should be available for any meetings that may be necessary to discuss the audit reports. Once all issues for discussion are resolved, the final signed report shall be delivered to Wilbur M. Berry Jr. and to the Comptroller of the State of Tennessee by **December 31, 1997**.

The final report and 75 signed copies should be delivered to Wilbur M. Berry Jr. at 104 Public Square, Clarksville, Tennessee 37040.

V. 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. The preparation of confirmations will be the responsibility of City of Clarksville's Department of Finance and Revenue

Accounting, clerical, and secretarial support will be made available to the auditor for the preparation of routine letters and memoranda.

B. Accounting and Internal Audit Staff Assistance:

The accounting staff of the City of Clarksville may be made available to assist the auditor in performing audit tests. Subject to the approval of the City of Clarksville, the internal auditor may be made available to assist in certain tests.

C. Electronic Data Processing (EDP) Assistance:

Data Quest EDP personnel will also be requested to provide systems documentation and explanations as necessary. The auditor will be provided

computer time and the use of the City of Clarksville's computer hardware and software on the main system. Any Laptops or other PC's required by auditors during the course of their work shall be provided by auditor. The Department of Finance and Revenue uses Lotus 123 v.5, Lotus Ami Pro v. 3.0, Microsoft Excel v.4.2, and Microsoft Word v.6.0

D. Other Materials:

The City of Clarksville will make available PPC for State and Local Governments, the GASB Codification, and other technical data which the Finance Department may have.

E. Statements and Schedules to be Prepared by the Staff of the City of Clarksville

Statements and schedules that will be prepared by the city are as follows, however in the event that the staff is unable to complete the statements and schedules, the auditor shall aid in the statements and schedules preparations.

The staff of City of Clarksville will prepare the following statements and schedules for the auditor by the dates indicated:

No.	Description	Fund	Date Due
1	Copy of general ledger at June 30	Governmental, Fiduciary, Parking, Transit, and Internal Service	October 1
2	Input of general ledger accounts and balances at June 30 in auditor's trail balance.	Governmental, Fiduciary, Parking, Transit and Internal Service	October 1
3	Copies of the following documents: Minutes June 30 through July 31 Ordinances passed July 1 through June 30 Resolutions passed July 1 through June 30 New leases, agreements, grants, or contracts Final budgets for all funds for June 30 year end New policies or procedures New debt instruments Copies of Grant Agreements.	Governmental, Parking, Transit, and Internal Service Fund	October 1
4	Related party potential conflict of interest confirmations	Governmental, Fiduciary, Parking, Transit, and Internal Service	October 1
5	Reconciliations for all cash accounts and documentation for reconciling items at June 30, access will be provided to bank statements.	Governmental, Fiduciary, Parking, Transit, and Internal Service	October 1

6	A schedule of interbank transfers 5 days before and 5 days after June 30.	Governmental, Fiduciary, Parking, Transit, and Internal Service	October 1
7	Schedule of cash accounts by financial institutions including bank balance and collateralization pledged.	Governmental, Fiduciary, Parking, and Internal Service	October 1
8	Preparation of bank confirmations and collateral confirmation letter.	Governmental, Fiduciary, Parking, and Internal Service	October 1
9	Reconciliation of investments to general ledger by fund.	Governmental, Fiduciary, Parking, and Internal Service	October 1
10	Schedule of investments and the collateral pledged and held by financial institutions on June 30.	Governmental, Fiduciary, Parking, and Internal Service	October 1
11	Schedule of interest income earned by fund for the year ended June 30.	Governmental, Fiduciary, Parking, and Internal Service	October 1
12	Schedule of accounts receivable and detailed printouts at June 30 reconciled to the general ledger.	Governmental, Fiduciary, Parking, and Internal Service	October 1
13	Schedule of delinquent property taxes by year including printouts of detail accounts.	Governmental	October 1
14	Reconciliation of delinquent property taxes by year including printouts of detail accounts.	Governmental	October 1
15	Reconciliation of interfund receivables and payables.	Governmental, Fiduciary, Parking, Transit, and Internal Service	October 1
16	Listing of collection of taxes (property, local sales, and state shared) for 60 days after June 30 for accrual purposes.	Governmental	October 1
17	Schedule of property tax write-offs and documentation for approval.	Governmental	October 1
18	Reconciliations of the following receivables: Clarksville Housing Authority Gas, Water, and Sewer Dept. River District Accounts Receivable Gasoline Purchases	Governmental	October 1
19	Schedule of fixed assets at June 30. Reconciliation of beginning balance to ending balance and back to accounting records.	General Fixed Assets Account Group, Parking, and Transit	October 1
20	Schedule of fixed asset disposals for the year ending June 30	General Fixed Assets Account Group, Parking, and Transit	October 1
21	Schedule of general fixed assets by function and activity	General Fixed Assets Account Group	October 1

22	Listing of accounts payable and detailed printouts by fund.	Governmental, Fiduciary, Parking, Transit, and Internal Service	October 1
23	Reconciliation of clearing account.	Governmental	October 1
24	Schedule reconciling changes in long-term debt.	General Long-Term Debt Account Group	October 1
25	Schedule of accrued interest and interest expense (including capitalized interest if required)	Governmental, Fiduciary, Parking, Transit, and Internal Service	October 1
26	Reconciliation of debt service payments as recorded in the general ledger to the long-term debt schedules.	Governmental	October 1
27	Schedule of sick and annual leave including method of computing leave time.	Governmental, Parking, and General Long-Term Debt Account Group	October 1
28	Schedule reconciling preceding June 30 fund balance to the fund balance for the year now ending June 30	Governmental, Fiduciary, Parking, Transit, and Internal Service	October 1
29	Schedule of grant activity for the year: Identify grant programs by grant number and name and whether grant is direct or pass through from another government agency.	Governmental Funds and Transit	October 1
	Detail fiscal activity grants from local, state, and federal governments at the beginning of the year, current year receipts, current year expenditures, and ending grantor receivable.		
	Reconciliation of grants to fixed assets.		
30	Schedule of potential and estimated liability for self-insurance. This schedule should segregate liabilities recorded on the books and those not yet recorded if any.	Internal Service Funds	October 1
31	Schedule of benefits paid (other than retirement pay) for employees retired from the City.	Governmental, Parking, and Transit	October 1
32	Reconciliation of interfund transfers.	Governmental, Parking, and Internal Service	October 1
33	Analysis of rental income and expense.	Governmental, Parking, and Internal Service	October 1
34	Schedule of lease minimum commitments.	Governmental, Parking, Transit and Internal Service	October 1
35	Analysis of pension funds for the year (obtained from TCRS)	Fiduciary	October 1

36	Schedule of covered payroll and pension contributions to the Tennessee Consolidated Retirement System by fund.	Fiduciary	October 1
37	Schedule of pension payments to retirees not covered by the Tennessee Consolidated Retirement System.	Governmental	October 1
38	Analysis of revenues and expenditures for budget vs. actual and variances.	Governmental	October 1
39	Schedule of transactions for year.	Internal Service Funds	October 1
40	Letter to Division of Municipal Audit requesting state and federal funds paid to the city during the fiscal year ending June 30.	Governmental	October 1
41	Statistical data.	Statistical Section	October 1
42	312 loans payable schedule	Community Development	October 1
43	Amortization of grants.	Community Development	October 1
44	CDB notes receivable.	Community Development	October 1
45	CDBG-contracts payable schedule	Community Development	October 1
46	CDBG grants schedule by year.	Community Development	October 1
47	Federal Home loans schedule.	Community Development	October 1
48	Home amortization schedule.	Community Development	October 1
49	Home grants schedule for fiscal year.	Community Development	October 1
50	LOCCS draws schedule.	Community Development	October 1
51	RRD notes receivable schedule.	Community Development	October 1
52	UDAG notes receivable schedule.	Community Development	October 1
53	Schedule of prepaids.	Transit	October 1
54	Reconciliations of ending inventory to general ledger.	Transit	October 1
55	Schedule of monthly diesel fuel readings.	Transit	October 1
56	Reconciliation of ending inventory to general ledger.	Transit	October 1

F. Work Area, Telephones, Photocopying and FAX Machines:

The City of Clarksville will provide the auditor with reasonable work space, desks and chairs. The auditor will also be provided with access to telephone lines, photocopying facilities, and FAX machines.

G. Report Preparation:

Report preparation, editing and printing shall be the responsibility of the auditor.

VI. PROPOSAL REQUIREMENTS

A. General Requirements:

1. Submission of Notification of Interest

Firms interested in submitting a proposal must have requested by **4:30 p.m., Tuesday, January 21, 1997** their "Notification of Interest". Failure to do so will disqualify firms from submitting a proposal. The "Notification of Interest" must be returned to Wilbur M. Berry Jr. no later than 4:30 p.m., Thursday, January 30, 1997. The Notification of Interest may be mailed to

Wilbur M. Berry Jr.
Commissioner of Finance and Revenue
P. O. Box 928
Clarksville, Tennessee 37041-0928

or

faxed to the attention of Wilbur M. Berry Jr. at 553-2471

2. Preproposal Conference and On-site Inspections

A conference for firms interested in submitting proposals will be held at **1:00 p.m. on Friday, January 31, 1997**, in our offices located at 104 Public Square to respond to any questions you may have about the RFP. Both verbal and written questions will be accepted during the conference.

A tour of the Department of Finance and Revenue, the Regional Planning Commission, the Parking Authority, and the Clarksville Transit System to observe their operations and conduct on-site inspections for interested proposers will be scheduled at this time.

3. Inquiries

Inquiries concerning the request for proposals must be made to:

Wilbur M. Berry Jr.
Commissioner of Finance and Revenue
P. O. Box 928
Clarksville, Tennessee 37041-0928

Phone 615-645-7437

FAX 615-553-2471

CONTACT WITH PERSONNEL OF THE CITY OF CLARKSVILLE OTHER THAN WILBUR M. BERRY JR., COMMISSIONER OF FINANCE AND REVENUE, REGARDING THIS REQUEST FOR PROPOSALS MAY RESULT IN THE ELIMINATION OF THE AUDITOR FROM THE SELECTION PROCESS. THE CITY OF CLARKSVILLE WILL NOT BE RESPONSIBLE FOR INACCURATE INFORMATION OBTAINED FROM OTHER SOURCES.

4. Submission of Proposals

The following material is required to be received by 4:00 p.m. on Friday, February 14, 1997, for a proposing firm to be considered

- a. A master copy (so marked) of a Proposal and 5 copies to include the following six sections:
 - i. Title Page

Title page showing the request for proposals subject; the firm's name; the name, address and telephone number of the contact person; and the date of the proposal
 - ii. Table of Contents
 - iii. Transmittal Letter

A signed letter of transmittal briefly stating the proposer's understanding of the work to be done, the commitment to perform the work within the time period, a statement why the firm believes itself to be best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for 60 days.
 - iv. Detailed Technical Proposal

The detailed technical proposal should follow and address all specifications the order set forth in Section VI B to follow of this request for proposals.
 - v. Executed copies of Proposer Guarantees and Proposer Warranties, attached to this request for proposal (Appendix D and Appendix E)
 - vi. The detailed cost of the audit for the fiscal years ending June 30, 1997, 1998, 1999, 2000 and 2001.
- b. The proposal should clearly marked as follows

PROPOSAL FOR
CITY OF CLARKSVILLE
FOR
PROFESSIONAL AUDITING SERVICES
FOR THE YEAR ENDING JUNE 30, 1997
AND THE FOUR SUBSEQUENT FISCAL YEARS

- c. Proposers should send or deliver the completed proposal consisting of the one original and five copies of the proposal to

Wilbur M. Berry Jr.
Commissioner of Finance and Revenue
104 Public Square
Clarksville, Tennessee 37040

B. Technical Proposal:

1. General Requirements

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

THERE SHOULD BE NO DOLLAR UNITS OR TOTAL COSTS INCLUDED IN THE TECHNICAL SECTION OF THE AUDIT PROPOSAL DOCUMENT.

The Technical Section of the Proposal should address all the points outlined in the request for proposals (excluding any cost information which should only be included in the sealed dollar cost bid). The Proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the request for proposals. While additional data may be presented, the following subjects, items Nos. 2 through 10, must be included. They represent the criteria against which the proposal will be evaluated.

2. Independence

The firm should provide an affirmative statement that is independent of the City of Clarksville as defined by [generally accepted auditing standards/the U.S. General Accounting Office's Government Auditing Standards (1988) or as revised]

The firm also should provide an affirmative statement that it is independent of all of the units of the City of Clarksville as defined by those same standards.

The firm should also list and describe the firm's (or proposed subcontractors') professional relationships involving the City of Clarksville or any of its [agencies or component units/agencies, component units or oversight unit] 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 Clarksville written notice of any professional relationships entered into during the period of this agreement

3. License to Practice in Tennessee.

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

4. Firm Qualifications and Experience

The proposer should state the size of the firm, the size of the firm's governmental audit 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 firm is also required to submit a copy of the report on its most recent external quality control review, with a statement whether that quality control review included a review of specific government engagements.

The firm shall also provide information on the results of any federal or state desk reviews or field reviews of 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.

5. Partner, Supervisory and Staff Qualifications and Experience

Identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement. Indicate whether each such person is registered or licensed to practice as a certified public accountant in Tennessee. 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.

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. 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 Clarksville's commitment to Affirmative Action

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 Clarksville. However, in either case, the City of Clarksville retains the right to approve or reject replacements.

Consultants and firm specialists mentioned in response to this request for proposal can only be changed with the express prior written permission of the City of Clarksville, which retains the right to approve or reject replacements.

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

6. Prior Engagements with the City of Clarksville.

List separately all engagements within the last five years, ranked on the basis of total staff hours, for the City of Clarksville by type of engagement (i.e., audit, management advisory services, other). 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.

7. Similar Engagements With Other Government Entities

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

These engagements should be ranked on the basis of total staff hours. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

8. Specific Audit Approach

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section II of this request for proposal. Proposers will be required to provide the following information on their audit approach:

- a. Proposed segmentation of the engagement
- b. Level of staff and number of hours to be assigned to each proposed segment of the engagement

**NO DOLLARS SHOULD BE INCLUDED IN THE
TECHNICAL SECTION OF THE AUDIT PROPOSAL**

- c. Sample size and the extent to which statistical sampling is to be used in the engagement
- d. Extent of use of EDP software in the engagement
- e. Type and extent of analytical procedures to be used in the engagement
- f. Approach to be taken to gain and document an understanding of the City of Clarksville's internal control structure
- g. Approach to be taken in determining laws and regulations that will be subject to audit test work

- h. Approach to be taken in drawing audit samples for purposes of tests of compliance

9. Identification of Anticipated Potential Audit Problems

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

10. Report Format

The proposal should include sample formats for required reports

C. Proposed Audit Cost:

1. Total All-Inclusive Maximum Cost of Annual Audit

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

The City of Clarksville will not be responsible for expenses incurred in preparing and submitting the request for proposal or the sealed dollar cost bid. Such costs should not be included in the proposal.

The first page of the section dollar cost bid should include the following information:

- a. Name of Firm
- b. Certification that the person signing the proposal is entitled to represent the firm, empowered to submit the bid, and authorized to sign a contract with the City of Clarksville.
- c. A Total All-Inclusive Maximum Price for the 1997 engagement and for the four subsequent fiscal years.

2. Rates by Partner, Specialist, Supervisory and Staff Level Times Hours Anticipated for Each Fund

The second page and subsequent pages of this section for the dollar cost bid should include a schedule of professional fees and expenses, presented in the format provided in the attachment (Appendix F), that supports the total all-inclusive maximum price.

- 3 Out-of-pocket Expenses Included in the Total All-Inclusive Maximum Price and Reimbursement Rates Anticipated for Each Fund

Out-of-pocket expenses (if any) for firm personnel (e.g., travel, lodging and subsistence) will be reimbursed at rate no greater than the current per diem rates allowed by the Internal Revenue Code and must be estimated and included in the proposal. All estimated out-of-pocket expenses to be reimbursed should be presented on the Schedule of Professional Fees and Expenses of the dollar cost bid in the format provided in the attachment (Appendix F). All expense reimbursements will be charged against the total all-inclusive maximum price submitted by the firm.

In addition, a statement must be included in the sealed dollar cost bid stating the firm will accept reimbursement for travel, lodging and subsistence at the prevailing City of Clarksville rates for its employees

4. Rates for Additional Professional Services

If it should become necessary for City of Clarksville to request the auditor to render any additional services to either supplement the services requested in this RFP or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between City of Clarksville and the firm. Any such additional work agreed to between City of Clarksville and the firm shall be performed at the same rates set forth in the schedule of fees and expenses included in the sealed dollar cost bid

5. Manner of Payment

Progress payments will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the firm's dollar cost bid proposal. Interim billing shall cover a period of not less than a calendar month.

VII. EVALUATION PROCEDURES

A. Audit Committee

Proposals submitted will be evaluated by a four member Finance and Administration Committee (the "Audit Committee") selected by the Mayor of the City of Clarksville, consisting of four city council members appointed to serve on the Finance and Administration Committee.

B. Review of Proposals

The Audit Committee will use a point formula during the review process to score proposals. Each member of the Audit Committee will first score each technical proposal by each of the criteria described in Section VII C below. The full Audit Committee will then convene to review and discuss these evaluations and to combine the individual scores to arrive at a composite technical score for each firm.

After the composite technical score for each firm has been established, the sealed dollar cost bid will be opened and additional points will be added to the technical score based on the price bid. The maximum score for price will be assigned to the firm offering the lowest total all-inclusive maximum price. Appropriate fractional scores will be assigned to other proposers.

The City of Clarksville reserves the right to retain all proposals submitted and use any idea in a proposal regardless of whether that proposal is selected.

C. Evaluation Criteria

Proposals will be evaluated using three sets of criteria. Firms meeting the mandatory criteria will have their proposals evaluated and scored for both technical qualifications and price. The following represent the principal selection criteria which will be considered during the evaluation process. Failure to submit proposals which comply with the requirements of this request for proposal can result in the disqualification from consideration of the request for proposal.

1. **Mandatory Elements:** The auditor must meet the following criteria even to be considered.
 - a. The audit firm is independent and licensed to practice in Tennessee.
 - b. The firm has no conflict of interest with regard to any other work performed by the firm for the City of Clarksville
 - c. The firm submits a copy of its last external quality control review report and the firm has a record of quality audit work.
2. **Technical Quality: (Maximum Points - 300)** The total of 250 points to be awarded will be based on expertise and experience of the auditor worth a maximum 250 points and the audit approach worth a maximum of 50 points.
 - a. **Expertise and Experience (Maximum 250 pts)**

- (1) The firm's past experience and performance on comparable municipal government engagements (100 pts.)
 - (2) 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 (50 pts.)
 - (3) Current and past audit experience in the following activities (Maximum 100 pts.):
 - a. Community Development and HUD programs (15 points)
 - b. Other federal and state grant programs (10 points)
 - c. Transit systems (20 points)
 - d. Parking authorities and parking garages (10 points)
 - e. Governmental funds (20 points)
 - f. Internal service funds. (20 points)
 - g. Computer systems (5 points)
- b. Audit Approach (Maximum 50 pts.)
- (1) Adequacy of proposed staffing plan for various segments of the engagement (30 points)
 - (2) Adequacy of sampling techniques (10 points)
 - (3) Adequacy of analytical procedures (10 points)
3. Price: (Maximum Points - 100 pts.)

PURSUANT TO THE PROVISIONS OF THE TENNESSEE CODE ANNOTATED, THE COST WILL NOT BE THE PRIMARY FACTOR IN THE SELECTION OF AN AUDIT FIRM

D. Oral Presentations

During the evaluation process, the Audit Committee may, at its discretion, request any one or all firms to make oral presentations. Such presentations will provide firms with an opportunity to answer any questions the Audit Committee may have on a firm's proposal. Not all firms may be asked to make such oral presentations.

E. Final Selection

The Finance and Administration Committee will select a firm based upon their evaluation of the RFP submitted for their review

It is anticipated that a firm will be selected by February 28, 1997. Following notification of the firm selected, it is expected a contract will be executed between both parties by April 1, 1997.

F. Right to Reject Proposals

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

The City of Clarksville reserves the right without prejudice to reject any or all proposals or any portion of a proposal.

G. Awarding the Audit:

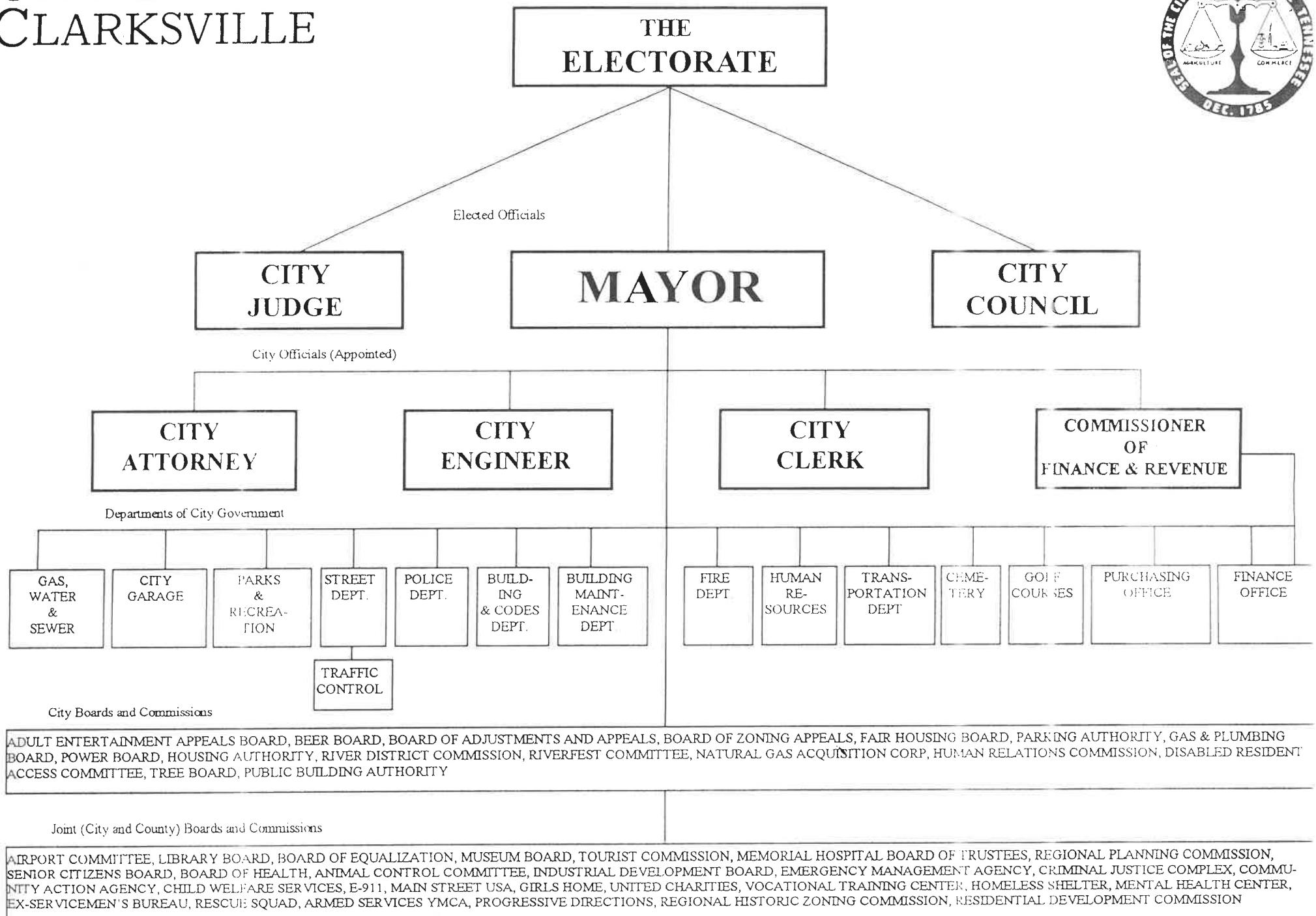
The City of Clarksville reserves the right to award to one or more accounting firms the audit of one or more of funds or account groups covered under this request for proposals.

H. Subsequent Adjustments to the All Inclusive Maximum Cost Quoted:

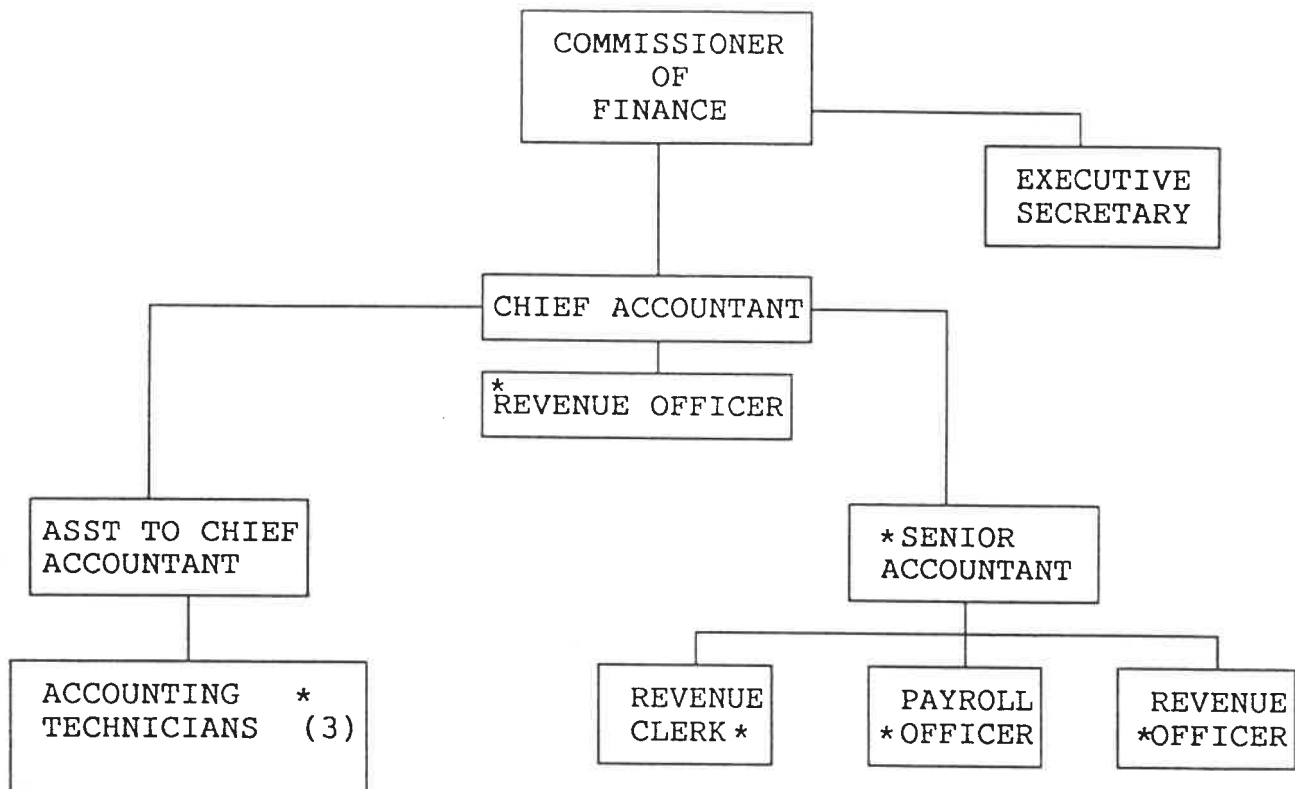
The all inclusive maximum cost quoted shall for the fiscal years ending June 30, 1997, 1998, 1999, 2000, and 2001 shall be firm and shall not be subject to renegotiation unless approved in writing by the Audit Committee.

VIII. APPENDICES

- A. Findings from Recent External and Internal Audits
- B. Organizational Chart
- C. List of Key Officials and Telephone Numbers
- D. Proposer Guarantees
- E. Proposer Warranties
- F. Format for Schedule of Professional Fees and Expenses to Support the Total All-Inclusive Maximum Audit Cost Price



CITY OF CLARKSVILLE
FINANCE DEPARTMENT
JULY, 1996



NEW TITLES FOR SEVERAL POSITIONS PENDING APPROVAL OF THE
FY 1996/97 BUDGET *

Mayor Donald W. Trotter
645-7444

January 1, 1995

December 31, 1998

Judge Barry Watson
552-3602

January 1, 1997

December 31, 2000

WARD #	COUNCIL MEMBER	DATE ENTERED OFFICE	DATE TERM EXPIRES
1	Sam Johnson 970 Tobacco Rd/37042 (o) 798-9922 (h) 431-4680	January 1, 1995	December 31, 1998
2	Staton Shelby 112 Dalewood Dr/37042 (o) 552-3456 (h) 647-0392	January 1, 1995	December 31, 1998
3	Gabriel Segovia 123 Hadley Dr/37042 (o) 645-4790	January 1, 1997	December 31, 2000
4	Wallace Redd 511 Paula Dr/37042 (o) 647-5443 (h) 647-8965	January 1, 1997	December 31, 2000
5	John Aldridge 69 Seminole Tr/37042 (h) 647-2230	January 1, 1997	December 31, 2000
6	Mark Holleman 312 Home Ave/37040 (o) 552-1700 (h) 647-8060	January 1, 1995	December 31, 1998
7	Mary Jo Dozier PO Box 748/37041 (o) 648-0951 (h) 647-7166	January 1, 1995	December 31, 1998
8	Tad Bourne 106 Honeywood Ct/37040 (h) 552-6149 (f) 905-6919	January 1, 1997	December 31, 2000
9	Ron Edmondson 407 West Coy Cir/37043 (o) 645-4451 (h) 648-2001	January 1, 1997	December 31, 2000
10	Curtis Johnson 2599 Memorial Dr Extension/37043 (o) 552-4553 (h) 358-2104	January 1, 1995	December 31, 1998
11	Morrell Boyd 600 Hyde Park Dr/37043 (o) 439-6545 (h) 552-2666	January 1, 1995	December 31, 1998
12	Mike Alexander 1987 Waywick Dr/37043 (h) 552-7552	January 1, 1997	December 31, 2000

CITY of CLARKSVILLE

BUILDING & CODES DEPARTMENT

Jerry Waugh, Director 645-7431
All others 645-7426

BUILDING MAINTENANCE DEPT.

Jerry Zachry, Director 553-2438

CEMETERY

David Carpenter, Supervisor 553-2441

CITY ATTORNEY

David Haines 645-7444

CITY CLERK

Sylvia Skinner 645-7497

CITY ENGINEER

Denzil Biter 645-7418

DEPARTMENT OF ELECTRICITY

Ken Spradlin, Manager 648-8151

FINANCE & REVENUE OFFICE

Wilbur Berry, Commissioner 645-7437
Chief Accountant (Debbie) 645-7443
Purchasing Agent (Steve) 553-2477
Payroll (Faye) 645-7442
Business Tax (Martha) 645-7435
Property Tax (Nancy) 645-7436

FIRE DEPARTMENT

Eugene Keel, Chief 645-7456
Vernie Hill, Deputy Chief 645-7455
Mike Roberts, Assistant Chief 645-7403
Billie Swann 645-7417
Fire Prevention Office 645-7462
Training Center 553-2458
Station 2 (Fire Station Road) 358-3438
Station 3 (Maxwell Drive) 553-2452
Station 4 (41-A Bypass) 553-2451
Station 5 (South Stephanie) 553-2437
Station 6 (Ashbury Road) 553-2445
Station 7 (Airport) 647-3472
Station 8 (Old Trenton Road) 553-2439
Station 9 (Holiday Road) 552-7953

GARAGE

Ed Lewis, Manager 645-7473

GAS AND WATER DEPARTMENT

Bob Young, Customer Service Mgr. 645-7406
Janet Jarrell, Customer Relations Mgr. 645-7475
Rhonda Wall, Comptroller 645-7412
Switchboard 645-7400
Water Plant (Richard Kraeske) 553-2440
Sewer Plant (Harold Gaither) 645-7495
Servicemen (Billy Groves) 553-2467
New Service (Verita Byles) 645-7416
Payroll (Karen Smith) 645-7405
Mark McCutchen, Mgr. Gas Div. 645-7422
Rodney Blake, Mgr. Water/Wastewater 645-7418
Gas Construction Crews 553-7470

GOLF COURSES

Frank Brahan, Pro Shop Manager 553-2447
Swan Lake Golf Course 648-0479
Maintenance Shop (Fowler Goodowens) 553-2448
Mason Rudolph Golf Course 645-7479

HUMAN RESOURCES DEPARTMENT

Sam Podurgal, Director 645-7451
Chris Crow, Risk Manager 645-7421

MAYOR'S OFFICE

Don Trotter, Mayor 645-7444
John Gower 553-2463

PARKING AUTHORITY

Rosemary Roby, Office Mgr 553-2436

POLICE DEPARTMENT

Johnny Rosson, Chief 553-2402
Switchboard 648-0656
North Precinct, Captain Cushman 553-2464
South Precinct, Captain Cole 553-8119
Special Operations Unit 645-1126
City Court (Judge Watson) 648-4604

PUBLIC AFFAIRS OFFICE

Scott Shelton, Public Affairs Director 553-2434

RECREATION DEPARTMENT

Starlene Shackelford, Director 645-7476
Kleeman Community Center 647-3056
Crow Community Center 647-3071
Burt-Cobb Community Center 552-1263
Maintenance Shop 553-2444

REGIONAL PLANNING COMMISSION

David Riggins, Director 645-7448

STREET DEPARTMENT

Jim Durrett, Director 645-7464

TRAFFIC CONTROL/STREET LIGHTS

Ted Denny, Supervisor 553-2479

TRANSPORTATION DEPARTMENT

Jimmy Smith, Director 553-2401
Accounting 553-2430
Information 553-2429

June 1994

APPENDIX E

PROPOSER WARRANTIES

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

Signature of Official: _____

Name (typed): _____

Title: _____

Firm: _____

Date: _____

APPENDIX F

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES

FOR THE AUDIT OF THE 1997 FINANCIAL STATEMENTS

GENERAL FUND

	<u>Hours</u>	<u>Standard Hourly Rates</u>	<u>Quoted Hourly Rates</u>	<u>Total</u>
Partners	_____	_____	_____	_____
Managers	_____	_____	_____	_____
Supervisory staff	_____	_____	_____	_____
Staff	_____	_____	_____	_____
Other (specify): _____	_____	_____	_____	_____
Subtotal	_____	_____	_____	_____
Total for services	_____	_____	_____	_____
Described in Section II E of the RFP (Detail on subsequent pages)				
Out-of-pocket expenses:				_____
Meals and lodging				_____
Transportation				_____
Other (specify): _____				_____
Total all-inclusive maximum price for 1997 audit				_____
Total all-inclusive maximum price for 1998 audit				_____
Total all-inclusive maximum price for 1999 audit				_____
Total all-inclusive maximum price for 2000 audit				_____
Total all-inclusive maximum price for 2001 audit				_____

Note: The rate quoted should not be presented as a general percentage of the standard hourly rate or as a gross deduction from the total all-inclusive maximum price.

APPENDIX F

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES

FOR THE AUDIT OF THE 1997 FINANCIAL STATEMENTS

SPECIAL REVENUE FUNDS-EXCLUDING COMMUNITY DEVELOPMENT

	<u>Hours</u>	<u>Standard Hourly Rates</u>	<u>Quoted Hourly Rates</u>	<u>Total</u>
Partners	_____	_____	_____	_____
Managers	_____	_____	_____	_____
Supervisory staff	_____	_____	_____	_____
Staff	_____	_____	_____	_____
Other (specify): _____	_____	_____	_____	_____
Subtotal	_____	_____	_____	_____
Total for services	_____	_____	_____	_____
Described in Section II E of the RFP (Detail on subsequent pages)				
Out-of-pocket expenses:				_____
Meals and lodging				_____
Transportation				_____
Other (specify): _____				_____
Total all-inclusive maximum price for 1997 audit				_____
Total all-inclusive maximum price for 1998 audit				_____
Total all-inclusive maximum price for 1999 audit				_____
Total all-inclusive maximum price for 2000 audit				_____
Total all-inclusive maximum price for 2001 audit				_____
Note: The rate quoted should <u>not</u> be presented as a general percentage of the standard hourly rate or as a gross deduction from the total all-inclusive maximum price.				

APPENDIX F

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES

FOR THE AUDIT OF THE 1997 FINANCIAL STATEMENTS

COMMUNITY DEVELOPMENT

	<u>Hours</u>	<u>Standard Hourly Rates</u>	<u>Quoted Hourly Rates</u>	<u>Total</u>
Partners	_____	_____	_____	_____
Managers	_____	_____	_____	_____
Supervisory staff	_____	_____	_____	_____
Staff	_____	_____	_____	_____
Other (specify): _____	_____	_____	_____	_____
Subtotal	_____	_____	_____	_____
Total for services	_____	_____	_____	_____
Described in Section II E of the RFP (Detail on subsequent pages)				
Out-of-pocket expenses:				_____
Meals and lodging				_____
Transportation				_____
Other (specify): _____				_____
Total all-inclusive maximum price for 1997 audit				_____
Total all-inclusive maximum price for 1998 audit				_____
Total all-inclusive maximum price for 1999 audit				_____
Total all-inclusive maximum price for 2000 audit				_____
Total all-inclusive maximum price for 2001 audit				_____

Note: The rate quoted should not be presented as a general percentage of the standard hourly rate or as a gross deduction from the total all-inclusive maximum price.

APPENDIX F

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES

FOR THE AUDIT OF THE 1997 FINANCIAL STATEMENTS

DEBT SERVICE

	<u>Hours</u>	<u>Standard Hourly Rates</u>	<u>Quoted Hourly Rates</u>	<u>Total</u>
Partners	_____	_____	_____	_____
Managers	_____	_____	_____	_____
Supervisory staff	_____	_____	_____	_____
Staff	_____	_____	_____	_____
Other (specify): _____	_____	_____	_____	_____
Subtotal	_____	_____	_____	_____
Total for services	_____	_____	_____	_____
Described in Section II E of the RFP (Detail on subsequent pages)				
Out-of-pocket expenses:				_____
Meals and lodging				_____
Transportation				_____
Other (specify): _____				_____
Total all-inclusive maximum price for 1997 audit				_____
Total all-inclusive maximum price for 1998 audit				_____
Total all-inclusive maximum price for 1999 audit				_____
Total all-inclusive maximum price for 2000 audit				_____
Total all-inclusive maximum price for 2001 audit				_____

Note: The rate quoted should not be presented as a general percentage of the standard hourly rate or as a gross deduction from the total all-inclusive maximum price.

APPENDIX F

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES

FOR THE AUDIT OF THE 1997 FINANCIAL STATEMENTS

CAPITAL PROJECTS FUND

	<u>Hours</u>	<u>Standard Hourly Rates</u>	<u>Quoted Hourly Rates</u>	<u>Total</u>
Partners	_____	_____	_____	_____
Managers	_____	_____	_____	_____
Supervisory staff	_____	_____	_____	_____
Staff	_____	_____	_____	_____
Other (specify): _____	_____	_____	_____	_____
Subtotal	_____	_____	_____	_____
Total for services	_____	_____	_____	_____
Described in Section II E of the RFP (Detail on subsequent pages)				
Out-of-pocket expenses:				_____
Meals and lodging				_____
Transportation				_____
Other (specify): _____				_____
Total all-inclusive maximum price for 1997 audit				_____
Total all-inclusive maximum price for 1998 audit				_____
Total all-inclusive maximum price for 1999 audit				_____
Total all-inclusive maximum price for 2000 audit				_____
Total all-inclusive maximum price for 2001 audit				_____

Note: The rate quoted should not be presented as a general percentage of the standard hourly rate or as a gross deduction from the total all-inclusive maximum price.

APPENDIX F

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES

FOR THE AUDIT OF THE 1997 FINANCIAL STATEMENTS

ENTERPRISE FUND: TRANSIT SYSTEM

	<u>Hours</u>	<u>Standard Hourly Rates</u>	<u>Quoted Hourly Rates</u>	<u>Total</u>
Partners	_____	_____	_____	_____
Managers	_____	_____	_____	_____
Supervisory staff	_____	_____	_____	_____
Staff	_____	_____	_____	_____
Other (specify): _____	_____	_____	_____	_____
Subtotal	_____	_____	_____	_____
Total for services	_____	_____	_____	_____
Described in Section II E of the RFP (Detail on subsequent pages)				
Out-of-pocket expenses:				_____
Meals and lodging				_____
Transportation				_____
Other (specify): _____				_____
Total all-inclusive maximum price for 1997 audit				_____
Total all-inclusive maximum price for 1998 audit				_____
Total all-inclusive maximum price for 1999 audit				_____
Total all-inclusive maximum price for 2000 audit				_____
Total all-inclusive maximum price for 2001 audit				_____

Note: The rate quoted should not be presented as a general percentage of the standard hourly rate or as a gross deduction from the total all-inclusive maximum price.

APPENDIX F

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES

FOR THE AUDIT OF THE 1997 FINANCIAL STATEMENTS

ENTERPRISE FUND: PARKING AUTHORITY

	<u>Hours</u>	<u>Standard Hourly Rates</u>	<u>Quoted Hourly Rates</u>	<u>Total</u>
Partners	_____	_____	_____	_____
Managers	_____	_____	_____	_____
Supervisory staff	_____	_____	_____	_____
Staff	_____	_____	_____	_____
Other (specify): _____	_____	_____	_____	_____
Subtotal	_____	_____	_____	_____
Total for services	_____	_____	_____	_____

Described in Section II E of the RFP
(Detail on subsequent pages)

Out-of-pocket expenses: _____

Meals and lodging _____

Transportation _____

Other (specify):

Total all-inclusive maximum price for 1997 audit _____

Total all-inclusive maximum price for 1998 audit _____

Total all-inclusive maximum price for 1999 audit _____

Total all-inclusive maximum price for 2000 audit _____

Total all-inclusive maximum price for 2001 audit _____

Note: The rate quoted should not be presented as a general percentage of the standard hourly rate or as a gross deduction from the total all-inclusive maximum price.

APPENDIX F

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES

FOR THE AUDIT OF THE 1997 FINANCIAL STATEMENTS

ENTERPRISE FUND: AMERICAN SNUFF CO. BUILDING

	<u>Hours</u>	<u>Standard Hourly Rates</u>	<u>Quoted Hourly Rates</u>	<u>Total</u>
Partners	_____	_____	_____	_____
Managers	_____	_____	_____	_____
Supervisory staff	_____	_____	_____	_____
Staff	_____	_____	_____	_____
Other (specify): _____	_____	_____	_____	_____
Subtotal	_____	_____	_____	_____
Total for services	_____	_____	_____	_____
Described in Section II E of the RFP (Detail on subsequent pages)				
Out-of-pocket expenses:				_____
Meals and lodging				_____
Transportation				_____
Other (specify): _____				_____
Total all-inclusive maximum price for 1997 audit				_____
Total all-inclusive maximum price for 1998 audit				_____
Total all-inclusive maximum price for 1999 audit				_____
Total all-inclusive maximum price for 2000 audit				_____
Total all-inclusive maximum price for 2001 audit				_____

Note: The rate quoted should not be presented as a general percentage of the standard hourly rate or as a gross deduction from the total all-inclusive maximum price.

APPENDIX F

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES

FOR THE AUDIT OF THE 1997 FINANCIAL STATEMENTS

ALL INTERNAL SERVICE FUNDS

	<u>Hours</u>	<u>Standard Hourly Rates</u>	<u>Quoted Hourly Rates</u>	<u>Total</u>
Partners	_____	_____	_____	_____
Managers	_____	_____	_____	_____
Supervisory staff	_____	_____	_____	_____
Staff	_____	_____	_____	_____
Other (specify): _____	_____	_____	_____	_____
Subtotal	_____	_____	_____	_____
Total for services	_____	_____	_____	_____

Described in Section II E of the RFP
(Detail on subsequent pages)

Out-of-pocket expenses: _____

Meals and lodging _____

Transportation _____

Other (specify): _____

Total all-inclusive maximum price for 1997 audit _____

Total all-inclusive maximum price for 1998 audit _____

Total all-inclusive maximum price for 1999 audit _____

Total all-inclusive maximum price for 2000 audit _____

Total all-inclusive maximum price for 2001 audit _____

Note: The rate quoted should not be presented as a general percentage of the standard hourly rate or as a gross deduction from the total all-inclusive maximum price.

APPENDIX F

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES

FOR THE AUDIT OF THE 1997 FINANCIAL STATEMENTS

ALL TRUST AND AGENCY FUNDS

	<u>Hours</u>	<u>Standard Hourly Rates</u>	<u>Quoted Hourly Rates</u>	<u>Total</u>
Partners	_____	_____	_____	_____
Managers	_____	_____	_____	_____
Supervisory staff	_____	_____	_____	_____
Staff	_____	_____	_____	_____
Other (specify): _____	_____	_____	_____	_____
Subtotal	_____	_____	_____	_____
Total for services	_____	_____	_____	_____
Described in Section II E of the RFP (Detail on subsequent pages)				
Out-of-pocket expenses:				_____
Meals and lodging				_____
Transportation				_____
Other (specify): _____				_____
Total all-inclusive maximum price for 1997 audit				_____
Total all-inclusive maximum price for 1998 audit				_____
Total all-inclusive maximum price for 1999 audit				_____
Total all-inclusive maximum price for 2000 audit				_____
Total all-inclusive maximum price for 2001 audit				_____

Note: The rate quoted should not be presented as a general percentage of the standard hourly rate or as a gross deduction from the total all-inclusive maximum price.

APPENDIX F

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES

FOR THE AUDIT OF THE 1997 FINANCIAL STATEMENTS

GENERAL FIXED ASSETS ACCOUNT GROUP

	<u>Hours</u>	<u>Standard Hourly Rates</u>	<u>Quoted Hourly Rates</u>	<u>Total</u>
Partners	_____	_____	_____	_____
Managers	_____	_____	_____	_____
Supervisory staff	_____	_____	_____	_____
Staff	_____	_____	_____	_____
Other (specify): _____	_____	_____	_____	_____
Subtotal	_____	_____	_____	_____
Total for services	_____	_____	_____	_____
Described in Section II E of the RFP (Detail on subsequent pages)				
Out-of-pocket expenses:				_____
Meals and lodging				_____
Transportation				_____
Other (specify): _____				_____
Total all-inclusive maximum price for 1997 audit				_____
Total all-inclusive maximum price for 1998 audit				_____
Total all-inclusive maximum price for 1999 audit				_____
Total all-inclusive maximum price for 2000 audit				_____
Total all-inclusive maximum price for 2001 audit				_____

Note: The rate quoted should not be presented as a general percentage of the standard hourly rate or as a gross deduction from the total all-inclusive maximum price.

APPENDIX F

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES

FOR THE AUDIT OF THE 1997 FINANCIAL STATEMENTS

GENERAL LONG-TERM DEBT ACCOUNT GROUP

	<u>Hours</u>	<u>Standard Hourly Rates</u>	<u>Quoted Hourly Rates</u>	<u>Total</u>
Partners	_____	_____	_____	_____
Managers	_____	_____	_____	_____
Supervisory staff	_____	_____	_____	_____
Staff	_____	_____	_____	_____
Other (specify): _____	_____	_____	_____	_____
Subtotal	_____	_____	_____	_____
Total for services	_____	_____	_____	_____
Described in Section II E of the RFP (Detail on subsequent pages)				
Out-of-pocket expenses:				_____
Meals and lodging				_____
Transportation				_____
Other (specify): _____				_____
Total all-inclusive maximum price for 1997 audit				_____
Total all-inclusive maximum price for 1998 audit				_____
Total all-inclusive maximum price for 1999 audit				_____
Total all-inclusive maximum price for 2000 audit				_____
Total all-inclusive maximum price for 2001 audit				_____

Note: The rate quoted should not be presented as a general percentage of the standard hourly rate or as a gross deduction from the total all-inclusive maximum price.

APPENDIX F

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES

FOR THE AUDIT OF THE 1997 FINANCIAL STATEMENTS

TOTAL AUDIT COSTS FOR ALL FUNDS TO INCLUDE COMBINING OF ALL FUNDS, THE ISSUE OF ANNUAL REPORTS, NOTES TO FINANCIAL, AND STATISTICAL SECTION OF ANNUAL FINANCIAL STATEMENTS (Total of Pages g-1

		Through g-12) Standard Hourly	Quoted Hourly	
	<u>Hours</u>	<u>Rates</u>	<u>Rates</u>	<u>Total</u>
Partners	_____	_____	_____	_____
Managers	_____	_____	_____	_____
Supervisory staff	_____	_____	_____	_____
Staff	_____	_____	_____	_____
Other (specify): _____	_____	_____	_____	_____
Subtotal	_____	_____	_____	_____
Total for services	_____	_____	_____	_____
Described in Section II E of the RFP (Detail on subsequent pages)				
Out-of-pocket expenses:				_____
Meals and lodging				_____
Transportation				_____
Other (specify): _____				_____
Total all-inclusive maximum price for 1997 audit				_____
Total all-inclusive maximum price for 1998 audit				_____
Total all-inclusive maximum price for 1999 audit				_____
Total all-inclusive maximum price for 2000 audit				_____
Total all-inclusive maximum price for 2001 audit				_____

Note: The rate quoted should not be presented as a general percentage of the standard hourly rate or as a gross deduction from the total all-inclusive maximum price.