City of Dunwoody
Purchasing Division

Warren Hutmacher
City Manager

Ken Wright
Mayor

ADDENDUM NUMBER 3

RFQ 09-189
Audit Services

To All Prospective Vendors:

To follow is Addendum Number 3 for Audit Services. Be sure to include this addendum, completed and signed, with your RFQ.

1. At the proposer's conference, the City indicated it did not expect to meet the requirements to have a single audit in the current year. Could you please provide us with a list of the federal awards you have received in the current year and a listing of federal awards that you have applied for or anticipate receiving in the next year under audit.

Answer:

The City of Dunwoody is currently engaged in the following stimulus initiatives:

- Competitive Surface Transportation Program – (Total Funding Available: $1.5 billion) Chamblee-Dunwoody Pavement Rehabilitation. This Local Resurfacing Project is eligible for funding in the Phase 2 G-DOT funding. The project is being evaluated and ranked with the other locally requested roads of other jurisdictions based on the existing pavement condition using the same process that LARP funds are allocated. The City's total funding request for this project is approximately $750,000.
- COPS Hiring Recovery Program (CHRP) – (Total Funding Available: $1 billion) Traditionally, the Community Oriented Policing Services (COPS) program provides 75 percent of a new hire or rehire's salary for the first three years, with a salary cap of 75,000.

  However, the ARRA waives both the salary cap and local match for FYs 09 & 10. Further, the COPS office has indicated that they will allow local government to use the funds to retain police officers that they otherwise would not be able to keep on salary. The City's total funding request for 11 police officer positions is approximately $1,442,782 which will be used to hire new, additional officer

positions, and/or to fill existing vacancies that are no longer funded in the City's budget.

The City's ongoing stimulus efforts will an attempt to secure funding for energy efficiency through the Georgia Environmental Facilities Authority (GEFA) in order to meet the Governor's Energy Challenge of reducing energy consumption per square foot in state, local and agency facilities by 15 percent below FY2007 levels by FY2010. Meeting this goal will reduce Georgia's dependence on traditional energy sources, support the local economy, and improve the environment. Other energy efficiency initiatives will include:

- Replacement of existing incandescent traffic signals with LED signals
- Traffic signal timing and coordination Other Programs and Initiatives:
- Recovery Act - Edward Byrne Memorial Competitive Grant Program – US Dept of Justice
- CSTEE-0009-00(028);P.I. #0009028; DeKalb County

DUNWOODY VILLAGE STREETSCAPES – TRANSPORTATION ENHANCEMENT PROJECT, $500,000

2. In the RFQ, it asks the proposers to include a copy of a recent CAFR that they have prepared. It is my understanding that the City will prepare their CAFR for the auditors review. Is it still the City's intension to require a copy of a recent CAFR as part of the technical proposal? If so, do you want this in paper form with the technical proposal or can it be burned to the CD that will be part of the proposal?

Answer:

An electronic copy of a CAFR is acceptable in fulfilling this requirement.

3. I have attached a Word file that contains the indemnification paragraph, as stated in the RFQ, along with a proposed revised paragraph for your consideration. We would like this revised paragraph to serve as a substitute for the RFQ paragraph through addendum, if possible.

INDEMNIFICATION (as stated in RFP)

The auditor agrees to indemnify, defend and hold harmless the government entity, its officers, agents, and employees from any claims, damages and actions of any kind or nature, whether at law or in equity, arising from or caused by the use of any materials, goods, or equipment of any kind or nature furnished by the auditor/any services of any kind or nature furnished by the auditor, provided that such liability is not attributable to the sole negligence of any government entity employee or to failure of government entity employees to use the materials, goods, or equipment in the manner described by the auditor on the materials, goods, or equipment delivered.

Proposed Revision:

INDEMNIFICATION

Auditor shall hold harmless the City, its agents, officers and employees from any claims, actions, or damages of any kind, arising from, or in connection with, the performance by auditor or its agents, officers and employees under this agreement insofar as much performance results from auditors negligent, reckless, or willful act or omission. This indemnity does not include claims that arise from any negligent, reckless or willful act or omission of the City. This indemnification obligation shall continue beyond the term of this agreement as to any acts or omissions occurring under this agreement or any extension of this agreement.

Answer:

The indemnification clause will be rewritten to clarify the City's intent and to ensure professional standards are maintained. The City recognizes that partners or principals may not have the authority to approve the new language prior to the submission deadline in so much as it may also require approval from insurance companies. If the firm is in agreement with the amended language but must also seek approval from its insurance company, the firm may add an explanatory footnote on the signature page of the RFQ (when turned in with the proposal) stating agreement with the conditions as set forth in the RFQ and that the terms and

conditions are subject to both parties agreement on the language for the indemnification paragraph. The indemnification section will be revised to read:

If there are any claims for damages attributable to the negligence, errors or omissions of the auditor, their agents or employees while providing the services called for herein, it is understood and agreed the auditor shall indemnify, defend and hold harmless the City from any and all losses, costs, liability, damages and expenses arising out of such claims or litigation asserted as a result hereof. However, to the extent permissible under Georgia law, the auditor shall not be responsible for acts or omissions of the City, its agents or employees, or of third parties, which result in bodily injury to persons or property. This indemnification obligation shall continue beyond the term of this agreement as to any acts or omissions occurring under this agreement or any extension of this agreement.

4. We would appreciate your responses to the following question in regards to the request for qualifications to audit the City of Dunwoody, Georgia financial statements for the period ended December 31, 2009 and the two (2) subsequent fiscal years as set forth in the Request for Qualifications issued ***June 11, 2009***.

1. What software does the City use for the following:

a. General ledger
b. Payroll
c. Cash receipts
d. Cash disbursements
e. Capital assets (land, buildings, etc.)
f. Investment management
g. Debt management
h. Document storage (ex. Laserfiche software or other software, etc)?

Answer:

The City currently uses ADP for payroll processing. All other accounting functions are handled using Peachtree Quantum. The City has issued an RFP for financial software to be implemented prior to the end of 2009.

5. Are any of the City's financial systems accessible from the web? For example is public safety able to enter timesheets via a web portal?

Answer:

The City's financial systems are not currently accessible from the web.

6. Does the City have any relationships or agreements with other government entities for the following (if yes, please describe the nature of the relationship):

a. Public safety
b. Public works
c. Data processing
d. Risk management
e. Investing
f. Utilities
g. Retirement benefits
h. Health insurance benefits
i. Other

Answer:

The City has joint service agreements with other local governments for public safety.

7. What is the approximate amount of total assets and total revenues of the City on a government-wide basis (i.e. under GASB 34), including governmental activities and business-type activities?

Answer:

The City has budgeted approximately $15 million in revenues for 2009. The City is currently valuing assets released by the County at the time of incorporation.

8. Does the City anticipate significant expansion of capital assets, infrastructure assets, or debt over the period of service included in the RFQ? If yes, please describe.

Answer:

No

9. The RFQ mentions an inventory observation. Does the City expect to hold significant amounts of inventory as of yearend?

Answer:

No

10. Does the City expect to receive significant amounts of federal grant funding over the period of service included in the RFQ? If yes, please describe.

Answer:

The City is unable to estimate or anticipate federal awards covering years including in the RFQ. Accordingly, the City is open to proposals that separate the cost of the "main" audit from the Single Audit.

11. **Important Notice:**

Please disregard any previous contract/agreement information provided. The agreement in the RFQ will remain as such.

Amendments to Terms:

The indemnification clause is revised to read:

If there are any claims for damages attributable to the negligence, errors or omissions of the auditor, their agents or employees while providing the services called for herein, it is understood and agreed the auditor shall indemnify, defend and hold harmless the City from any and all losses, costs, liability, damages and expenses arising out of such claims or litigation asserted as a result hereof. However, to the extent permissible under Georgia law, the auditor shall not be responsible for acts or omissions of the City, its agents or employees, or of third parties, which result in bodily injury to persons or property. This indemnification obligation shall continue beyond the term of this agreement as to any acts or omissions occurring under this agreement or any extension of this agreement.

COMPLETE THIS ADDENDUM, SIGN and SUBMIT with the RFQ.

City of Dunwoody – Purchasing Division
Dunwoody City Hall
41 Perimeter Center East Suite 250
Dunwoody, GA 30346

I hereby acknowledge receipt of Addendum 3 and have incorporated the changes into my RFQ response for the abovementioned bid.

COMPANY NAME: _____ CONTACT PERSON: _____

ADDRESS: _____ CITY: _____ STATE: ____ ZIP: _____

PHONE: _____ FAX: _____ EMAIL ADDRESS: _____

SIGNATURE: _____ DATE: _____