

TRI-CITIES AIRPORT AUTHORITY



REQUEST FOR PROPOSALS (RFP)

INSTRUCTIONS-SPECIFICATIONS
FOR SELECTION OF
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
TO PERFORM
PROFESSIONAL AUDITING SERVICES

Proposal Opening – 2:00 PM (EST) October 28, 2020

Tri-Cities Airport Authority
2525 Highway 75, Suite 301
Blountville, TN 37617

Telephone: (423) 325-6001

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ADVERTISEMENT

NOTICE OF ACCEPTANCE OF PROPOSALS

FOR SELECTION OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS TO PERFORM PROFESSIONAL AUDITING SERVICES

TRI-CITIES AIRPORT AUTHORITY
2525 Highway 75, Suite 301
Blountville, TN 37617

1. The Tri-Cities Airport Authority (Authority) is seeking qualified independent Certified Public Accountants to provide financial auditing services and preparation of the Authority's Comprehensive Annual Financial Report (CAFR) for our fiscal years ending (FYE) June 30, 2021 through June 30, 2023.
2. A Request for Proposals (RFP) Package can be downloaded from the Authority's web site at: <https://triflight.com/about/business-with-tri/> (document will be posted by Monday, September 21, 2020 on the public documents tab); requested in writing by e-mailing to: Rene Weber, Director of Finance, email: (RWeber@triflight.com); or by calling 423-325-6001. A copy of the Authority's FYE June 30, 2019 Comprehensive Annual Financial Report (CAFR), in pdf format, can be downloaded from the same website link and tab above.
3. The Authority reserves the right to reject any and all proposals and waive any formalities allowable by State law, in connection herewith.
4. The policy of the Tri-Cities Airport Authority is to affirmatively ensure that disadvantaged business enterprises (DBEs) as defined in 49 CFR Part 26 will be afforded an equal opportunity to submit proposals in response to this invitation and will not be discriminated against on the grounds of race, color, national origin or sex in consideration in the award and performance of this contract or in the administration of its DBE Program.

-TIMETABLE-

Advertise RFP	September 20, 2020
Posting of instructions for pre-proposal conference via Zoom	October 01, 2020
Non-mandatory Pre-proposal Conference.....	10:00 AM (EDT), October 07, 2020
Posting of Addendum, if applicable (response to questions)	October 14, 2020
Proposal Opening Date and Time	2:00 PM (EDT), October 28, 2020
Date of Possible Interviews	November 18, 2020
Award of Contract by Board of Commissioners	December 17, 2020

-INSTRUCTIONS-

1. PROPOSAL DUE DATE: Sealed proposals will be received until 2:00 PM (EST) on Tuesday, October 28, 2020 (opening date and time) at the Tri-Cities Airport's Board or Commission Room, Suite 302, second floor of the main terminal building. Any proposals received after specified closing time will be returned, unopened, without being considered.
2. PROPOSAL SUBMISSIONS: Proposals are to be submitted to the Director of Finance at the Tri-Cities Airport Authority. Physical and Mailing address: 2525 Highway 75, Suite 301, Blountville, TN 37617. Proposals must be limited to not more than 35 pages in length. The original and three (3) hard copies of the Proposal must be submitted along with a PDF version on a thumb drive. Proposals are to be submitted on pre-printed forms (Appendices A, B, and C) to be furnished by said Authority. If additional space is needed to convey information to be included on the appendices additional pages may be attached with cross reference(s) made to the respective appendix and line item addressed. The outside of the envelope or package for the proposal must be marked "Audit Services Proposal" and also state the Proposal opening date and time.
3. AUTHENTICATION OF PROPOSAL: Proposal form marked Appendix A and information sheet titled "Qualification Questionnaire," Appendix B, must be completed in every respect and signed by an authorized representative possessing authority to bind the firm. Appendix C must be sworn to before a Notary Public. The official name of the firm will be regarded as the name in which the proposal is submitted and in which the contract will be prepared.
4. FIRM (PERSON) TO INFORM SELF: Each firm (person) shall carefully examine these Instructions and Specifications. Each firm (person) will be responsible for making such inspections and technical inquiries, as they may deem necessary. Failure on the part of any firm (person) to make such examination shall not constitute grounds for declaration by said firm (person) of not understanding the conditions with respect to making its proposal.
5. PRE-PROPOSAL MEETING: A non-mandatory pre-proposal conference has been scheduled for 10:00 AM (EST), October 7, 2020 in the Authority's Board or Commission Room, Suite 302, on the second floor of the Tri-Cities Airport terminal building at 2525 Highway 75, Blountville, TN 37617. (Note: parking is provided in the short-term parking lot in front of the terminal building. If you desire to park free, bring your parking ticket inside for the receptionist to approve.) The Authority will post instructions on its website <https://triflight.com/about/business-with-tri/> (public documents tab) by October 1, 2020 providing information for those wishing to attend the meeting via Zoom.

6. Questions by potential respondents regarding the Request for Proposals or concerning the Authority must be submitted in writing via email to the Director of Finance at rweber@triflight.com or via regular mail to the Authority mailing address and attention of the Director of Finance as noted in Instruction 2, above. All questions to the Authority regarding the Request for Proposals must be received by the close of business (5:00 PM EST) on October 7, 2020.
7. COMPILATION, POSTING AND DISTRIBUTION OF ADDENDUM: The Authority will compile all questions, if any, and the Authority's responses thereto, from potential respondents or proposers attending the pre-proposal conference or submitted to the Director of Finance via email or in writing on a timely basis as noted above in Instruction 6.. The Authority will issue an addendum to the Request for Qualifications package with such questions and the responses not later than close of business on October 14, 2020 which will be forwarded to all potential respondents or proposers and also posted to the RFP document on the Authority's website.
8. COMMUNICATION WITH BOARD OF COMMISSIONERS AND AUTHORITY'S STAFF: Respondents are advised that any communication, either verbally or in writing, direct or indirect, subsequent to the date of issuance of this RFP by prospective respondents or any of its owners, officers, employees or agents, or any entity acting on its behalf, with any member of the Board of Commissioners or any officer or employees of the Authority, except as provided in this section, is **strictly prohibited** and may be cause for disqualification of the prospective respondent. This restriction will not apply with regard to necessary communications to complete the FY 2020 audit engagement, either verbal or in writing, between the audit firm engaged to complete the FY 2020 audit engagement and the Board of Commissioners and the Authority's staff. This restriction on communication will govern until the RFP process has been completed and a contract has been fully executed for these services.
9. REJECTION OF PROPOSAL – ATTACHING ADDITIONAL INFORMATION: The Airport Authority reserves the right to reject any and all proposals and waive any technicalities allowable by State law. All information that is required to be supplied should be submitted with the forms attached to and made a part of these Instructions-Specifications. Additional information should be typed on plain paper and marked/referenced appropriately per Instruction 2.
10. WITHDRAWAL OF PROPOSALS: Submitting firm (person) may withdraw its proposal provided it's request, in writing, is received by the Authority's Director of Finance prior to the opening date of 2:00 PM (EDT), October 28, 2020.
11. EVALUATION CRITERIA - AWARD OF CONTRACT: A minimum of three (3) individual/company/firms may be selected from all the RFP submittals for a short list. The TCAA Selection committee may request in-person or Zoom

video/teleconferencing interviews if a finalist cannot be made from the RFP review process. Contract to be awarded will be made to firm (person) making the proposal considered most advantageous to the Authority. Most advantageous to the authority will include evaluation/consideration of the individual/firms proposals based on:

- 1) Professional qualifications of the individual/firm.
- 2) Prior experience with similar audits of governmental entities and/or airport authorities in the last five years.
- 3) Plan for performing the audit for TCAA including interface with the Board of Commissioners, effects of computerized accounting systems, audit risk and materiality, and timing of the audit work.
- 4) Staff to be assigned to the TCAA audit including a description of their professional qualifications and relevant experience.
- 5). Estimated cost of the FY 2021, FY 2022 and FY 2023 Audit Engagements based on plan of audit, staff to be assigned and other factors as determined by the respondent to be appropriate.

The contract form will be that of "Uniform Contract to Audit Accounts" as approved by the Comptroller of the Treasury, State of Tennessee, which document requires the audit fixed fee or estimated fee to be included in the contract. Said award, if to be made, will be consummated as soon as possible following approval by the Board of Commissioners at their December 17, 2020 meeting to be held at 10:00 AM (EDT) in the Authority's offices at Tri-Cities Airport. Due to the COVID-19 pandemic the Authority's Board of Commissioners have been held via video/teleconferencing. If such conditions still apply for the December 17, 2020 Board of Commissioners meeting respondents or proposers will be notified by email regarding details of accessing the meeting via Zoom video/teleconferencing by December 10, 2020.

12. TERM OF AUDIT ENGAGEMENT: It is the intent of the Authority to continue working with the auditor awarded this contract for a minimum of 3 years as long as the fee increase does not exceed 3% per year. If the fee increase requested is more than 3% annually, the Authority reserves the right to solicit additional proposals for auditing services.
13. EXPLANATION OF OR FINDING OF DISCREPANCIES: Should a firm (person) submitting a proposal find a discrepancy or omission in these Instructions-Specifications, or should there be any doubt as to the meaning of any provision, it shall at once notify in writing the Authority's Director of Finance, who will then send written supplemental instructions to all respondents/proposers which said written instructions shall become addenda to those Instructions-Specifications. The Airport Authority will not be responsible for any oral statements or requests.

14. SUPPLEMENTAL INFORMATION: While the Airport Authority does not guarantee the information contained and included as part of these Instructions, specifications and general information, it was assembled and compiled from sources considered by the Airport Authority to be reliable.

15. FREEDOM OF INFORMATION ACT: By submitting a proposal, the Respondent consents and agrees that, notwithstanding any express or implied claim of copyright, all proposal documents submitted to the Commission are not subject to copyright and, as such, may be copied, however, the release of such documents shall be governed by applicable law, in particular the Tennessee Open Records Act.

APPENDIX "A"

PROPOSAL FORM

FOR SELECTION OF
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
TO PERFORM
PROFESSIONAL AUDITING SERVICES

TRI-CITIES AIRPORT AUTHORITY

SUBMITTED BY _____

(Insert official name of business)

TO: DIRECTOR OF FINANCE
TRI-CITIES AIRPORT AUTHORITY
2525 HIGHWAY 75, SUITE 301
BLOUNTVILLE, TN 37617

Dear Sir:

The undersigned being fully informed as to the term, conditions and provisions of the instructions and specifications in this Request for Proposal published by the Tri-Cities Airport Authority proposes the following estimate of fees to provide professional audit services for the Authority for the fiscal years ending June 30, 2021, June 30, 2022 and June 30, 2023 in accordance with said published instructions and specifications.

As expressly set out therein, the undersigned agrees to bill the Airport Authority for said service, the following estimated fees (payable in _____installments).

	FY 2021	FY 2022	FY 2023
Proposed fee:			
Base Audit Fee	_____	_____	_____
CAFR Review	_____	_____	_____
CAFR Layout and Provide PDF Copy	_____	_____	_____
CAFR Printing (20 Copies)	_____	_____	_____
Evaluation of Actuarial Data from Tennessee Consolidated Retirement System and analysis required to determine Retirement Plan(s) liability	_____	_____	_____
Additional Fees and Expenses:			
_____	_____	_____	_____
_____	_____	_____	_____
Total Fees and Expenses	=====	=====	=====

Please provide description of additional fees and expenses, if any, and attach a schedule if additional breakdown of fees is required.

With respect to providing auditing services on a scheduled basis, we propose the following:

1. A narrative of the Auditor's approach to the audit engagement, including its interface with Authority staff, effects of computerized accounting systems, audit risk and materiality, and timing of the audit work.

2. Staffing plan of the personnel to be assigned to the Authority's audit, including a description of their professional qualifications and relevant experience:

3. Schedule for providing services:

The Authority's financial records will be made available the first week of September 2021. The Comprehensive Annual Financial Report (CAFR) must be presented to the Board of Commissioners at their December 16, 2021 Board meeting for acceptance. The CAFR must be submitted to the State of Tennessee, Federal Aviation Administration, Government Finance Officers Association (GFOA) and other agencies by December 31, 2021.

4. Other special conditions requiring Authority action or expense:

Signature and Title

APPENDIX "B"

QUALIFICATION QUESTIONNAIRE FOR SELECTION OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS TO PERFORM PROFESSIONAL AUDITING SERVICES TRI-CITIES AIRPORT AUTHORITY

INSTRUCTIONS:

Proposer must present evidence that they (he/she) are (is) fully competent and have the necessary facilities, equipment, experience and pecuniary resources to fulfill the conditions of the contract to be awarded, within the general schedules and times listed in "Appendix A". To provide the Authority with information on this point, proposer must submit, with their (his/her) proposal, the information called for in this questionnaire. Proposers unable to qualify as to the minimum requirements set out in the Instructions are to include particular points not met in the remarks section of this form. If additional space is required for response please attach additional sheets with cross reference to the Appendix and item

Failure to submit this Qualification Questionnaire Form with all questions completely answered may cause disqualifications of the proposal.

If additional space is needed for response(s) attachment of type written additional sheet(s) is allowed provided such additional sheet(s) are cross referenced

with the Appendix designation and line item number for which additional information is presented.

- QUALIFICATION QUESTIONNAIRE -

1. OFFICIAL STATUS

a. If a corporation:

When Incorporated _____

In What State _____

President's or CEO's

Name _____

b. If a Partnership, answer the following:

Date of Organization: _____

Agreement Recorded (County, State, Date) _____

Name of Managing Partner: _____

c. If organization in another form:

Specify entity type: _____

Specify when and where organized (County, State, Date) _____

Name and title of Managing Member: _____

2. Name and number of years of audit experience of the partner/manager that will be assigned primary responsibility for the annual audit (the partner/manager must be a Certified Public Accountant licensed or licensable in the State of Tennessee):

<u>NAME</u>	<u>TITLE</u>	<u>YEARS OF AUDIT OF EXPERIENCE</u>
_____	_____	_____

3. The name, position, email address, and telephone number, of the person authorized to conduct negotiations and discuss the proposal on behalf of Auditor or Firm.

<u>NAME</u>	<u>TITLE</u>	<u>EMAIL</u>	<u>TELEPHONE</u>
_____	_____	_____	_____

4. An overview including the size, depth, description, expertise, history, etc., of the individual/company/firm:

5. All submitting individuals and/or firms must be properly licensed or licensable to do business in the State of Tennessee and must comply with applicable laws in the State of Tennessee. The individual/company/firm does not have to be based in Tennessee, however, individual/company/firm is required to submit evidence of all professional licenses required to complete the work as part of this RFP submittal in the State of Tennessee. Failure to comply with the licenses request may be grounds for rejecting the individual/company/firm submittal as non-responsive.

<u>TYPE OF LICENSE</u>	<u>INDIVIDUAL OR FIRM NAME</u>	<u>LICENSE NUMBER OR ID</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Comments and/or notes with regard to licensure:

6. Give the names, dates and locations of places at which similar audit services were performed by the above named individual/company/firm in the last 5 years:

	<u>NAMES</u>	<u>TYPE OF OPERATION</u>	<u>LOCATIONS</u>	<u>DATES</u>
1.	_____	_____	_____	_____
2.	_____	_____	_____	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____
7.	_____	_____	_____	_____

7. Have any franchises, permits, licenses, or leases for the operation of services by proposer ever been cancelled?

No ()

Yes () Explain: _____

8. Please provide, as an attachment page to this Appendix B, the most recent peer review report the individual/firm/company has received with regard to attest services that it performs.

APPENDIX "C"
NONCOLLUSION AFFIDAVIT

STATE OF _____

County of _____

of lawful age, being first duly sworn, on oath says, that (s)he is the agent authorized by the proponent to submit the attached proposal. Affiant further says that the proposal filed herewith is not made in the interest of or on behalf of any undisclosed person, partnership, company, association, organization or corporation. That such proposal is genuine and not collusive or a sham; that said proponent has not, directly or indirectly, induced or solicited any other proponent to put in a false or sham proposal, and has not, directly or indirectly, colluded, conspired, connived or agreed with any proponent or anyone else to put in a sham proposal, or that anyone else shall refrain from proposing. That said proponent has not in any manner, directly or indirectly, sought by agreement, communication or conference with anyone to fix the proposal price of said proponent or any other proponent, or to fix any overhead, profit, or cost element of such proposal price of said proponent or of any other proponent, or to secure any advantage against the Tri-Cities Airport Authority (Authority) or anyone interested in the Agreement. That the proponent has not been a party to any collusion with any official of the Authority or any employees of the Authority concerning exchange of money or other things of value for special consideration in submitting a sealed proposal for the privilege of providing audit services for the Authority. That all statements contained in such proposal are true; that proponent has not, directly or indirectly, submitted his proposal price or any breakdown thereof or the contents thereof, or divulged information or data relative thereto to other parties.

Firm Name

By: _____

Signature and Title*

Subscribed and sworn to before me this _____ day of _____, 20_____.

Notary Public

My Commission Expires: _____

*Owner, General Partner or Officer of the Corporation, Company Name and State.

EXHIBIT 1

S P E C I F I C A T I O N S

1. The Tri-Cities Airport Authority (Authority) is public body, corporate and politic, pursuant to the laws permitting the creation of and defining the powers of regional airport authorities in the State of Tennessee. (See, Tennessee Code Annotated Section 42-3-101 *et seq.*). Its sole purpose is the ownership and operation of Tri-Cities Airport. The Airport Authority By-Laws require it to select an independent auditor who shall conduct at least annually an independent audit of the financial affairs of the Authority. Other services may be requested of the independent auditor, as necessary or allowable.
2. The examination will be conducted in accordance with generally accepted auditing standards. It will include a review of the system of internal accounting control, analytical reviews, and tests of the transactions and/or balances to the extent necessary. The examination and the reports issued thereon will meet all requirements included in the standard "Uniform Contract to Audit Accounts" prescribed by the Comptroller of the Treasury, State of Tennessee as well as the single audit requirements as applicable to Federal Grants from the Federal Aviation Administration and/or other Federal Agencies.
3. The contract will be awarded for a minimum of 3 years as long as the fee increase does not exceed 3% per year. If the fee increase requested is more than 3% annually, the Authority reserves the right to solicit additional proposals for auditing services. After 3 years, the contract may be extended on a year-to-year basis at the sole discretion of the Board of Commissioners of the Tri-Cities Airport Authority.
4. The FYE June 30, 2021 Comprehensive Annual Financial Report (CAFR) must be presented to the Board of Commissioners at their December 16, 2021 Board meeting for acceptance. The CAFR must be submitted to the State of Tennessee, Federal Aviation Administration, Government Finance Officers Association (GFOA), and Federal Audit Clearinghouse.
5. The Auditor will conduct its examinations and render its reports in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States.
6. The Authority currently utilizes Microsoft Dynamics GP accounting software in its accounting process and operates the software via a network computer system to accommodate multiple users. The Authority also operates an existing LAN which is separate and secure from LANs operated for Security Access and Control and Public

Wi-Fi access in the Airport Terminal and Concourse. Payroll is processed internally on the Microsoft Dynamics GP accounting software on a bi-weekly payroll cycle.

8. The Authority operates as an Enterprise Fund. Internal reporting is performed on a modified cash basis of accounting. Annual reporting is required to be on the accrual basis. The Authority creates a budget for each fiscal year which is normally approved by the Board of Commissioners in June of each year. Rates and Charges are established for each fiscal year in connection with the annual budget preparation and approved by the Board of Commissioners.
7. The objectives of the annual audit are:
 - a. To obtain an independent auditor's opinion on the Authority's financial statements in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.
 - b. To meet the audit requirements of the Comptroller of the Treasury for the State of Tennessee, in accordance with Government Auditing Standards.
 - c. To meet the audit requirements of the Federal Audit Clearinghouse as required under the Single Audit Act of 1984 (amended in 1996), OMB Circular A-133, and the Office of Management and Budget Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements for Federal audits.
 - d. To provide recommendations in maintaining and improving the Authority's system of internal controls and to issue a report on compliance and on internal control over financial reporting in accordance with Government Auditing Standards.
 - e. To obtain an independent auditor's report on compliance with the Passenger Facility Charge Program (PFC) and Internal Control over Compliance in accordance with the Passenger Facility Audit Guide for Public Agencies required by the Federal Aviation Administration.
 - f. To meet the audit compliance requirements of grants issued through the Transportation Equity Fund of the Tennessee Department of Transportation – Aeronautics Division.
 - g. To meet the audit compliance requirements of grants issued through other Federal and State agencies including, but not limited to, the United States Department of Agriculture and State of Tennessee Economic Development fund.

- h. To inform the Commission of new GASB Pronouncements regarding financial statement preparation and to assist the Authority in implementation of any such requirements.

- 8. The Authority has received the Certificate of Achievement for Excellence in Financial Reporting awarded by the Government Finance Officers Association (GFOA) for twenty consecutive years. It is the Authority's intent for its financial report to continue to meet the Certificate of Achievement Program's requirements and be submitted annually to the GFOA to determine its eligibility for another certificate. The staff prepares the Introductory, Management Discussion and Analysis and Statistical sections with the assistance of the independent auditors. The independent auditor's participate in the review of the CAFR prior to submission to the GFOA. The Authority is requesting the independent auditor to also assist in the layout and printing of the CAFR. If the firm does not have the capability to assist in the CAFR layout and printing, and the Authority will have to seek an outside firm to perform this task, please note that fact in the proposal.

- 9. A copy of the June 30, 2019 Comprehensive Annual Financial Report can be downloaded from the Authority's web site at <https://triflight.com/about/business-with-tri/> - public documents tab, or requested in writing by e-mailing to: Rene Weber, Director of Finance (RWeber@triflight.com).