

VILLAGE OF DOWNERS GROVE
Report for the Village Council Meeting
11/1/2016

SUBJECT:	SUBMITTED BY:
Professional Services Agreement – Independent Auditor	Judy Buttny Finance Director

SYNOPSIS

A motion is requested to award a professional services agreement to BKD, LLP of Oakbrook Terrace, IL in an amount not-to-exceed \$170,500 for a five-year contract term to conduct the independent audit of the Village's annual financial statements.

STRATEGIC PLAN ALIGNMENT

The goals for 2015-2017 include *Steward of Financial, Environmental and Neighborhood Sustainability*.

FISCAL IMPACT

The FY17 proposed budget includes \$36,100 in the following funds: General Fund (page 4-3, line 17), Downtown TIF Fund (4-35, line 17), and Ogden Avenue TIF Fund (4-37, line 17).

RECOMMENDATION

Approval on the November 1, 2016 consent agenda.

BACKGROUND

The Village of Downers Grove is required by State statutes to have an annual independent audit of its financial statements. The contract with the previous auditor expired following completion of audit work, and the Comprehensive Annual Financial Report for the 2015 fiscal year.

Seven firms responded to the Village's Request for Proposal (RFP). Staff interviewed four of the firms and recommends awarding the contract to BKD, LLP for a term of five years. BKD has significant experience auditing municipalities in the State of Illinois and is well-qualified to perform municipal audits that meet all statutory requirements and continue to demonstrate the Village's commitment to financial sustainability and transparency.

ATTACHMENTS

Contract Documents



AUDITING SERVICE 2016-2020

RFP-0-43-2016/TT

VILLAGE OF DOWNERS GROVE

Submitted by BKD, LLP
1901 South Meyers Road // Suite 500 // Oakbrook Terrace, IL
60181
Phone: 630.282.9500
Scott C. Termine, CPA // Partner
July 20, 2016

ORIGINAL

BKD^{LLP}
CPAs & Advisors

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TRANSMITTAL LETTER

July 20, 2016

Ms. Carol Hogan

Assistant Finance Director
Village of Downers Grove
801 Burlington Avenue
Downers Grove, IL 60515

DEAR MS. HOGAN:

The Village of Downers Grove (the Village) is mindful of those you serve—the thousands of residents who live, work and raise families in your community. However, amid a rebounding economy, many municipalities still face a number of unprecedented challenges, from delivering effective services using finite resources to engaging your citizens and keeping up with rapidly evolving technologies and demographics. Therefore, you need the resources, guidance and expertise of a national CPA and advisory firm that can help you have confidence in your financial statements and demonstrate your effectiveness at providing public services. With our depth of experience providing professional services to municipalities nationwide and commitment to providing an efficient transition between firms, we believe **BKD, LLP** is the right choice to provide the Village with a fresh perspective on your financial statements.

BKD National Governmental Group works with hundreds of governmental clients nationwide. This industry experience, as well as our involvement with national and state associations, including the American Institute of CPAs, Governmental Audit Quality Center, Government Finance Officers Association, National League of Cities, Illinois Government Finance Officers Association and Association of Government Accountants, allows us to understand the specific issues the public sector faces. In addition to providing quality audit services, we can leverage our industry experience to share best practices and provide practical solutions to help you navigate your complex regulatory environment and prepare for upcoming pronouncements.

BKD understands the Village is seeking a Financial Statement Audit and Preparation of a Comprehensive Annual Financial Report. BKD is committed to providing these services to you within the established time period, and believes the firm is fully qualified to perform this engagement.

We believe our proposal will help you select our firm for timely, efficient and objective services delivered by experienced professionals. We will call you soon to answer questions you may have about this proposal, or you may reach us at 630.282.9500 or by email as provided below.

Sincerely,

A handwritten signature in black ink that reads "Scott C. Termine".

Scott C. Termine, CPA
Partner
stermine@bkd.com

A handwritten signature in black ink that reads "John F. Cutrera".

John F. Cutrera, CPA
Director
jcutrera@bkd.com

EXECUTIVE SUMMARY

Similar to municipalities nationwide, the Village of Downers Grove (the Village) faces significant scrutiny from taxpayers and other stakeholders. As you work to sustain a high level of service despite reduced grant funding while continuing to invest in public infrastructure improvements and maintaining appropriate financial reserves, operating efficiently is crucial. Therefore, you need to work with an experienced CPA and advisory firm that can provide a fresh look at your financial statements and objective guidance on changes in accounting standards. **BKD, LLP** can help.

We will not claim to know your operations as well as you do. However, we will seek to develop an understanding of the Village's needs and draw upon our experience gained from our work with approximately 500 governmental entities nationwide to provide focused solutions.

THE VILLAGE'S DESIRED OUTCOMES

The Village desires to work with a reputable CPA and advisory firm with a team of knowledgeable advisors who are active in industry organizations including the Illinois Government Finance Officers Association (IGFOA) and the Illinois CPA Society. You also want:

- ▶▶ A firm with a local and national depth of responsive advisors who can offer ongoing assistance as you navigate implementation of Governmental Accounting Standards Board Statement No. 72, Fair Value Measurement and Application (GASB 72)
- ▶▶ Professionals who have experience with Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting (CAFR Program) submission
- ▶▶ A firm that can offer strategies aimed at helping you maintain your AAA bond rating from Standard & Poor's, so you can borrow appropriately as part of your strategy to bolster financial stability
- ▶▶ Year-round communication from responsive advisors, including proactive best practice recommendations, industry updates and ideas aimed at helping you operate effectively amid state budget fluctuations
- ▶▶ A firm with a national depth of resources and professional services available to assist you as your needs continue to evolve

BKD can help the Village **experience insight**. Our experienced engagement team will work with the Village to identify areas you believe may warrant a fresh look. An essential component of a successful transition is proper planning and communication during the information-gathering process. We will strive to get to know your financial team members as soon as possible with little disruption to your operations. As a result, we can help identify and resolve potential issues before they become critical business concerns.



Experience insight from a national firm that serves approximately 500 governmental entities.

SOLUTIONS FOR THE VILLAGE

The Village has requested information and a fee quote for a Financial Statement Audit in Accordance with *Government Auditing Standards & Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and an opinion on the Village's Comprehensive Annual Financial Report (CAFR) for the years ending December 31, 2016, 2017, 2018, 2019 and 2020.

Audit services may look alike on paper, but the reality is, the quality of the audit process, timeliness of services and suggestions to improve operational efficiency can vary among providers. It is important to engage a CPA and advisory firm that understands your needs, listens to your concerns and is receptive to an open dialogue about issues you face. We believe open communication is crucial to a strong working relationship with the Village.

With the qualified CPA and advisory firms you are considering, it can be challenging to make a decision. Your selection may come down to the engagement team you believe is most capable of helping you meet your current and future needs. Providing personal attention and frequent communication to our clients is what drives us—and delivering value is among our top priorities.

Please see section H. Audit Approach beginning on page 40 of this proposal for a detailed explanation of our audit service approach.

WHY CHOOSE BKD

DELIVERING VALUE

It is important to monitor expenditures and receive exceptional value for your investments. However, informed consumers understand value is about more than just price. Value from a professional CPA and advisory firm is about the quality of the work and the merit of the advice. Expect BKD's work to be accurate and insightful. We stand behind it. Our Public Company Accounting Oversight Board (PCAOB) inspections and American Institute of CPAs (AICPA) peer reviews demonstrate the firm's record of excellence.



As evidenced by our inclusion in **INSIDE Public Accounting's** Best of the Best Firms list for the last five years, we also offer long-term consistency, exceptional performance and a national network of support and resources. BKD is large enough to help the Village address a variety of financial issues. At the same time, we pride ourselves on hard work and low overhead, which keep our fees competitive. With our reputation, size, service and experience, you can consider us a good value.

GOVERNMENT INDUSTRY EXPERTISE

As previously mentioned, BKD National Governmental Group works with approximately 500 governmental clients nationwide, including municipalities, counties, state agencies, public utilities, public universities and airports. We can leverage best practices learned from working with other government entities to help the Village identify areas that may require additional attention and increase operational efficiencies.

experience
support

"BKD just completed the first year audit engagement with the City. The transitional year went extremely smooth. BKD's staff did an excellent job working with our staff during the transition. During the engagement, BKD provided knowledgeable support and guidance. The audit was completed on schedule, and BKD always completed their deliverables on time."

Allen Herink
City Comptroller
City of Omaha, Nebraska

Our experience has enabled us to establish connections with the:

- ▶▶ AICPA Governmental Audit Quality Center, as a member
- ▶▶ Government Finance Officers Association (GFOA)
- ▶▶ Governmental Accounting Standards Board (GASB)
- ▶▶ Office of Management and Budget
- ▶▶ U.S. Government Accountability Office

REPRESENTATIVE CLIENTS

BKD is proud to work with governmental clients in Illinois, including:

Algonquin Area Public Library
Bloom Township
Bloomington Township
Brookfield-North Riverside Water Commission
Chicago Heights Park District
City of Hickory Hills
City of Highwood
City of Oakbrook Terrace
City of Park Ridge
DuPage County
DuPage Township
Forest Preserve District of DuPage County
Glenside Public Library District
Homewood-Flossmoor Park District
Illinois Municipal Insurance Cooperative (IMIC)
Indian Trails Public Library District
Mill Creek Water Reclamation District
Oakbrook Terrace, City Police Pension Fund
Park District of Oak Park, Illinois
University of Illinois Chicago Dept of Athletics
Village of Berkeley
Village of Bloomingdale
Village of Bolingbrook
Village of Bradley
Village of Burr Ridge
Village of Grayslake
Village of Hainesville
Village of Mettawa
Village of Mundelein
Village of River Forest
Village of Villa Park
Village of Volo
Village of Willowbrook
Will County Governmental League

A CENTER OF EXCELLENCE FOR GOVERNMENT

As part of our industry specialization within BKD, leaders from BKD offices across our national government practice created the BKD Center of Excellence for Government to focus on the specific issues organizations similar to the Village face. These professionals meet regularly to discuss important industry developments, legislative updates and challenges that affect governmental entities throughout the country, as well as share best practices gained from our extensive industry experience. We look forward to leveraging this knowledge to offer you proactive communication and valuable industry insight so you can confidently plan for the future.

TIMELY SERVICES TO HELP RETAIN YOUR GFOA CERTIFICATE

We understand the Village intends to issue a CAFR and apply for the GFOA's CAFR Program. BKD can help you. We have several team members who serve on the GFOA's Special Review Committee, so we understand the process. We will work with you to help resolve identified discrepancies and reduce exceptions when your reports are returned.

As you know, GFOA certification increases transparency in financial reporting and can lend credibility to the Village's stewardship of funds. The short window for completing annual audits to meet the established GFOA deadlines make timely and accurate services vital. A core service philosophy at BKD is Responsive Reliability, which means you can count on our service process to follow the established timeline. You can expect timely delivery of reports to help you meet GFOA deadlines and retain you certificate, as well as timely communications with your commissioners, finance and administrative committee and interested third parties.

REPRESENTATIVE CLIENTS

BKD is proud to work with the following clients who have received a GFOA CAFR Program award:

City & County of Denver, CO	City of Park Ridge, IL
City of Aurora, CO	City of Roanoke, TX
City of Bedford, TX	City of Springfield, MO
City of El Paso, TX	City of Westminster, CO
City of Fort Smith, AR	Forest Preserve District of DuPage County, IL
City of Greenville, TX	Homewood-Flossmoor Park District, IL
City of Greenwood Village, CO	Park District of Oak Park, IL
City of Kansas City, MO	Village of Berkeley, IL
City of Kerrville, TX	Village of Bloomingdale, IL
City of Lincoln, NE	Village of Burr Ridge, IL
City of Little Rock, AR	Village of Mundelein, IL
City of Lubbock, TX	Village of River Forest, IL
City of North Richland Hills, TX	Village of Willowbrook, IL
City of Oakbrook Terrace, IL	
City of Oklahoma City, OK	

A SMOOTH TRANSITION

We have developed a tailored audit transition plan to help provide a smooth transition to BKD. This can save the Village valuable staff resources while cutting the time to transition. We are adept at working with incumbent firms, and in many cases, our technological systems are compatible. This can allow us to efficiently and securely transfer your financial data. In addition, members of your proposed engagement team, including Partner Scott Termine and Director John Cutrera, have helped numerous clients more comfortably navigate transitions between service providers. You can be confident our organized approach is designed for efficiency.

THOUGHT LEADERSHIP

BKD advisors are serious about reinforcing and strengthening their positions as thought leaders in the industries they serve. To help keep you informed about emerging issues in your industry, as well as changes in regulations and accounting and tax methods, we provide **BKD Thoughtware**[®] webinars, seminars and articles. Many of these are eligible for continuing professional education (CPE) credit. Recent topics include:

- ▶▶ June 2016 GASB Update
- ▶▶ GASB Statement No. 72, Fair Value Measurement & Application
- ▶▶ Pursuing Operational Excellence in the Public Sector

UNMATCHED CLIENT SERVICE

You want trusted advisors who will deliver exceptional client service, focus on your needs and take the time to address your unique challenges. BKD understands. We take our commitment so seriously, we penned five standards of unmatched client service and supporting guidelines in **The BKD Experience: Unmatched Client Service**, a book that articulates the firm's philosophy and sets expectations for serving clients. Our five standards are:

INTEGRITY FIRST

We work hard to do what is right for you. You can rely on us to tell you what you need to hear.

TRUE EXPERTISE

From BKD, you can expect trained, capable staff and a high level of supervision by partners and experienced personnel.

PROFESSIONAL DEMEANOR

You can depend on prepared and attentive advisors to help meet your needs and provide new ideas.

RESPONSIVE RELIABILITY

Accurate and thorough work, combined with timely delivery, is what you require, and at BKD, we do not want it any other way.

PRINCIPLED INNOVATION

We want you to succeed. For the Village, that means looking for new ideas to streamline a process, better document work, train your staff and improve your effectiveness.

You can count on BKD's commitment to our 5 standards of unmatched client service:



Integrity First



True Expertise



Professional Demeanor



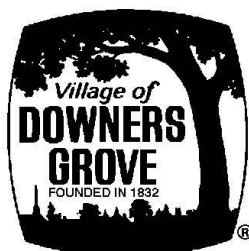
Responsive Reliability



Principled Innovation

bkd.com/5

REQUEST FOR PROPOSAL



REQUEST FOR PROPOSAL (Professional Services)

Name of Proposing Company: _____

Project Name: AUDITING SERVICE 2016-2020
Proposal No.: RFP-0-43-2016/TT
Proposal Due: July 20, 2016, 4:00 p.m.
Pre-Proposal Conference: None

Required of Awarded Contractor:

Certificate of Insurance: No

Legal Advertisement Published: June 20, 2016

Date Issued: June 20, 2016

This document consists of 31 pages.

Return **original** and **two duplicate copies** and a **flash drive or CD** in a **sealed envelope** marked with the Proposal Number as noted above to:

THERESA H. TARKA
PURCHASING ASSISTANT
VILLAGE OF DOWNERS GROVE
801 BURLINGTON AVENUE
DOWNERS GROVE, IL 60515
PHONE: 630/434-5530
FAX: 630/434-5571
www.downers.us

The VILLAGE OF DOWNERS GROVE will receive proposals Monday thru Friday, 8:00 A.M. to 5:00 P.M. at the Village Hall, 801 Burlington Avenue, Downers Grove, IL 60510.

SPECIFICATIONS MUST BE MET AT THE TIME THE PROPOSAL IS DUE.

The Village Council reserves the right to accept or reject any and all proposals, to waive technicalities and to accept or reject any item of any proposal.

The documents constituting component parts of this contract are the following:

- I. REQUEST FOR PROPOSALS
- II. TERMS & CONDITIONS
- III. DETAILED SPECIFICATIONS
- IV. PROPOSAL/CONTRACT FORM

DO NOT DETACH ANY PORTION OF THIS DOCUMENT. INVALIDATION COULD RESULT. Proposers MUST submit an original, and 2 additional paper copies, and a CD or Flash Drive of the total proposal. Upon formal award of the proposal this RFP document shall become the contract, the successful Proposer will receive a copy of the executed contract.

I. REQUEST FOR PROPOSALS

1. GENERAL

- 1.1 Notice is hereby given that Village of Downers Grove will receive sealed proposals up to **July 20, 2016, 4:00 p.m.** .
- 1.2 Proposals must be received at the Village of Downers Grove by the time and date specified. Proposals received after the specified time and date will not be accepted and will be returned unopened to the Proposer.
- 1.3 Proposal forms shall be sent to the Village of Downers Grove, ATTN: **Theresa Tarka**, in a sealed envelope marked "SEALED PROPOSAL". The envelope shall be marked with the name of the project, date, and time set for receipt of proposals.
- 1.4 All proposals must be submitted on the forms supplied by the Village and signed by a proper official of the company submitting proposal. Telephone, email and fax proposals will not be accepted.
- 1.5 By submitting this proposal, the proposer certifies under penalty of perjury that they have not acted in collusion with any other proposer or potential Proposer.

2. PREPARATION OF PROPOSAL

- 2.1 It is the responsibility of the proposer to carefully examine the specifications and proposal documents and to be familiar with all of the requirements, stipulations, provisions, and conditions surrounding the proposed services. **DO NOT SUBMIT A PROPOSED CONTRACT. UPON ACCEPTANCE BY THE VILLAGE, THIS RFP DOCUMENT SHALL BECOME A BINDING CONTRACT.**
- 2.2 No oral or telephone interpretations of specifications shall be binding upon the Village. All requests for interpretations or clarifications shall be made in writing and received by the Village at least five (5) business days prior to the date set for receipt of proposals. All changes or interpretations of the specifications shall be made by the Village in a written addendum to our proposer's of record.
- 2.3 In case of error in the extension of prices in the proposal, the hourly rate or unit price will govern. In case of discrepancy in the price between the written and numerical amounts, the written amount will govern.
- 2.4 All costs incurred in the preparation, submission, and/or presentation of any proposal including any proposer's travel or personal expenses shall be the sole responsibility of the proposer and will not be reimbursed by the Village.
- 2.5 The proposer hereby affirms and states that the prices quoted herein constitute the total cost to the Village for all work involved in the respective items and that this cost also includes all insurance, royalties, transportation charges, use of all tools and equipment,

superintendence, overhead expense, all profits and all other work, services and conditions necessarily involved in the work to be done and materials to be furnished in accordance with the requirements of the Contract Documents considered severally and collectively.

3. MODIFICATION OR WITHDRAWAL OF PROPOSALS

- 3.1 A Proposal that is in the possession of the Village may be altered by a letter bearing the signature or name of person authorized for submitting a proposal, provided that it is received prior to the time and date set for the bid opening. Telephone, email or verbal alterations of a proposal will not be accepted.
- 3.2 A Proposal that is in the possession of the Village may be withdrawn by the proposer, up to the time set for the proposal opening, by a letter bearing the signature or name of person authorized for submitting proposals. Proposals may not be withdrawn after the proposal opening and shall remain valid for a period of ninety (90) days from the date set for the proposal opening, unless otherwise specified.

4. RESERVED RIGHTS

- 4.1 The Village of Downers Grove reserves the exclusive right to waive sections, technicalities, irregularities and informalities and to accept or reject any and all proposals and to disapprove of any and all subcontractors as may be in the best interest of the Village. Time and date requirements for receipt of proposal will not be waived.

II. TERMS AND CONDITIONS

5. VILLAGE ORDINANCES

- 5.1 The successful proposer will strictly comply with all ordinances of the Village of Downers Grove and laws of the State of Illinois.

6. USE OF VILLAGE'S NAME

- 6.1 The proposer is specifically denied the right of using in any form or medium the name of the Village for public advertising unless express permission is granted by the Village.

7. INDEMNITY AND HOLD HARMLESS AGREEMENT

- 7.1 To the fullest extent permitted by law, the Proposer shall indemnify, keep and save harmless the Village and its agents, officers, and employees, against all injuries, deaths, losses, damages, claims, suits, liabilities, judgments, costs and expenses, which may arise directly or indirectly from any negligence or from the reckless or willful misconduct of the Proposer, its employees, or its subcontractors, and the Proposer, its employees, or its subcontractors, and the Proposer shall at its own expense, appear, defend and pay all charges of attorneys and all costs and other expenses arising therefrom or incurred in connection therewith, and, if any judgment shall be rendered against the Village in any such action, the Proposer shall, at its own expense, satisfy and discharge the same. This

Agreement shall not be construed as requiring the Proposer to indemnify the Village for its own negligence. The Proposer shall indemnify, keep and save harmless the Village only where a loss was caused by the negligent, willful or reckless acts or omissions of the Proposer, its employees, or its Subcontractors.

8. NONDISCRIMINATION

8.1 Proposer shall, as a party to a public contract:

- (a) Refrain from unlawful discrimination in employment and undertake affirmative action to assure equality of employment opportunity and eliminate the effects of past discrimination;
- (b) By submission of this proposal, the Proposer certifies that he is an "equal opportunity employer" as defined by Section 2000(e) of Chapter 21, Title 42, U.S. Code Annotated and Executive Orders #11136 and #11375, which are incorporated herein by reference. The Equal Opportunity clause, Section 6.1 of the Rules and Regulations of the Department of Human Rights of the State of Illinois, is a material part of any contract awarded on the basis of this proposal.

8.2 It is unlawful to discriminate on the basis of race, color, sex, national origin, ancestry, age, marital status, physical or mental handicap or unfavorable discharge for military service. Proposer shall comply with standards set forth in Title VII of the Civil Rights Act of 1264, 42 U.S.C. Secs. 2000 et seq., The Human Rights Act of the State of Illinois, 775 ILCS 5/1-101et. seq., and The Americans With Disabilities Act, 42 U.S.C. Secs. 12101 et. seq.

9. SEXUAL HARASSMENT POLICY

9.1 The proposer, as a party to a public contract, shall have a written sexual harassment policy that:

- 9.1.1 Notes the illegality of sexual harassment;
- 9.1.2 Sets forth the State law definition of sexual harassment;
- 9.1.3 Describes sexual harassment utilizing examples;
- 9.1.4 Describes the Proposer's internal complaint process including penalties;
- 9.1.5 Describes the legal recourse, investigative and complaint process available through the Illinois Department of Human Rights and the Human Rights Commission and how to contact these entities; and
- 9.1.6 Describes the protection against retaliation afforded under the Illinois Human Rights Act.

10. EQUAL EMPLOYMENT OPPORTUNITY

10.1 In the event of the Proposer's non-compliance with the provisions of this Equal Employment Opportunity Clause, the Illinois Human Rights Act or the Rules and Regulations of the Illinois Department of Human Rights ("Department"), the Proposer may be declared ineligible for future contracts or subcontracts with the State of Illinois or

any of its political subdivisions or municipal corporations, and the contract may be canceled or voided in whole or in part, and such other sanctions or penalties may be imposed or remedies invoked as provided by statute or regulation. During the performance of this contract, the Proposer agrees as follows:

- 10.1.1 That it will not discriminate against any employee or applicant for employment because of race, color, religion, sex, marital status, national origin or ancestry, age, physical or mental handicap unrelated to ability, sexual orientation, sexual identity or an unfavorable discharge from military service; and further that it will examine all job classifications to determine if minority persons or women are underutilized and will take appropriate affirmative action to rectify any such underutilization.
- 10.1.2 That, if it hires additional employees in order to perform this contract or any portion thereof, it will determine the availability (in accordance with the Department's Rules and Regulations) of minorities and women in the area(s) from which it may reasonably recruit and it will hire for each job classification for which employees are hired in such a way that minorities and women are not underutilized.
- 10.1.3 That, in all solicitations or advertisements for employees placed by it or on its behalf, it will state that all applicants will be afforded equal opportunity without discrimination because of race, color, religion, sex, marital status, national origin or ancestry, age, physical or mental handicap unrelated to ability, or an unfavorable discharge from military services.
- 10.1.4 That it will send to each labor organization or representative of workers with which it has or is bound by a collective bargaining or other agreement or understanding, a notice advising such labor organization or representative of the Proposer's obligations under the Illinois Human Rights Act and the Department's Rules and Regulations. If any such labor organization or representative fails or refuses to cooperate with the Proposer in its efforts to comply with such Act and Rules and Regulations, the Proposer will promptly so notify the Department and the contracting agency and will recruit employees from other sources when necessary to fulfill its obligations thereunder.
- 10.1.5 That it will submit reports as required by the Department's Rules and Regulations, furnish all relevant information as may from time to time be requested by the Department or the contracting agency, and in all respects comply with the Illinois Human Rights Act and the Department's Rules and Regulations.
- 10.1.6 That it will permit access to all relevant books, records, accounts and work sites by personnel of the contracting agency and the Department for purpose of investigation to ascertain compliance with the Illinois Human Rights Act and the Department's Rules and Regulations.
- 10.1.7 That it will include verbatim or by reference the provisions of this clause in every

subcontract it awards under which any portion of the contract obligations are undertaken or assumed, so that such provisions will be binding upon such subcontractor. In the same manner as with other provisions of this contract, the Proposer will be liable for compliance with applicable provisions of this clause by such subcontractors; and further it will promptly notify the contracting agency and the Department in the event any subcontractor fails or refuses to comply therewith. In addition, the Proposer will not utilize any subcontractor declared by the Illinois Human Rights Commission to be ineligible for contracts or subcontracts with the State of Illinois or any of its political subdivision or municipal corporations.

11. DRUG FREE WORK PLACE

Proposer, as a party to a public contract, certifies and agrees that it will provide a drug free workplace by:

- 11.1 Publishing a statement: (1) Notifying employees that the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance, including cannabis, is prohibited in the Village's or proposer's workplace. (2) Specifying the actions that will be taken against employees for violations of such prohibition. (3) Notifying the employee that, as a condition of employment on such contract or grant, the employee will: (A) abide by the terms of the statement; and (B) notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five (5) days after such conviction.
- 11.2 Establishing a drug free awareness program to inform employee's about: (1) the dangers of drug abuse in the workplace; (2) the Village's or proposer's policy of maintaining a drug free workplace; (3) any available drug counseling, rehabilitation and employee assistance programs; (4) the penalties that may be imposed upon employees for drug violations.
- 11.3 Providing a copy of the statement required above to each employee engaged in the performance of the contract or grant and to post the statement in a prominent place in the workplace.
- 11.4 Notifying the contracting or granting agency within ten (10) days after receiving notice of any criminal drug statute conviction for a violation occurring in the workplace no later than five (5) days after such conviction from an employee or otherwise receiving actual notice of such conviction.
- 11.5 Imposing a sanction on, or requiring the satisfactory participation in a drug abuse assistance or rehabilitation program by any employee who is so convicted as required by section 5 of the Drug Free Workplace Act.
- 11.6 Assisting employees in selecting a course of action in the event drug counseling, treatment and rehabilitation is required and indicating that a trained referral team is in place.

- 11.7 Making a good faith effort to continue to maintain a drug free workplace through implementation of the Drug Free Workplace Act.

12. PATRIOT ACT COMPLIANCE

The Proposer represents and warrants to the Village that neither it nor any of its principals, shareholders, members, partners, or affiliates, as applicable, is a person or entity named as a Specially Designated National and Blocked Person (as defined in Presidential Executive Order 13224) and that it is not acting, directly or indirectly, for or on behalf of a Specially Designated National and Blocked Person. The Proposer further represents and warrants to the Village that the Proposer and its principals, shareholders, members, partners, or affiliates, as applicable are not, directly or indirectly, engaged in, and are not facilitating, the transactions contemplated by this Agreement on behalf of any person or entity named as a Specially Designated National and Blocked Person. The Proposer hereby agrees to defend, indemnify and hold harmless the Village, and its elected or appointed officers, employees, agents, representatives, engineers and attorneys, from and against any and all claims, damages, losses, risks, liabilities and expenses (including reasonable attorney's fees and costs) arising from or related to any breach of the foregoing representations and warranties.

13. INSURANCE REQUIREMENTS/INDEMNIFICATION

- 13.1 The Proposer shall be required to obtain, from a company or companies lawfully authorized to do business in the jurisdiction in which the project is located, such general liability insurance which, at a minimum, will protect the Proposer from the types of claims set forth below which may arise out of or result from the Proposer's operations under this agreement and for which the Proposer may legally liable:
- 13.1.1 Claims under workers compensation, disability benefit and other similar employee benefit acts which are applicable to the operation to be performed;
 - 13.1.2 Claims for damages resulting from bodily injury, occupational sickness or disease, or death of the Proposer's employees;
 - 13.1.3 Claims for damages resulting from bodily injury, sickness or disease, or death of any person other than the Proposer's employees;
 - 13.1.4 Claims for damages insured by the usual personal injury liability coverage which are sustained: (1) by a person as a result of an offense directly or indirectly related to employment of such person by the Proposer, or (2) by another person;
 - 13.1.5 Claims for damages, other than to the work itself, because of injury to or destruction of tangible property, including loss of use resulting therefrom;

- 11.7 Making a good faith effort to continue to maintain a drug free workplace through implementation of the Drug Free Workplace Act.

12. PATRIOT ACT COMPLIANCE

The Proposer represents and warrants to the Village that neither it nor any of its principals, shareholders, members, partners, or affiliates, as applicable, is a person or entity named as a Specially Designated National and Blocked Person (as defined in Presidential Executive Order 13224) and that it is not acting, directly or indirectly, for or on behalf of a Specially Designated National and Blocked Person. The Proposer further represents and warrants to the Village that the Proposer and its principals, shareholders, members, partners, or affiliates, as applicable are not, directly or indirectly, engaged in, and are not facilitating, the transactions contemplated by this Agreement on behalf of any person or entity named as a Specially Designated National and Blocked Person. The Proposer hereby agrees to defend, indemnify and hold harmless the Village, and its elected or appointed officers, employees, agents, representatives, engineers and attorneys, from and against any and all claims, damages, losses, risks, liabilities and expenses (including reasonable attorney's fees and costs) arising from or related to any breach of the foregoing representations and warranties.

13. INSURANCE REQUIREMENTS/INDEMNIFICATION

- 13.1 The Proposer shall be required to obtain, from a company or companies lawfully authorized to do business in the jurisdiction in which the project is located, such general liability insurance which, at a minimum, will protect the Proposer from the types of claims set forth below which may arise out of or result from the Proposer's operations under this agreement and for which the Proposer may legally liable:
- 13.1.1 Claims under workers compensation, disability benefit and other similar employee benefit acts which are applicable to the operation to be performed;
 - 13.1.2 Claims for damages resulting from bodily injury, occupational sickness or disease, or death of the Proposer's employees;
 - 13.1.3 Claims for damages resulting from bodily injury, sickness or disease, or death of any person other than the Proposer's employees;
 - 13.1.4 Claims for damages insured by the usual personal injury liability coverage which are sustained: (1) by a person as a result of an offense directly or indirectly related to employment of such person by the Proposer, or (2) by another person;
 - 13.1.5 Claims for damages, other than to the work itself, because of injury to or destruction of tangible property, including loss of use resulting therefrom;

- 13.1.6 Claims for damages because of bodily injury, death of a person or property damage arising out of ownership, maintenance or use of a motor vehicle;
- 13.1.7 Claims for damages as a result of professional or any other type of negligent action by the Proposer or failure to properly perform services under the scope of the agreement between the Proposer and the Village.
- 13.2 The Proposer shall demonstrate having insurance coverage for a minimum of \$2 million for professional liability (errors and omissions).
- 13.3 As evidence of said coverages, Proposer shall provide the Village with certificates of insurance naming the Village of Downers Grove as an additional insured and include a provision for cancellation only upon at least 30 days prior notice to the Village.
- 13.4 In addition to required insurance coverages, the Proposer shall indemnify and hold harmless the Village and its officers, employees and agents from any and all liability, losses or damages the Village may suffer as a result of claims, demands, suits, actions or proceedings of any kind or nature in any way resulting from or arising out of negligent action on the part of the Proposer or any sub-Proposer to the Proposer under the Proposer's agreement with the Village.

14. CAMPAIGN DISCLOSURE

- 14.1 Any contractor, proposer, Proposer or vendor who responds by submitting a bid or proposal to the Village of Downers Grove shall be required to submit with its bid submission, an executed Campaign Disclosure Certificate, attached hereto.
- 14.2 The Campaign Disclosure Certificate is required pursuant to the Village of Downers Grove Council Policy on Ethical Standards and is applicable to those campaign contributions made to any member of the Village Council.
- 14.3 Said Campaign Disclosure Certificate requires any individual or entity bidding to disclose campaign contributions, as defined in Section 9-1.4 of the Election Code (10 ILCS 5/9-1.4), made to current members of the Village Council within the five (5) year period preceding the date of the bid or proposal release.
- 14.4 By signing the bid documents, contractor/proposer/Proposer/vendor agrees to refrain from making any campaign contributions as defined in Section 9-1.4 of the Election Code (10 ILCS 5/9-1.4) to any Village Council member and any challengers seeking to serve as a member of the Downers Grove Village Council.

15. SUBLETTING OF CONTRACT

- 15.1 No contract awarded by the Village shall be assigned or any part sub-contracted without the written consent of the Village Manager. In no case shall such consent relieve the Awarded Proposer from their obligation or change the terms of the contract.

All approved sub-contracts shall contain language which incorporates the terms and conditions of this contract.

16. TERM OF CONTRACT

- 16.1 The term of this contract shall be as set forth in the Detail Specifications set forth in Section III below. This contract is subject to the Village purchasing policy with regard to any extensions hereof.

17. TERMINATION OF CONTRACT

- 17.1 In the event of the Proposer's nonperformance, breach of the terms of the Agreement, or for any other reason, the Agreement may be canceled, in whole or in part, upon the Village's written notice to the Proposer. The Village will pay the Proposer's costs actually incurred as of the date of receipt of notice of default. Upon termination, the Proposer will deliver all documents and products of whatever kind, and their reproducible originals related to the project, which have been produced to the date of the notice of default.

18. BILLING & PAYMENT PROCEDURES

- 18.1 Payment will be made upon receipt of an invoice referencing Village purchase order number. Once an invoice and receipt of materials or service have been verified, the invoice will be processed for payment in accordance with the Village payment schedule. The Village will comply with the Local Government Prompt Payment Act, 50 ILCS 505/1 et seq., in that any bill approved for payment must be paid or the payment issued to the Proposer within 60 days of receipt of a proper bill or invoice. If payment is not issued to the Proposer within this 60 day period, an interest penalty of 1.0% of any amount approved and unpaid shall be added for each month or fraction thereof after the end of this 60 day period, until final payment is made.
- 18.2 The Village shall review in a timely manner each bill or invoice after its receipt. If the Village determines that the bill or invoice contains a defect making it unable to process the payment request, the Village shall notify the Proposer requesting payment as soon as possible after discovering the defect pursuant to rules promulgated under 50 ILCS 505/1 et seq. The notice shall identify the defect and any additional information necessary to correct the defect.
- 18.4 Please send all invoices to the attention of Village of Downers Grove, Accounts Payable, 801 Burlington, Downers Grove, IL 60510.

19. RELATIONSHIP BETWEEN THE PROPOSER AND THE VILLAGE

- 19.1 The relationship between the Village and the Proposer is that of a buyer and seller of professional services and it is understood that the parties have not entered into any joint venture or partnership with the other.

20. STANDARD OF CARE

- 20.1. Services performed by Proposer under this Agreement will be conducted in a manner consistent with that level of care and skill ordinarily exercised by members of the profession currently practicing in the same locality under similar conditions. No other representations express or implied, and no warranty or guarantee is included or intended in this Agreement, or in any report, opinions, and documents or otherwise.
- 20.2. If the Proposer fails to meet the foregoing standard, Proposer will perform at its own cost, and without reimbursement from the Village, the professional services necessary to correct errors and omissions caused by Proposer's failure to comply with the above standard and reported to Proposer within one (1) year from the completion of Proposer's services for the Project.
- 20.3. For Professional Service Agreements (i.e. Engineer, Proposer): Project site visits by Proposer during construction or equipment installation or the furnishing of Project representatives shall not make Proposer responsible for: (i) construction means, methods, techniques, sequences or procedures; (ii) for construction safety precautions or programs; or (iii) for any construction contractor(s') failure to perform its work in accordance with contract documents.

21. GOVERNING LAW

- 21.1. This Agreement will be governed by and construed in accordance with the laws of the State of Illinois without regard for the conflict of laws provisions. Venue is proper only in the County of DuPage and the Northern District of Illinois.

22. SUCCESSORS AND ASSIGNS

- 22.1. The terms of this Agreement will be binding upon and inure to the benefit of the parties and their respective successors and assigns; provided, however, that neither party will assign this Agreement in whole or in part without the prior written approval of the other. The Proposer will provide a list of key staff, titles, responsibilities, and contact information to include all expected sub Proposers.

23. WAIVER OF CONTRACT BREACH

- 23.1. The waiver by one party of any breach of this Agreement or the failure of one party to enforce at any time, or for any period of time, any of the provisions hereof will be limited to the particular instance and will not operate or be deemed to waive any future breaches of this Agreement and will not be construed to be a waiver of any provision except for the particular instance.

24. AMENDMENT

- 24.1. This Agreement will not be subject to amendment unless made in writing and signed by all parties.

25. CHANGE ORDERS

- 25.1 The contract price is a “not-to-exceed” cost. At any time additional work is necessary or requested, and the not-to-exceed price is increased thereby, any change, addition or price increase must be agreed to in writing by all parties.

26. SEVERABILITY OF INVALID PROVISIONS

- 26.1 If any provisions of this Agreement are held to contravene or be invalid under the laws of any state, country or jurisdiction, contravention will not invalidate the entire Agreement, but it will be construed as if not containing the invalid provision and the rights or obligations of the parties will be construed and enforced accordingly.

27. NOTICE

- 27.1 Any notice will be in writing and will be deemed to be effectively served when deposited in the mail with sufficient first class postage affixed, and addressed to the party at the party's place of business. Notices shall be addressed to the Village as follows:

**Village Manager
Village of Downers Grove
801 Burlington Ave.
Downers Grove, IL 60515**

And to the Proposer as designated in the Contract Form.

28. COOPERATION WITH FOIA COMPLIANCE

Contractor acknowledges that the Freedom of Information Act may apply to public records in possession of the Contractor or a subcontractor. Contractor and all of its subcontractors shall cooperate with the Village in its efforts to comply with the Freedom of Information Act . 5 ILCS 140/1 et.seq.

III. DETAIL SPECIFICATIONS

REQUEST FOR PROPOSAL, AUDITING SERVICES VILLAGE OF DOWNERS GROVE

I. INTRODUCTION

A. General Information

The Village of Downers Grove is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal year ending December 31, 2016, with the option of auditing its financial statements for each of the four subsequent fiscal years.

B. Background Information

Please visit www.downers.us to view the Village of Downers Grove's 2016 Annual Budget and the 2015 CAFR (along with reports from previous years). These documents provide general information about the Village and its finances.

C. Fund Structure

The Village of Downers Grove uses the following fund types in its Comprehensive Annual Financial Report (CAFR):

Governmental Fund Types

General Fund

Special Revenue Funds

Motor Fuel Tax Fund

Downtown Tax Increment Financing Fund

2% Foreign Fire Fund

Ogden Tax Increment Financing Fund

Tax Rebate Fund

Asset Forfeiture Fund

Debt Service Funds – Three Funds for Fourteen (14) Issues

Capital Projects Funds

Capital Improvements Fund

Municipal Buildings Fund

Real Estate Fund

Proprietary Fund Types

Enterprise Funds

Waterworks Fund
 Parking System
 Stormwater Utility Fund

Internal Service Funds

Health Insurance Fund
 Equipment Replacement Fund
 Fleet Maintenance Fund
 Risk Management Fund

Fiduciary Fund Types

Pension Trust Fund

Police Pension Fund
 Firefighter's Pension Fund

Agency Funds

Construction Bond Deposit Fund

Discretely Presented Component Unit

Downers Grove Public Library

D. Pension Plans

The Village of Downers Grove participates in the following pension plans:

1. Police Pension Fund
2. Firefighter's Pension Fund
3. Illinois Municipal Retirement Fund

Lauterbach & Amen, LLP provides actuarial services and accounting services for the Police and Firefighters' Pension Funds.

E. Component Units

The Village of Downers Grove 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. The Village of Downers Grove has one component unit, the Downers Grove Library.

F. Budgetary Basis of Accounting

The Village of Downers Grove prepares its budgets on a cash basis.

G. Federal and State Financial Assistance

The following grants have been recognized as grant revenue by the Village of Downers Grove during the fiscal year ending December 31, 2015:

FUND	GRANT DESCRIPTION	FEDERAL OR STATE	ESTIMATED AMOUNT 2015
Parking	Metra Parking Lot	Metra	\$903,311
General	Bullet Proof Vest	Federal	5,730
General	DEA Overtime pay	Federal	23,214
Stormwater	FEMA Disaster Property Acq.	Federal	589,165
Library	IL Annual Library Per Capita	State	61,516
Capital Projects	IDOT Traffic signal controller	Federal	30,182
Capital Projects	DCEO Ped Crossing Signals	State	2,718
General	STEP (Traffic Enforcement)	Federal	18,473
General	Tobacco Enforcement	State	3,528
General	DuPage County Bioswale	County	360
TOTAL			\$1,638,197

The Village had a Single Audit in 2008

H. Other

The Village of Downers Grove will send its CAFR to the Government Finance Officers Association of the United States and Canada for review in their Certificate of Achievement for Excellence in Financial Reporting program. The Village strongly endorses the program and has been awarded the Certificate in the past. It is the intent of the Village of Downers Grove to continue its participation in the program.

The Village (along with the library) uses Eden software from Tyler Technologies.

Baker Tilly Virchow Krause, LLP was the Village's auditors for the years 2010-2015.

For the 2015 audit, the auditors were on-site for 2 days of preliminary field work in January and 9 days of field work in April. There were no management comments.

Village staff prepares the Comprehensive Annual Financial Report as well as the AFR for the State. The DOI reports for its pension plans are prepared by Lauterbach and

Amen, LLC.

II. NATURE OF SERVICES REQUIRED

A. Scope of Work to be Performed

The Village of Downers Grove desires the auditor to express an opinion on the fair presentation of its basic financial statements in conformity with generally accepted accounting principles.

The Village of Downers Grove also desires the auditor to express an 'in relation to' opinion on the fair presentation of its combining and individual fund financial statements and schedules in conformity with generally accepted accounting principles. The auditor is not required to audit the introductory section of the report or the statistical section of the report.

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

Following the completion of the audit of the fiscal year's financial statements, the auditor may be required to issue:

1. A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles.
2. A report on compliance and internal control over financial reporting based on an audit of the financial statements.
3. A report on compliance and internal control over compliance applicable to each major federal program in compliance with OMB Circular A-133 (Single Audit).

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.

B. Time Requirements

The Village will provide electronic fully-adjusted trial balances to the auditors on or before April 1st; field work should be completed by the end of the second full week of April. Staff will prepare a draft of the CAFR within a week after the end of field work. The auditor shall have the draft of the CAFR reviewed and recommendations to management available for review by the Finance Department by May 15th.

The Village will receive all copies of the opinion on management's assertion that the Village of Downers Grove, Illinois complied with the requirements of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) no later than June 10th.

The Village will receive all copies of the Single Audit Report no later than June 30th.

C. Reports to be Issued

The independent auditor shall prepare and reproduce the following reports:

1. One (1) copy of the opinion on the Comprehensive Annual Financial Report,
2. Three (3) copies of the Single Audit Report,
3. Three (3) copies of the Downtown Redevelopment Tax Increment Report,
4. Three (3) copies of the Ogden Tax Increment Report,
5. Three (3) copies in each report of the opinion on management's assertion that the Village of Downers Grove, Illinois, complied with the requirements of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142).
6. One (1) copy of the auditors' Management Letter and Statement on Auditing Standards #61 Letter.

D. Auditing Standards to be followed

To meet the requirements of this request for proposals, the audit shall be performed in accordance with auditing standards generally accepted in the United States of America, the standards for financial audits set forth in the General Accounting Office's (GAO) Government Auditing Standards (as amended), the provisions of the federal Single Audit Act amendments of 1996 (as amended) and U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

E. Reporting to the Village Council

To assist the Council in overseeing the financial reporting and disclosure process, for which management is responsible, Statement on Auditing Standards No. 61 requires auditors to ensure that certain matters are communicated to the Council. The following are the matters to be communicated:

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

F. Working Paper Retention and Access to Working Papers

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 Village of Downers Grove of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the Village of Downers Grove.

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.

G. Other

1. In the event of a merger of the audit firm with another firm of certified public accountants or the change of partners to the audit firm, this contract will be transferable to the successor firm with the prior written approval of the Village.

III. VILLAGE RESPONSIBILITIES

The Finance Department staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation and explanations. It will be the responsibility of the Village to provide the independent auditor with a fully adjusted trial balance of all funds and other supporting documentation necessary to conduct the audit. The Village will also prepare the audit confirmations.

The Village of Downers Grove includes in the CAFR Additional Disclosures Required by SEC Rule 15c2-12. It will be the responsibility of the Village of Downers Grove to provide the auditors with the additional disclosures.

The auditor's principal contact with the Village of Downers Grove will be Carol Hogan, Assistant Finance Director, or a designated representative, who will coordinate the assistance to be provided by the Village of Downers Grove to the auditor.

The Village of Downers Grove will provide the auditor with reasonable workspace, desks and chairs. The auditor will also be provided with access to the Internet, photocopying facilities and FAX machines subject to restrictions.

IV. PROPOSAL REQUIREMENTS

To conduct a fair evaluation of all proposals in an efficient manner, the following information is to be included in the proposal:

A. Submission of Proposal

1. 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.

2. Table of Contents

3. 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, and a statement that the firm is fully qualified to perform the engagement.

B. General Requirements

The purpose of the proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit of the

Village of Downers Grove in conformity with the requirements of this request for proposal. The 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 proposal requirements.

C. Independence

The firm should provide an affirmative statement that it is independent of the Village of Downers Grove as defined by generally accepted auditing standards/the U.S. General Accounting Office's Government Auditing Standards.

D. License to Practice in Illinois

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

E. 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.

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.

F. 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 Illinois. 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. Indicate how the quality of staff over the term of the agreement will be assured.

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 Village of Downers Grove. However, in either case, the Village of Downers Grove 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 Village of Downers Grove, 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.

G. 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. Indicate the references name and the telephone number of the principal client contact.

H. Audit Approach

Describe your audit approach.

I. Fees

The Village requests that you provide a maximum "not to exceed" fee for each year for a total of five years (See Bid Contract Form). These fees should include all expenses.

J. Term

The term of this contract shall be one (1) year from the date of its execution with four automatic one year renewal terms.

SUBMISSION OF PROPOSALS

A. Inquiries

Inquiries concerning the Request for Proposals, the subject of the Request for Proposals, and those that are interested to review current financial records should contact Carol Hogan at 801 Burlington Avenue, Downers Grove, Illinois 60515, (630) 434-5929, chogan@downers.us. To facilitate the process, the Village's prior year CAFR's are posted on the Village website, www.downers.us.

B. Date and Time of Submissions

Three (3) paper copies of the proposal are required along with the proposal on a flash drive or CD, and are to be sealed in envelopes addressed to Theresa Tarka at the above address and clearly marked "2016 Audit RFP". Proposals are due no later than 4:00 pm, Wednesday, July 20, 2016.

VI. EVALUATION PROCEDURES

Proposals will be evaluated by the Finance Department to determine which proposal best meets the requirements of the Village. Evaluation factors include, but are not limited to technical expertise, qualifications, references, experience of the firm (and audit team), success in securing and maintaining the Certificate of Achievement in Excellence in Financial Reporting for their clients, staff knowledge of the auditors' professional reputation within the local government arena, as well as the fee.

After all proposals are evaluated, the Finance Department will conduct interviews with a select number of firms whose proposal best meets the requirements of the Village.

During the evaluation process, the Finance Department reserves the right, where it may serve the Village of Downers Grove's best interest, to request additional information or clarifications from proposers, or to allow corrections of errors or omissions.

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 Village of Downers Grove and the firm selected.

Staff will make their recommendation to the Village Council, who will make the final decision.

It is anticipated the selection of a firm will be completed by no later than September 30, 2016.

IV. BID CONTRACT FORM
VILLAGE OF DOWNERS GROVE
REQUEST FOR PROPOSAL
AUDITING SERVICES FY 2016-2020

DUE: 4:00pm July 20, 2016

FEE STRUCTURE

DESCRIPTION	COPIES NEEDED	2016	2017	2018	2019	2020
<i>BASIC SERVICES TO BE PROVIDED</i>						
OPINION ON CAFR – VILLAGE	1	_____	_____	_____	_____	_____
STATEMENT ON AUDITING STANDARDS No. 61 LETTER	1	_____	_____	_____	_____	_____
PREPARATION OF THE MANAGEMENT LETTER	1	_____	_____	_____	_____	_____
DOWNTOWN TAX INCREMENT FINANCING FINANCIAL AND COMPLIANCE REPORTS	3	_____	_____	_____	_____	_____
ODGEN TAX INCREMENT FINANCING FINANCIAL AND COMPLIANCE REPORTS	3	_____	_____	_____	_____	_____
SINGLE AUDIT REPORT (IF NECESSARY)	3	_____	_____	_____	_____	_____
TOTAL		=====	=====	=====	=====	=====
RATES FOR ADDITIONAL WORK		_____	_____	_____	_____	_____

Village of Downers Grove

IV. PROPOSER'S RESPONSE TO RFP (Professional Services)

(Proposer must insert response to RFP here DO NOT insert a form contract, the RFP document including detail specs and Proposer's response will become the contract with the Village)

RFP RESPONSE

For your convenience, we have structured our proposal according to the questions in your Request for Proposal (RFP). We believe our proposal will demonstrate our qualifications to serve the Village.

C. INDEPENDENCE

The firm should provide an affirmative statement that it is independent of the Village of Downers Grove as defined by generally accepted auditing standards/the U.S. General Accounting Office's Government Auditing Standards.

BKD is independent with respect to the Village as defined by the Code of Professional Conduct of the AICPA and the United States Government Accountability Office's *Government Auditing Standards*. We are not aware of any relationship that would impair our independence.

D. LICENSE TO PRACTICE IN ILLINOIS

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

BKD is properly licensed to practice public accounting in the state of Illinois. All key professionals who would be assigned to your engagement are properly registered/licensed to practice in the state, or able to practice in Illinois due to mobility laws without the requirement to obtain an individual state license.

E. FIRM QUALIFICATIONS & 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.

FIRM SIZE

BKD is one of the largest CPA and advisory firms in the United States. Our approximately 2,400 CPAs, advisors and dedicated staff serve clients in all 50 states and clients with operations in more than 40 countries.

GOVERNMENT AUDIT STAFF SIZE

BKD has approximately 130 professionals who spend more than 50 percent of their billable hours providing audit services to governmental entities.

OFFICE LOCATION

If BKD is engaged, the Village's requested services will be primarily provided out of our Oakbrook Terrace, Illinois, office.

BKD, LLP

1901 South Meyers Road // Suite 500
Oakbrook Terrace, IL 60181

experience communication

"BKD's personnel from staff to partner that I've worked with are very professional and consider the operations and timelines of the agency personnel in their planning. They are willing to discuss issues and accounting treatments in an open method while ensuring that the standards are met. The comments and recommendations are helpful and have assisted the city in making improvements."

Beth Machann

City Controller
City and County of Denver,
Colorado

NUMBER & NATURE OF STAFF

We anticipate providing one partner, one director, one manager and one associate on a full-time basis and one partner (concurring reviewer) on a part-time basis to complete the Village's audit.

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.

BKD is not a joint venture or consortium. We do not anticipate employing any other firm, affiliate or association member in completing the work for the Village. We believe BKD possesses both the depth and breadth of experience to serve the Village, as demonstrated throughout this proposal.

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.

BKD is committed to providing quality audit services to our clients. We submit our work to external reviewers, who challenge our approach and findings. We are proud of the findings from these reviews, which indicate that our process works.

Our most recent AICPA peer review included, among others, engagements performed under *Government Auditing Standards*. A copy of our most recent peer review report is included in the Appendix.

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.

From time to time, selected BKD audit engagements are subject to desk review by federal or other regulators. All such reviews during the past three years have shown our work to be generally satisfactory, and no disciplinary or other administrative proceedings have resulted from those reviews.

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.

In December 2014, **BKD, LLP** consented, without admitting or denying the findings, to a U.S. Securities and Exchange Commission (SEC) Order Instituting Public Administrative and Cease-and-Desist Proceedings ("Order"). The Order was based upon the SEC's findings that BKD had violated the SEC's independence rules by participating in drafting client financial statements in connection with broker dealer audits during 2010 through 2012. The remedies provided for in the Order included a small fine.

There are no pending issues that would affect our ability to provide services under this proposal or serve our clients.

F. PARTNER, SUPERVISORY & STAFF QUALIFICATIONS & 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 Illinois. 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. Indicate how the quality of staff over the term of the agreement will be assured.

The most critical factor in providing high-quality service is choosing your engagement team. We take team selection seriously and have the appropriate team of advisors to meet your needs. As previously mentioned, all key professionals who would be assigned to your engagement are properly registered/licensed to practice in the state, or able to practice in Illinois due to mobility laws without the requirement to obtain an individual state license.

ENGAGEMENT TEAM EXPERIENCE



Scott C. Termine, CPA

Partner

Engagement Role: Lead Engagement Partner/Lead Audit Partner

Scott has 20 years of public accounting experience, providing accounting, auditing and consulting services to governmental and not-for-profit entities. This includes state agencies, municipalities, counties, park districts, transit agencies and other units of local government. As part of these engagements, he has assisted in preparing numerous comprehensive annual financial reports (CAFR).

He has managed audits of federal funds received from numerous agencies. He also has experience providing agreed-upon procedures relating to various areas, including internal control design for governmental agencies. In addition to providing audit and attest services to a variety of governmental entities, Scott also has worked with his clients on projects involving internal control documentation and review, cost allocation, chart of accounts redesign and accounting department restructuring/outsourcing.

He is a member of the American Institute of CPAs and Illinois CPA Society (ICPAS). He also is a member of the Illinois Government Finance Officers Association (IGFOA) and serves on their Technical Accounting Review Committee (TARC). In addition, he is a member of the Special Review Committee (SRC) for the GFOA Certificate of Achievement for Excellence in Financial Reporting program.

Scott is a graduate of University of Illinois at Chicago, with a B.S. degree in accounting.

Scott C. Termine, CPA

Date	CPE Course Completed	Hours
01/11/2015	Independence - Historical Insights and Today's Rules	4.0
01/12/2015	BKD Coach Training	0.0
01/15/2015	BKD Guide to Billing & Realization Best Practices	2.0
02/21/2015	2015 February Tax Update Seminar	1.5
03/01/2015	BKD Culture - Unmatched Client Service	1.5
04/07/2015	Lease Accounting for State & Local Government (EW)	1.0
04/23/2015	Managing Operational Risks in Higher Education (EL)	2.5
05/15/2015	Audit Considerations & Disclosures for GASB Pensions (IW-118)	1.0
05/29/2015	BKD Sales Training Institute Kickoff	8.5
06/05/2015	Governmental Accounting Basics (IW-138)	3.5
06/17/2015	Opening General Session (including Ethics)	4.0
06/17/2015	Annual Partner/Managing Director Business Meeting	4.5
06/18/2015	Not-for-Profit & Government	9.5
06/19/2015	Closing General Session (including Ethics)	2.0
06/19/2015	Not-for-Profit & Government	2.5
07/24/2015	BKD STI: Building & Using Case Studies for Success (IW-163)	1.5
07/24/2015	2015 Compliance Supplement & Uniform Grant Guidance for Single Audits (IW-164)	1.5
07/28/2015	Making the Right Call - Evaluating Potential Fraud & Other Misdeeds	1.0
07/29/2015	Proposed Not-for-Profit Reporting Changes - What You Need to Know (EW-155)	1.0
09/18/2015	Effective Use of Substantive Analytics (IW-230)	1.0
09/18/2015	Fraud Series: Segregation of Duties - What Could Go Wrong? (IW-246)	1.0
09/18/2015	BKD STI: Putting Your Power Message to Work (IW-239)	1.5
10/16/2015	BKD STI: The Art & Science of Proactive Calling (IW-279)	1.5


Scott C. Termine, CPA

Date	CPE Course Completed	Hours
10/16/2015	Audit Requirements for the Uniform Guidance (IW-272)	1.0
11/05/2015	Using Forecasting & Long-Range Financial Planning to Support Strategic Objectives (EL-261)	3.0
11/06/2015	2015 A&A Annual Update	7.5
11/13/2015	BKD STI: Using Your SWAP Documents in Client Pursuits (IW-286)	1.5
11/13/2015	Trusted Advisor Training (IW-271)	2.0
11/19/2015	SKY Professional Development Series: Developing Your Personal Board of Directors	2.0
02/15/2014	Tax Update for Partners and Managers	2.0
04/28/2014	Government Conference	6.0
04/28/2014	Concurrent Session 2A: Panel Discussions: Segregation	1.0
04/28/2014	Concurrent Session 1A: Does Bankruptcy Really Matter	1.0
04/29/2014	The \$53 Million Question: Who's responsible for Ca	2.0
05/13/2014	Sustainability	6.0
09/07/2014	Illinois GFOA Conference	8.0
11/06/2014	A&A Integration Training	16.5
11/07/2014	A&A GoFileRoom Training	4.0
11/21/2014	A&A Annual Update - Chicago	7.0
11/25/2014	Managing Your NonBillable Time to Produce Concrete Results	1.0
12/03/2014	Single Audit Basics (Live External)	4.0
12/04/2014	STAR Biller Training	5.0
01/16/2013	Improve Your Understanding of Single Audit Environs	2.0
01/23/2013	Critical IRS Issues for Not-for-Profits	2.0
02/07/2013	New Pension Accounting and Reporting Standards	1.0
02/27/2013	The New GASB Pension Standards	2.0
04/29/2013	LeanCPA Workshop	4.0
05/13/2013	Government Conference - Oakbrook	9.0
07/12/2013	Lean CPA	5.0
09/05/2013	IN FOCUS: Overview of GASB Proposals	1.0
09/30/2013	Concurrent Session 1B: Healthcare Reform: Maintain	1.0
09/30/2013	Not-for-Profit Conference (Rosemont)	9.0
11/07/2013	Annual Government GAAP Update	4.0
11/20/2013	Annuities: The Good, The Bad, and The Ugly	1.0
11/21/2013	Not-for-Profit Conference (Rosemont)	8.0
12/06/2013	Mastering Time	1.0
12/06/2013	A&A Update	1.0
12/06/2013	Individual Tax Update	1.0



Joseph P. Vande Bosche, CPA
 Partner
 Engagement Role: Concurring Reviewer

Joe has provided services to the not-for-profit and public sector communities for more than 30 years, maintaining a focus on colleges and universities, foundations, membership organizations and a variety of public sector clients.

He primarily focuses on audit and accounting services and is a thought leader on audits in accordance with Single Audit requirements and *Government Auditing Standards (Yellow Book)* as well as not-for-profit and governmental financial reporting. His financial reporting experience includes seven years on the special review committee for the Government Finance Officers Association (GFOA) in connection with its Certificate of Achievement for Excellence in Financial Reporting Program.

Joe also has provided or overseen numerous consulting services in areas related to internal control design, improvement and documentation, forensics and data mining, risk management, financial projections and forecasts, resource allocation, process improvement and board development.

He is a frequent instructor for in-house and external seminars. He also works with the internal quality control team in reviewing not-for-profit and governmental audit practices and has served on peer reviews of other CPA firms.

Joe is a member of the American Institute of CPAs, Indiana CPA Society, Airports Council International-North America, American Association of Airport Executives and GFOA. In November 2008, **Indiana Business** named him one of "Indiana's Super CPAs" in the government/not-for-profit category.

He is a 1984 graduate of University of Notre Dame, Notre Dame, Indiana, with a B.B.A. degree with a concentration in accounting.

Joseph P. Vande Bosche, CPA

Date	CPE Course Completed	Hours
04/07/2015	Lease Accounting for State & Local Government (EW)	1.0
05/15/2015	Audit Considerations & Disclosures for GASB Pensions (IW-118)	1.0
07/01/2015	BKD Coach Excellence	1.5
08/11/2015	AICPA Governmental A&A Update Conference East 2015	11.0
08/28/2015	BKD STI: Building a Powerful & Persuasive Presentation (IW-211)	1.5
11/05/2015	Using Forecasting & Long-Range Financial Planning to Support Strategic Objectives (EL-261)	1.5
11/06/2015	2015 A&A Annual Update	7.5
11/10/2015	Vision Series - Securing & Managing Financial Resources in a Changing Environment	5.0
11/10/2015	Quarterly Coaching Activity - Get Unstuck	0.0
11/10/2015	Securing and Managing Financial Resources in a Changing Environment	3.0
11/13/2015	Trusted Advisor Training (IW-271)	2.0
12/01/2015	Fraud Series: Segregation Of Duties - What Could Go Wrong?	1.0
12/03/2015	Annual Governmental GAAP Update	4.0
12/18/2015	Analytical Fraud Detection	4.0
12/29/2015	Coaching Activity - Start with Heart	0.0
01/18/2014	Fraud Detection in Attest Engagements - Quarterly Fraud Webinar (Internal Webinar)	1.0
05/22/2014	BKD Sales Training Institute Kickoff	8.5
05/23/2014	Single Audit Monitoring Results & Best Practices	8.0
06/18/2014	Annual Partner/Managing Director Business Meeting	4.5
06/18/2014	Opening General Session (including Ethics)	2.5
06/19/2014	Not-for-Profit & Government	7.0

Joseph P. Vande Bosche, CPA

Date	CPE Course Completed	Hours
06/20/2014	Closing General Session (including Ethics)	2.0
07/25/2014	BKD STI: Prospect & Client Strategies for Success	1.5
07/25/2014	Identifying, Communicating & Responding to Fraud Risk Factors (Internal Webinar)	1.0
08/12/2014	Governmental Accounting and Auditing Update	11.5
08/14/2014	OMB's Super Circular (External Webinar)	1.0
10/17/2014	BKD STI: Moving Opportunities Forward	1.5
10/17/2014	Effective Use of Interim Procedures and a Preview of BKD's Client Risk Rating Project	1.0
10/29/2014	Leveraging Big Data to Mitigate Fraud Risk in Higher Education (Live External)	2.5
11/07/2014	A&A Annual Update - Indy/Bloomington	7.0
11/14/2014	Firmwide SKY Training	1.0
12/19/2014	BKD STI: Developing Your Existing Accounts & Clarifying the Mystery of Accounting Firm "Alliance" vs. "Network" & Praxity's Perspectives	1.5
01/19/2013	Using ACL to Detect Financial Statement Fraud (Internal Webinar)	1.0
06/14/2013	Information Technology General Control	6.5
07/31/2013	Internal Control Operating Effectiveness	19.0
08/13/2013	AICPA National Governmental Accounting and Auditing Update Conference (GAAC) East	16.0
10/15/2013	GASB 68: New Accounting & Financial Reporting for Pensions (External Webinar)	1.0
10/17/2013	Manipulation of Accounts Payable Systems (Internal Webinar)	1.0
11/11/2013	A&A Annual Technical Training - Indianapolis	5.5
12/11/2013	AICPA's Not-for-Profit Guide Overhaul Project (Internal Webinar)	1.0
12/17/2013	An Overview of the New GASB Pension Accounting Standards (Internal Webinar)	2.0



John F. Cutrera, CPA

Director

Engagement Role: Audit Director

John has more than 12 years of public accounting experience with governmental and not-for-profit entities, providing audit and consulting services such as financial statement audits and reviews. He has worked with a variety of entities, including counties, municipalities, villages, school districts, universities, water commission districts, foundations, food banks and social services organizations.

He has helped plan and manage Single Audits for various engagements, including housing, social services programs and highway planning and construction grants for governmental clients as well as agreed-upon procedures.

John is a member of the American Institute of CPAs, Illinois CPA Society (ICPAS) and Illinois Government Finance Officers Association. He serves on the ICPAS Governmental Report Review Committee.

He has introduced a variety of topics for internal trainings and IGFOA and presented to various boards and finance committees.

John is a 2004 graduate of Dominican University, River Forest, Illinois, with a B.S. degree in accounting, and a 2009 graduate with an M.B.A. degree in general management.

John F. Cutrera, CPA

Date	CPE Course Completed	Hours
01/15/2015	BKD Guide to Billing & Realization Best Practices	2.0
03/16/2015	BKD Culture - Unmatched Client Service	1.5
04/07/2015	Lease Accounting for State & Local Government (EW)	1.0
05/15/2015	Audit Considerations & Disclosures for GASB Pensions (IW-118)	1.0
05/29/2015	BKD Sales Training Institute Kickoff	8.5
06/17/2015	Opening General Session (including Ethics)	4.0
06/18/2015	Not-for-Profit & Government	9.5
06/19/2015	Closing General Session (including Ethics)	2.0
06/19/2015	Not-for-Profit & Government	2.5
06/26/2015	Making the Right Call: Fraud and Other Misdeeds (IW-145)	1.0
07/24/2015	2015 Compliance Supplement & Uniform Grant Guidance for Single Audits (IW-164)	1.5
07/24/2015	BKD STI: Building & Using Case Studies for Success (IW-163)	1.5
09/18/2015	Fraud Series: Segregation of Duties - What Could Go Wrong? (IW-246)	1.0
09/18/2015	Effective Use of Substantive Analytics (IW-230)	1.0
09/18/2015	BKD STI: Putting Your Power Message to Work (IW-239)	1.5
10/16/2015	Audit Requirements for the Uniform Guidance (IW-272)	1.0
10/16/2015	BKD STI: The Art & Science of Proactive Calling (IW-279)	1.5
11/06/2015	2015 A&A Annual Update	7.5
11/13/2015	Trusted Advisor Training (IW-271)	2.0
12/11/2015	BKD STI: A Refresher on the EDGE Process (IW-304)	1.5
04/28/2014	Ethics Session - Doing the Right Thing	2.0
04/28/2014	Government Conference	6.0
04/28/2014	Concurrent Session 2B: New Audit Guidance	1.0
04/28/2014	Concurrent Session 1A: Does Bankruptcy Really Matter	1.0
04/29/2014	The \$53 Million Question: Who's Responsible	2.0
06/19/2014	Government Audit Training	8.0
06/25/2014	LP 3 (2014-15) #1 Atlanta	18.0
11/06/2014	A&A Integration Training	16.5
11/07/2014	A&A GoFileRoom Training	4.0
11/21/2014	A&A Annual Update - Chicago	7.0
12/03/2014	Single Audit Basics (Live External)	4.0
12/04/2014	STAR Biller Training	5.0
12/19/2014	Quarterly Fraud Series - Data Analysis (IW)	1.0
12/29/2014	Independence - Historical Insights and Today's Rules	4.0
04/29/2013	LeanCPA Workshop	4.0
05/13/2013	Government Conference - Oakbrook	9.0
07/12/2013	Lean CPA	5.0
09/30/2013	NFP Tax Training	1.0
11/07/2013	Annual Government GAAP Update	4.0
11/20/2013	Annuities: The Good, The Bad, and The Ugly	1.0
12/06/2013	A&A Update	1.0
12/06/2013	Mastering Time	1.0



Marvin G. Salaysay, CPA, CIA®
Manager
Engagement Role: Audit Manager

Marvin has more than nine years of public accounting experience with governmental, not-for-profit and private entities, providing audit and consulting services, such as financial statement audits and financial statement reviews. He has worked with a variety of entities, including state agencies, municipalities, colleges, foundations, not-for-profit organizations, associations, labor unions and pension and benefit plans.

He has helped plan, manage and execute Single Audits for various engagements, including United States Agency for International Development grants and social services programs for not-for-profit and governmental clients, as well as agreed-upon procedures.

Marvin is a 2003 graduate of Philippine School of Business Administration, Manila, with a B.S. degree in accounting and a 2006 graduate with an M.B.A. degree in general business management.

Marvin G. Salaysay, CPA, CIA®

Date	CPE Course Completed	Hours
01/04/2016	Hot Topics from PCAOB Forum & 2014 Inspection - Part 1	1.0
01/04/2016	Municipal Advisors Rule	1.0
01/11/2016	Hot Topics from PCAOB Forum & 2014 Inspection - Part 2	1.0
01/11/2016	Coaching Activity - Start with Heart	0.0
01/12/2016	Overview of the New GASB Pension Accounting Standards - Part 1 of 2	1.0
04/14/2016	OMB Circular A-133: The Single Audit	7.0
04/18/2016	Overview of the New GASB Pension Accounting Standards - Part 2 of 2	1.0
04/19/2016	Pursuing Operational Excellence in the Public Sector (EW-417)	1.0
09/30/2015	Prior to BKD 2015	52.5
10/26/2015	Organizational Trust: Building a High-Trust Organization	1.0
10/28/2015	Relationship Trust: Building Strong Teams and Relationships at Work	1.0
10/29/2015	Smart Trust	1.0
11/03/2015	ACL New User Training for Chicago Integration	19.0
11/06/2015	2015 A&A Annual Update	7.5
11/09/2015	Self-Trust: Increasing Your Credibility and Influence at Work	1.0
11/13/2015	Trusted Advisor Training (IW-271)	2.0
12/11/2015	BKD STI: A Refresher on the EDGE Process (IW-304)	1.5
12/28/2015	Business Development for BKD Managers	0.5
12/28/2015	Independence-Historical Insights and Today's Rules	2.5
12/28/2015	BKD Culture - Unmatched Client Service	1.5
12/30/2015	BKD Coach Training	0.5

TRAINING

Our CPAs are required to receive at least 120 hours of continuing education every three years, and for auditors involved with audits performed under *Government Auditing Standards*, this education includes the hours required to comply with *Government Auditing Standards Yellow Book* guidance. BKD professionals carrying additional designations, such as Certified Fraud Examiner, are required to obtain annual training specifically related to fraud and fraud prevention. Staff members also attend a series of core audit and accounting courses over the first four years of their careers. Staff subsequently receive additional training on accounting and auditing for the not-for-profit and government environment.

RECOGNIZED LEARNING & DEVELOPMENT

BKD's commitment to lifelong learning and professional development is highlighted by our recognition as a top-tier training organization. BKD has earned the distinction of **Training** magazine's Training Top 125 for the past four years. In 2016 and 2014, BKD also earned the *Chief Learning Officer* magazine's LearningElite award. These programs rank companies' excellence in employer-sponsored training and recognize outstanding outcomes in learning and development. This cultural dedication helps our professionals meet our clients' needs.



STAFF CONTINUITY

Continuity of staff assigned to engagements is one of our primary goals. Whenever possible, we keep a consistent client service team working for you. This reduces the learning curve and saves you the time, frustration and disruption of dealing with new advisors unfamiliar with your organization. Past experience is a primary determinant for assigning professionals to your engagement, and we assign individuals who are experienced in working with governmental entities. Though it is impossible for any firm to know the future career paths of its professionals, many BKD clients have been served by substantially the same BKD engagement team for years.

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 Village of Downers Grove. However, in either case, the Village of Downers Grove 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 Village of Downers Grove, 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.

If a need arises to replace consultants or specialists on your engagement, we will notify you to obtain the Village's written consent. We understand the Village retains the right to approve or reject replacements.

In the event we are required to make a change to any key personnel assigned to your engagement, we will discuss this with you to explain the circumstances and proposed change. Your lead engagement partner, Scott Termine, or office managing partner will be coordinating personnel changes. We generally do not remove key personnel from an audit once it has begun, but occasionally, employee turnover or other events beyond our control require such a change. If a personnel change is required, we are confident we can provide a qualified replacement to complete your audit with limited interruption.

G. 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. Indicate the references name and the telephone number of the principal client contact.

Our clients are our best ambassadors, and we encourage you to contact them about their satisfaction with our services. The following clients have consented to discussing BKD's services and service delivery with you at your convenience.

City of Park Ridge, Illinois

Ms. Andrea Lamberg
Assistant Finance Director
847.318.5214

Village of Bradley, Illinois

Mr. Mark Pries
Finance Director/Treasurer
815.932.2125

City of Oakbrook Terrace, Illinois

Ms. Amy Marrero
City Administrator/Finance Director
630.941.8300

Village of Bloomingdale, Illinois

Mr. Gary Szott
Finance Director
630.671.5637

Village of River Forest, Illinois

Ms. Joan Rock
Finance Director
708.714.3524

H. AUDIT APPROACH

Describe your audit approach.

FINANCIAL STATEMENT AUDIT IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS & UNIFORM GUIDANCE SERVICE APPROACH

BKD's audit approach focuses on areas of higher risk—the unique characteristics of the Village's operating environment, the design effectiveness of your internal controls and your financial statement amounts and disclosures. The objective is to express an opinion on the conformity of your financial statements, in all material respects, with accounting principles generally accepted in the United States of America.

Our audit will be performed 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.

These principles make up the foundation of BKD's audit approach:

- ▶▶ The staff working on your engagement have been trained in the governmental industry. You will not have to train our people on the issues that affect the governmental industry, such as revenue and cost recognition, pension disclosures, debt reporting, etc.
- ▶▶ We provide a high level of engagement executive involvement so you receive high-quality service with little interruption. We recognize we have to be flexible because not all audits go as planned. Because our partners and managers are in the field, we can adapt quickly to circumstances that arise.
- ▶▶ Communicating the results of our audit procedures and sharing ideas to help your accounting processes are integral parts of your engagement. In addition, you will find communication does not end when the audit is completed. We strive to keep in contact with your management team throughout the year. Continued communication means you can receive an efficient and effective audit.

Using our five-phase approach, we will work with you to develop an audit plan tailored to your specific circumstances and risks.

PHASE 1: PLANNING

As required by auditing standards, we will communicate with your village council and management team early in the audit process. Our communication with the village council and management team is a two-way process: we will be informing them of the scope and timing of the audit but in return we will ask that your village council and management team let us know about any risk issues they have identified, any areas where they would like us to perform additional procedures or anything else material to the audit.

BKD also will work closely with your management team to develop an audit timeline that meets your requirements. For any audit to be successful, teamwork between the auditors and the management team is required. Both parties must set a realistic timeline to meet required deadlines.

As part of the planning meeting, we will identify information you have readily available for the audit and what additional information we will need. We recognize the importance of compliance with professional standards, but we also emphasize the need to be practical. When possible, during our testing of year-end account balances, we will want to use your internal reports and information.

Materiality

BKD has a defined methodology for governmental industry clients that does not simply consider net income, but focuses on other metrics, such as total assets, total revenue or other meaningful metrics to scope our audit approach, to evaluate actual or potential errors and to develop audit samples. In addition, we will seek the input of your village council and management team to further direct our testing procedures prior to finalizing our scope.

PHASE 2: RISK ASSESSMENT

BKD will follow standards established by the Auditing Standards Board of the AICPA. These auditing standards affect the amount and type of information BKD will gather to perform your audit.

We will:

- ▶▶ Obtain an understanding of your business and business environment, significant risks you face and how you mitigate those risks. This will include examining how you measure and manage financial performance, as well as your internal control over financial reporting.
- ▶▶ Evaluate where your financial statements might be susceptible to material misstatement due to error or fraud.
- ▶▶ Consider if internal controls have been implemented and assess the general controls around your IT systems.
- ▶▶ Assess risks of material misstatement for the most significant financial statement amounts and disclosures.

To help facilitate the testing of internal controls, we use questionnaires specific to the governmental industry, which expedite gathering your control information. Based on the documentation of your controls, we will test the key controls of your organization.

We expect to interview your personnel and review prior council meeting minutes as part of our information-gathering process.

OUR FIVE-PHASE APPROACH TO FINANCIAL STATEMENT AUDITS

1 » Planning

2 » Risk Assessment

3 » Fieldwork, Testing &
Further Audit Procedures

4 » Report &
Communications Delivery

5 » Presentation

PHASE 3: FIELDWORK, TESTING & FURTHER AUDIT PROCEDURES

Based on our assessment of risks of material misstatements and determination of further audit procedures to be performed, we will design audit tests that take advantage of strengths in your internal control system.

During fieldwork, we will:

- ▶▶ Perform substantive tests on material account balances
- ▶▶ Evaluate significant unusual transactions
- ▶▶ Ask management to further explore and clarify any identified potential misstatements
- ▶▶ Evaluate the materiality of those misstatements, if applicable
- ▶▶ Conclude whether all identified risks of material misstatement have been addressed
- ▶▶ Hold a formal exit conference with management to share findings and preliminary deliverables

BKD also will perform some tests from the following alternatives:

- ▶▶ Test key items – Some items within an account may be large enough by themselves to involve significant risk of material misstatement. These key items can be audited individually.
- ▶▶ Sampling – A detailed audit of representative individual items (a sample) selected from a population.
- ▶▶ Analytical procedures – Taking a closer look at a grouping of information by examining it as it relates to other accounts, historical trends or other measures.
- ▶▶ Computer-assisted auditing techniques (CAAT) – BKD uses ACL as one of the primary tools to apply CAAT. The use of ACL allows us to analyze data electronically, handle large amounts of data and increase the effectiveness and efficiency of audit procedures.

As needed, our partners across the firm serve as technical resources with expertise to deal with particularly challenging or unique situations that may arise in the course of your audit.

We know a great deal of audit information often comes from third parties. Sometimes information from those parties is not received on time. To keep your report on schedule, we will keep you informed of the status of outstanding items.

PHASE 4: REPORT & COMMUNICATIONS DELIVERY

A cornerstone of the quality of our audits is the use of a concurring reviewer before the issuance of any reports. Another member of our assurance team, who has otherwise not been involved in the engagement, reviews the financial statements and workpapers before issuing the report.

Generally accepted auditing standards establish requirements and provide guidance on our communication with those charged with governance. In addition, if applicable, we will issue a report to management and those charged with governance of any significant deficiencies or material weaknesses identified during the audit.

Our commitment to a smooth engagement also includes the timely delivery of our audit report. A draft of the audit report, management letter and any other deliverables will be provided to you for your review and comments. After completing our fieldwork, we generally deliver our audit report and other communications within four weeks.

experience
professionalism

“BKD has been a great resource for the City of Lincoln in accomplishing our financial reporting goals. They have provided us with prompt and sound technical and accounting guidance throughout our affiliation. The BKD audit teams have always been professional, friendly and accessible.”

Peggy Tharnish

City Controller
City of Lincoln, Nebraska

PHASE 5: PRESENTATION TO VILLAGE COUNCIL & MANAGEMENT TEAM

You may want to formally share your audit results with your village council and management team. We can help make a presentation to your village council and management team and answer their questions.

TIMING & YOUR BKD TEAM

Overall, we plan to spend about 13 days in your village hall working, approximately three days on interim/planning/gathering information to design our audit approach and two weeks on final fieldwork at year-end. We will coordinate the scheduling of your audit to both accommodate your schedule and to allow for the timely completion of deliverables.

Your BKD team will include an experienced manager and associate, who will be on site performing further audit procedures and gathering the information we need to support our opinion. In addition, your team will be led by a partner and director with experience in the governmental industry, who will direct our staff's audit approach, review their work and communicate audit results.

COMPLIANCE AUDIT IN ACCORDANCE WITH UNIFORM GUIDANCE

BKD performs hundreds of Single Audits annually, focusing on two objectives: first, an audit of your financial statements and reporting on the Schedule of Expenditures of Federal Awards (SEFA) in accordance with *Government Auditing Standards*, and second, a compliance audit for federal awards expended during the fiscal year.

At least one-third of our not-for-profit and government clients receive federal funding. Our extensive experience with compliance testing in accordance with OMB requirements can help provide the Village with a Single Audit performed properly and submitted on time.

Our Uniform Guidance Audit Approach

During our audit procedures of federal award programs, we do not simply look for findings to report. We look for opportunities to advise you of more efficient ways to comply with federal regulations to reduce the risks of sanctions or reduced funding. BKD has developed contacts at federal agencies and has been able to work cooperatively with these agencies to help clients resolve or avoid issues.

Entities subject to the Uniform Guidance and *Government Auditing Standards* will benefit from BKD's specially designed audit programs, checklists and database of federal audit programs.

Identification and testing of your federal programs will be performed primarily during interim fieldwork, which will typically be performed before your fiscal year-end. We have found this to be the most efficient manner in which to perform our audit services when the additional Uniform Guidance requirements are present.



I. FEES

The Village requests that you provide a maximum “not to exceed” fee for each year for a total of five years (See Bid Contract Form). These fees should include all expenses.

BKD knows our clients do not like fee surprises. Neither do we. Our goal is to be candid and timely, and we want to answer your questions about fees upfront. We determine our fees by evaluating a number of variables: the complexity of the work, the project’s scope, the time we will spend and the level of professional staff needed.

PROPOSED NOT-TO-EXCEED FEES

IV. BID CONTRACT FORM

VILLAGE OF DOWNERS GROVE REQUEST FOR PROPOSAL AUDITING SERVICES FY 2016-2020

DUE: 4:00pm July 20, 2016

FEE STRUCTURE

DESCRIPTION	COPIES NEEDED	2016	2017	2018	2019	2020
<i>BASIC SERVICES TO BE PROVIDED</i>						
OPINION ON CAFR – VILLAGE	1	\$25,500	\$26,300	\$27,100	\$27,900	\$28,700
STATEMENT ON AUDITING STANDARDS No. 61 LETTER	1	\$750	\$750	\$750	\$750	\$750
PREPARATION OF THE MANAGEMENT LETTER	1	\$750	\$750	\$750	\$750	\$750
DOWNTOWN TAX INCREMENT FINANCING FINANCIAL AND COMPLIANCE REPORTS	3	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
ODGEN TAX INCREMENT FINANCING FINANCIAL AND COMPLIANCE REPORTS	3	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
SINGLE AUDIT REPORT (IF NECESSARY)	3	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
TOTAL		\$32,500	\$33,300	\$34,100	\$34,900	\$35,700
<i>RATES FOR ADDITIONAL WORK</i>						
	Partner	\$195	\$200	\$205	\$210	\$215
	Manager	\$140	\$144	\$148	\$152	\$157
	Supervisor	\$115	\$118	\$122	\$126	\$130
	Staff	\$85	\$88	\$91	\$94	\$97
	Other	\$40	\$42	\$44	\$46	\$48

Fees above are inclusive of travel costs, if any, and an administrative fee of 4 percent to cover items such as copies, postage and other delivery charges, supplies, technology-related costs, such as computer processing, software licensing, research and library databases, and similar expense items. Our fees may increase if our duties or responsibilities change because of new rules, regulations and accounting or auditing standards. We will consult with you should this happen.

Our estimate of fees does not include any time that may be required to address a restatement of the previously audited financial statements. Accordingly, any such work, or any other work outside the scope of this engagement, will be billed based on quoted hourly rates.

Village of Downers Grove

V. PROPOSAL/CONTRACT FORM

*****THIS PROPOSAL, WHEN ACCEPTED AND SIGNED BY AN AUTHORIZED SIGNATORY OF THE VILLAGE OF DOWNERS GROVE, SHALL BECOME A CONTRACT BINDING UPON BOTH PARTIES.**

Entire Block Must Be Completed When A Submitted Bid Is To Be Considered For Award

PROPOSER:	
BKD, LLP	Date: July 20, 2016
Company Name	stermine@bkd.com
1901 South Meyers Road , Suite 500	Email Address
Street Address of Company	Scott C. Termine, CPA
Oakbrook Terrace, IL 60181	Contact Name (Print)
City, State, Zip	630.282.9500
630.282.9500	13-Hour Telephone
Business Phone	<i>Scott C. Termine</i> *
630.282.9495	Signature of Officer, Partner or Sole Proprietor
Fax	Scott C. Termine, CPA
	Print Name & Title
ATTEST: If a Corporation	
Signature of Corporation Secretary	

VILLAGE OF DOWNERS GROVE:

_____	ATTEST:
Authorized Signature	_____
_____	Signature of Village Clerk
Title	_____
_____	Date
Date	_____

In compliance with the specifications, the above-signed offers and agrees, if this Proposal is accepted within 90 calendar days from the date of opening, to furnish any or all of the services upon which prices are quoted, at the price set opposite each item, delivered at the designated point within the time specified above.

**Subject to negotiations stated in the Exceptions to Terms & Conditions page of this proposal*

Village of Downers Grove



VENDOR W-9 REQUEST FORM

The law requires that we maintain accurate taxpayer identification numbers for all individuals and partnerships to whom we make payments, because we are required to report to the I.R.S all payments of \$600 or more annually. We also follow the I.R.S. recommendation that this information be maintained for all payees including corporations.

Please complete the following substitute W-9 letter to assist us in meeting our I.R.S. reporting requirements. The information below will be used to determine whether we are required to send you a Form 1099. Please respond as soon as possible, as failure to do so will delay our payments.

BUSINESS (PLEASE PRINT OR TYPE):

NAME: BKD, LLP
 ADDRESS: 1901 South Meyers Road // Suite 500
 CITY: Oakbrook Terrace
 STATE: IL
 ZIP: 60181
 PHONE: 630.282.9500 FAX: 630.282.9495
 TAX ID #(TIN): 44-0160260

(If you are supplying a social security number, please give your full name)

REMIT TO ADDRESS (IF DIFFERENT FROM ABOVE):

NAME: _____
 ADDRESS: _____
 CITY: _____
 STATE: _____ ZIP: _____

TYPE OF ENTITY (CIRCLE ONE):

- Individual
- Sole Proprietor
- Partnership
- Medical
- Charitable/Nonprofit
- Limited Liability Company –Individual/Sole Proprietor
- Limited Liability Company-Partnership
- Limited Liability Company-Corporation
- Corporation
- Government Agency

SIGNATURE: *Scott C. Taine* DATE: July 20, 2016

Village of Downers Grove

PROPOSER'S CERTIFICATION (page 1 of 3)

With regard to RFP-0-43-2016/TT, proposer BKD, LLP hereby certifies
 (Name of Project) (Name of Proposer)
 the following:

1. Proposer is not barred from bidding this contract as a result of violations of Section 720 ILCS 5/33E-3 (Bid Rigging) or 720 ILCS 5/33E-4 (Bid-Rotating);
2. Proposer certifies that it has a written sexual harassment policy in place and is in full compliance with 775 ILCS §12-105(A)(4);
3. Proposer certifies that not less than the prevailing rate of wages as determined by the Village of Downers Grove, DuPage County or the Illinois Department of Labor shall be paid to all laborers, workers and mechanics performing work for the Village of Downers Grove. All bonds shall include a provision as will guarantee the faithful performance of such prevailing wage clause. Proposer agrees to comply with the Illinois Prevailing Wage Act, 820 ILCS 130/1 *et seq.*, for all work completed. Proposer agrees to pay the prevailing wage and require that all of its subcontractors pay prevailing wage to any laborers, workers or mechanics who perform work pursuant to this contract or related subcontract. Proposer and each subcontractor shall keep or cause to be kept an accurate record of names, occupations and actual wages paid to each laborer, workman and mechanic employed by the Proposer in connection with the contract. This record shall be sent to the Village on a monthly basis along with the invoice and shall be open to inspection at all reasonable hours by any representative of the Village or the Illinois Department of Labor and must be preserved for four (4) years following completion of the contract. Proposer certifies that proposer and any subcontractors working on the project are aware that filing false payroll records is a class B misdemeanor and that the monetary penalties for violations are to be paid pursuant to law by the proposer, contractor and subcontractor. The Village shall not be liable for any underpayments. If applicable: Since this is a contract for a fixed public works project, as defined in 820 ILCS 130/2, Contractor agrees to post at the job site in an easily accessible place, the prevailing wages for each craft or type of worker or mechanic needed to execute the contract or work to be performed.
4. Proposer certifies that it is in full compliance with the Federal Highway Administrative Rules on Controlled Substances and Alcohol Use and Testing, 49 C. F.R. Parts 40 and 382 and that all employee drivers are currently participating in a drug and alcohol testing program pursuant to the Rules.
5. Proposer further certifies that it is not delinquent in the payment of any tax administered by the Department of Revenue, or that Proposer is contesting its liability for the tax delinquency or the amount of a tax delinquency in accordance with the procedures established by the appropriate Revenue Act. Proposer further certifies that if it owes any tax payment(s) to the Department of Revenue, Proposer has entered into an agreement with the Department of

Village of Downers Grove

PROPOSER'S CERTIFICATION (page 2 of 3)

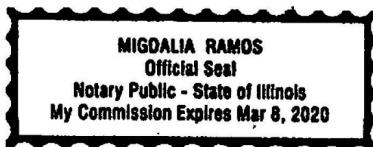
Revenue for the payment of all such taxes that are due, and Proposer is in compliance with the agreement.

BY: Scott C. Termine
Proposer's Authorized Agent

4 4 - 0 1 6 0 2 6 0

FEDERAL TAXPAYER IDENTIFICATION NUMBER

or _____
Social Security Number



Subscribed and sworn to before me
this 15 day of July 2016.

Migdalia Ramos
Notary Public

(Fill Out Applicable Paragraph Below)

(a) Corporation

The Proposer is a corporation organized and existing under the laws of the State of _____, which operates under the Legal name of _____, and the full names of its Officers are as follows:

President: _____

Secretary: _____

Treasurer: _____

and it does have a corporate seal. (In the event that this bid is executed by other than the President, attach hereto a certified copy of that section of Corporate By-Laws or other authorization by the Corporation which permits the person to execute the offer for the corporation.)

(b) Partnership

Signatures and Addresses of All Members of Partnership *Russell Romanelli* ^

BKD, LLP
1901 South Meyers Road // Suite 500
Oakbrook Terrace, IL 60181

^ Firmwide, BKD has approximately 260 partners and principals; therefore, a complete listing of all partner signatures and addresses would be too voluminous to include. However, as a managing partner of the firm, Russell Romanelli is authorized to contractually bind BKD.

Village of Downers Grove

PROPOSER'S CERTIFICATION (page 3 of 3)

The partnership does business under the legal name of: BKD, LLP
 which name is registered with the office of _____ in the state of
Missouri.

(c) Sole Proprietor

The Supplier is a Sole Proprietor whose full name is: _____
 and if operating under a trade name, said trade name is: _____
 which name is registered with the office of _____ in the state of
 _____.

5. Are you willing to comply with the Village's preceding insurance requirements within 13 days of the award of the contract?

Insurer's Name Van Meter Insurance Group

Agent Marie Shell

Street Address 1240 Fairway Street

City, State, Zip Code Bowling Green, KY 42103

Telephone Number (270) 529-1387

Insurer's Name: Affinity Insurance Services

Agent: Ken Kumor

Street Address: 159 East Country Line Road

City, State, Zip Code: Hatboro, PA 19040

I/We affirm that the above certifications are true and accurate and that I/we have read and understand them.

Print Name of Company: BKD, LLP

Scott C. Termine, CPA

Print Name and Title of Authorizing Signature: _____

Signature: Scott C. Termine *

Date: July 20, 2016

* *Subject to the negotiations stated in the Exceptions to Terms & Conditions page of this proposal*

Village of Downers Grove

Suspension or Debarment Certificate
--

Non-Federal entities are prohibited from contracting with or making sub-awards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. Covered transactions include procurement for goods or services equal to or in excess of \$100,000.00 contractors receiving individual awards for \$100,000.00 or more and all sub-recipients must certify that the organization and its principals are not suspended or debarred.

By submitting this offer and signing this certificate, the Proposer certifies to the best of its knowledge and belief, that the company and its principals:

1. Are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from covered transactions by any federal, state or local governmental entity, department or agency.
2. Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction, or convicted of or had a civil judgment against them for a violation of Federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
3. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (2) of this certification: and
4. Have not within a three-year period preceding this application/proposal/contract had one or more public transactions (Federal, State or local) terminated for cause or default.

If the Proposer is unable to certify to any of the statements in this certification, Proposer shall attach an explanation to this certification.

Company Name: BKD, LLP

Address: 1901 South Meyers Road, Suite 500

City: Oakbrook Terrace, IL Zip Code: 60181

Telephone: (630) 282.9500 Fax Number: (630) 282.9495

E-mail Address: stermine@bkd.com

Authorized Company Signature: *Scott C. Termine*

Print Signature Name: Scott C. Termine Title of Official: Partner

Date: July 20, 2016

Village of Downers Grove

CAMPAIGN DISCLOSURE CERTIFICATE

Any contractor, proposer, bidder or vendor who responds by submitting a bid or proposal to the Village of Downers Grove shall be required to submit with its bid submission, an executed Campaign Disclosure Certificate, attached hereto.

The Campaign Disclosure Certificate is required pursuant to the Village of Downers Grove Council Policy on Ethical Standards and is applicable to those campaign contributions made to any member of the Village Council.

Said Campaign Disclosure Certificate requires any individual or entity bidding to disclose campaign contributions, as defined in Section 9-1.4 of the Election Code (10 ILCS 5/9-1.4), made to current members of the Village Council within the five (5) year period preceding the date of the bid or proposal release.

By signing the bid documents, contractor/proposer/bidder/vendor agrees to refrain from making any campaign contributions as defined in Section 9-1.4 of the Election Code (10 ILCS 5/9-1.4) to any Village Council member and any challengers seeking to serve as a member of the Downers Grove Village Council.

Under penalty of perjury, I declare:

Bidder/vendor has not contributed to any elected Village position within the last five (5) years.

Scott C. Termine

Signature

Scott C. Termine, CPA

Print Name

Bidder/vendor has contributed a campaign contribution to a current member of the Village Council within the last five (5) years.

Print the following information:
Name of Contributor: _____
(company or individual)

To whom contribution was made: _____

Year contribution made: _____ Amount: \$ _____

Signature

Print Name

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“Unmatched client service isn’t just a slogan at BKD; it’s the backbone of our culture.”

Theodore D. Dickman, CPA
Chief Executive Officer | BKD, LLP

APPENDIX

EXCEPTIONS TO TERMS & CONDITIONS

Due to the nature of the services to be provided, we are required upon acceptance of the engagement to communicate the actual scope and terms of the engagement in a separate letter to be signed by the Village of Downers Grove and BKD. The letter, prepared in accordance with auditing standards, shall become a part of the contract between the Village of Downers Grove and BKD.

As will be required by all accounting firms, the parties understand certain terms and conditions of the RFP may require modification to comply with professional standards, as the Village of Downers Grove can appreciate. As BKD has successfully resolved similar terms and conditions with other municipalities, BKD is confident the parties can successfully negotiate a mutually acceptable agreement. BKD sincerely appreciates the Village of Downers Grove's consideration and understanding. BKD looks forward to working with the Village of Downers Grove on this engagement.

AICPA PEER REVIEW LETTER



American Institute of CPAs
220 Leigh Farm Road
Durham, NC 27707-8110

November 10, 2014

Theodore D Dickman, CPA
BKD, LLP
910 E Saint Louis St Ste 400
Springfield, MO 65806

Dear Sir/Madam:

It is my pleasure to notify you that on October 31, 2014 the National Peer Review Committee accepted the report on the most recent system peer review of your firm. The due date for your next review is November 30, 2017. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Sincerely,

A handwritten signature in cursive script that reads "Larry Gray".

Larry Gray
Chair, National Peer Review Committee
nprc@aicpa.org 919 402.4502

cc: Candace E Wright; L Douglas Bennett

Firm Number: 10002800

Review Number 361333

Letter ID: 937515

BKD PEER REVIEW REPORT



A Professional Accounting Corporation
 Associated Offices in Principal Cities of the United States
www.pricpa.com

System Review Report

To the Partners of BKD, LLP
 and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of BKD, LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2014. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards*, audits of employee benefit plans, audits performed under FDICIA, audits of carrying broker-dealers, and examinations of service organizations (SOC 1).

In our opinion, the system of quality control for the accounting and auditing practice of BKD, LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2014, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. BKD, LLP has received a peer review rating of *pass*.

Postlethwaite & Netterville

Baton Rouge, Louisiana
 September 19, 2014

8550 United Plaza Blvd, Suite 1001 • Baton Rouge, LA 70809 • Tel: 225.922.4600 • Fax: 225.922.4611

ADDENDUM-01



www.downers.us

**COMMUNITY RESPONSE
CENTER**

630.434.CALL (2255)

CIVIC CENTER

801 Burlington Avenue

Downers Grove

Illinois 60515-4782

630.434.5500

TDD 630.434.5511

FAX 630.434.5571

FIRE DEPARTMENT

ADMINISTRATION

5420 Main Street

Downers Grove

Illinois 60515-4834

630.434.5980

FAX 630.434.5998

POLICE DEPARTMENT

825 Burlington Avenue

Downers Grove

Illinois 60515-4783

630.434.5600

FAX 630.434.5690

PUBLIC WORKS

DEPARTMENT

5101 Walnut Avenue

Downers Grove

Illinois 60515-4046

630.434.5460

FAX 630.434.5495

July 8, 2016

ADDENDUM-01

AUDITING SERVICE 2016-2020

An addendum has been issued to address the following questions listed. Please sign and return this addendum with your bid documents.

Village of Downers Grove RFP Questions

Q1. Why is the Village issuing an RFP? It is required per the Village's purchasing policy

Q2. Were there any concerns with the performance of services of your previous auditor? If so, what was the nature of these concerns? Were there any disagreements or disputes with the former auditor? No

Q3. Did you encounter any significant problems or challenges with the prior year audit? If so, please describe. No

Q4. Have there been any significant changes in internal controls, processes, personnel, etc. in the fiscal year? No

Q5. Does the Village have written documentation of its internal controls over significant process cycles (payroll, cash disbursements, cash receipts, etc.)? Yes

Q6. What is the form of the Village's capital asset records, are they captured in Eden or maintained in a separate spreadsheet? Both

Q7. Will the prior auditor be included in the RFP process? Yes

Q8. Are there any significant offsite cash receipt collections (not processed by the Finance Department)? No

Q9. Are there any other significant debt issuances expected in the next five years for the Village? Yes, Refunding done April 2016, iEPA loan (\$15mm), Remodeling of Police Station (\$12mm), Stormwater Projects (\$10mm)

1



www.downers.us

ADDENDUM-01

COMMUNITY RESPONSE CENTER

630.434.CALL (2255)

CIVIC CENTER

801 Burlington Avenue
Downers Grove
Illinois 60515-4782
630.434.5500
TDD 630.434.5511
FAX 630.434.5571

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FAX 630.434.5998

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630.434.5600
FAX 630.434.5690

PUBLIC WORKS DEPARTMENT

5101 Walnut Avenue
Downers Grove
Illinois 60515-4046
630.434.5460
FAX 630.434.5495

AUDITING SERVICE 2016-2020

Q10. Is the Village anticipating a single audit in 2016? If a single audit is needed, does the Village prepare the Schedule of Expenditures of Federal Awards (SEFA)?
Not at this time; Yes, we prepare the SEFA

Q11. Approximately how many cash and investment accounts are maintained by the Village? Are all accounts maintained by the Finance Department?
12 Operating Cash and 5 investments accounts all maintained by the Finance Department.

Q12. Who provides actuarial services for OPEB? Are these generally received timely?
Lauterbach & Amen; Yes

Q13. Approximately how many journal entries occurred last year as a result of the audit process? How many do you anticipate in the current audit?
0; 0

Q14. Can you please provide a copy of the prior year's audit journal entries?
N/A

Q15. Have there been any delays or problems meeting the requested timeline? If so, please explain.
No

Q16. Page 24 of the RFP states "Proposer must insert response to RFP here DO NOT insert a form contract, the RFP document including detail specs and Proposer's response will become the contract with the Village." Should we include only our proposal here or also include the RFP?
Include the RFP

Sincerely,

VILLAGE OF DOWNERS GROVE

Theresa H. Tarka
Purchasing

Date July 20, 2016

Signature



BKD NATIONAL GOVERNMENTAL GROUP

Approximately 90 municipalities nationwide depend on BKD as their CPA and advisory firm of choice. With dedicated advisors in BKD National Governmental Group, we have the experience and commitment you require as you look for help identifying effective strategies to deliver services and meet fiduciary and regulatory requirements.

BKD National Governmental Group Service Areas



AUDIT & ASSURANCE

Develop strong compliance programs and find solutions for tough issues



TAX

Gain peace of mind with solid tax decisions and compliance strategies



CONSULTING

Strategy & Sustainability

Expand your resources and achieve your mission, responsibly

Technology

Keep your vital systems and data safe

Operations Management & Outsourcing

Gain operational efficiency by controlling the ebb and flow of your business cycle

OUR CLIENTS & SERVICES

Geographically spread throughout the United States, our significant client base reflects the diversity of governmental entities, in both size and type of organization. The following graphs demonstrate the clients we serve and the services we provide.

BKD Governmental Clients



BKD Governmental Services



SPECIALIZED SKILLS & EXPERTISE

Our advisors offer specialized skills and expertise necessary to help. Our advisors include:

- ▶ Auditors and internal auditors
- ▶ Single Audit professionals
- ▶ Tax, human resources and fringe benefit advisors
- ▶ Internal controls and risk assessment advisors
- ▶ Employee benefit plan professionals
- ▶ Finance advisors
- ▶ Litigation support professionals
- ▶ Forensic advisors
- ▶ Strategic planners
- ▶ IT professionals

OUR COMMITMENT TO GOVERNMENT

Our commitment to the industry and accounting profession also expands to involvement on national industry committees, such as the GASB and AICPA.

Mike Wolfe, the firm's chief risk officer, has been appointed to the AICPA Governmental Audit Quality Center Executive Committee. He previously served as BKD's liaison to the center, which helps raise awareness about the importance of improving governmental audit quality for entities receiving federal funding.

Chief Operating Officer Eric Hansen has been selected to serve as chair of the AICPA Board of Directors. He will serve one year as vice chair beginning November 1, 2016, followed by a year as board chair and then another year as past chair, concluding his three-year rotation on October 31, 2019. Eric began serving a three-year term on the AICPA Board of Directors, effective November 1, 2013. The board acts as the executive committee for the AICPA's Governing Council, which includes elected and appointed members from all 50 states, the District of Columbia and other U.S. territories. Eric previously served on the Governing Council and continues to serve on the AICPA Task Force on the Future of Learning—a group exploring next-generation learning.

Chris Telli, a partner in our Colorado Springs office, has been appointed as an advisor to the Government Finance Officers Association's Committee on Accounting, Auditing, and Financial Reporting (CAAFR). This committee works closely with the GASB, the AICPA and other organizations and recommends best practices for effective government finance operations.

Amy Shreck, senior manager in our Omaha office, accepted a Practice Fellowship with GASB. She is serving a two-year term at the GASB headquarters as a project manager to help formulate standards and assist with technical inquiries.

Andy Richards, partner in our Little Rock office, was a member of the GASB's Comprehensive Implementation Guide Advisory Committee from 2012 - 2014. The 11-member committee advises GASB on its Comprehensive Implementation Guide, which helps financial statement preparers apply a number of GASB pronouncements. Andy also was involved with the governmental accounting standards-setting process as a Practice Fellow with the GASB in Norwalk, Connecticut. He was a member of the AICPA State & Local Government Expert Panel from October 2010 to October 2013, which identifies state and local government financial reporting and auditing issues and works to achieve resolutions benefiting the public interest.

Jim Brown, retired BKD partner, was appointed January 12, 2012, to the seven-member GASB. He is serving a five-year term on the board that commenced on July 1, 2012. In this capacity, Jim is helping develop and improve the financial accounting and reporting standards used by state and local governments across the country. He specialized in government accounting and auditing for approximately 40 years and served as a BKD partner for more than 25 years before retiring in May 2011. He was responsible for quality control and training for BKD's government and not-for-profit practice and acted as the firm's principal contact with GASB. Since retirement, he has been serving as a continuing education instructor for the AICPA. He also has been a member of AICPA's Auditing Standards Board and Board of Examiners.

BKD advisors also actively serve as participants, exhibitors, speakers and sponsors in regional and national associations for governmental organizations, including:

- ▶▶ Association of Government Accountants (AGA)
- ▶▶ Government Finance Officers Association (GFOA)
- ▶▶ Government Finance Officers Association of Texas (GFOAT)
- ▶▶ National League of Cities (NLC)

ESSENTIAL COMMUNICATION OF ISSUES & TRENDS

BKD Thoughtware, our award-winning emails, video insights and webinars, provides industry-specific information to keep you informed of changes in regulations and accounting and tax methods and provides complimentary training opportunities on a variety of important topics. We encourage you to discover the wide array of resources available on our website, bkd.com.

MUNICIPALITY SUCCESS STORIES

- ▶▶ A municipality faced significant personnel issues and no longer had the capacity to prepare its CAFR. It selected BKD National Governmental Group to help draft the CAFR. As a result, the municipality met its original deadline of presenting the CAFR to the city council.
- ▶▶ A large municipality with limited internal audit department resources wanted to perform franchise fee audits. The municipality selected BKD National Governmental Group to perform the agreed-upon procedures and report our findings to the city manager and city council. As a result of the initial engagement and subsequent audits, BKD helped identify approximately \$1.5 million in additional franchise fee revenue.
- ▶▶ A midsize municipality that recently hired a new director of finance wanted to issue its CAFR within six months of the year-end, which had not been accomplished for several years. The municipality selected BKD National Governmental Group because of our expertise, local presence and commitment to providing unmatched client service, to issue the financial statements within their desired timeline. Despite being engaged relatively close to the client's required deadline, being a new engagement and having several accounting issues, BKD met the deadline and management received accolades from the city council. During the audit, BKD also identified several internal control issues and corresponding ideas for improvement, which the municipality is currently implementing.
- ▶▶ A small municipality that had been underserved wanted a fresh start from a CPA and advisory firm with industry expertise and breadth of talent. The municipality hired BKD National Governmental Group. Although the first year of the engagement included restatements, audit adjustments, weaknesses in internal controls and other accounting processes for the city, it was pleased with the level of attention received from BKD and our willingness to help city staff understand the audit process, while delivering the audited financial statements on schedule. In addition, the city was able to implement controls during the audit because of BKD's proactive and frequent communication.
- ▶▶ A midsize governmental pension plan had not been audited in several years and the board of directors wanted a fresh look to help identify whether the proper internal controls were in place, and to provide assurance to the plan sponsor, since the pension plan was a component unit of the plan sponsor. The plan selected BKD National Governmental Group because of our expertise, local presence and commitment to providing unmatched client service. We met the deadline and management received positive feedback from the board of directors and plan sponsor. During the audit, BKD also identified several internal control issues and corresponding ideas for improvement, which the plan is currently implementing.

BKD FIRM PROFILE

experience **insight** // BKD, LLP, a national CPA and advisory firm, can help individuals and businesses realize their goals. Our dedicated professionals offer audit, tax and consulting services to clients in all 50 states and internationally. BKD and its subsidiaries combine the insight and ideas of multiple disciplines to provide solutions in a wide range of industries.

ABOUT BKD



CLIENT SERVICE

The **BKD Experience** is a commitment to unmatched client service that is shared by CPAs, advisors and dedicated staff members who take your business personally. We are so dedicated to the idea that we wrote a book—**The BKD Experience: Unmatched Client Service**.



INTERNATIONAL SOLUTIONS

BKD is the largest North American member of Praxity, AISBL*, a global alliance of independent firms serving clients in approximately 100 countries. We offer multinational clients a gateway to the global marketplace with services delivered by alliance firms committed to the highest standards required in international business.



PROFESSIONAL AFFILIATIONS

BKD is a member of the American Institute of CPAs and its three quality centers: Center for Audit Quality, Employee Benefit Plan Audit Quality Center and Governmental Audit Quality Center.

BKD is registered with the Public Company Accounting Oversight Board, which is required to serve as an independent auditor of public companies. BKD audits approximately 80 U.S. Securities and Exchange Commission registrants, including approximately 30 benefit plans.



MISSION STATEMENT

The mission of BKD is to always strive for excellence in providing services to clients, create rewarding career opportunities and maintain sound professional, business and financial standards.



QUICK FACTS

- **Clients:** Individuals and private and publicly traded businesses in the health care, manufacturing, distribution, financial services, construction and real estate industries, as well as not-for-profit and governmental entities
- **Total Personnel:** Approximately 2,400
- **Partners & Principals:** Approximately 260
- **Net Revenues:** \$496 million
- **Fiscal Year-End:** May 31
- **Founded:** 1923
- **Locations:** 34 offices serving clients in all 50 states and internationally

*Praxity, AISBL is a global alliance of independent firms. Organised as an international not-for-profit entity under Belgium law, Praxity has its executive office in Epsom. Praxity – Global Alliance Limited is a not-for-profit company registered in England and Wales, limited by guarantee, and has its registered office in England. As an Alliance, Praxity does not practice the profession of public accountancy or provide audit, tax, consulting or other professional services of any type to third parties. The Alliance does not constitute a joint venture, partnership or network between participating firms. Because the Alliance firms are independent, Praxity does not guarantee the services or the quality of services provided by participating firms.

BKD SERVICES

Audit & Assurance

Tax

Business Succession Planning

Employee Benefit Plans

Forensics & Valuation Consulting

Information Technology

Risk Management

State, Local & International Tax

Wealth Management

And more

COMMITMENT TO PROFESSIONAL DEVELOPMENT

BKD is committed to creating rewarding careers and equipping our professionals with the tools they need to serve our clients. We take professional growth and development seriously and offer numerous programs and training so we are prepared to help meet your professional services needs.



AWARD-WINNING TRAINING

BKD's commitment to lifelong learning and professional development is highlighted by our recognition as a top-tier training organization. BKD has earned the distinction of **Training** magazine's Training Top 125 for the past three years. In 2014, BKD also earned the **Chief Learning Officer** magazine's LearningElite award.



PROGRESSIVE PROGRAMS & INITIATIVES

BKD is dedicated to creating and implementing programs and initiatives to help our professionals achieve their full potential. Programs include SKY, a firmwide initiative to emphasize and strengthen diversity in our firm. SKY focuses on recruiting, retaining and developing women for the sustainable growth of BKD. Through the collaboration of men and women, BKD aims to foster a culture that recognizes and supports maximizing the potential of all.



REWARDING CAREERS

As part of a recent employee engagement survey, BKD employees ranked us within the 90th percentile of professional services companies, indicating they find BKD to be an exemplary platform from which to serve clients.

BKD PRIDE VALUES

WHAT'S IMPORTANT TO YOU? // A commitment to excellence? Independence and objectivity? A broad skill set? Exceeding expectations? At BKD, these are all essential. That's why every day you can see our partners and employees "living the PRIDE." These values—passion, respect, integrity, discipline and excellence—are the hallmarks of BKD and guide us as we provide solutions for your business and financial needs. Experience what BKD PRIDE values can mean for you.



P

PASSION

- For service to others
- For making tomorrow better than today

Experience how our dedication and enthusiasm for making tomorrow better than today can help you make informed decisions to help improve business and financial outcomes.

R

RESPECT

- For the differences that make our team strong
- For our legacy and the benefits of change

Experience how our respect for diversity can provide a variety of skills and talents to meet your needs. Respecting the lessons of our legacy and yours, we can help you capitalize on the opportunities change inevitably offers.

I

INTEGRITY

- To do the right thing
- To be objective and independent

Experience how our integrity and objectivity can help you make smart business decisions. You want an advisor to tell you what you need to know, not just what you want to hear.

D

DISCIPLINE

- In process and innovation
- To balance professional and personal commitments

Experience how our well-established protocols and low-risk approaches can help resolve issues and advance your goals.

E

EXCELLENCE

- In skills and competencies
- In our quest to be the best

Experience how our ambition, knowledge, commitment to lifelong learning and drive to improve technical and analytical skills can work to consistently surpass your expectations.

BKD

BKD THOUGHTWARE

BKD's expertise spans a wide variety of industries and subjects, and our professionals share their knowledge in print, online and in person to help advance your organization. Use the QR code below to sign up for **BKD Thoughtware®** emails.



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