

FORT SMITH REGIONAL AIRPORT

REQUEST FOR QUALIFICATIONS – AUDIT SERVICES

SCOPE OF SERVICES AND QUALIFICATIONS INSTRUCTIONS

September 1, 2023

I. INTRODUCTION

General Information: The Fort Smith Regional Airport is hereby soliciting statements of qualifications from certified public accounting firms to perform an independent audit of the financial records of the Airport for the period ending December 31, 2023 with the option of auditing its financial records for two subsequent fiscal years. The audit shall meet all requirements of the Single Audit Act of 1984, as amended.

The Fort Smith Regional Airport (Airport) is governed by the Fort Smith Airport Commission (Commission), which was established by the City of Fort Smith, pursuant to AR Code 14-359-104. The Airport operates as a municipal airport. Airport staff (Staff) consists of 14 full time and 2 part time employees, which includes one full time professional airport director who serves as the chief executive responsible for the operation of the airport. The Airport budgets all funds on the modified accrual basis of accounting. Accounting functions are performed by Staff and maintained by the Airport. Staff prepares monthly internal financial statements. Additional pertinent information is included in the annual audit reports. Audit reports for 2017 - 2022 can be obtained on the Airport's website at www.flyfsm.com. A copy of the 2023 Budget and a monthly internal financial statement may be obtained by contacting the Airport.

II. GENERAL SCOPE OF SERVICES

The Auditor will provide the Airport with professional services in the provision of an independent audit of the Airport's financial records to meet the requirements of the Single Audit Act of 1984, as amended, including, but not limited to:

- A. Conducting an audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States Local Governments and Nonprofit Organizations*, the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration and as amended, the audit requirements of the State of Arkansas; and any other applicable laws, standards, requirements, and guidelines.
- B. Comply substantially with all applicable GASB reporting standards, including GASB 87, in all work associated with the production and submission of the Annual Financial Report.
- C. Expression of an opinion on the financial statements and records of the Airport, in all material respects, with accounting principles generally accepted in the United States of America.
- D. Issuance of a report on our compliance based on the audit of our financial statements.
- E. Issuance of a report on our internal control over financial reporting based on the audit of our financial statements.

- F. Expression of an opinion on our compliance, in all material respects, with the types of compliance requirements described in the *U.S. Office of Management and Budget Circular A-133 Compliance Supplement* that are applicable to our major federal award programs.
- G. Issuance of a report on our internal control over compliance based on the audit of our compliance with the types of compliance requirements that are applicable to our major federal award programs.
- H. Issuance of a report on our schedule of expenditures of federal and state awards.
- I. Expression of an opinion on our compliance, in all material respects, with the types of compliance requirements described in the PFC Guide that are applicable to our passenger facility charge program (PFC program).
- J. Issuance of a report on our internal control over compliance based on the audit of our compliance with the types of compliance requirements that are applicable to the PFC program.
- K. Issuance of a report on our schedule of PFC Revenues and Disbursements.

- L. Complete the required Data Collection Form for Reporting on Audits of States, Local Governments, and Non-Profit Organizations (Form SF-SAC), as required by OMB Circular A-133 that summarizes firm's audit findings and provide reporting package and reporting requirements to the Airport.
- M. Complete FAA Forms 5100-126 Financial Governmental Payment Report and 5100-127 Operating and Financial Summary and provide assistance to Staff as needed to process the reports.
- N. Provide such assistance and guidance to Staff in preparation of the Management's Discussion and Analysis and other information that is required to be completed by Staff for audit report.
- O. Make available to Staff a draft of the audit and provide the Airport opportunity to make written response to all audit findings.
- P. Submit 8 bound copies and one electronic portable document format copy of the audit report in form and substance to be in compliance with the reporting requirements of the Single Audit Act of 1984 and any subsequent amendments.
- Q. Make available, as required, certified copies of the audit to the U.S. Department of Transportation, Office of the Secretary; the Federal Aviation Administration; the Comptroller General of the United States; and the State of Arkansas, or any of their duly authorized representatives.
- R. Attend Commission meeting(s) to present Audit and to answer questions as needed.
- S. Provide adjusting entries, including GASB 87 entries, to the Airport in writing with sufficient explanation and detail to facilitate proper posting to the financial accounts of the Airport.
- T. Advise Airport about appropriate accounting principles and their application as it relates to Airport's financial statements and assist Airport in preparing such financial statements as may be needed or required.
- U. Provide such assistance to the Airport as may be requested during the term of any Agreement hereunder as an additional service.

III. **WORK AREA**

The Airport will provide the firm with reasonable office space within the Airport Administration offices with desks and chairs, and access to telephone, fax, internet and copy machine.

IV. **QUALIFICATIONS INSTRUCTIONS TO RESPONDENTS**

Each respondent must provide the following information in a concise, yet responsive, manner. Please provide the Airport with five (5) copies of the firm's qualifications in a sealed envelope, marked "Independent Audit Qualifications", addressed to the Fort Smith Regional Airport at 6700 McKennon Blvd., Ste 200, Fort Smith, AR 72903 no later than 2:00 p.m. CST, September 21, 2023.

The format of the submittal should be structured as follows:

A. **Background - Audit Services**

1. Briefly identify the auditing services performed for airport and governmental entities within the past five years.
2. Provide resumes of all key personnel you propose to assign to this Project. Describe for each their role in the previous audits listed in item A1.

B. **Clients**

1. List all airport and municipal government clients with contact information for whom you have completed audit assignments in the past five years.

C. **Personnel - General**

1. Briefly describe the overall capacity, experience and location of home office personnel which would provide support services to the audit personnel assigned to and directly responsible for the Project.

D. **Personnel - Specific to the Project**

1. Briefly describe how your firm will organize, plan and staff the Project to accomplish the prescribed scope of services.
2. Elaborate on the experience and qualifications of the assigned audit personnel, with special emphasis on service to clients listed in B1.
3. Provide references, including key contact persons and telephone numbers, from current or former clients for whom these key individuals have worked in a similar capacity within the past five years.

E. **Firm's Current Workload and Project Schedule**

1. Describe the current workload of the firm and the key personnel assigned to the Project. Identify any workload conflict with the proposed Project schedule.

F. **Scope of Services, Procedures and Proficiency**

1. Describe your firm's understanding of the scope of the Project and identify and discuss any changes in the scope and/or schedule you feel the Airport should consider.
2. Briefly describe the firm's procedures for conducting the General Scope of Services contained herein.

G. **Peer Review**

1. Be prepared to provide, upon request, firm's most recent peer review report, the related letter of comments, and the firm's response to the letter of comments.

V. **PROPOSED SCHEDULE**

The following tentative schedule has been established for the awarding of a contract for auditing services and the completion of work there under:

Advertisement for Statement of Qualifications	September 1, 2023
Close Date for RFQ Submission	September 21, 2023
Qualifications Review and Selection	September - October 2023
Award of Contract	October 24, 2023
Airport Staff will close year end accounts	January 15, 2024 (estimated)
Preliminary Report Completion	Before February 29, 2024
Present Final Report at Commission meeting Meetings are normally 4 th Tuesday of each month	February 27, 2024 or March 26, 2024

VI. **SELECTION PROCEDURES**

- A. Consideration will be given to:
1. The integrity and the extent of experience with the services required by the Airport as demonstrated by the firm and its assigned personnel;
 2. The capacity and capability of the firm to perform the work in question, including specialized services, within the time limitations fixed or the completion of the project(s);
 3. The completeness of response to this Request for Qualifications;
 4. The past record of performance of the firm with respect to such factors as control of costs, quality of work and ability to meet schedules and deadlines; and
 5. The most recent peer review of firm (to be considered after above are scored).
- B. A Selection Committee will evaluate each respondent's statement and responses to the Airport's instructions and/or selection criteria contained herein to determine a ranking score based on the designated point scale for the criteria. Firms with an unacceptably low qualification ranking will be eliminated from further consideration.
- C. Top ranked firms will be required to provide a copy of firm's most recent peer review report, the related letter of comments, and the firm's response to the letter of comments and such information will be considered.
- D. Selection Committee will rank the top selected firms from 1 to 3, and may request an interview with these firms.
- E. After the Selection Committee ranks the top ranked firms, the airport director shall then enter fee negotiations with the top ranked firm. If the airport director is unable to negotiate a satisfactory contract with such firm, the unsuccessful negotiations shall be terminated, and negotiations shall commence with another of the selected qualified firms. If negotiations are again unsuccessful, negotiations shall be conducted with the third qualified firm. If the airport director is unable to negotiate a contract with any of the selected firms or as determined by the airport director, the airport director shall reevaluate the necessary professional services, including the scope and reasonable fee requirements anticipated by the contract, and, after completing that process, proceed in accordance with the provisions of this policy.

VII. **ANTI-LOBBYING PROVISION**

Respondents, including their agents and/or representatives, shall not undertake any activities or actions to promote or advertise their firm or qualifications or proposal to any member of the Fort Smith Airport Commission, Airport Staff, the FAA, or the representatives of the member governments of the Commission or City, except in the course of Airport-sponsored inquiries, briefings, interviews, or presentations.

Airport Staff will respond to questions, provide information about the project, and do those things necessary to ensure maximum open and free competition, and that all prospective respondents have access to the information they need to respond to the RFQ. Please contact Lindsay Conley at 479.452.7000 Ext. 50 or lindsay@flyfsm.com.

VIII. **SPECIAL PROVISIONS AND LIMITATIONS**

The Airport reserves the right to negotiate a contract, including the scope of the work and contract price, with any respondent or other qualified parties.

The Airport anticipates the receipt of Federal grant funding to undertake at least a portion of the scope of work contained herein. The awarding of a contract hereunder may be contingent upon the authorization, allocation and/or award of said grant funds.

The Airport accepts no obligation for costs incurred by respondents in anticipation of being awarded a contract.

The Airport reserves the right to select the successful respondent without discussion of the qualifications with the respondents.

The Airport reserves the right to reject any and all proposals received or to accept the proposals or portion of the proposals which offer the best value to the Airport. This RFQ does not commit the Airport to a contract for the services described herein.

The Airport reserves the right to modify or amend the scope of work and to renegotiate any contract awarded hereunder during the term of the audit services agreement.

ADVERTISEMENT FOR AUDIT SERVICES

The Fort Smith Regional Airport is requesting Statement of Qualifications (RFQ) from Certified Public Accounting firms to perform an independent audit of the financial records of the Airport for the period ending December 31, 2023 with the option of auditing its financial records for two subsequent fiscal years. The audit shall meet all requirements and standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act of 1984 as amended; the provisions of OMB Circular A-133; audit requirements of the State of Arkansas; and other applicable laws, standards, requirements, and guidelines. The audit shall include an Audit of the Airport's Passenger Facility Charge "PFC" program to test compliance with the Federal Aviation Administration audit guide issued September 2000 as amended. Interested firms must submit five (5) copies of the Qualifications, which shall be in compliance with the Airport's Qualifications instructions, before 2:00 p.m. CST, September 21, 2023 to: Director of Finance, Fort Smith Regional Airport, 6700 McKennon Blvd., Ste 200, Fort Smith, AR 72903. Scope of services and qualifications instructions can be obtained by contacting the Airport administration office at 479.452.7000 ext. 50. The Airport reserves the right to reject any or all proposals received and to conduct new selection procedures for future projects. The Fort Smith Regional Airport is an Equal Opportunity Employer.