

SANFORD AIRPORT AUTHORITY
REQUEST FOR QUALIFICATIONS (RFQ)
FOR
PROFESSIONAL AUDIT SERVICES

The Sanford Airport Authority (the "SAA") is soliciting proposals from qualified independent Certified Public Accountants and/or firms licensed to practice in the State of Florida for the purpose of conducting two (2) separate examinations of the financial statements and records and the practices of entities under respective management contracts with the SAA. The first contract is with Orlando Sanford Domestic, Inc ("OSD") for the management of the domestic terminal of the Orlando Sanford International Airport. The second contract is with Orlando Sanford International, Inc ("OSI") for the management of the international terminal of the Orlando Sanford International Airport. The audits shall be conducted for the purpose of determining whether each of these respective entities are in compliance with the terms of the respective contract documents and the adopted policies and standards of the SAA applicable to these entities. The response to this RFQ should clearly delineate a proposal for each of the audits separately and not as a joint audit. The audit will begin in June of 2016 (selection of the Auditor shall occur at the June 7, 2016 board meeting of the SAA and should be completed as soon thereafter as necessary.

A. General Information:

The SAA was established as a Dependent Special District of the City of Sanford by Chapter 71-924 of the Laws of Florida and operates the Orlando Sanford International Airport. The SAA is governed by a nine-member board appointed by the City of Sanford, Florida, and is authorized by its Enabling Legislation to operate, develop, construct and maintain the Airport and related facilities. The SAA is structured as an enterprise fund, and financial statements are prepared on the accrual basis of accounting.

The SAA has contracted with Orlando Sanford Domestic, Inc (for the domestic terminal) and with Orlando Sanford International, Inc (for the international terminal) to manage both terminals, develop additional air service, and provide ground handling, cargo and parking services. A copy of the Agreements with both OSD and OSI is available upon request and online at www.osaa.net.

B. Performance Requirements:

1. Audit shall be performed in compliance within the requirements of:
 - a. Generally Accepted Governmental Auditing Standards (GAGAS)
 - b. *Statements on Standards for Attestation Engagements*, issued by the American Institute of Certified Public Accountants;
 - c. Public Company Accounting Oversight Board Standards
 - d. Rules of the Florida Department of Financial Services;
 - e. Florida Single Audit Act (Section 215.97, Florida Statutes);
 - f. Rules of the Auditor General, State of Florida, Chapter 10.550;
 - g. Federal Single Audit Act of 1984 and amendments thereof, including, but not limited to, the Federal Single Audit Act Amendment of 1996;
 - h. Statements on Auditing Standards (GAAS)
 - i. Passenger Facility Charge Audit Guide for Public Agencies issued by the Federal Aviation Administration
 - j. Federal Aviation Administration and Florida Department of Transportation Grant Assurances, as applicable

- k. Any other applicable Federal, state, local regulations or professional guidance not specifically listed above as well as any additional requirements which may be adopted by these organizations in the future
 - l. SAA Enabling Legislation, Chapter 71-924, Laws of Florida, and as amended in Chapter 2005-306, Laws of Florida.
- 2. The SAA expects the Auditor to conduct the audit of OSI as further provided in Section 7(D) of the Operating Agreement 94-45 dated December 15, 1995.
- 3. The SAA expects the Auditor to conduct the audit of OSD as further explained in Section 12 of the Agreement for the Operation and Management of the Orlando Sanford Airport Domestic Terminal dated December 15, 1999.
- 4. The audit shall be conducted in accordance with generally accepted auditing standards as well as the standards listed above.
- 5. It is the intent of the SAA to contract for the services presented herein for each contract audit, with both audits to begin in June of 2016 and end as soon as practical thereafter. The SAA shall enter into a separate and independent contract for each audit to be performed under the RFQ. There is no expectation that the SAA would need to enter into both contracts with a single responsive audit company. The SAA maintains the ability to terminate the contract upon thirty (30) days written notice, which upon receipt of said notice the audit company shall cease its activities under the contract and bill for all time spent performing under the terms of the contract.
- 6. The audit manager and the CPA assigned to the audit shall be free to attend at least three public meetings for discussion of the audit report as deemed necessary by the SAA.
- 7. Timeliness is critical in the performance of the audit. The response to this RFQ shall set forth a complete timeline proposed for completing the audit for each respective contract audit. It is suggested, but not required, that the Auditor, once selected include an initial meeting with the SAA. The SAA will make all necessary records available to the Auditor to assist the Auditor.
- 8. The Auditor shall report to the SAA at least weekly the status of the audit.
- 9. The Auditor must designate two (2) "key" members of the audit team. The SAA shall reserve the right to approve any substitutions or changes in those staff designated as "key".
- 10. The "work papers" are the property of the auditors and shall be held for a period of five years. "Work papers" shall be available for examination or duplication without charge to authorized SAA personnel or representatives of Federal or State Agencies upon request of that Agency or SAA in accordance with Federal Law, State Law and other regulations. Working papers will also be made available for examination, at no charge, or duplication, at a reasonable charge, to any subsequent auditors engaged by the SAA.
- 11. The Auditor agrees to notify the SAA immediately if any regulatory or other government agencies request a review of the audit work papers concerning the SAA or any other government client audited by the audit firm.
- 12. The Auditor agrees to notify the SAA immediately should any disciplinary actions be taken or complaints filed with any regulatory bodies against any of the firm's staff or the firm itself.
- 13. A final and complete Comprehensive Performance and Financial Audit Report on the performance of OSI and OSD, as well as any additional letters or documents required shall be delivered to the SAA at

the conclusion of the audit. The Comprehensive Performance and Financial Audit Report must at a minimum address the following issues:

- a. Adherence to the Operating Contracts --- Have OSI and OSD adhered to all material aspects of the respective agreements? This includes providing all relevant documentation in a timely manner and obtaining SAA's approvals. Are OSI and OSD paying the correct amounts to the SAA under all of their agreements with the SAA?
- b. Accounting and Financial Disclosure --- Is OSI and OSD's overhead allocation appropriate and are corporate and affiliate costs properly separated and excluded from OSI and OSD costs? Is OSD's usage of OSI gates or OSI usage of OSD gates properly recorded? Have OSI and OSD resolved all inter-company accounting inconsistencies and made all transactions with affiliates transparent that were raised in Previous Audits?
- c. Minimizing and Properly stating Operating Cost --- Are OSI and OSD seeking to minimize costs? Are they properly stating allowable operating costs? Are they properly managing any outsourced service providers (both affiliated and non-affiliated companies)?
- d. Maximizing Revenue—In both the OSI and OSD cases, are these companies maximizing revenue? Is management pursuing all revenue generating opportunities in an expedient manner? Are OSI and OSD appropriately marketing the airport to prospective airlines?
- e. Customer Service --- Are OSI and OSD providing a level of customer service that reflects "reasonable standards" as set forth in the applicable agreement?
- f. Maintenance and Investment --- Are OSI and OSD carrying out appropriate preventative maintenance and do they have appropriate procedures in place to preserve the life of the Facilities?
- g. Contractual Best Practices Assessment --- Review the OSI and OSD agreements with an eye to constructive improvements, both for the partner relationship within the existing agreements and for possible minor amendments to them.

C. Instructions for Proposals:

14. This RFQ seeks a proposal for conducting two separate audits. A separate proposal for the audit of each entity must be submitted. The Auditor shall submit no less than five (5) copies of the proposal for the audit to be delivered or mailed to:

Diane Crews, President and CEO
Sanford Airport Authority
1200 Red Cleveland Blvd
Sanford, Florida 32773

15. All proposals shall be submitted no later than 2:00 p.m., Friday, May 27, 2016. Proposals must include the following at a minimum:
 - a. Description and history of the make-up and composition of the firm.
 - b. Relevant public-private partnership auditing experience of firm.
 - c. Not less than three (3) references for which the firm has performed similar work.

- d. Total staff available for this audit and the anticipated percent of audit work to be performed by various levels of staff.
- e. Resumes of partners, managers and other supervisory staff assigned to this audit.
- f. A brief description of the audit procedure to be followed.
- g. A tentative schedule for performing key aspects of the audit, beginning with a meeting with the SAA after selection on June 7, 2016.
- h. A fee schedule for the complete audit award period and any hourly rates to be billed by personnel for any additional work which may be requested by the SAA which is outside the scope of this contract.
- i. The Auditor is free to include any promotional material pertaining to the Auditor or audit firm; however, that promotional material shall not be considered the proposal in and of itself.
- j. Copy of CPA license for all individual CPA's assigned to the audit.
- k. Documentation from Board of Accountancy that the licenses described above are indeed active and in good standing.
- l. Location of the office from which the audit will be conducted.
- m. Copy of the two (2) most recent external quality control reviews (peer reviews) which included a review of specific government engagements.
- n. Results of any Federal or State desk review or field audits during the past three (3) years.
- o. Circumstances and status of any disciplinary actions taken or pending against the firm or any partners or employees of the firm by the State regulatory bodies or professional organizations.
- p. The firm must agree to use SAA staff in preparation of supporting schedules, reconciliation's and document retrieval, to minimize costs. Prior planning and explicit instruction are paramount for timely performance in this regard. The Auditor shall provide the SAA with a list of all schedules to be prepared by the SAA. Finance Department staff will be available during the audit to provide information, documentation and explanation to the Auditors, or work to obtain such from OSI and OSD.
- q. Description of insurance coverage maintained by the firm. Copy of declarations page from current policies for each of the following types of insurance must be attached:
 1. Workers' Compensation
 2. General Commercial Liability
 3. Professional Liability, Malpractice and Errors and Omissions.

D. Minimum Qualifications to Bid:

1. The Auditor and audit firm must be licensed by the State of Florida, Department of Business & Professional Regulation, State Board of Accountancy, to practice in the State of Florida.
3. A minimum of one (1) full-time CPA must be employed and assigned to the audit.
4. The Auditor must have experience in these type of audits, and have provided auditing services to at least one international airport that has received Airport Improvement Program (AIP) grant funding.

E. Evaluation Procedures:

The Authority shall evaluate, rank and recommend to the Board of Directors a winning auditor. All interested parties are instructed and cautioned not to contact the Board Directors as attempts to lobby or persuade will result in disqualification. All inquiries and questions should be directed in writing via email to the Chief Financial Officer, at dpoore@osaa.net. The Authority will select a finalist list of potential auditors and may conduct oral or telephonic interviews with the top three (3) auditors or firms before submitting a recommendation to the Board of Directors. Among the factors that will be considered their total percentage of the scoring are as follows:

1. Professional ability of personnel assigned to the audit [30%].
2. Audit experience for government and international airports receiving AIP grant funding [30%].

3. Ability to furnish the required services vis-à-vis recent, current and projected workload of proposing auditors [5%].
4. Credibility and response of client references [5%].
5. Cost of audit services [30%].

The cost of audit services will only represent thirty percent [30%] of the final score with other factors totaling the remaining seventy-five percent [70%]. Particular qualifications that will be considered favorably include governmental audit experience, international airport receiving AIP grant funding audit experience, enterprise fund audit experience, and single-audit experience.

F. On-site inspections/Requests for Additional Information by Proposer:

Any auditor or firm wishing to make an on-site inspection in conjunction with preparing a proposal may do so with the approval of the Chief Financial Officer. An appointment should be scheduled with the Chief Financial Officer designating what departments the on-site visit should cover, and governing the time and extent of such appointments and on-site visits. Any requests for additional information should be made via email to the Chief Financial Officer at dpoore@osaa.net.

G. Request for Additional Information By Sanford Airport Authority:

The proposer shall furnish such additional information as the Authority may reasonably require. This includes information, which indicates financial resources as well as ability to provide and maintain the services to be provided. The Authority reserves the right to make investigations of the qualifications of the proposer as it deems appropriate, including but not limited to, a background investigation conducted by the Sanford Airport Police Department, licensure etc.

H. Incurred Expenses:

The Authority shall not be responsible for any expenses incurred in preparing and submitting proposals called for in this RFP.

I. Interviews:

The Authority reserves the right to conduct personal interviews or require presentations of any or all proposers prior to selection. The Authority will not be responsible for any costs incurred by the proposer in connection with such presentations or interviews (i.e. travel, accommodations etc.)

J. Acceptance/Rejection/Modification of Proposal:

The Authority reserves the right to negotiate modifications to proposals that it deems acceptable, reject any and all proposals, and to waive minor irregularities in proposals, if in the Authority's judgment that will best serve the interests of the Authority.

K. Proposals Binding:

All proposals submitted shall be binding for a period of sixty (60) calendar days following the opening of the proposals.

L. Addendum or Amendment to Request for Proposals:

It is the responsibility of the proposer to ascertain prior to submitting a proposal whether any addenda have been issued, obtain such addenda and return executed addenda with the proposal.

M. Public Record:

All proposers shall be aware that the RFQ and any responses thereto shall become Public Record.

N. Late proposals:

Proposals received after the time specified for receipt will not be considered. Proposers shall assume full responsibility for timely delivery of the proposals to the location designated for receipt of proposals.

O. Completeness:

All information required by the RFP must be submitted to constitute a legitimate proposal.

P. Award:

The Sanford Airport Authority shall be the sole judge of the proposals and the resulting negotiated agreement that is in the best interest of the Authority. The Authority reserves the right to award any contract(s) in whole or in part, to the firm(s) which it deems to offer the best overall service. The Authority also reserves the right to negotiate separately with competing firms as deemed in the Authority's best interest. The Sanford Airport Authority's decision shall be final.

Q. Time Requirements:

Proposal Calendar

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

May 6, 2016	Request for Proposal issued
May 27, 2016	Due date for proposals (due by 2:00 p.m. EST)
May 31-June 3, 2016	Review and Recommendations/Interviews of proposers
June 7, 2016	Contract awarded by Sanford Airport Authority

R. Public Entity Crimes:

A person or affiliate, as defined in Section 287.133 of the Florida Statutes, who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid on a contract to provide any goods or services to a public entity, may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work, may not submit bids on leases of real property to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any public entity in excess of the threshold amount provided in Section 287.01 of the Florida Statutes for CATEGORY TWO, for a period of thirty-six (36) months from the date of being placed on the convicted vendor list.