



# Department of Administrative Services

## Purchasing and Contracts

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Sabra Smith Newby, Chief Administrative Officer  
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### CLARK COUNTY, NEVADA

#### RFP NO. 603184-13

#### CONTRACT FOR AUDITING SERVICES

January 3, 2014

#### ADDENDUM NO. 2

#### REQUEST FOR PROPOSAL

1. The RFP opening date of January 10, 2013 at 3:00:00 p.m. **remains unchanged.**

#### GENERAL CONDITIONS

2. Page 2, Item No. 6 – Submittal Requirements, delete first sentence and replace with the following:  
 “The proposal submitted should not exceed 25 pages, excluding front cover, table of contents, and Proposer’s response to Item No. 17 – Evaluation Criteria, Paragraph E – Experience & Staff Qualifications.

#### QUESTION AND ANSWER

Q1. The County, the Department of Aviation (McCarran Airport) and the Regional Flood Control District are in scope. The audit of the County also includes the Las Vegas Valley Water District, the Big Bend Water District, the University Medical Center of Southern Nevada, the Clark County Water Reclamation District and the Clark County Redevelopment District as blended component units. The Regional Transportation Commission of Southern Nevada and Regional Transportation Commission are discretely presented component units. Do you have a list of the out of scope entities current auditors?

A1. Component auditors:

Clark County Water Reclamation District	Kafoury, Armstrong & Co.
Clark County Department of Aviation	Kafoury, Armstrong & Co.
Las Vegas Valley Water District	Piercy, Bowler, Taylor & Kern
Big Bend Water District	Piercy, Bowler, Taylor & Kern
Kyle Canyon Water District	Unaudited
Regional Flood Control District	Kafoury, Armstrong & Co.
Regional Transportation District	Moss Adams LLP
University Medical Center	Piercy, Bowler, Taylor & Kern

Q2. Our firm is registered in the state of Nevada. Page 4 of the RFP requires an indication as to whether each staff member is registered or licensed to practice as a CPA in Nevada. Will the mobility rules meet the requirement or will each member need to obtain a practice privilege permit?

A2. The answer will be forthcoming.

Q3. The RFP stipulates that the audit report is prepared during December annually. What is the current status of the 2013 CAFR and A-133 audits? When will they be made available? \ Does the County apply for and receive extensions from the GFOA for its comprehensive annual financial reports?

A3. The 2013 CAFR is complete and will be presented to the Board of County Commissioners on 1/7/14. Once accepted the CAFR will be available on the Clark County internet site. An unmodified opinion was issued. No internal control or compliance matters were noted over financial reporting.

<http://www.clarkcountynv.gov/Depts/finance/comptroller/Pages/CAFR.aspx>

BOARD OF COUNTY COMMISSIONERS  
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The 2013 Single Audit will be completed by 3/31/14, any reportable finding are unknown at this time.

The County was able to submit the 2013 CAFR to the GFOA by 12/31/13; however, in years past when this was not possible an extension was requested and granted.

- Q4. Were there any changes in entity or new major programs in 2013? What is the type of opinion expected in 2013 for CAFR and A-133 audit?
- A4. Due to the implementation of GASB 61 the Las Vegas Valley Water District, Big Bend Water District, and Kyle Canyon Water District no longer meet the criteria for blending and are now discretely presented. There are no new major programs. The Single Audit is not complete at this time and additional programs could be selected by the auditors but none of which are new to the County.
- Q5. There were 8 findings in 2012. How many are expected in 2013?
- A5. Unknown at this time, but findings are expected.
- Q6. What were the audit fees for 2011, 2012 and 2013? Can you provide a breakdown by major area (i.e. audit, single audit, component units, etc.)?
- A6. Fees were provided in Addendum No.1, the single audit fees have not been consistently broken out separately and are not readily available.
- Q7. What are the qualities of a firm that you value the most? What sort of interaction with a firm do you desire?
- A7. Technical expertise in governmental accounting and financial reporting, responsiveness, timeliness, and collaboration. Clark County prefers to collaborate with the auditors during the implementation of new standards or other significant changes to avoid misinterpretations and miscommunications during field work.
- Q8. The County Auditor is performing approximately 300 hours towards the engagement. Please detail the types of services provided by the County Auditor to the engagement in 2013, 2012 and 2011s and approximately how many hours they provided.
- A8. Approximately 300 hours was provided for the testing of controls, debt covenant testing, compliance, and expenditure analysis.
- Q9. The water district had an early implementation of GASB-65 and a prior period adjustment occurred in 2012. Do you have a status of implementing GASB-65 for the rest of the County?
- A9. GASB 65 will be implemented in FY14.
- Q10. What is the County's status in implementing GASB-68?
- A10. The County has been in contact with Nevada PERS on various occasions regarding the implementation of GASB 68. Nevada PERS will be coordinating a meeting with all employers and their respective auditors in the near future.
- Q11. What is the Water District's status of its separate plan in implementing GASB-67 and 68?
- A11. Unknown at this time.
- Q12. For the County's derivatives, do you use a separate valuation service or the counterparties?
- A12. Yes a separate valuation service is used
- Q13. What are the County's financial strengths and weaknesses?
- A13. The County's significant strength has been its ability to adapt to the recession through various cost containment efforts, including lay-offs, pay reductions, hiring and pay freezes, reduction in capital programs, as well as the refinancing of various County bonds. The County's weakness is the limit of revenue growth caused by property tax caps and incremental job growth.

- Q14. Do you feel that the County is communicating effectively in its financial reports? If so, how? If not, how could it be improved?
- A14. Yes, through compliance with the standards as well as a continuing effort for transparency
- Q15. What is the background and experience with the County of the senior management of the accounting and financial reporting function?
- A15. All Comptroller managers are CPA's much of their experience in the last 20+ years has been with Clark County in preparing the budget, the CAFR, the debt management policy, the capital improvement program, and complying with 12 collective bargaining units. The comptroller has been with the County less than 3 years; however, she has 15 years experience in public accounting primarily auditing non-profit and governmental entities, including Clark County.
- Q16. What's the County's turnover rate in key professional financial positions?
- A16. Very low; however, the Chief Financial Officer George Stevens will be retiring in February 2014 after close to 30 years of service. Yolanda King is scheduled to be appointed on 1/7/14. Yolanda King has over 18 years of experience in the Finance Department and was the budget director for 7 of those years.
- Q17. Is the County under audit / inspection by any federal agency or the State of Nevada with regard to federal grants? Has the County received any grant reports from the same in the last 3 years?
- A17. The finance department is not aware of any current audits from Federal or State agencies. Any reports over the last three years are maintained in the respective department but have not warranted the attention of the Finance department.
- Q18. Are there any major capital projects (greater than \$10 million) that the County, the airport or the flood control district anticipated during the contract period?
- A18. Yes. Regional Flood Control District recently issued \$75 million in GO (limited tax) Flood Control Bonds and plans to issue another \$100 million in the Spring of 2014. These bonds will be used towards detention basins, storm drain systems, and channels. The Clark County detention center will be under refurbishment and a new building may be constructed for a public safety division.
- Q19. Are there any plans to have any government combinations during the period of contract?
- A19. No.
- Q20. Are there any non-exchange financial guarantees offered to other governments, private companies or individuals from the county?
- A20. Yes, financial guarantees are provided for other agencies issuing GO backed debt, LVCVA is a good example.
- Q21. A number of bond issues are revenue supported or supported by room taxes or special assessments. Are all payments on these (and all other) bond issues current and have all required continuing disclosure filings occurred on a timely basis under 15(c)2-12?
- A21. Yes.
- Q22. Have any derivatives terminated during the last 3 years?
- A22. Yes.
- Q23. Has the County or other entities that are included in the financial reporting entity of the County engaged in private placement debt?
- A23. Yes, UMC has issued private placement debt

Q24. How many auditors and for how many days were the auditors in the field for: Interim work, single audits and final fieldwork?

A24.

<b>Clark County</b>		
Interim	2-3 auditors	3-4 weeks
Final	4-6 auditors	12 weeks
Single audit	4-6 auditors	4 – 6 weeks
<b>Department of Aviation</b>		
Interim	2-3 auditors	1 – 2 weeks
Final (includes PFC and A- 133 audits)	3-4 auditors	4 weeks
<b>Regional Flood Control District</b>		
Interim	None	
Final	1-2 auditors	3-4 weeks

Q25. Will the County consider aggregate pricing, or discounted pricing for the option of doing all audits versus individual pricing? If yes, would the County still require three separate bids submitted, or will one suffice?

A25. No.

Q26. Has the County encountered any problems with their current auditor(s)?

A26. No.

Q27. With regard to the airport and the PFC audit, was any noncompliance reported in the most recent PFC audit and can we have access to the prior year report and schedule?

A27. No. Please review and follow the instruction contained within Addendum No.1, Item No. 9, to obtain copies of the report.

Q28. Please clarify if you would like to have all three entities (Clark County, RFCD, & DOA) included in a single proposal, with the specific team, experience and fees delineated out between Clark County/RFCD and DOA, or if you would like two separate proposals (one discussing Clark County/RFCD and a completely separate one discussing DOA).

A28. Proposers are only required to submit a single proposal. Firms interested in proposing on all three entities shall submit their response as described in the first part of the question.

Q29. Does the RFP for DOA include the services related to gaming reporting for financials as well as internal controls?

A29. Gaming revenues earned by DOA are based on a concessionaire agreement. Under this agreement, the other party owes the machines, staffs the machines and does all administrative reporting. We receive a percentage of the other party's net revenues earned from the machines at McCarran. All gaming reports and internal controls related to the gaming revenue are the responsibility of the concessionaire's staff.

Except as modified herein, all other Bid specifications, terms and conditions shall remain the same.

Should you have any questions, I can be reached at (702) 455-2729 or [chetanc@clarkcountynv.gov](mailto:chetanc@clarkcountynv.gov).

ISSUED BY:

  
CHETAN CHAMPANERI  
Purchasing Analyst

Attachment(s): None

cc: Jessica Colvin, Comptroller  
Mark Gamett, Finance  
Michael Biel, DOA  
Joseph Grippaldi, RFCD