



REQUEST FOR PROPOSALS FOR SALES TAX COMPLIANCE AUDIT

Issue Date: May 31, 2024

Proposal Due Date: **No later than 5:00 p.m. AKDT, June 30, 2024**

City of Unalaska
Department of the City Clerk
PO Box 610
43 Raven Way
Unalaska, AK 99685



CITY OF UNALASKA

Request for Proposals – Sales Tax Compliance Audit

The City of Unalaska, Alaska (“City”) is requesting proposals from qualified Certified Public Accounting firms (“Auditor”) to perform sales tax compliance audits of various businesses reporting to the City of Unalaska for the calendar year 2023, with an option to extend the term of the contract for two additional years.

Unalaska is a First-Class city and levies sales tax on all sales, rents and services made in the City at the rate of three percent (3%) of the selling price. The City has about 459 registered businesses, and approximately another 359 registered with Alaska Remote Sellers Sales Tax Commission. The City Clerk’s office administers sales tax, bed tax, property tax, raw fish tax, and tobacco excise tax.

City Contact: Estkarlen P. Magdaong, City Clerk
Phone: (907) 581-1251
Fax: (907) 581-1417
Email: emagdaong@ci.unalaska.ak.us

Schedule and Submission of Proposals:

Proposal due date: June 30, 2024 5:00 pm, local prevailing time
Anticipated award date: July 15, 2024

All proposals, including any amendment or withdrawal, must be received at the address and by the time and date shown above. Any proposal, amendment, or withdrawal that has not been received by that time will not be considered.

City Clerk
City of Unalaska
43 Raven Way, PO Box 610
Unalaska, AK 99685
Phone: (907) 581-1251 Fax: (907) 581-1417
Email: emagdaong@ci.unalaska.ak.us & aaguilar@ci.unalaska.ak.us with the subject:

(Name of Firm) – Sales Tax Compliance Audit RFP

I. Scope of Work:

The successful proposer will be familiar with the City of Unalaska Sales Tax Ordinances for the purposes of interpreting the ordinance as it relates to conducting sales tax compliance audits of returns and filer's provided records in accordance with Unalaska Code of Ordinance § 6.40.120.

- a.) The contract Auditor shall perform sales tax compliance audits to determine compliance with City of Unalaska Code of Ordinances.
- b.) The contract Auditor shall assist the taxpayer in understanding the sales tax ordinance.
- c.) Provide comprehensive and defensible audit reports, work papers, correspondence to the City.
- d.) Provide support to the City for taxpayers' complaints, disagreements, negotiations and protested assessments during the audit season.

II. Proposer Qualifications:

The contract will be awarded by the City to a responsible proposer only. In order to qualify as responsible, the proposer must meet the following qualifications as they relate to this request for proposals:

Proposers shall provide evidence of their expertise, experience, and other factors which should ensure the probable success of the contract, with emphasis on evidence that demonstrates knowledge of Unalaska or similar communities.

All assigned key professional staff must be properly licensed to practice in the State of Alaska. Provide a list of the qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this contract. Indicate how the quality of staff over the term of the agreement will be assured.

Proposers shall show they possess sufficient financial resources and personnel to ensure their ability to fully complete the contract.

Proposers must have a valid City of Unalaska business license while conducting any work under this contract for each year of the contract term. Additional information regarding the City's business license program may be obtained by calling the City Clerk at (907) 581-1251.

Successful proposer shall provide proof of insurance as specified in Attachment A – Insurance Requirements for Professional Services.

Have a minimum of three (3) years of providing compliance auditing services.

- III. Complete Review:** The Auditor shall provide a detailed report listing the procedures performed and the findings.
- IV. City Provided Services:** The City shall supply the Auditor with the list of businesses, their contact information and the reported sales tax returns for the calendar year 2023, and office space, phone and wi-fi connection while working on site in Unalaska.
- V. Compensation:** Proposers shall express their fee for each tax year of this proposed contract in a fee schedule to include all labor, materials, transportation costs, meals, lodging. A final scope of work and not-to-exceed fee will be negotiated after the top-ranked firm has been tentatively selected. If the negotiations with top-ranked firm are not satisfactory to the City, the City reserves the right to terminate negotiations and commence negotiations with the second-ranked firm, and so on.

If it should become necessary for the City to request the Contract Auditor to render any additional services to either supplement the services requested in the RFP or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between the City and the firm.

- VI. Incurred Costs:** The City is not liable for any costs incurred by the proposer prior to issuance of an approved contract. All costs incurred as a result of responding to this RFP are the sole responsibility of the proposer.
- VII. Additional Considerations:** During the evaluation process, the City reserves the right, where it may serve the City's best interest, to request additional information or clarifications from proposers, or to allow corrections of errors or omissions.
- VIII. Evaluation of Proposals:** Proposals will be reviewed by a committee of three persons. Scoring will be based on the following criteria, with a maximum score of 100:

CRITERIA	POINTS AVAILABLE
Proposed Cost	40
Expertise and Experience in Similar Engagements	35
Adequacy of resources (financial and personnel)	15

References from clients	10
TOTAL	<u>100</u>

For the cost element, the lowest cost proposal shall receive full points. All other proposals will receive point deductions based on the percentage that the proposal is higher than the lowest bid. The formula will be: lowest bid amount divided by bid amount, multiplied by points possible equals score (rounded to the nearest whole number).

IX. Rejection of Proposals: The City reserves the right to: 1) reject any or all proposals; 2) accept the proposal which in its judgment best suits the needs of the City; 3) waive any and all irregularities or informalities in any proposal.

ATTACHMENT A - INSURANCE REQUIREMENTS
CITY OF UNALASKA
Department of the City Clerk
Request for Proposal (RFP) – Sales Tax Compliance Audit

Auditor shall procure and maintain for the duration of the contract, at its own expense, insurance against claims for injuries to persons or damages to property which may arise from or in connection with contracted services provided by Auditor, its employees, agents or representatives.

A. Minimum Scope and Limit of Insurance: coverage shall be at least as broad as:

1. **Commercial General Liability** shall have limits not less than \$1,000,000 per occurrence and \$2,000,000 Aggregate, including coverage for Bodily Injury and Property Damage, Premises and Operations Liability, Products and Completed Operations Liability, Contractual Liability, and Personal Injury Liability.
2. **Professional Liability** with limits not less than \$1,000,000 per claim and \$1,000,000 aggregate.
3. **Commercial Automobile Liability** on all owned, hired, non-hired and rented vehicles of not less than \$1,000,000 combined single limit per accident/occurrence for bodily injury and property damage.
4. **Workers' Compensation** insurance in accordance with the statutory coverages required by the State of Alaska, and Employers Liability insurance with limits not less than the following:

Bodily Injury by accident: \$1,000,000 per accident
Bodily Injury by disease \$1,000,000 policy limit
Bodily injury by disease \$1,000,000 each employee

5. **Additional Coverage** may be required in the contract depending on the final scope of work and activity.

If Auditor maintains broader coverage and/or higher limits than the minimums shown above, the City of Unalaska, its officials, employees, volunteers or agents (collectively, "the City"), shall be entitled to the broader coverage and/or the higher limits maintained by the Auditor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

B. Additional Insurance Provisions

1. **Acceptability of Insurers and Cancellation Notification:** Auditor shall place coverage with insurance companies rated A-:VIII by A.M. Best Company, or companies specifically approved by the City. These policies providing coverage shall contain provisions and endorsements stating that

coverage shall not be suspended, voided, canceled, reduced in coverage or in limits except after thirty (30) days' prior written notice.

2. **Additional insureds:** The City shall be covered as additional insured as respects liability arising out of contracted services performed by the Auditor. The coverage shall contain no special limitations on the scope of protection afforded to the City and this additional insured status must be endorsed upon the Commercial General Liability policy, and Commercial Auto Liability Policy. This provision applies regardless of whether or not the City has received an additional insured endorsement from the insurer.
3. **Primary Coverage:** For any claims related to contracted services performed by the Auditor, Auditor's insurance coverage shall be primary coverage as respects the City. Any issuance of self-insurance maintained by the City shall be excess of Auditor's insurance and shall not contribute with it.
4. **Waiver of Subrogation:** Auditor grants the City a waiver of subrogation which any insurer of said Auditor may acquire against the City by virtue of the payment of any loss under such insurance. Auditor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation. This provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer.
5. **Deductibles and Self-Insured Retentions:** Any deductibles or self-insured retentions shall be declared to and approved by the City. At the option of the City, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, or Auditor shall be required to procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expense.
6. **Verification of Coverage:** Before service begins Auditor shall furnish the City with Certificates of Insurance on standard Acoro forms evidencing required insurance coverage, including all required amendatory endorsements. Failure to obtain the required certificates and endorsements prior to beginning service shall not waive Auditor's obligation to provide them and shall not affect the coverage provided to the City. Acceptance of Certificates of Insurance with deficient or erroneous coverage does not absolve Auditor from carrying and maintaining the required coverage.

Certificates of Insurance shall be prepared and emailed to:

Certificate Holder: City of Unalaska, Dept. of the City Clerk
PO Box 610, Unalaska
Unalaska, AK 99685

Email to: emaqdaong@ci.unalaska.ak.us and risk@ci.unalaska.ak.us

The City reserves the right to request complete, certified copies of full insurance policies, including endorsements.

7. **Sub-Contractor Coverage:** If the Auditor employs other entities to perform any work hereunder, the Auditor agrees to require such entities to obtain, carry, maintain, and keep in force during the time in which they are engaged in performing any work or service hereunder, policies of insurance which comply with all requirements. This requirement is applicable to entities of any tier. It is further agreed, that upon request by the City, the Auditor will provide copies of any and all entities' certificates of insurance and endorsements for review of compliance.
8. **Maintenance of Coverage:** Failure by the Auditor to maintain the required insurance coverage or to comply with the above, may, at the option of the City, be deemed defective work and remedied in accordance with the service contract.
9. **Notification of Change in Requirements:** The City reserves the right to modify these insurance requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other circumstances, after 30 days prior written notification to Auditor.