REQUEST FOR PROPOSAL FOR
Professional Auditing Services

Issue Date
January 16, 2020
Response Due Date
February 14, 2020
# Table of Contents

1. Overview ................................................................................................................................. 1

   1.1 General Information ........................................................................................................... 1

   1.2 RFP Timeline ..................................................................................................................... 1

   1.3 RFP Coordinator ............................................................................................................... 2

   1.4 Proposal Preparation Costs ............................................................................................... 2

   1.5 RFP Amendment and Cancellation ................................................................................... 2

   1.6 Intent to Propose ................................................................................................................. 2

   1.7 Proposal Submittal .............................................................................................................. 2

   1.8 Public Records Law .......................................................................................................... 2

   1.9 Irregularities and Illegal Acts ............................................................................................ 2

2. District Background ................................................................................................................ 3

3. Scope of Work .......................................................................................................................... 3

4. Proposal Submission Requirements ...................................................................................... 4

   General Instructions ................................................................................................................ 4

   Cover Letter ............................................................................................................................. 5

   Table of Contents .................................................................................................................... 5

   Section 1 – Executive Summary ............................................................................................ 5

   Section 2 – Company Background & Qualifications ............................................................. 5

   Section 3 – Partner, Supervisory, and Staff Qualifications and Experience ......................... 6

   Section 4 – Scope of Work ....................................................................................................... 6

   Section 5 – Similar Engagements with Other Government Entities ..................................... 6

   Section 6 – Specific Audit Approach ..................................................................................... 6

   Section 7 – Pricing .................................................................................................................. 7

5. Proposal Evaluation ................................................................................................................ 7

6. General Requirements ............................................................................................................. 7

   Collusion ................................................................................................................................. 7

   Gratuities ................................................................................................................................. 8

   Nondiscrimination .................................................................................................................. 8

   Proposal Withdrawal, Errors, and Amendment .................................................................. 8

   Incorrect Proposal Information .............................................................................................. 8

   Assignment and Subcontracting .............................................................................................. 8

   Licensure ................................................................................................................................. 9

   Conflict of Interest and Proposal Restrictions ....................................................................... 9

   Contract Negotiations and Execution ..................................................................................... 9

   Right of Rejection .................................................................................................................. 9

   Disclosure of Proposal Contents ........................................................................................... 9

   Severability ............................................................................................................................ 10

   Rights of the District in Summary ......................................................................................... 10
1. Overview

1.1 General Information

United Water is requesting proposals from qualified certified public accountant firms to audit its financial statements for the three fiscal years beginning with the fiscal year ending June 30, 2020, with the option of auditing its financial statements for each of the two (2) subsequent fiscal years, in addition to performing other financial audits and reviews as specified below. These audits are to be performed in accordance with auditing standards generally accepted in the United States of America, the standards set forth for financial audits contained in the current Government Auditing Standards issued by the Comptroller General of the United States, and the U.S. Office of Management and Budget (OMB) Circular A-133 Audits of State and Local Governments and Non-Profit Organizations.

There is no expressed or implied obligation for United Water to reimburse responding firms for any expenses incurred in preparing proposals in response to this request. Materials submitted by respondents are subject to public inspection under the California Public Records Act (Government Code Sec. 6250 et seq.), unless exempt.

During the evaluation process, United Water reserves the right, where it may serve the District’s best interest, to request additional information or clarification from proposers, or to allow corrections of errors or omissions. At the discretion of United Water, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

The District reserves the right to retain all proposals submitted regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in the request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between United Water and the firm selected.

It is anticipated the selection of a firm will be completed by February 28, 2020. Following the notification of the selected firm, a recommendation and proposed contract will be prepared for review and approval by the District Board at its March meeting. The District reserves the right to reject any or all proposals, to waive any non-material irregularities or information in any proposal, and to accept or reject any items or combination of items.

1.2 RFP Timeline

The following table, Table 1 – RFP Schedule of Events, identifies the RFP schedule that will be followed.

<table>
<thead>
<tr>
<th>RFP Schedule</th>
<th>Date/Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>District Issues RFP</td>
<td>January 16, 2020</td>
</tr>
<tr>
<td>Deadline for Proposal Submission</td>
<td>February 14, 2020</td>
</tr>
<tr>
<td>District Completes Evaluations</td>
<td>February 21, 2020</td>
</tr>
<tr>
<td>Oral Interviews Conducted if warranted</td>
<td>February 28, 2020</td>
</tr>
<tr>
<td>Award of Proposal &amp; Contract Execution</td>
<td>March 12, 2020</td>
</tr>
</tbody>
</table>
The District reserves the right, at its sole discretion, to adjust this schedule, as it deems necessary. Notification of any adjustment to the RFP Schedule of Events will be provided to all Proposers who comply with Section 1.6 (Intent to Propose).

1.3 RFP Coordinator

All communications concerning this RFP must be submitted by email to the contact identified below:

Joseph Jereb – Chief Financial Officer
josephj@unitedwater.org

Contact with personnel of the District other than the above regarding this request for proposal may be grounds for elimination from the selection process.

1.4 Proposal Preparation Costs

The District is will not reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

1.5 RFP Amendment and Cancellation

The District reserves the unilateral right to amend this RFP in writing at any time. The District also reserves the right to cancel or reissue the RFP at its sole discretion. If an amendment is issued, it will be provided to all Proposers complying with Section 1.6 (Intent to Propose). Proposers will be required to respond to the final written RFP and any exhibits, attachments, and amendments issued by the District.

1.6 Intent to Propose

Each Proposer who plans to submit a proposal may register by email to the RFP Coordinator (Section 1.3). The email should indicate the Proposer’s intent to respond to this RFP and include:

- Proposer name
- Name and title of Proposer main contact
- Telephone and email address

Submittal of the Intent to Propose email is necessary to ensure receipt of RFP amendments, responses to vendor questions, and other communications regarding the RFP. The Intent to Propose is not intended to bind Proposers to submitting a proposal.

1.7 Proposal Submittal

Proposals must be submitted to Joseph Jereb, CFO, no later than 5PM on January 15, 2020. Proposals may be submitted by email to JosephJ@unitedwater.org or by mailing in a sealed envelope marked “SEALED PROPOSAL FOR UNITED WATER CONSERVATION DISTRICT CFO—DO NOT OPEN WITH REGULAR MAIL” TO 108 N. 8th St. Santa Paula, CA, 93060

1.8 Public Records Law

Materials submitted by Proposers are subject to public inspection under the California Public Records Act (Government Code Sec. 6250 et seq.), unless exempt.

1.9 Irregularities and Illegal Acts

All firms are required to make an immediate, written report of all irregularities and illegal acts or indications of
illegal acts of which they become aware to the following parties: General Manager, District Legal Counsel, and the Chief Financial Officer.

2. District Background

The District’s mission is to maximize the surface and groundwater resources of its service area for beneficial uses, provide wholesale water to the Port Hueneme Water Agency and the City of Oxnard along with several other mutual water companies. Additionally, the District provides raw surface water (when available) and groundwater to the Pleasant Valley County Water District and others for agriculture usage. United also has the ability to purchase state water from the State Water Project administered by the State’s Department of Water Resources. All of these activities are part of the District’s efforts to protect local aquifers from overdraft and seawater intrusion. The District serves an area of approximately 335 square miles in Ventura County.

The operating budget for FY 2019-20 is approximately $41 million for the fiscal year running July 1st through June 30th for all funds combined. Currently six account groups are used for financial reporting including: one general fund, four enterprise funds, and one special revenue fund. The operating budgets for these groups breakdown as follows:

<table>
<thead>
<tr>
<th>Fund Name</th>
<th>FY19-20 Operating Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Water Conservation Fund</td>
<td>$19.1M</td>
</tr>
<tr>
<td>Freeman Fund</td>
<td>$6.4M</td>
</tr>
<tr>
<td>Oxnard-Hueneme Pipeline Fund</td>
<td>$9.0M</td>
</tr>
<tr>
<td>Pumping Trough Pipeline Fund</td>
<td>$4.6M</td>
</tr>
<tr>
<td>Pleasant Valley Pipeline Fund</td>
<td>$0.4M</td>
</tr>
<tr>
<td>State Water Fund</td>
<td>$1.5M</td>
</tr>
<tr>
<td>Total</td>
<td><strong>$41.0M</strong></td>
</tr>
</tbody>
</table>

The adopted budget and more information can be found on the website www.unitedwater.org.

Rogers, Anderson, Malody & Scott of San Bernardino, CA conducted the District’s most recent audit. The work papers of previous audits will be available to the successor auditor. The CAFR for FY18-19 can be found on the District’s website.

3. Scope of Work

The District’s goal is to provide its board and their constituents a comprehensive financial statement of gives a complete and accurate view of the District’s financial condition and is presented in an accessible and easy-to-understand fashion. The selected auditor will be required to perform the following tasks:

**Comprehensive Annual Financial Report:**
- Audit the Basic Financial Statements of the District to obtain reasonable assurance that the statements are free from material errors and misstatements.
- Express an opinion on the fair presentation of the District’s government activities, business-type activities of each fund and in aggregate, in conformity with generally-accepted government accounting principles.
- Perform limited procedures involving management’s discussion and analysis and required supplementary information as determined by GASB.
✓ Prepare Annual State Controller’s Reports
✓ Prepare, write, print and bind the Comprehensive Annual Financial Report
✓ The auditor will not be required to audit the introductory or statistical sections of the report.

Single Audit Act Report:
✓ As needed, the auditor will perform as single audit on the expenditures of federal grants in accordance with US Office of Management and Budget (OMB) Circular A-133
✓ Provide the appropriate audit reports on Internal Control over Financial Reporting based upon the audit of the District’s financial statements in accordance with Government Auditing Standards.
✓ Include appropriate schedules of expenditures of federal awards, footnotes, findings and questioned costs, including reportable conditions and material weaknesses, and follow up on prior audit findings where required.

Management Letter:
✓ Provide a separate management letter that includes recommendations for improvements in internal control, accounting procedures and other observations that the auditors consider non-reportable conditions.
✓ Address the letter to the District General Manager, giving District Finance staff the opportunity to review and comment prior to delivery.

State Controller’s Report:
✓ At the District’s request, prepare the Annual State Controller’s Report for United Water Conservation District and United Water Conservation District Public Facilities Financing Corporation.

Retention:
✓ Working papers and reports will be retained at the auditor’s expense for a minimum of seven (7) years or until the firm is notified in writing by the District of the need to extend the retention period.
✓ Make working papers available without unreasonable delay to the District or any other related entities.
✓ Respond to reasonable inquiries of successor auditors and allow successor auditors to review working papers related to matters of ongoing significance.

Other:
✓ Provide an immediate written report of any irregularities and illegal acts, or indications thereof that the auditors become aware of in the course of the audit, as appropriate.
✓ Keep the District informed of new developments affecting special district finance and reporting, GASB pronouncements, procedural changes for grants, etc. The auditor will also provide advice to District Finance staff related to proper accounting treatment of transactions as needed and without additional costs.
✓ Finance Division staff will be available during the audit to assist the firm by providing information, documentation, and explanations. While Finance staff is willing to assist the firm in the collection of information and documentation, due to workload and staffing limitations, it is expected and anticipated that the firm will collect a substantial part of the documentation needed from the files provided by the Finance staff.

The auditor may be asked to examine other reports or perform other audit and review services. The scope and compensation for any such work would be negotiated separately.

4. Proposal Submission Requirements

General Instructions

Proposals should provide a straightforward, concise description of the Proposer’s company, qualifications, proposed solution, and capabilities to satisfy the requirements of this RFP. Emphasis should be on completeness.
Proposals must be organized consistent with the outline provided in this section of the RFP. Proposers may retype or duplicate any portion of this RFP for use in responding to the RFP, provided that the proposal clearly addresses all of the District’s information requirements.

Proposals must be structured, presented, and labeled in the following manner:

- Cover Letter
- Table of Contents
- Section 1 - Executive Summary
- Section 2 – Company Background & Qualifications
- Section 3 – Partner, Supervisory, and Staff Qualifications and Experience
- Section 4 – Scope of Work
- Section 5 – Similar Engagements with Other Government Entities
- Section 6—Specific Audit Approach
- Section 7 – Pricing
- Appendix: Resumes of Key Team Members

**Cover Letter**

The proposal should include a brief cover letter that first and foremost summarizes the key points of the proposal and why the District should select your firm, but also provides the following:

- Proposer’s legal name and corporate structure
- Proposer’s primary contact including name, address, phone, and email
- Identification of any pending litigation against the Proposer
- Disclosure of any bankruptcy or insolvency proceedings in last ten years as well as any disciplinary action in the past five years with any regulatory bodies or professional organizations.
- Statement indicating how long the proposal remains valid (at least 90 days)
- Statement indicating any potential conflicts of interest (e.g. employment by the District)
- Signature of a company officer empowered to bind the Proposer to the provisions of this RFP and any contract awarded pursuant to it

**Table of Contents**

All pages are to be numbered and figures, tables, charts, etc. must be assigned index numbers and identified in the Table of Contents.

**Section 1 – Executive Summary**

This section of the proposal should provide a brief and concise synopsis of Proposer’s proposal and overall approach to meeting the District’s planning and financing needs.

**Section 2 – Company Background & Qualifications**

This section of the proposal should identify the following:

- A brief description of the Proposer’s background and organizational history;
- A statement of how long the Proposer has been providing audit services to government entities
- Discuss the company’s capability to manage and schedule projects, the standard turnaround time,
current relative workload, and staff’s availability; briefly discuss how the multi-functional team will be managed
• Identify the location of the office which would service the District;
• Discuss any other factors not addressed previously that you believe should be considered by the District;

Section 3 – Partner, Supervisory, and Staff Qualifications and Experience

Please provide:

• List key staff that would be assigned to the District's transaction(s), particularly the individual(s) who would be the District’s primary day-to-day contact(s). Include a summary of relevant experience of said staff, demonstrating their qualifications to perform required tasks of this RFP.
• Describe your firm’s assigned personnel ability to evaluate pertinent issues, prepare documents, and complete other tasks of a financial audit in a timely manner

Section 4 - Scope of Work

Please provide in as much detail as possible given the information available a proposed scope of work, overall project approach and estimated audit timeline. Please also use this space to address any insight you might have to challenges you may encounter in auditing the District’s financial reports.

Section 5 – Similar Engagements with Other Government Entities

Please list or summarize your firm’s experience with auditing for California water agencies. With a view of illustrating how your firm differentiates itself from other auditors, please note/highlight:

• Identify comparable water agencies your firm served during the past five years. Describe the unique, challenging, or complex issues in connection with the planning and execution of the audits and indicate how the experience and expertise of your firm was utilized to complete the necessary work.
• Please indicate whether the audit was part of a CAFR and identify any clients that received CSMFO or GFOA awards for those CAFRs.
• Provide names, phone numbers and emails of three to five past clients that would serve as references for your firm’s work.

Section 6 – Specific Audit Approach

The proposal should outline a work plan, including a description of the audit methodology. The work plan should reference the District specifically, utilizing the District’s budget, organizational charts and any other publicly available materials.

Please include the following information on the proposed audit approach:

• Proposed segmentation for the engagement
• Level of staff and number of hours to be assigned to each segment
• The firm’s approach to the analytical procedures of the audit
• Approach to evaluation of District’s internal control structure
• Approach to identifying and resolving any problems that could arise in the course of the audit

Section 7 – Pricing

The cost proposal should contain all pricing information relative to performing the engagement as described in this request for proposals. Where applicable, fees should be presented on a “not to exceed” basis. The total all-inclusive maximum price or percentage to be bid is to contain all direct and indirect costs including all out-of-pocket expenses. Provide a detailed summary of your proposed fees and expenses for the audit, single audit (if needed), and preparation of the State Controller’s report.

The District will not be responsible for expenses incurred in preparing and submitting the technical proposal or the sealed dollar cost bid. Such costs should not be included in the proposal. Progress payment will be made on the basis of hours of work or milestones completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the firm’s proposal. Interim billings shall cover a period of not less than a calendar month.

The District will evaluate Proposer price proposals based solely off the information provided in this section. Proposers should identify any assumptions or comments that will ensure the District understands what is being proposed.

5. Proposal Evaluation

District staff shall review all proposals to determine which Proposers have qualified for consideration. Submitted proposals will be evaluated on the following criteria:

• Quality, clarity, and responsiveness of proposal
• Ability to meet the needs of the District
• Past experience and performance on comparable government engagements
• Maximum fees to conduct the services
• Results of interviews, as applicable.

Proposing companies should note that the pricing, while important, will not be the only deciding factor in the final selection but rather the ability of the company to provide and perform the required duties as outlined above.

The District reserves the right, at its sole discretion, to request clarifications of proposals or to conduct discussions for the purpose of clarification with any or all Proposers. The purpose of any such discussions shall be to ensure a full understanding of the proposal. Discussions shall be limited to specific sections of the proposal identified by the District and, if held, shall be held after initial evaluation of Proposals is complete. If clarifications are made as a result of such discussions, the Proposer shall put such clarifications in writing.

6. General Requirements

Collusion

By submitting a response to the RFP, each Proposer represents and warrants that its response is genuine and not made in the interest of or on behalf of any person not named therein; that the Proposer has not directly induced
or solicited any other person to submit a sham response or any other person to refrain from submitting a response; and that the Proposer has not in any manner sought collusion to secure any improper advantage over any other person submitting a response.

**Gratuities**

No person will offer, give or agree to give any District employee or its representatives any gratuity or offer of employment in connection with the award of contract by the District. No District employee or its representatives will solicit, demand, accept or agree to accept from any other person a gratuity or offer of employment in connection with a District contract.

**Nondiscrimination**

No person will be excluded from participation in, be denied benefits of, be discriminated against in the admission or access to, or be discriminated against in treatment or employment in the District’s contracted programs or activities on the grounds of disability, age, race, color, religion, sex, national origin, or any other classification protected by federal or California State Constitutional or statutory law; nor will they be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of contracts with the District or in the employment practices of the District’s contractors. Accordingly, all Proposers entering into contracts with the District will, upon request, be required to show proof of such nondiscrimination and to post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

**Proposal Withdrawal, Errors, and Amendment**

To withdraw a proposal, the Proposer must submit a written request, signed by an authorized representative, to the RFP Coordinator. After withdrawing a previously submitted proposal, the Proposer may submit another proposal at any time up to the deadline for submitting proposals.

Proposers are liable for all errors or omissions contained in their proposals. Proposers will not be allowed to alter proposal documents after the deadline for submitting a proposal.

The District will not accept any amendments, revisions, or alterations to proposals after the deadline for proposal submittal unless such is requested by the District.

**Incorrect Proposal Information**

If the District determines that a Proposer has provided, for consideration in the evaluation process or contract negotiations, incorrect information which the Proposer knew or should have known was materially incorrect, that proposal will be determined non-responsive, and the proposal will be rejected.

**Assignment and Subcontracting**

The Proposer may not subcontract, transfer, or assign any portion of the contract without prior, written approval from the District. Each subcontractor must be approved in writing by the District. The substitution of one subcontractor for another may be made only at the discretion of the District and with prior written approval from the District.

Notwithstanding the use of approved subcontractors, the Proposer, if awarded a contract under this RFP, will be the prime contractor and will be responsible for all work performed and will be responsible for all costs to subcontractors for services provided by the Proposer. The Proposer is prohibited from performing any work associated with this RFP or using contractors for any service associated with this RFP offshore (outside the United States).
Licensure

Before a contract pursuant to this RFP is signed, the Proposer must hold all necessary, applicable business and professional licenses. The District may require any or all Proposers to submit evidence of proper licensure.

Conflicts of Interest and Proposal Restrictions

By submitting a response to the RFP, the Proposer certifies that no amount will be paid directly or indirectly to an employee or official of the District as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Proposer in connection with the procurement under this RFP.

Notwithstanding this restriction, nothing in this RFP will be construed to prohibit another governmental entity from making a proposal, being considered for award, or being awarded a contract under this RFP.

Contract Negotiations and Execution

After a review of the proposal, the District intends to enter into contract negotiations with the selected Proposer. These negotiations could include all aspects of services and fees. If a contract is not finalized in a reasonable period of time, the District will open negotiations with the next ranked service provider.

If a Proposer indicates an offer of services in addition to those required by and described in this RFP, these additional services may be added to the contract before contract signing at the sole discretion of the District.

If the selected Proposer does not execute a contract with the District within fifteen (15) business days after notification of selection, the District may give notice to that service provider of the District’s intent to select from the remaining Proposers or to call for new proposals, whichever the District deems appropriate.

Right of Rejection

The District reserves the right, at its sole discretion, to reject any and all proposals or to cancel this RFP in its entirety. Any proposal received that does not meet the requirements of this RFP may be considered to be nonresponsive, and the proposal may be rejected. Proposers must comply with all of the terms of this RFP and all applicable State laws and regulations. The District may reject any proposal that does not comply with all of the terms, conditions, and performance requirements of this RFP.

Proposers may not restrict the rights of the District or otherwise qualify their proposals. If a Proposer does so, the District may determine the proposal to be a nonresponsive counteroffer, and the proposal may be rejected.

The District reserves the right, at its sole discretion, to waive variances in proposals provided such action is in the best interest of the District. Where the District waives minor variances in proposals, such waiver does not modify the RFP requirements or excuse the Proposer from full compliance with the RFP. Notwithstanding any minor variance, the District may hold any Proposer to strict compliance with the RFP.

Disclosure of Proposal Contents

All proposals and other materials submitted in response to this RFP procurement process become the property of the District. Selection or rejection of a proposal does not affect this right. All proposal information, including detailed price and cost information, will be held in confidence during the evaluation process. Upon the completion of the evaluation of proposals, the proposals and associated materials will be open for review by the public to the extent allowed by the California Public Records Act, (Government Code Section 6250-6270 and 6275-6276.48). By submitting a proposal, the Proposer acknowledges and accepts that the contents of the
proposal and associated documents will become open to public inspection.

**Severability**

If any provision of this RFP is declared by a court to be illegal or in conflict with any law, the validity of the remaining terms and provisions will not be affected; and, the rights and obligations of the District and Proposers will be construed and enforced as if the RFP did not contain the particular provision held to be invalid.

**Rights of the District in Summary**

The District reserves the right to:

- Make the selection based on its sole discretion
- Reject any and all proposals
- Issue subsequent Requests for Proposals
- Postpone opening proposals, if necessary, for any reason
- Remedy errors in the Request for Proposal process
- Approve or disapprove the use of particular subcontractors
- Negotiate with any, all, or none of the Proposers
- Accept other than the lowest offer
- Waive informalities and irregularities in the proposals
- Enter into an agreement with another Proposer in the event the originally selected Proposer defaults or fails to execute an agreement with the District
- Refuse, at its sole discretion, any subcontractors or any personnel provided by the prime contractor or its subcontractors.

An agreement will not be binding or valid with the District unless and until it is approved by the District Board of Directors and executed by authorized representatives of the District and of the Proposer.