

Request for Proposal

For Auditing Services

February 13, 2023

Irish Beach Water District

P.O. Box 67

15401 Forest View Road

Manchester, CA 95459



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A. Submission Details

Submission Deadlines

All submissions responding to this request must be submitted to our office as stated below, no later than:

Friday, March 24, 2023
No later than 5:00pm local time

Submission Delivery Address

The delivery address to be used for all submissions is:

Heather Hackett
Board Secretary
Irish Beach Water District
P.O. Box 67
Manchester, CA 95459
Voice: 707-782-8690
Email: Secretary@IBWD.org

Submission Questions and Clarifications

You may contact the following person if you have any questions or require clarification on any topics covered in this Request For Proposal (RFP):

Heather Hackett
Secretary@IBWD.org
707-782-8690

Electronic Submissions

Electronic submissions in response to this Request for Proposal will be accepted if they meet the following criteria:

Sent via email to:Secretary@IBWD.org

Document standards:

- Must be in PDF format.
- Confidential information must be sent password protected, with a separate message to provide the password to District staff.

B. Summary& Background

Background

The Irish Beach Water District (“District”) is a special district formed in 1967 to provide water service to residents in Mendocino County. It has a five-member Board of Directors, which meets bi-monthly. The District’s customer base is single-family residential customers including approximately 207 developed parcels and another 252 undeveloped parcels in the Irish Beach Subdivision located four miles north of Manchester, in Mendocino County, California.

The staff currently consists of eleven part-time employees. The District does not have formalized departments and all District employees perform a variety of job duties across the general designated categories of operational staff, or administrative staff.

The primary revenue source is residential water usage and availability fees. This revenue amounted to approximately \$325,000 in fiscal year 2021-2022. There are no other sources of revenue aside from limited grant funding, making this small special district financial accounting fairly straight forward. Unaudited financial statements and [prior audit reports](#) can be found on the District's website: IBWD.org

Terms of Engagement

The District is requesting proposals from qualified firms of certified public accountants, duly authorized to practice as such in the State of California, to provide independent auditing services for the District. The term of the agreement to provide auditing services will be for three years, beginning with the fiscal year ending September 30, 2022, extending through the two subsequent fiscal years (2022/2023 and 2023/2024), with an option to renew for two additional years. The contract may be canceled if the District determines the audit services to be unsatisfactory.

C. Project Scope

The following scope of work is an outline of the minimum services to be provided.

1. Auditing Standards to be Followed: To meet the requirements of this request for proposals, the audit shall be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, Government Auditing Standards, and the minimum standards for audits of California Enterprise Special Districts.
2. Working Paper Retention and Access to Working Papers: All working papers and reports must be retained, at the auditor's expense, for a minimum of three (3) years. The firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.
3. The auditor shall perform the following tasks within the timeframe established as part of its audit each fiscal year.
 - a. The auditor shall provide the District with an audit plan, including a list of schedules requested and other work.
 - b. Examination of all funds and account groups under the jurisdiction and control of the District, for the purpose of issuing the following reports:
 - i. Opinion on the fair presentation of the District's financial statements of its enterprise activities in conformity with accounting principles generally accepted in the United States of America.
 - ii. Preparation of a Management Letter which will include findings, statements, observations, opinions, comments, or recommendations regarding the systems and functioning of internal control, accounting systems and procedures, and compliance with laws, rules, and regulations.
 - c. Consultation regarding accounting and compliance issues as may be required throughout the contract period. The Auditor will notify the District if any difficulties are

encountered in completing the audit, or if audit findings resulting in qualified reports are discovered.

- d. The auditor shall provide the following:
 - i. Auditor's Report on the District financial statements (6 copies) and an electronic copy; and
 - ii. Management Letter (6 copies) and an electronic copy.

D. Services to be Provided by the District

The services to be provided by the District include, but are not limited to, the following:

1. The Accounting Manager and Staff Assistant will be available during the audit to assist the firm by providing information, documentation, and explanations. District staff will provide clerical assistance for the preparation of confirmations and other routine correspondence.
2. The District staff will close the books and provide individual fund balance sheets, a profit and loss statement, a statement of cash flow, and other information requested by auditor.
3. The Accounting Manager will provide access to the District's Quick Books Accounting Software, and accounting records to perform audit off site.
4. District Accounting Manager will provide the draft Management's Discussion and Analysis.

E. Request for Proposal and Project Timeline

Conditions of Request

The following conditions apply to this Request for Proposals:

1. District reserves the right to withdraw this solicitation for a proposal at any time without prior notice. Further, District does not make any representations that any agreement will be awarded to any firm submitting a proposal.
2. District reserves the right to reject any and all proposals submitted in response to this request and reject any sub-consultant or individual working for a consulting firm.
3. All proposals, inquires, responses, or correspondence related to or in reference to this RFP, and all reports, charts, displays, schedules, exhibits, and other documentation submitted by the consultant will become the property of the District and a matter of public record.
4. It is recognized that the formal basis of an agreement between the District and the consultant is a contract, rather than a proposal. In submitting price proposal, consultants must indicate that they are prepared to complete a contract containing all the information submitted in their price proposal. The price proposal will become part of the contract between the District and the successful consultant.

Project Timeline

This Request for Proposals represents the requirements for an open and competitive process. Proposals will be accepted until 5:00 pm local time March 24, 2023. Any proposals received after this date and time will be rejected. All proposals must be signed by an official agent or representative of the company submitting the proposal with the authority to execute contracts.

Evaluation of proposals will be conducted in late March 2023. If additional information or discussions are needed, the Offeror(s) will be notified. Following the notification of the selected firm, it is expected a contract will be executed between both parties in April/May 2023.

A draft of the management letter shall be provided by August 2023. District staff shall have the opportunity to discuss and comment upon any findings and recommendations prior to issuance.

The final version of the management letter, and copies of the audited financial statements shall be issued no later than October 2023. For subsequent fiscal years, the District requests the Audit to be completed by September 30, 2024 and September 30, 2025.

F. Proposal Guidelines

Submitted proposals should include the following components:

1. **Cover Letter** – The cover letter shall introduce the Consultant and summarize pertinent qualifications. Include the location of the Consultant’s principal office, title, address, relevant telephone numbers, and the names and email addresses of the individual(s) that will be assigned to the Project. Please indicate the name of the person who will be authorized to answer questions and to bind the firm, the person’s title, address, and telephone number.
2. **Detailed Description of the Consultant’s Qualifications** – the Consultant shall provide a detailed description of qualifications, including a brief history of relevant work experience with small Special Districts, the types of services provided, and specific examples of experience in providing similar services as those requested in this RFP.
3. **Personnel Assigned** – This section shall designate the following personnel, and briefly describe their relevant experience and qualifications. The proposal shall include a statement by the firm as to its plans and commitments relative to providing continuity of personnel. The District reserves the right to request replacement of any member of the firm’s auditing team prior to, and during the course of the audit if circumstances warrant it.
 - **Audit Manager.** The Audit Manager shall be designated as the principal in charge (PIC) for the District and shall be responsible for supervising the audit and meeting all objectives and deadlines.
 - **Additional Personnel:** Identify any other individuals who will perform the primary tasks for the audit, and the specific tasks/services they will perform.
4. **Proposed Services** – Please show the various work tasks along with the important intermediate dates (meetings, submittals, reviews, etc.). The proposal should identify and describe any anticipated potential audit problems, the firm’s approach to resolving these problems and any special assistance that will be requested from the District. Incorporate realistic review periods for District staff in the baseline scheduling.

5. References – Provide two to three public agency clients (include names of contact persons, telephone numbers, email addresses and a brief description of the work performed) for whom Consultant has performed services within the last seven years.
6. Proposed Fee Schedule and Total Project Price – The Fee Schedule should reflect the hourly rates of each individual, total costs for all personnel, including any sub-contractors, and all materials, services, and direct costs necessary to complete the scope of work requested in this request for proposals.
7. Extraordinary Services - All proposals shall contain provisions to the effect that in the event that extraordinary circumstances warrant more intensive and detailed services beyond those in the contractual agreement, the firm shall provide in writing and in advance, the reasons for the additional services together with the firm's estimate of costs, and a statement that no work will be performed without advance approval by the District. Any and all additional work as agreed in advance by the District shall be compensated for at the same rate quoted in the schedule submitted in the proposal.
8. Please submit a draft pro-forma audit contract with your firm's proposal.

G. Proposal Evaluation Criteria

Proposals will be evaluated by a District committee, with final approval by the District's Board. The method of selection will be based on the criteria and considerations set forth below:

1. Demonstrated competence and professional qualifications necessary for satisfactory performance of the services required by the District.
2. Experience in performing similar services for special districts as attested by other audit clients.
3. Demonstrated understanding of the work requested by the District and proposed approach for performing the scope of work as demonstrated by the quality and responsiveness of the proposal to the stated requirements.
4. Background and related experience of the specific individuals to be assigned to the audit including the firm's ongoing efforts to keep its staff current and knowledgeable in accounting procedures, auditing, and financial reporting for governmental agencies.
5. Total Project Price. As described above, a contract will not be based solely on price, but on a combination of factors as determined to be in the best interest of the District. Given that the expertise required for this RFP is specialized, the District reserves the right to negotiate a contract with the firm determined to offer unique and unmatched expertise. After evaluating the proposals, the District reserves the right to further negotiate the proposed scope of work, method of delivery, and financial terms of the contract.