

Request for Proposals

San Joaquin Valley Unified Air Pollution
Control District

For Fiscal Year Ending June 30, 2014



San Joaquin Valley Unified Air Pollution
Control District
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Request for Proposals INDEPENDENT AUDITING SERVICES



San Joaquin Valley
AIR POLLUTION CONTROL DISTRICT

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Independent Auditing Services

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PREFACE AND INVITATION

The San Joaquin Valley Air Pollution Control District is a special district operating under the provisions of Sections 40150 through 40162 of the California Health and Safety Code. The District exists to develop and implement programs on a local level to meet the requirements of state and federal air pollution control laws.

The District's administrative offices are located at 1990 East Gettysburg Avenue, Fresno, California, the Northern Region office is located at 4800 Enterprise Way, Modesto, California, and the Southern Region office is located at 34946 Flyover Court, Bakersfield, California.

The District has assumed the fiscal responsibility for the San Joaquin Valleywide Air Pollution Study Agency. The San Joaquin Valleywide Air Pollution Study Agency is a joint powers agreement (JPA), between Fresno, Kern, Kings, Madera, Merced, San Joaquin, Stanislaus, Tulare and Mariposa Counties, for the purpose of designing, planning, programming, and implementing an ozone and air pollution study in the geographical territory encompassed by the member counties.

Through this Request for Proposals (RFP), the District invites experienced and qualified, independent certified public accountants licensed in the State of California to submit proposals to perform specified auditing functions.

Any inquiries concerning the request for proposals should be addressed to:

Charlie Hemphill
Charlie.Hemphill@valleyair.org
Accounting Manager
(559) 230-6024

or

Mehri Barati
Mehri.Barati@valleyair.org
Director of Administrative Services
(559) 230-6021

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QUALIFICATIONS

Proposals will be accepted from firms with demonstrated experience and competency in governmental or nonprofit organization auditing. The minimum qualifications for firms submitting proposals are:

1. The firm must have as existing clients at least three (3) public agencies or nonprofit organizations in California; and during the past five (5) years the firm must have audited at least three (3) such public agencies or nonprofit organizations.
2. Members of the audit team shall be experienced in governmental fund accounting and electronic data processing (EDP). This shall include the senior member “in charge,” who shall have at least (5) years recent experience in auditing such agencies or organizations.

SERVICES RENDERED

A separate cost proposal is required for both the District and the Study Agency. The auditing services desired for each are as follows:

Period of Audit - The initial audit will cover the period from July 1, 2013 through June 30, 2014. The engagement will be for the audit period, with the right to extend the agreement under the terms and conditions agreeable to both parties. For continuity, the District prefers to maintain satisfactory services from a qualified firm for a minimum period of three to five years.

Audit - The scope of the audit includes an examination of all books, records, and accounts of the District in sufficient detail to express an opinion on the financial statements as a whole. The audit shall be performed in accordance with generally accepted auditing standards as included in the Statement of Auditing Standards published by the American Institute of Certified Public Accountants (AICPA) and any other pertinent AICPA Industry Audit Guides, the standards for financial audits set forth in the U.S. General Accounting Office’s Government Auditing Standards (2003 Revision), the provisions of the Single Audit Act of 1984 (as amended in 1996), and the provisions of the U.S. Office of Management and Budget (OMB) Circular A-133, Audits of State and Local Governments.

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REPORTS REQUIRED

The following reports shall be provided for both the District and the Study Agency at the completion of the audit in accordance with the District audit instructions cited above:

- **Audit Report:** A Report on the examination of the financial statements of the District, including all accounts and funds. Unless mutually agreed upon between the District and the auditor, the financial statements and the notes to the financial statements will be prepared by the District. The draft and final reports must:

1. Comply with the audit requirements established.
2. Include Financial Statements, Notes to Financial Statements, and all required supplemental information.
3. Include an opinion on whether the District's Schedule of Expenditures of Federal Awards (SEFA) fairly presents the information contained in the audited financial statements, as required under OMB Circular A-133.

- **Management Report:** Contractor must submit a management report setting forth: (i) findings and recommendations for improvement resulting from the survey of internal control conducted as part of the examination; (ii) findings and recommendations for improvement in accounting systems where noted during the conduct of the examination; (iii) findings of noncompliance with laws, rules and regulations coming to the attention of the Contractor during the course of the examination; and (iv) any material items or reportable conditions coming to the attention of the Contractor during the conduct of the examination.

- A report on compliance with laws and regulations related to major and non-major federal financial assistance programs. This report should include an opinion on compliance with both specific and general requirements applicable to major federal financial assistance programs, and a report on compliance with laws and regulations applicable to non-major federal financial assistance program transactions tested.

- **Irregularities and Illegal Acts:** Contractor is required to develop an immediate, written report to the Executive Director/Air Pollution Control Officer of all irregularities and illegal acts or indications of illegal acts of which they become aware.

SPECIAL CONSIDERATIONS

The District will send its Comprehensive Annual Financial Report to the Government Finance Officers Association of the United States and Canada for review in their Certificate of Achievement for Excellence in Financial Reporting

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program. Contractor may be required to provide special assistance to the District to meet the requirements of that program. A pre-audit conference will be held with designated District staff to review and discuss the schedule of the audit, establish all deadlines, and to determine responsibility and method of preparation for audit working papers.

• **Working Paper Retention and Access to Working Papers:**

1. All working papers and reports must be retained, at the Contractor's expense, for a minimum of seven (7) years, unless the firm is notified in writing by the District of the need to extend the retention period.
2. In addition, Contractor must respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers if requested by District.

METHOD AND BASIS FOR COMPENSATION

Separate cost proposals for the District and the Study Agency for services rendered are required. Proposals shall set forth an estimate of the total required hours and hourly rates by staff classification, an estimate of out-of-pocket expenses, and the resulting all-inclusive total maximum fee for which the requested work will be done.

ADDITIONAL SERVICES

Proposals shall contain provisions to the effect that in the event disclosures in the audit indicate extraordinary circumstances which warrant more intensive and detailed services, the Proposer shall provide all pertinent facts relative to the extraordinary circumstances, together with the Proposer's fee basis for such additional services.

ASSISTANCE PROVIDED

The Finance Office staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation and explanations. The auditors will be provided office space in the Fresno office located near the accounting records. The preparation of the confirmations will be the responsibility of the auditors.

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PROPOSAL REQUIREMENTS

In order to simplify the review process and to obtain the maximum degree of comparability, your proposal should be organized in the manner specified below.

Title Page - Show the proposal subject, the name of your firm, local address, telephone number, name of contact person, and the date.

Letter of Transmittal - Limit to one or two pages. (Separate letter of transmittal for the District and the Study Agency)

1. Briefly state your understanding of the work to be done and discuss how you will ensure the work is completed within the required time period.
2. State the all-inclusive fee for which the work will be done showing the hourly rate and estimated hours for each staff classification.
3. Give the names of the persons who will be authorized to make representations for you, their titles, addresses, and telephone numbers.

Profile of the Proposer

1. State whether your firm is local, national or international.
2. Give the location of the office from which the work is to be done and the number of partners, managers, supervisors, seniors and other professional staff employed at that office. Indicate the percentage of professional staff who are CPA's.
3. Describe the range of activities performed by the local office such as audit, accounting, tax service, or management services.

Summary of the Proposer's Qualifications

1. Identify the supervisors who will work on the audit, including staff from other than the local office, if any. Resumes for each supervisory person to be assigned to the audit should be included. (The resumes may be included as an appendix.) Include a statement that any personnel substitutions by the audit firm will be of equally qualified personnel.
2. Describe the recent local office auditing experience similar to the type of audit requested. Also, describe any recent local government or nonprofit audits which your local office has performed.

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3. Describe your personnel rotation policy or other policies to enhance independence and provide new insight into the audit process.

PROPOSAL DEADLINE

A minimum of three printed copies and an electronic of the proposal should be forwarded to:

Charlie Hemphill, District Accounting Manager
San Joaquin Valley APCD
1990 East Gettysburg Avenue
Fresno, California 93726-0244
Charlie.Hemphill@valleyair.org

Proposals must be received no later than **5:00 PM on Friday, May 9, 2014.**

EVALUATION OF PROPOSALS

The District selection of an auditor will be dependent upon the technical expertise and the cost. The following factors will be considered which, if any, of those submitting proposals shall be selected.

1. Responsiveness of the proposal in clearly stating an understanding of the work to be performed.
2. Technical experience of the firm.
3. Qualifications of the staff who will actually perform significant audit services under this proposal.
4. Cost of the work to be performed.

Proposals submitted will be reviewed by District Staff. The evaluation process will be directed primarily at those capabilities and advantages which are clearly shown in the written proposal, however, the District may request any or all firms to make oral presentations during the evaluation process. It is anticipated that a firm will be selected during the month of May 2014 and award of contract will be on June 19 by the District Governing Board.

The District reserves the right to reject any and all proposals submitted and to request additional information from Proposers.

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The District shall be the sole judge of the proposal, and particularly, which one best qualifies for acceptance.

The District reserves the right to accept other than the lowest-priced proposal and to negotiate with the proposers if it is in the best interest to do so.

If you wish to obtain additional information or visit the District, please contact:

Charlie Hemphill
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