



REQUEST FOR PROPOSALS Audit Services for FY 2016 – 2017

Graton Community Services District (District) is issuing a Request for Proposals (RFP) seeking the services of Certified Public Accountants (Firm) to perform an annual financial and compliance audit of the District's Financial Position in accordance with generally accepted auditing standards for purposes of rendering an opinion as to the fairness of presentation of the District's financial reports.

In addition, the Firm shall be required to prepare and submit the State Controller's Annual Report for Special Districts.

The District did not receive federal funds in fiscal year 2016-2017.

The maximum fee to perform services is not expected to exceed \$50,000 for five (5) years. The contract will be established for a period not to exceed three (3) years, although the District will have the option to extend the term by two (2) additional years, as two one-year options, by mutual agreement of the parties.

There is no expressed or implied obligation for the District to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

1.0 Background

Graton is located west of Santa Rosa. GCSD is a California Special District formed in 2004 under Government Code 61000. Previously, the District was owned and operated by the Sonoma County Water Agency. The District operates and maintains the Sewer Collection System, the WWTP, and the Irrigation Disposal Facilities. The WWTP is an Enterprise Function funded by service fees and an ad valorem tax for the maintenance and operation of the District's WWTP and related facilities.

The District's organization is governed by five elected board members with a general manager responsible for implementing board policy and managing operations. There are 3 full-time employees.

The District's annual revenue is approximately \$1.0 million and is categorized into two main areas; annual sewer service fees collected twice annually through property taxes and sewer connection and sewer service fees collected through Permit Resource Management Department of Sonoma County. Sewer service fees have historically made up the largest category and currently account for over 95% of the District's total annual funding. The yearend cash balance as of June 30, 2016 was \$835,302.90. Three funds (Operations, Construction, and Bond) are managed by Sonoma County Auditor/Controller who provided accounting services and acts as GCSD's Treasurer. The District maintains two checking accounts in a local bank. One is a petty cash account in the amount of \$7,500 and the other is cash with fiscal agent account in the

amount of \$40,000 that is used as a revolving bank account to pay employees. Payroll is contracted with ADP and is processed twice monthly.

The District processes approximately 400 transactions annually through Sonoma County accounting.

2.0 Acknowledgement and Pre-Proposal Questions

We request that consultants acknowledge receipt and their intent to respond. All inquiries must be submitted via email; no other communications are permitted with GCSD staff.

email addresses: gcsd@sonic.net; jose91946@sbcglobal.net

subject: Audit Services RFP inquiry

Further, interested Consultants are encouraged to promptly notify GCSD in writing of any questions, apparent major inconsistencies, problems, ambiguities in this RFP. Any questions and requests for clarification/additional information shall be submitted to GCSD. Answers will be shared with all Consultants acknowledging receipt of the RFP.

Prospective Respondents may obtain copies of this RFP by visiting the District's website at www.graton.org or by contacting the District by email at gcsd@sonic.net or by phone at 707-823-1542. Posted on the website are completed audits for Fiscal Years 2012-13, 2013-14, and 2014-15. Please note that in some of those years GCSD did receive federal funds and include single audit requirements.

3.0 Key RFP Dates

Issue RFP	May 19, 2017
Deadline for Submittal of Written Questions	May 25, 2017
Answers to Written Questions Posted on Website (www.graton.org)	May 30, 2017
RFP Due Date	June 2, 2017
Notification of Interviews	June 7, 2017
Finalists Interviewed	June 13, 2017
Contract Recommended for Board Approval	June 19, 2017

4.0 Scope of Work

TASK 1

Perform an audit in accordance with Generally Accepted Auditing Standards as set for by the American Institute of Certified Public Accountants, and in accordance with the "Minimum Audit Requirements and Reporting Guidelines for California Special Districts" as required by the State Controller's Office.

TASK 2

Compile the District's financial statements in accordance with generally accepted accounting principles. Provide the District with five hardbound copies and a portable document format (PDF) file that will include all components of the District's financial statements as presented. The District will provide trial balances, budgetary and encumbrance data, cash flow statements, financial statements and General Ledger, and bank statements.

TASK 3

Render a report on compliance and internal control over financial reporting based on an audit of the financial statements.

A written report should be issued immediately to management upon the discovery of illegal acts or major irregularities discovered during the performance of this task.

TASK 4

Issue a management letter for conditions or weaknesses, if any, in the internal control structure that are not reportable under TASK 3 because they are not considered significant deficiencies.

TASK 5

Prepare and forward to the State Controller's Office the Annual Report of Financial Transactions of Special Districts pursuant to Government Code Section 53891.

TASK 6

Present the completed Audited Financial Statements to the Board of Directors at a regularly scheduled Board meeting.

5.0 Proposal Submittal requirements

Interested Firms should submit the following information in the order listed.

1. Title page showing the Request for Proposal's subject; the firm's name; the name, address, telephone number and email of the contact person; and the date of the proposal.
2. Table of contents including a clear and complete identification of the materials submitted by section and page number.
3. Transmittal letter addressing the Firm's understanding of the project based on the RFP and any other information the Firm has gathered and the Firm's commitment to adhere to the timeline of the RFP. Include a statement discussing the Firm's qualifications and experience with special emphasis on previous auditing work for government agencies. Provide a brief audit approach and work plan. Certify that the person signing the proposal is entitled to represent the Firm, empowered to submit the bid, and authorized to sign a contract with the District.
4. Listing of similar projects, particularly for special districts
5. Proposed assigned staff's resumes
6. Listing of three references for firm
7. Listing of three references for proposed assigned staff (optional)
8. A copy of your most recent Peer Review/Quality Review (including letter of comments)
9. Fixed cost bid for conducting the audit and the annual cost for each year of the audit contract. If travel costs are not included in the bid, an estimate should be noted in the proposal.

6.0 Respondent Evaluation Process

The District intends to select one Respondent. The District's selection committee will review and evaluate the Proposals. The selection committee will score the Proposals in accordance with the criteria and methodology described in this RFP. The Respondent that receives the highest score in the selection process will be selected to negotiate an Agreement with the District.

6.1 Step One: Proposal

Proposals that are complete and have been received by the deadline will be scored as follows:

- Experience of Firm and Key Staff Maximum 20 points
- Audit Approach & Work Plan Maximum 10 points
- References Maximum 10 points
- Lowest Cost Maximum 30 points

The maximum total score possible is 70. The Respondents' Proposals will be ranked according to total score. The selection committee will shortlist those Proposals that meet a minimum score, as determined by the selection committee (Finalist Respondents). Finalist Respondents will be invited to participate in the final selection process. The final selection process may include the submission of additional information and/or participation in an oral interview.

6.2 Step Two: Interview

The District intends to invite the Finalist Respondents to participate in oral interviews the evening of June 13, 2017 at a specified time and location. The District shall impose a time limit for each oral interview. During the oral interview, the Finalist Respondents may be required to deliver a brief presentation of their proposal to the District. This will provide an opportunity for the Respondent to clarify or elaborate on their proposal but will in no way change the original proposal. The Respondent will be required to respond to questions from the selection committee, including questions concerning the Respondent's Proposal and presentation. The proposed key individuals in the Finalist Respondent's team will be expected to actively participate in the interviews and to respond to the selection committee's questions. The selection committee will assign points to each Finalist Respondent based on the oral interview up to a maximum of 30 points. The interview phase will be scored as follows:

- Presentation Maximum 15 points
- Question and Answers Maximum 15 points

At the conclusion of the oral interviews, the selection committee will combine the scores for the Proposal and oral interview for each Finalist Respondent. The highest-ranking Finalist will be selected to negotiate a professional services agreement with the District. In the event of a tie, the District may elect, in its absolute and sole discretion, to break the tie by conducting a tiebreaker between the tied Finalist Respondents.

In the event that agreement cannot be reached with the highest-ranking Finalist Respondent as determined by District staff in its sole discretion, negotiations may be entered into with other Finalist Respondents in the order of their ranking. There shall be no binding agreement with any Finalist Respondent unless and until approved by the District Board, at its sole discretion.

7.0 Submittal Procedures

Three (3) copies of the Proposal and one (1) CD or USB drive with the Proposal in Adobe Portable Document Format (PDF) in a sealed envelope clearly marked "Proposal for Annual Audit Services," must be received by the District no later than 4:00 p.m. on Friday, June 2, 2017 at the following mailing address:

Graton Community Services District
P.O. Box 534
Graton, CA 95444

Proposals may also be hand delivered no later than 4:00 p.m. on Friday, June 2, 2017 to the Wastewater Treatment Plant (WWTP) at the street address:

Graton Community Services District
250 Ross Lane
Sebastopol, CA 95472

Responses to this RFP that are not received by the time and date specified, do not contain all the required information and completed forms, or do not meet all minimum qualifications shall be deemed non-responsive and rejected without consideration.

8.0 Conditions of Proposal Acceptance

This RFP does not commit GCSD to award a contract, to pay any costs incurred in the preparation of a proposal for this RFP, or to procure or contract for any services. GCSD reserves the right to waive any irregularities or informalities contained within this RFP, and/or reject any or all proposals received as a result of this request; negotiate with any qualified source or to cancel the RFP in part or whole. All proposals and material submitted will become the property of GCSD and will not be deemed confidential or proprietary.

9.0 Insurance Coverage

Before beginning any work under this Agreement, the Consultant shall procure the types and amounts of insurance commonly required for these consulting services per industry standards. Generally speaking, coverage includes Workers' Compensation, if applicable, Commercial General and Automobile Liability, and Professional Liability Insurance. Prior to the Effective Date, the Consultant shall provide evidence satisfactory to District that all insurance required by this Agreement is in full force and effect in the form required hereby. All insurance required pursuant to this Agreement shall be obtained and maintained throughout the term of this Agreement at the sole expense of the Consultant. The District will provide the limits of coverage upon request.

Jose L. Ortiz
General Manager
Graton Community Services District
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