Tiburon Fire Protection District
REQUEST FOR PROPOSAL (RFP)
Audit Services
Issue Date: May 11, 2020

PROPOSAL DUE
June 30, 2020, 2:00 p.m. PDT

PROPOSAL SUBMITTAL
Five (5) identical proposals

DELIVERY ADDRESS
Tiburon Fire Protection District
1679 Tiburon Blvd.
Tiburon, CA 94920
415-435-7200

QUESTIONS
Heidi Rosevear, Finance Officer
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415-435-7200

1. INTRODUCTION

The Tiburon Fire Protection District (District) is requesting proposals from qualified firms of certified public accountants to audit its annual financial statements for the fiscal year ending June 30, 2020, with the option of auditing its annual financial statement for each of the two subsequent fiscal years. These audits are to be performed in accordance with generally accepted auditing standards, the standards set forth for financial and compliance audits in the U.S. General Accounting Office's (GAO) Standards for Audit of Governmental Organizations, Programs, Activities, and Functions, the provisions of the Single Audit Act of 1984, as amended in 1996, U.S. Office of Management and Budget (OMB) Circular A-133, Audits of State and Local Governments and Governmental Accounting Standards Board (GASB) Pronouncements.

The District is a Special District organized under the California Health and Safety Code. The District is responsible for the protection of the lives and property of the residents of the Tiburon peninsula located in Marin County, California. The District furnishes fire protection, rescue service and other emergency services to an approximate area of 5.5 square miles. The District operates two fire stations and employs approximately 30 personnel. The District has produced a Comprehensive Annual Financial Report (CAFR) for eight consecutive years. The District's CAFRs and Annual Budget are available on the District's website at www.tiburonfire.org.

Background

The Finance Division is a one-person department, staffed by the Finance Officer. The Finance Committee consists of two Board members, Fire Chief and Finance Officer.

District staff will be available to provide customary information, explanation or other assistance during the audit. The District's accounting system uses QuickBooks software.

2. SCOPE OF SERVICES

Nature of Services Required

The District desires the auditor to express an opinion on the fair presentation of its financial statements of the governmental activities and each major fund of the District in conformity with generally accepted accounting principles.

The auditor is not required to audit the introductory or statistical sections of the CAFR.

Reports to be Issued

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue:

1. A report on the fair presentation of the financial statements of the District in conformity with generally accepted accounting principles
2. A Single Audit report if necessary
3. A report on internal control and required communications

In the required reports on internal controls, the auditor shall communicate any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure which could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Reportable conditions that are also material weaknesses shall be identified as such in the report.

Nonreportable conditions discovered by the auditors shall be reported in a separate letter to management, which shall be referred to in the reports on internal controls.

The reports on compliance shall include all instances of noncompliance.

Auditors shall be required to make an immediate, written report of all irregularities and illegal acts of which they become aware to the following parties: Finance Committee, Fire Chief, and Finance Officer.

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 its financial reporting award program. The auditor selected will be expected to review the CAFR in relation to the award checklist to ensure compliance with the award program.

All working papers and reports must be retained, at the auditor's expense, for a minimum of three (3) years, unless the firm is notified in writing by the District of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the following parties or their designee:

- District
- U.S. Government Accountability Office
- Parties designated by the Federal or State governments or by the District as part of an audit quality review process
- Auditors or entities of which the District is a sub-recipient of grants
- State of California, Office of the State Controller

In addition, 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.

Accounting and Fund Information

Fund Type	Number of Funds
General Fund	1
Fiduciary Funds	3

The District prepares its budget on a basis consistent with generally accepted accounting principles.

Time Requirements

Following is the anticipated audit schedule for 2020:

Interim field work	August 31, 2020
District submits to auditors the final trial balance	October 15, 2020
Final field work	Week of November 9, 2020
Auditors submit draft financials, Memo on Internal Control	November 20, 2020
Auditors submit final reports to District	December 2, 2020
Formal presentation to Board of Directors	December 9, 2020

Upon completion of the audit examination and prior to issuing any audit reports or the management letter, the auditor will participate in an exit conference with the Finance Officer to discuss observations and findings. During the course of the engagement, the auditor will meet with and provide periodic status reports to the Finance Officer on a regular basis. The auditor should also be available to meet with District staff as needed, to provide consultation on various accounting and auditing matters.

Assistance to be Provided to the Auditor

The Finance Officer and Executive Assistant and responsible management personnel will be available during the audit to assist the auditor by providing information, documentation and explanations. The preparation of confirmations will be the responsibility of the District.

Finance and administrative staff will be available to provide systems documentation and explanations.

The auditor will be provided with reasonable work space, access to telephones, photocopying and fax machines, for use in connection with work as described in this request for proposal.

Report Preparation

District staff will submit the QuickBooks file to the auditors and provide user access to bill.com. The auditors will prepare a final copy of the Financial Section of the CAFR. District staff will prepare the Introductory Section and Statistical Section of the CAFR.

The District will use the auditor prepared final copy of the Financial Section of the CAFR to prepare the final, published CAFR. The District will be responsible for the preparation and printing of the final CAFR. Preparation, editing and printing of all other reports will be the responsibility of the auditor.

3. PROPOSAL SUBMISSION, FORM AND CONTENT

Due Date

Sealed proposals will be received by the District Executive Assistant no later than 2:00 p.m. on Tuesday, June 30, 2020, unless time is extended by written addendum issued by the District before that date.

Submission

The firm shall submit five (5) identical proposals in a sealed envelope, plainly marked in the upper, left-hand corner with the name and address of the bidder and the words "RFP: Audit Services Proposal." Proposals may be filed in person or by mail.

Tiburon Fire Protection District
Finance Committee
1679 Tiburon Blvd.
Tiburon, CA 94920

Late proposals will not be accepted. No faxed or emailed proposals shall be considered. Any corrections or resubmission done by the firm will not extend the submittal date. The District is not responsible for proposals not properly marked and delivered.

List of Proposal Contents

To facilitate a fair and efficient review of all proposals, please structure your proposal in the following format, utilizing the same numbering system as found in the Request for Proposal. Responses that do not follow this format will be scored accordingly and are subject to rejection.

Title Page/Cover: It should include the name of the audit firm, address, telephone number, contact person and the date of the proposal.

Table of Contents

Transmittal Letter: A signed letter of transmittal briefly stating the proposer's understanding of the work to be done, the commitment to perform the work within the time period, a statement as to why the firm believes itself to be best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for ninety (90) days.

Technical Proposal Section:

- General Requirements - The purpose of the Technical Proposal is to demonstrate the qualifications, competence and capacity of the firm seeking to undertake an independent audit of the District in conformity with the requirements of the request. As such, the substance of proposals will carry more weight than their form or manner of presentation. The Technical Proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the request for proposals requirements.

- Independence - The firm should provide an affirmative statement that it is independent of the District, as defined by generally accepted auditing standards and the U.S. Government Accountability Office's Government Auditing Standards. The firm should also provide an affirmative statement that it is independent of all the component units of the District, as defined by those same standards.

  The firm should list and describe the firm's professional relationships involving the District or any of its agencies or component units for the past five years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

- License to Practice in California –An affirmative statement should be included that the firm and all assigned key professional staff are properly licensed to practice as certified public accountants in California.

- Firm Qualifications and Experience - The proposal should state the size of the firm; the size of the firm's governmental audit staff; the location of the office from which this engagement is to be performed; the number and nature of the professional staff to be employed in this engagement on a full-time basis; and the number and nature of the staff to be so employed on a part-time basis.
  The firm is also required to submit a copy of the report on its most recent external quality control review, with a statement whether that quality control review included a review of specific governmental audit engagements.

  The firm shall also provide information on the results of any Federal or State of California desk reviews or field reviews of its audits during the past three (3) years. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years by state regulatory bodies or professional organizations.

- Partner, Supervisory and Staff Qualifications and Experience - The firm should identify the principal supervisory and management staff, including engagement

partners, managers, other supervisors and specialists, who would be assigned to the engagement and indicate whether each such person is (registered/licensed) to practice as a certified public accountant in California. The firm also should provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit.

The firm should provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. The firm also should indicate how the quality and continuity of staff assigned over the term of the agreement will be assured.

Consultants and firm specialists mentioned in response to this request for proposals can only be changed with the express prior written permission of the District, which retains the right to approve or reject replacement.

Other audit personnel may be changed at the discretion of the firm provided that replacements have substantially the same or better qualifications or experience.

- Similar Engagements with Other Government Entities - For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum of 5) performed in the last five years that are similar to the engagement described in this request for proposals. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

- Specific Audit Approach - The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section II of this request for proposals. In developing the work plan, reference should be made to such sources of information as the District's budget and related materials, organizational charts, manuals and programs, and financial and other management information systems.
  Proposers are expected to provide the following information on their audit approach:

- ✓ Proposed segments of the engagement
- ✓ Level of staff and number of hours to be assigned to each proposed segment of the engagement
- ✓ Sample sizes and the extent to which statistical sampling is to be used in the engagement
- ✓ Extent of use of information technology in the engagement
- ✓ Type and extent of analytical procedures to be used in the engagement
- ✓ Approach to be taken to gain and document an understanding of the District's internal control structure

- ✓ Approach to be taken in determining laws and regulations that will be subject to audit test work
- ✓ Approach to be taken in drawing audit samples for purposes of tests of compliance

Identification of Anticipated Potential Audit Problems - The proposal should identify and describe anticipated potential audit problems, if any, the firm's approach to resolving these problems and any special assistance that will be requested from the District.

Cost Data Section:

Indicate the total hours and hourly rates by staff classification and the resulting all-inclusive maximum fee (not to exceed total) for which the requested work will be done for each of the specific deliverables identified in this Request for Proposals.

Schedule of Professional Fees and Expenses to Support the Total All-Inclusive Maximum Price	Hours	Standard Hourly Rates	Quoted Hourly Rates	Total
Partner				
Manager				
Supervisory Staff				
Staff				
Other (Specify)				
Sub-Total				
Out-of-Pocket Expenses				
Total				

Fees must include all anticipated costs including travel, per diem, and out-of-pocket expenses.

All-Inclusive Maximum Price by Report	2019-20	2020-21	2021-22
Financial Statements			
Single Audit			
Total			

4. EVALUATION / SELECTION PROCESS

Evaluation Criteria

Firms meeting the mandatory criteria will have their proposals evaluated and scored for both technical qualifications and price. The following represent the principal selection criteria which will be considered during the evaluation process.

- Mandatory Elements:

  - ✓ The audit firm is independent and licensed to practice in California

- ✓ The audit firm's professional personnel have received adequate continuing professional education within the preceding two years
- ✓ The firm has no conflict of interest with regard to any other work performed by the firm for the District
- ✓ The firm submits a copy of its most recent external quality control review report and the firm has a record of quality audit work
- ✓ The firm adheres to the instructions in this request for proposal on preparing and submitting the proposal

- Technical Qualifications:

  - ✓ Expertise and Experience - The firm's past experience and performance on comparable government engagements and the quality of the firm's professional personnel to be assigned to the engagement
  - ✓ Audit Approach - Adequacy of proposed staffing plan for various segments of the engagement, adequacy of sampling techniques and adequacy of analytical procedures

- Price: Though cost is an important factor, it is not the most important consideration.

Request for Additional Information

By submitting a proposal, the firm agrees to furnish such additional information as the District may reasonably require. This includes information which indicates financial resources as well as the ability to provide the services. To the extent there are any revisions or additions to the information provided or requested in this RFP, an addendum will be sent to all firms who received the RFP. The District reserves the right to make such investigations of the qualifications of the firm.

Proposal Binding

All proposals submitted shall be binding on proposers for ninety (90) calendar days following opening of the proposals.

Incurred Expenses

The District is not responsible for any cost incurred by a firm in either responding to this RFP, or in participating in oral presentation or meetings with the District.

Proprietary Information

In accordance with applicable Public Records Act and except as otherwise may be provided by applicable State and Federal law, all firms should be aware that the RFP's and responses thereto are a public record. Proposals received in response to this RFP will become the property of the District and will not be returned to the proposers. In the event of contract award, all documentation produced as part of the contract will become the exclusive property of the District.

Interviews

The District reserves the right to interview some, all, or none of the firms responding to the RFP based solely on the District's judgment as to the firm's qualifications and capabilities.

Acceptance/Rejection/Modifications to Proposals

The District reserves the right to accept or reject any or all proposals, negotiate modifications to proposals that it deems acceptable, to request and consider additional information from any proposer and to waive minor irregularities and technical defects in the proposal process. The District reserves the right to seek new proposals when it determines that it is in the best interest to do so.

Selection Process

The Finance Committee will evaluate the responses and recommend an unranked short-list of no more than three firms to the Board of Directors. The Finance Committee may schedule interviews and/or presentations with short-listed proposers. Based on the outcome of the Finance Committee's evaluation of proposals, a recommendation will be submitted to the District Board of Directors for consideration of award. An award of contract occurs when the contract is approved by the Tiburon Fire Protection District Board of Directors. Selection of a firm with whom the District enters into contract negotiations with or a recommendation of an award by the Committee or any other party does not constitute an award of contract. The District expects, but does not guarantee, that the decision on selection of a firm will be made by the Tiburon Fire Protection District Board of Directors on the date indicated below.

Proposed Schedule

RFP Released	May 11, 2020
Proposals Due	June 30, 2020
Interviews (if necessary)	Week of July 6, 2020
Award of Contract	July 13, 2020 (earliest date)