

Mi-Wuk/Sugar Pine Fire Protection District



Request for Proposal
For Annual Financial Audit Services

Responses due by 12:00 p.m. (PDT)
on May 14, 2024

Issued Date: April 16, 2024

MI WUK SUGAR PINE FIRE PROTECTION DISTRICT

REQUEST FOR PROPOSAL

FOR ANNUAL FINANCIAL AUDIT SERVICES

March 2024

INTRODUCTION AND PROPOSAL INFORMATION

The Mi-Wuk/Sugar Pine Fire Protection District (District) is requesting proposals (RFP) from experienced, qualified firms of certified public accountants to provide annual auditing services as an independent auditor of the District's financial statements for three fiscal years; ending June 30, 2023 through 2025. Proposals must be received by 12:00 p.m. (PDT) on May 14, 2024 and must respond in the manner specified by this Request for Proposal. Proposals received by facsimile will not be considered. The District will not be responsible for lost or misdirected mail.

Materials submitted by respondents are subject to public inspection under the California Public Records Act (Government Code Sec. 6250), unless exempt. The proposal must be signed by an individual authorized to bind the firm, and proposals must be good for a minimum of 90 days from the date of submission. The District will not pay any costs incurred in proposal preparation, postage/delivery, presentation, demonstration, or negotiation. All costs for the proposal preparation will be paid for by the firm responding to the RFP.

Any proposal may be withdrawn or modified by a written request signed by the firm and received by the District prior to the final time and date for the receipt of proposals. Once the deadline is passed, firms are obligated to fulfill the terms of their proposal.

To be considered, please submit one original (mailed via USPS) and one pdf, via email. Proposals must be received by the District on or before 12:00 p.m. (PDT) on May 14, 2024. Postmarks will not be accepted. The auditor shall thoroughly examine the Request for Proposal. If the auditor discovers any ambiguity, conflict, discrepancy, omission or other errors, they shall immediately notify the District in writing of the error and request modification or clarification. Clarifications shall be given by written notice to all auditors participating in the Request for Proposal. Proposals and all inquiries relating to the RFP should be addressed or emailed to:

Bonnie Dahlin, Board Clerk
Mi-Wuk/Sugar Pine Fire Protection District
PO Box 530
Mi Wuk Village, CA, 95346
bdahlin@mwsfire.us

You may be invited to make an oral presentation to the Board of Directors. The contract, if any is awarded, will be awarded to the firm whose overall proposal demonstrates the ability to best meet the District's requirements. This will not be judged solely on the price of the contract. The District reserves the right to investigate the qualifications of all firms under consideration and to confirm any part of the information

furnished by a firm, or to require other evidence of managerial, financial, or technical capabilities considered necessary to fulfill the contract successfully. Further, the District reserves the right to reject any or all proposals received, or any portion of any proposal, and to waive any irregularities or informalities in proposals or the RFP process. Any addenda that are issued through this RFP must be signed and returned with your submittal.

TIMETABLE

Listed below are the events and target dates. The District reserves the right to change these events and dates at any time.

RFP Issued	April 16, 2024
Proposals Due	May 14, 2024, by 12:00 p.m. (PDT)
Review of Proposals	May 14 – June 7, 2024
Evaluation and award of contract by District's Board	June 11, 2024
Finalist Notified	June 13, 2024

Date Audits May Commence

The District is requesting the audit for FY 2023 begin immediately upon notification of award and would like the audit to be completed and the report delivered by October 2024. District personnel will have all records ready for the preliminary audit fieldwork by June 30, 2024.

For the audits for FY 2024 and 2025, the District will have all records ready for preliminary audit fieldwork and all management personnel available to meet with the firm's personnel by the beginning of October for the respective years.

BACKGROUND

The Mi-Wuk Fire Protection District was formed in 1959 as a volunteer fire department. In 1974, it consolidated with the Sugar Pine Fire Protection District to form the Mi-Wuk/Sugar Pine Fire Protection District and now employs four full-time paid firefighters, in addition to its volunteers.

The District acts and operates under, and is governed by, the statutory authority known as the Health and Safety Code, State of California, Division 12, Part 2.7, Fire Protection District Law of 1961, currently the Fire District Law of 1987, Senate Bill 515, Chapter 1013, and the revisions of same as adopted by the State. The District is governed by a five-member Board of Directors.

The District covers approximately 1.2 square miles in Tuolumne County and serves approximately 1,500 residences within the communities of Mi-Wuk Village and Sugar Pine along the Highway 108 corridor. It provides additional fire protection and emergency services outside District boundaries through its automatic and mutual aid agreements with the Tuolumne County Fire Department and other surrounding fire districts.

The District is funded primarily through property taxes and a benefit assessment collected through placement on the property tax bill and collection by the County of Tuolumne, which serves as the District's treasurer. QuickBooks is utilized for accounting by District staff. Copies of past audits can be found on the District's website: www.mwspfire.us

SCOPE OF WORK

The following detail the key components of the scope of work. Additional specific components are also listed in Exhibit A below.

1. The audit firm will perform an audit of all funds of the District. The audit will be conducted in accordance with Generally Accepted Accounting Principles, as set forth by the American Institute of Certified Public Accounts, and in accordance with the Minimum Audit Requirements and Reporting Guidelines for California Special Districts as required by the State Controller's office. The District's Annual Financial Report will be prepared by the audit firm. The Financial Report will be in full compliance with all GASB standards. The audit firm will render their auditor's report on the basic financial statements that will include both Government-Wide Financial Statements and Fund Financial Statements, and will include prior year comparisons.
2. Prepare a report offering recommendations for improvements in accounting procedures and other significant observations that are considered non-reportable conditions, based on the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure that 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. Deliver report in a PDF format to the District.
3. At the District's discretion, auditor will provide a final presentation to the Board of Directors at the Regular Board Meeting following the conclusion of each audit.

Open communication shall be maintained. Mi-Wuk/Sugar Pine Fire Protection District shall be kept informed in an ongoing manner of the progress of the audit. Any problems encountered are to be made immediately known to the District.

ORGANIZATION OF PROPOSAL

Proposals shall be submitted as one volume and consist of two sections, a Technical Proposal, and a Cost Proposal. Additional information, as outlined in Exhibit A, shall also be detailed/submitted.

Technical Proposal

1. **Introduction:** Proposal will state Auditor's understanding of the work tasks and products to be produced as part of the audit. Proposal will state the Auditor's general experience, capabilities and approach or approaches generally used in audits like those items addressed in the RFP. The Proposal will include an estimated time schedule of work completion for the three audits, including the firm's ability to meet the audit timelines stipulated above.
2. **Work Tasks and Products:** Describe the various work tasks to be performed and the work products to be produced to fulfill this RFP's Scope of Work. Describe what information/data will be requested from the District.
3. **Description of Auditor's Experience:** Provide a description of experience, including a brief history, types of services provided and experience in providing similar services as those requested in the RFP. Include description of experience with Special Districts similar in size and structure to the District.

4. **Project Team:** Identify key personnel to be assigned to the audit and describe their respective role(s) and responsibilities. Provide resumes for all key personnel to be assigned.
5. **References:** List at least three (3) Special District clients (include name, telephone number, email address) and provide a brief description of the work performed.

Cost Proposal

1. **Work Task Cost Summary:** For each fiscal year itemize, by work task, the total cost for all personnel (and anticipated hours to be billed), material, and expenses necessary to complete the audit/work task. Include the anticipated Audit Completion Date for each Fiscal Year with the assumption that all materials/records/reports needed for the audit will be submitted by the District to Auditor by June 30, 2024 for FY23, and October 15th for FY24 and FY25.
2. **Schedule of Hourly Rates:** Provide a schedule of hourly rates for all personnel assigned to the audit/work task.
3. All expenses related to clarification and corrections of the draft audit are to be included in the cost.

CONTRACTUAL ARRANGEMENTS

Work papers and reports must be retained for a period of three years, unless otherwise specified in writing by Mi-Wuk/Sugar Pine Fire Protection District, after the completion of the audit and made available for inspection by the District or government auditors if requested by them. Such working papers shall be available for review and audit by Mi-Wuk/Sugar Pine Fire Protection District, representatives of the Federal and/or State governments, and other individuals designated by Mi-Wuk/Sugar Pine Fire Protection District.

Payment for the audit will be made upon board approval of the audit reports.

The auditor shall obtain the required financial reports from the Tuolumne County Auditor Controller's Office. The District staff will be available to prepare schedules and provide documentation to assist the auditor as their schedules permit during the audit. If the auditor requires that schedules, worksheets or similar documentation be prepared by Mi-Wuk/Sugar Pine Fire Protection District staff in order to facilitate the audit, it shall be made known at the time the proposal is submitted.

While performing services pursuant to the Agreement, the Auditor (and its employees) are independent contractors and not an officer, agent, or employee of the District.

AGREEMENT NOT TO DISCRIMINATE

In the performance of the terms of any contract resulting from this proposal, the provider agrees not to engage in nor permit subcontractors, where applicable, from engaging in discrimination in employment of persons because of race, color, national origin or ancestry, age, sex, disability, or religion of such persons, unless permitted by law.

NO ASSIGNMENT

No assignment by the Auditing firm will be recognized by the District unless such assignments have had prior written approval and consent of the District. The District will specifically be contracting for the services of the individuals in the firm making the proposal, and the qualifications of those individuals will be a material inducement for the award of the contract.

EVALUATION OF PROPOSALS

Proposals will be evaluated using multiple criteria. Firms meeting the mandatory criteria will have their proposal evaluated for both technical qualifications and price. The following represents the principal selection criteria that will be considered during the evaluation process:

1. Mandatory Elements

- A. The Audit firm is independent and licensed to practice in California.
- B. The Audit firm is a certified public accountant (CPA) firm.
- C. The firm has no conflict of interest with regard to any other work performed by the firm for the District.

2. Technical Qualifications

- A. Expertise and Experience
The firm's past experience and performance providing financial audit services to Special Districts in California. The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation.
- B. Other Factors
Other factors to be considered include the firm's audit approach, adequacy of proposed staffing plan for various segments of the engagement, ability to meet timetable set forth, and assurance on continuity of staff for the 3-year engagement period.

REQUESTED INFORMATION

Requested information is contained in **Exhibit A**. This exhibit contains questions that will allow the District to evaluate your firm and the services you provide. Your proposal should respond to the questions in the order they are requested and be numbered in the same way.

INSURANCE AND INDEMNITY

The Firm selected shall be required to carry the minimum types of insurance and the minimum amounts set forth in **Exhibit A**. Each insurance policy required in **Exhibit A** shall not be canceled during the duration of the engagement, except with written notice to the District.

Any Contract executed pursuant to this RFP will require the selected Auditor to defend (by counsel reasonably satisfactory to the District), indemnify and hold harmless the District, its officers, its Board of Director and its employees, from and against all liability, claims, and demands, on account of any injury, loss, or damage, which arise out of or are connected with the auditor's performance of the contract, if such injury, loss, or damage, or any portion thereof, is caused by, or claims to be caused by, the negligent act, omission, or other fault of the Auditor or any subcontractor of the Auditor, or any officer, employee, or agent of the Auditor or any subcontractor, or any person for whom the Auditor is responsible.

When the law establishes a professional standard of care for Auditor's services, to the fullest extent permitted by law, Auditor shall indemnify, protect, defend, and hold harmless the District and any and all of its officers, directors, employees and agents ("Indemnified Parties") from and against any and all losses, liabilities, damages, costs, and expenses, including legal counsel's fees and costs to the extent same are caused in whole or in part by any negligent or wrongful act, error, or omission of Auditor, its officers, agents, employees, or sub-consultants (or any agency or individual that auditor shall bear the legal liability thereof) in the performance of professional services under the contract pursuant to this RFP.

EXHIBIT A

Requested Information: This section contains questions that will allow the District to evaluate your firm and the services you provide. Your proposal should respond to the questions **in the order they are requested and be numbered in the same way.**

1. General Information - The following questions relate to general information about your firm:

- A. Provide the address and telephone number of your home office and any other office locations.
- B. How long have you been in business?
- C. How many financial audits has your firm performed in the last 3 years?
- D. How many financial audits has your firm completed for public agencies in the past 3 years?
- E. How many financial audits has your firm completed for Special Districts in the past 3 years? How many of those were for a Fire Protection Special District?
- F. Describe the recent local office auditing experience similar to the type of audit requested?
- G. Is there any pending litigation against your firm? If so, please provide details.

2. Organization and Personnel

- A. Provide an organization chart for your Company. Also provide an organization chart for the location where this account will be handled.
- B. The auditor shall provide the names of the audit manager, the senior auditor, and the other staff who will perform the audit. In addition, provide a brief resume of their background, training, and experience with emphasis on audits of a similar nature and scope as specified herein, especially with California Fire Protection Special Districts. Lastly, resumes should include the length of time employed by your firm.

3. Firm's Approach to the Examination

- A. Submit a general audit work plan to accomplish the scope defined in these guidelines. The audit work plan should demonstrate the proposer's understanding of the audit requirements and the audit tests and procedures to be applied in completing the audit plan. The plan should detail the expected number of audit hours by staff level. The planned use of specialists should also be specified.
- B. Detail how the reporting deadline requirements of the audit will be met.

4. Insurance - Minimum insurance requirements are given below. Please provide insurance carrier and limits for each line of insurance, and confirm that required evidence of insurance will be provided:

- A. Commercial General Liability insurance with minimum limits of \$2,000,000 per occurrence. Provide Certificate of Insurance and Additional Insured Endorsement.
- B. Automobile Liability insurance with minimum limits of \$1,000,000 per accident. Provide Certificate of Insurance.
- C. Workers' Compensation with statutory limits, as required by the Labor Code of the State of California, and Employer's Liability with minimum limits of \$1,000,000 per occurrence. Provide Certificate of Insurance.
- D. Professional Liability/Errors and Omissions insurance with minimum limits of \$2,000,000 per occurrence. Provide Certificate of Insurance.

5. Affirmations - Provide a positive statement to confirm that each of the following mandatory criteria are satisfied:

- A. An affirmation that the proposer is properly licensed for practice as a certified public accountant in the State of California.
- B. An affirmation that the proposer meets the independence requirements of the American Institute of Certified Public Accountants and the *Government Auditing Standards* as published by the U.S. General Accounting Office.
- C. An affirmation that the firm meets the continuing education and external quality control review requirements contained in the *Government Auditing Standards* as published by the U.S. General Accounting Office.
- D. An affirmation that work papers and reports must be retained for a period of three years after the completion of the audit and made available for inspection by the District, representatives of the Federal and/or State government, and other individuals designated by the District.

6. Documents/Information - The following documents/information should be included in your proposal package:

- A. Sample audit report.
- B. Proposed Contract for Services

7. Fees - Please provide the following:

- A. Billing rates for assigned staff.
- B. Estimated number of billable hours for each assigned staff.
- C. Other billable expenses
- D. A "Not-to-Exceed" fee for Fiscal Year 2023, 2024, and 2025 inclusive of travel, per diem and all other out of pocket expenses.