



REQUEST FOR PROPOSAL

Professional Auditing Services

Submit Proposals To: Central Fire Protection District of Santa Cruz County
930 17th Avenue
Santa Cruz, CA 95062

Direct Inquiries: Nancy Dannhauser
Finance Director
(831) 479-6842
nancyd@centralfpd.com

Proposal Due: March 22, 2018 by 1:00 P.M.

Form of Submittal: ORIGINAL HARD COPY
NO faxes or emails will be accepted

All bid proposals shall be sealed and marked on the outside as:

“AUDIT BID PROPOSAL”

**REQUEST FOR PROPOSAL
CENTRAL FIRE PROTECTION DISTRICT OF SANTA CRUZ COUNTY**

Professional Auditing Services

BACKGROUND INFORMATION

Central Fire Protection District of Santa Cruz County (“CFPD” or the “District”) is an independent autonomous fire district, formed under the “Fire Protection District Law of 1987”, Government Code and Health and Safety Code, State of California. The district was formed October 1987 under the consolidation of the old Capitola, Live Oak and Soquel Fire Protection Districts in Santa Cruz County.

CFPD serves 28 square miles and encompasses the communities of Live Oak, Soquel, and Capitola. The resident population is in excess of 55,000, with a seasonal influx during the summer. The District operates four fire stations, an Administrative Office, Fire Prevention Division, and Fleet Services Facility. It has 62 full and part-time staff with up to 18 Paid Call Firefighters, with an operating budget of \$17 million dollars for fiscal year 2017-2018.

The District’s Administrative Office is located at 930 - 17th Avenue, Santa Cruz, California. Our records are prepared and retained at this location. This includes but is not limited to prior year’s audit report, management letters, financial statements, budgets, payroll records and invoices. The District prepares both payroll and payments on claims which is forwarded to the County of Santa Cruz Auditor-Controller’s office for final processing. More information about the District can be found on our website, www.centrfpd.com.

PURPOSE

The District is requesting proposals from qualified certified public accounting firms to audit its financial statements for three (3) fiscal years from June 30, 2018 through 2020.

There will be an option to extend the contract in one-year periods, not to exceed a total of two additional fiscal years.

Audits are to be performed in accordance with the California State Controller’s minimum audit requirements for special districts, Generally Accepted Auditing Standards, and Government Auditing Standards.

NATURE OF SERVICES REQUIRED

The following specifications cover the key areas of interest to the District in regards to this RFP for audit services.

1. Perform audit in accordance with Generally Accepted Auditing Standards and express an opinion on the fair presentation of the District’s financial statements in conformity with generally accepted accounting principles. The auditor shall also be responsible for performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards.

2. Issue a separate “management letter” that includes recommendations for improvements on internal control, accounting procedures and other significant observations that are considered to be non-reportable conditions. Management letters shall be addressed to the District Fire Chief.

3. Presentation to the Board of Directors. Auditor will provide a final presentation to the Board of Directors at the Regular Board Meeting in December of each year.

4. Assist with the preparation of a Comprehensive Annual Financial Report (“CAFR”). This will be the first year the District will issue a CAFR. Requirements to get the District capable of reporting in CAFR format need to be instructed in advance. This includes comparative statements of net position, statements of revenues, expenses and changes in net position, and statements of cash flows on the combined and individual funds at the end of the current and preceding year, with supporting notes and schedules that provide details of account balances. In response to this RFP, separately identify additional costs necessary to prepare a CAFR in the costs of audit services provided.

5. If applicable, perform a single audit on the expenditures of federal grants in accordance with OMB Circular A-133 and render the appropriate audit reports on Internal Control over Financial Reporting based upon the audit of the District’s financial statements in accordance with government Auditing Standards.

6. Provide general consultation on financial accounting and reporting matters as required during the year.

REPORT REQUIREMENTS

Reports of the audit shall be submitted in final form to the following:

District Files	10 copies
Electronic copy for duplication	1 copy

TIME REQUIREMENTS

Request for Proposals Issued	March 4, 2018
Due Date for Proposals	March 22, 2018 by 1:00 P.M.
Firm Presentation/Interviews (if requested):	Week of March 26 th – March 30 th , TBD
Selected Firm Notified	April 11, 2018
Audit Work Commencement	TBD
Final Report Submission	November 30 th

PROPOSAL REQUIREMENTS

Proposals submitted pursuant to this request must contain the following information:

1. Proposals shall include 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 specified time period, a statement why the firm believes itself to be the best qualified to perform the engagement and statement that the proposal is a final and irrevocable offer for a period of sixty (60) calendar days from submission.
2. Proposals shall provide information on the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement.
3. Proposals shall provide a list of similar engagements with other governmental entities performed in the last five years, as well as any other related experience. These engagements should be ranked on the basis of total staff hours. Indicate the scope of work, date and engagement partners.
4. Proposals shall provide a minimum of five references that may be contacted regarding the firm's capabilities. References shall include the audited firm's name, contact individual name, current telephone number, and type and dates of services rendered.
5. Proposals shall identify the principal supervisory and management staff. Identification of staff capacity shall include the resumes of key personnel who will actually be assigned to the engagement.
6. Proposals shall provide a copy of firm's most recent peer review or quality assurance review.
7. Proposals shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations, as well as any pending or settled litigation within the past three (3) years.
8. Proposals shall include a specific timeframe to complete the various phases of the audit.
9. Proposals shall include a listing of services, data, schedules, and information to be furnished by the District.
10. Proposals shall include projected staff hours required to complete the audit, along with hourly billing rates of the various levels of staff who will be assigned to the audit.
11. Proposals shall include a total all-inclusive maximum fee to be charged for audit services for each of the three (3) fiscal years requested. The maximum fee shall include all direct and indirect costs, including such items as travel and out-of-pocket expenses. Separately identify CAFR preparation costs.

EVALUATION OF PROPOSALS

Proposals submitted which conform to the requirements of this Request for Proposals will be evaluated based upon the following criteria:

1. The firm's past experience and performance on comparable government engagements.
2. The quality of the firm's professional personnel to be assigned to the engagement.
3. Planning of the examination.
4. Availability of qualified staff.
5. Fee for the engagement.
6. Adherence to instructions in this request for proposals.

It is anticipated that a contract for service will be offered to the firm deemed most highly qualified by the District as a result of this process.

The Board of Directors will make the final decision. Prior to Board consideration, the District's Finance Committee will review the recommendation for the successful firm. Final selection will be based on the firm's qualifications, experience, audit approach, and bid. Proposing firms should note that the lowest bid will not be the sole deciding factor in the final selection.

SUBMISSION OF PROPOSALS

A copy of the proposal must be submitted no later than deadline of March 22, 2018 before 1PM (PDT). Proposals shall be sealed and submitted as follows:

Central Fire Protection District
Attn: Nancy Dannhauser
930 17th Avenue
Santa Cruz, CA 95062

"Audit Bid Proposal"

Proposals must be sealed and labeled on the outside of the package to clearly indicate that they are in response to the RFP.

CONTRACTUAL ARRANGEMENTS AND PAYMENT

A written agreement will be entered into by the Central Fire Protection District of Santa Cruz County and the selected audit firm to provide audit services. This can be done either by a contract or a letter of engagement.

Payment for the audit services will be made on monthly progressive invoices submitted at the end of each month that work was done, with 20% retention until time of final report for each year. Payment will be made to audit firm within twenty days of each invoice and the retention twenty days after acceptance of final report.

OTHER INFORMATION

If it should become necessary for the District to request the auditor to render additional services to either supplement the services requested in this Request for Proposal or to perform additional work as a result of the specific recommendations included in any report issued with this engagement, such additional work shall be performed only if set forth in an addendum to the contract between the District and firm. Any such additional work agreed to between the District and the firm shall be performed at the same rates set forth in the schedule of fees and expenses included in the bidding proposal.

RIGHT TO REJECT

This RFP does not commit the District to award an agreement or to contract for services. The District reserves the right to reject any and all proposals, to waive minor irregularities in any proposal, to negotiate with qualified sources, or cancel this request in total or in part. The District shall not be responsible for any proposer's costs incurred in preparation and submittal of their proposals nor in the selection process.