



Camrosa Water District

REQUEST FOR PROPOSALS

FOR

PROFESSIONAL AUDITING SERVICES

Proposal Issue Date

October 16, 2019

Proposal Submittal Due Date

4:00 P.M November 14, 2019

Documents available online at:
www.Camrosa.com

REQUEST FOR PROPOSAL PROFESSIONAL AUDITING SERVICES

Camrosa Water District is requesting proposals from qualified Certified Public Accounting firms (herein "Auditor") to perform an audit and issue opinions on Camrosa's financial statements. This request is for a three (3) year contract term beginning with the fiscal year ending June 30, 2020 through June 30, 2022 with the option of extending the contract for two (2) additional one-year periods, at the District's sole discretion. Audit fees for the additional two years will be negotiated between the District and the selected firm, subject to the concurrence of the District Board and the annual availability of an appropriation.

I. Background Information

Camrosa Water District ("Camrosa"), is located over 31 square miles in the County of Ventura, California, is an independent special district that operates under the authority of Division 12 of the California Water Code. The District was originally formed under the law in 1962 as the Camarillo Water District for the purpose of supplying potable water. The District has changed its name twice, first to Camrosa County Water District in 1965, and then to its present name in 1987. Subsequently, the District expanded its operations to include wastewater collection and treatment to a portion of its service area.

Currently, the District has 27 permanent staff and serves three classes of water (potable, non-potable, and recycled) to a population of more than 30,000 people through approximately 11,045 service connections, which includes three master metered communities. The majority of these connections are municipal and industrial, and the remainder is agricultural.

Potable water is a blend of imported State Water Project (SWP) water from the Sacramento-San Joaquin Delta and local groundwater; non-potable surface water is a combination of diverted surface water and local groundwater; and recycled water is tertiary-treated product from the Camrosa Water Reclamation Facility (CWRF). Wastewater service is limited to 8,849 equivalent dwelling units (EDUs) in a portion of the City of Camarillo and a sliver of the City of Thousand Oaks. The remainder of the District is either served by the Camarillo Sanitary District or on septic systems.

The District is governed by a five-member Board of Directors, elected at large from within the District's service area. The District's Board of Directors meets on the second and fourth Thursday of each month. Meetings are publicly noticed and residents are encouraged to attend. Daily operation of the District falls under the responsibility of the General Manager, Tony Stafford. The General Manager administers the day-to-day operations of the District in accordance with policies and procedures established by the Board of Directors. As General Manager, Mr. Stafford is responsible for the general oversight of the production and distribution of potable and non-potable water, as well as wastewater collection, treatment and water recycling at the District's Water Reclamation Facility.

Camrosa accounts for all of its operations in a single enterprise fund in accordance with generally accepted accounting principles. A one-year budget is generally prepared in the final three months of a fiscal year for the following fiscal year. Budget appropriations lapse at the

end of a fiscal year. Capital projects are budgeted on a multi-year basis. Incomplete capital improvement budget appropriations are carried over to the following fiscal year.

The District uses Tyler Incode 10 for all its accounting needs. The modules in use in this integrated system include General Ledger, Cash Management, Accounts Payable, Payroll, Purchase Orders, Bank Reconciliation, Project Accounting and Fixed Assets. CIS Infinity is the software used for Utility Billing. The Accounting and Utility Billing modules are available through any work station; the District will provide a dedicated workstation for the Auditor at the time of the audit.

Information regarding Camrosa is available for review on our website, www.Camrosa.com. Additional information is available by request. Camrosa will be more than happy to assist you in obtaining any information you may need. It is the proposing firm's responsibility to obtain a thorough understanding of Camrosa, the scope of the audit(s), and the work to be performed in order to successfully complete the audit(s) prior to submitting your proposal and maximum price bid.

II. Scope of Services

- A. Financial Statements – Camrosa desires the Auditor to express an opinion on the fair presentation of its financial statements in conformity with generally accepted accounting principles (GAAP). The Auditor shall also be responsible for performing certain limited procedures involving preparation of supplementary information required by the Governmental Accounting Standards Board (GASB) and mandated by generally accepted auditing standards (GAAS). All of Camrosa's operations are accounted for in a single Enterprise Fund. Review other supplementary information and statistical section to make sure it is consistent with information on the financial statements.
- B. The auditor will evaluate the adequacy of the internal control system and, where weaknesses are noted, make appropriate recommendations for improvements.
- C. The auditor will prepare a report to the Board of Directors and Management which identifies control deficiencies, significant deficiencies and material weaknesses, if any, and recommendations for improvements in accounting and administrative controls.
- D. The auditor shall be required to make an immediate, written report of all irregularities and illegal acts of which they become aware to the Board of Directors and General Manager
- E. The auditor will add a paragraph under Other Matters to provide information related to compliance with the 2016 Installment Sales Agreement executed in connection with the issuance of the Water and Wastewater Refunding Revenue Bonds, Series, 2016. This information is intended solely for the information and use of the Board of Directors, Management of Camrosa Water District, and Wilmington Trust.
- F. The District desires to submit the CAFR to GFOA for review in their Certificate of Achievement for Excellence in Financial Reporting program. The format of reports shall allow the District to meet the requirements of that program. This also requires that the

Auditor ensure that the audit report and financial statements are complete in time for submission to GFOA. The Auditor shall also assist with developing responses to any comments or deficiencies noted by GFOA.

- G. The auditing firm shall provide two (2) unbound copies and one (1) electronic version of the auditor's report, and management letters, if any to be incorporated into the annual audit. A representative of the audit firm is expected to attend the Board meeting on the 4th Thursday in October to present the audit to the Board and answer any questions the board may have. A representative may be requested to attend a meeting with the General Manager earlier in September if clarification of the audit findings is necessary by staff.
- H. The auditing firm shall submit a draft of the financial statements to management no later than September 15, 2020.
- I. Additional Work - If it should become necessary for Camrosa 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, then such additional work shall be performed only if set forth in a written addendum to the contract between Camrosa and the auditor. Any such additional work agreed to between Camrosa and the auditor shall be performed at the same rates set forth in the schedule of fees and expenses included in the formal bidding proposal.

III. Accounting and Auditing Standards

The audit shall be conducted in accordance with generally accepted auditing standards; *Government Auditing Standards*; the Single Audit Act Amendments of 1996 (the Single Audit Act); the provisions of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; OMB Circular A-102, *Grants and Cooperative Agreements with State and Local Governments*; OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*; the State Controllers' Minimum Audit Requirements for California Special Districts; and applicable laws and regulations.

IV. Assistance Available to Auditor

The auditor will be given access to the records of Camrosa and reasonable access to staff for the purpose of interviews and the verification of items within the terms of the audit. Sufficient help will be made available to the auditor for such items as the pulling and re-filing of accounting records and the preparation and mailing of all confirmations. It is expected that the auditor will organize work in such a way as to minimize disruption of work of Camrosa staff.

V. Proposal Provisions

Proposals must be received at Camrosa Water District, 7385 Santa Rosa Rd., Camarillo, CA 93012, by 4:00 p.m., November 14, 2019.

Proposals received after the above date and time will not be considered.

Camrosa is under no obligation to return proposals and will not be responsible for submittals that are delinquent, lost, mismarked, or sent to an address other than that given, or sent by mail or courier service.

Any unauthorized contact with any other official or employee in connection with this RFP is prohibited and shall be cause for disqualification of the Proposer.

Proposals shall be signed by an authorized representative and shall be as thorough and detailed as possible so that Camrosa may properly evaluate the auditor's capabilities to provide the required services.

Submission of a proposal constitutes acceptance by the firm of the conditions contained in this request for proposals unless clearly and specially noted in the proposal submitted and confirmed in the contract between Camrosa and the firm selected.

The following material in the prescribed format outlined below **is required to be received by 4:00 p.m. on November 14, 2019, for a proposing firm to be considered:**

1. Title Page

Title page showing the request for proposals subject; the firm's name; the name, address, and telephone number of the contact person; and the date of the proposal.

2. Table of Contents

3. 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 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 period not less than 180 days.

4. Detailed Proposal

a. Firm Qualifications and Experience

The proposer should state 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.

The firm is also required to submit information on the report of its most recent peer review, with a statement whether the peer review included a review of specific government engagements.

The firm shall also provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with any regulatory or professional organizations.

b. Partner, Supervisory, and Staff Qualifications and Experience

Identify the principal supervisory and management staff, including engagement partners, managers, other supervisors, and specialists, who would be assigned to the engagement. Indicate whether each such person is registered or licensed to practice as a certified public accountant in California.

Provide as much information as possible regarding the number, qualifications and experience of the specific staff to be assigned to this engagement.

Engagement partners, managers, or other supervisory staff may be changed only with the express prior written permission of Camrosa.

c. Similar Engagements With Other Government Entities

For the firm's office that will be assigned responsibility for the audit, list the significant engagements (maximum 5) performed in the last three years that are similar to the engagement described in the request for proposal. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

5. Affirmative Statements

a. Independence

The firm should provide an affirmative statement that it is independent of Camrosa as defined by generally accepted auditing standards and generally accepted government auditing standards.

b. License to Practice

An affirmative statement should be included that the firm and all assigned key professional staff are properly licensed to practice in California.

6. Audit Approach

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, as well as a schedule (by date and hours) of the work to be performed to meet the requirements of this request for proposals.

7. Fee Proposal

The fee proposal should include all pricing information relative to performing the audit and related services as described in this request for proposal. The total all-inclusive maximum price is to contain all direct and indirect costs, including all out-of-pocket-expenses.

The fee proposal should include the following information:

- a. Name of the Firm
- b. Certification that the person signing the proposal is entitled to represent the firm and authorized to sign a contract with Camrosa.
- c. A Total All-Inclusive Maximum Price for each fiscal year.
- d. Rates for Additional Professional Services

Please provide a schedule of rates by partner, specialist, supervisory, and staff level.

If it should become necessary for Camrosa to request the auditor to render any additional services to either supplement the services requested in this RFP or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work agreed to between Camrosa and the firm shall be performed at the rates included.

VI. Evaluation and Award Criteria

- A. All proposals submitted will be evaluated by a Committee.
- B. During the evaluation process, the committee may, at its discretion, request any or all firms to make oral presentations and personal introduction of the proposed managing accountant and/or senior staff to be involved in the audit. Such presentations will provide firms with an opportunity to answer any questions the Committee may have on a firm's proposal. Not all firms may be selected to make such oral presentations.
- C. Camrosa's Board of Directors will make a decision based on the Committee's recommendations. Final selection will be based on the firm's qualifications, experience, audit approach, and fee. Proposing firms should note that the lowest fee may not be the deciding factor in the final selection.
- D. It is anticipated that a firm will be selected by December 12, 2019. Following notification of the firm selected, it is expected that a contract will be executed between both parties by December 20, 2019.
- E. Request for Clarification

All requests for clarification concerning the RFP shall be made in writing (e-mail is preferable) by November 1, 2019. All requests for clarification shall be directed by E-Mail, or Mail to:

Tamara Sexton
Manager of Finance
7385 Santa Rosa Rd.
Camarillo, CA 93012
805-482-8214
tamaras@Camrosa.com

F. Effective period of Proposals

All proposals must state the period for which the proposal shall remain in effect. Such period shall not be less than 180 days.

G. Proposal Reservations

Camrosa reserves the right to:

- Reject any or all proposals received in response to this RFP;
- Request clarification from any Proposer on any or all aspects of its proposal;
- Cancel and/or reissue the RFP at any time;
- Retain all proposals submitted in response to this RFP; and,
- Invite some, all, or none of proposers for interviews and further discussion.

H. Award of Contract

The successful firm will be required to enter into a contract with Camrosa Water District using the District's standard Consultant Agreement. A copy of a sample Consultant Service Agreement is attached to this request for proposal. Provisions include, but not limited to, indemnification, insurance requirements, applicable compliance to ordinances, laws, regulations, and other terms and conditions.

I. Insurance Requirements

The successful firm shall maintain in force at its own cost at all times during the performance of the assignment insurance in accordance with the provisions of the Consultant Agreement, attached to this request for proposal.

J. Contract Term

It is the intent of Camrosa to award the contract for an initial three year (3) period commencing with the fiscal year ending June 30, 2020, with the option to extend for two additional one-year periods, at Camrosa's sole discretion.

K. Manner of Payment

Progress payments will be made on the basis of hours of work completed during the course of the engagement. Interim billings shall cover a period of not less than one (1) calendar month.

L. Termination of Agreement

Camrosa may terminate the agreement, with or without cause, by providing written notice of termination to proposer not less than thirty (30) working days prior to the effective termination date. Camrosa's only obligation in the event of termination will be payment of fees and expenses incurred up to and including the date of termination as specified in the notice of termination.

M. Use of Sub-Contractors

The intent to use sub-contractors to perform any portion of the work described in this RFP must be clearly stated in proposer's response. The response must include a description of the work that will be sub-contracted out, cost of fees and services, and the names and addresses of potential sub-contractors.

Proposer shall be responsible for all services performed under the Agreement with Camrosa by sub-contractors. The selected firm shall not assign or transfer its interest in any contract or sub-contract for sub-contractor services without the prior written consent of Camrosa.

N. Right to Audit

Proposer shall be responsible for ensuring the accuracy and propriety of all billings and shall maintain all supporting documentation for the period of five (5) years following completion of performance of the services, unless the firm is notified in writing by Camrosa of the need to extend the retention period. 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.

Camrosa will have the right to audit firm's and sub-contractors' invoices and all supporting documentation for purposes of compliance with the Agreement.

Proposer shall cooperate fully with any audit of its billings conducted by Camrosa and permit access to its books, records, and accounts as may be necessary to conduct such audits.

O. Release of Information

Proposer shall not make public information releases or otherwise publish any information obtained or produced by it as a result of, or in connection with, the performance of services under the Agreement without prior written consent of Camrosa.

P. Use of Camrosa's Name

Proposer shall not publish or use any advertising, sales promotion, or publicity in matters relating to services, equipment, products, reports, and material furnished by proposer in which Camrosa's name is used, or its identity is implied, without prior written approval of Camrosa.

Q. Conflict of Interest

Proposers shall identify any existing or potential conflict of interest in its proposal that

is related to or arises from this RFP or the work contemplated to be performed herein or under the Agreement. Proposer shall agree not to accept any employment from or perform services with or for any other person, firm, or corporation where such employment is a conflict of interest or where such employment or service is likely to lead to a conflict between Camrosa's interests and the interests of such person, firm, corporation, or any other third party.

When submitting any existing or potential conflict of interest information, such information shall be submitted on a colored paper different from the rest of the proposal and shall be clearly marked "Conflict of Interest."

Consultant agrees with Camrosa Water District that:

- a. When the law establishes a professional standard of care for the Consultant's services, to the fullest extent permitted by law, Consultant will immediately defend, indemnify and hold harmless Camrosa Water District, its directors, officers, employees, and authorized volunteers from all claims and demands of all persons that arise out of, pertain to, or relate to the Consultant's negligence, recklessness, or willful misconduct in the performance (or actual or alleged non-performance) of the work under this agreement. Consultant shall defend itself against any and all liabilities, claims, losses, damages, and costs arising out of or alleged to arise out of Consultant's performance or non-performance of the work hereunder, and shall not tender such claims to Camrosa Water District nor to its directors, officers, employees, or authorized volunteers, for defense or indemnity.
- b. Other than in the performance of professional services, to the fullest extent permitted by law, Consultant will immediately defend, indemnify and hold harmless Camrosa Water District, its directors, officers, employees and authorized volunteers from all claims and demands of all persons arising out the performance of the work or furnishing of materials; including but not limited to, claims by the Consultant or Consultant's employees for damages to persons or property except for the sole negligence or willful misconduct or active negligence of Camrosa Water District, its directors, officers, employees, or authorized volunteers.
- c. **Workers' Compensation:** By his/her signature hereunder, Consultant certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and that Consultant will comply with such provisions before commencing the performance of the professional services under this agreement. Consultant and sub-consultants will keep workers' compensation insurance for their employees in effect during all work covered by this agreement.
- d. **Professional Liability:** Consultant will file with Camrosa Water District, before beginning professional services, a certificate of insurance satisfactory to Camrosa Water District evidencing professional liability coverage of not less than \$1,000,000 per claim and \$2,000,000 annual aggregate, that coverage shall not be cancelled except with notice to Camrosa Water District. Coverage is to be placed with a carrier with an A.M. Best rating of no less than A-:VII, or equivalent, or as otherwise approved by Camrosa Water District. The retroactive date (if any) is to be no later than the effective date of this agreement. Consultant shall maintain such coverage continuously for a period of at least five (5) years after the completion of the contract work. Consultant shall purchase a five-year extended reporting period i) if the retroactive date is advanced past the effective date of this Agreement; ii) if the policy is canceled or not renewed; or iii) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement. In the event that the Consultant employs other consultants (sub-consultants) as part of the work covered by this agreement, it shall be the Consultant's responsibility to require and confirm that each sub-consultant meets the minimum insurance requirements specified above.
- e. Consultant will file with Camrosa Water District, before beginning professional services, certificates of insurance (Acord Form 25 or equivalent) satisfactory to Camrosa Water District evidencing

Coverage - Coverage for commercial general liability and automobile liability insurance shall be at least as broad as the following:

1. Insurance Services Office (ISO) Commercial General Liability Coverage (Occurrence Form CG 0001)
2. Insurance Services Office (ISO) Business Auto Coverage (Form CA 0001), covering Symbol 1 (any auto)

Limit – The consultant shall maintain limits no less than the following

1. General liability - coverage of not less than two million (\$2,000,000) per occurrence or the full per occurrence limits of the policies available, whichever is greater for bodily injury, personal injury and property damage; (\$4,000,000 general and products-completed operations aggregate (if used)).
2. Auto liability - One million dollars \$1,000,000 for bodily injury and property damage each accident limit;
3. Workers' compensation (statutory limits) and employer's liability (\$1,000,000) (if applicable);

Required Provisions –

The general liability coverage shall give Camrosa Water District, its directors, officers, employees (collectively the District), and authorized volunteers insured status (via ISO endorsement at least as broad as CG 2010 1185 or both CG 20 10 plus CG 20 37 if a later editions is used) specifically naming the Camrosa Water District, its directors, officers, employees, or authorized volunteers; or using the language that states "as required by written contract."

The general liability coverage is to state or be endorsed (with as broad as ISO endorsement CG 20 01 04 13) to state "such insurance shall be primary and any insurance, self-insurance or other coverage maintained by Camrosa Water District, its directors, officers, employees, or authorized volunteers shall not contribute to it".

Coverage is to be placed with a carrier with an A.M. Best rating of no less than A- :VII, or equivalent, or as otherwise approved by Camrosa Water District.

The coverage shall contain no special limitations on the scope of protection afforded to Camrosa Water District, its directors, officers, employees, or authorized volunteers.

In the event that the Consultant employs other consultants (sub-consultants) as part of the work covered by this agreement, it shall be the Consultant's responsibility to require and confirm that each sub-consultant meets the minimum insurance requirements specified above.

Evidences of Insurance - Prior to execution of the agreement, the Consultant shall file with Camrosa Water District a certificate of insurance (Acord Form 25 or equivalent) signed by the

insurer's representative evidencing the coverage required by this agreement. Such evidence shall include (1) attached additional insured endorsements with primary & non-contributory wording, (2) Workers' Compensation waiver of subrogation, and (3) a copy of the CGL declarations or endorsement page listing all policy endorsements, and confirmation that coverage includes or has been modified to include Required Provisions above. The District reserves the right to obtain complete, certified copies of all required insurance policies, at any time. Consultant shall maintain the Insurance required by this agreement for a period of not less than 5 years following the termination or completion of this agreement. Consultant further waives all rights of subrogation under this agreement. Failure to continually satisfy the Insurance requirements is a material breach of contract.

f. If any of the required coverages expire during the term of this agreement, the Consultant shall deliver the renewal certificate(s) including the general liability additional insured endorsement to Camrosa Water District at least ten (10) days prior to the expiration date.

g. Consultant shall not accept direction or orders from any person other than the General Manager or the person(s) whose name(s) is (are) inserted on Page 1 as "other authorized representative(s)."

h. Payment, unless otherwise specified on Page 1, is to be 30 days after acceptance by Camrosa Water District.

i. Permits required by governmental authorities will be obtained at Consultant's expense, and Consultant will comply with applicable local, state, and federal regulations and statutes including Cal/OSHA requirements.

j. Any change in the scope of the professional services to be done, method of performance, nature of materials or price thereof, or to any other matter materially affecting the performance or nature of the professional services will not be paid for or accepted unless such change, addition or deletion is approved in advance, in writing by a supplemental agreement executed by Camrosa Water District. Consultant's "authorized representative(s)" has (have) the authority to execute such written change for Consultant.

The District may terminate this Agreement at any time, with or without cause, giving written notice to Consultant, specifying the effective date of termination.