



Issue Date: August 1, 2016

MADERA COUNTY ADMINISTRATION
PURCHASING DIVISION

**REQUEST FOR PROPOSAL
NUMBER: 2017-02
FOR EXTERNAL AUDITING SERVICES**

Notice is hereby given that sealed proposals will be received at the Madera County Purchasing Department until **4:00 P.M.**, on **Thursday, September 15, 2016**. Any bidder who wishes their proposal to be considered is responsible for making certain that their proposal is received in the Madera County Purchasing Department Office by the Proposal Submittal Deadline. **Late submittals will not be considered.**

IMPORTANT: SUBMIT FIVE (5) ORIGINAL PROPOSALS IN A SEALED PACKAGE WITH PROPOSAL NUMBER, CLOSING DATE AND PURCHASING DEPARTMENT'S NAME MARKED CLEARLY ON THE OUTSIDE TO:

MADERA COUNTY ADMINISTRATION
PURCHASING DIVISION
200 W. 4TH STREET, 4TH FLOOR
MADERA, CA 93637

All bids will be available for review after contract award. Clarifications of specifications are to be directed to:

Michael Denney, CPA, Madera County Auditor-Controller's Office
559-675-7707
Michael.Denney@co.madera.ca.gov

ADMINISTRATIVE OFFICE
Purchasing Division
559-675-7715

200 West 4th Street
Madera, CA 93637

Board of Supervisors

BRETT FRAZIER
District 1

DAVID ROGERS
District 2

RICK FARINELLI
District 3

MAX RODRIGUEZ
District 4

TOM WHEELER
District 5

**MADERA COUNTY SPECIAL DISTRICTS
REQUEST FOR PROPOSALS**

External Independent Auditing Services

Madera County is requesting proposals (RFP) from qualified certified public accounting firms, licensed to practice in the State of California, to audit and report on the financial position of the dependent Special Districts of Madera County (County) for each fiscal year of the contract period. The accounting firm selected through this RFP process will audit the District's financial statements for each of the three consecutive years beginning with the fiscal year ended June 30, 2016. In addition, the option of extending the contract for up to two (2) additional one-year periods, at the County's sole discretion, will be included in the contract.

Your proposal should address the scope of work listed in this Request for Proposals (RFP) and generally conform to the requirements herein. The cost for services shall include the cost for the initial three (3) year period, and for the optional two (2) one-year periods..

The work will be awarded, at County's sole discretion, to the proposer with the most responsive and reasonable proposal which is within the competitive range and determined to be the most advantageous to the County based on the evaluation criteria specified herein.

The following items are included in this RFP:

- A. Background
- B. Purpose of the Request for Proposals
- C. Scope of Work
- D. Proposal Format and Content
- E. Calendar of Events
- F. Agreement for Consulting Services
- G. Evaluation Criteria
- H. General Information

A. BACKGROUND

The County of Madera Board of Supervisors is the governing Board for the 127 Special Districts. The primary purposes of the 127 Special Districts are summarized in Appendix A and are generally comprised of residential and commercial water service, residential and commercial sewer service, road maintenance and street lighting. There are 105 Maintenance Districts, 19 County Service Areas and 3 miscellaneous districts.

The district's financial records are maintained on the modified accrual basis of accounting. The financial transactions are adjusted annually to accrual basis for inclusion in the County audited financial statements.

The County uses IFAS/Sunguard Solutions software to record Special District transactions. Each District maintains at least one separate fund within the entire County fund structure. Several of the Special Districts maintain more than one fund for specific uses such as capital improvements, debt service, reserve fund, etc.

A copy of each Special District budget is available on the County website for your reference.

The auditor's primary contact with the County will be Michael Denney, CPA, Assistant Auditor-Controller, County of Madera, 200 W. 4th Street, Madera, CA 93637. Telephone 559.675.7707. Email: michael.denney@co.madera.ca.gov.

B. PURPOSE OF THIS REQUEST FOR PROPOSALS

The purpose of the requested services is to provide the County of Madera dependent Special Districts with an annual audit in accordance with Generally Accepted Auditing Standards as set forth by the American Institute of Certified Public Accountants for each of the three consecutive years beginning with the fiscal year ending June 30, 2016.

C. SCOPE OF WORK

The following scope of work is an outline of minimum services. Your proposal should include all services that can be reasonably anticipated for developing a Comprehensive Annual Financial Report (CAFR) that meets the criteria of the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting Program.

The proposal should address itself to the conduct of an examination and an expression of an opinion of each of the Special District's financial statements for each fiscal year of the contract period. The audits must be performed in accordance with the generally accepted auditing standards and the State Controller's minimum requirements for California Special Districts. The District accounting records are maintained in the County's Auditor-Controller office at 200 W. 4th Street, Madera, CA. During years in which Federal Finance Assistance is received by a particular Special District, the Special District Audit must be performed in accordance with Governmental Auditing Standards and the *Single Audit Act*. The proposal should include a detailed timeline for scheduling work, completion and review of documents, and Board appearances

I. Services To Be Provided By The Auditor

1. The auditor will:

- a. Perform an audit in accordance with Generally Accepted Auditing Standards (GAAS) in the United States and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.
- b. Express an opinion on the financial statements as to whether they present fairly, in all material respects, the financial position of the District and the changes in financial position in conformity with generally accepted accounting principles (GAAP), and issue an independent auditors' report stating this opinion.
- c. Test internal controls over financial reporting and compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters, in accordance with Government Auditing Standards, and issue a report on their consideration.
- d. Apply limited procedures related to the Required Supplementary Information (RSI), Management's Discussion and Analysis (MD&A),

budgetary comparison information, and the Supplementary Information.

- e. Prepare report to the Board of Supervisors and Management which identifies internal control deficiencies, significant deficiencies, and material weaknesses, if any, and your recommendations for improvements in accounting and administrative controls.
 - f. Be in attendance and available to discuss annual financial statements and results of operations to the Board of Supervisors.
 - g. Communicate immediately and in writing all irregularities and illegal acts, or indications of illegal acts, of which they become aware, to the Assistant Auditor-Controller, Auditor-Controller and Chief Administrative Officer.
 - h. Provide general consultation as required, during the year, on financial accounting and reporting matters.
 - i. Retain at auditor's expense audit working papers for three (3) years, unless the firm is notified in writing by the County's need to extend the retention period. In addition, the firm shall respond to reasonable inquiries of the County and successor auditors and allow the County and successor auditors to review working papers relating to matters of continuing accounting significance.
2. No extended services will be performed unless authorized in the contractual agreement or in an amendment to the agreement.

II. Services To Be Provided By The County

1. Auditor-Controller department staff will be available during interim and audit field work to assist the firm by providing access and direction to information, documentation, and be available for explanations of all inquiries. Staff will provide clerical assistance for preparation of confirmations and other routine correspondence.
2. The County will be responsible for the preparation of the Management Discussion and Analysis (MD&A).
3. The County's legal counsel will be available to discuss pertinent legal issues to the Special District's financial statements.
4. The County will provide the auditors with reasonable workspace, phone, internet and copy machine access.
5. All documentation supporting the financial statements is located in the County's Auditor-Controller office at 230 W. 4th Street, Madera, CA 93637

III. Audit Report Requirements

1. The auditor's report must
 - a. State the scope of the examination and that the audit was performed in accordance with generally accepted auditing standards and;
 - b. Must include an opinion as to whether the statements conform to generally accepted accounting principles.
2. The audit report shall include the auditor's report on the study and evaluation of the internal control structure. It must identify the organization's significant internal accounting controls. This report must identify the controls not evaluated, and the material weaknesses identified as a result of the evaluation.
3. A management letter that includes a statement of audit findings and recommendations affecting the financial statements, internal control structure, accounting procedures, accounting systems, legality of actions, other instances of non-compliance with laws and regulations and any other material matters.
4. Prior to the submission of the final report, the audit firm's staff will be required to review the draft of the report and management letter with County Auditor-Controller staff.
5. Any other applicable requirements of GASB.

D. PROPOSAL FORMAT AND CONTENT

1. Cover Letter: A signature by a principal or officer having the authority to negotiate and contractually bind and extend the terms of the written proposals is required.
2. Executive Summary: In a brief, non-technical narrative, describe the proposed solution by setting forth the overall approach and plans to meet the requirements of the RFP. The contents of this narrative are to convince the County that the Consultant understands the nature of services required and the audit report requirements to be provided by the selected external auditor.
3. Approach to the Audit: Describe your approach to this audit and any special ideas, techniques or suggestions that you think might make the audit proceed smoothly.
4. Experience: Describe the experience of the firm and the individuals assigned with related audits of a similar nature.
5. References: List at least 3 references, including name, address, and contact person, email and phone number.
6. Qualifications: Describe unique qualifications and training for this type of work. If using sub-consultants, provide the company profile and define the responsibilities and services to be provided by the sub-consultants.

7. **Schedule:** Describe your plan and work schedule for completing the audit.
8. **Cost Proposal:** Provide a not-to-exceed and all inclusive Cost Proposal for the scope of work to be provided. List all hourly rates for additional contract work as may be necessary.
9. **Copy of an Annual Financial Report:** Include a copy of an Annual Financial Report performed by the Proposer that most closely fits the Nature of Services Required and The Audit Report Requirements

E. CALENDAR OF EVENTS (1)

Event	Dates (1)
RFP Issued	August 1, 2016
Submission Deadline	4:00 PM, September 15, 2016
Award of Contract	September 30, 2016
Preliminary Report - Completion and Exit Conference	March 1, 2017
Draft of the Final Report for presentation to the Board of Supervisors	April 1, 2017
Final Reports issued - 127 Special District Reports	April 30, 2017

(1) Dates subject to change

The selected external auditor shall schedule a kick-off meeting with the County within ten (10) days of when the Award of Contract is issued.

F. AGREEMENT FOR CONSULTING SERVICES

The agreement for consulting services will be prepared by the County using a standard Professional Services Agreement.

G. EVALUATION CRITERIA

The following table provides an itemized list of criteria that will be used to evaluate the proposals. The overall score of the proposals will be based on the sum of the relative percentages as shown below. The Auditor's proposal should be broken into sections that follow the order of Items 1 through 4. Item 5 (costs) and a breakdown of services with costs shall be provided in a separate, sealed envelope.

ITEM	CRITERIA	RELATED PROPOSAL DETAIL
1	The firm's capabilities, expertise, staffing levels, related experience, and references	Describe the firm's capabilities, areas of expertise, staffing levels and their locations, and related experience of your firm with regard to performing Financial Statement Audits. Provide a list of your anticipated sub consultants, if any, their duties, and their experience as it relates to their duties. List work representative of this RFP completed by the proposing firm and sub consultants in the last five years along with references, contact names, and phone numbers for each.
2	Design team related experience, references, qualifications, expertise and past performance	List personnel from both the proposer's firm and sub consultants who are proposed to perform the work along with an organization chart showing their duties and areas of responsibility for this work. Provide a listing of their qualifications, certifications, areas of expertise, education and related experience for the work. Clearly state who will be the individual designated as Director of Audit for this work. Please show the work listed under Item C for which this individual was a responsible Director.
3	Understanding of the scope of services, and the effort required to complete the work	Describe the proposer's level of effort required to complete the work as anticipated by the RFP. Submit a detailed work plan and schedule listing milestones and estimated completion times for the work. Use critical-path scheduling for key work items and discuss the schedule in the text. This listing is an estimate only and will not be deemed binding.
4	Firm's ability to meet the time schedule requirements. Indicate staff committed to this work	Describe proposer's ability to meet the contract time requirements for each phase of the work. List other audits you have in progress with an approximate dollar amount and the estimated completion date for each. Include a simplified graph showing the timeline of this work with respect to other current commitments of the proposer.
5	Cost of the work	Provide a cost estimate for the work broken down into staff classifications. Include assumptions, per-hour charge-out rates, and other identifiable costs payable under the attached services agreement. Provide in a separate, sealed envelope.
	Total Percentage	100

H. GENERAL INFORMATION

1. The County's invites firms to submit five (5) original proposals, which will be received at Madera County Administration, Purchasing Division, 200 W. 4th Street, 4th Floor, Madera, CA 93637, until 4:00 p.m. on Thursday, September 15, 2016. Faxed or other electronically submitted formats will not be accepted.
2. The proposal, as a complete package, must include a copy of the estimate for the cost of services. The estimate must be sealed in a separate envelope. The envelope must bear the firm's name and address along with the following title:
County of Madera Special District Auditing Services.
3. Proposer must comply with all instructions and provide all information requested. Failure to do so may disqualify your proposal.
4. The County may consider any proposal non-responsive if not prepared and submitted in accordance with the provisions hereof and may waive any formalities or reject any/or all proposals. Any proposal received after the date and time specified above shall not be considered. There will not be a formal public opening of the proposals.
5. The proposal should not exceed 50 pages, excluding the resumes and transmittal letter. Proposal shall be divided to correspond with the 5 evaluation criteria outlined in this RFP.
6. An officer or employee of the proposing firm authorized to contract work for the firm shall sign all proposals. Corrections to the proposal must be in ink and initialed by the person signing the proposal. Proposals may be withdrawn by written notice at any time prior to the day and time the proposals are due.
7. If appropriate, any supplemental instruction will be in the form of written addenda to the Request for Proposals. Such addenda shall become part of the Request for Proposals.
8. During proposal evaluation, County Auditor-Controller staff may pose questions and discuss scope and costs of service with proposers; however, proposals may be accepted without discussion.
9. The proposals will be reviewed and evaluated in accordance with the five (5) evaluation criteria outlined in this RFP.
10. Following evaluation of the proposals, the County may elect to have interviews with a short-list of proposers.
11. Following acceptable negotiations regarding the scope and cost of the work, the successful consultant shall execute and submit the agreement to the County. Upon receipt of the agreement, a recommendation will be forwarded to the County Board of Supervisors. Award of the work is subject to final approval of the services agreement by the County Board of Supervisors, or their designee.

NOTICE OF REQUEST FOR PROPOSALS
EXTERNAL INDEPENDENT AUDITING SERVICES

The County of Madera is requesting proposals to provide consulting services for External Independent Auditing Services for each of the 127 dependent Special Districts governed by the County Board of Supervisors.

Copies of the Request for Proposals will be made available electronically by request to:

Madera County Administration

Purchasing Division

200 W. 4th Street, 4th Floor

Madera, CA 93637

559.675.7715

The Administrative Office is open from 8:00 a.m. to 5:00 p.m., Monday through Friday, except holidays

Parties invited to submit proposals may do so to the Madera County Administration, Purchasing Division office located at 200 W. 4th Street, 4th Floor, Madera, CA 93637. Proposals are due no later than 4:00 p.m. on Thursday, September 15, 2016. Proposals received after this time will be returned unopened. Faxed or other electronically submitted proposals will not be accepted.

Please contact Michael Denney, CPA, Madera County Assistant Auditor-Controller at 559.675.7707 or via email at Michael.Denney@co.madera.ca.gov, if there are any questions.

The County of Madera retains the right to waive informalities, reject all proposals, or accept or reject any portion thereof.

APPENDIX A

County of Madera - Special Districts Demographics Special Districts RFP

Fund(s)	Audit Needed	Name of District	Roads Incl in W/S Dist							Count	Roads Only	Debt
			Water	Sewer	Lighting	Drainage	Other	Count	Roads Only			
1520-1521	MD1	Hidden Lake Estates	X						X		105,440	
1530	MD5	Mountain Ranches	X						X			
1540	MD6	Lake Shore Park	X	X					X			
1550	MD7	Marina View	X	X					X			
1560-1568	MD8	North Fork	X	X					X		111,271	
1570	MD9	Bonadelle Ranchos No. 5								X		
1580-1588	MD10	Madera Ranchos	X						X			
1590	MD11	Bass Lake Heights 1-3								X		
1600	MD13	Lake Madera Country Estates								X		
1610	MD14	Bonadelle Ranchos No. 9								X		
1620	MD15	Fine Gold Creek and addition 1 & 2								X		
1630	MD16	Mountain View								X		
1640	MD17	Valley Lake Ranchos								X		
1650	MD18	Leisure Acres								X		
1660-1680	MD19	Parkwood	X	X							34,000	
1690	MD20	Hidden Oaks Estates								X		
1700	MD21	Madera Acres, Estates, Knolls, Highlands and Country Club								X		
1708-1724	MD22	Oakhurst	X	X						X	12,264,230	
1730	MD23	Coarsegold Highlands										
1740	MD24	Teaford Meadows	X	X					X			
1750	MD25	Bass Lake Annex								X		
1760	MD26	Cedar Valley No. 1, 2 and 3								X		
1770-1775	MD27	Goldside Estates		X		X			X		133,600	
1780	MD28	Ripperdam	X	X					X			
1790-1800	MD29	Oak Creek/Indian Springs								X		
1810	MD30	Trabuco Road								X		
1820	MD31	Deer Run								X		
1830-1836	MD32	West Road								X		
1840-1850	MD33	Fairmead	X						X		63,814	
1860	MD35	Yosemite Forks Estates								X		
1870	MD36	Eastin Arcola	X	X					X			
1880-1895	MD37	La Vina	X	X		X			X			
1900	MD38	Maples Lane								X		
1910	MD39	Snow Flake Lane								X		
1920-1930	MD40	Sunset Ridge/Meadow Ridge Road	X						X			

APPENDIX A

County of Madera - Special Districts Demographics Special Districts RFP

Fund(s)	Audit Needed	Name of District	Water	Sewer	Roads incl in W/S Dist				Count	Roads Only	06/30/15 Outstanding Debt
					Lighting	Drainage	Other	Count			
1940	MD41	Twin Pines								X	
1950-1951	MD42	Meadow View	X		X			X			
1960-1962	MD43	Miami Creek Knolls	X					X			
1970	MD44	Stillmeadow Road							X		
1980	MD45	River Knolls Road							X		
1990-1991	MD46	Ahwahnee Country Club	X		X			X			
2000	MD47	Spook Lane							X		
2010	MD48	Thornberry Estates							X		
2020	MD49	Windy Gap							X		
2030	MD50	Morava							X		
2040	MD51	Quail Ridge							X		
2050	MD52	Lindy Lane							X		
2060	MD53	Knolls Junction							X		
2070	MD54	Happy Hollow							X		
2080	MD55	Woodland Pond							X		
2090	MD56	River Crest							X		
2100	MD57	Adobe							X		
2110-2111	MD58	Sierra Highlands	X		X			X			
2120	MD59	Eagle							X		
2130-2140	MD60	Dillon Estates	X		X			X			
2150	MD61	Vista Del Rio							X		
2160	MD62	Jennifer Lane							X		
2170-2175	MD63	Coarsegold South	X		X			X			
2180	MD64	Little Creek							X		
2190	MD65	Coarsegold West							X		
2200	MD66	Brushy Knob							X		
2210	MD67	Whisky Creek							X		
2230	MD69	Oak Junction							X		
2240	MD70	Blueberry Hill							X		
2250	MD71	Thornberry Mountain							X		
2260	MD72	North Oakhurst							X		
2270-2280	MD73	Quartz Mountain	X		X			X			
2290	MD74	Munson Lane							X		
2300	MD75	Fairlane Court							X		
2310	MD76	River Falls Road							X		

APPENDIX A

County of Madera - Special Districts Demographics Special Districts RFP

Fund(s)	Audit Needed	Name of District	Water	Sewer	Roads Incl				Count	Roads Only	06/30/15 Outstanding Debt
					in W/S Dist	Lighting	Drainage	Other			
2320	MD77	Whittenburg Road								X	
2330	MD78	San Ramon								X	
2340	MD79	Serpa Canyon								X	
2350	MD80	City View								X	
2360	MD81	Blue Oak								X	
2370	MD82	Poison Switch								X	
2380	MD83	Lone Olive								X	
2390	MD84	Mill Creek								X	
2400	MD85	Valeta	X					X			
2410	MD86	Hissen Meadow								X	
2420	MD87	Madera Southeast								X	
2430	MD88	Safari World								X	
2440	MD89	Silver Spur								X	
2450	MD90	Raymond North								X	
2460	MD91	Hensley East								X	
2470	MD92	Cedar Ridge								X	
2480	MD93	Wilcox								X	
2490	MD94	Deadwood								X	
2500-2505	MD95	Ranchos West	X						X		
2510	MD96	Garnet Creek								X	
2520	MD97	Cascadel Heights								X	
2530	MD98	Pine Meadow								X	
2540	MD99	Lower Oak								X	
2550	MD100	Cattle Way								X	
2560	MD101	Old Corral								X	
2580	MD103	Rodeo								X	
2590	MD104	Northridge Meadows								X	
2610	MD106	Borden								X	
2620	MD107	Deer Springs								X	
2630	MD108	Robertson West								X	
2700	MD115	Roundhouse Hills								X	
2710	MD116	Rolling Oaks								X	
2720	MD117	Point Millerton North								X	
2740	MD119	Amber View								X	
2750	MD120	Old Town								X	

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County of Madera - Special Districts Demographics Special Districts RFP

Fund(s)	Audit Needed	Name of District	Water	Sewer	Roads Incl				Count	Roads Only	Outstanding Debt
					In	W/S	Dist	Lighting			
4700-4705	SA1	Indian Lakes	X		X				X		650,560
4710-4725	SA2a	Bass Lake/Wishon Cove		X	X				X		
4730-4745	SA3	Parkdale Estates	X	X	X				X		43,000
4750-4751	SA5	Eastside Acres/ Villages Estates		X	X				X		43,000
4760	SA6	Still Meadow Ranch								X	
4770	SA7	Thornberry Knolls								X	
4780	SA8	Pierce Lake Estates								X	
4790	SA9	Hawkins Valley/Mudge Ranch								X	
4800	SA10	Spinelli Road/Road 416								X	
4810	SA12	West Oak and Boulder Creek								X	
4820	SA13	Fresno River Estates and Griffin Park								X	
4830	SA14	Chuk-Chanse	X	X					X		
4840	SA15	Teaford Meadows								X	
4850-4852	SA16	Summer Hill	X	X					X		
4860	SA18	Ponderosa Knolls/Victoria Lane								X	
4870-4876	SA19	Rolling Hills	X		X				X		2,978,305
4880	SA20	Yosemite Pines Estates								X	
4890-4891	SA21	Cascadel Woods							X		
4900-5100	SA22	Table Mountain			X				X		
5300-5303	AD 89-1	Bass Lake/Pines Tract								X	
1510	LMD-2	Broadview							X		
1501	MCFCWC	Madera County Flood Control and Water Conservation							X		
									35	92	16,427,220

GENERAL TERMS AND CONDITIONS

1. Awards shall be made on the proposal that best meets the needs of the County of Madera for specifications, cost and compatibility.
2. Minimum specifications are designed as a requirement of the bid. Minimum specifications are outlined to provide for a particular need or use by the County, and are not meant to eliminate any particular vendor. If a particular minimum specification is unable to be met by the vendor, the bidder, prior to the opening of the bid, shall contact the Madera County Purchasing Agent in writing to determine if a particular specification may be altered or accepted.
3. The County of Madera reserves the right to accept or reject any or all bids. The right is also reserved to waive any minor irregularities in this bid, and to award the bid to the bidder whose offer is most advantageous to the County from the standpoint of suitability to purpose, quality of service, previous experience and price, and to accept the bid that is in the best interests of the County.
4. The bidder hereby declares that all statements and representations made in the bid proposal are true and correct, and are made under the penalty of perjury under the laws of the State of California.
5. Insurance coverage for proposed services shall include general liability in an amount no less than \$1 million per occurrence, \$2 million aggregate with an endorsement naming the County of Madera as additional insured; automobile liability coverage in an amount no less than \$1 million combined single limit; workers compensation as required by law.
6. The selected firm shall provide, within 10 days after the notice of award is issued, a copy of their existing liability insurance certificate naming the County of Madera and its officers and employees as an additionally named insured on said policies. Such insurance coverage shall be maintained in full force and effect for the duration of the Contract and must be in a form satisfactory to the County.
7. The vendor will be asked to sign a contract that substantially includes all of the specifications in this proposal.

8. For general bid information, contact Michael Denney, CPA, Madera County Auditor-Controller at (559) 675-7707 or email, Michael.Denney@co.madera.ca.gov