

# Feather River Recreation and Park District

## Request for Proposals:

### Professional Auditing Services

Proposals Due: August 18<sup>th</sup>, 2020

#### **I. INTRODUCTION**

Feather River Recreation and Park District (FRRPD) is a Special District, an independent government agency separate from the City of Oroville and other government agencies. FRRPD is governed under the Public Resources Code of the State of California and an elected Board of Directors who sets policy for the District. FRRPD was established in 1952 by citizens who desired recreational opportunities and park facilities in their community. Today, FRRPD provides and manages extensive District-owned parks, facilities, open space, and recreation programs and events throughout the community.

FRRPD is requesting proposals from certified public accountant firms to audit its financial statements, in addition to performing other reviews as specified below, for five fiscal years beginning Jul 1, 2019 and ending Jun 30, 2024. The proposal package shall present all-inclusive audit fees for each year of the contract term.

These audits are to be performed in accordance with auditing standards generally accepted in the United States of America.

#### **II. SCOPE OF THE WORK TO BE PERFORMED**

1. FRRPD desires its basic financial statements for the District to be prepared by the independent auditor and be fully compliant with all current GASB pronouncements.
2. The selected independent auditor will be required to provide the following services:  
The audit firm will perform an audit of all funds of the District. The audit will be conducted in accordance with auditing standards generally accepted in the United States of America; generally accepted auditing standards as set forth by the American Institute of Certified Public Accounts.
  - a. The audit firm will render their auditors' report on Government-Wide Financial Statements. The audit firm will also apply limited audit procedures and required supplementary information of the District.
  - b. FRRPD does not anticipate the need for a single audit on the expenditures of federal grants during the contract term. If a single audit becomes necessary, District will amend the contract with the selected auditor for the additional work.
  - c. The audit firm shall issue a separate "management letter" that includes recommendations for improvements in internal control, accounting procedures and other significant observations that are considered to be non-reportable conditions. Management letters shall be addressed to the General Manager.

- d. The audit firm shall provide, compile, and file the Annual Report of Financial Transactions to the State Controller of California, from data provided by District staff.
- e. The audit firm shall provide, compile, and file the Annual Report of Financial Transactions to the State Controller of California, from data provided by District staff.
- f. The District closes its books in September and will be ready for audit field work by October of each year. The auditor shall provide all drafts and recommendations for improvements to the General Manager within a reasonable time period after the last day of field work. The auditor should be available for any meetings that may be necessary to discuss the draft audit reports. Once all issues of discussion are resolved, the completed Basic Financial Statements, and other reports shall be delivered to the Board. This process will be completed, and the final products be delivered by December 31st of each year.
- g. All working papers and reports must be retained at the auditor's expense for a minimum of seven (7) years, unless the firm is notified in writing by District of the need to extend the retention period. The auditor will be required to make working papers available to the District. 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. Auditors shall be required to make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the following parties: District General Manager; District Counsel; and the Board.

### III. DESCRIPTION OF THE DISTRICT

- Feather River Recreation and Park District serves over 40,000 people. The District encompasses approximately 735 square miles. Located within its boundary is the incorporated City of Oroville and several unincorporated communities:
 

– Bangor	– Honcut
– Berry Creek	– Hurleton
– Cherokee	– Palermo
– Clipper Mills	– Thermalito
– Feather Falls	– Wyandotte
– Forbestown	– Unincorporated Oroville Area
- We touch approximately 100,000 or more persons who participate in programs, visit District facilities, or volunteer annually.
- We promote an active, healthy life-style for preschool, youth, teens, adults and seniors.
- We foster self-enrichment and personal development through offering over dozens of classes, programs and activities.
- We preserve and drive community economic value by providing diverse programs, well-maintained neighborhood and community parks, trails and open space to attract and retain residents, businesses and visitors.

- We strengthen community engagement by working closely with community partners and clubs, coordinating volunteer activities, co-sponsoring community events, and supporting local charities.
- We preserve and protect natural resources of California by conscientiously and proactively maintaining the District's 290 acres of parkland.

The principal functions performed are general accounting, accounts payable, accounts receivable, payroll, cash management, purchasing, budgeting, and financial reporting. The District's computerized systems are run on a Local Area Network (LAN). The accounting functions are computerized using QuickBooks software hosted on a server. The audit for fiscal year end June 30, 2019 can be found on the FRRPD website at [www.frrpd.com](http://www.frrpd.com).

#### **IV. TIME REQUIREMENTS AND EVALUATION PROCESS**

The following is a list of key dates for the selection of an auditing firm:

- Request for proposal issued July 21, 2020
- Due Date for proposals (due by 5:00 p.m.) August 18, 2020
- Notification of Recommended Auditing Firm August 21, 2020
- Contract awarded by District Board August 25, 2020

Proposals shall be evaluated based on the following criteria (listed in random order without regard to order of importance):

- Expertise and qualifications of assigned staff, including prior experience in performing similar work for public sector clients
- Audit methodology and approach
- Responsiveness to the requirements of the RFP
- Recent references from comparable clients

The District retains full discretion in determining the applicability and weight of the criteria listed above. Cost proposals will be considered only after proposals have been evaluated and ranked. During the evaluation process, the FRRPD reserves the right, where it may serve the FRRPD's best interest, to request additional information or clarification from proposers, or to allow corrections of errors or omissions.

#### **V. ASSISTANCE TO BE PROVIDED TO THE AUDITOR & REPORT PREPARATION**

Finance Department staff will be available during the audit to assist the firm by providing information, documentation, and explanations. In addition, the District will provide the auditor with reasonable workspace, desks, chairs, access to internet connectivity, and photocopying machines. Report preparation, editing, printing, tabbing, and binding shall be the responsibility of the auditor. The auditor shall provide copies as follows:

- Audited Financial Statements (12 copies and digital file in Adobe Acrobat format)

## VI. PROPOSAL REQUIREMENTS:

**A. General Requirements:** Inquiries concerning the Request for Proposals and the subject of the Request for Proposals must be made to: Deborah Peltzer, Business Manager, 1875 Feather River Blvd, Oroville CA 95965 (530) 533-2011, deb@frrpd.com.

- A digital copy of the Proposal in Adobe Acrobat PDF shall be received by the District by 5:00 p.m. on August 18, 2020 for a proposal to be considered. Email Proposals to Shawn Rohrbacker, General Manager shawn@frrpd.com
- The Proposal should address the items listed in sections B and C below.
- The Proposal should be clearly identified as “Audit Services Proposal” and addressed as follows: Feather River Recreation and Park District Attn: Shawn Rohrbacker, General Manager 1875 Feather River Blvd, Oroville CA 95965
- Proposals can be mailed or hand delivered to the address above. The District will not accept faxed proposals. Include a digital copy if mailing or hand delivering Proposals.
- Proposals must be valid for a minimum of 90 days.

**B: Proposal Requirements:** The Proposal must be submitted in two parts (1) the Technical Proposal and (2) the Cost Proposal, as described below.

*The Technical Proposal:* 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 this request for proposals. As such, the substance of proposals will carry more weight than the 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.

The Technical Proposal must include:

- 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.
- Table of Contents identifying the materials submitted by section and page number.
- Signed Transmittal Letter briefly stating the firm’s understanding of the work to be done; the commitment to perform the work within the time period; and the name(s) of the person(s) authorized to represent the firm, title, address, and telephone number.
- Detailed Proposal as described below.
- The Technical Proposal should exclude any cost information, which should only be included in the Cost Proposal.
- The proposal should be prepared simply and economically, providing a straightforward, concise description of the firm’s capabilities to satisfy the requirements of this request for proposals. While additional data may be presented, the following subjects must be included. They represent the criteria against which the proposal will be evaluated.
  1. License to Practice in California: An affirmative statement must be included verifying the firm and all assigned key professional staff are properly licensed to practice in California.

2. Independence: The firm must provide an affirmative statement that it is independent of the Feather River Recreation and Park District as defined by auditing standards generally accepted in the United States of America.
3. Firm Qualifications and Experience: The firm must have extensive experience in audits of local governments as well as experience with preparation of financial statements prepared in accordance with GAAP. The proposal should include 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 on a fulltime basis and the number and nature of the staff to be so employed on a part-time basis. Staff consistency is an important consideration. The proposal must include a list of all current municipal clients. The firm is also required to submit a copy of a report on its most recent external quality control review (peer review), with a statement whether that quality control review included a review of specific government engagements (required by current Government Audit Standards). The proposal shall also include information on the results of any Federal or State desk reviews or field reviews of its audits during the past three (3) years. The proposal shall include 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, if applicable.
4. 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 this engagement. Include resumes, indicating whether each such person is registered or licensed to practice as a certified public account in California. Provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past (3) three years and membership in professional organizations relevant to the performance of this audit. Indicate how the consistent assignment of staff over the term of the agreement will be assured.
5. Similar Engagements with Other Government Entities For the firm's staff that will be assigned responsibility for the audit, list five completed engagements similar to the work 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. Also, please indicate whether the audit was part of financial statements prepared in conformance with GAAP requirements. Although the FRRPD does not anticipate a Single Audit during the contract term, the selected firm will have experience performing Single Audits. The District reserves the right to contact any or all of the listed references regarding the audit services performed by the audit firm.
6. 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 this request for proposals. In developing the work plan, reference should be made to such sources of information as District's budget and related materials, organizational charts, manuals, programs, and financial and other management information systems. The proposal should include the following information about the firm's audit approach:

- Proposed phases of the audit and staff hours assigned to each phase for the engagement;
- Description of analytical procedures to be used in the engagement, including sampling;
- Approach to be taken to understand, review and make recommendations regarding the District's internal control structure;
- Description of any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from FRRPD.

*Cost Proposal:* The cost proposal should contain all detailed pricing information relative to performing the audit engagement as described in this request for proposals. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs, including all out-of-pocket expenses. There is no expressed or implied obligation for the District to reimburse responding firms for any expenses incurred in preparing proposals in response to this request. Such costs should not be included in the proposal. Progress payment will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the firm's proposal. Interim billings shall cover a period of not less than a calendar month.

#### **VII. PUBLIC NATURE OF PROPOSAL MATERIALS:**

All proposals submitted in response to this RFP shall become the property of the FRRPD and may be used by FRRPD for any purpose. Proposals received by FRRPD shall not be returned to the Proposer. If a Proposal contains information that the Proposer considers proprietary and confidential, it shall be the responsibility of the Proposer (and not the FRRPD) to specify which items of information are proprietary and clearly identify in writing which specific pieces of information are proprietary at the time the proposal is submitted. It shall be insufficient for the Proposer to merely identify the entire Proposal or an entire page or set of pages as proprietary. With respect to information deemed proprietary, the procedures set forth below shall be observed. Not-to-exceed sums, hourly rates, and other similar information, that may be set forth in a proposal shall not constitute proprietary information nor shall any information readily available to the general public or any other information not regarded as proprietary and confidential under federal or state law. To comply with the California Public Records Act (Govt. Code Section 6250, et. seq.), FRRPD reserves the right to make copies of a Proposer's proposal available for inspection and copying by members of the public (including proposals which may contain information the Proposer regards as proprietary in nature), unless the FRRPD's legal counsel determines that the information which the Proposer regards as proprietary may be withheld pursuant to applicable provisions of the California Public Records Act or other applicable state or federal law. In the event FRRPD intends to disclose records containing information the Proposer has specifically identified as being proprietary and confidential, FRRPD shall notify the Proposer in writing of its intent to release such information. The Proposer shall then have five (5) working days after FRRPD's issuance of its notice to give FRRPD written notice of the Proposer's objection to FRRPD's release of proprietary information. FRRPD will not release the proprietary information after receipt of the objection notice from the Proposer unless: (i) the objection notice is not received by FRRPD until after the close of

business on the 5th day following FRRPD's issuance of the notice of intent to disclose; (ii) ordered to release the information by a court of competent jurisdiction; or (iii) the Proposer's objection notice fails to include a fully executed indemnification agreement wherein the Proposer agrees to indemnify, defend and hold harmless FRRPD, and its elected and appointed officials, officers, directors, employees and agents from and against all liability, loss, cost or expense (including attorneys' fees) arising out of any legal action brought to compel the release of records containing the proprietary information which the Proposer wishes to withhold.