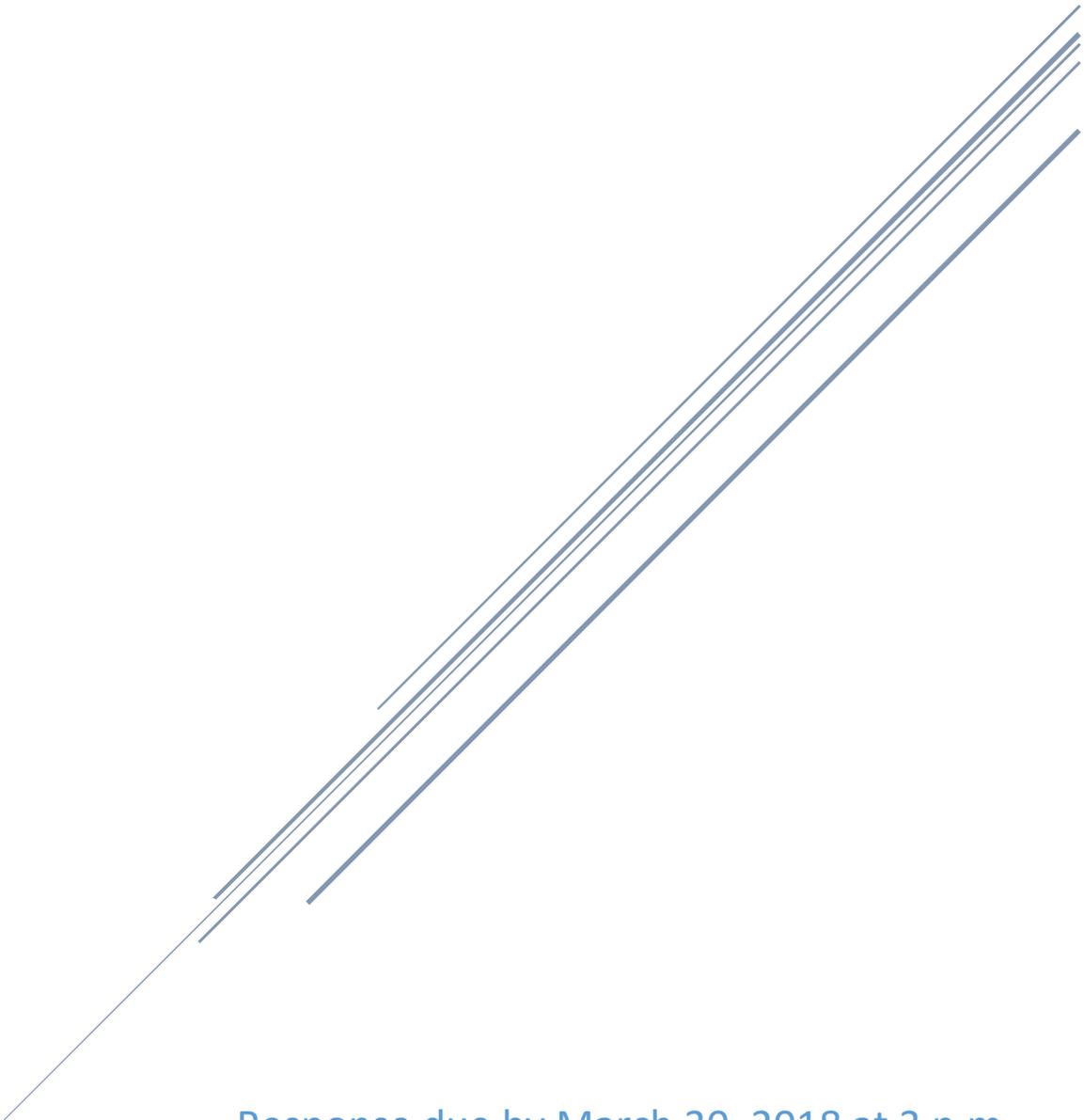


RANCHO SANTA FE FIRE PROTECTION DISTRICT

Request for Proposal – Financial Auditor

RFP 2018-02



Response due by March 30, 2018 at 3 p.m.
February 16, 2018

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Request for Proposal
2018-02

**CERTIFIED PUBLIC ACCOUNTANT
TO AUDIT FINANCIAL STATEMENTS**

1. PROPOSAL INFORMATION

Your firm has been invited by Rancho Santa Fe Fire Protection District (RSFFPD) to submit a written proposal for financial auditor services. **Proposals must be received by 3:00 p.m. on (March 30, 2018)**, and must respond in the manner specified by this *Request for Proposal*. Proposals received by facsimile will not be considered. RSFFPD reserves the right without prejudice to reject proposals or to waive irregularities in any proposal or in the proposal procedures. 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 date of submission.

RSFFPD will not pay any costs incurred in proposal preparation, postage/delivery, presentation, demonstration or negotiation. All costs will be paid for by the proposer.

Submit three copies of your proposal to:

Karlana Rannals, Administrative Manager
Rancho Santa Fe Fire Protection District
18027 Calle Ambiente, Ste 101
PO Box 410
Rancho Santa Fe, CA 92067-0410

All questions regarding this proposal should be directed to Karlana Rannals, Administrative Manager, Rancho Santa Fe Fire Protection District, (858) 756-5971.

RSFFPD reserves the right to retain all proposals submitted and to use any ideas in a proposal, regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between RSFFPD and the firm selected.

You may be invited to make an oral presentation. The contract, if any is awarded, will be awarded to the firm whose overall proposal demonstrates the ability to best meet RSFFPD's requirements. This will not be judged solely on the price of the contract. RSFFPD reserves the right to investigate the qualifications of all firms under consideration and to confirm any part of the information furnished by a proposer, or to require other evidence of managerial, financial or technical capabilities considered necessary to fulfill the contract successfully.

The anticipated term of the initial agreement is one year, with subsequent annual renewals.

2. TIMETABLE

Tentative dates for activity relating to the proposal are given below:

- | | |
|--------------------------------------|-------------------|
| A. Requests for Proposals Mailed | February 16, 2018 |
| B. Deadline for Receipt of Proposals | March 30, 2017 |
| C. Interview (if required) | April 11, 2018 |
| D. Award of Contract | May 9, 2018 |

3. BACKGROUND

The Rancho Santa Fe Fire Protection District was organized in 1946 in and currently has the following funds and account groups:

- A. Governmental Fund Types:
 - 1. General
 - 2. Special Revenue
- B. Account Groups
 - 1. Long Term Debt
 - 2. Fixed Assets

Total revenue for all funds of the fire district is anticipated \$14,880,000 for the fiscal year ended June 30, 2018.

RSFFPD uses Microsoft Great Plains Dynamics software for its accounting applications.

RSFFPD is required by State law to provide an annual audit of its financial statements by a Certified Public Accountant in accordance with generally accepted auditing standards. This audit must be submitted to the State Controller's office not later than January 31 after the end of the fiscal year.

The members' cash balances are on deposit with the San Diego County Treasurer, Treasurer of the State of California, and local financial institutions for payroll and accounts payable purposes.

4. SCOPE OF WORK

A financial audit and report is requested for the fiscal year ended June 30, 2018. The audit and report shall be performed in accordance with generally accepted auditing standards, as promulgated by the American Institute of Certified Public Accountants (AICPA); the *AICPA Audits of State and Local Governmental Units* audit and accounting guide; the *Government Auditing Standards*, published by the U.S. General Accounting Office including GASB requirements; and State of California Controller's Minimum Audit Requirements for California Special Districts.

The audit must be completed, and the report issued to RSFFPD prior to December 15. Prior to the issuance of the final report, the auditor is expected to meet with the District's Finance Committee, and may be requested to attend the December Board Meeting to present the report. Copies of the report must also be provided for filing with the County of San Diego and State Controller's Office.

5. REPORT REQUIREMENTS

For financial audits, the auditor shall examine the financial statements and records of the entity and shall issue an auditor's opinion on the entity's financial statements with an in relation to opinion on combining and supplementary information, if any. Such financial statements shall be prepared in conformity with generally accepted accounting principles.

The auditor shall issue a compliance report based on an audit of general purpose or basic financial statements and a report on the internal control structure; both in accordance with *Government Auditing Standards*.

The auditor shall include as a component the preparation and transmittal of the Annual Reports of Financial Transactions to the State Controller for each year.

The auditor may prepare a comprehensive management letter including the auditor's findings and recommendations relative to the internal accounting and administrative controls, compliance with laws and regulations as applicable and adherence to generally accepted accounting principles.

Auditors 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 the Fire Chief.

6. AUDIT TERM

If the selected certified public accounting firm performs satisfactorily for the June 30, 2018 audit, it is anticipated that the same firm will be engaged to perform the audit for the two succeeding years, subject to an annual evaluation.

7. CONTRACTUAL ARRANGEMENTS

- A. 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 Rancho Santa Fe FPD or government auditor's if requested by them.
- B. Payment for the audit will be made upon receipt of the audit reports required in Section III.
- C. Rancho Santa Fe FPD staff will be available to prepare schedules, trial balances, and provide documentation to assist the auditor as their schedules permit during the course of the audit.

8. AGREEMENT NOT TO DISCRIMINATE

No person shall be excluded from participation in, denied any benefits or otherwise discriminated against in connection with the award and performance of any contract on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, sexual orientation, age (over 40), military and veteran status of any person, or any other non-merit factor unrelated to job duties and protected by law.

9. NO ASSIGNMENT

No assignment by the contractor of contract will be recognized by RSFFPD unless such assignments have had prior written approval and consent of RSFFPD. RSFFPD 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.

10. EVALUATION OF PROPOSALS

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

A. Mandatory Elements

- a. The audit firm is independent and licensed to practice in California.
- b. The audit firm's professional personnel have received adequate continuing professional education within the preceding two years.
- c. The firm has no conflict of interest with regard to any other work performed by the firm for RSFFPD.
- d. The firm adheres to the instructions in this request for proposals on preparing and submitting the proposal.

B. Technical Qualifications

a. Expertise and Experience

- i. The firm's past experience and performance on comparable engagements.
- ii. 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.
- iii. In addition, special consideration will be given to the firms submitting a copy of their most recent external quality control review report and the firm that has a record of quality audit work.

iv. Other

1. Audit approach
2. Adequacy of proposed staffing plan for various segments of the engagement.
3. Ability to meet timetable set forth.
4. Assurance on continuity of staff.

11. REQUESTED INFORMATION

Requested information is contained in Exhibit 1. This exhibit contains questions that will allow RSFFPD 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.**

12. INSURANCE AND INDEMNITY

The Party selected shall be required to carry the minimum types of insurance and the minimum amounts set forth in Exhibit 1.

Any Contract executed pursuant to this RFP will require the selected auditor to defend (by counsel reasonably satisfactory to RSFFPD), indemnify and hold harmless RSFFPD, 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 RSFFPD 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 RSF.

EXHIBIT 1

REQUESTED INFORMATION

This section contains questions that will allow RSFFPD 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 were performed by your firm during 2015, 2016, and 2017?
- D. How many financial audits were performed by your firm for public agencies during 2015, 2016, 2017?
- E. How many financial audits were performed by your firm for joint powers authorities during 2015, 2016, and 2017?
- F. Describe the recent local office auditing experience similar to the type of audit requested.
- G. Provide a client listing for references, including client name, address, and contact person and telephone number. Include all clients who are a joint powers authority.
- H. 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. Provide resumes of partners, audit managers, field supervisors and other staff who would be assigned to work on our account. Resumes should include the length of time employed by your firm.

3. Proposer'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 is 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*, 2003 revision, 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*, 2003 revision, 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 RSFFPD, the Districts, or government auditors if requested.

6. Documentation/Information

The following documents/information should be included in your proposal package:

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

7. Fees

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 2018, 2019, and 2020 inclusive of travel, per diem and all other out of pocket expenses.