



Ambrose Recreation and Park District, 3105 Willow Pass Road, Bay Point CA, 94565

May 1, 2017

Dear Auditor:

The Ambrose Recreation and Park District (ARPD) invites your firm to submit a proposal in response to this Request for Proposals (RFP) issued for the purpose of selecting an auditing firm to perform annual fiscal audits of the Ambrose Recreation and Park District for fiscal year ending June 30, 2017. The selected firm, in addition to conducting the annual fiscal audit and the State Controllers Report may be asked to provide other professional consulting assistance. At the agency's option, the resulting contract may be extended for three additional audit years, subject to the party's agreement on price terms.

This letter, together with its appendices, comprises the RFP for the above-described project. Responses to this RFP should be submitted in accordance with the instructions stated herein. After an initial review of qualifications, cost and staffing, and interview an audit firm will be selected from among those qualified firms.

Proposals and all inquiries relating to this RFP should be submitted to the address shown below. Inquiries may be directed to: dlong@ambroserec.org or at the address below:

Doug Long
General Manager
Ambrose Recreation and Park District
3105 Willow Pass Road
Bay Point, CA 94565
Phone: (925) 458-1601

Minimum Qualifications

Only the proposals of those firms whose qualifications demonstrate the following minimum qualifications will be evaluated by the Ambrose Recreation and Park District.

1. Independence: The firm must be able to provide an affirmative statement that it is independent of the Ambrose Recreation and Park District, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.
2. Licensed to Practice in the State of California: An affirmative statement is required that the firm and all assigned key professional staff are properly registered and licensed to practice in the State of California.
3. Experience: Experience conducting high quality audits of local government and special districts with operating budgets of at least \$1 million in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.
4. Firm Capacity: Demonstrated capacity to devote the necessary personnel and technical resources to complete the scope of work described in *Appendix A* in accordance with the scheduled timeline in *Appendix B*. Demonstrated capacity to provide related accounting consulting services, including internal procedures.

Work Scope, Schedule and Budget

The work scope for the Professional Auditing Services project is outlined in *Appendix A* (Scope of Work) to this RFP. The selected firm will take primary direction from the General Manager. All work described in *Appendix A* must be completed according to the schedule in *Appendix B*.

A firm budget has not been established for the project; the cost proposals submitted by the proposers will form the basis of the project budget.

Statement of Qualifications (SOQ) Content

Each firm should respond to the requirements included in Appendix C, Statement of Qualifications. Each question should be addressed and answered in the exact sequence and format asked. While supplementary information is encouraged, please do not answer "N/A" or "see attached." Inaccurate or incomplete responses may render the SOQ non-responsive and may be cause for finding that a proposer does not meet the minimum qualifications. The SOQ must be signed by an officer of the firm authorized to enter into a contract with ARPD.

Evaluation Factors

The General Manager, in consultation with ARPD management staff, will review the SOQs to determine that the minimum qualifications have been met.

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SOQs meeting minimum qualifications will be evaluated according to the following criteria, in order of relative importance:

- a) Government audit and consulting experience
- b) Quantity of resources allocated to project
- c) Cost effectiveness
- d) Quality of on-site staff resources
- e) Overall quality of audit plan

Based on the evaluation of the SOQ, final cost and staffing proposal, the Board of Directors will interview firm(s), and will subsequently select a firm to perform the required services.

ARPD reserves the right to accept or reject any and all proposals submitted, to waive minor irregularities in proposals, and to request additional information from the proposers.

Consultant Selection Timetable

Monday, May 1, 2017	Release of RFP
Tuesday, May 30, 2017, 5:00 p.m.	Closing date and time for receipt of RFPs
May 31 – June 1, 2017	RFP evaluations - staff
Thursday, June 8, 2017	Board of Directors interview and selection
June 9, 2017 (approximate)	Contract Execution

Engagement Term

The selected firm will be asked to sign a contract for a 4-year term, with fees negotiated each year, covering four audit years from FY 2016-17 through FY 2019-20, subject to annual review and approval based on continuing performance and compliance with this RFP.

General Conditions

ARPD will not reimburse any consultant for costs related to preparing, responding to this RFP, or a possible interview. Materials submitted by respondents are subject to public inspection under the California Public Records Act (Government Code § 6250 et seq.), unless exempt. Any language purporting to render the entire proposal confidential or proprietary will be ineffective and will be disregarded.

We intend for the resulting contract to be firm, annually fixed price with payment due and made upon satisfactory completion of deliverables.

Consultants shall obtain and maintain at their own expense the following types of insurance for the duration of this agreement: (1) Worker's Compensation Insurance, as required by the laws of California, and Employer's Liability Insurance in an amount no less than \$1,000,000; (2) Comprehensive General Liability or Commercial General Insurance, with a combined single limit of not less than \$1,000,000 for injury to any one person and for any one occurrence of Personal Injury, Bodily Injury, Property Damage Liability Insurance in an amount not less than \$1,000,000 and \$2,000,000 general aggregate; (3) Automobile Liability Insurance in an amount

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no less than \$1,000,000; and (4) Errors and Omissions Professional Liability Insurance in the amount of \$1,000,000. These policies will contain provisions to include ARPD, its Directors, officers, representatives, agents and employees as additional insured. Also, the policies must specify that such insurance is primary, and no ARPD insurance will be called on to contribute to a loss. Any objections to the specified coverage levels must be brought to ARPD's attention prior to the due date for cost proposals; otherwise compliance with the insurance requirements will be assumed.

SCOPE OF WORK

I. Background

The Ambrose Recreation and Park District (ARPD) was established under the laws of the State of California in 1946 as a Special District to provide parks and recreation services to its residents. The District is governed by a five individual Board of Directors who are elected to four-year terms. The Board appoints a General Manager, who in turn supervises the day-to-day operation of the District.

ARPD administers the operation of the nine (9) parks, a community center, an aquatic center, and a variety of recreation programs and special events.

The financial information is maintained in multiple, separate and distinct account structures and consolidated into a combined structure of accounts and records.

ARPD has six (6) full time employees, of which one works in finance. The District's financial software includes a combination of Recreation software, Contra Costa County statements, and QuickBooks spreadsheets.

Fechter & Company has served as the District's auditor for the last 10 years.

II. Scope of Work

ARPD's primary goal in having an audit performed is to provide the Board, public, and our constituents with a financial statement that gives complete, accurate and understandable information about the organization's fiscal condition.

Task 1. Entrance Conference/Pre-Closing Audit Work

The selected firm may meet or discuss with ARPD staff audit report timelines, prior audit problems, and any interim work to be performed prior to closing of the RFP. Additionally, the parties will establish the overall liaison for the audit and make arrangements for work space and other needs of the auditor (see Task 4 below).

Task 2. Detailed Audit Plan

The auditor shall provide ARPD both a draft detailed audit plan and a list of any additional schedules or confirmations to be prepared by the finance staff. ARPD will provide comments to the auditor within two weeks, and a final detailed audit plan will be submitted one week later.

The detailed audit plan shall include completion of a single comprehensive financial report, as well as component units and management comments.

The general purpose financial statements shall be covered by a single opinion, with relevant individual opinions for each component unit report.

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ARPD staff will provide Contra Costa County trial balances, supporting schedules, account analyses and other selected data and have all records ready for audit. The preparation of confirmations will be the responsibility of ARPD.

Task 3. On-site Audit Work

Sub-task 3.1: ARPD Responsibilities

The finance section staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation and explanations. In addition, clerical support will be made available to the auditor for the preparation of routine letters and memoranda.

The ARPD will provide the auditor with reasonable work space, desks and chairs. The auditor will also be provided access to a telephone, photocopying and fax machines subject to certain limitations to be determined at a future date.

Staff will reproduce or pull documents as required. Report preparation, editing and printing shall be the responsibility of the auditor.

Sub-Task 3.2 Fair Presentation of Financial Statements Report

The auditor will prepare a report on the fair presentation of the financial statements in accordance auditing standards generally accepted in the United States of America. This report shall include Required Supplemental Schedules (RSI) as required by GASB 34.

Sub-Task 3.3 Report on Internal Control Structure

The auditor will prepare a report based on the auditor's understanding of the control structure and assessment of control risk, which would include an electronic data processing review of ARPD's accounting system. In the reports on internal control, the auditor shall communicate any reportable conditions found during the audit. Reportable conditions that are also material weaknesses shall be identified as such in the report.

Task 4 Draft Financial Statements

The auditor shall prepare a draft of the financial statements, notes and all required supplementary schedules according to the schedule in *Appendix B*.

Reports on internal control structure and compliance, are to be issued as part of the comprehensive annual financial report.

The designated ARPD staff will complete their review of the report as expeditiously as possible.

During the period following submission of the draft, the auditor should be available for any meetings that may be necessary to discuss audit reports. At a minimum, conferences with ARPD staff should be held on dates agreed upon by General Manager.

Once all issues are resolved, the final report shall be delivered as indicated below.

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Task 5. Draft Management Comment Letter

The auditor shall prepare a draft management comment letter for review by ARPD.

Task 6. Exit Conference

The auditor shall meet with ARPD staff to summarize the results of the on-site work and to review significant findings. In addition, the auditor shall discuss the draft audit with executive staff and answer questions.

Task 7. Final copies of Audit Report

Auditor will be required to make a formal presentation of audit report to the ARPD Board of Directors at a regularly scheduled meeting.

The final report and seven (7) bound copies, plus an electronic version of the comprehensive ARPD financial report and component unit reports should be delivered to the General Manager.

Task 8. Completion of the State Controller Special District Report

The auditor shall complete and submit the State Controller's Report by the required deadline.

PROJECT SCHEDULE

Task/ Description of Work

1. Detailed Audit Plan/Confirmation Letters
2. On-site Audit work to begin: TBD
3. Complete and file SCO report
4. Draft financial statement, notes, and all required supplementary schedules
5. Draft Management Comment Letter
6. Review of Draft with Project Manager
7. Exit Conference
8. Final copies of audit reports delivered to General Manager
9. Formal presentation of Audit Report to ARPD Board of Directors: TBD

The schedule for each task will be determined mutually between the Audit Team and the General Manager, so long as the January 31, 2018 completion requirement is met.

STATEMENT OF QUALIFICATIONS REQUIREMENTS

Statement of Qualifications Response Format

All responses should be in the format listed. Please respond to all questions and provide all information in the order requested. Responses such as "N/A" or "see attached" will be considered "nonresponsive" for evaluation purposes.

1. Minimum Qualifications: Responses should clearly demonstrate that the firm meets all of the following:

- a) Independence: The firm must be able to provide an affirmative statement that it is independent of ARPD, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.
- b) License to Practice in the State of California: An affirmative statement is required that the firm and all assigned key professional staff are properly registered and licensed to practice in the state of California.
- c) Experience: Experience conducting high quality audits of local government and transportation agencies with operating budgets of at least \$3 million in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States
- d) Firm Capacity: Demonstrated capacity to devote the necessary personnel and technical resources to complete the work described in *Appendix A* in accordance with the scheduled timeline in *Appendix B*. Demonstrated capacity to provide related accounting consulting services and internal procedures.

2. Firm Information: (Provide the following)

- a) Brief history and the number of professional and support staff
- b) Size of government audit contracts performed
- c) Listing of local government auditing work performed in the last five years
- d) Recent work examples
- e) Audits over government agencies with operating budgets over \$1 million
- f) Government consulting work, including:
 - i. GASB 34
 - ii. Internal controls/procedures

3. Provide a detailed work plan for audit, including estimate hours on attached schedule

- a) Production Schedule
- b) Estimated work hours by work item and position by work item or work produced

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- c) Staffing plan, including full-time and part-time staff, as well as the office running the engagement
 - d) Philosophy of conducting the audit, including staff interactions
 - e) Rotation philosophy of audit staff
 - f) Resumes for audit partners and all senior staff to be on site
4. Provide most recent peer review report.
5. Hourly rates for:
 - a) Audit participants (partners, senior, manager, staff)
 - b) Consulting services
6. List of three public agency references.
7. Transmittal letter signed by an officer of the firm authorized to negotiate with ARPD and sign a binding agreement. The transmittal should include the following affirmative statements relating to:
 - a) Independence to conduct audit
 - b) License to practice in the State of California
 - c) Direct experience necessary to carry out the objectives outlined and the work proposed in this RFP
 - d) Availability of proposed resources necessary to meet proposal
 - e) There are no lawsuits or claims of fraud or malpractice relating to the firm's government audit and consulting practices