



Request for Proposals

The Marina Coast Water District wishes to contract for a Certified Public Accountant or Public Accounting Firm to provide Annual Audit Services to the District

Proposals due

**4:00 PM
June 29, 2012**

Proposals should be sent electronically to:
Kelly Cadiente at
kcadiente@mcwd.org

Proposals sent by mail must be directed to:
Marina Coast Water District
11 Reservation Road
Marina, CA 93933
ATTN: Kelly Cadiente

I. Introduction

Marina Coast Water District (District) is requesting proposals from qualified independent certified public accountants to audit and report on the financial position of the District. The District will be accepting proposals from independent certified public accounting firms of “recognized ability and standing” and licensed to practice in the State of California to be engaged as External Auditors of the operations of the District.

The District anticipates a three-year audit services agreement, subject to annual review by the District. The audit period will be for the fiscal year beginning July 1, 2011 and ending June 30, 2012 with options to renew for annual audits for the fiscal years ending June 30, 2013 and 2014.

The District is located just north of the Monterey Peninsula and serves approximately 8,000 water and sewer service connections in the diverse communities of Marina and the Ord Community (former Fort Ord) with a population of between 36,000-to-40,000 people. The District provides high quality water, wastewater and recycled water services through management, conservation and development of future resources at reasonable costs. The District is governed by a five-member Board of Directors who is elected by the public and serve four-year terms. A General Manager is appointed by, and reports to, the Board of Directors.

The District maintains six separate enterprise funds: Marina Water, Marina Wastewater, Ord Community Water, Ord Community Wastewater, Recycled Water, and Regional Desalination Project. The two major sources of revenue are: water sales - \$8.1 million and wastewater collection - \$2.5 million. The District's overall annual fiscal year 2011-2012 operating and capital budget is approximately \$62.4 million.

II. Scope of Services

The District is seeking proposals from qualified independent certified public accounting firms to perform the following Scope of Services:

- Perform an audit of the District's financial statements in accordance with Generally Accepted Auditing Standards as set forth by the American Institute of Certified Public Accountants, and in accordance with “Minimum Audit Requirements and Reporting Guidelines for California Special Districts” as required by the State of Controller's Office.

- Prepare an audit report of the District's financial statements which will be prepared by the District with assistance and recommendations from the selected external auditor.
 - Examples of suggested changes or additions to footnote disclosure will be provided by the selected external auditor.
 - The audit report shall include at least the auditor's comments on the study and evaluation of the internal control structure of the District. It must identify the organization's significant internal accounting controls. This report must identify the controls not evaluated, and any material weaknesses identified as a result of the evaluation.
 - The audit report must contain any other applicable requirements of law under the Governmental Accounting Standards Board.
 - Prior to the submission of the final report, the audit firm's staff will be required to review the draft report and management letter with District staff.
- Prepare a management letter that includes a statement of audit findings (any reportable conditions found during the audit) and recommendations affecting the financial statements, internal control structure, accounting procedures, accounting systems, legality of actions, and any instances of non-compliance with laws and regulations and any other material matters. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize, and report the financial data consistent with the assertions of management in the financial statements.
- If conditions are discovered which lead to the belief that material errors, defalcations, or other irregularities may exist, or if any other circumstances are encountered that require extended services, the auditor will promptly advise the District's General Manager.
- If required, prepare and forward to the State Controller's Office the Annual Report of Financial Transactions of Special Districts pursuant to Government Code Section 53891.
- If required, prepare Single Audit Report.
- Attend District Board of Directors meeting when the audited financial statements are presented to the Board.

No extended services will be performed unless authorized in the contractual agreement or in an amendment to the agreement.

III. Assistance Available to Auditor

District staff will provide the following assistance to the selected audit firm:

- Support to the auditor by pulling any necessary documents.
- Staff will prepare all trial balances, detail supporting schedules (e.g., accounts receivable and accounts payable listings, fixed assets, etc.), reconciliations of significant accounts, and other schedules as reasonably expected for the audit.
- Staff will issue letters of representation, as required.
- Staff will provide access to District Counsel to discuss pertinent legal issues to the District's financial statements.

IV. Proposal Requirements

The proposal should provide a straightforward, concise description of the individual's or organization's capabilities to satisfy the requirements of the above Scope of Services. Please note that additional information is provided below regarding references, costs, and the draft agreement. A responsive proposal shall contain the following minimum information:

- A. Introduction – provide an introductory description of the services offered by the individual or firm. Submit written evidence that the firm is a legal entity in the State of California and has performed continuous C.P.A. services for a minimum of five years. Provide written evidence that the firm is a member in good standing of both the American Institute and California Society of Certified Public Accountants. State the location of the office from which the work is to be done and the number of partners, managers, supervisors, seniors, and other professional staff employed at that office.
- B. Scope of Services – provide your approach to accomplish this work as described in the Scope of Services; this section of the proposal should express the understanding of the Scope and should include a vision of specific deliverables.
- C. Qualifications – provide the individual or team experience and qualifications for conducting the work described in the Scope of Services.
- D. References.
- E. Cost.
- F. Draft Agreement.

V. Qualifications

Identify the staff who will work on the audit. Provide resumes including relevant experience, academic qualifications and continuing education for each person to be assigned to the audit. Describe the most recent local and regional office auditing experience similar to the type of audit requested.

VI. References

Provide references from at least four (4) current and/or past clients. Please include the name and type of firm, address, main contact, and telephone number and include the scope of work performed.

VII. Cost

A detailed breakdown of billing rates and expenses shall be included in the proposal that fully describes the individual's or organization's proposed reimbursement requirements. Reimbursement requirements will be a factor in the selection process. The cost of proposal preparation shall not be chargeable in any manner to the District.

VIII. Draft Agreement

Attached is the District's standard professional agreement that will be used.

IX. Acceptance of Proposal

Any individual or organization submitting a proposal thereby automatically agrees to each and all of the terms and conditions, provisions, and requirements set forth in this RFP.

No fax submittals will be accepted and late submittals will not be considered. Proposals must be received by 4:00pm on June 29, 2012.

X. Selection Process and Criteria

The District management staff will review the proposals submitted. All proposals will be evaluated uniformly for final selection, which will be based on analysis of the information

submitted. Criteria which may be included in the analysis include: experience with audits of special districts, especially water districts with hydroelectric and recreation activities; qualifications; availability; economics and value; locale of proposer; quality of proposal.

Although interviews will not be required as a condition of submitting a proposal, the District reserves the right to request additional information or interview some or all of the proposing individuals or organizations if necessary to obtain additional information that the District considers necessary to fully evaluate a proposal.

The District also reserves the right to: 1) request clarification or additional information from any proposing firm at any time; 2) waive immaterial defects or minor irregularities in a proposing firm's responses to this request for proposal; 3) suspend or reopen the request for proposals process; and 4) reject any or all responses and terminate the request for proposals process at any time.

XI. Deadline

The deadline for proposals is 4:00 PM June 29, 2012 and should be sent electronically to: Kelly Cadiente, Director of Administrative Services at kcadiente@mcwd.org or by mail to:

Marina Coast Water District
11 Reservation Road
Marina, CA 93933
ATTN: Kelly Cadiente