



# Resource Conservation District

*Mendocino County*

## ***Request for Proposals for Auditing Services***

***Proposals Due: October 3, 2022, 3:00 p.m.***

The Mendocino County Resource Conservation District (MCRCD) invites qualified auditors with governmental accounting and auditing experience in performing an audit in accordance with the specifications outlined in this Request for Proposal (RFP) to submit a proposal.

### ***Requirements***

The audit will encompass a financial examination of MCRCD's basic financial statements and supplementary information in accordance with generally accepted auditing principles (GAAP) and the standards applicable to financial audits provided by the *Government Auditing Standards (GAS)*, produced by the U.S. Government of Accountability Office. The financial audit opinion will cover the financial statements for the governmental activities and each major fund which constitutes the basic financial statements. The combining and individual financial statements, schedules, and related information are not necessary for fair presentation but will be presented as additional analytical data. This supplemental information, as required by Governmental Accounting Standards Board (GASB), will be subjected to the tests and other auditing procedures applied in the audit of the basic financial statements, and an opinion will be given as to whether the supplemental information is fairly stated in all material respects in relation to the financial statements taken as a whole. An opinion will not be given on the Management Discussion and Analysis. MCRCD will not reimburse firms for any expenses incurred in preparing proposals in response to this request

The working papers shall be retained and made available upon request for no less than seven years from the date of the audit report.

In the event that circumstances arise during the audit that require work to be performed in excess of the

original estimates, any additional costs will be negotiated prior to commencement of the work and an amended contract will be approved by the Executive Director.

### ***Description of the Government Entity and Its Accounting System***

**The mission of the MCRCD is to conserve, protect, and restore wild and working landscapes to improve the health of water, soil, and forests in Mendocino County.** The MCRCD is a Special District formed under the provisions of the California Soil Conservation Act, and was established by election on May 14, 1945, in Willits, California. At that time, it was named the Willits Soil Conservation District and was comprised of 146,000 acres in the Little Lake Valley. In 1956, the District’s jurisdiction expanded to cover the county and the District changed its name to the Mendocino County Soil Conservation District. The District now encompasses all of Mendocino County, including the incorporated cities of Ukiah, Willits, Fort Bragg, and Point Arena. In the 1972-73 fiscal year, the District changed its name to the Mendocino County Resource Conservation District.

MCRCD is one of nearly 3000 Conservation Districts across the country working to protect land, water, forests, wildlife, and related natural resources. Current programs at the MCRCD focus on soils and farming support, water conservation, stream enhancement, watershed protection, aquatic invasive species control and prevention, land management and restoration, forestry, and fire adapted communities. For additional information see MCRCD’s website at [www.MCRCD.org](http://www.MCRCD.org)

MCRCD is supported by diverse funding sources that enable us to fulfill our mission and implement projects within each of our program areas. Each year, we secure and management approximately 40 grants from federal, state, local and private funds that provide for meaningful and impactful projects. Revenues including all sources of revenue are estimated at \$2,747,682 for the year ending June 30, 2022.

The District is governed by a Board of Directors (“Board”), which presently includes 3 (Voting) Directors appointed by the Mendocino County Board of Supervisors and 2 Associate Directors appointed by the voting members. Board activities are governed by the Brown Act which requires public notice of all Board meetings.

### ***Scope of Examination***

- The audit shall cover fiscal year ending June 30, 2022, with an option to renew annually for up to four years.
- A single audit (Subpart F of the OMB Uniform Guidance) was not required for fiscal year 2020-21. The \$750,000.00 in federal expenditures threshold is not anticipated to be met in fiscal year 2021-2022, but IS anticipated to be met in 2022-23.
- District financial records should be closed and ready for audit by October 31<sup>st</sup> of each year. The books of accounts and financial records to be audited are maintained and located at MCRCD office located at 410 Jones St., Ukiah, CA. The Executive Director and Business Manager shall make these books and records available.
- The report package includes:
  - Basic Financial Statements (including all applicable footnotes)
  - GASB 68 Report
  - Footnotes on Summary of Significant Accounting Policies and Procedures
  - Auditor’s opinion on the financial statements and required supplementary schedules

- Report on Compliance and on Internal Control Over Financial Reporting based on audit of financial statements performed in accordance with Government Auditing Standards (GAS) and/or Generally Accepted Auditing Principles (GAAP).
- Required Supplementary Information
- Schedule of Findings and Recommendations
- Status of Prior Year Findings and Recommendations
- Management Discussion and Analysis
- Required Communications to the Board of Directors
- Filing the audit and single audit with the Federal Audit Clearinghouse (FAC)
- Approximately six (6) copies of the audited financial reports must be presented to MCRCD. All reports will also be provided in electronic format to MCRCD.
- The auditor will be expected to attend a full board meeting with the Board of Directors to present the audit report and review the required communications. Additionally, the auditor will attend a Finance and Operations Committee meeting to review the audit in detail prior to the board meeting.
- The firm shall assist the District in compiling and filing the Annual Report of Financial Transactions with the California State Controller, using data provided by District staff.

### ***Contractual Arrangements***

As required in the Fee Schedule below, proposers are to state separate “not to exceed fees” for performing the services described MCRCD fiscal year ending June 30, 2022. By acceptance of the proposal, MCRCD will enter into contract with the successful proposer for audit services for fiscal year ending June 30, 2022. MCRCD Professional Service Agreement template is available upon request.

Audit services performed for the audit period shall be paid by MCRCD not more than 45 days following submission of an invoice from the auditor. In no event, however, shall fees paid by MCRCD exceed the “not to exceed” cost proposed in the Fee Schedule below, for provision of all the services described in the successful proposal.

Interim or progress billings will be accepted up to 75% of the total fee prior to submission of the audited financial statements to the Board of Directors and their approval of the audited financial statements.

In the event of a merger of the audit firm with another firm of certified public accountants or the change of partners to the audit firm, this contract will be transferable to the successor firm with the approval of MCRCD. This agreement shall not be assigned or transferred without the written approval of MCRCD.

### ***Proposal Submission Information***

To secure information which facilitates systematic application of evaluation criteria, vendors are required to submit proposals with the information and in the format described below:

Transmittal Letter: Proposals shall be transmitted by a letter which shall include at least the sections listed below and is signed by an authorized agent of the organization.

- Fee Schedule: A maximum “not to exceed” fee for providing the services as described in the proposal for fiscal year ending June 30, 2022. A current schedule of hourly billing rates of the personnel who would provide audit services. Please provide two different fee schedules, one

with a single audit and one without.

- Contact Person: The name, address, email address, phone number and title of the individual to whom notices regarding this proposal should be sent.
- Profile of the Proposer:
  - Proposers shall describe the organization and size of organization, whether it is local, regional, national, or international in operations.
  - The location of the office from which the work is to be done, and the number of professional staff (by staff level) employed at the office.
  - A description of the range of activities performed by the office handling the engagement such as auditing, tax service, management services, etc.
- Technical Approach: Proposer shall indicate the technical approach to providing the services required. This should include a rough estimate of hours to be performed by each level of staff during each significant segment of work, including estimated amount of time the manager and senior staff will be on site, if needed.
- Qualifications of the Proposer: Proposers shall describe their qualifications, which shall include at least a list of each professional staff member to be assigned to the project, indicating staff levels by type and title. It is expected that each senior and higher-level staff assigned would have considerable governmental and/or Special District experience, which should be noted.
  - While it is understood that there will be turnover with audit staff, continuity of staff is desired and will be a consideration when renewing this contract.
- References: Provide the name, address, telephone number, email address and contact person of municipal or local government audit clients (up to three) for the last two years.
- Peer Review: a copy of your firm's most recent peer review report, the related letter of comments, and the firm's response to the letter of comments.
- Copy of your firm's insurance policy.

## ***Selection Criteria***

Proposers' qualifications to provide the services described in the request for proposal, (as determined by responses to this request and references), shall be a factor in determining the successful proposer. However, criteria may include, but are not limited to: compliance of proposal with request for proposal, price, ability to do the work, the proposers' character and reputation, quality of other work performed and any other criteria MCRCD, in its judgement, represents the best and most favorable to the interests of MCRCD and the public.

Selected vendors may be invited to oral interviews following an initial evaluation of proposals submitted.

The firm must be insured and licensed to practice in California. By submitting a proposal, the firm declares and warrants that neither the firm nor its employees have a conflict of interest with regard to any work to be performed for the District.

In order to provide services to the District, your organization must maintain the following minimum insurance coverage:

- Commercial General Liability Insurance: \$1,000,000 per occurrence
- Automobile Liability Insurance: \$1,000,000 per occurrence

- Workers' Compensation: as required by state law
- Professional Liability: \$1,000,000 per claim

The selected firm ("Contractor") will be awarded a Contract Services Agreement ("Agreement") covering the audits and related work for the year ending June 30, 2022 with three one-year extension options. The options will be subject to review by the District along with a satisfactory negotiation of the terms (including a price acceptable to the District and the selected firm). The selected firm will be the one which, in the sole opinion of the District, will best serve the needs of the District. The District reserves the right to reject any or all proposals and to request additional information from the firms. No proposals shall be withdrawn for a period of sixty days following the due date of the quotation.

The Agreement may not be assigned by the Contractor in whole or in part without the written consent of the District.

The Contractor will comply with all legal and professional requirements regarding records retention and access.

No reimbursement of expenses, travel, time, or compensation will be due to any firms for participating in this proposal and the selection process.

## ***Time Requirements***

### **Proposal Schedule**

- |                                      |                |
|--------------------------------------|----------------|
| ○ Release of RFP to vendors          | 9/2/2022       |
| ○ Submit Questions to MCRC           | 9/12/22        |
| ○ MCRC Question Response             | 9/15/20        |
| ○ <b>Proposal Due Date</b>           | <b>10/3/22</b> |
| ○ Interviews with Selected Proposers | 10/7/22        |
| ○ Board Recommendation               | 10/18/20       |
| ○ Contract awarded by the Agency     | 10/18/20       |

### **Audit Schedule**

- |  |                             |
|--|-----------------------------|
| ○ Trial balances Completed by MCRC                         |                             |
| ○ Field Work Start   | 11/16/22 or mutually agreed |
| ○ Draft Audited Financial Statements and Management Letter | 2/5/23                      |
| ○ Meet with Finance and Operations Committee               | Week of 2/22/23-2/26/23     |
| ○ Audited Financial Statements presented to MCRC Board     | 3/9/2023                    |

## ***Contract***

The successful proposer shall confirm in writing acceptance of the terms of this proposal within seven days of notification of selection. This confirmation may be in the form of the standard engagement letter. Proposers must specify any proposed modifications to the scope of the engagement in their proposal. MCRCD currently anticipates approving a contract for audit service during the monthly board meeting held on October 18, 2022. However, in the event that the proposal is accepted at a later date, the Time Requirements will be revised accordingly.

## ***Proposal Period and Contract Award***

Each proposal shall be submitted in a sealed envelope marked MCRCD Audit Proposal, received in the office by 3:00 p.m. on 10/3/2022, or emailed no later than (10/3/2022 at 3:00 p.m.) to:

Stephanie Garrabrant-Sierra  
Executive Director  
Mendocino County Resource  
Conservation District  
410 Jones St., Suite C-3,  
Ukiah, CA 95482  
[Stephanie.Sierra@mcrcd.org](mailto:Stephanie.Sierra@mcrcd.org)

Proposals will be opened immediately. Late proposals will be disqualified.

MCRCD reserves the right to accept any proposal that is, in its judgment, the best and most favorable to the interests of MCRCD and the public; to reject any or all proposals; to accept and incorporate corrections, clarifications, or modifications following the opening of the proposals. When to do so would not, in MCRCD's judgement, prejudice the proposal process or create an improper advantage to any proposer.