

June 12, 2018

## **Santa Rosa Plain, Sonoma Valley, and Petaluma Valley Groundwater Sustainability Agencies**

### **REQUEST FOR PROPOSALS FOR FINANCIAL AUDITING SERVICES**

#### Deadline for Submission

5:00 p.m., Tuesday, July 10, 2018

**RE: REQUEST FOR PROPOSALS FOR FINANCIAL AUDITING SERVICES**

#### **INTRODUCTION**

The Santa Rosa Plain Groundwater Sustainability Agency, Sonoma Valley Groundwater Sustainability Agency, and Petaluma Valley Groundwater Sustainability Agency (collectively, Agencies) are requesting proposal submittals from consultants with experience in financial auditing services for public agencies.

The Agencies are interested in soliciting proposals from qualified firms of certified public accountants to audit the three separate public entities' financial statements for the fiscal years ending June 30, 2018, with the option of extending the contract for two subsequent fiscal years.

#### **BACKGROUND INFORMATION**

On September 14, 2014, Governor Brown signed into law three bills collectively referred to as the Sustainable Groundwater Management Act (SGMA). SGMA requires the formation of groundwater sustainability agencies (GSAs) in state-designated medium and high priority basins. Sonoma County has three medium priority basins: Santa Rosa Plain, Sonoma Valley, and Petaluma Valley. As authorized by SGMA, the GSA-eligible entities have formed a Joint Powers Authority for each basin with the intent to work together to implement the requirements of SGMA. The Agencies were formed as follows:

*Santa Rosa Plain Groundwater Sustainability Agency* was formed through a JPA between the cities of Cotati, Rohnert Park, and Santa Rosa, Town of Windsor, County of Sonoma, Sonoma County Water Agency, Gold Ridge Resource Conservation District, and Sonoma Resource Conservation District. This agency has an agreement with mutual water companies and CPUC-regulated water corporations.

*Sonoma Valley Groundwater Sustainability Agency* was formed through a JPA between the City of Sonoma, County of Sonoma, North Bay Water District, Sonoma County Water Agency, Sonoma Resource Conservation District, and Valley of the Moon Water District.

*Petaluma Valley Groundwater Sustainability Agency* was formed through a JPA between the City of Petaluma, County of Sonoma, North Bay Water District, Sonoma County Water Agency, and Sonoma Resource Conservation District.

The Agencies were formed for the purpose of developing, adopting, and implementing a Groundwater Sustainability Plan for each basin in order to implement SGMA's requirements and achieve the sustainability goals outlined in SGMA. The Agencies intend to coordinate their activities where appropriate and to involve the public and local stakeholder through outreach and engagement in developing and implementing the GSP. More information on the GSAs can be found at <http://sonomacountygroundwater.org/>.

## **FINANCIAL SUMMARY**

- Three independent agencies
- Each agency has a budget of approximately \$470,000.
- Revenue for the agencies is derived from member agency contributions that were collected three times during the fiscal year.
- Total number of account receivable invoices issued by each agency for the fiscal year ranges between 15 and 24.
- Total number of accounts payable/claims issued by each agency for the fiscal year is approximately 20 transactions.
- Sonoma County Treasury is the banking institution used by all three agencies

## **THE AUDIT**

The audits are to be performed in accordance with generally accepted auditing standards.

The auditor will evaluate the adequacy of the internal control system and, where weaknesses are noted, make appropriate recommendations for improvements. A management letter will be submitted by the auditing firm if material weaknesses are noted or if otherwise deemed appropriate.

The auditor will be required to make an immediate written report of all irregularities and illegal acts, of which they become aware, to the Board President and Administrator.

The audit will cover the basic financial statements and supporting documentation and schedules. The auditing firm shall provide ten copies of the auditor's report, financial statements, supporting schedules, and management letters. The partner in charge of the audit shall be available to attend one meeting at which the audit report will be discussed.

The auditing firm shall submit a draft of the financial statements no later than December 1<sup>st</sup>. In this regard, the Agency(ies) shall provide all financial records not later than October 10<sup>th</sup> of each year.

The firm shall make available its working papers and respond to all reasonable inquiries of successor auditors and others to review working papers of the Agency(ies), upon the Agency's written consent. The auditing firm will retain all working papers, at the firm's expense, for a minimum of seven years, or longer, if required by generally accepted auditing standards.

## **SCHEDULE**

To the extent achievable, the following schedule shall govern the RFP. The Agencies reserve the right to modify the dates below.

Availability of the Request for Qualifications: **June 12, 2018**

Deadline for Submission of Interpretation and/or Questions: **July 3, 2018**

All questions should be submitted via email to: [dmuelrath@vomwd.com](mailto:dmuelrath@vomwd.com)

Closing date for the Request for Qualifications: **July 10, 2018 @ 5pm**

Award contract(s): **July or August 2018**

Start work: **October 2018**

Complete Audit: **December 2018**

## QUALIFICATIONS

1. Firm's Background and Experience
  - a. Discussion of the firm's experience in financial auditing for agencies of similar size and services provided.
  - b. Experience and qualifications of project manager and key project staff.
2. Additional pertinent information the Agencies should consider
3. Ability to perform work subject to the following tentative schedule:

October 2018	Start Audit
December 2018	Finished Audit/Reports

## SUBMISSION REQUIREMENTS

One printed statement of qualifications with a pdf version on a flash drive should be sent to Daniel Muelrath, Administrator for the Sonoma Valley Groundwater Sustainability at:

USPS mailed proposals should be clearly marked on the outside of the envelope "Financial Auditing Proposal" and sent to:

VOMWD  
Attn: Daniel Muelrath  
P.O. Box 280  
El Verano, CA 95433

Proposals sent by courier (FedEx, UPS, etc.), overnight or hand delivered must be addressed to:

VOMWD  
Attn: Daniel Muelrath  
19039 Bay Street,  
Sonoma, CA 95476

1. Cover letter (no longer than 1 page)

The cover letter should convey a clear understanding of the requirements and objectives, and why the respondent is uniquely qualified to be awarded a contract.
2. Respondent's Qualifications

Responses to the items in the Qualifications section of this RFP.

3. Proposed Respondent Team

The statement of qualifications shall identify the Project Manager who will be primarily responsible for providing services to the Agencies, and other staff to be assigned to the team. Please include the qualifications, training, and certifications of the Project Manager, and all other staff who will perform the services outlined herein. Include a resume for each, listing education, experience, and expertise in this type of work.

4. Fee Schedule

This section should identify the billing rates for listed personnel, as well as other costs or expenses that would be charged in conjunction with the work.

5. Conflicts

This section should identify whether respondent anticipates it would need to obtain conflict waivers from any existing clients and how respondent anticipates addressing any potential conflicts with respect to any member agencies and/or between GSAs.

6. References

The names, addresses, and telephone numbers of three (3) public agency clients who have contracted with the Respondent for services similar to those described in this RFP within the last five years.

7. Proposed Scope of Work and Schedule

Submit a proposed scope of work and schedule that demonstrates how the consultant would proceed with the work within the timeframe specified, the proposed project elements, tentative list of data needs, opportunities for advisory committee and board participation, and approach to community outreach and engagement.

**EVALUATION CRITERIA**

The following criteria will be used by the Agencies in evaluating submissions:

1. Experience and demonstrated competence of the identified key areas of service outlined in the Qualifications section of this RFP.
2. Reference recommendations.
3. Comprehensive consultant fee schedule.
4. Thoroughness of submission.

The Agencies reserve the right to award a contract based on written responses only, however oral presentations and written questions for further clarifications may be required of some or all of the respondents.

Sincerely,



Daniel Muelrath  
Administrator, Sonoma Valley GSA