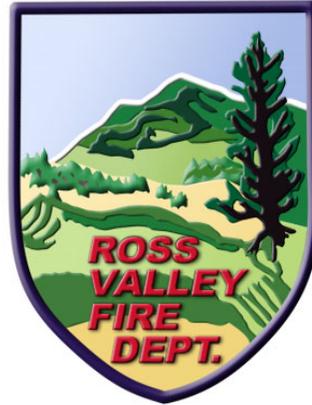


**TOWN OF SAN ANSELMO
ROSS VALLEY FIRE DEPARTMENT**



**REQUEST FOR PROPOSAL
FOR
PROFESSIONAL AUDITING SERVICES**

TOWN OF SAN ANSELMO
525 San Anselmo Ave,
San Anselmo, CA 94960

Issued on February 19, 2021

PROPOSALS DUE:

3:00 p.m. March 19, 2021

Introduction

The Town of San Anselmo (Town) performs financial services for and Ross Valley Fire Department. The Town and the Ross Valley Fire Department (RVFD) are requesting proposals from qualified firms of certified public accountants to audit the Town and RVFD's financial statements and, if needed, perform a Single Audit for the three fiscal years ending June 30, 2021, June 30, 2022, and June 30, 2023, with the option of extending the services for two subsequent fiscal years. The proposals shall be submitted by 3:00 p.m. on March 19, 2021.

These audits are to be performed in accordance with the generally accepted auditing standards generally accepted in the United States of America, the standards set forth for financial audits contained in Government Auditing Standards (1994) issued by the Comptroller General of the United States, and the U.S. Office of Management and Budget (OMB) Circular A-133 Audits of State and Local Governments and Non-Profit Organizations.

There is no expressed or implied obligation for the Town and RVFD to reimburse responding firms for any expenses incurred in preparing proposals in response to this request. Materials submitted by respondents are subject to public inspection under the California Public Records Act (Government Code Sec. 6250 et seq.), unless exempt.

All interested parties are invited to submit three (3) copies and one electronic copy of your services proposal and one (1) copy of your pricing proposal to the Town of San Anselmo in accordance with the specifications of the RFP. The submittal of the proposal should be marked, "Professional Auditing Services Proposal", must be received by March 19, 2021 at the address listed below:

Town of San Anselmo
Attn: Helen Yu-Scott
Finance and Administration Services Director
525 San Anselmo Ave,
San Anselmo, CA 94960

Electronic Proposals sent to: townclerk@townofsananselmo.org

Proposal received after the deadline will not be considered.

The Town reserves the right to accept or reject any or all proposals submitted.

Background

A. Description of the Town of San Anselmo and Ross Valley Fire Department

The Town of San Anselmo is a general law town with a Town Manager form of government. The Town Council consists of five (5) members elected at large. In addition, the Town has an elected Town Treasurer and Town Clerk. San Anselmo was incorporated as a municipal corporation on April 9, 1907.

The Town has a population of approximately 12,500 and employs 34 permanent full-time positions. With an annual General Fund budget of \$17 million and other funds totaling about \$10 million, it provides this primarily residential community with a range of services. Town departments include: Finance and Administration; Library; Planning; Public Works (Engineering, Building, Streets and Parks); and Recreation. Fire and Police services are provided through Joint Powers Authority agreements by Ross Valley Fire Department and Central Marin Police Authority, respectively.

Ross Valley Fire Department provides fire services for the communities of Town of Fairfax, Sleepy Hollow Fire Protection District, Town of Ross, and Town of San Anselmo. The communities consolidated Fire services on July 1, 2012.

RVFD was created in 1982. An amended and restated Joint Powers Agreement was entered into effective July 1, 2010, between the Town of Fairfax, Town of San Anselmo, and the Sleepy Hollow Fire Protection District to provide fire protection, emergency medical and related services within their respective jurisdictions. On July 1, 2012, the RVFD entered into a First Amendment to the Amended and Restated Joint Powers Agreement to admit the Town of Ross as a member. RVFD is governed by an eight-voting member Board of Directors, consisting of, two from each of the member agencies. RVFD's budget for fiscal year 2020-2021 is approximately \$11.5 million.

Copies of the Town and RVFD budgets and annual reports can be found at:

<https://www.townofsananselmo.org/123/Financial-Reports>

<https://www.rossvalleyfire.org/about/board/board-meetings>

1. Schedule of Events

This request for proposal will be governed by the following schedule:

Release of RFP	February 19, 2021
Deadline for Written Questions	March 5, 2021
Responses to Questions Posted on Web	March 12, 2021
Proposals are Due	March 19, 2021
Interviews	April 12 – 16, 2021
Proposal Evaluation Completed	April 23, 2021
Approval of Contract (tentative date)	May 11, 2021

2. Scope of Work

The Town requires Financial Statements for the Town of San Anselmo and Ross Valley Fire Department to be prepared by the independent auditor and be fully compliant with current GASB requirements for each of the subsequent years of the audit firm's contract with the Town.

The selected independent auditor will be required to perform the following tasks for each fiscal year:

The audit firm will perform an audit of all of the funds. Report preparation of the basic financial statements, including government-wide financial statements and fund financial statements, for all funds, and accompanying notes to the financial statements and supplemental statements shall be the responsibility of the auditor. The audit firm will also apply limited audit procedures to Management's Discussion and Analysis (MD&A) and required supplementary information pertaining to the General Fund and each major fund of the Town.

The audit firm will perform a single audit on the expenditures of federal grants in accordance with OMB Circular A-133 as needed basis.

The audit firm shall perform agreed-upon auditing procedures pertaining to the Town's GANN Limit (Appropriation Limit) and render a letter annually to the Town regarding compliance.

The audit firm shall issue a separate "management letter" that includes recommendations for improvements in internal control, accounting procedures and other significant observations that are considered to be non-reportable conditions.

In the required report on internal controls, the auditor shall communicate any reportable conditions found during the audit. Reportable conditions that are also material weaknesses shall be identified in the report. Non-reportable conditions discovered by the auditors shall be reported in a separate letter to management, which shall be referenced in the report on internal controls.

The auditors shall be required to make an immediate written report of all irregularities and illegal acts, or indications of illegal acts of which they become aware to the Town Council and Town Manager.

Provide the Town with hard copies of the report and clean PDF of all reports.

The audit firm will present the results of the audit to the Town Council, RVFD's Board and address questions presented at regular meetings as needed basis.

3. Assistant to be Provided

The Town will provide the auditor with a Trial Balance and all of the accounting transaction detail necessary to perform the audit. Town staff will prepare all confirmations and auditors shall mail. The Finance Department staff will be available during the audit to assist the auditors by providing information, documentation and explanations. The auditors will be expected to coordinate their services with the Finance and Administration Services Director.

The Town may determine that additional services are necessary and may contract with the audit firm to perform those services. All additional services shall be documented and approved the Town Manager or Fire Chief for the Town or RVFD, respectively. The fee for additional services shall be negotiated separately at the time of the engagement.

4. Proposal Requirements

The Town will accept proposals from firms in a two steps process. Proposal firms are asked to submit their proposals in two separate sealed envelopes: the main proposal highlighting their technical and qualitative abilities and the second envelope with their pricing for the deliverables and hourly rates for additional work. The Town will screen the "services proposals for the purpose of inviting two or three firms to proposal interviews. The Town will only open the pricing of the top three rated firms from the proposal screening (the Town may choose to interview fewer than three firms). Proposals and unopened pricing envelopes will be kept by the Town until a contract is signed with the selected firm or firms.

Services Proposal (Three copies)

1. Summary of Firm's Qualifications

a. The proposer shall state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed, and all personnel who may be assigned to work on the audit. Include brief summaries of their background (including if they hold a CPA license) and experience in auditing cities as well as their assigned responsibilities under the proposal.

b. The proposer is also required to submit a copy of the report on its most recent external quality control (peer) review, with a statement whether that quality control review included a review of specific government engagements (required by Government Audit Standards).

The firm also must disclose information on the circumstances and status of any disciplinary action taken or pending against the firm during the firm during the past three (3) years with state regulatory bodies or professional organizations, as well as any pending or settled litigation within the past three (3) years.

2. Independence

The firm shall provide an affirmative statement that is independent of the Town and RVFD as defined by the U.S. General Accounting Office's Government Auditing Standards (1994 edition, with all subsequent amendments).

3. License to Practice in California

An affirmative statement should be included that the firm and all assigned key professional staff are properly licensed to practice in the State of California.

4. List of References

- a. Provide the names, address and telephone numbers of at least three (3), maximum of five (5) current municipal audit clients served by your local office.
- b. Indicate the scope of work, dates, and total hours for each.

5. Specific Audit Approach

The proposal shall set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in section six of this request for proposal.

Proposers should consider providing the following information on their audit approach:

- a. Proposed segmentation/staging of the engagement.

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- b. Level of staff and number of hours to be assigned to each proposed segment of the engagement.
- c. Sample size and the extent to which statistical sampling is to be used in the engagement.
- d. Type and extent of analytical procedures to be used in the engagement.

- e. Approach to be taken to gain and document an understanding of the internal control structure.
- f. Approach to be taken in determining laws and regulations that will be subject to audit test work.
- g. Approach to be taken in drawing audit samples for purposes of tests of compliance.
- h. Provided By Client (PBC) List.

The proposal shall include a list of standard client-prepared audit schedules the firm anticipates Town staff will provide as audit support.

Pricing Proposal (One copy)

The Pricing Proposal must be submitted in a separate envelope and should include the following three components:

1. Total All-Inclusive Maximum Price

The dollar cost bid shall contain all pricing information relative to performing the audit engagement for each of the three (3) contract years as described in this request for proposal. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs including all out-of-pocket expenses.

The Town will not be responsible for expenses incurred in preparing and submitting the technical proposal or the dollar cost bid. Such costs shall not be included in the proposal.

It shall include the following information:

- a. Name of Firm
- b. Certification that the person signing the proposal is entitled to represent the firm, Empowered to submit the bid, and authorized to sign a contract with the Town
- c. A Total All-Inclusive Maximum Price for each year of the engagement.

2. Rates

Rates by Partner, Specialist, Supervisory and Staff Level; Times Hours Anticipated for each.

The bid shall include a schedule of professional fees and expenses, presented in the format provided in section six below, supporting the total all-inclusive maximum price for each year. The cost of special services described in section six of this request for proposal shall be disclosed as separate components of the total all-inclusive maximum price.

3. Manner of Payment

Progress payments will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the firm's dollar cost bid proposal. Interim billing(s) shall cover a period of not less than a calendar month. Invoices for separate reports should be sufficiently detailed or segregated to facilitate the charging of costs to the programs/activities being audited.

5. Evaluation Procedures

The Town will work with the Town's Financial Advisory Committee and RVFD to establish a Review Committee to evaluate proposals and interview all final candidates. Staff will make a recommendation of one firm to the Town Council/Fire Board for its consideration and approval.

Proposals will be evaluated to ascertain which proposing firm best meets the need of the Town. The following criteria will be used to evaluate responses to this proposal:

1. The audit firm is independent and licensed to practice in California
2. The firm has no conflict interest regarding any other work performed by the firm for the Town or RVFD
3. The firm adheres to the instructions in this request for proposal on preparing and submitting the proposal
4. The firm submits a copy of its latest external quality control review report and the firm has a record of quality audit work
5. The firm's past experience and performance on comparable government engagements
6. 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
7. The firm's indication of its ability to meet timeframes for completing the indicated reports.
8. Reasonableness of hours and level of staff dedicated to completing the audit services as indicated by the schedule of audit hours
9. References.

All proposals will be evaluated by using the criteria of factors, after which time the pricing proposals will be opened. After the top firms have been selected, the Town may invite up to three firms for on-site interviews. Additional, less formal interviews and requests for information may be arranged anytime during the selection process to assist in making the final decision.

The selected firms will interview with an evaluation panel that will include at least one member of the Town's Financial Advisory Committee. The pricing will be summarized for the evaluation panel. Copies of the proposals of the firms to be interviewed will be provided to the evaluation panel along with the results of the screenings.

The Town reserves the right to select a firm or two on any combination of price, experience in auditing governmental agencies, special Fire services, references and other features that are deemed to be in the best interests of the Town and RVFD. All factors will be considered in the selection process.

It is anticipated that a firm will be selected by May 14, 2021. Following notification of the firm selected, it is expected a contract will be executed between both parties by June 2021.

Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposal unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the Town, RVFD and the firm selected.

The Town reserves the right without prejudice to reject any or all proposals.

6. Schedule of Professional Fees and Expenses for the Audit of the June 30, 2021 Financial Statements

The maximum fees for the audit of the Town and RVFD should be provided in the following format for fiscal years ended June 30, 2021, 2022, 2023, 2024 and 2025. The fees should be inclusive of any out of pocket expenses incurred by the audit firm:

Service	2020-21	2021-22	2022-23	Option Yr 2023-24	Option Yr 2024-25
Town FS/CAFR Audit	\$				
Single Audit Act Report	\$				
Appropriations Limit	\$				
Total for Fiscal Year (not-to exceed)	\$				

Service	2020-21	2021-22	2022-23	Option Yr 2023-24	Option Yr 2024-25
RVFD FS/CAFR Audit	\$				
Single Audit Act Report	\$				
Total for Fiscal Year (not-to exceed)	\$				

Service	2020-21	2021-22	2022-23	Option Yr 2023-24	Option Yr 2024-25
Partner	\$				
Manager	\$				
Senior auditor	\$				
Staff auditor	\$				
Clerical					
Miscellaneous	\$				

I hereby certify that the undersigned is authorized to represent the firm stated above, and empowered to submit this bid, and if selected, authorized to enter into a contract with the Town or RVFD or both for the services identified in the RFP.

Signature: _____

Printed Name: _____

Title: _____

Date: _____