

REQUEST FOR PROPOSALS
PROFESSIONAL AUDITING SERVICES
September 15, 2017

I. INTRODUCTION:

A. General Information

The Santa Clara Valley Habitat Agency (SCVHA) and Silicon Valley Regional Interoperability Authority (SVRIA) are jointly requesting proposals from qualified certified public accounting firms to audit their independent financial statements for three (3) years beginning with the fiscal year ending June 30, 2017, with the option of extending the contract for two (2) additional one-year periods, at both SCVHA and SVRIA's sole discretion. The contract may be terminated if it is determined that the audit services are unsatisfactory.

These audits are to be performed in accordance with the Minimum Audit Requirements and Reporting Guidelines for California Special Districts as required by the State Controller's office and with Generally Accepted Auditing Standards (GAAS).

There is no expressed or implied obligation for the SCVHA or SVRIA to reimburse responding firms for any expenses incurred in preparing proposals in response to this request. Proposals submitted by respondents are subject to public inspection under the California Public Records Act (Government Code Sec. 6250 et. seq.), unless exempt or to the extent confidential information is provided. Additionally, the SCVHA and SVRIA reserves the right to reject any or all proposals submitted.

The SCVHA and SVRIA reserve the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals.

Proposals submitted will be evaluated by SCVHA and SVRIA finance staffs. During the evaluation process, the SCVHA and SVRIA reserve the right to request additional information and clarifications from proposers, or to allow corrections of errors and omissions. Oral presentations by any one or more firms may be requested the week of October 23, 2017, at the discretion of the SCVHA and SVRIA. It is expected that a separate contract will be executed between SCVHA and the auditor and SVRIA and the auditor by the end of October 2017.

II. DESCRIPTION OF THE TWO AGENCIES

A. Background Information

SANTA CLARA VALLEY HABITAT AGENCY

The Santa Clara Valley Habitat Agency (SCVHA) is a joint powers authority formed on April 26, 2013, by the County of Santa Clara, and the Cities of San Jose, Morgan Hill, and Gilroy, and covers most of the southern portion of Santa Clara County. The Santa Clara Valley Transportation Authority, and the Santa Clara Valley Water District are significant partners. The SCVHA promotes the recovery of endangered species while accommodating planned development, infrastructure, and maintenance activities. See its website at www.scv-habitatagency.org for more details.

SILICON VALLEY REGIONAL INTEROPERABILITY AUTHORITY

The Silicon Valley Regional Interoperability Authority SVRIA is a joint powers authority representing the interests of public safety and public services agencies in Santa Clara County through its members. The service area is the Santa Clara Operational Area which includes the County of Santa Clara, its fifteen cities and towns, and all special districts. See its website at <http://svria.org> for more details.

It is the proposing firm's responsibility to obtain an understanding of both the SCVHA's and SVRIA's accounting systems, the scope of audits needed, and the work to be performed to successfully complete the audits, prior to submitting its proposal and bid.

B. Prior Auditor

Vargas and Company CPA's in tandem with Patel and Associates, LLP has served as the auditor for both entities for the past three (3) years.

III. NATURE OF SERVICES REQUIRED – SCOPE OF WORK

A. The selected auditor will be required to complete the following tasks:

1. Audit both the SCVHA and SVRIA basic financial statements in accordance with GAAS in the United States and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and Governmental Accounting Standard Board (GASB) statement requirements.
2. Express opinions on the financial statements as to whether they present fairly, in all material respects, the financial positions of the SCVHA and SVRIA, and whether they present fairly, in all material respects, the financial positions of

the client(s) and the changes in financial positions in conformity with Generally Accepted Accounting Principles (GAAP), and issue independent auditors' reports stating these opinions.

3. Issue reports on internal controls over financial reporting based on audits of financial statements and tests of compliance with applicable provisions of laws, regulations, contracts and grant agreements, and other matters, in accordance with Government Accounting Standards.
4. Apply limited procedures related to the Required Supplementary Information (RSI), Management's Discussion and Analysis (MD&A), budgetary comparison information, and the Supplementary Information.
5. Prepare report(s) for Boards of Directors and Management which identifies control deficiencies, significant deficiencies and material weaknesses, if any, and recommendations for improvements in accounting and administrative controls.
6. Present and discuss results of annual financial statement audits to the Boards of Directors at a regularly scheduled Board Meeting after audit completion, and acceptance by staff.
7. Communicate immediately, and in writing, all irregularities and illegal acts, or indications of illegal acts, of which you become aware, to the Budget Analyst of the SCVHA and to the Executive Director of the SVRIA, as appropriate.
8. Provide general consultation as required, during the year, on financial accounting and reporting matters.
9. Retain, at auditor's expense, audit working papers for three (3) years, unless the firm is notified in writing by the client(s) of the need to extend the retention period. In addition, the firm shall respond to reasonable inquiries of the client(s), and successor auditors if required, and allow the client(s) and successor auditors if required, to review working papers relating to matters of continuing accounting significance.

IV. TIMING AND OTHER REQUIREMENTS

A. Key Dates for Proposal Evaluation and Selection:

Distribution of RFP	09/15/2017
Deadline for submission of questions	09/22/2017
Proposal submission	10/13/2017 by 5:00 p.m.
Proposal review (Week of)	10/16/2017

Oral presentations, as needed (Week of)	10/23/2017
Notification to finalists	10/26/2017
Expected signing of Contract	10/30/2017
Audit completion required	12/04/2017

We have made every effort to include sufficient information within this Request for Proposal (RFP) for firms to prepare as responsive, comprehensive, and competitive a proposal as possible.

The timing of the proposal process is as follows:

1. Distribution of RFP: September 15, 2017
2. Questions: Inquiries concerning the RFP should be addressed to Jill Mross, Budget Analyst SCVHA at jill.mross@scv-habitatagency.org. A copy of both SCVHA's and SVRIA's most recent audited financial statements and the respective Board adopted 2017 Operating Budgets are available upon request. These documents can also be found on the SCVHA's website at www.scv-habitatagency.org and the SVRIA's website at <http://svria.org>. Inquiries to SVRIA should be directed to: Heather Tannehill-Plamondon, Executive Director SVRIA at hplamondon@svria.org.
3. Proposal Submission: Proposals must be delivered in person or mailed directly to each respective entity at the following address no later than 5:00 p.m., October 13, 2017:

Santa Clara Valley Habitat Agency
535 Alkire Avenue, Suite 100
Morgan Hill, CA 95037-4128

Heather Tannehill-Plamondon, Executive Director
Silicon Valley Regional Interoperability Authority
601 El Camino Real
Santa Clara, CA 95050

4. Late submissions after the deadline or proposals delivered via fax will not be accepted. A total of five (5) identical copies of the proposals for each agency, [ten (10) total], labeled "PROFESSIONAL AUDIT SERVICES PROPOSAL" and an electronic version on CD or USB memory stick must be submitted to each address, above.
5. Proposal Review: Our review committee(s) will evaluate each proposal submitted. It is anticipated that the review process will be completed by October 20, 2017.
6. Oral Presentations, as needed: Any finalists selected for an oral presentation will be notified. Oral presentations will take place at the SCVHA offices in Morgan Hill the week of October 23, 2017.

7. Notification to all bidders: The SCVHA and SVRIA anticipate sending written notification to all proposers regarding the outcome of the review process by October 26, 2017. Upon written request, we will provide an electronic copy of the selected proposal once the contract is executed.
8. Contract Term: The Audit Services contract will become effective on the execution of the contract for three (3) fiscal years ending June 30, 2017, 2018 and 2019, with the option to extend the contract for two (2) additional one-year periods, at the client(s) discretion.

We will make every effort to administer the proposal process in accordance with the terms and dates discussed in this RFP. However, we reserve the right to modify the proposal process and dates as deemed necessary, and to not award a contract. The SCVHA and SVRIA assumes no obligation for any costs incurred by any proposer in preparing the response to this request, attending an interview, or any other activity prior to award of the contract to the selected proposer.

B. Project Schedule for Fiscal Year 2017 Audit (Year ending June 30, 2017)

1. The auditor shall provide the client(s) with an audit plan, including a list of schedules and other work requested no later than November 3, 2017.
2. The SCVHA and SVRIA expects to have all records, and schedules ready for the audit field work by November 8 and would expect field work to commence no later than November 13.
3. A draft of the management letter shall be provided to client(s) by November 27, 2017. Client(s) staff shall have the opportunity to discuss and comment upon any findings and recommendations prior to issuance.
4. Final Audit will be presented by auditor to respective Board (separately) for SCVHA and SVRIA.

A similar schedule will be developed for audits in subsequent fiscal years.

C. Assistance Provided to the Auditor

SCVHA and SVRIA staffs will be available during interim and audit field work to assist the firm by providing access and direction to information and documentation, and be available for explanations of all inquiries. Staff will provide clerical assistance for preparation of confirmations and other routine correspondence. The SCVHA and SVRIA will each be responsible for the preparation of the Managements' Discussion & Analysis.

The County of Santa Clara, Controller's Office acts as Treasurer for SVRIA. The firm is expected to interface directly with the County Controller's Office for all financial information retained by them for the benefit of SVRIA.

The client(s) will provide the auditors, if needed, with reasonable workspace, wireless internet, phone and copy machine access.

D. Additional Services

If it should become necessary for either or both the SCVHA and SVRIA to request the auditor to render any additional services to either supplement the services requested in this RFP or to perform additional work because of the specific recommendations included in any report issued as a result of this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between the client(s) and the audit firm. Services shall be performed at the same rates set forth in the schedule of fees and expenses included in the proposal data sheet and the contents of the proposal.

E. Payment

Progress payments may be made on work completed during the engagement if requested.

V. PROPOSAL REQUIREMENTS

A. Format of Proposal

1. Title page

- a) The RFP subjects
- b) The proposing firm's name
- c) Contact person's name, local address, telephone number, and email address.
If the firm has more than one office, state which office will be responsible for providing services to the SCVHA and SVRIA, and;
- d) The date of submission

2. Table of Contents

- a) Identification of material submitted, by section and page number
- b) Cross reference to section and page number of RFP

3. Transmittal Letter

- a) General introduction stating the proposer's understanding of the services to be provided
- b) A positive commitment to perform the service within the period specified
- c) A statement why the firm believes itself to be best qualified to perform the engagement
- d) A statement of how long you have been in business and how many financial audits were performed by your firm for public agencies during the past (5) years
- e) A statement that the proposal is a firm and irrevocable offer for the stated period
- f) Name(s) of person(s) authorized to represent the proposer, title, address, telephone number, email address, and
- g) Signature

4. Detailed proposal following the order set forth in IV. Timing and Other Requirements, Section B (Project Schedule)

B. Contents of Proposal

The purpose of the proposal is to demonstrate the qualifications, competence, and capacity of the firms seeking to undertake independent audits of the SCVHA and SVRIA in conformity with the requirements of this RFP. The proposal should demonstrate the qualifications of the firm and of the staff to be assigned to this engagement. It should also specify an audit approach that will meet the RFP requirements.

Two proposals should be submitted, one for SCVHA and one for SVRIA. Individual contracts will be entered into with each entity. While it is unlikely, SCVHA and SVRIA reserve the right to choose different firms through this process.

The proposal should address all the points in the order outlined in the RFP (exclude any cost information, which should only be included in the cost proposal section). The proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the RFP. While additional data may be presented, the areas delineated below must be included. They represent the criteria against which the proposal will be evaluated.

1. 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 California.

2. Independence

The firm should provide affirmative statement that it is independent of the SCVHA and SVRIA as defined by GAAS and the US General Accounting Office's Government Auditing Standards.

The firm should also list and describe the firm's professional relationships, if any, involving the SCVHA and SVRIA, as applicable, for the prior three (3) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

3. Insurance Requirements

The chosen firm/consultant will be required to maintain insurance coverage throughout the course of the professional service agreement entered into with SCVHA and SVRIA, respectively, and provide evidence of coverage.

4. Firm Qualification and Experience

To qualify, the firm must have extensive experience in audits of local governments as well as experience with the preparation of basic financial statements in compliance with GAAP, Minimum Audit Requirements, and GASB requirements.

The proposal should briefly introduce your firm, indicating whether your firm is local, regional, national, or international. State the size of your firm, the size of the firm's governmental audit staff, and the location of the office from which the work on this engagement is to be performed. Indicate the name of the person who will be authorized to answer questions and to bind the firm, the person's title, address, email and telephone number.

Provide information on the results of any federal or state desk reviews or field reviews of firm audits during the past three (3) years. In addition, provide information on the circumstances and status of any disciplinary action taken or pending against the firm or any member of the firm during the past three (3) years with state regulatory bodies or professional organizations.

5. References

Provide the names of all cities, counties and special districts for which the firm has provided audit services during the past three (3) years. Please include reference contact information for at least three (3) of those listed.

6. Additional Information Required

Identify any additional information required from the SCVHA or SVRIA, before you accepted the engagement if selected to provide audit services.

7. Delegation or subcontract responsibilities

Provide an affirmative statement that, if selected, proposer will not delegate or subcontract its responsibilities without prior written consent of the SCVHA and SVRIA.

8. Price

A complete estimate and explanation of fees should be included in the text of your response. A total all-inclusive maximum price for the 2017 engagement and for each of the following two (2) years should be provided.

All proposals shall contain provisions to the effect that if extraordinary circumstances warrant more intensive and detailed services beyond those in the contractual agreement, the firm shall provide in writing and in advance, the reasons for the additional services together with the firm's estimate of costs, and a statement that no work will be performed without advance approval by the client(s). All additional work as agreed in advance by the client(s) shall be compensated for at the same rate quoted in the schedule submitted in the proposal.