

REQUEST FOR PROPOSALS  
PROFESSIONAL AUDITING SERVICES  
JUNE 27, 2022

I. INTRODUCTION:

A. General Information

The Santa Clara Valley Habitat Agency (SCVHA) is requesting proposals from qualified certified public accounting firms to audit its independent financial statements for three (3) years beginning with the fiscal year ending June 30, 2022, with the option of extending the contract for two (2) additional one-year periods, at SCVHA's sole discretion. If the CPA firm chosen has multiple partners, SCVHA may decide to remain with the same firm, different partner, for up to an additional 5 years if the relationship develops satisfactorily. 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). **It is imperative that the auditor have federal single audit experience.**

There is no expressed or implied obligation for the SCVHA 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 reserves the right to reject any or all proposals submitted.

SCVHA reserves 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 finance and legal staff. During the evaluation process, the SCVHA reserves 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 August 19, 2022, at the discretion of the SCVHA. It is anticipated that a contract will be executed between SCVHA and the auditor no later than August 25, 2022.

## II. DESCRIPTION OF THE AGENCY

### 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](http://www.scv-habitatagency.org) for more details.

It is the proposing firm's responsibility to obtain an understanding of the SCVHA's accounting system, the scope of audit needed, and the work to be performed to successfully complete the audit, prior to submitting its proposal and bid. In any year that over \$700,000 of federal funds is expended, a federal single audit may be required.

### B. Prior Auditor(s)

David Farnsworth, CPA, served as the auditor for fiscal year 2018 through fiscal year 2021. Moss, Levy, Hartzheim CPA's, served as the auditor for fiscal year 2017. Vargas and Company CPA's in tandem with Patel and Associates, served as the auditor for three (3) years prior to that time.

## III. NATURE OF SERVICES REQUIRED – SCOPE OF WORK

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

1. Audit the SCVHA 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. A small 501c3 non-profit agency, "Friends of the Santa Clara Valley Habitat Agency" also exists and will need to be included in the proposal provided.
2. Express opinions on the financial statements as to whether they present fairly, in all material respects, the financial positions of the SCVHA and whether they present fairly, in all material respects, the financial positions of the client 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. While CPA firm is present at the SCVHA performing audit, schedule necessary time at conclusion of visit and/or during the tasks associated with audit to discuss any findings in examination of material that will be noted in completed written audit report.
6. Prepare report 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.
7. Present and discuss results of annual financial statement audit to the Board of Directors at a regularly scheduled Board Meeting after audit completion, and acceptance by staff.
8. 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 as appropriate.
9. Provide general consultation as required, during the year, on financial accounting and reporting matters.
10. Retain, at auditor's expense, audit working papers for three (3) years, unless the firm is notified in writing by the client of the need to extend the retention period. In addition, the firm shall respond to reasonable inquiries of the client, and successor auditors if required, and allow the client 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	06/27/2022
Deadline for submission of questions	07/22/2022
Proposal submission	08/05/2022 by 5:00 p.m.
Proposal review (Week of)	08/12/2022
Oral presentations, as needed (Week of)	08/19/2022
Notification to finalist	08/22/2022
Expected signing of Contract	08/25/2022
Audit completion required NLT	11/30/2022

Every effort was made to include enough information within this Request for Proposal (RFP) for firms to prepare as responsive, comprehensive, and competitive a proposal as possible. Please ask questions if more information is needed.

The timing of the proposal process is as follows:

1. Distribution of RFP: June 27, 2022
2. Questions: Inquiries concerning the RFP should be addressed to Jill Mross, Budget Analyst SCVHA at [jill.mross@scv-habitatagency.org](mailto:jill.mross@scv-habitatagency.org). A copy of SCVHA's most recent audited financial statements (FY21) and the respective Board adopted 2021 and 2022 Operating Budgets are available upon request. These documents can also be found on the SCVHA's website at [www.scv-habitatagency.org](http://www.scv-habitatagency.org).
3. Proposal Submission: Proposals must be delivered via email directly to SCVHA at the following email addresses no later than 5:00 p.m., August 5, 2022:

Jill Mross, Management Budget Analyst	<a href="mailto:jill.mross@scvhabitatagency.org">jill.mross@scvhabitatagency.org</a>
Denise Rosenberger, Accounting Asst	<a href="mailto:denise.rosenberger@scvhabitatagency.org">denise.rosenberger@scvhabitatagency.org</a>

4. Late submissions after the deadline or proposals delivered via fax will not be accepted.
5. Proposal Review: The review committee will evaluate each proposal submitted. It is anticipated that the review process will be completed by August 12, 2022.
6. Oral Presentations, as needed: Any finalists selected for an oral presentation will be notified. Oral presentations will take place, if requested, via Microsoft Teams meeting the week of August 15 through August 19, 2022.
7. Notification to all bidders: SCVHA anticipates sending written notification to all proposers regarding the outcome of the review process by August 25, 2022. Upon written request, an electronic copy of the selected proposal will be provided once the contract is executed.

8. **Contract Term:** The Audit Services contract will become effective upon the execution of the contract for the three (3) fiscal years ending June 30, 2022, 2023 and 2024, with the option to extend the contract for two (2) additional one-year periods, at the client(s) discretion.

SCVHA will make every effort to administer the proposal process in accordance with the terms and dates discussed in this RFP. However, it reserves the right to modify the proposal process and dates as deemed necessary, and to not award a contract. SCVHA 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 2022 Audit (Year ending June 30, 2022)**

1. The auditor shall provide the client with an audit plan, including a list of schedules and other work requested no later than September 16, 2022.
2. SCVHA expects to have all records, and schedules ready for the audit field work by September 23 and would expect field work to commence no later than October 3, 2022.
3. A draft of the management letter shall be provided to client no later than 2 weeks after commencement of audit. Client 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.

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

**C. Assistance Provided to the Auditor**

SCVHA staff 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. SCVHA will be responsible for the preparation of the Managements' Discussion & Analysis.

The client will provide the auditor, if needed, with reasonable workspace, wireless internet, phone and copy machine access during the time that the auditor is present at the Habitat Agency office.

**D. Additional Services**

If it should become necessary for SCVHA 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 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 subject
- 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;
- 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 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.

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 SCVHA 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 SCVHA, 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, 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 SCVHA before you accept 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 SCVHA.

## 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 2022 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. All additional work as agreed in advance by the client shall be compensated for at the same rate quoted in the schedule submitted in the proposal.

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