



SOUTHERN CALIFORNIA COASTAL WATER RESEARCH PROJECT
A Public Agency for Environmental Research

REQUEST FOR PROPOSAL

FINANCIAL AUDITING SERVICES

Submittal Date: March 31, 2022 @ 11:00 AM (PST)

Issued by:

**Southern California Coastal Water Research Project
3535 Harbor Blvd., Suite 110
Costa Mesa, CA 92626**

Request for Proposal (RFP) Financial Auditing Services

1.0 INTRODUCTION

The Southern California Coastal Water Research Project (SCCWRP) is soliciting proposals from certified public accounting firms to audit its financial statement for the fiscal year ending June 30, 2022, with the option of auditing their financial statements for each of the four subsequent fiscal years.

2.0 BACKGROUND

SCCWRP is a leading U.S. environmental research agency that works to enhance the scientific foundation for management of Southern California's ocean and coastal watersheds. Since its founding as a Joint Powers Authority (JPA) in 1969, SCCWRP has been a champion of sound interdisciplinary approaches to solving complex challenges in water management. To learn more about SCCWRP, visit www.sccwrp.org.

SCCWRP is a project-based professional services organization. As an intergovernmental public agency, SCCWRP is funded by government contracts and grants. SCCWRP currently uses NetSuite for accounting. Here are some additional facts about the agency:

- SCCWRP has received clean audits for the last 25 years
- Retained Teaman, Ramirez & Smith, Inc. for the last four years
- Annual revenue of \$10 million
- One location with 45 full-time professionals and 25 part-timers
- Manages approximately 100 ongoing scientific projects at any given time, each one lasting 1-5 years and ranging from \$25,000 to \$3 million
- Contracts and grants are federal and state funded
- Issues 200 invoices and 2,000 accounts payable checks annually
- No pension plan

SCCWRP intends to replace its current auditing firm with a new firm for fiscal 2021-22. Teaman, Ramirez & Smith (TRS) lost one of their two audit partners, therefore do not have the capacity to support SCCWRP's requirements. TRS will be available to assist with transitional support. The period of performance of the contract is one (1) year, with an option to extend for four (4) additional one-year terms.

3.0 RFP GUIDELINES

All bidders should inform SCCWRP via email (bryann@sccwrp.org) of their intention to submit a bid. The notification is not mandatory, but is necessary to receive future updates to this bid notification. SCCWRP will not conduct a pre-proposal conference for this RFP. Proposers who have questions about this RFP should email their questions to bryann@sccwrp.org by March 18. SCCWRP's response to the written questions will be sent to the bidders by email and posted on the SCCWRP website (www.sccwrp.org).

In the event it becomes necessary to modify or cancel this RFP or to provide additional information, an amendment will be issued to all respondents of this RFP. This solicitation for proposals shall not be construed as obligating SCCWRP to award a contract. All costs incurred

in the preparation of a proposal and participation in this RFP and negotiation process shall be borne by the proposing firms.

4.0 PROPOSAL SUBMISSION

Proposals for this RFP must be submitted by hardcopy no later than 11:00 am (PST) on March 31, 2022. Proposals received after the stipulated date and time will not be considered.

Please submit two (2) hard copies of the bidder's proposal in a sealed envelope marked "Financial Auditing Services" and addressed to:

Bryan Nece, Administrative Officer
Southern California Coastal Water Research Project
3535 Harbor Blvd., Suite 110
Costa Mesa, CA 92626

5.0 SCOPE OF WORK

The auditor shall perform audit of SCCWRP's financial statements for the fiscal year ending June 30, 2022, with the option of auditing their financial statements for each of the four subsequent fiscal years. These audits are to be performed in accordance with the provisions contained in this Scope of Work. SCCWRP desires the auditor to express an opinion on the fair presentation of its basic financial statements in conformity with generally accepted accounting principles. The auditor shall also be responsible for providing supplemental information and supporting schedules required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards. Deliverables:

- Audited financial report in PDF and hard copy due November 1
- Filing of the state controllers report
- Single audit report (When required) due November 1
- Filing of single audit report
- Available to attend meetings of SCCWRP's Personnel & Finance Committee
- Hold an entrance, progress and exit conference with staff

The auditor shall be responsible for preparation and printing of the complete financial and single audit report.

The audit shall be performed in accordance with:

- Generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants.
- The standards for financial audits set forth in the U.S. General Accounting Office's Government Auditing Standards.
- The provisions of the Single Audit Act of 1984 and the provisions of U.S. Office of U.S. Office of Management and Budget (OMB) circular A-133 for Audits of state and Local Governments.

6.0 EVALUATION CRITERIA (100 PTS)

- Qualifications of Firm (20 PTS)
- Staffing and Project Organization (20 PTS)
- Audit Work Plan (30 PTS)

- Cost (30 PTS)

Final Evaluation Phase (Interviews optional)

7.0 RFP ELEMENTS AND INSTRUCTIONS

You are requested to provide thorough but concise responses. SCCWRP's evaluation procedure places a higher premium on thoroughness of presentation and information rather than on quantity of material included. The firm's proposal shall contain the following sections:

- Section 1 – Qualifications of Firm
- Section 2 – Staffing and Project Organization
- Section 3 – Audit Work Plan
- Appendix A – Cost Proposal Form

Section 1 – Qualifications of Firm

This section of the proposal should establish the ability of Proposer to satisfactorily perform the required work by reasons of: experience in performing work of a similar nature; demonstrated competence in the services to be provided; strength and stability of the firm; staffing capability; work load; record of meeting schedules on similar projects; and supportive client references. Proposer shall:

- 1.1 Provide a brief profile of the firm, including the types of services offered; the year founded; form of the organization: size and location.
- 1.2 Describe the firm's experience in performing work of a similar nature to that solicited in this RFP and highlight the participation in such work by the key personnel proposed for assignment to this Scope of Work.
- 1.3 Provide three (3) references for the services cited as related experience, and furnish the name, title, address, email, and telephone number of the person(s) at the client organization who is most knowledgeable about the work performed

Section 2 – Staffing and Project Organization

This section of the proposal should establish the method that will be used by the Proposer to manage the Scope of Work as well as identify key personnel assigned. Proposer shall:

- 2.1 Furnish brief resumes for the proposed Partner, Manager and other key personnel.
- 2.2 Indicate labor resources by personnel utilizing a table, projecting the labor-hour allocation to the Scope of Work, by individual task.
- 2.3 Include a project organization chart that clearly delineates communication/reporting relationships among the proposed staff.

Section 3 – Audit Work Plan

Proposer shall provide a narrative that addresses the Scope of Work and shows Proposer's understanding of SCCWRP's needs and requirements. Proposer shall:

- 1.1 Describe the approach to completing the tasks specified in the Scope of Work.
- 3.2 Outline sequentially the activities that would be undertaken in completing the tasks and specify who would perform them.
- 3.3 Submit a milestone schedule with said tasks and tentative completion dates.

Section 4 – Cost Information

This section should present information on the cost of services. The pricing shall remain firm during the contract period.

Appendix A – Cost Information

Appendix B – Frequently Asked Questions

Appendix C – Audit Reports Issued for Fiscal Ending June 30, 2021

Appendix D – Single Audit Report for June 30, 2020 (Not required for 2021)

Appendix E – Conclusion Letter for Fiscal Ending June 30, 2021

8.0 AWARD PROCESS

A SCCWRP evaluation team will review each proposal. SCCWRP will request clarifications and additional information as needed. After the evaluation team individually scores each proposal, the scores will be tallied and the firms will be ranked based on the scores. A selection may be made based on the proposals and initial evaluation criteria alone. Alternatively, the evaluation team may create a short list of the top-ranked firms and invite the short-listed firms for interviews and/or reference checks. Final selection will be based on interviews and/or reference checks. SCCWRP intends to select the firm who represents the best value to SCCWRP and to begin the negotiation and award process based on the evaluated scores. If SCCWRP and the selected firm are unable to reach a mutual agreement, SCCWRP will terminate negotiations and move to the next highest-ranked firm and proceed with negotiations.

**APPENDIX A
COST INFORMATION
Schedule of Professional Fees and Expenses
For Audit Fiscal Ending June 30, 2022**

\$ _____ Fixed fee for audit, financial report, meetings and filing state controller's report

\$ _____ Fixed fee for single audit, report and filing

\$ _____ Total all-inclusive price for fiscal year 2021-22 audit

Professional services as-needed per hour:

\$ _____ Partner

\$ _____ Manager

\$ _____ Supervising Staff

\$ _____ Staff

APPENDIX B
Frequently Asked Questions

Questions	Answers
Reasons for a change in the auditor?	SCCWRP had planned to continue with TRS, but in February TRS lost one of their two audit partners. Therefore, do not have the capacity to support SCCWRP's requirements.
How long have your auditors been with SCCWRP?	4 years
Is the existing firm allowed to bid?	No
Please provide the prior year fees?	\$21,500 for 2021
How many hours were incurred in the prior year audit? Can you provide the number of auditors and the time periods they were onsite during the engagement?	No record of auditor hours. Audit was conducted without audit staff onsite. SCCWRP uploaded all requested documentation to Inflo Software.
Number of employees in the accounting and finance department (breakdown by Management to staff level)?	An Administrative Officer, office manager and accounting associate.
When will the final trial balance and necessary information be available for audit? When could the fieldwork for the audit begin?	Prefer fieldwork to be scheduled in September and trial balance provided a week before.
Once trial balances were provided to the auditors, what was the overall nature of post-closing adjustments identified/provided by management?	No post-closing adjustments made once trial balance was submitted to auditors.
What was the overall nature and timing of audit adjustments proposed by the external auditors?	No auditor adjustments or journal entries in the last 10 years.
Were there any significant deficiencies or material weaknesses reported in the previous year? If so, what was the nature of the items?	None
Budgeted amount for financial and audit services?	None
Any disagreements or issues with prior auditors?	None
Are there any major changes in operations that will affect the audits under this request for proposal?	No
Are there any changes in the scope of this RFP compared to the prior scope of work?	No
Did the prior year auditor provide any services other than those listed in the RFP?	No
Are there any significant or anticipated changes from the prior year that may impact the audit? For example, change in staffing, systems, and material transactions or events?	No
Is the Agency involved in any significant litigation other than the typical actions an Agency is involved in?	No