

Yolo Local Agency Formation Commission
Request for Proposals



To provide:

Independent Professional Auditing Services

to Audit Yolo LAFCo Financial Statements for
Fiscal Years ending 2013, 2014, and 2015

Response due by Friday, June 24, 2015 at 4:00 pm

Issued May 13, 2015

YOLO LOCAL AGENCY FORMATION COMMISSION

REQUEST FOR PROPOSAL

The Yolo County Local Agency Formation Commission (LAFCo) is seeking a qualified certified public accounting firm to audit its financial statements for fiscal years ending June 30, 2013, 2014, and 2015.

Yolo LAFCo Background

The Yolo LAFCo was formed and operates under the provisions of state law, specifically what is now known as the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (California Government Code Sec. 56000 et seq.). State law provides for LAFCos to be formed as independent agencies in each county in California. LAFCos implement state law and local policies relating to boundary changes for cities and most special districts. LAFCos approve spheres of influence, incorporations, annexations, reorganizations, and other changes of organization.

The Yolo LAFCo has a five-member commission consisting of the following: two members of the Yolo County Board of Supervisors, two city council members from the four cities within the County, and one member from the public at large. For each membership category, an alternate Commissioner serves in the absence of the regular member.

Yolo LAFCo staff consists of a full time Executive Officer and Clerk and a half-time analyst. Legal services are provided by the Yolo County Counsel's Office. The County of Yolo provides payroll, treasury, personnel, and support services as well as office space in the County's Administrative Building.

The Yolo LAFCo operates under a single-program government fund with an annual budget of approximately \$500,000. Funding for operations comes primarily from the County and the four cities in Yolo County, with the County contributing half and the cities contributing the other half. Although the County of Yolo contributes half of Yolo LAFCos net operational costs, the Yolo LAFCo is an independent agency and its budget is not subject to County approval. In addition to the agency contributions, other sources of revenue include applicant fees and interest earnings.

Scope of the Project

Yolo LAFCo is seeking qualified proposals for an independent financial audit in accordance with the following requirements:

1. The audit is to be performed in accordance with generally accepted auditing standards and the standards set for financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and U.S. Office of Management and Budget (OMB) Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations*, as well as any other current and applicable federal, state, local or programmatic audit requirements.
2. The audit will cover the general purpose financial statements of LAFCo and supporting documentation and schedules for fiscal years ending 2013, 2014, and 2015.

3. The audit firm will issue a separate Management Letter that includes recommendations, if any, for improvements in internal control that are considered to be significant deficiencies or material weaknesses.

LAFCo staff will prepare the Management Discussion and Analysis (MD&A), if needed.

Audit Process and Deliverables

Preparation of the report will include the following steps:

1. Data collection: including but not limited to soliciting LAFCo staff and the Yolo County Department of Financial Services (DFS) for information, research of existing information, and retrieving documents as needed.
2. Review, interpretation and analysis: review and analysis of all the information collected.
3. Produce Administrative Draft financial statements for LAFCo staff review (electronic PDF and Word version).
4. Preparation of final draft addressing comments from LAFCo staff, including findings, determinations and recommendations (electronic PDF and Word versions). Attendance at the Commission meeting(s) approving the final financial statement is required.
5. Following Commission approval of the financial statements, please provide LAFCo with a final electronic version (both PDF and Word versions).
6. All working papers and reports are to be retained at the auditor's expense for a minimum of four (4) years. The audit firm shall make working papers available to LAFCo on request.

Contents of Proposal

The proposal shall be specifically responsive to this request and shall include, but not necessarily be limited to, the following:

1. General statement by the firm or individual about the proposal including an understanding and general approach to accomplishing the work as outlined. The statement should demonstrate the experience and qualifications to perform the required duties, including information regarding government audit experience.
2. Specifically substantiated statement of the firm or individual's qualifications to perform the work, ability to stay within budget, and meet deadlines.
3. Identification and designation of the individual(s) who would perform the work, including resumes documenting their experience and competence to perform that work. Note that any subsequent changes in staff performing the work will require prior approval by LAFCo.
4. General time line and scope of work required to complete the documents in the most efficient and timely manner. The timeline should identify numerous check-in meetings with LAFCo staff as appropriate.
5. General proposal costs and identification of basic work tasks including a list of the firm's hours/rate structure for completing the scope of work. The costs

should specify deliverables and number of meetings/presentations included in the fee.

6. A list of not less than three (3) client references for which services similar to those outlined in this request for proposals have recently been, or are currently being, provided. For each reference listed provide the name of the organization, dates, and type of service(s) provided, and the name, address, e-mail address and telephone number of the appropriate contact.

Proposal deadline is Friday, June 24, 2015 at 4:00 pm.

Evaluation Process

During the evaluation process, LAFCo reserves the right to request additional information or clarifications from responders or to allow corrections of errors or omissions. At the discretion of the LAFCo, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

LAFCo reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether the proposal was selected.

The successful bidder will be required to enter into a contract with Yolo LAFCo.

Yolo LAFCo staff will review each proposal and evaluate the ability of each individual or firm to meet the expectations defined herein. References will be contacted. The proposals will be ranked and the top firms will be invited to an interview with LAFCo staff, LAFCo Commission representative(s) and potentially a representative from the Yolo County Department of Financial Services. A consultant will then be selected and the contract approval process will begin. LAFCo may modify this evaluation process as appropriate.

There is no expressed or implied obligation for LAFCo to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

Consultant Selection

The following attributes will be considered in determining the award of the contract:

1. Qualifications and experience of the audit team
2. Prior experience in auditing other public agencies
3. References
4. Results of the most recent Peer Review together with the California Society of CPAs acceptance of the peer review
5. Thoroughness of approach to conducting the audit and demonstration of the understanding of the objectives and scope of the audit
6. Ability to work well with the staff from LAFCo and the Yolo County DFS.
7. Ability to complete the audit in a timely manner
8. Provide clear and reasonable outline of cost estimates and past performance with staying within budget

Additional Information

Timeline:

The fieldwork and audit for Fiscal Years ending June 30, 2013 and 2014 may begin after execution of a contract. The field work and audit for Fiscal Year 2014/15 will begin after the books for that year are closed, approximately October 2015. An audit plan and project schedule will be determined and agreed to by LAFCo and the selected audit firm.

Insurance:

The form of contract includes standard form insurance requirements and standard form insurance certificates, which are utilized by the Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA), a self-insurance joint powers agency, of which Yolo LAFCo is a member. A copy of YCPARMIA's "Insurance Requirements Guidelines" is attached (Exhibit A), as is a draft contract (Exhibit B).

Yolo County Financial System:

The County is currently phasing out its GenLed System and will be implementing a new financial system, the InforSystem, effective fiscal year 2015/16.

Contract Provisions:

Yolo LAFCo reserves the right to reject any and all proposals, waive any irregularity in the proposals and/or to conduct negotiations with any firms, whether or not they have submitted a proposal. The Commission's initial draft of the contract form to be used for agreements is attached to this RFP. Although the attached draft is subject to revision before execution by the parties, by submission of a proposal or statement of qualification the potential contractor indicates that except as specifically and expressly noted in its submission, it has no objection to the attached draft contract or any of its provisions, and if selected will enter into a final agreement based substantially upon the attached draft contract.

Signature Authority:

Certify that the person signing the proposal is entitled to represent the firm, empowered to submit the bid, and authorized to sign a contract with LAFCo.

Consultants:

During the preparation phases, Yolo LAFCo reserves the right to hire consultants as necessary, in its discretion, to represent Yolo LAFCo in this project.

Submittal

Any questions regarding this proposal shall be submitted in writing to lafoo@yolocounty.org.

Proposals shall be submitted electronically at lafoo@yolocounty.org, or on paper at:

Yolo Local Agency Formation Commission
625 Court Street, Suite 203
Woodland CA 95695

Proposal deadline:

Friday, June 24, 2015, 4:00 pm

Respectfully requested,
Christine M. Crawford AICP, Executive Officer

Exhibits

- A. Insurance Requirement Guidelines
- B. Sample Contract

SERVICE CONTRACT INSURANCE REQUIREMENTS

- A. During the term of this Agreement, Contractor shall at all times maintain, at its expense, the following coverages and requirements. The comprehensive general liability insurance shall include broad form property damage insurance.
1. Minimum Coverages (as applicable) - Insurance coverage shall be with limits not less than the following:
 - a. **Comprehensive General Liability** – \$1,000,000/occurrence and \$2,000,000/aggregate
 - b. **Automobile Liability** – \$1,000,000/occurrence (general) and \$500,000/occurrence (property) [include coverage for Hired and Non-owned vehicles.]
 - c. **Professional Liability/Malpractice/Errors and Omissions** – \$1,000,000/occurrence and \$2,000,000/aggregate (If any engineer, architect, attorney, accountant, medical professional, psychologist, or other licensed professional performs work under a contract, the contractor must provide this insurance. If not, then this requirement automatically does not apply.)
 - d. **Workers' Compensation** – Statutory Limits/**Employers' Liability** - \$1,000,000/accident for bodily injury or disease (If no employees, this requirement automatically does not apply.)
 2. LAFCo, its officers, agents, employees and volunteers shall be named as additional insured on all but the workers' compensation and professional liability coverages. . [NOTE: Evidence of additional insured may be needed as a separate endorsement due to wording on the certificate negating any additional writing in the description box.] It shall be a requirement under this agreement that any available insurance proceeds broader than or in excess of the specified minimum Insurance coverage requirements and/or limits shall be available to the Additional Insured. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in this Agreement; or (2) the broader coverage and maximum limits of coverage of any Insurance policy or proceeds available to the named Insured; whichever is greater.
 - a. The Additional Insured coverage under the Contractor's policy shall be "primary and non-contributory" and will not seek contribution from LAFCo's insurance or self insurance and shall be at least as broad as CG 20 01 04 13.
 - b. The limits of Insurance required in this agreement may be satisfied by a combination of primary and umbrella or excess Insurance. Any umbrella or excess Insurance shall contain or be endorsed to contain a provision that such

coverage shall also apply on a primary and non contributory basis for the benefit of LAFCo (if agreed to in a written contract or agreement) before LAFCo's own Insurance or self insurance shall be called upon to protect it as a named insured.

3. Said policies shall remain in force through the life of this Agreement and, with the exception of professional liability coverage, shall be payable on a "per occurrence" basis unless LAFCo's Risk Manager specifically consents in writing to a "claims made" basis. For all "claims made" coverage, in the event that the Contractor changes insurance carriers Contractor shall purchase "tail" coverage covering the term of this Agreement and not less than three years thereafter. Proof of such "tail" coverage shall be required at any time that the Contractor changes to a new carrier prior to receipt of any payments due.
4. The Contractor shall declare all aggregate limits on the coverage before commencing performance of this Agreement, and LAFCo's Risk Manager reserves the right to require higher aggregate limits to ensure that the coverage limits required for this Agreement as set forth above are available throughout the performance of this Agreement.
5. Any deductibles or self-insured retentions must be declared to and are subject to the approval of LAFCo's Risk Manager. All self-insured retentions (SIR) must be disclosed to Risk Management for approval and shall not reduce the limits of liability. Policies containing any SIR provision shall provide or be endorsed to provide that the SIR may be satisfied either by the named Insured or Yolo LAFCo.
6. Each insurance policy shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the Director (ten (10) days for delinquent insurance premium payments).
7. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise approved by LAFCo's Risk Manager.
8. The policies shall cover all activities of Contractor, its officers, employees, agents and volunteers arising out of or in connection with this Agreement.
9. For any claims relating to this Agreement, the Contractor's insurance coverage shall be primary, including as respects LAFCo, its officers, agents, employees and volunteers. Any insurance maintained by LAFCo shall apply in excess of, and not contribute with, insurance provided by Contractor's liability insurance policy.
10. The insurer shall waive all rights of subrogation against LAFCo, its officers, employees, agents and volunteers.

- B.** Prior to commencing services pursuant to this Agreement, Contractor shall furnish LAFCo with original endorsements reflecting coverage required by this Agreement. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. All endorsements are to be received by, and are subject to the approval of, LAFCo's Risk Manager before work commences. Upon LAFCo's request, Contractor shall provide complete, certified copies of all required insurance policies, including endorsements reflecting the coverage required by these specifications.
- C.** During the term of this Agreement, Contractor shall furnish LAFCo with original endorsements reflecting renewals, changes in insurance companies and any other documents reflecting the maintenance of the required coverage throughout the entire term of this Agreement. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. Upon LAFCo's request, Contractor shall provide complete, certified copies of all required insurance policies, including endorsements reflecting the coverage required by these specifications. Yolo LAFCo reserves the right to obtain a full certified copy of any Insurance policy and endorsements. Failure to exercise this right shall not constitute a waiver of right to exercise later.
- D.** Contractor agrees to include with all Subcontractors in their subcontract the same requirements and provisions of this agreement including the indemnity and Insurance requirements to the extent they apply to the scope of the Subcontractor's work. Subcontractors hired by Contractor agree to be bound to Contractor and LAFCo in the same manner and to the same extent as Contractor is bound to LAFCo under the Contract Documents. Subcontractor further agrees to include these same provisions with any Sub-subcontractor. A copy of the Owner Contract Document Indemnity and Insurance provisions will be furnished to the Subcontractor upon request. The General Contractor/**and or Contractor** shall require all Subcontractors to provide a valid certificate of insurance and the required endorsements included in the agreement prior to commencement of any work and General Contractor/**and or Contractor** will provide proof of compliance to LAFCo.
- E.** Contractor shall maintain insurance as required by this contract to the fullest amount allowed by law and shall maintain insurance for a minimum of five years following the completion of this project. In the event Contractor fails to obtain or maintain completed operations coverage as required by this agreement, LAFCo at its sole discretion may purchase the coverage required and the cost will be paid by Contractor.

AGREEMENT No _____
(Short-Form Agreement)

THIS AGREEMENT is made this ____ day of _____, _____, by and between the Local Agency Formation Commission of Yolo County ("LAFCO"), and _____

("CONTRACTOR"), who agree as follows:

TERMS

1. CONTRACTOR shall perform the following personal services:

2. CONTRACTOR shall perform said services between _____, _____, and _____.

3. The complete contract shall include the following Exhibits attached hereto and incorporated herein: Exhibit A: Insurance Requirements, _____.

4. Subject to CONTRACTOR'S satisfactory and complete performance of all the terms and conditions of this Agreement, and upon CONTRACTOR'S submission of an appropriate claim, LAFCO shall pay CONTRACTOR no more than a total amount of \$ _____, as identified in _____.

5. CONTRACTOR, at his sole cost and expense, shall obtain and maintain throughout the entire term of this Contract, the insurance set forth in Exhibit A attached hereto.

6. CONTRACTOR shall defend, indemnify, and hold harmless the LAFCO, its officers, officials, employees and agents from any and all claims, demands, liability, damages, cost or expenses (including but not limited to attorney fees) in law or equity that may at any time arise or be asserted based in whole or in part upon any negligent or other wrongful act or omission of the CONTRACTOR, it's officers, agents, or employees.

7. CONTRACTOR shall comply with all applicable laws and regulations, including but not limited to any, which are promulgated to protect the public health, welfare and safety or prevent conflicts of interest. CONTRACTOR shall defend LAFCO and reimburse it for any fines, damages or costs (including attorney fees) that might be incurred or assessed based upon a claim or determination that CONTRACTOR has violated any applicable law or regulation.

8. This Agreement is subject to LAFCO approving sufficient funds for the activities required of the Contractor pursuant to this Agreement. If LAFCO's adopted budget does not contain sufficient funds for this Agreement, LAFCO may terminate this Agreement by giving ten (10) days advance written notice thereof to the Contractor, in which event LAFCO shall have no obligation to pay the Contractor any further funds or provide other consideration and the Contractor shall have no obligation to provide any further services under this Agreement.

9. If CONTRACTOR fails to perform any part of this Agreement, LAFCO may notify the CONTRACTOR of the default and CONTRACTOR shall remedy the default. If CONTRACTOR fails to do so, then, in addition to any other remedy that LAFCO may have, LAFCO may terminate this Agreement and withhold any or all payments otherwise owed to CONTRACTOR pursuant to this Agreement.

10. Attached are licenses &/or certificates required by CONTRACTOR's profession (Indicating type; No.; State; & Expiration date), and CONTRACTOR certifies that he/she/it shall maintain them throughout this Agreement, and that CONTRACTOR's performance will meet the standards of licensure/certification.

11. CONTRACTOR understands that he/she is not an employee of LAFCO and is not eligible for any employee benefits, including but not limited to unemployment, health/dental insurance, worker's compensation, vacation or sick leave.

12. CONTRACTOR will hold in confidence all information disclosed to or obtained by CONTRACTOR which relates to activities under this Agreement and/or to LAFCO plans or activities. All documents and information developed under this Agreement and all work products, reports, and related data and materials shall become the property of LAFCO. CONTRACTOR shall deliver all of the foregoing to LAFCO upon completion of the services hereunder, or upon earlier termination of this Agreement. In addition, CONTRACTOR shall retain all of its own records regarding this Agreement and the services provided hereunder for a period of not less than four (4) years, and shall make them available to LAFCO for audit and discovery purposes.

13. This Agreement constitutes the entire agreement of the parties, and no other agreements or representations, oral or written, have been made or relied upon by either party. This Agreement may only be amended in writing signed by both parties, and any other purported amendment shall be of no force or effect. This Agreement, including all attachments, shall be subject to disclosure pursuant to the California Public Records Act.

14. This Agreement shall be deemed to be executed within the State of California and construed in accordance with and governed by laws of the State of California. Any action or proceeding arising out of this Agreement shall be filed and resolved in a California State court located in Woodland, California.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first written above by affixing their signatures hereafter.

CONTRACTOR:

LAFCO:

Contractor Signature

Executive Officer Signature

Printed Name

Street Address/PO Box

City/State/Zip

Phone

CERTIFICATION: I hereby certify under the penalty of perjury that all statements made in or incorporated into this Agreement are true and complete to the best of my knowledge. I understand and agree that LAFCO may, in its sole discretion, terminate this Agreement if any such statements are false, incomplete, or incorrect.

Contractor Signature