

**EAST BAY DISCHARGERS AUTHORITY  
REQUEST FOR PROPOSALS  
FOR  
PROFESSIONAL AUDITING SERVICES**

**RETURN ELECTRONIC COPIES OF THE PROPOSAL TO:  
JUANITA VILLASENOR  
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**EAST BAY DISCHARGERS AUTHORITY  
2651 GRANT AVENUE  
SAN LORENZO, CA 94580-1841**

**(510) 278-5910**

**PROPOSALS ARE DUE:  
Friday, April 30, 2021 at 2:00 p.m.**

# REQUEST FOR PROPOSALS FOR PROFESSIONAL AUDITING SERVICES

Supporting technical documents and background material are available for download at <https://ebda.org/projects/professional-auditing-services/>. Questions regarding this Request for Proposals (RFP) must be submitted before April 7, 2021 at 5:00 p.m. by e-mail to [juanita@ebda.org](mailto:juanita@ebda.org) with the subject line "Professional Auditing Services RFP". Answers will be compiled in a "Questions & Answers" document posted on <https://ebda.org/projects/professional-auditing-services/>.

## I. INTRODUCTION

### A. General Information

The **EAST BAY DISCHARGERS AUTHORITY** (hereinafter "EBDA") located at 2651 Grant Avenue, San Lorenzo, CA 94580 is requesting proposals from qualified certified public accounting firms to audit its financial statements for the fiscal years ending June 30, 2021, 2022, and 2023, with the option to extend for an additional two years. EBDA will enter into an agreement with the firm selected to provide these services ("Auditor"). All interested parties are required to submit proposals in accordance with the conditions and dates outlined in this RFP.

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

EBDA reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether the proposal was selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this RFP, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between EBDA and the firm selected.

## II. NATURE OF SERVICES REQUIRED

### A. Scope of Work

1. Prepare EBDA's financial statements, including supplementary information.
2. Provide professional advice and guidance on implementation of applicable GASB regulations in effect at the time of issuing the statements.
3. Express an opinion on the fair presentation of basic financial statements in conformity with generally accepted accounting principles.
4. Examine the internal accounting controls and accounting procedures and render, in a written report, findings and any recommendations to the General Manager.

5. If necessary, perform a single audit in accordance with the new uniform Guidance for federal grants.

## **B. Auditing Standards to be Followed**

The audit shall be conducted in accordance with generally accepted government auditing standards issued by the Comptroller General of the United States and the State Controller's minimum audit requirements for a California special district.

## **C. Reports to be Issued**

- Report on the fair presentation of the basic financial statements in conformity with generally accepted accounting principles.
- Report on internal control over financial reporting and on compliance and other matters based on the audit of the basic financial statements performed in accordance with *Government Auditing Standards*.
- Letter to management communicating any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure which could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.
- Immediate written report to the General Manager of all irregularities and illegal acts or indications of illegal acts of which they become aware.

## **D. Working Paper Retention and Access to Working Papers**

All work papers and reports must be retained, at the Auditor's expense, for a minimum of five (5) years, unless the Auditor is notified in writing by EBDA of the need to extend the retention period. In addition, the Auditor shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers.

# **III. DESCRIPTION OF EBDA**

## **A. Background Information**

EBDA sustainably and cost-effectively manages the wastewater of one million East Bay residents for the protection of San Francisco Bay. EBDA was formed on February 15, 1974, by a "Joint Exercise of Powers Agreement" (JPA) entered into by the City of San Leandro, Oro Loma Sanitary District, Castro Valley Sanitary District, City of Hayward, and Union Sanitary District (Member Agencies). EBDA operates under a Commission consisting of one representative appointed by each member agency. EBDA's staff includes the General Manager, Operations & Maintenance Manager and Administrative Assistant. Additionally, EBDA hires consultants to augment and assist staff in other functions including accounting and engineering services.

The Authority owns and operates three effluent pump stations, a dechlorination facility, and a force main and outfall system for effluent disposal into the San Francisco Bay. Additionally, flow from the effluent pump station owned by the City of San Leandro enters the system, as well as flow from the Livermore-Amador Valley Water Management Agency (LAVWMA), which manages flow from the Cities of Pleasanton and Livermore and Dublin San Ramon Services District. Additional information about EBDA is available online at [www.ebda.org](http://www.ebda.org).

## **B. Basis of Accounting and Fund Structure**

EBDA accounts for its operations as an enterprise operation using the full accrual basis of accounting. To facilitate management information needs, operations are accounted for in four separate funds.

## **IV. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION**

### **A. Finance Department and Clerical Assistance**

EBDA staff and accountant will be available during the audit to assist the firm by providing information, documentation, and explanations as needed.

### **B. Work Area, Telephone, and Photocopying**

Assuming workplace health and safety considerations associated with COVID-19 are no longer of concern, EBDA will provide the Auditor with a reasonable workspace, access to EBDA's financial system data, telephone, Wi-Fi, photocopying and scanning machine.

### **C. Report Preparation**

Final report preparation, editing, and printing shall be the responsibility of the Auditor.

## **V. TIME REQUIREMENTS**

### **A. Audit Schedule**

The EBDA books and records shall be ready for the audit by October 15, 2021. EBDA anticipates that the selected firm will perform fieldwork by October 22, 2021. The Auditor shall have drafts of the audit report(s) and recommendations to management available for review by November 1, 2021. A similar time schedule will be developed for audits of future fiscal years. Changes in time requirements for commencement of work to completion of final reports must be approved by EBDA in advance.

### **B. Date Final Report is Due**

EBDA staff will complete the review of the draft report as expeditiously as possible. During that period, the Auditor should be available for any meetings that may be necessary to discuss the audit reports. The final reports are due by November 8, 2021. The due date for subsequent years will also be in November.

The partner in charge of the audit, who has a clear understanding of the audit, is expected to make a brief presentation summarizing the audit findings to the EBDA Commission at the Commission's November meeting. The Auditor shall also be available for a teleconference with the EBDA's Financial Management Committee in November.

## **VI. PROPOSAL REQUIREMENTS**

### **A. General Requirements**

1. Inquiries concerning the RFP and the subject of the RFP may be made to the email address listed on the front page of the RFP.
2. Submission of Technical Proposal. The Technical Proposal shall be received by the date and time specified on the front page of the RFP for a proposal to be considered. The requirements of the technical proposal are described below.
3. Submission of Cost Proposal. The Cost Proposal shall be submitted as a separate document, clearly marked as the cost proposal, by the date and time specified on the front page of the RFP. The requirements of the cost proposal are described below.
4. As part of the proposal package, Proposers must submit the required certification included as Attachment A. The proposal and any required certifications shall be signed by an individual or individuals authorized to execute legal documents on behalf of the Proposer.

### **B. Format for Technical Proposal**

The format of the Technical Proposal shall be as follows:

1. Title Page – The title page should show the proposal's subject; the firm's name; the name, address and telephone number of the contact person; and the date of the proposal.
2. Transmittal Letter – A signed letter of transmittal stating the proposer's understanding of the work to be done, the commitment to perform the work within the time period and a statement why the firm believes itself to be best qualified to perform the engagement.
3. Technical Proposal – The detailed proposal should follow the order set forth in Section VI.C. of this RFP.

### **C. Contents of Technical Proposal**

1. General Requirements – The purpose of the Technical Proposal is to demonstrate the qualifications, competence, and capacity of the firms seeking to undertake an independent audit of EBDA in conformity with the requirements of this RFP. As such, the substance of proposals will carry more weight than their form or manner of presentation. The Technical Proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the RFP requirements.

The Technical Proposal should address all the points outlined in the RFP. While additional data may be presented, the following subjects, items Nos. 2 through 8, must be included.

2. Independence – The firm should provide an affirmative statement that it is independent of EBDA as defined by generally accepted auditing standards.
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 as Certified Public Accountants in California.
4. Firm Qualifications and Experience – The proposal should 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, the number and nature of the professional staff to be employed in this engagement on a full-time basis, and the number and nature of the staff to be so employed on a part-time basis.

The firm is also required to submit a copy of the report on its most recent external quality control review, with a statement on whether that quality control review included a review of specific government engagements, including California Special Districts.

For the firm's office that will be assigned responsibility for the audit, list the engagements (maximum of 5) performed in the last five years that are most similar to the engagement described in this RFP. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

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

5. Partner, Supervisory and Staff Qualifications and Experience – The proposal shall identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement. Provide information on the government auditing experience of each

person, including information on relevant continuing professional education for the past three years, and membership in professional organizations relevant to the performance of this audit.

Consultants and firm specialists mentioned in response to this RFP can only be changed with the express prior written permission of EBDA, which retains the right to approve or reject replacements. Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. However, EBDA retains the right to approve or reject replacements.

Other audit personnel may be changed at the discretion of the proposer, provided that replacements have substantially the same or better qualifications or experience.

6. Specific Audit Approach – The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section II of this RFP (i.e., proposed segmentation of the engagement; approach to be taken to gain and document an understanding of EBDA’s internal control structure).
7. Identification of Anticipated Potential Audit Problems – The proposer should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems, and any special assistance that will be requested from EBDA.

#### **D. Contents of Cost Proposal**

1. Total All-Inclusive Maximum Price – The Cost Proposal should contain all pricing information relative to performing the audit engagement as described in this RFP. The Cost Proposal shall be submitted as a separate document, clearly marked as the cost proposal. The total all-inclusive maximum price is to contain all direct and indirect costs, including all out-of-pocket expenses.

EBDA is not responsible for expenses incurred in preparing and submitting the proposal. Such costs should not be included in the proposal.

The Cost Proposal should include a total All-Inclusive Maximum Price for each of the fiscal years 2020/21, 2021/22, and 2022/23 engagement, plus two (2) fiscal year options thereafter covering the audit proposal, as specified in Section II of this RFP. The proposal should also include a schedule of professional fees by fiscal year.

##### **a. Rates for Additional Professional Services**

If it should become necessary for EBDA to request the Auditor to render any additional services to either supplement services requested in this RFP, or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be

performed only if set forth in an addendum to the contract between EBDA and the Auditor. Any such additional work agreed to between EBDA and the Auditor shall be performed at the same rates set forth in the schedule of fees and expenses included in the Cost Proposal.

- b. 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 Cost Proposal. Interim billing shall cover a period of not less than a calendar month.

## **VII. SELECTION CRITERIA**

It is EBDA's intention to select a firm that has sufficient expertise to complete the work on time and within budget. The selection panel will exercise discretion and judgment in evaluating proposals. Criteria for selection will include but not be limited to the following:

### **1. Mandatory Elements**

- a. The audit firm is independent and licensed to practice in California
- b. The firm has no conflict of interest with regard to any other work performed by the firm for EBDA
- c. The firm adheres to the instructions in this RFP in preparing and submitting the proposal
- d. The firm submits a copy of its most recent external quality control review report and has a record of quality audit work

### **2. Technical Qualifications**

#### **a. Expertise and Experience**

- 1) The firm's past experience and performance on comparable government engagements
- 2) 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

#### **b. Audit Approach**

- 1) Adequacy of proposed staffing plan for various segments of the engagement
- 2) Adequacy of sampling techniques
- 3) Adequacy of analytical procedures

## VIII. STANDARD EBDA CONTRACT LANGUAGE

Inform EBDA if any of the contract language in Attachment B is unacceptable.

## IX. CONCLUSION

### A. REVIEW OF PROPOSALS

During the evaluation process, EBDA reserves the right to request additional information or clarifications from proposers. At the discretion of EBDA, firms submitting proposals may be requested to be available for interviews as part of the evaluation process. EBDA reserves the right, in its sole discretion, to award the contract to the firm of its choice or to not award.

### B. RIGHT TO REJECT PROPOSALS

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

### C. QUESTIONS

Consultants may submit questions on this RFP to [juanita@ebda.org](mailto:juanita@ebda.org) by April 7, 2021. Responses to questions will be provided to all prospective firms.

### D. SCHEDULE

EBDA issues RFP	March 28, 2021
Last day for Consultants to submit questions on RFP	April 7, 2021
Proposals are due to EBDA by 2:00 p.m.	April 30, 2021
Interviews (if applicable)	TBD
Selected Firm will be notified	May 7, 2021
Anticipated Commission approval	May 20, 2021

## ATTACHMENT A

### NO COLLUSION DECLARATION

(To Be Executed by Consultant and Submitted With Proposal)

I, \_\_\_\_\_, declare as follows:

That I am the \_\_\_\_\_ of

\_\_\_\_\_, the party making the attached proposal; that the proposal is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the proposal is genuine and not collusive or sham; that the bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham proposal, and has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham proposal, or that anyone shall refrain from bidding, that the bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the proposal price of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the proposal price or of that of any other bidder, or to secure any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in the proposal are true, and, further, that the bidder has not, directly or indirectly, submitted his or her proposal price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company, association, organization, proposal depository, or to any member or agent thereof to effectuate a collusive or sham proposal.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 2021, at

\_\_\_\_\_, California.

Name of Firm

\_\_\_\_\_

Print Name and Title of Authorized Agent

\_\_\_\_\_

Signature of Authorized Agent

\_\_\_\_\_

Authority: Public Contract Code 7106, CCP 2015.5

**ATTACHMENT B**  
**Sample Contract**