

**POLK REGIONAL WATER CO-OP**  
**BOARD OF SUPERVISORS**

REQUEST FOR PROPOSALS -AUDIT SERVICES

Polk Regional Water Co-Op (PRWC) is requesting proposals from certified public accounting firms and qualified to conduct audits in accordance with government auditing standards as adopted by the Florida Board of Accountancy to audit its financial statements for its fiscal years ending September 30, 2016, 2017, and 2018. These audits are to be performed in accordance with generally accepted auditing standards and meet the requirements of Section 218.39, Florida Statutes.

General Information

1. Written questions regarding the Request for Proposals (RFP) will be due by February 21, 2017 by 2:00 p.m. and are to be addressed to:

PRWC  
C/O CliftonLarsonAllen LLP – Lance Schmidt  
402 South Kentucky Ave.  
Suite 600  
Lakeland, FL 33801  
Telephone: (863) 680-5634  
Fax: (863) 680-5608  
Email: [Lance.Schmidt@CLAconnect.com](mailto:Lance.Schmidt@CLAconnect.com)  
*Emailed questions are acceptable.*

2. All responses to this RFP must be delivered to the above address no later than 2:00 p.m. EST. on February 21, 2017. One (1) signed copy and one (1) electronic copy to be submitted on a flash drive and/or CD of the proposal shall be submitted in one sealed package, clearly marked on the outside "Proposal for Independent Auditing Services - PRWC" must be typed or printed in ink. In addition, proposing firm must email a copy of the proposal to lance.schmidt@CLAconnect.com. Any responses received after the deadline will be returned to the proposer unopened. All costs incurred by the responding firms in preparing proposals in response to this request will not be reimbursed by PRWC.
3. Management reserve the right to reject any and all proposals submitted and to request additional information from the proposers. At the discretion of Management, firms submitting proposals may be requested to make oral presentations to the Board and/or Management as part of the evaluation process.
4. PRWC 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, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between PRWC and the firm selected.
5. Management will recommend and rank in order of preference no fewer than two firms deemed to be the most highly qualified to perform the required services. Management may select one of the firms to negotiate a contract with the firm in accordance with Section

218.391, Florida Statutes. It is anticipated that the Board will enter into a one year contract starting with the fiscal year ending September 30, 2016, and the contract will include an option to extend the contract for up to two (2) additional one (1) year periods through September 30, 2018.

6. If the Board and/or Management are unable to negotiate a satisfactory contract with any of the recommended firms, the Board and/or Management will recommend additional firms, and negotiation will continue in accordance with Section 218.391, Florida Statutes, until an agreement is reached.

7. Anticipated RFP Calendar:

- February 3, 2017 or before RFP Legal Notice in Newspaper requesting BLDS for Audit
- February 9, 2017 @ 5 PM Questions due
- February 13, 2017 or before Response to questions
- February 21 2017 @ 2 PM Proposals are due
- February 22, 2017 Thru February Committee receives and reviews proposals and selects Firm Contract negotiations with recommended firm
- March 16, 2017 Award and approval of contract

8. This is a first year audit. PRWC was formed on June 1, 2016.

9. PRWC does not have an internal audit department.

10. All requirements and conditions set forth in this RFP shall be incorporated into the contract between PRWC and the selected firm unless otherwise specified in the contract.

11. A copy of the budget and other organizational documents can be found on the PRWC website at [www.prwcwater.org](http://www.prwcwater.org)

### Services Required

1. An audit and an opinion on the basic financial statements and combining financial statements of PRWC
2. The audit is to be done in accordance with the Rules of the Auditor General; *Government Auditing Standards* issued by the Comptroller General of the United States; and the AICPA Auditing Standards.
3. Following completion of the audit for each fiscal year's financial statements, the auditor shall issue:
  - A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles.
  - A report on compliance and on internal control over financial reporting.
  - The auditor shall communicate in a letter to management any significant deficiencies or material weaknesses found during the audit.
4. The auditor will prepare one (1) electronic copy (required in pdf) and twenty (20) bound

copies of the Annual Financial Report for PRWC.

5. The auditor will provide assistance in providing guidance and implementing changes in governmental accounting standards.

#### Additional Professional Services

PRWC may request additional professional services during the term of the contract. The proposer shall, upon receipt of a written request from the Board and Management, perform such additional services. The proposer must be able to provide, at a minimum, the following services:

- Extended audit services or special audits

Such services will be billed according to the rates agreed upon as a result of the RFP. The total amount for additional services shall be separately negotiated at the time of the engagement for a not-to-exceed amount calculated in accordance with the rates of the awarded contract.

#### Qualifications of the Auditor

1. The RFP proposal must include the following information:
2. Experience of the firm with special districts within the last five years.
  - Information describing personnel with training and experience appropriate to the nature of the project. The RFP shall include:
  - The names and positions of each professional to be assigned to this audit, including familiarity with projects of a similar nature.
  - The estimated amount of involvement expressed as a percentage of time, of each of the staff members.
  - Willingness and ability to complete the project within the time and budget constraints, considering the firm's current and projected workload.
  - Resumes of those assigned to this audit reflecting academic training and employment in the applicable fields.
  - Evidence of possession of required licenses or business permits.
  - Evidence of any previous experience in projects of a similar nature-provide contact names and phone numbers along with project names and appropriate agency contacts.
3. Reference listing, including contact names and phone numbers.
4. The firm must have been established in Florida and performed continuous CPA services for a minimum of five years.
5. The firm must be a member of the American Institute of Certified Public Accountants and the Florida Institute of Certified Public Accountants.
6. The firm should indicate its approach to peer review and provide a report of the most recent peer review. Indicate whether the peer review included a review of local government clients.
7. The firm should indicate any disciplinary actions that have been instituted or proposed during the last five calendar years against the firm or any of the firm's professionals assigned to the audit.
8. The firm should describe the results of any State or Federal reviews during the past three calendar years of the firm's governmental client audit work.

## **Information to be Included in the Proposal**

1. Title page showing the RFP subject, the name of the firm, address, telephone number, the name of the contact person, and web site address.
2. A table of contents providing a clear identification of the material by section and by page number.
3. A statement setting forth the proposer's understanding of the work to be done and a positive commitment to perform the work within the specified time period.
4. A statement as to whether the firm is local, regional, or national.
5. The location of the office from which the work is to be done and the number of personnel in that office who would be working on the audit.
6. An identification of the partners, managers and supervisors who will work on the audit, including staff from other than the local office if necessary for this audit. Resumes for each managerial and supervisory person to be assigned to the audit should be submitted and include the following information:
  - Formal education
  - Supplemental education relative to governmental accounting and auditing
  - Experience in public accounting in general
  - Experience in auditing governmental units
  - Membership in various national and state governmental accounting boards, committees, or associations (past and present)
  - Professional recognition, such as Certified Public Accountant licenses, awards, etc.
7. A description of the proposer's experience in preparing governmental financial statements.
8. A listing of Florida counties, municipalities, and special districts for which the proposer is currently providing or within the last five years has provided audit services.
9. The proposal should set forth a work plan, including an explanation of the audit methodology to be followed in order to perform the services required in Section III of this RFP.

Proposers will be required to provide the following information on their audit approach:

- Proposed segmentation of the engagement
  - Level of staff and number of hours to be assigned to each proposed segment of the engagement
  - Sample size and the extent to which statistical sampling is to be used in the engagement
  - Extent of use of EDP software in the engagement
  - Type and extent of analytical procedures to be used in the engagement
  - Approach to be taken to gain and document an understanding of the internal control structure
  - Approach to be taken in determining laws and regulations that will be subject to audit work
  - Approach to be taken in drawing audit samples for purposes of tests of Compliance
10. Firm promotional material may be included as supplemental information.

11. Dollar Cost for provision of audit services during the first year of the Contract and estimates for each subsequent year up to a total of three (3) years.
  - Total All-Inclusive Maximum Price
  - Rates by Partner, Specialist, Supervisory and Staff Level Times Hours Anticipated for Each
  - Out-of-pocket Expenses in the Total All-inclusive Maximum Price and Reimbursement Rates
  - Rates for Additional Professional Services
  - Manner of Payment

12. Insurance - Upon award of engagement a copy of the firm's most recent statement regarding the amount of the firm general liability insurance and errors and omissions (i.e. professional) insurance.

Contractor shall purchase and maintain such commercial or comprehensive general liability, and other appropriate insurance as requested by the PRWC for the goods and/or services being performed and furnished which shall provide protection from claims set forth which may arise out of, or result from the contractor's performance and furnishing of the goods and/or services and contractor's other obligations under this contract.

Minimum limits of \$1,000,000 per occurrence for all liability must be provided.

The contractor's liability insurance shall include contractual liability coverage sufficient to cover the contractor's indemnification obligations under this contract. The contractor agrees to pay on behalf of Polk Regional Water Cooperative (PRWC), and to provide and pay for a defense for all claims covered by the contractor's obligations under the indemnification provisions.

Proof of the aforementioned insurance will be furnished upon award by the contractor to the PRWC by Certificate of Insurance. **THE PRWC SHALL BE NAMED AS AN ADDITIONAL INSURED ON THE CERTIFICATE FOR ALL REQUIRED INSURANCE. ALL INSURANCE MUST BE ISSUED BY A COMPANY OR COMPANIES APPROVED BY THE PRWC.** Failure to provide the PRWC verification of Certificate of Insurance by the requested timeframe will place the contractor in breach of agreement.

13. Business Ethics - Disclose (i.) any circumstance where conduct of your firm or that of its Principals are being investigated by any legal or administrative agency; (ii) any adverse decision or settlement with any legal or administrative body; and (iii) identify any substantive failure in the proper performance of any award or delivery on time of contracts of a similar nature as described above.
14. Firm Ethics - Disclose firm policies and procedures to prevent ethical violations. Discuss specific staff responsibilities and management commitment.

#### Support

- CliftonLarsonAllen LLP will perform the year-end closing of the books.

- CliftonLarsonAllen LLP will prepare the financial statements.
- CliftonLarsonAllen LLP and staff will prepare work schedules, notes and related materials as requested by the selected firm.
- CliftonLarsonAllen LLP and staff will provide paid invoices, canceled checks and other supportive documentation as requested by the firm.

**Evaluation Procedures**

1. All responses will be reviewed by Management.
2. The responses will be evaluated using three sets of criteria. Firms meeting the mandatory criteria will have their proposals evaluated and scored on technical qualifications. The following represent the principal criteria which will be considered during the evaluation process.

Mandatory Elements - Qualifications and Experience: (25 pts)

- Whether the audit firm is independent and licensed under Chapter 473, Florida Statutes, to practice in Florida.
- Whether the firm has any conflicts of interest with regard to any other work performed by the firm for PRWC.
- Whether the firm adheres to the instructions in this RFP on preparing and submitting the proposal.
- Whether the firm submits a copy of its last external quality control review report and has a record of quality audit work.
- Whether the RFP is submitted in proper form.

Technical Quality: (60 pts)

- General government audit experience
- Special district audit experience
- Qualifications of individuals assigned to audit
- Size and organization structure of firm
- Demonstrated understanding of PRWC 's requirements
- Audit approach
- Technological proficiency of individuals assigned to audit

Compensation: (15 pts)

- Compensation will be considered as an evaluation factor, but will not be the sole or predominant factor used to evaluate proposals.

**Working Paper Retention and Access to Working Papers**

All working papers and reports must be retained, at the auditor's expense, for a period of seven (7) years after completion of any herein identified services unless the firm is notified in writing by PRWC of the need to extend the retention period. PRWC's management and their representatives shall be entitled at any time during the contract period to inspect and reproduce such documents as deemed necessary.

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance. As requests for copies of working papers are fulfilled, the auditors will be required to notify the District Administrator of the request, as appropriate.