



PO Box 848
530 Hwy 20 South, Hines OR 97738
Phones: 541-573-5010 Fax: 541-573-7935

**NOTICE FOR REQUEST FOR PROPOSALS (RFP)
For
PROFESSIONAL AUDIT SERVICES**

ADMINISTRATION SCHEDULE

RFP Advertised.....	August 26, 2019
Proposal Due and Date Time.....	September 20, 2019
Proposal Evaluation Period.....	September 20-26, 2019
Notice of Intent to Award Issued.....	September 26, 2019
Contract Issued.....	October 7, 2019

Note: This is the District's desired administration schedule for this RFP. The District Reserves the right to modify this schedule at any time.

PROPOSAL CONTACT

Shannon Brubaker
District Manager

Proposal Submittal Address

Harney Soil and Water Conservation District
PO Box 848
503 Hwy 20 S
Hines, OR 97738
(541) 573-5010

**REQUEST FOR PROPOSALS
PROFESSIONAL AUDITING SERVICES**

The Harney Soil and Water Conservation District ("District") is requesting proposals for the services of a licensed public accountant or accounting firm whose principal officers performing the audit are independent Certified Public Accountants, with a municipal audit license issued by the State of Oregon, to perform the auditing services listed below. The period to be evaluated by the requested auditing services is for the fiscal year ending June 30, 2019. The District will reserve the option to negotiate and extend services with the selected proposer for succeeding fiscal years.

The audit to be performed of the accounts and financial affairs of the District for fiscal periods from July 1st, through June 30th of each year must be conducted in accordance with the State of Oregon Minimum Standards for Audits of Oregon Municipal Corporations (ORS 297.425).

Proposals are due to the District office by 3:00 PM, PST, on Friday, September 20, 2019. Late proposals will not be considered.

Proposals shall be clearly marked "Proposal for Audit Services." They may be submitted by first-class mail or by email to:

Harney Soil and Water Conservation District
Attn: Shannon Brubaker, District Manager
530 Highway 20 S
Hines, OR 97738
dmharneyswcd@gmail.com

The District intends to award a professional services agreement to the proposer whose proposal best suits the needs of the District. The District reserves the right to waive formalities in the proposal process, to accept or reject any or all proposals received as a result of this request, or to cancel, in part or in its entirety, this solicitation, if it is in the District's best interest to do so. The District and the selected proposer, if any, may negotiate the contract terms, including, but not limited to, delivery schedule and price terms. The District reserves the right to terminate negotiations at any time prior to entering into the final professional services agreement.

The final decision of the selection of the firm to conduct the audit will be made by the District Board of Directors. The final agreement will be in the form of a written contract following the standard agreement form used by certified public accountants conducting professional auditing services for municipal corporations.

Questions regarding this RFP may be directed to Shannon Brubaker, District Manager, at (541) 573-5010 ext. 101 or dmharneyswcd@gmail.com

BACKGROUND

The District is designated as an independent municipal corporation and is governed by an elected Board of Directors, under the authority of ORS Chapter 568. The purpose of the District is to cooperate with landowners, land occupiers, other natural resource users and local, state, and federal agencies in projects, programs, and activities calculated to accelerate the conservation, protection, and development of the renewable natural resources of the state. The District administers a variety of conservation projects, programs and services, including but not limited to, fish passage and habitat improvements, riparian vegetation enhancements, noxious weed control, agricultural water quality management, and cropland, range, and forestry health practices.

The District was formed in 1972 and currently employs one (1) full time, and two (2) part-time staff members, who work under the supervision of the District Manager. The District is funded primarily by competitive grants, interagency agreements, and direct contracts distributed amongst 35-40 separate instruments from 5-10 different sources. The District's annual revenue and expenses for the last five years are as follows:

Year	Total Revenue	Total Expenses
2012-13	\$768,523	\$767,355
2013-14	\$484,549	\$512,291
2014-15	\$663,179	\$763,384
2015-16	\$835,338	\$673,090
2016-17	\$1,063,331	\$1,086,666
2017-18	\$1,346,856	\$1,428,981

District uses a modified accrual system of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related liability is incurred.

SCOPE OF SERVICES

The District intends to select a qualified certified public accountant or firm for the purpose of performing a financial and compliance audit in accordance with the following, as applicable:

- The Minimum Standards for Audit of Oregon Municipal Corporations issued by the Secretary of State;

- Government Auditing Standards issued by the Comptroller General of the United States;
- The Single Audit Act and OMB Circular A-133, if applicable; and
- All other applicable state and federal laws and regulations.

The scope of services shall be for the fiscal year ending in June 30, 2019, with the option to negotiate additional terms with the selected contractor, on an ongoing basis. The Scope of Services to be provided will consist of the following tasks:

- Plan and perform a qualified audit to provide reasonable assurance that the financial statements for the District are free from material misstatement (whether due to error or fraud) and the financial statements are in conformity with Generally Accepted Accounting Principles (GAAP).
- Auditor shall be responsible for the following functions:
 - Preparation of the District's financial statements.
 - Become familiar with the operations and regulations applicable to the District prior to implementing the audit or monitoring activities.
 - Prior to initiating auditing operations, provide a written performance plan and timeline schedule to the District outlining the procedures and milestones required to complete the District's audit, including information and services to be provided by the District.
 - Provide regular performance updates to the District Manager and accounting staff throughout the audit process, including performance progression and information inquiries. It is expected that the selected proposer will work closely with the District to ensure that the final reports reflect an accurate opinion, free of misunderstanding, distortion, or possible misinterpreted regulatory issues.
 - Test documentary evidence supporting recorded transactions, which may include tests of certain assets and liabilities, compliance with applicable laws and regulations, and provisions of contractual agreements, and prepare a report on compliance with specific requirements of federal financial assistance programs, if required.
 - Review the internal accounting controls of the District for compliance with applicable standards.
 - Notify District Manager and Board Chair immediately of any evidence of financial irregularities, illegal acts, or indication of fraud or misrepresentation.
 - Clearly report any audit deficiencies in detail, to fully explain the nature of the deficiency, what in the auditor's opinion after audit tests have been completed that caused the problem, and what governmental regulation, contractual requirement or policy was potentially violated. The Auditor also must provide a clear, concise recommendation as to the changes needed to correct the deficiency.
 - Perform the necessary work to prepare and provide an auditor's report required by Oregon State Regulations prescribed by the Secretary of State, Audit's Division, in order to satisfy the Minimum Standards for Audits of Oregon Municipal Corporations.
 - Issue a management report with any recommendations for improvement, including but not limited to: internal controls; accounting systems, compliance with laws, rules and regulations; and any other matters discovered during the audit. Discuss recommendations with appropriate District officials prior to publication.
 - Hold an exit conference with the District Manager and accounting staff to review the audit and management report information, findings, and recommendations. The exit conference will be held before the final audit report is issued.

- Upon completion of financial evaluation work, provide the District with applicable adjusting entries and final trial balance information.
- The audit report must be completed and submitted to District in draft form no later than November 1st of each year. The District shall be given five (5) business days after receipt of the draft to review and respond to the draft audit report before the final report is issued. The final Annual Financial Statement Audit Report must be presented to the District no later than December 1st each year in the form of eight (8) hard copies and one (1) digital copy. Auditor shall jointly file a digital or hard copy of the report with applicable filing forms and fees, to the Oregon Secretary of State, Audits Division, 255 Capitol St NE, Suite 500, Salem, OR 97310 or municipalfilings.sos@oregon.gov. The District will be responsible for payment the audit filing fees.
- If the auditor fails to make delivery of the audit report within the time schedules specified herein, or if the auditor delivers an audit report which does not conform to all provisions of this RFP or resulting contract, the District may, by written notice of default to the auditor, terminate the whole or any part of the contract. Under certain extenuating circumstances, and with sufficient justification, the District may extend this schedule upon written request of the auditor. It is understood and agreed that should unusual conditions arise or be encountered during the course of the audit, whereby additional services of the auditor are identified beyond the scope of duties specified in the proposal, written notification of such unusual conditions shall be delivered to the District and the District shall instruct the Auditor in writing, concerning such additional services.
- Auditor shall be available, at no additional cost to the contract, to answer any questions pertaining to any phase of the audit, or to the audit work papers, as determined by the District or the State of Oregon, for resolution of audit findings, appeals, or litigation filed pursuant to final audit acceptance, throughout the audit resolution process until final acceptance of the audit by the Oregon Secretary of State.
- The auditor agrees, upon request of the District, to be available at no additional cost to the contract, to explain or answer any questions pertaining to the performance and content of the audit report to the District's Board of Directors.

QUALIFICATIONS

To be considered, proposers must meet the following minimum requirements:

- Duly licensed by the Oregon Board of Accountancy as a Certified Public Accountant and Municipal Auditor.
- Prior experience in auditing an Oregon Special District.
- Meet the independence standards for the GAO Standards for Audits of Governmental Organizations, Programs, Activities, and Functions.

INSTRUCTIONS TO BIDDERS

All information, documents, and data furnished to the auditing firm by the District during the preparation and submittal of the Proposal shall be treated as confidential to the District. All costs incurred by the proposer in preparing and submitting a proposal in response to this RFP are the responsibility of the proposer and shall not be reimbursed by the District.

Proposals must include the following:

1. **Qualifications:** Documentation to demonstrate the firm's compliance with the "Qualifications" section of this RFP.
2. **Experience and Stability:** A description of the proposer's business history and experience in relation to the scope of services as presented herein, including the professional resumes of key personnel performing or supervising auditing functions to be performed under this RFP.
3. **References:** A description of the services provided and contact information for at least three (3) municipal corporations or pertinent clients for whom audit services have been performed within the last five (5) years. Proposers are responsible for obtaining consent from any listed references allowing the District to contact them directly.
4. **Understanding of the Scope of Services:** A description expressing the proposer's understanding of the audit work to be performed, approach to successfully complete the required audit tasks, and work schedule, including approximate timelines for performing field work and producing deliverables. Timeline must demonstrate the proposer's ability to provide the requested auditing services within the District's performance schedule stated in the "Scope of Services" section.
5. **Fees:** Provide a cost proposal for the professional auditing services to be performed. If the amount quoted is for a lump sum for annual audit services, also include the proposer's billing rates for all applicable classifications of auditing personnel in the event the scope of services is expanded due to unforeseen or extraordinary circumstances.
6. **Independence:** A description of any personal, business, and/or financial relationships with the District, its governing board, its employees, or affiliates. If none, provide a statement to this effect.
7. A copy of the proposer's standard letter of engagement and agreement for services, including any proposed contract terms.
8. A list of any legal claims for malpractice, pending or resolved, within the last ten (10) years. Include a description of the nature of the claim, the amount of the claim, and the manner of resolution. Client names may be omitted. If there are no such claims, provide a statement to this effect.
9. Proof of professional liability coverage in minimum amounts of \$1,000,000 per occurrence / \$2,000,000 aggregate.

EVALUATION OF PROPOSALS

Only timely submitted proposals that meet minimum qualifications described in this RFP will be evaluated. Qualifying proposals will be evaluated by an evaluation committee established by the District, based on the following:

- Quality and comprehensiveness of proposal (up to 25 points);
- Experience of the firm and the personnel with municipal corporation audits generally (up to 20 points);
- Experience of the firm and the personnel with auditing entities similar to the District in size and scope of services (up to 20 points);
- Quality of references (up to 20 points); and
- Cost of services (up to 15 points). The lowest cost proposal shall be awarded the maximum number of cost of services points available under the RFP. Higher cost proposals shall be awarded a percentage of the maximum cost of services points awarded based on the following formula:

$$(L/X)*15 = A$$

where: X = Cost proposal being scored
L = Lowest cost proposal among all proposals
A = Awarded points
15 = Total points possible

The District reserves the right to seek clarification from any proposer during the evaluation process.