



Greater Los Angeles County Vector Control District

*12545 Florence Ave.
Santa Fe Springs, CA 90670
www.glacvcd.org*

REQUEST FOR PROPOSAL (RFP) FOR PROFESSIONAL AUDITING SERVICES

Posting Date: May 29, 2019

Proposal Deadline: June 14, 2019 at 4pm

I. INTRODUCTION

The Greater Los Angeles County Vector Control District (“District”) is seeking proposals from qualified firms of Certified Public Accountants to audit its financial statements for the fiscal year ending June 30, 2019 and two subsequent fiscal years.

The Greater Los Angeles County Vector Control District (GLACVCD) is a non-enterprise, independent special district, enabled and empowered to act as a public health agency as a result of legislation in compliance with the California State Health and Safety Code.

GLACVCD was formed in 1952 and is one of five mosquito and vector control agencies in Los Angeles County. The District services approximately six million residents in a 1,340 square mile area, making GLACVCD the largest vector control district in Los Angeles County. Funding is supported by ad valorem taxes or property taxes and benefit assessment taxes. Fiscal year 2018-2019, the minimum assessment rate is \$12.79 per standard parcel. Parcels within the black fly control assessment zone are charged an additional \$.30 for that service. Service programs include preventing and controlling mosquitoes, aquatic midges and simulium black flies with a staff of 89 full time employees. From April to November, the District supports its high season of vector activity with additional extra-help personnel as needed.

The District’s governing power is vested in the Board of Trustees, which is comprised of 36 members. One trustee is appointed by each member city and a county trustee is appointed by the County Board of Supervisors. To be appointed, the member must be a resident voter of the representative city (or county for county member) within the District.

Board member duties and responsibilities include setting policy, establishing the budget, approving expenditures, and retaining legal counsel. The trustee serves a two or four year term without compensation, but does receive an in-lieu travel stipend of \$100 for

attending each regularly scheduled board meeting. The General Manager is responsible for implementing the Board's policies and directives, for overseeing the day-to-day operations of the District and for appointing the Directors of the District's departments.

The District contributes to the California Public Employees' Retirement System (PERS), a multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating public entities within the State of California.

The Mobile Science and Vector Education Foundation is a nonprofit, 501(c)(3) tax-exempt public benefit corporation based in Santa Fe Springs, California that was founded in March 2001 to advance the District's elementary education program. Currently, the Foundation provides science education to thousands of local students through a comprehensive, hands-on curriculum that meets California Educational Standards. One of its objectives is to encourage community-level participation in the control of mosquitoes and other disease transmitting vectors. The Foundation is keen on fostering interest in scientific careers in the fields of entomology, biology and public health.

The Foundation offers a variety of free educational programs:

- The SWAT Lab Program – Mobile 33-foot long science lab with interactive computer lessons, live specimens and hands-on science projects.
- Interactive Assemblies and Classroom Lessons – Presentations covering topics such as disease transmission and related vector and vector-borne disease education.

The Foundation relies on funds from donors and grants to operate and provide this important educational opportunity to children in the Greater Los Angeles area. Currently, the District is the primary donor to the Foundation.

The Foundation is incorporated into the District financial statements in compliance with GASB 80, Blending Requirements for Certain Components Units.

Lance, Soll and Lunghard of Brea, California has served as the District's auditor for the past ten years.

SCOPE OF AUDITOR SERVICES

A. Purpose

The District is requesting proposals from qualified independent certified public accountants. To meet the requirements of this request for proposal, the audit shall be conducted in accordance with generally accepted auditing standards: Government Auditing Standards: Audits of States, Local Governments, and Non-Profit Organizations; the State Controller's Minimum Audit Requirements for California Special Districts; and applicable laws and regulations. The District will be accepting proposals from

independent certified public accounting firms of “recognized ability and standing” that are licensed to practice in the State of California to be engaged as External Auditors of the operations of the District.

B. Term of Engagement

It is the intent of the District to contract for the services presented herein for a term of three (3) years for the fiscal years ending June 30, 2019, 2020, and 2021. At the option of the District, the auditing engagement may be extended for three (3) additional one-year periods by written amendment. The final selection and award will be made by the Greater Los Angeles County Vector Control District Board of Trustees.

C. Auditor Responsibilities

1. Audit the District’s basic financial statements in accordance with the provisions of section “A” above.
2. Express an opinion on the financial statements as to whether they present fairly, in all material respects, the financial position of the District and the changes in financial position in conformity with generally accepted accounting principles (GAAP) and issue an independent auditors’ report stating the opinion.
3. Test internal control over financial reporting and compliance with certain provisions of laws, regulations, and contracts, and other matters in accordance with Government Auditing Standards, and issue a report on their consideration.
4. Provide assistance with compliance with GASB 74, GASB 80, GASB 87 and GASB 67 related to the notes to the financial statements and any required adjusting journal entries.
5. Apply limited procedures related to the Required Supplementary Information (RSI), Management’s Discussion and Analysis (MD&A), budgetary comparison information, and the Supplementary Information.
6. Conduct an exit interview with District management to discuss relevant findings and proposed audit adjustments prior to final report.
7. Deliver administrative draft audit reports and draft management letters (if deemed appropriate) to District management prior to final report.
8. Meet and discuss draft audit reports and draft management letters with District management and the Audit Committee of the Board of Trustees.
9. Provide an electronic version of the final audit report plus one (1) unbound copy and forty (40) hard bound copies for the District, forty (40) hard bound copies for agency distribution, delivered seven (7) days prior to the next regularly scheduled meeting of the Board of Trustees after audit completion.
10. Present and discuss annual financial statements and results of operations to the Board of Trustees at the next regularly scheduled Board meeting after audit completion.
11. Communicate immediately, and in writing, all irregularities and illegal acts, or indications of illegal acts, of which they become aware to the Audit Committee of the Board of Trustees.
12. Prepare and electronically submit the State Controller’s Annual Report of Financial Transactions of Special Districts by the required due date.

13. Prepare and provide to the District for timely submittal for The Mobile Science and Vector Education Foundation the Federal Return of Organization Exempt Report (Form 990), the California Exempt Organization Annual Information Return (Form 199) and the Annual Registration Renewal (Form RRF-1).
14. Provide general consultation as required, during the year, on financial accounting and reporting matters.
15. Retain at auditor's expense audit working papers for three (3) years, unless the firm is notified in writing by the District of the need to extend the retention period. In addition, the firm shall respond to reasonable inquiries of the District, and successor auditors, and all the District and successor auditors to review working papers relating to matters of continuing accounting significance.

D. District Responsibilities

1. District staff will prepare the final closing of the general ledger and provide the auditors with the District's trial balance, balance sheet and income statements for the period ending June 30, 2019. Staff will provide supporting documentation for all balance sheet accounts including aged accounts payable and a reconciliation of all fixed asset accounts.
2. District staff will prepare confirmation letters as requested by the auditor.
3. District staff will be available to assist the auditors by providing information, documentation and explanations as needed.
4. District staff will be responsible for the preparation of the Management's Discussion and Analysis (MD&A).
5. District will provide the auditors with reasonable workspace and telephone, wireless internet and copy machine access.

E. Time Requirements

RFP Timeline

Submittal Deadline	June 14, 2019, 4:00 p.m. PST
Screening of Submittals	June 17 thru June 21
Finalist Interviews	Beginning week of July 1
Recommendation to the Board of Trustees	July 11, 2019

Audit Schedule

A similar audit schedule will be developed for subsequent fiscal years if the District exercises its option for additional audits. Each of the following shall be completed by the auditor no later than the dates indicated.

Interim Work

The Auditor shall complete all interim work by the agreed upon date.

Detailed Audit Plan

The Auditor shall provide the District, by the first week of September, a detailed audit plan and list of schedules to be prepared by the District.

Fieldwork

The auditor shall complete all field work by October 24, 2019.

Draft Reports

The auditor shall have drafts of the audit report(s) (basic financial statements) available for review by November 7, 2019.

Entrance Conference, Progress Reporting and Exit Conference

A similar time schedule will be developed for audits of future fiscal years if the District exercises its option for additional audits. At a minimum, the following conferences should be held as part of the audit process.

Entrance Conference to commence audit work
Progress Conference
Exit Conference

Date Final Report is Due

The District shall provide draft transmittal letter notes and statistical data and Management’s Discussion and Analysis by November 15, 2019. The auditor shall provide all recommendations, revisions and suggestions for improvement to the General Manager by November 25, 2019. A revised report, including draft auditor’s reports shall be delivered or emailed to the District by November 27, 2019.

The General Manager and the Director of Fiscal Operations will complete their review of the draft report as expeditiously as possible. It is not expected that this process should exceed one week. During that period, the auditor should be available for any meetings that may be necessary to discuss the audit reports. The District strives to have the final report presented to the Board at its December meeting. In no case shall the final signed report be mailed to the District after December 5, 2019, to meet the deadline for the December 12, 2019 Board Meeting.

Proposal Requirements

1. Firm Qualifications and Experience – The proposal should state the size of the firm, the size of the firm’s audit staff, and the location of the office from which the work on this engagement is to be performed.
2. On Site Supervisory and Staff Qualifications & Experience – The firm should identify the number and responsibility levels of staff assigned to the engagement by name and role and indicate whether each such person is licensed to practice as a certified public accountant in California. The firm should also provide

- information on the auditing experience of each person, and more specifically, the governmental auditing reporting experiences of each person.
3. Similar Engagements with Other Government Entities – List the most significant engagements performed in the last three years that are similar to the engagement described in this request for proposal, including the annual percentage of the firm’s audit practice that is for governmental entities. Indicate the names and contact information of the principal client contacts.
 4. Total All Inclusive Maximum Price – The cost estimate should contain all pricing information relative to performing the audit engagements as described in this request for proposal. The all-inclusive maximum price is to contain all direct and indirect costs including all out-of-pocket expenses. The proposal should indicate pricing for the three (3) years covering the audit proposal. The proposal should also include a schedule of professional fee rates by partner, specialist, supervisor and staff level. Invoices are to be based on actual costs incurred up to the maximum price.
 5. Additional Professional Services – If it should become necessary for the District to request the auditor to render any additional services to either supplement the services requested in this request for proposal 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 by the District’s General Manager. Any such additional work agreed to between the District and the firm shall be performed at the same rates set forth in the schedule of fees included in this proposal. A written contract amendment will be required for any such additional work that necessitates an increase in the maximum contract price.
 6. Proposal Costs – The District is not liable for any costs incurred by a proposer in responding to this request, attending an interview, or for any other activity prior to award of the contract to the selected proposer.
 7. Right to Select or Reject – The District reserves the right, in its sole discretion, to select the proposal which it determines will best serve the needs of the District, or to reject any and all proposals submitted, and to request additional information on all proposals.

Additional Provisions

1. Progress billings will be accepted on work completed during the course of the engagement for up to 75% of the total fee prior to the submission of the audited financial statements and their acceptance by the District Board of Trustees. Interim billings shall cover a period of not less than a calendar month.
2. Either party may terminate the audit contract at any time by giving not less than thirty (30) days prior written notice of such termination. If services are terminated, the District will pay auditors for all work completed. Nothing herein shall be deemed a limitation upon the District’s right to terminate for cause or otherwise to pursue such legal or equitable rights or remedies which may accrue to the District hereunder.

3. The District will make every effort to administer the proposal process in accordance with the terms and dates discussed in this RFP. However, the District reserves the right to modify the proposal process and dates as it deems necessary.

Questions and Requests for Clarification

Questions and requests for clarification concerning this RFP should be made no later than 5:00 PM on June 13, 2019. Inquiries should be directed to:

Greater Los Angeles County Vector Control District
12545 Florence Avenue
Santa Fe Springs, CA 90670

Attention: Carolyn M. Weeks, Director of Fiscal Operations
Email: cweeks@glacvcd.org

Submission of Proposal

All proposals must be emailed directly to the Greater Los Angeles County Vector Control District to be received no later than 4:00 PM on Friday, June 14, 2019. Late submissions after the deadline will not be accepted. Submit one (1) electronic copy (PDF is preferred) to tdever@glacvcd.org.

Evaluation of Proposals

Proposals will be examined for compliance with all requirements specified in this RFP and those that do not comply will be subject to disqualification without further consideration. In evaluating the proposals and selecting the successful firm, the District will consider the firm's qualifications and experience, as well as cost. While pricing is important, it should be noted that the lowest cost proposal is not a guarantee of selection for audit services. Evaluation of the proposals will take into account specialized experience and technical competence, references, firm's size, structure and location and ability to meet the District's requirements.

Final Selection

The District staff and the Audit Committee of the Board of Trustees will review all proposals submitted and will request an interview with selected firms. The District will send written notification to those firms selected for an interview, which will take place at the District's Santa Fe Springs office in early July 2019. The District staff will present a report to the Board of Trustees for consideration at its July 11, 2019 regular meeting. It is anticipated that the Board of Trustees will make the final selection at this meeting.