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[www.gatewaywater.org](http://www.gatewaywater.org)

*Los Angeles Gateway Region  
Integrated Regional Water Management  
Joint Powers Authority*

## **REQUEST FOR PROPOSALS FOR PROFESSIONAL AUDITING SERVICES**

### **BACKGROUND**

The Gateway Water Management Authority (GWMA) is a Joint Powers Authority (JPA) of 25 cities and four public water agencies. GWMA is responsible for the regional watershed planning needs of 2 million people in the Gateway Cities Region of Los Angeles County. GWMA is an interdependent local government administered by one appointed representative from each member city/agency. GWMA also relies on a 3-member Executive Committee (Chair, Vice-Chair and Secretary/Treasurer) to assist and provide guidance to the GWMA staff for the coordination of its activities.

Members of the Gateway Water Management Authority are: the cities of Artesia, Avalon, Bell, Bell Gardens, Bellflower, Cerritos, Commerce, Cudahy, Downey, Hawaiian Gardens, Huntington Park, La Mirada, Lakewood, Long Beach, Lynwood, Maywood, Montebello, Norwalk, Paramount, Pico Rivera, Pico Water District, Santa Fe Springs, Signal Hill, South Gate, Vernon, Whittier, Central Basin Municipal Water District, Water Replenishment District of Southern California and the Long Beach Water Department.

**ISSUE DATE: April 21, 2017**

**DUE DATE: May 31, 2017**

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## 1) PURPOSE

The purpose of this Request for Proposal (RFP) is to solicit for professional services to audit its annual financial statements for the fiscal year ending June 30, 2017. For purposes of this RFP, Consultant shall mean a firm or an individual.

## 2) PROJECT SCOPE OF WORK

The scope of work includes the following tasks:

- a) Audit GWMA's basic financial statements in accordance with Generally Accepted Auditing Standards (GAAS) in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the State Controller's Minimum Audit Requirements for California Special Districts and any other applicable standards;
- b) Express an opinion on the financial statements as to whether they present fairly, in all material respects, the financial position of the GWMA and the changes in financial position and cash flow in conformity with Generally Accepted Accounting Principles (GAAP), and issue an independent auditors' report stating this opinion;
- c) Test internal controls over financial reporting and in compliance with certain provisions of law, regulations, contracts and grant agreements and other matters, in accordance with Government Auditing Standards and those issued by the Comptroller General of the United States, and issue an independent auditors' report on their consideration;
- d) Prepare a Report to the Board of Directors which identifies significant audit findings, difficulties encountered in performing the audit, identify any corrected and uncorrected misstatements, disagreements with management, management representations, control deficiencies, significant deficiencies and material weaknesses, if any, and your recommendations for improvement in accounting and administrative controls;
- e) Prepare the Annual Audited Financial Statements, including all required notes, Management's Discussion and Analysis and the Supplementary information contained in the Audited Financial Statements. A draft of these reports will be provided to GWMA's Executive Officer prior to issuing the final reports for review;
- f) Present and discuss the results of the audit and the annual financial statements to the full Board of Directors during its regularly scheduled December meeting;
- g) Communicate immediately and in writing all irregularities and illegal acts, or indications of illegal acts, of which the auditor becomes aware, to the appropriate level of management and/or Board of Directors;
- h) The annual audit shall include minimum requirements of those prescribed by *Government Auditing Standards* issued by the Comptroller General of the United States and the Single Audit Act Amendments of 1996 including provisions of the Uniform Guidance.

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i) As a component of the annual audit, the auditor will prepare and submit Form SF-SAC, Data Collection Form for Reporting on Audits of States, Local Governments, and Non-Profit Organizations to the Federal Audit Clearinghouse by the appropriate deadline.

j) Retain, at auditor's expense, audit working papers for seven years, unless the firm is notified in writing by GWMA of the need to extend the retention period. In addition, the firm shall respond to reasonable inquiries of the GWMA and successor auditors and allow GWMA and successor auditor to review working papers relating to matters of continuing accounting significance;

### 3) PROPOSAL REQUIREMENTS

#### a) Proposal Submittal

The Consultant shall submit 1 electronic and/or 7 hard copies of the proposal by May 31, 2017 to:

GWMA  
Attn: Toni Penn  
16401 Paramount Blvd.  
Paramount, CA 90723

Questions regarding this Request for Proposals must be submitted by May 15, 2017 and be directed to: Toni Penn.

All questions and answers will be posted on GWMA's website by 5:00 p.m. on May 19, 2017.

#### b) Proposal Format

Proposals must include the information requested and comply with the requirements outlined in this Request for Proposals. Proposals should address the Project Scope of Work and be formatted to include the following sections:

- **Scope:** Provide a detailed description and understanding of the project, as well as the scope of services being provided
- **Key Project Personnel:** Provide qualifications and responsibilities of each member assigned to this project and the amount of each individual's time to be allocated. Identification of the primary representative and an alternate to perform the services described in the Scope of Work. Identification of the project team, including organizational chart and resumes of each team member. Specific responsibilities of each team member, including sub consultants.

#### c) Project Management System (Please respond to items check marked below)

- ☐ Components of the project management system that demonstrates the capability in management of projects of this scope.

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- \_\_\_\_ Procedure for monitoring progress and providing cost control.
- \_\_\_\_ Steps to maintain the project on schedule and budget.

d) Proposals must include at a minimum, the following information, which shall be provided in the format listed below:

- Legal name of Consultant, address, telephone number, and fax number.
- Consultant's Tax Identification Number
- Identification of the Project Partner and Manager assigned to this project.
- Name, address, telephone number, and e-mail address of the person to whom correspondence should be directed.
- List of sub-consultants, if any, who will be a part of the project team, including their specific areas of responsibility.
- References that the Gateway Water Management Authority may contact concerning your performance on similar projects. Description of the project team's past record of performance on similar projects for which the Consultant has provided services.
- General information concerning the Consultant's ability to perform work of this nature.
- Consultant's current rate schedule with effective dates.

e) Proposal Fee

The Proposal shall include a full description and breakdown ~~for each task~~ of all fees proposed by the Consultant for all services to be provided as outlined in the Scope of Work.

f) Project Schedule

The Proposal shall include a Project Schedule.

#### 4) GENERAL REQUIREMENTS

a) Consultant Minimum Qualifications

- The Consultant and any sub-consultants must be legally qualified to practice the work required in the State of California. The selected Consultant will be required to sign GWMA's standard Professional Services Agreement attached herein as Exhibit A and to provide all insurance required in that Agreement.

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- Documentation of previous experience of the Project Partner, Manager and team on similar projects will be a heavily weighted factor in the selection process.
- The consultant's staff commitment to the project will also be a heavily weighted factor in the selection process. Only staff who will, in fact, commit a substantial percentage of their time on this project should be set forth in any organization charts or resumes. A Project Partner and Manager is to be designated by name and may not be changed without the prior written approval by GWMA. Significant changes from proposed staff may result in a reduction of the Consultant's fee or termination of the contract. Also, GWMA reserves the right to have the Consultant remove and replace the Project Partner and/or Manager or any project staff member from the project for cause.

b) Quality of Work

The Consultant agrees to deliver quality services that meet or exceed industry standards or best practices including those which have been expressly stated herein as requirements. The Consultant will be wholly responsible for correcting any deficiencies, at no additional cost to the GWMA. The Consultant's proposal shall include a detailed description of quality assurance procedures used on the project.

c) Exceptions/Modifications

No oral or telephone modifications of any Proposal, once submitted, will be considered. Modified Proposals may be submitted as long as the new Proposal is completed prior to the original deadline for submission of the Proposal.

- The Proposal submitted must not contain any erasures and/or corrections.
- Any potential Consultant may withdraw its Proposal personally, or by written request either by mail or facsimile, at any time prior to the scheduled closing time for the receipt of the Proposal. If no written request is received prior to the closing time for the qualifications, the Proposal shall be considered valid and binding.
- The successful Consultant shall be bound by the terms and conditions of the Professional Services Agreement (PSA), attached to this RFP as Exhibit B including, but not limited to, the indemnification and insurance provisions.

d) Non-disclosure of Information

The Consultant awarded the contract, shall take reasonable and prudent measures to safeguard all information used in the development, draft and final work products related to the Project, including the information in this RFP. The Consultant shall not disclose this information to any party, or use the project data or information on any other project, without the express consent of the GWMA or as required by Federal law. The Consultant shall include the same requirements in all sub-contractor agreements, if any.

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e) Payment

The Consultant will be paid on the basis of time and material on a task by task basis, not to exceed the contract amount.

f) Schedule

The Consultant is expected to complete all tasks within the Scope of Services, no later than October 31, 2017, or as agreed to in the final PSA.

g) Contents and Order of the Proposal

Each interested Consultant shall submit a Proposal with the following information and in the order provided below:

- Name of Consultant;
- Address of principal place of business including e-mail, telephone, website and fax numbers;
- Name and resume of the main individual assigned to work with the GWMA staff;
- Description of Consultant or individual's education, experience, qualifications, number of years with the Consultant, if applicable, and a description of experience with activities similar to those described above;
- Experience related to providing service to public entities and water agencies;
- At least three (3) references, two (2) of which must have knowledge of the main individual's service to a public entity;
- Cost details, including the hourly rates of each of the individuals who will perform services, all expenses, and a "not to exceed" annual amount; and
- Any other information that the Consultant deems relevant.

h) Selection Criteria

The selection criteria used in awarding a contract or agreement for professional services as described above shall include but not limited to the following:

- Qualifications of the individual(s) who will perform the tasks and the amounts of their respective participation;
- Relevant experience (public agency and water) and strength of references;
- Ability to perform tasks in a timely fashion, including staffing and familiarity with the subject matter; and

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- Cost competitiveness

## 5) RIGHT TO REJECT ALL PROPOSALS

GWMA reserves the right to reject any and all Proposals, to accept or reject any one or more items of a Proposal, or to waive any irregularities or informalities in the Proposals or the selection process if it is deemed in the best interests of GWMA.

## 6) EQUAL EMPLOYMENT OPPORTUNITY

GWMA is an equal opportunity employer and requires all consultants to comply with all State and Federal regulations concerning equal employment opportunity.

## 7) CONFLICT OF INTEREST

The Consultant and its employees shall comply with all applicable state and federal conflict of interest statutes and regulations, including, but not limited to, California Government Code Section 1090 and the Political Reform Act.

## 8) DISCLOSURE

Consultants shall disclose in their proposal whether they have been subject of any investigation by County, State, and/or Federal agencies within the past 5 years. If so, each responding Consultant shall identify the agency and contact person, the nature of the investigation, and any determination over outcome of said investigation. The Consultant shall also respond to the following questions:

- Has the Consultant been subject to any favorable or unfavorable newspaper article or articles, and if so, please include a copy of the article or articles in the Proposal.
- Is there anything about the Consultant which if disclosed would reflect negatively on the GWMA in any way?

Failure to comply with this section could result in rejection of the Proposal.

## 9) ANTI-DISCRIMINATION

GWMA requires that its Consultants shall not discriminate against any prospective or active employee engaging in work under its contracts because of race, color-ancestry, national origin, religious creed, sex, age or marital status. The selected Consultant shall comply with applicable Federal and California laws in this regard including, but not limited to, the California Fair Employment and Housing Act. In addition, the selected Consultant shall require similar compliance by any sub-contractor the Consultant retains to provide services under this contract.

## 10) PREVAILING WAGE COMPLIANCE

The work included in this Project may call for services that, in whole or in part, constitute “public works” as defined in the California Labor Code. Therefore, as to those services that are “public

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works,” the Consultant shall comply in all respects with all applicable provisions of the California Labor Code.

## **SUBMISSION REQUIREMENTS AND DEADLINE**

Proposals must be postmarked, hand-delivered and/or emailed to: Toni Penn,  
Gateway Water Management Authority, 16401 Paramount Blvd., Paramount, CA 90723, no  
later than May 31, 2017.

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