

**MONTEREY BAY UNIFIED
AIR POLLUTION CONTROL DISTRICT**



**REQUEST FOR PROPOSAL
INDEPENDENT AUDIT SERVICES**

**Monterey Bay Unified
Air Pollution Control District
24580 Silver Cloud Court
Monterey, CA 93940
831-647-9411**

PROPOSALS DUE BY 5:00 PM, Friday, May 6, 2022

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SUMMARY STATEMENT

The Monterey Bay Unified Air Pollution Control District, dba Monterey Bay Air Resources District (“District”) requests proposals from qualified independent certified public accountants to audit and report on the financial position of the District. The District will be accepting proposals from qualified independent certified public accounting firms with demonstrated experience with governmental audits and licensed to practice in the State of California.

The District anticipates a three-year audit services agreement, subject to an annual review by the District. The first audit period will be for the fiscal year beginning July 1, 2021 and ending June 30, 2022 with options to renew for annual audits for the fiscal years ending June 30, 2023 and 2024. Price proposals for three years are requested along with qualifications.

I. INTRODUCTION AND GENERAL INSTRUCTIONS

1. Inquiries and proposals should be directed to:

Rosa Rosales, Administrative Services Manager
Monterey Bay Air Resources District
24580 Silver Cloud Court
Monterey, CA 93940
831-718-8019
Email: rrosales@mbard.org

2. Qualified firms are invited to submit two (2) copies along with one (1) electronic copy (PDF via email) that meet the requirements described in this Request for Proposal (RFP). The deadline for submitting proposals is:

5:00 p.m., Friday, May 6, 2022

Proposals arriving after the specified date and time will not be considered. Each firm assumes responsibility for timely submission of its proposal.

Withdrawal or Modifications of Proposals: Any proposal may be withdrawn or modified by a written request signed by the firm and received by the District prior to the final time and date for the receipt of proposals. Once the deadline is past, firms are obligated to fulfill the terms of their proposal.

3. The District is not liable for any cost incurred by proposers prior to the issuance of a contract. The District reserves the right to accept all or part of any proposal or to cancel in part or in its entirety this Request for Proposal. The District further reserves the right to accept the proposal that it considers to be in the best interest of the District.

ABOUT THE DISTRICT

The Monterey Bay Air Resources District is a special district under the California Health and Safety Code. The administrative office is located at 24580 Silver Cloud Court, Monterey, CA 93940.

The District was created by the Monterey County Board of Supervisors in 1965. Three years later, Santa Cruz County joined Monterey County to form a two-county unified district. In 1969, the state designated the three counties of Monterey, San Benito, and Santa Cruz as the North Central Coast Air Basin, a single region sharing the same air pollution problems. A year later, the federal Clean Air Act formalized the responsibility of state and local governments to manage air quality in their regions. On July 1, 1974 Monterey and Santa Cruz County Unified Air Pollution Control District merged with the San Benito County Air Pollution Control District to form the Monterey Bay Unified Air Pollution Control District.

The District is governed by an eleven-member Board of Directors appointed from the elected governing bodies of our member jurisdictions. Six Board members are county supervisors; five are mayors or city council members. The number of representatives on the Board from each of the member cities and counties is based on the relative population in each county. The Air Pollution Control Officer is appointed by the Board and serves as Executive Director of the District. The District Counsel is also appointed by the Board.

As required by the California Clean Air Act and Amendments (HSC Section 40910 et seq.) and the Federal Clean Air Act and Amendments (42 U.S.C. Section 7401 et seq.) the District is responsible for air monitoring, permitting, enforcement, long-range air quality planning, regulatory development, education and public information activities related to air pollution. California Health and Safety Code Sections 39002, et seq. and 40000, et seq. require local districts to be the primary enforcement mechanism for air pollution control. Districts must have rules and regulations for the implementation and enforcement for the attainment and maintenance of federal and state ambient air standards.

The District's overall annual fiscal year 2021-22 budget is approximately \$19.7 million. The operational budget represents approximately \$6.6 million and the remaining \$13.1 million includes revenue that the District receives and grants to other entities.

The most recent audit of the District's financial statements was completed for the period July 1, 2020 to June 30, 2021. An electronic copy of the audit report can be found at <https://www.mbard.org/>.

PRIOR AUDITORS

The most recent auditors for the District were Badawi & Associates, who prepared financial statements for each of the fiscal years ended June 30, 2016 through June 30, 2021.

II. NATURE OF SERVICES REQUIRED

1. The District is seeking the following services:
 - a. Perform an audit in accordance with Generally Accepted Auditing Standards as set forth by the American Institute of Certified Public Accountants, and in accordance with “Minimum Audit Requirements and Reporting Guidelines for California Special Districts” as required by the State Controller’s office.
 - b. Express an opinion on the financial statements as to whether they present fairly, in all material aspects, the financial position of the District and the changes in financial position and cash flows in conformity with generally accepted accounting principles (GAAP), and issue an independent auditors’ report stating this opinion.
 - c. Provide general consultation as required during the year on financial accounting and reporting matters.
 - d. Test internal controls over financial reporting and on compliance with certain provisions of laws, 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.
 - e. Communicate in a letter to management 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.
 - f. Prepare adjusting journal entries for GASB 68 & GASB 75.
 - g. If required, prepare a Single Audit report.
 - h. Conduct an exit conference with the District staff.
 - i. 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 weakness, if any, and your recommendations for improvements in accounting and administrative controls.
 - j. Present and discuss the results of the audit and the annual financial statements to the Budget, Nominating, and Personnel Committee and to the full Board of Directors.
 - k. Prepare and forward to the State Controller’s Office the Annual Report of Financial Transactions of Special Districts pursuant to government Code Section 53891.

The District will have all records prepared for the audit in a timely manner in order to meet reporting deadlines. Anticipated fieldwork for the year-end audit should not commence prior to the second Monday in August for the audit of the previous fiscal year.

The final reports and management letter, in its final form, shall be given to the District no later than November 20th annually for the audit of the previous fiscal year.

Changes in time requirements for commencement of work to completion of final reports must be approved by the District in advance.

III. ASSISTANCE AVAILABLE TO AUDITORS

1. The District staff will support the auditors by pulling any necessary documents.
2. The District staff will prepare all trial balances, detail supporting schedules, reconciliations of significant accounts, and other schedules as reasonably expected for the audit.
3. The District's legal counsel will be available to discuss pertinent legal issues to the District's financial statements.
4. The District staff will issue letters of representation, as required.
5. All documentation supporting the financial statements is located at the District's office.

IV. INFORMATION REQUESTED

1. State whether the firm is local, regional, national or international. Submit written evidence that the firm is a legal entity in the State of California and has performed continuous CPA services for a minimum of five years.
2. Provide written evidence that the firm is a member in good standing of both the American Institute and California Society of Certified Public Accountants.
3. State the location of the office from which work is to be done and the number of partners, managers, supervisors, seniors and other professional staff employed at that office.
4. Identify the staff who will work on the audit and the staff's relevant experience and academic qualifications.
5. Describe the most recent local and regional office governmental auditing experience. Key criteria used to select firms will be experience with audits of special district.
6. At minimum, 3 references from previous or current customer within the past 5 years.

V. TIME CONSIDERATIONS AND REQUIREMENTS

- a. April 8, 2022 Requests for Proposals distributed
- b. May 6, 2022 Deadline for submitting proposals to the District
- c. May 20, 2022 Evaluation of proposals completed
- d. June 15, 2022 Award of contract by the District's Board
- e. June 16, 2022 Notification of selected firm
- f. June 27, 2022 Expected signing of contract

As part of the evaluation and selection process, the District may elect to conduct oral interviews with one or more firms following evaluation.

7. Responses to this Request for Proposals must be received by 5:00 p.m. on Friday, May 6, 2022. Two copies of the submittal plus a PDF copy via email are required. Responses are to be sent to:

Rosa Rosales, Administrative Services Manager
Monterey Bay Air Resources District
24580 Silver Cloud Court
Monterey, CA 93940
831-718-8019
Email: rrosales@mbard.org

The District reserves the right to reject any or all proposals and to waive any irregularities or informality in any proposal whenever such rejection of waiver is in the interest of the District. In the event that the District cannot negotiate a satisfactory contract with the top ranked Respondent or said Respondent does not execute the contract, the District may give notice to said Respondent of its intent to negotiate a contract with the next most qualified Respondent, and so on, or may, if it so chooses, call for new proposals. The District reserves the right to select the proposal which, in the District's opinion, will provide services best matching the District's needs, not necessarily the lowest bidder.

QUESTIONS AND COMMENTS

Contact Administrative Services Manager Rosa Rosales at 831-718-8019 for questions and clarifications regarding this request for proposal.