



**REQUEST FOR PROPOSAL**

**PROFESSIONAL AUDITING SERVICES**

**JUNE 15, 2020**

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**Monroe County Water Authority  
475 Norris Drive  
Rochester, New York 14610**

## **SECTION 1 – INVITATION TO PARTICIPATE**

### **1.1 PURPOSE**

Monroe County Water Authority ("MCWA") is soliciting the services of qualified firms of certified public accountants to audit its financial statements and investment compliance for three years beginning with the fiscal year ending December 31, 2020. These audits are to be performed in accordance with Government Accounting Standards Board Pronouncements, Generally Accepted Auditing Standards, and the provisions contained in this Request for Proposal ("RFP").

In responding to this RFP, Proposers must follow the prescribed format as outlined in Section 5. By so doing, each Proposer will be providing MCWA with comparable data submitted by other Proposers and, thus, be assured of fair and objective treatment in the MCWA review and evaluation process.

A three-year contract is contemplated, subject to annual review and a price acceptable to both, and the concurrence of the MCWA Audit Committee and Board.

### **1.2 PROCUREMENT OFFICER**

The Procurement Officer identified below is the sole point of contact regarding this RFP from the date of issuance until the selection of the successful Proposer.

Amy A. Molinari  
Director of Finance & Business Services  
Monroe County Water Authority  
475 Norris Drive  
Rochester, NY 14610  
E-mail: [Amy.Molinari@mcwa.com](mailto:Amy.Molinari@mcwa.com)

### **1.3 PRESENTATION AND CLARIFICATION OF MCWA'S RIGHTS AND INTENTIONS**

MCWA intends to enter into a contract with the selected Proposer to supply the services described in Section 2. However, this intent does not commit MCWA to award a contract to any responding Proposer, or to pay any costs incurred in the preparation of the proposal or a cost proposal in response to this request, or to procure or contract for any services. MCWA reserves the right, in its sole discretion, to accept or reject in part or in its entirety any proposal received as a result of this RFP if it is in the best interest of MCWA to do so.

## 1.4 TENTATIVE SCHEDULE

<b>June 15, 2020</b>	RFP distributed; announced on MCWA website.
<b>June 29, 2020</b>	Pre-proposal questions due, in writing.
<b>July 6, 2020</b>	Addenda issued with answers to Proposer's questions (if necessary).
<b>July 17, 2020</b>	Proposals due.

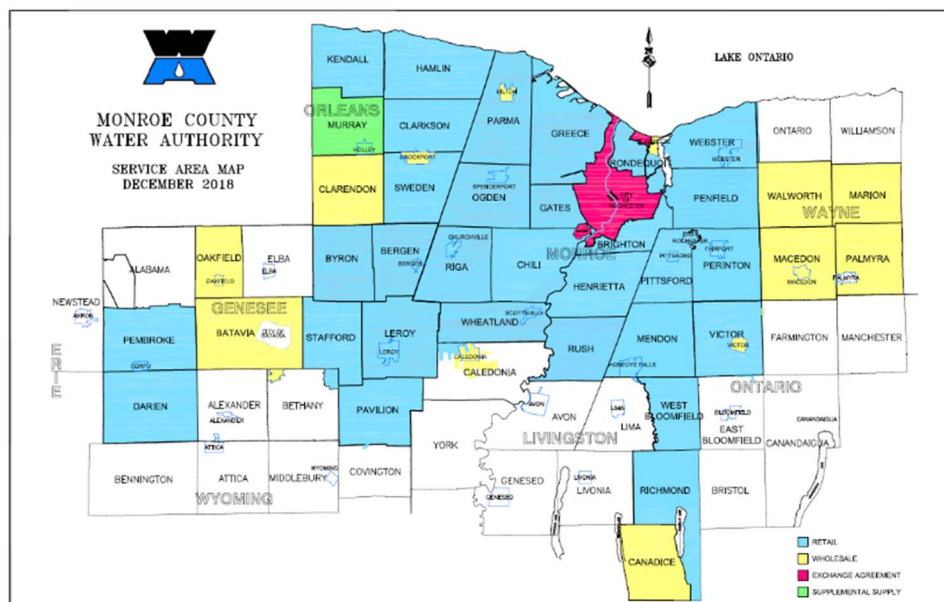
## 1.5 OVERVIEW OF ORGANIZATION

MCWA provides a high quality, safe, and reliable water supply in a financially-responsible manner.

MCWA was created by State legislation in 1950 to solve the water supply needs of this community. In 1959, MCWA took over the assets of the private New York Water Service Corporation and had 27,000 retail customers, serving just portions of the County's inner ring towns and portions of the City of Rochester. As surrounding towns and villages faced new water supply challenges, the MCWA service area has steadily grown. Today, MCWA serves over 180,000 customers in every town and village in Monroe County, plus towns, villages, and other water authorities in each of the five adjacent counties.

The MCWA system infrastructure includes its main operations center, meter shop, three water treatment plants, 40 remote pumping stations, 53 tanks and 2 storage reservoirs, and over 3,200 miles of transmission and distribution water mains.

For additional information on MCWA, go to [www.mcwa.com](http://www.mcwa.com).



## **SECTION 2 – SCOPE OF WORK**

The MCWA desires the auditor to express an opinion on the fair presentation of its general purpose financial statements in conformity with Government Accounting Standards Board Pronouncements and Generally Accepted Accounting Principles.

### **2.1 REPORTS TO BE ISSUED**

After the completion of the audit of the fiscal year's financial statements, the auditor shall issue:

1. Auditor's Report (Opinion)
2. Management Discussion and Analysis
3. Statement of Net Position
4. Statement of Revenue, Expenses and Change in Net Position
5. Statement of Cash Flows
6. Notes to Financial Statements
7. Required Supplementary Information
8. Accountant's Report (Opinion) on Investment Compliance Audit

### **2.2 IRREGULARITIES AND ILLEGAL ACTS**

Auditors shall be required to make an immediate, written report of all irregularities and illegal acts of which they become aware to the following parties:

Scott Nasca, Chairman of the MCWA Board of Directors  
Nicholas Noce, Executive Director

### **2.3 PROGRESS CONFERENCES**

During the course of the audit various conferences with the Authority's Audit Committee, the Director of Finance & Business Services, the Executive Director and the MCWA Board will be required of the auditors.

### **2.4 REPORTING TO THE MCWA BOARD**

Auditors shall assure themselves that the MCWA's Board of Directors, through the Audit Committee, is informed of each of the following:

1. The auditor's responsibility under generally accepted auditing standards
2. Significant accounting policies
3. Management judgments and accounting estimates
4. Significant audit adjustments
5. Major issues discussed with management prior to retention
6. Difficulties encountered in performing the audit.

## **2.5 SPECIAL CONSIDERATIONS**

- A. The MCWA periodically issues Revenue Bonds. As a part of this process, the MCWA may prepare an official statement in connection with the sale of these debt securities, which will contain the general purpose financial statements and the auditor's report thereon. The auditor shall be required, if requested by the fiscal advisor and/or the underwriter, to issue a "consent and citation of expertise" as the auditor and any necessary "comfort letters." The issue of additional revenue bonds by the Authority may require the auditor to provide a certificate in accordance with Section 210 of the Trust Indenture.
- B. The MCWA will be required to be in compliance with various Government Accounting Standards Board statements, including Statement Number 87 (GASB 87). The MCWA seeks the firm's assistance in reviewing applicable GASB statements and assessment of what additional work products, reports, and changes, if any, to the MCWA financial statements will be required.
- C. It is possible that in years where the MCWA receives federal grant monies, additional audit work may be required per OMB Circular A-133.
- D. The MCWA seeks the firm's assessment of the impact on the audit engagement and any additional fees related to these requests.

## **2.6 DATE FINAL REPORT IS DUE**

A draft copy of the audit report must be delivered to the MCWA in early March, typically the first Tuesday in March. The final report and twenty (20) signed copies must be delivered to the MCWA by the March Board Meeting, typically the second Thursday in March. Certain New York State statutes require the MCWA to file its annual report within 90 days of the end of its fiscal year. Please provide us with an anticipated schedule for fiscal year ending December 31, 2020 audit's work and report presentation.

## **2.7 WORKING PAPER RETENTION AND ACCESS TO WORKING PAPERS**

All working papers and reports must be retained, at the auditor's expense, for a minimum of three (3) years, unless the firm is notified in writing by the MCWA of the need to extend the retention period. The auditor will be required to make working papers available to the MCWA upon request.

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.

## **2.8 Conflict of Interest**

In the event Proposer becomes aware of any conflicts or potential conflicts between the interest of the MCWA and the interests of Proposer's clients, Proposer shall immediately notify the MCWA Executive Director or his designee, in writing, of such conflict. Written notice may be in the form of an email notification. In the event MCWA becomes aware of any conflicts or potential conflicts between the interests of MCWA and the interests of Proposer's clients, the MCWA

Executive Director, or his designee, shall promptly notify the Proposer of such conflict. MCWA and Proposer shall attempt to resolve any such conflict in a manner mutually acceptable to MCWA and Proposer. If the conflict cannot be resolved to the satisfaction of MCWA, the MCWA reserves the right to procure these services from other firms with an appropriate reduction to the Proposer's fee(s).

## **SECTION 3 – MCWA FINANCIAL BACKGROUND**

### **3.1 CONTACT PERSONS**

The auditor's principal contact with the MCWA will be Amy Molinari, Director of Finance & Business Services, who will coordinate the assistance to be provided by the MCWA to the auditor. An organizational chart listing other key personnel is attached.

### **3.2 BACKGROUND INFORMATION**

The MCWA has an annual payroll of about \$26 million covering approximately 220 employees, and an annual budget of about \$78 million. The MCWA is organized into five departments. The accounting and financial reporting functions of the MCWA are centralized.

More detailed information on the government and its finances can be found in the annual budget, annual and quarterly financial reports, and the Trust Indenture.

### **3.3 BASIS OF ACCOUNTING**

The MCWA records revenues and expenses under the accrual form of accounting. Depreciation is provided on a straight-line basis over the useful life of the asset. Gain or loss on retirement of assets is recognized. Leases are treated as capital leases or operating leases in accordance with the provisions of FASB 13.

### **3.4 PENSION PLANS**

The MCWA participates in the New York State Employees Retirement System.

### **3.5 FUND STRUCTURE**

The MCWA has the following funds in accordance with its Trust Indenture dated October 1, 1991:

<u>Fund Name</u>	<u>Held By</u>
Water Revenue	MCWA
Operations & Maintenance	MCWA
Capital Improvement	Trustee
General	MCWA
New Construction	Trustee

## **SECTION 4 – ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION**

### **4.1 FINANCE DEPARTMENT AND CLERICAL ASSISTANCE**

It is anticipated that the preliminary December 31, 2020 Balance Sheet and Revenue Statements will be completed by MCWA prior to the audit. The finance department staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation and explanations. The Auditor shall prepare draft and final financial statements, including the Statement of Cash Flows, notes and all required supplementary schedules.

### **4.2 INFORMATION TECHNOLOGY (IT) ASSISTANCE**

IT personnel will be available to provide systems documentation and explanations.

### **4.3 WORK AREA, TELEPHONES, PHOTOCOPYING, INTERNET CONNECTIONS AND FAX MACHINES**

The MCWA will provide the auditor with reasonable workspace, desks and chairs. The auditor will also be provided with access to telephone lines, photocopying facilities, and fax machines.

### **4.4 REPORT PREPARATION**

Report preparation, editing and printing shall be the responsibility of the auditor.

## **SECTION 5 – PROPOSAL REQUIREMENTS**

### **5.1 SUBMISSION OF PROPOSAL**

- A. To be considered, eight (8) copies of the proposal must be received by Amy Molinari, Director of Finance & Business Services, 475 Norris Drive, Rochester, New York 14610, by 12:00 p.m. EST on Friday, July 17, 2020.

**Price proposals should be delivered in a separately sealed envelope from the remainder of the proposal.**

The MCWA reserves the right to reject any or all proposals submitted. **Requests for extension of the submission date will not be granted.**

- B. To be considered, Proposers must submit a complete response to this RFP. Proposers not responding to all information requested, or indicating exceptions to those items not responded to, may be rejected.

- C. All proposals must be submitted in a sealed envelope clearly labeled “RFP – Professional Auditing Services”. All proposals must be addressed to the Procurement Officer listed below and must be submitted via a delivery service, such as UPS or FedEx. Delivery service must also be instructed to “**Deliver to blue drop box located at Employee Entrance - Door 19**”. MCWA cannot accommodate deliveries requiring signatures to confirm receipt. Proposers shall have sole responsibility to contact the Procurement Officer to confirm receipt of proposal. Proposals hand delivered or submitted via US Postal Service will be returned unopened.

Amy A. Molinari, Director of Finance & Business Services  
Proposal – Professional Auditing Services  
Monroe County Water Authority  
475 Norris Drive  
Rochester, NY 14610

**Deliver to blue drop box located at Employee Entrance - Door 19**

## **5.2 PROPOSAL CONTENT REQUIREMENTS**

A. General Requirements

The proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the RFP requirements.

The proposal should be prepared simply and economically, providing a straightforward, concise description of the Proposer's capabilities to satisfy the requirements of the request for proposal.

While additional data may be presented and creative approaches are encouraged, the following subjects must be included.

B. Partner, Supervisory and Staff Qualifications and Experience

Identify the principal engagement partners, supervisory, and management staff who would be assigned to the engagement.

Provide information regarding the number, qualifications, auditing experience and training of the specific staff to be assigned to this engagement as it relates to the performance of this audit. Indicate how the quality of staff over the term of the agreement will be assured.

C. Similar Engagements with Authorities, Utilities, Or Other Government Entities

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum - 5) performed in the last five years that are similar to the engagement described in this request for proposal. Describe the firm's overall involvement in the water industry or other utilities.



D. Specific Audit Approach

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed.

E. Identification of Anticipated Potential Audit Problems

The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems, and any special assistance that will be requested from the MCWA.

F. Audit Calendar

The following is a list of key steps in the audit process. Provide a schedule including a starting date and the time required to complete each of the following. Add to the list any other key steps that may be appropriate.

1. Entrance Conference with Director of Finance & Business Services
2. Interim Work
3. Prepare journal entries for GASB 75
4. Prepare journal entries for the Pension Deferred Inflow/Outflow
5. Progress Conference with Director of Finance & Business Services
6. Preliminary Meeting with Audit Committee (1<sup>st</sup> week in December 2020)
7. Audit Plan including schedules to be prepared by the Monroe County Water Authority
8. Fieldwork
9. Draft Reports
10. Exit Conference with the Director of Finance & Business Services
11. Meeting with Audit Committee (1<sup>st</sup> week in March 2021)
12. Final Meeting With Board of Directors (2<sup>nd</sup> week in March 2021)
13. Final Reports Issued

### **5.3 PRICE**

The total **all-inclusive** maximum price is to contain all direct and indirect costs including all out-of-pocket expenses. It is preferred that a price be given for each of the three years' 2020-2022 audits.

**Price proposals should be delivered in a separately sealed envelope from the remainder of the proposal.**

A. Additional Professional Services

It is necessary for the MCWA to occasionally request the Auditor to research routine questions relating to the day-to-day business operations of the Authority. Questions of this nature are to be included in the all-inclusive pricing.

If it should become necessary for the Authority to request any additional services from the Auditor to either supplement services requested in this RFP or to perform additional work as a result of a specific recommendation included in any report issued on this engagement, then such additional work shall be performed only upon approval by the Audit Committee and Board of Directors. Also any such additional work agreed between the MCWA and the Auditor shall be quoted in advance and shall be performed at the same rate set forth in the schedules of fees and expenses that would be included in the costs section of the submission.

Include a price for the issue of a comfort letter and for the preparation of interim financial statements in conjunction with a revenue bond sale and publication of an official statement.

Include a schedule of fees for any additional services which the MCWA may request of the Auditor to supplement the services specified in this RFP.

#### **5.4 CLARIFICATION OF RFP AND QUESTIONS**

Questions that arise prior to or during preparation of the proposal must be submitted **in writing or via email** pursuant to instructions in Section 1 of this RFP. As per NYS Finance Law, no contact will be allowed between the Proposer and any other member of MCWA regarding this RFP during the procurement process, unless specifically authorized, in writing, by the Procurement Officer. Prohibited contact may be grounds for Proposer disqualification.

#### **5.5 ADDENDA TO THE RFP**

In the event it becomes necessary to revise any part of this RFP, addenda will be issued by MCWA. An acknowledgement of such addenda, if any, must be submitted with the RFP response.

#### **5.6 ORGANIZATION OF PROPOSAL**

This section outlines the information that must be included in your proposal. Please respond with your information in the same order as the items in this section.

- A. **Company Information:** Provide a brief history of your firm including the number of years in business, identification of company ownership, and the number of employees. Describe a minimum of three (maximum of five) engagements performed within the last 5 years of similar scope that best demonstrate your firm's (and sub-consultants, as appropriate) qualifications to undertake all aspects of the work.
- B. **Project Team:** Provide a description of the project team's organization and roles. List the specific project team members, including resumes. Those proposed should be available, if selected. If in doubt, listing "alternatives" is acceptable.
- C. **Management Approach:** Describe in detail your approach to management of the work, including how your corporate philosophy is translated into planning, implementation, coordination, and control mechanisms.
- D. **Value-Added Services/Benefits:** Describe any value-added services your firm will provide as part of this contract and any specific benefits to MCWA as a result of this partnership.

- E. **References:** Provide a minimum of three clients for whom your firm has provided similar services. Include the following information for each client:
- Name and address of the client
  - Name and telephone number of contact person
  - Summary of the services provided
- F. **Procurement Form:** Complete, sign, and include the procurement disclosure form contained in Section 6.

## **5.7 METHOD OF EVALUATION AND SELECTION**

A. **Review of Proposals**

The MCWA Audit Committee will review the proposals submitted. Based upon the results, one or more firms may be asked to make an oral presentation.

The MCWA reserves the right to retain all proposals submitted and use any idea in a proposal regardless of whether that proposal is selected.

B. **Evaluation Criteria**

Proposals will be evaluated using three sets of criteria. Firms meeting the mandatory criteria will have their proposals evaluated for both technical qualifications and price. The following represent the principal selection criteria, which will be considered during the evaluation process.

1. **Mandatory Elements:**

- A. The audit firm is independent and licensed to practice in New York State.
- B. The firm has no conflict of interest with regard to any other work performed by the firm for the MCWA.
- C. The firm adheres to the instructions in this request for proposal on preparing and submitting the proposal.

2. **Expertise and Experience**

- A. The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation
- B. The firm's past experience and performance on comparable authority, utility, and government engagements
- C. Experience with revenue bonds and revenue bond issuers

3. **Audit Approach**

- A. Adequacy of proposed staffing plan
- B. Audit plan that fits the Authority's needs
- C. Ability to complete the engagement on a timely basis

C. Price

Separate all-inclusive maximum price per Section 5.3 for 2020, 2021 and 2022 audits should be delivered separately in a sealed envelope from the remainder of the proposal.

D. Final Selection

The MCWA Board will select a firm based upon the recommendation of the MCWA Audit Committee.

E. Right to Reject Proposals

Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposal unless clearly and specifically noted in the proposal submitted and confirmed in the agreement between the MCWA and the firm selected.

The MCWA reserves the right without prejudice to reject any or all proposals.

### **EVALUATION CRITERIA AND PROPOSAL SCORING**

Each Proposal has a total possible score of 100 points with the points assigned as follows:

<b>CRITERIA</b>	<b>WEIGHT</b>
Mandatory Elements	25 Pts
Expertise and Experience	35 Pts
Audit Approach	40 Pts

## **SECTION 6 – GENERAL INFORMATION FOR THE PROPOSER**

### **6.1 RESERVATION OF RIGHTS**

MCWA reserves the right to refuse any and all submittals in part, or in their entirety, or select certain products from various Proposer proposals, or to waive any informality or defect in any proposal should it be deemed to be in the best interest of MCWA. MCWA is not committed, by virtue of this RFP, to award a contract or to procure or contract for services. The proposals submitted in response to this request become the property of MCWA. If it is in its best interest to do so, MCWA reserves the right to:

- Make selections based solely on the proposals or negotiate further with one or more Proposers. The Proposer selected will be chosen on the basis of greatest benefit to MCWA as determined by the MCWA Audit Committee.
- Negotiate contracts with the selected Proposers.

### **6.2 INVESTIGATIONS**

MCWA reserves the right to conduct any investigations necessary to verify information submitted by the Proposer and/or to determine the Proposer's capability to fulfill the terms and conditions of the bidding documents and the anticipated contract. MCWA will not consider Proposers that are in bankruptcy or in the hands of a receiver at this time of tendering a proposal or at the time of entering into a contract.

### **6.3 INCURRING COSTS**

MCWA is not liable for any costs incurred by Proposer prior to the effective date of the contract.

### **6.4 MATERIAL SUBMITTED**

All right, title and interest in the material submitted by the Proposer shall vest in MCWA upon submission to MCWA without any obligation or liability by MCWA to the Proposer. MCWA has the right to use any or all ideas presented by a proposer.

MCWA reserves the right to ownership, without limitation, of all materials submitted. However, because MCWA could be required to disclose documents received under the New York Freedom

of Information Law, MCWA will, to the extent permitted by law, seek to protect the Proposer's interests with respect to any trade secret information submitted as follows:

Pursuant to Public Officers Law §87, MCWA will deny public access to Proposer's proposal to the extent the information constitutes a trade secret, which if disclosed, would cause substantial harm to the Proposer's competitive position, provided the Proposer identified the information it considers to be a trade secret and explains how disclosure would cause harm to the Proposer's competitive position.

## **6.5 PROCUREMENT POLICY**

Pursuant to State Finance Law §139-j and 139-k, this Request for Proposal includes and imposes certain restrictions on communications between a Governmental Entity (including the MCWA) and Bidder/Offerer during the Procurement Process. A Bidder/Offerer is restricted from making contacts from the earliest notice of intent to solicit offers through final award and approval of the Procurement Process by the MCWA to other than MCWA's Procurement Officer(s) unless it is a contact that is included among certain statutory exceptions set forth in State Finance Law §139-j(3)(a).

The MCWA's Procurement Officer for this Governmental Procurement, as of the date hereof, is identified herein. MCWA employees are also required to obtain certain information when contacted during the restricted period and make a determination of the responsibility of the Bidder/Offerer pursuant to these two statutes. Certain findings of non-responsibility can result in rejection for contract award, and in the event of two findings within a four (4) year period, the Bidder/Offerer is debarred from obtaining government Procurement Contracts. Further information about these requirements may be obtained from the Procurement Officer.

The MCWA reserves the right to terminate this contract in the event it is found that the certification filed by the Bidder/Offerer in accordance with State Finance Law §139-k(5) was intentionally false or intentionally incomplete. Upon such finding, MCWA may exercise its termination right by providing written notification to the Bidder/Offerer in accordance with the written notice terms of this contract.

**Request for Qualifications  
Legislative & Regulatory Advocacy Services  
Bidder/Offerer Disclosure**

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**OFFERER/BIDDER DISCLOSURE OF PRIOR NON-RESPONSIBILITY DETERMINATION AND  
AFFIRMATION/CERTIFICATION IN ACCORDANCE WITH NYS FINANCE LAW §§ 139-J & 139-K**

Date \_\_\_\_\_

Name of Individual or Entity Seeking to Enter into the Procurement Contract:

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Address: \_\_\_\_\_

Name & Title of Person Submitting this Form:

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1. Has any Governmental Entity made a finding of non-responsibility regarding the individual or entity seeking to enter into the Procurement Contract in the previous four years?

Check One:    ☐ Yes                      ☐ No

If YES, answer Questions below. If NO, skip to Question 2.

- 1a. Was the basis for the finding of non-responsibility due to a violation of State Financial Law §139-j?

Check One:    ☐ Yes                      ☐ No

- 1b. Was the basis for the finding of non-responsibility due to the intentional provision of false or incomplete information to a Governmental Entity?

Check One:    ☐ Yes                      ☐ No

- 1c. If you answered YES to any of the above questions, provide details regarding the finding of non-responsibility below.

Governmental Entity: \_\_\_\_\_

Date of Finding of Non-Responsibility: \_\_\_\_\_

Basis of Finding of Non-Responsibility: \_\_\_\_\_

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(Add additional pages as necessary.)

**Request for Qualifications  
Legislative & Regulatory Advocacy Services  
Bidder/Offerer Disclosure**

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2. Has any Governmental Entity or other governmental agency terminated or withheld a Procurement Contract with the above-named individual or entity due to the intentional provision of false or incomplete information:

Check One:    ☐ Yes                      ☐ No

- 2a. If you answered YES to the above question, provide details regarding the finding of non-responsibility below.

Governmental Entity: \_\_\_\_\_

Date of Finding of Non-Responsibility: \_\_\_\_\_

Basis of Finding of Non-Responsibility: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

(Add additional pages as necessary.)

By signing below, Bidder/Offerer affirms that it understands and agrees to comply with the Monroe County Water Authority's Procurement Disclosure Policy, Code of Ethics Policy, and Conflict of Interest Policy as required by State Finance Law §139-j(3) and §139-j(6)(b) and certifies that all information provided to the Monroe County Water Authority with respect to State Finance Law §139-j and §139-k is complete, true, and accurate.

By: \_\_\_\_\_ Date: \_\_\_\_\_  
(Signature of Person Certifying)

Print Name: \_\_\_\_\_

Print Title: \_\_\_\_\_

Bidder/Offerer Name: \_\_\_\_\_  
(Company Name)

Bidder/Offerer Address: \_\_\_\_\_

Bidder/Offerer Phone Number: \_\_\_\_\_ E-mail: \_\_\_\_\_