

**HUMBOLDT BAY HARBOR, RECREATION
AND CONSERVATION DISTRICT**

***REQUEST FOR
PROPOSAL
FOR
AUDITING
SERVICES***

Proposal Deadline: 4:00 PM June 30, 2023

Humboldt Bay
Harbor, Recreation and Conservation District
(707) 443-0801
P.O. Box 1030
Eureka, California 95502-1030



COMMISSIONERS
1st Division
Aaron Newman
2nd Division
Greg Dale
3rd Division
Stephen Kullmann
4th Division
Craig Benson
5th Division
Patrick Higgins

May 23, 2023

REQUEST FOR PROPOSALS

The Humboldt Bay Harbor, Recreation and Conservation District (District) is requesting written proposals from qualified Certified Public Accounting firms and/or individuals to audit its financial statements for the fiscal years ending 6/30/2023, 6/30/2024 and 6/30/2025, with the option to extend the contract an additional two (2) fiscal years ending 2026 and 2027.

Proposals should be addressed to the Humboldt Bay Harbor, Recreation and Conservation District, Attn: Larry Oetker, Executive Director and must be received at the District's office, 601 Startare Drive, Eureka, CA 95501 by 4:00 p.m. on June 30, 2023. The District's mailing address is PO Box 1030, Eureka, CA 95502-1030. RFP packages may be obtained, and questions may be answered by contacting the District office or by calling (707) 443-0801. The RFP package is also available on the District website at www.humboldtby.org.

The Board reserves the right to reject any or all proposals submitted. The Humboldt Bay Harbor, Recreation and Conservation District is not liable for any costs associated with responding to this request for proposals.

A handwritten signature in blue ink, appearing to read "Larry Oetker".

Larry Oetker
Executive Director

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT

REQUEST FOR PROPOSAL FOR AUDITING SERVICES

INTRODUCTION

The Humboldt Bay Harbor, Recreation and Conservation District (District) is requesting written proposals from qualified Certified Public Accounting firms and/or individuals to audit its financial statements for the fiscal years ending 6/30/2023, 6/30/2024 and 6/30/2025, with the option to extend the contract an additional two (2) fiscal years ending 2026 and 2027.

Proposals should be addressed to Larry Oetker, CEO and must be received at the Harbor District's office by 4:00 p.m. on June 30, 2023. Questions may be directed to Mindy Hiley, Director of Administrative Services at (707) 443-0801.

The Board reserves the right to reject any or all proposals submitted. The finance committee will evaluate all proposals. It is anticipated that the award of the contract will be at the Regular Board meeting on July 13, 2023. The District is not liable for any costs associated with responding to this request for proposals.

DESCRIPTION OF THE DISTRICT

General Information

The Humboldt Bay Harbor, Recreation and Conservation District was formed in 1970 by an act of the State of California legislature to enhance commerce, fisheries, navigation, recreation, and conservation issues within Humboldt Bay. The District's jurisdiction is comprised of all of Humboldt County and is governed by five elected Commissioners. To oversee the orderly development of Humboldt Bay, the District has regulatory authority over all of Humboldt Bay. In addition, the District maintains and operates three wildlife areas, Woodley Island Marina, Fields Landing Boat Yard, assists federal agencies with the maintenance and improvement of navigation channels within Humboldt Bay and maintains the Shelter Cove open-ocean boat launching facility. The District currently has 15 employees. The District's operating and non-operating revenues for FY 2021/2022 totaled \$5,575,686 while operating expenses totaled \$3,761,130 for the same year. For a complete description of the Humboldt Bay Harbor, Recreation and Conservation District, please visit our website at www.humboldtby.org. For a complete copy of the District's enabling legislation, please see Appendix II of the California Harbors and Navigation Code.

Accounting Staff and Financial System

The financial staff under the direction of the Executive Director consists of District Treasurer, Director of Administrative Services, and Office Assistant II who are responsible for cash receipts for daily deposits, accounts payable, customer accounts receivable, miscellaneous billings and receivables, payroll and PERS reporting. The Director of Administrative Services and District Treasurer are responsible for maintenance of the general ledger, payroll tax reporting, bank reconciliation, prepares monthly financial statements, budget to actual comparison statements and all other finance-related duties.

The District Treasurer is an Officer of the Board and is employed by the District through a contract with David L. Moonie & Co., LLP of Eureka.

The District, maintaining its accounts on an accrual basis, currently uses *Quickbooks Premiere 2021*. The software used for maintaining space rental information for the Woodley Island Marina and tenant lease information is from the manufacturer Scribble and is called *MarinaOffice* and *PureRetail*.

SCOPE OF WORK

Audit of the District's Financial Records

All audit work is to be done in accordance with generally accepted governmental auditing standards set forth by the American Institute of Certified Public Accountants, Government Auditing Standards Issued by the Comptroller General of the United States; and the State Controller's minimum requirements for California Special Districts.

The following supplemental information is required as a part of the auditor(s)' reports:

Statement of Revenue and Expenses

Unrestricted and Tidelands Trust
Marina and General

Statement of Budgeted and Actual Expenses

Marina
General

Management Letter

Preparation of a Management Letter which will include findings, statements, observations, opinions, comments or recommendations with regards to:

1. Systems of internal control.
2. Accounting systems, functions, procedures, and processes aimed at automation.
3. Compliance with laws, rules, and regulations.

Presentation of the Audited Financial Statements

The Auditor(s) must be available to present the audited financial statements to the District's Board of Commissioners at a regularly scheduled Board meeting.

TIMING AND OTHER REQUIREMENTS

1. It is the District's goal to have a completed and Board approved audit before the end of the following December of each year. This allows for a timely distribution of the audit to requesting entities with financial interests in the Humboldt Bay Harbor, Recreation and Conservation District.
2. The auditor(s) will supply one (1) unbound reproducible master of the completed audit.
3. The auditor(s) will supply a minimum of 3 bound copies of the completed audit, including supplemental reports.
4. It is expected the audit will be staffed to minimize interference with normal daily operations and to complete the audit in a timely manner. District staff will be available to prepare confirmations, provide

information, locate data, research supporting documents and complete work papers. The District will supply a comfortable and private work area for the auditor(s) and/or upload documentation remotely through a secure website or web-based program.

5. The auditor(s) will provide a schedule of the key elements of the audit. The schedule will include initial and exit meetings as well as interim meetings with the Executive Director, Director of Administrative Services and District Treasurer to discuss planning, any findings and progress. Prior to issuing the management letter, the auditor(s) will be requested to meet with the Executive Director, Director of Administrative Services and District Treasurer to discuss the letter's content and any recommendations.
6. The auditor(s) should be available for telephone consultations with the Executive Director, Director of Administrative Services and District Treasurer throughout the year, as needed, to provide guidance on various accounting matters at no additional cost.
7. The District Board of Commissioners must first authorize additional fees not included within the scope of services.
8. As part of the audit engagement, the audit firm must be available to make presentations and answer questions when the Annual Financial Statements are presented to the District Board of Commissioners.

PROPOSAL REQUIREMENTS

1. Title page.
2. Description of the audit firm including experience auditing other government clients, references, and any additional information on qualifications relevant to the engagement.
3. Description of the qualifications of key personnel who will be assigned to the engagement including both the principal auditor(s) and staff.
4. Description of the scope of work and audit approach.
5. Audit fees (shall be on a not-to-exceed fee basis per year) and hourly rates for additional work, as approved. **The cost should be enclosed in a separate sealed envelope.**
6. One physical copy of the proposal in an envelope addressed to Humboldt Bay Harbor, Recreation and Conservation District, Attn: Larry Oetker, Executive Director, marked "Humboldt Bay Harbor, Recreation and Conservation District Audit Proposal" shall be delivered to the District's office by 4:00 p.m., June 30, 2023. Sealed proposals may be delivered by hand to the District at 601 Startare Drive, Eureka, CA 95501 or mailed to the District at PO Box 1030, Eureka, CA 95502-1030.

AUDIT PROPOSAL EVALUATION CRITERIA

The following evaluation criteria will be used to qualify all proposals submitted as being eligible for consideration:

1. Experience. The firm and the performing auditor's recent experience (within the last five years) in governmental auditing of Special Districts.
2. Peer Review. The firm is requested to submit a copy of its most recent peer review with a statement whether the review included an examination of specific government engagements.

The firm shall state whether it has been the subject of any disciplinary action within the last three years, or if any such action is pending by state regulatory bodies or professional organizations. If such conditions exist, information is to be provided as to the circumstances and status of the disciplinary action.

3. Education. The qualifications of personnel (including resumes) who will be working on and coordinating the audit, including the firm's on-going efforts to keep its staff current and knowledgeable in governmental accounting practices.
4. References. The firm's general experience and reputation in the local government auditing/accounting field. Please include a minimum of three references.
5. Personnel Policies. The firm's demonstrated interest in maintaining continuity of auditing staff assigned to clients over time. Demonstrated achievement of non-discriminatory employment practices and objectives in accordance with the District's non-discrimination policy stated below.
6. Price. Provide a price breakdown for each of the functions and reports the auditor(s) proposes to perform, inclusive of the tasks previously listed in the Scope of Work. The cost should be enclosed in a separate sealed envelope.

Firms will be awarded points for all-inclusive price, based on the following formula:

$$\frac{\text{Lowest Bid Price}}{\text{Individual Firm's Bid Price}} \times 25 = \text{Price Score}$$

This formula gives the highest score for price to the lowest bidder but allows all firms to receive a percentage of the possible points.

7. Indemnification. Auditor has the professional skills necessary to perform the work agreed to. Acceptance by the Humboldt Bay Harbor, Recreation and Conservation District of the work performed does not release said Auditing Firm from such professional responsibility. The Auditor(s) shall indemnify the Humboldt Bay Harbor, Recreation and Conservation District and its agents from any personal injury, property damage, violation of any law or ordinance or other cause in connection with the activities of Auditing Firms and/or its agents.
8. Insurance. The auditor(s) shall procure and maintain an appropriate comprehensive general liability and professional liability coverage and shall provide, prior to execution of a contract, a Certificate of Insurance with the Humboldt Bay Harbor, Recreation and Conservation District named as additional insured. (See attached agreement for insurance and contract requirements).

SELECTION CRITERIA

	<u>Point Range</u>
1. Responsiveness of the proposal to the scope of services and overall understanding of the engagement.	0-20
2. Prior experience and activities in providing accounting and auditing services to Special Districts in California.	0-20
3. Qualifications of assigned principal and audit team.	0-20
4. Organization, size, and structure of firm.	0-15
5. Cost.	<u>0-25</u> 100

NON-DISCRIMINATION CLAUSE

During the performance of this agreement, the recipient, auditor and its subcontractors, shall not deny the agreement's benefits to any person on the basis of religion, color, ethnic group identification, sex, age, sexual orientation, physical or mental disability, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religion, color, national origin, ancestry, sexual orientation, physical or mental disability, medical condition, marital status, age or sex. Auditor shall insure that evaluation and treatment of employees and applicants for employment are free of such discrimination.

The Auditor(s) agrees that it is an independent contractor and that its officers and employees do not become employees of the District nor are they entitled to any employee benefits as a result of the execution of this agreement.

The Auditor(s) may not assign or transfer this agreement, any interest therein or claim thereunder without the prior written approval of the District.

The District, its cognizant agent and the State audit agencies shall have access to the auditor's work papers for purposes of review for a period of three years from the date of the audit report. The Auditor(s) shall make available to their successors their work papers generated by these audits.

News releases pertaining to this Request for Proposals or to the award of this contract shall not be made without prior approval of the District. The District Board of Commissioners must first review all information concerning the Financial Reports and Management Letter.

The District shall not reimburse any potential auditor(s) for costs associated with preparations of this proposal.

The District may terminate this agreement at any time by giving the auditor(s) not less than thirty (30) days prior written notice of such termination.

The District reserves the right to reject any and all proposals submitted. The award of the contract will be made to the independent audit firm, who, based on evaluation of all responses and criteria, is determined to be the best qualified to perform the audit.

ADDITIONAL INFORMATION

1. The District reserves the right to conduct personal interviews with any or all prospective audit firms prior to selection. The District will not be liable for any cost incurred by the prospective audit firms in connection with such an interview.
2. The District reserves the right to reject any or all proposals and to request additional information from all prospective audit firms. The District will not be liable for any cost incurred by the prospective audit firm in connection with preparing the proposal or supplying any additional information requested.
3. Any agreement or contract resulting from the acceptance of a proposal will be on forms supplied or approved by the District.
4. The firm shall not assign or transfer any interest in the contract without prior written consent of the District.
5. No reports, information or data given to or prepared by the firm under this contract shall be made available to any individual or organization without prior consent of the District except as required for the audit firm's peer review or the State Board of Accountancy review.

AGREEMENT FOR AUDITOR(S) SERVICES

This agreement, made and entered on _____ between the Humboldt Bay Harbor, Recreation and Conservation District, hereinafter referred to as "District" and _____ hereinafter referred to as "Auditor(s)."

1. Auditor(s) agrees to provide labor, materials, tools and incidentals necessary to complete financial audits of District in accordance with Government Auditing Standards for the fiscal years ending 6/30/2023, 6/30/2024 and 6/30/2025.
2. In order to accomplish the above referenced financial audits, District agrees to pay Auditor(s) for reasonable costs incurred by Auditor(s) for performance not to exceed _____ for FY ending 6/30/2023, _____ for FY ending 6/30/2024, and _____ for FY ending 6/30/2025.
3. District may, at its option, extend this agreement for two (2) additional years for the financial audit of District for the fiscal years ending 6/30/2026 and 6/30/2027. District will notify Auditor(s) in writing no later than May 31, 2026 of the intention to extend or terminate this agreement for the 2026 and 2027 fiscal years. Costs incurred by Auditor(s) for performance of the two (2) additional years will be for FY ending 6/30/2026, _____ and for FY ending 6/30/2027, _____.
4. To the fullest extent permitted by law, Auditor(s) will defend, indemnify and hold harmless the District, its directors, officers, employees or designated volunteers from all claims and demands of all persons arising out of the performance of the professional services, for damages to persons or property due to the Auditor(s)'s negligent or willful acts, errors or omissions committed or alleged to have been committed, irrespective of any negligence (active, passive or comparative) by District or its directors, officers, employees or designated volunteers, that is or may be alleged in connection therewith.
5. Auditor(s) must certify that he/she is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and the consultant will comply with such provisions before commencing the performance of the professional services under this contract. Auditor(s) and sub-consultants will keep workers' compensation insurance for their employees in effect during all work covered by this Agreement and shall file with the District the certificate required by Labor Code Section 3700.
6. Auditor(s) will file with the District before beginning professional services, certificates of insurance satisfactory to the District evidencing **professional liability** coverage of not less the \$1,000,000 per claim and annual aggregate for bodily injury, personal injury and property damage; requiring 30 days notice of cancellation (10 days for non-payment of premium) to the District. Any insurance, self-insurance or other coverage maintained by the District shall not contribute to it. Coverage is to be placed with a carrier with an A.M. Best rating of at least A-:VII, or equivalent, or as otherwise approved by the District. In the event that the Auditor(s) employs other consultants (sub-consultants) as part of the work covered by this agreement, it shall be the Auditor(s)'s responsibility to require and confirm that each sub-consultant meets the minimum insurance requirements specified above.
7. Auditor(s) and all sub-consultants will file with the District before beginning professional services, **certificates of insurance** satisfactory to the District evidencing general liability coverage of not less than \$1,000,000 per occurrence (\$2,000,000 aggregate (if used)) for bodily injury, personal injury and property

damage; auto liability of at least \$1,000,000 for bodily injury and property damage combined single limit; workers' compensation (statutory limits) and employer's liability (\$1,000,000) (if applicable); requiring 30 days notice of cancellation to the District. Any insurance, self-insurance or other coverage maintained by the District shall not contribute to it. Coverage is to be placed with a carrier with an A.M. Best rating of at least A-VII or as otherwise approved by the District.

8. Auditor(s) shall not accept direction or orders from any person other than the District's Executive Director, District Treasurer or the President of the Board of Commissioners.
9. Payment is to be within 30 days after receipt of the final billing by the District.
10. Permits required by governmental authorities will be obtained at Auditor(s)'s expense, and Auditor(s) will comply with local, state and federal regulators and statutes including Cal/OSHA requirements.
11. Any change in the scope of the professional services to be done, method of performance, nature of materials or price thereof, or to any other matter materially affecting the performance of nature of the professional services will not be paid for or accepted unless such change, addition or deletion is approved in advance by the Board of Commissioners.

HUMBOLDT BAY HARBOR, RECREATION
AND CONSERVATION DISTRICT

By _____
Auditor(s) Firm Representative

Greg Dale
President, Board of Commissioners