



JORDAN VALLEY WATER
CONSERVANCY DISTRICT

REQUEST FOR PROPOSALS For Auditing Services

Issue Date: February 16, 2021
Submission Deadline: March 12, 2021

SUMMARY AND SUBMISSION

Jordan Valley Water Conservancy District (JVWCD) invites you to submit a proposal as defined in this Request for Proposals (RFP). A printed copy or an electronic copy (in PDF format) of the proposal must be received on or before Friday, March 12, 2021, at 5:00 p.m. (MST). Documents may be hand submitted, mailed, or emailed to the RFP Contact listed below.

Late Submission: Proposals received after March 12, 2021, at 5:00 p.m. (MST) will not be considered. Any mailed proposal received after that date and time will not be considered, irrespective of the date of mailing or any other factor.

RFP CONTACT

Inquiries regarding this RFP should be directed, in writing to:

Brian McCleary
Controller
Jordan Valley Water Conservancy District
8215 South 1300 West
West Jordan, Utah 84088
(801) 565-4300
Email: brianm@jvwcd.org

TIMELINE

The following timeline will be followed for this RFP:

- Issue date: February 16, 2021
- Submission deadline: March 12, 2021, at 5:00 p.m. (MDT)
- Review of proposals: March 15 – 31, 2021
- Award of contract: April 14, 2021, at JVWCD Board Meeting; meeting will begin at 3:00 p.m. (MST)

BACKGROUND INFORMATION

The Jordan Valley Water Conservancy District (JVWCD), a Utah local district, was organized on September 14, 1951 under the provisions of the Utah Water Conservancy Act. JVWCD encompasses an area of approximately 175 square miles in the western and southern regions of the Salt Lake Valley and the northern tip of Utah County, in the State of Utah. JVWCD changed its name in 1999 from Salt Lake County Water Conservancy District. JVWCD is not a component unit of any other governmental entity.

JVWCD operates primarily as a wholesale provider of water to various member agencies which include cities, water companies and improvement districts which directly serve approximately 680,000 persons and indirectly serves another 320,000 persons. Approximately 85% of the water delivered by JVWCD is sold to its wholesale member agencies. JVWCD also supplies water on a retail basis to approximately 45,000 persons, primarily in unincorporated areas of Salt Lake County, and additionally provides irrigation water to the agricultural community. The main role of JVWCD is to develop and purchase water where it is available and treat and transport it to where it is needed to ensure that an adequate water supply is available within its service area. JVWCD plays an important role in water resource planning, conservation, development, and management within the Salt Lake County area.

Total assets for JVWCD were \$655 million as of June 30, 2020, which included \$547 million in capital assets, net of depreciation. JVWCD had \$321 million of outstanding debt comprised of fourteen issues of revenue and revenue refunding bonds. Total operating revenue was \$61 million and general property taxes received were \$22 million for the fiscal year ended June 30, 2020, which included deliveries of 106,942 acre feet of water to its member agencies and retail customers, and 31,025 acre feet of irrigation water.

SUMMARY OF JVWCD'S WATER SYSTEM

JVWCD operates an integrated water utility system (the "System") that collects surface water and groundwater from various sources, transports it to treatment facilities and then transports treated water to wholesale member agencies and also distributes treated water to retail customers. Additionally, the facilities of the System are used to deliver irrigation water to various agricultural users in exchange for higher-quality water.

JVWCD owns and operates three water treatment facilities, with a total treatment capacity of 207 million gallons per day. There are 30 treated water storage reservoirs, with approximately 190 million gallons of capacity and over 345 miles of pipe in place. Fourteen booster pump stations, with capacities ranging from 4 to 49 cubic feet per second, lift and transport finished water to desired elevations.

JVWCD derives its water supply from various property rights in groundwater sources (32 wells), surface water sources, and has contractual rights to other water storage projects.

JVWCD STAFF AND LOCATIONS

JVWCD employs approximately 148 employees in Administration, Engineering, Information Systems, Communications, Operations and Maintenance. Employees work from three locations:

- Headquarters site in West Jordan (Administration Building, Maintenance Building, Vehicle Maintenance Building, Southwest Groundwater Treatment Plant, and Conservation Garden Park Education Center)
- Jordan Valley Water Treatment Plant in Herriman
- Southeast Regional Water Treatment Plant in Sandy

SCOPE OF WORK AND PURPOSE OF RFP

JVWCD operates on a fiscal year which ends June 30th, and a financial audit is requested beginning with the fiscal year ending June 30, 2021. The purpose of this RFP is to solicit submissions from qualified CPA firms and enter into a contract with a firm to provide auditing services for JVWCD on an annual basis, for a period of up to five years. The audit shall be performed in accordance with generally accepted auditing standards, as promulgated by the American Institute of Certified Public Accountants (AICPA); the AICPA *Audits of State and Local Governmental Units* audit and accounting guide; the *Government Auditing Standards*, published by the U.S. General Accounting Office; and the Office of Management and Budget (OMB) Circular A-133 *Audits of State and Local Governments*. The audit must be completed, and the report issued prior to October 31st of each year in order to be presented at JVWCD's November Board Meeting.

In addition to the audit of JVWCD, JVWCD operates a 501(c)(3) not-for-profit garden foundation (the Jordan Valley Conservation Gardens Foundation) which is a component unit of JVWCD and assists with fundraising for expansion of the demonstration garden and water conservation education. This component unit requires a separate audit report and Form 990 tax filing.

This RFP is designed to provide basic information sufficient to solicit proposals from qualified firms, but (except to the extent expressly provided otherwise) is not intended to limit a proposal's content or exclude any relevant, important, or essential information.

ACCOUNTING & REPORTING POLICIES

The accounting and reporting policies of JVWCD conform to accounting principles generally accepted in the United States of America as applicable to governmental units. JVWCD is an enterprise fund and its records are maintained on the accrual basis of accounting.

JVWCD reports its water production, storage, and distribution operations as a proprietary fund, similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

JVWCD is required by State law to provide an annual audit of its financial statements by a Certified Public Accountant in accordance with generally accepted auditing standards. This audit must be submitted to the State Auditor's Office within six months after the end of the fiscal year. The auditor will report directly to an audit committee comprising of the Board Chair, Vice-Chair, Finance Committee Chair, the CFO/Treasurer and one outside member. In addition, JVWCD uses an external CPA firm to function as its internal auditor, and the selected audit firm will have access to the internal auditor and the audit committee through planning and review meetings.

REPORT REQUIREMENTS

The auditor shall provide an engagement letter at the beginning of each year's audit outlining the scope of work, auditor's responsibilities, expectations, an estimated fee amount that will not be exceeded and the name of the engagement partner.

The auditor shall examine the financial statements and records of JVWCD and shall issue an auditor's opinion on JVWCD's financial statements with an in-relation-to opinion on combining supplementary information, if any. Such financial statements shall be prepared in conformity with generally accepted accounting principles.

The auditor shall issue a report on the internal controls over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*.

The auditor shall issue a report on compliance and on internal controls over compliance in accordance with the *State of Utah Legal Compliance Audit Guide*.

The auditor shall examine the financial systems and records as they relate to federal grants and agreements and shall issue a report, when necessary, on compliance with requirements that could have a direct and material effect on each major program and internal control over compliance in accordance with OMB Circular A-133.

CONTRACT TERM

If the selected CPA firm performs satisfactorily for the June 30, 2021 audit, the same firm could expect to perform JVWCD's annual financial audit for an additional four years. The total contract term entered into from this RFP process shall not exceed a five-year period.

CONTENTS OF PROPOSAL

JVWCD requires all proposals to be submitted in two separate documents. The first document will include responder information and requested qualification criteria as outlined in items B and C below, and limited to ten (8) pages in length. The second document will be the Cost Proposal, described in item D below, and limited to two (2) pages. To the extent possible, supporting information should be included as appendices to the proposal.

Proposals should be submitted following these guidelines:

A. SUBMISSION TIME, PLACE, AND MANNER

A printed copy or an electronic copy (in pdf format), of Proposal Documents and Cost Proposal, must be received on or before Friday, March 12, 2021, at 5:00 p.m. (MDT). Mail to Jordan Valley Water Conservancy District, 8215 South 1300 West, West Jordan, Utah 84088, or email as follows:

Proposal Documents: Attention: Brian McCleary
E-Mail: brianm@jvwcd.org

Cost Proposal: Attention: Jessica Morgan
E-Mail: jessicam@jvwcd.org

Late Submission: Proposals received after March 12, 2021, at 5:00 p.m. (MDT) will not be considered.

B. RESPONDER INFORMATION

The first page of the proposal should include:

Title: "Proposal to provide Audit Services"

Responder information: Firm Name / Proposal Contact Person
Address
Telephone
E-mail

C. RESPONSE CRITERIA

The proposal document should address the following:

- a. Qualifications and ability to provide auditing services:

Qualifications and expertise:

- Provide a brief description of your firm including ownership, volume of business, number of employees, and number of years in business.
- Describe your firm's strength in the marketplace.
- What distinguishes your firm and services from other firms?

Support team:

- What is your firm's target size client, and how will the addition of JWCD affect your staffing requirements?
- Describe the team that would service the relationship with JWCD, specifying the individual who will be the lead person.
- Describe the responsibilities and qualifications of each team member, including expertise, experience, education and training.

b. Work plan:

Include a complete narrative of your assessment of the work to be performed, your firm's ability and approach, and the resources necessary to fulfill the requirements. Include discussion of the following, and any other role of an auditor.

- Describe any work performed for water conservancy districts, or other similar local or special districts.
- Experience dealing with clients that have A-133 requirements.
- Industry experience, specialized training or any other qualities that may be pertinent to this engagement.
- Ability to assist JVVCD with areas of potential risk in internal controls, compliance with laws and regulations or other client responsibilities.

c. Past performance:

- List references (including a contact person and that person's contact information and title) of entities for which audit services have been provided, and who can render an opinion regarding the ability of the responder to provide those services.

d. Conflicts of interest:

Indicate whether there are any conflicts of interest or potential conflicts of interest that would affect the ability of your firm to fairly represent JVVCD. For each conflict or potential conflict of interest, state:

- the names of the individuals or entities involved;
- the nature of the conflicts; and
- steps your firm will take to mitigate the impact of the conflict.

D. COST PROPOSAL (SEPARATE DOCUMENT)

In a separate document entitled "Cost Proposal", include all information on cost for auditing services and related items for which your firm may charge. A proposal may be rejected as nonresponsive if any cost information is included in any portion of the proposal other than in the "Cost Proposal" document. Please include the following:

- a. Cost of audit services for JVVCD
- b. Cost of A-133 single audit, if necessary
- c. Cost of audit services for the Jordan Valley Conservation Gardens Foundation
- d. Cost of the Form 990 tax filing
- e. A list of other anticipated costs that will require reimbursement, either on an actual cost basis, or any other basis, if any
- f. Any other information relevant to cost

E. ACCURACY OF PROPOSAL

All proposals will be relied upon to be true and accurate. JVVCD will rely on this information when evaluating each submission by the criteria listed in the Evaluation and Contract section below.

EVALUATION AND CONTRACT

EVALUATION CRITERIA

An evaluation and selection committee designated by JVVCD’s procurement officer will convene to consider all responsive proposals submitted, and to rank the proposals based on each criterion stated in this section.

Evaluation criteria are assigned a maximum number of points for evaluation purposes, with a cumulative total of 100 points. Cost proposals will be retained by JVVCD and evaluated only after proposals are evaluated and ranked. Each proposal will be evaluated based on the following evaluation criteria:

	Evaluation Criteria	Score*	Weight	Maximum Points
1	Demonstrated qualifications and ability to provide auditing services: Qualifications and expertise Support team	0 - 5 0 - 5	x3 x3	15 15
2	Responsiveness of work plan: Clearly written proposal which indicates an understanding of the key issues, clearly defines deliverables, and the responders ability to meet the demands of auditing services, as they arise.	0 - 5	x4	20
3	Past Performance: Demonstrated experience (i.e. proven track record). Positive references indicating successful past performance with similar water conservancy districts, government entities, or other similar local or special districts.	0 - 5	x5	25
4	Conflicts of interest: Indicates any potential conflicts of interest and steps to mitigate the impact of the conflict	0 - 5	x1	5
5	Cost Proposal – based on formula (see phase 4 below).	0 - 5	x4	20
	Total Maximum Score Available			100

* Score (0-unacceptable, 5-superior)

EVALUATION PROCESS

All proposals will be evaluated in accordance with the requirements of the Utah Procurement Code.

Phase 1: The evaluation committee will review all proposals that are timely received. Proposals that are not responsible, responsive, or do not comply with the requirements of this RFP and the requested submission format will be eliminated from consideration. A written notice will be sent to those responders who are eliminated from consideration.

Phase 2: The evaluation committee will evaluate proposals that are not eliminated in Phase 1 in accordance with the criteria 1 – 4 listed above. Proposals that achieve a total technical score of 60 points or more will be designated as finalists and will move on to Phase 3.

Phase 3: If needed, discussions may be conducted with responders who were not eliminated in Phase 1 or Phase 2. The discussions could be conducted in person or by telephone. The scores awarded under Phase 2 could be adjusted, if justified. If discussions are deemed unnecessary, proposals may be accepted without discussions.

Phase 4: After the adjustments described in Phase 3 are made, if any, each finalist will receive a score for “Cost” of up to 20 points, as follows:
The proposal with the lowest cost will receive the maximum points available. All other proposals will receive points determined by the ratio of the lowest proposal's cost to its proposal's cost. The ratio is calculated as follows: the maximum points available for the cost category, multiplied by (lowest proposed cost/proposal cost).

CONTRACT

A contract will be awarded (pending successful contract negotiations) to the responder whose proposal is the most advantageous to JVVCD, taking into consideration cost and other evaluation factors described in this RFP.

In accordance with Utah Procurement Code, JVVCD reserves the right to award the contract to a technically qualified lower-cost responder that scored lower than the highest scoring responder if, based on a cost benefit analysis required by the Utah Procurement Code, the highest scoring responder will not provide the best value offered to JVVCD.

The contract may be for a period of up to five years, and may be canceled at any time with 30 days written notice from either JVVCD or the firm.

QUESTIONS

Any questions and/or requests for clarification should be submitted by email to brianm@jvwcd.org. Responses to substantive questions, and responses to requests for clarification, will be provided in the form of an addendum to this RFP.

ADDENDA

All addenda to this RFP (including answers to questions provided by addendum) will be posted on JVVCD's website at:

<http://www.jvwcd.org/procurement/default.aspx>

Addenda and notifications of addenda are not required to be provided in any other manner. All responders, potential responders, and other interested persons are required to check the website on a regular basis in order to receive notice of, or a copy of, any addendum.

JVVCD may attempt to, but is not required to, provide email notification of an addendum to any person who sends a request to receive notification to:

brianm@jvwcd.org

PROTECTED INFORMATION

Protection or disclosure of information submitted in response to this RFP is governed by Title 63G, Chapter 2, Government Records Access and Management Act. A responder who desires to request protected status of any information submitted in the response must specifically identify the information that the responder desires to protect and the reasons that the information should be afforded protection status under the law. In making this request, the responder shall comply with the requirements of Utah Code Section 63G-2-305, Utah Code Section 63G-2-309, and all other applicable requirements of law. JVVCD's decision regarding the protected status of information shall be final and binding on the responder. Each responder will indemnify, defend, and hold forever harmless JVVCD from any and all liability relating to the disclosure of information included in the responder's response to this RFP, even if the responder requested protected or other confidential status for the information. Attempts to designate an entire proposal, or large portions of a proposal, as protected will not be honored. Attempts to protect information relating to cost will also not be honored.

MODIFICATIONS TO, OR WITHDRAWAL OF, RESPONSE

A responder may modify or withdraw the responder's proposal, at any time before the submission deadline, by providing to the RFP Contact a written modification or a written statement withdrawing the proposal. Modifications or letters of withdrawal received by the RFP Contact after the submission deadline will be rejected as invalid.

COST OF RESPONDING TO RFP AND CONTRACT NEGOTIATIONS

All expenses relating to responding to this RFP, including, but not limited to, preparing, submitting, and presenting a proposal, attending meetings in relation to this RFP, discussions, and all travel, dining, lodging, and communication expenses will be borne by the responder. JVVCD assumes no liability for any costs incurred by a responder in responding to this RFP.

All expenses of the successful responder relating to conducting contract negotiations, including, but not limited to, drafting, research, legal review, preparation, attending meetings, site visits, travel, dining, lodging, and communication expenses will be borne by the responder. JVVCD assumes no liability for any costs incurred by a responder relating to contract negotiations.

Responder will not bill for any expense that was incurred prior to the time that the contract is signed by all parties.

I. ASSIGNMENT

The successful responder shall not assign or subcontract any portion of its or their obligations under a contract without the prior written consent of JVVCD. Assignment or subcontracting shall in no way relieve a responder of any of its obligations under a contract.