



AUDITING AND TAX SERVICES
NATOMAS BASIN CONSERVANCY
REQUEST FOR PROPOSALS (RFP)
August 18, 2020

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**REQUEST FOR PROPOSALS
FOR
AUDIT AND TAX SERVICES
FISCAL YEARS 2020– 2022**

INTRODUCTION

The Natomas Basin Conservancy (the “**Conservancy**”) is seeking proposals from qualified accountants to perform auditing and tax services. The purpose of this Request for Proposal (**RFP**) is to obtain the services of a public accounting firm (herein referred to as “**Audit Firm**”), whose principal officers are independent Certified Public Accountants and who are licensed by the California State Board of Accountancy to perform a financial audit of the financial statements and federal and state information returns of the Conservancy for fiscal years 2020-2022 with the option of extending the engagement via two one-year renewals.

I. DESCRIPTION OF ENTITY

a. BACKGROUND INFORMATION

The Conservancy is a tax-exempt private foundation under section 501(c)(3) of the Internal Revenue Code and is incorporated as a California Non-profit Public Benefit Corporation.

As plan operator for the Natomas Basin Habitat Conservation Plan (**NBHCP**) and the Metro Air Park Habitat Conservation Plan (**MAPHCP**), collectively referred to as (the “**Plans**”), the Conservancy acquires and manages land for the purpose of meeting the objectives of the Plans.

The mission of the Conservancy is to promote biological conservation along with economic development and the continuation of agriculture in the Natomas Basin. The Plans establish a multi-species conservation program to mitigate the expected loss of habitat values and “take” of protected species that would result from urban development, operation of irrigation and drainage systems, and rice farming. The goal of the Plans is to preserve, restore and enhance habitat values in the Natomas Basin while allowing urban development to proceed according to local land use plans.

b. FUND STRUCTURE

The Conservancy uses the following funds in its financial reporting: Administration Fund, Land Acquisition Fund, Restoration & Enhancement Fund, Supplemental Land Fund, Endowment Fund, and SAFCA NLIP Fund.

In keeping with the requirements of the Plans, the Conservancy’s financial operations are guided in large part by the NBHCP Finance Model, which is recalculated each year by a consulting economist on behalf of the Conservancy. The NBHCP Finance Model determines the total NBHCP fee for that year and breaks down what portion of that fee will be placed into each fund, not including the SAFCA NLIP Fund, as this is supplemental to the Plans.

c. ACCOUNTING STRUCTURE

The Conservancy operates on a calendar fiscal year (January 1 – December 31) and complies with the Governmental Accounting Standards Board (GASB) 34 guidelines.

II. FINANCIAL STATUS AND OPERATIONS

The Conservancy receives funding primarily from mitigation fees and various supplemental non-NBHCP project funds. Presently, the Conservancy has nine financial accounts including a main checking account, which is used to disburse all general expenses of the organization. Checks from the main checking account are disbursed on a weekly or as-needed basis.

III. SCOPE OF WORK

The Conservancy seeks the services of an Audit Firm to perform:

- A financial audit to determine whether the financial statements of the Conservancy fairly present its financial position and that the results of its financial operations are in accordance with generally accepted accounting principles of the United States of America;
- A compliance audit of internal financial controls over the Conservancy's financial reporting;
- **OPTIONAL:** An agreed-upon procedures and compliance report of the Conservancy's financial investments as they relate to the Conservancy's investment policies. (As this report may not be performed every year it should be priced separately, see Section VIII – Proposal Instructions.); and
- Preparation of the Conservancy's federal and state information returns filed with the Internal Revenue Service and the State of California Franchise Tax Board.

Each year of the audit, an exit conference with Conservancy representatives and the selected Audit Firm's representatives is held at the conclusion of fieldwork. Observations and recommendations are summarized and discussed with the Conservancy's Board of Directors and/or with the Board's Audit Committee.

The report and returns will be shared with members of the Board of Directors and, as required by law, will be available for public inspection.

IV. IRREGULARITIES AND ILLEGAL ACTS

The selected Audit Firm shall be required to make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which it becomes aware and share that report with the Conservancy's Audit Committee.

V. SUBCONTRACTING

If subcontracting is contemplated, this should be discussed in the RFP proposal response. No additional subcontracting will be allowed without prior written consent of the Conservancy.

VI. WORKING PAPERS: RETENTION, ACCESS AND SECURITY

All working papers and reports must be retained, at the Audit Firm's expense, for a minimum of five (5) years, unless the firm notifies the Conservancy in writing of the need to extend the retention period. The Audit Firm will be required to make working papers available to Conservancy management or Board members, upon request.

The selected Audit 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.

As the auditing industry is moving more toward paperless auditing, the Audit Firm will provide the Conservancy with reasonable assurance that its information technology security is adequate.

VII. ANTICIPATED TIMELINE

The following set of dates are firm and shall not be waived unless specified in writing by the Conservancy's Executive Director or Board's Audit Committee Chair:

RFP Activity

August 18, 2020	Release and distribution of RFP.
September 18, 2020	Proposals received at Conservancy office no later than 4:00 p.m.
October 8, 2020	Announcement of selected Audit Firm.

Audit Activity

February 22, 2021	Start date of fieldwork by selected Audit Firm.
March 17, 2021	Final audit is submitted to the Conservancy.
Week of March 22, 2021	Meeting with Audit Committee on Final Report.

Returns Activity

March 17, 2021	Final returns are submitted to the Conservancy.
April 7, 2021	Conservancy Board reviews returns.
Week of April 12, 2021	Conservancy to work with Audit Firm to e-file returns.

The audit report may be submitted earlier than the above schedule. However, if the selected Audit Firm fails to make delivery of the audit report within the time schedule specified herein, or if the selected Audit Firm delivers the audit report which does not conform to all the provisions of the contract, the Conservancy may, by written notice to the selected Audit Firm, terminate the whole or any part of the agreement.

VIII. PROPOSAL INSTRUCTIONS

Two bound hard copies and one electronic copy in PDF format on CD, DVD or thumb drive of any submittal proposal must be received no later than 4:00 pm on September 18, 2020. Proposals should be sealed and addressed as follows:

The Natomas Basin Conservancy
2150 River Plaza Drive, Suite 460
Sacramento, CA 95833

SEALED PROPOSAL
For Audit Services

Late proposals will not be considered. Proposals submitted via fax or email will NOT be considered. It is the responsibility of the Audit Firm to ensure that the Conservancy receives the proposal by the date and the time specified in this RFP.

All costs incurred in the preparation of the proposal responding to this RFP will be the responsibility of the Audit Firm and will not be reimbursed by the Conservancy.

At a minimum, proposals must include:

- Total Not-to-Exceed Fee for each of the three years containing all direct and indirect costs including all out-of-pocket expenses for a financial statement audit, compliance audit of internal financial controls, and informational returns for the fiscal years 2020 through 2022 engagements. This should also include costs associated with the two one-year renewals if they are exercised by both the Conservancy and the Audit Firm;
- Scope of work with change orders, respondent will provide rate sheet applicable to this project;
- Quote for procedures and compliance report of the Conservancy's financial investments as they relate to the Conservancy's investment policies. The Conservancy requests this item be priced separately, as the Audit Committee will determine its necessity on an annual basis;
- Description of the services to be provided, including the approaches and methods to be used, audit procedures, and other pertinent information;
- Description of relevant GASB-compliant auditing experience, including a sampling of the names, addresses, contact persons, and telephone number of prior organizations audited;
- Description of the Audit Firm's organization, size and structure. The Audit Firm should include a copy of its most recent Peer Review, if it has had a Peer Review; and
- Description of the qualifications of principal staff to be assigned to the audit, including; (a) audit team makeup; (b) overall supervision to be exercised, and (c) prior experience of the planned audit team members, such as education, position in firm, years and types of experience, continuing professional education, etc. The senior-most audit team member, and the proposed primary team member contact for the Conservancy, must be noted in any proposal.

IX. EVALUATION AND REVIEW OF PROPOSALS

Proposals submitted will be evaluated by the Conservancy's Audit Committee, based on the following criteria:

- experience auditing similar non-profit entities operating under GASB 34;
- adequacy of the size of the Audit Firm;
- audit team qualifications;
- presentation of work to be performed; and
- price.

The Conservancy may, at its discretion, request presentations by or meetings with any or all Audit Firms, to clarify or negotiate modifications to the Audit Firms' proposals. However, the Conservancy reserves the right to make an award without further discussions of the proposals submitted and to the best qualified firm in the Conservancy's sole discretion.

X. RIGHT TO REJECT

The Conservancy reserves the right to reject any and all proposals received in response to this RFP. A contract for the accepted proposal will be based upon the factors described in this RFP.

XI. NOTIFICATION OF AWARD

Upon conclusion of final negotiations with the successful Audit Firm, all Audit Firms submitting proposals in response to this RFP will be informed, in writing, whether or not their firm was selected.

XII. REMUNERATION OF AUDIT SERVICES

Payment will be made within 30 days of receipt of an invoice by the Audit Firm and when the Conservancy has determined that the total work effort has been satisfactorily completed and the final comprehensive audit report and information returns have been received and accepted by the Conservancy. Should the Conservancy reject a report, the Conservancy's Executive Director will notify the selected Audit Firm in writing of such rejection giving the reason(s) for the rejection. The right to reject a report will extend throughout the term of the contract and for ninety (90) days thereafter.

XIII. QUESTIONS AND ADDITIONAL INFORMATION

Additional information about the Conservancy and the 2003 NBHCP, Implementation Agreement and all prior year audited financial statements are available on the Conservancy's website, www.natomasbasin.org. The Conservancy will accept written questions or requests for clarification sent to Jennifer Skupic at jskupic@natomasbasin.org through 4:00 pm, September 8, 2020. A compiled list of answers to questions and/or clarifications will be made available to all respondents by 4:00 pm on September 9, 2020 on our website at www.natomasbasin.org/helpful-documents/rfp/.