

**TEHAMA COUNTY  
SOLID WASTE MANAGEMENT AGENCY**

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**REQUEST FOR PROPOSALS (RFP)  
AUDIT SERVICES FOR THE ANNUAL FINANCIAL STATEMENTS  
OF THE TEHAMA COUNTY  
SOLID WASTE MANAGEMENT AGENCY**

**Proposals to be submitted to:  
Paul Freund, Agency Manager  
Tehama County Solid Waste Management Agency  
20000 Plymire Road  
Red Bluff, CA 96080**

**Submission of Proposals:  
PROPOSALS SHALL BE RECEIVED BY  
4:30 PM PST Monday, April 21, 2025**

REQUEST FOR PROPOSAL  
AUDIT SERVICES FOR THE ANNUAL FINANCIAL STATEMENTS OF THE  
TEHAMA COUNTY SOLID WASTE MANAGEMENT AGENCY

**Introduction**

Pursuant to this Request for Proposal, the JPA II is requesting individual proposals from qualified firms of certified public accountants to audit its financial records for up to three fiscal years ending June 30, 2024, through June 30, 2026, with an option by JPA II to extend the contract for one or two additional years.

The complete scope of work is expressed within this document. The specifications, terms, and conditions included with this RFP shall govern in any resulting contract(s) unless approved otherwise in writing by JPA II. The proposing person/entity consents to personal jurisdiction and venue in a state court of competent jurisdiction in Tehama County, California. There is no expressed or implied obligation for JPA II to reimburse firms for expenses incurred in preparing proposals in response to this request.

Questions or requests for additional information may be directed to Paul Freund, Agency Manager, at (530) 528-1103 or Krista Peterson, Auditor-Controller, at (530) 527-3474.

Proposals must be received by 4:30 p.m. on Monday, April 21, 2025.

**General Information**

The Tehama County Solid Waste Management Agency is a joint powers authority (JPA II) comprised of the County of Tehama, and the cities of Red Bluff, Corning and Tehama. The governing body is a thirteen member Board of Directors, which represents all five Tehama County Board of Supervisors, all five Red Bluff City Council members, one Tehama City Council member, one Corning City Council member, and one appointed at-large director. An Agency Manager is appointed by, and reports to, the thirteen member Board of Directors. JPA II is managed by Paul Freund who reports to the Agency Board of Directors.

The mission of JPA II is to protect public health and the environment in the County of Tehama through integrated, cost effective, and environmentally sound solid waste management. The Agency strives to conserve natural resources, sustain the environment, and reduce solid waste being landfilled through innovative leadership and effective grant and outreach programs that foster a sense of responsibility and inspire action by Tehama County Residents.

JPA II currently oversees the Landfill Operations Agreement with Waste Connections, Inc. (dba GreenWaste of Tehama) to operate the Tehama County/Red Bluff Landfill and the facilities on site, such as the Material Recovery Facility. JPA II is also responsible for ensuring Waste Connections Inc. maintains permits and complies with appropriate rules

and regulations, and conducts appropriate environmental monitoring at the Landfill. Additionally, JPA II is responsible for closure, post-closure, and corrective action for both phases of the Tehama County/Red Bluff Landfill. A four million (\$4,000,000) dollar trust fund is managed by JPA II to pay for costs associated with closure, post-closure maintenance, and corrective action activities. JPA II also oversees requirements of California Assembly Bill 939, which requires cities and counties to divert 50% of its waste stream. JPA II also applies for and manages grants on behalf of its member jurisdictions, including recent grants for used oil, household hazardous waste, waste tires, illegal dumping, organics management, and beverage container recycling.

JPA II contracts with the County of Tehama to provide administrative and accounting services for the agency. The County of Tehama provides payroll, purchasing, warrant preparation, accrual accounting, budget update preparation, grant spending updates and liaison with the JPA II independent auditors. JPA II accounting records and financial statements are maintained by the office of the Tehama County Auditor-Controller.

JPA II's fiscal year is July 1<sup>st</sup> through June 30<sup>th</sup>.

In fiscal year 2024/2025, JPA II has a budget of \$875,021.51. In FY 2024/2025, JPA II has \$258,809.83 budgeted for payroll for three full-time equivalent positions.

JPA II's annual budgets and the Audit Reports are available upon request.

The fund accounting system is CentralSquare Technologies Finance Pro.

## **Scope of Work**

The independent auditor must obtain an understanding of internal control over the financial reporting and compliance, sufficient to express an opinion on the financial statements, and determine whether JPA II has complied with laws, regulations, and provisions of contract and grant agreements.

### **A. JPA II's Basic Financial Statements**

The purpose of the financial statements for JPA II is to provide both long-term and short-term information about the Agency's overall financial status. The financial statements are also to include notes that explain some of the information in the financial statements and provide more detailed data.

The annual report for JPA II shall consist of three parts: management's discussion and analysis, the financial statements and the notes to the financial statements.

As part of the audit, the independent auditor will prepare financial statements for JPA II in conformity with accounting principles generally accepted in the United States of America (GAAP), the standards applicable to financial audits contained in Government Accounting Standards, issued by the Comptroller General of the United States, and the

State Controller's Minimum Audit Requirements for California Special Districts. The independent auditor shall determine whether the statements of JPA II present fairly in accordance with generally accepted accounting principles.

JPA II activities are accounted for as an enterprise fund (a business-type activity). The Agency's financial statements are to be prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units on an accrual basis. Under this basis, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, and depreciation of assets is recognized in the Statement of Revenues, Expenses, and Changes in Net Assets. All assets and liabilities associated with the operation of the Agency shall be included in the Statement of Net Assets.

The Statement of Net Assets shall present the financial position of the Agency on a full accrual historical basis and provides information about the nature and amount of resources and obligations at year-end.

JPA II will review a draft and approve the financial statements at least 14 days prior to their issuance.

The independent auditor shall have access to and will be permitted to use figures, tabulations, statistical schedules and other data prepared by the County Auditor-Controller's Office or Tehama County Solid Waste Management Agency, but neither the County Auditor-Controller and/or Agency Manager nor any member of his/her staff shall be employed by the independent auditor in connection with the audit, nor will they perform any service other than the performance of their regular duties.

The independent auditor shall hold their findings and reports, and any information whatsoever received from the County or the Tehama County Solid Waste Management Agency, as confidential, and shall provide such findings and reports only to the JPA II Board of Directors, Auditor-Controller, and the Agency Manager, unless otherwise required by law.

With the exception of the FY 2024 audit, year-end fieldwork should begin in December of each year. The Agency Manager will expect a listing of requested information needed for the audit at the preplanning conference, periodic conferences or conference calls during the conduct of the audit, as well as an exit conference/conference call prior to the completion of the fieldwork. The independent audit for FY 2024 shall be complete by June 30, 2025. The independent audits for FY 2025 and FY 2026 shall be complete by February 28, of the year following the fiscal year being audited. The independent auditor will supply JPA II with as many copies of the audit reports as may be required, and shall submit required audits to the California State Controller's Office and grantors, as requested. An electronic version of all final reports will be made available to JPA II no later than June 30, 2025 for FY 2024 and February 28<sup>th</sup> of each year for FY 2025 and FY 2026.

The working papers shall be retained and made available upon request for no less than three years from the date of the audit report.

Since JPA II may suffer damage caused by diminishment of JPA II's financial rating and potential ineligibility to receive State and Federal funding for JPA II's programs should the independent auditor fail to timely and successfully complete the Scope of Work, the independent auditor will be liable for and pay the JPA II the sum of \$100.00 (one hundred dollars) as liquidated damages for each and every calendar day beyond June 30, 2025 for FY 2024 and February 28<sup>th</sup> for FY 2025 and FY 2026 audits, until the services are successfully completed, unless the independent auditor's performance is delayed by impossibility of performance or material breach of the JPA II's obligations.

### **Agreement**

The selected independent auditor will be required to enter into an agreement with JPA II similar in form as the attached "Standard Form of Agreement." Up to a three-year agreement is contemplated for preparation of the annual fiscal and compliance audits for fiscal years 2023/2024, 2024/2025, 2025/2026. The agreement shall be subject to the satisfactory negotiation of terms, approval of the JPA II Board of Directors and the annual availability of an appropriation.

As set forth in the Standard Form of Agreement, the selected independent auditor will be required to provide JPA II a certificate of insurance as evidence of insurance protection. Independent auditor shall also provide and maintain through the term of any agreement an errors and omissions liability policy (also known as professional liability). The Standard Form of Agreement requires single limits of liability not less than \$2,000,000 per claim and \$2,000,000 aggregate. JPA II reserves the right to increase the limits of insurance, but shall not exceed \$2 million per claim and \$5 million aggregate. The size of the accounting firm will be taken into consideration for purposes of setting the aggregate limit.

Non-Assignment of Agreement: Independent auditor may not assign, transfer, delegate or sublet any interest without the prior written consent of JPA II.

### **Tentative Timeline**

4/7/25	Agency releases Request for Proposals
4/21/25	Independent auditor's proposals due to Agency
4/28/25	Evaluation of proposals
5/5/25	Interview top proposal candidates
5/9/25	Selection of independent auditor
5/19/25	Agency and independent auditor complete terms of agreement
6/2/25	Agreement presented to Agency Board of Directors
	<i>Agreement shall be effective upon approval by the Agency Board</i>

## Withdrawal and Rejection

Proposals may be withdrawn by submitting a written request for withdrawal signed by the authorized agent, and received at the address above prior to the deadline of April 21, 2025.

The JPA II reserves the right to reject any or all proposals, to waive informalities and minor irregularities in the proposals received, to negotiate individually with finalists, and to accept other than the lowest proposal.

## Content of Proposal

The following information must be included in each proposal package:

- A. State general methodology and describe resources to be used in accomplishing each major task as set forth in the Scope of Work above. This proposal should demonstrate a clear understanding of the nature of work to be performed under the agreement and its relation to JPA II's needs. Each major task area should be addressed separately.
- B. A statement of your firm's background and experience in providing auditing and management consultant services to California counties and/or special districts, and provide names, addresses, and telephone numbers of five current and prior governmental audit clients who may be contacted for a reference. Indicate the types of services performed and the number of years served for each reference.
- C. Identify all litigation, by case name and number, brought against your firm, as a named party, within the last five calendar years.
- D. A declaration of your firm's ability and willingness to commit and maintain staffing, both number and level, to successfully complete a commitment of this size and detail.
- E. Names and titles of key individuals to be assigned to the audit along with a statement of qualifications of the key individuals including their experience in auditing of California special districts, auditing in general, and any specialized expertise such individuals might have which is applicable to this engagement.
- F. A statement of your estimated time and proposed cost schedule presented in a format similar to the following for EACH fiscal year separately:

<u>Classification</u>	<u>Hourly Rate</u>	<u>Estimated Hrs</u>
Auditor, Partners, Managers	_____	_____
Supervisors	_____	_____
Senior Accountants	_____	_____

Semi-Senior/Junior Accountants	_____	_____
Clerical and Report	_____	_____
<u>Cost Schedule</u>		
1. Basic Financial Statement	_____	
2. Schedule of Expenditures of State Awards	_____	
 Total Proposed Cost for FY ending:	_____	

All phases of the audit services must be included in the proposal; JPA II finds it desirable to retain one auditor to satisfy JPA II’s needs.

G. The proposal must be signed by the authorized employee or agent in order to be considered.

**Evaluation Criteria**

Evaluation Criteria will consist of the following:

1. 0 to 40 Points- Qualifications and governmental experience and training of staff to be assigned to audit. Education, position in firm, training in governmental accounting and auditing subjects, and years and types of related experience will be considered.
2. 0 to 20 Points- Prior auditing experience of organizations of similar size and scope.
3. 0 to 15 Points- Auditor's understanding of the work to be performed.
4. 0 to 25 Points- Fee Estimate.

Please keep in mind that cost, while an important factor, will not be the sole determining factor. Unusually low fee proposals that are obviously out of line with other proposals or are significantly lower than our current fees will raise concern. The lowest fee proposed for services to be rendered will not automatically be awarded preferential consideration.

**Submission of Proposal**

One original and two copies of the proposal must be placed in a sealed envelope and plainly marked: PROPOSAL FOR JPA II AUDIT SERVICES.

Proposals may be mailed:	Tehama County Solid Waste Management Agency 20000 Plymire Rd. Red Bluff, CA 96080 ATTN: Paul Freund
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Proposals must be received **no later than Monday, April 21, 2025 at 4:30 p.m.**