

**OHIO COUNTY WATER DISTRICT
REQUEST FOR PROPOSALS
INDEPENDENT FINANCIAL AUDITING SERVICES**



Issue Date:
November 24, 2021

Due Date:
December 22, 2021. 4:00 pm CDT

Ohio County Water District
P.O. Box 207
124 East Washington Street
Hartford, KY 42347
Attn: Eric Hickman, P.E. – General Manager
(270)298-7704
ehickman@ocwdky.org

**OHIO COUNTY WATER DISTRICT
RFP INDEPENDENT FINANCIAL AUDIT SERVICES
DECEMBER 2021**

TABLE OF CONTENTS

<u>SECTION</u>	<u>PAGE</u>
REQUEST FOR PROPOSAL	3
INTRODUCTION AND BACKGROUND	4
RFP SCHEDULE	5
CONTACT INFORMATION	6
GUIDELINES FOR RESPONSE	7
TERMS OF ENGAGEMENT	8
SUBMITTAL REQUIREMENTS	10
EVALUATION CRITERIA	11
ATTACHEMENT 1 – CHART OF ACCOUNTS	12

REQUEST FOR PORPOSAL

The Ohio County Water District (OCWD) is accepting proposals for auditing services for three (3) fiscal years ending December 31, 2021 thru December 31, 2023 with a renewal option of auditing its financial statements for the subsequent three (3) fiscal years.

Guidelines have been established for the purpose of clarification to assure full understanding of the requirements of the RFP and to ensure a fair and equitable evaluation process of all Firms.

- There is no expressed or implied obligation for OCWD to reimburse responding Firms for any expenses incurred in preparing proposals in response to this RFP.
- Questions and inquiries related to this RFP should be submitted by the close of business on December 8, 2021.
- OCWD reserves the right to reject any or all proposals submitted or to waive any immaterial technicalities and to accept the proposal that provided the greatest value to OCWD.
- Submission of proposal indicates acceptance by the Firm to the terms and conditions contained in this RFP, unless clearly and specifically noted in the submitted proposal and confirmed in the contract between OCWD and the Firm.
- Submit four (4) paper copies no later than 4:00 p.m. CDT, December 22, 2021 to:

Eric Hickman, P.E.
General Manager
Ohio County Water District
124 East Washington Street
P.O. Box 207
Hartford, KY 42347
Email: ehickman@ocwdky.org
- Proposals received after 4:00 p.m. CDT will not be accepted. The Firm accepts all risks of late delivery of mailed proposals regardless of fault.
- OCWD reserves the right to request additional information or clarifications from responding Firms or to allow corrections of errors or omissions.

OHIO COUNTY WATER DISTRICT
Eric Hickman, P.E.
General Manager

INTRODUCTION & BACKGROUND

The Ohio County Water District (OCWD) was created on April 2, 1962 and operates under the provisions of Chapter 74 of the Kentucky Revised Statutes. OCWD is regulated by the Kentucky Public Service Commission (PSC) and the Department for Environmental Protection, Division of Water. OCWD has the authority to plan, design, finance, construct, operate, replace and maintain water distribution facilities in its service area. OCWD's boundary lines are the Green River to the south and west, Daviess, and Hancock Counties to the north, and Breckinridge, Grayson and Butler Counties to the east.

The OCWD has served the surrounding area for almost 60 years by providing safe, clean drinking water to our customers. Our treatment facility was constructed and placed into service in 2011 utilizing the Green River as a source of raw water. The facility can produce 4 million gallons of water per day and consistently meets or exceeds state regulatory requirements for water quality. The water is delivered through the systems 650 miles of water lines including 6 water storage tanks and 3 pump stations. OCWD serves more than 6,000 customers and over 14,000 people through Ohio, Breckinridge, Daviess, and Grayson Counties while also serving three wholesale customers including City of Beaver Dam, City of Centertown and City of Fordsville. OCWD has an unlimited source of water from the Green River.

The governing body of the Ohio County Water District is its Commission, consisting of seven Commissioners, five of whom are duly appointed by the County Judge Executive of Ohio County with approval of the Ohio County Fiscal Court. The remaining two are appointed by the County Judge Executive of Daviess County with the approval of the Daviess County Fiscal Court. The Board meets in open session on the fourth Monday of each month at 5:00 PM. Meetings are held in the board room of the Ohio County Water District Office at 124 East Washington Street, Hartford, KY.

The purpose of this Request for Proposal (RFP) is to:

- Solicit responses from licensed certified public accounting firms to audit OCWD's financial statements for three (3) years with the option of auditing its financial statements for the subsequent three (3) fiscal years.
- Execute an Engagement Letter between both parties within 30 days after notification of the selected Firm.
- Enter into a contractual agreement between OCWD and the selected Firm based on the results from this solicitation and successful negotiations.

RFP SCHEDULE

Event

RFP Issuance

Questions from Firms are due

Proposals are due

Interviews with selected Firms

Selection of Firm

Date

November 24, 2021

December 8, 2021

December 22, 2021 by 4:00 pm CDT

January 3 – 7, 2022

January 29, 2022 Board Meeting (or earlier)

CONTACT INFORMATION

Questions regarding this RFP should be submitted in writing by letter or email and directed to:

Eric Hickman, P.E.
General Manager
Ohio County Water District
124 East Washington Street
P.O. Box 207
Hartford, KY 42347
Email: ehickman@ocwdky.org

GUIDELINES FOR RESPONSE

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General Manager
Ohio County Water District
124 East Washington Street
P.O. Box 207
Hartford, KY 42347
Email: ehickman@ocwdky.org

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- OCWD reserves the right to request additional information or clarifications from responding Firms or to allow corrections of errors or omissions.

TERMS OF ENGAGEMENT

A three (3) year contract for fiscal years ending December 31, 2021 and December 31, 2023 is requested with a renewal option of auditing its financial statements for the subsequent three (3) fiscal years.

1. The audit must be conducted in accordance with Generally Accepted Accounting Principles and Government Auditing Standards.
2. Preliminary planning, review of procedures, and review of internal controls can begin in January 2022. Year-end field work can begin in the first week in February 2022. Completion is preferred by March 31st, however a proposed schedule by the firms will be reviewed for consideration due to workload of firms.
3. The auditor is expected to advise appropriate OCWD staff on the applicability of accounting and reporting standards, and day-to-day questions concerning, internal control procedures, and accounting issues. As other needs arise during the year, certain inquiries and requests for assistance from the auditor may be made. This service should be responded to as part of the cost proposal. However, in cases where services requested would require a more in-depth scope with greater time requirements, a separate contract may be considered for such services.
4. OCWD staff and third party book-keeper will be responsible for work papers and schedules as jointly decided upon prior to the audit.
5. Prior to the audit, OCWD staff will expect the following: a listing of requested information for the audit at a pre-planning meeting; periodic meetings during the audit as necessary; and an exit meeting prior to the completion of fieldwork.
6. The audit report should include the independent auditor's report, basic financial statements, required supplemental information, other supplementary reporting, and the independent auditor's report on internal controls.
7. Guidance will be required for note disclosures.
8. Filing of the Office of Management and Budget (OMB) Circular A-133 compliance supplement for expenditure of federal funds will be required for fiscal year ending December 31, 2021.
9. A draft of the audit report will be submitted to OCWD for review. The draft should be submitted in time to allow sufficient review and corrections. The timing of the draft should insure completion of the audit report no later than April 19th.

10. An audit partner will be available to present the audit report to the OCWD Board of Commissioners at the meeting scheduled for after audit completion. The Board meets the fourth Monday of the month.

SUBMITTAL REQUIREMENTS

Each response should include the following:

1. Provide an executive summary that outlines your firm's experience, methodology, scope of services, and deliverables.
2. Provide a listing of the Firm's staff that will be involved in the audit. Describe their roles and provide a brief description of their professional experience in governmental auditing. The description should include specific experience with water utilities, governmental entities, and special commissions.
3. Provide a reference list that includes names, office addresses, email addresses, and telephone numbers of current and prior water utility, governmental clients, and special commissions.
4. Outline the assistance expected from OCWD's staff if other than that outlined in the RFP.
5. Provide a tentative schedule for completing the audit within the specified deadlines of this RFP.
6. Provide a three (3) year cost proposal listing the cost separately for each of the three years.

EVALUATION CRITERIA

OCWD reserves the right to reject any or all responses and to waive any informality or irregularity in the responses submitted and to select the Firm which best serves the interest of OCWD.

The Firm will be selected based on professional competence and experience using the following criteria:

1. The auditor shall be a Certified Public Accountant licensed to practice within the State of Kentucky.
2. The auditor's approach shall be thorough, comprehensive, and tailored to OCWD's needs.
3. The auditor shall have a thorough understanding of statements that apply specifically to OCWD's financial reporting and disclosures.
4. The Firm's staff assigned to the audit should have experience auditing government entities water utilities, and similar commissions.
5. The Firm shall have appropriate resources available to apply to the audit engagement.
6. The fees proposed by the Firm shall be reasonable for the type and quality of services the Firm will be providing. A Firm will not be selected solely based on fees since auditing is a professional service that should not be purchased strictly based on lowest cost.

ATTACHMENT 1 - CHART OF ACCOUNTS