

REQUEST FOR PROPOSAL

For

**Orange County Power
Authority**

Financial Audit Services

Solicitation Number: 21-004

RESPONSE DUE

by

5:00 p.m.

on

August 13, 2021

For complete information regarding this project, see RFP posted at www.ocpower.org or contact the OCPA representative listed below.

Thank you for your interest!

Antonia@ocpower.org

A. GENERAL REQUEST

Orange County Power Authority (OCPA) is seeking proposals from qualified consultants or firms (“Consultant”) to provide auditing services of our financial statements for the period from November 20, 2020 (JPA Inception date) through June 30, 2021. This audit is to be performed in accordance with auditing standards generally accepted in the United States of America.

1. BACKGROUND

OCPA was created as a California Joint Powers Authority (JPA) on November 20, 2020, as a Community Choice Aggregator (CCA) in Orange County. OCPA provides several benefits to its participating customers including:

- Electric power at competitive costs with reduced carbon emissions
- Procuring energy with a priority on the use and development of local renewable resources
- Stimulating local job creation through various program development
- Promote personal and community ownership of renewable resource
- Stabilize long-term electricity rates for residents and businesses

OCPA is governed by a board of directors (Board) consisting of elected representatives from each participating jurisdiction. The JPA authorizes OCPA with the rights and powers to set rates for the services it furnishes, incur indebtedness, and issue bonds or other obligations. OCPA serves the cities of Buena Park, Fullerton, Huntington Beach, and Irvine.

OCBE intends to provide electricity supply services to approximately 35,000 commercial, industrial, and municipal customers beginning in April of 2022. In October of the same year, OCPA plans to expand to include an additional 240,000 residential customers, approximately.

For the year ended June 30, 2021, OCPA is in its early start-up phase and has minimal financial activity and no revenues. The sole source of financing is from a loan provided from the City of Irvine, with repayment required no later than January 1, 2027. Through the end of June 30, 2021, OCPA has received \$2,500,000 in loan proceeds. There are currently two employees on staff, a CEO and a COO. OCPA contracts for legal, accounting, and other consulting services as needed.

2. TERM OF AGREEMENT

The initial term of the Agreement(s) shall be for one year. OCPA reserves the right to extend the agreement(s) for 2 additional years.

3. TIMELINE FOR SUBMISSION

Work is expected to begin on October 1, 2021, with a completion date of no later than December 31, 2021. As such, the following timeline will ensure all submissions will have enough time to be thoroughly considered.

- August 4, 2021: Final submission for clarifying questions. Please direct all questions to Michael Maher mmaher@mahercpa and Antonia Castro-Graham

acgraham@ocpower.org

- August 13, 2021: Submission of RFP by 5 p.m. Pacific Standard Time
- September 14, 2021: Board approval based on OCPA evaluations
- September 15, 2021: Notification of Board decision
- October 1, 2021: Work begins with kick-off meeting

4. MINIMUM CONSULTANT QUALIFICATIONS

All proposers should be legally certified to perform financial auditing services for government agencies within in the State of California or be able to show certification will be attained by the October 1, 2021, start date. In addition, the firm should affirm all staff to be assigned to the project are properly licensed and legally able to practice in California.

All proposers should be able to show the following minimum insurance requirements will be maintained through the duration of the project:

- \$1,000,000 of Commercial General Liability and a general aggregate limit of \$2,000,000 per project or location
- \$1,000,000 of Automobile Liability for any owned, non-owned, or hired vehicle to be used in connection with the performance of this project
- \$1,000,000 of Worker's Compensation as required by the State of California
- \$2,000,000 of Professional Liability/Errors & Omissions

5. GENERAL EXPECTATIONS OF THE CONSULTANT

It is expected that the Consultant will have good standing in the community regarding integrity of work, independence of OCPA as defined by generally accepted auditing standards, no pending investigations, and preferably no pending litigations.

The Consultant will be expected to work directly with OCPA's accountant, Maher Accounting, and OCPA's COO, Antonia Castro-Graham, and possibly other OCPA staff on a regular and professional basis. Regular, preferably weekly, consultations may be required. In addition, the Consultant shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

B. SERVICES REQUESTED

1. SCOPE OF WORK TO BE PREFORMED

The Consultant is desired to express an opinion on OCPA's basic financial statements in conformity with generally accepted accounting principles. OCPA will provide the Consultant with full disclosure to all relevant financial information.

2. REPORTS TO BE ISSUED

Following the completion of the audit, the Consultant shall issue for OCPA a report on the fair presentation of the financial statements in conformity with generally accepted accounting principles. This report shall include, at a minimum, Management's Discussion and Analysis, the Basic Financial Statements, and Notes to the Basic Financial Statements.

If applicable, the Consultant shall issue a report, a letter, or a discussion of any deficiencies in internal controls.

3. CONFERENCES AND MEETING ATTENDANCE

The Consultant may be required to meet independent of OCPA staff with OCPA Board members to discuss details of scope, intent, or expectations on behalf of the Board. This may be done by phone. However, the Consultant shall attend the final presentation of the audited financial statements to the Board at the end of the project. Additional meeting attendance may be required. Sufficient advance notice will be provided by OCPA staff.

4. WORKING PAPER RETENTION AND ACCESS TO WORKING PAPERS

All working papers and reports must be retained, at the Consultant's expense, for a minimum of seven (7) years, unless the firm is notified in writing by OCPA of the need to extend the retention period. The Consultant will be required to make working papers available, upon request, to OCPA or its designees.

C. PROPOSAL SUBMISSION REQUIREMENTS

OCPA requests proposals consist of the following minimum requirements to ensure the proposer has a comprehensive understanding of the project and such that OCPA has a complete understanding of the proposer's ability to meet OCPA's needs.

1. RESPONSE FORMAT

For digital submission, please submit all proposals in standard PDF format to antonia@ocpower.org. Other digital formats will not be accepted. Physical document submissions will also be accepted provided they arrive by the July 31, 2021, 17:00 Pacific Standard Time deadline. Please send all physical submissions to:

Orange County Power Authority
P.O. Box 54283
Irvine, CA 92619

2. PROPOSAL FORMAT

Please ensure all proposals have, at a minimum, the following sections:

- Title Page: Describing the title of the document, the proposer's name, address, contact information, and date of proposal
- Transmittal Letter: Briefly introducing the proposer, stating an understanding of the work to be done, and a statement of why the proposer believes they are the best fit to perform the engagement
- Technical Proposal: (In any order)
 - An outline of the Scope of Work to be done
 - Staff to be assigned to the project, with qualifications
 - Proposer qualifications and related experience
 - A statement of direct experience with other CCA's
- Description of Qualifications (can be an appendix)
 - Confirmation of meeting the Minimum Qualifications stated in section A4, above
 - Acknowledgement of understanding of the General Expectations stated in section A5, above
 - A description of any subcontractors that may be used in relation to this project and the capacity in which they will be employed
 - Years of operation and directly related experience, or most significant engagements, performed in the last five (5) years.
 - Three (3) references
 - Sample of work
- Project Timeline: Not to exceed the absolute deadline in OCPA's project timeline listed in C3, below
- Project Budget: With a not to exceed, staffing cost table, subcontractor passthroughs (if applicable), and estimated hours

3. OCPA PROJECT TIMELINE

The audit must be completed by December 31, 2021, with no exceptions due to our reporting requirements per our JPA agreement. As such, the following is OCPA's expected timeline to ensure project completion.

D. TERMS AND CONDITIONS

1. GENERAL

Incurring Cost

This RFP does not commit OCPA to award or pay any cost incurred in the submission of the proposal, or in making necessary studies or designs for the preparation thereof, nor procure or contract for services or supplies. Further, no reimbursable cost may be incurred in anticipation of a contract award.

Claims Against OCPA

Neither your organization nor any of your representatives shall have any claims whatsoever against OCPA or any of its respective officials, agents, or employees arising out of or relating to this RFP or these RFP procedures, except as set forth in the terms of a definitive agreement between OCPA and your organization.

Guarantee of Proposal

Responses to this RFP, including proposal prices, will be considered firm and irrevocable for one hundred eighty (180) days after the due date for receipt of proposals and/or one hundred eighty (180) days after receipt of a best and final offer, if one is submitted.

Basis for Proposal

Only information supplied by OCPA in writing by the Contact in connection with this RFP should be used as the basis for the preparation of Consultant's proposal.

Form of Proposals

Proposals must be submitted electronically by e-mail; submittal by US postal service is also an option.

Amended Proposals

Consultants may submit amended proposals before the Deadline to Submit Proposals. Such amended proposals must be complete replacements for previously submitted proposals and must be clearly identified in a written format. The Contact will not merge, collate, or assemble proposal materials.

Withdrawal of Proposal

Consultants may withdraw their proposals at any time prior to the Deadline to Submit Proposals. The Consultant must submit a written withdrawal request signed by the Consultant's duly authorized representative addressed to and submitted to the Contact.

Late Responses

To be considered, proposals must be received electronically by email and (optional) in person or via courier/mail or to the place specified by August 6, 2021, 5:00 PM PST.

No Public Proposal Opening

There will be no public opening for this RFP.

California Public Records Act (CPRA)

All proposals become the property of OCPA, which is a public agency subject to the disclosure requirements of the California Public Records Act ("CPRA"). If Consultant proprietary information is contained in documents submitted to OCPA, and Consultant claims that such information falls within one or more CPRA exemptions, Consultant must clearly mark such

information "CONFIDENTIAL AND PROPRIETARY," and identify the specific lines containing the information. In the event of a request for such information, OCPA will make best efforts to provide notice to Consultant prior to such disclosure. If Consultant contends that any documents are exempt from the CPRA and wishes to prevent disclosure, it is required to obtain a protective order, injunctive relief, or other appropriate remedy from a court of law in Orange County, before OCPA's deadline for responding to the CPRA request. If Consultant fails to obtain such remedy within OCPA's deadline for responding to the CPRA request, the OCPA may disclose the requested information.

Consultant further agrees that it shall defend, indemnify, and hold OCPA or its agents, harmless against any claim, action, or litigation (including, but not limited to, all judgments, costs, fees, and attorney's fees) that may result from OCPA's assertion of an exemption or privilege as a basis for withholding any information marked confidential by the Consultant.

Confidentiality

All data and information obtained from or on behalf of OCPA by the Consultant and its agents in this RFP process, including reports, recommendations, specifications, and data, shall be treated by the Consultant and its agents as confidential. The Consultant and its agents shall not disclose or communicate this information to a third party or use it in advertising, publicity, propaganda, or in another job or jobs, unless written consent is obtained from OCPA. Generally, each proposal and all documentation, including financial information, submitted by a Consultant to OCPA is confidential until a contract is awarded, when such documents become public record under State and local law, unless exempted under CPRA.

Electronic Mail Address

Most of the communication regarding this procurement will be conducted by electronic mail (e-mail). Potential Consultants agree to provide the contact with a valid e-mail address to receive this communication.

OCPA Rights

OCPA and its Contact reserve the right to do any of the following at any time:

- a. Reject any or all proposal(s), without indicating any reason for such rejection;
- b. Waive or correct any minor or inadvertent defect, irregularity, or technical error in a proposal or the RFP process, or as part of any subsequent contract negotiation;
- c. Request that Consultants supplement or modify all or certain aspects of their proposals or other documents or materials submitted;
- d. Terminate the RFP, and at its option, issue a new RFP;
- e. Procure any equipment or services specified in this RFP by other means;
- f. Modify the selection process, the specifications or requirements for materials or services, or the contents or format of the proposals;
- g. Extend a deadline specified in this RFP, including deadlines for accepting proposals;
- h. Negotiate with any or none of the Consultants;
- i. Modify in the final agreement any terms and/or conditions described in this RFP;
- j. Terminate failed negotiations with any Consultant without liability, and negotiate with other Consultant(s);
- k. Disqualify any Consultant on the basis of a real or apparent conflict of interest, or evidence of collusion that is disclosed by the proposal or other data available to OCPA;

- l. Eliminate, reject, or disqualify a proposal of any Consultant who is not a responsible Consultant or fails to submit a responsive offer as determined solely by OCPA or its representative; and/or
- m. Accept all or a portion of a Consultant's proposal.

2. EVALUATION CRITERIA

Evaluations will be based upon the information provided in the proposals and such other information requested by Contact or OCPA, or as deemed appropriate by OCPA. Proposals shall provide clear, concise information and sufficient detail to enable reviewers/evaluators to evaluate the responsiveness and quality of the proposals to all RFP requirements. Evaluators will also review the proposals for format to ensure conformance with the RFP requirements. Proposals that fail to meet RFP requirements could be rejected. The Contact or OCPA may waive minor irregularities in proposals if doing so would be in the best interest of OCPA. Evaluators may recommend discontinuing evaluation of any proposal that is considered not in compliance with all of the RFP requirements.

The review/evaluation team will select the proposal that offers the greatest value to OCPA based on an analysis of the following criteria:

Evaluation Criteria		Points
1.	Understanding of the scope of work required by OCPA <ul style="list-style-type: none"> ● Quality, clarity, and responsiveness of the proposal ● Proposed approach in providing services 	25
2.	Consultant's capabilities <ul style="list-style-type: none"> ● Reasonable availability and devotion to project during work timeline ● Ability to complete work within OCPA's expected timeline ● Familiarity with California energy market finance and CCA financial practices ● Legal standing and certifications 	25
3.	Management, personnel, and experience <ul style="list-style-type: none"> ● Demonstrated competence and professional qualifications necessary for successfully performing the work required by OCPA ● Recent experience in successfully performing similar services ● Background and related experience of the specific individuals to be assigned to this account ● Information provided by Consultant's references 	25
4.	Cost <ul style="list-style-type: none"> ● Cost of proposed services 	25
TOTAL		100

As reflected in the Evaluation Criteria, contract award will not be based solely on cost, but on a combination of factors as determined to be in the best interest of OCPA. OCPA will not be bound to award the contract(s) based solely on the lowest bid submitted.

After evaluating the proposals and discussing them further with the Finalists or the tentatively selected Consultant(s), OCPA reserves the right to further negotiate the proposed work and/or method and amount of compensation.

References:

Bidders are to provide a list of current clients. References must be satisfactory as deemed solely by responsible OCPA staff. References should have similar scope, volume, and requirements to those outlined in these specifications, terms and conditions.

Bidders must verify the contact information for all references provided is current and valid.

Bidders are encouraged to notify all references that OCPA staff may be contacting them to obtain a reference.

OCPA staff may contact some or all the references provided in order to determine Bidder's performance record on work similar to that described in this request. OCPA staff reserves the right to contact references other than those provided in the response and to use the information gained from them in the evaluation process.

3. OCPA CONTACT

The evaluation phase of the competitive process shall begin upon receipt of bids until a contract has been awarded. Bidders shall not lobby evaluators or any member of the staff or Board of Directors during the evaluation process. Attempts by Bidder to lobby evaluators, staff or Board members may result in disqualification of bidder.

All questions regarding these specifications, terms and conditions are to be submitted in writing, via e-mail, by 5:00 p.m. PST on July 30, 2021, to:

Mike Maher, CPA
mmaher@mahercpa.com

Antonia Graham, Chief Operating Officer
antonia@ocpower.org

The OCPA website will be the official notification posting place of all Requests for Interest, Proposals, Quotes and Addenda. Go to <http://www.OCPA.org> to view current contracting opportunities.