



Rural County Representatives of California and affiliated entities

Request for Proposal for Audit and Tax Services

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BACKGROUND INFORMATION

Rural County Representatives of California (RCRC) is a California nonprofit mutual benefit corporation organized exclusively for the purpose of serving and strengthening county and local governments through definition, study, and actions relative to issues affecting the member counties and their resources to include but not be limited to those of social, economic, environmental, and ecological importance. RCRC is organized within the meaning of Section 115(1) of the Internal Revenue Code. Accordingly, RCRC is considered a governmental unit for financial reporting purposes. RCRC is governed by representatives of its member counties, which are counties in California having an interest in the general and specific purposes of RCRC.

Several entities operate under the RCRC umbrella:

- Golden State Finance Authority (GSFA) is a joint powers authority under the provisions of the Government Code of the state of California engaged in the exercise of essential government functions. GSFA was created by the joint powers agreement entered into by counties, the purpose of which is to provide financing for the acquisition, construction, improvement, preservation, and rehabilitation of real property and infrastructure in accordance with applicable provisions of law for the benefit of residents and communities.
- National Homebuyers Fund, Inc. (NHF), is a nonprofit public benefit corporation organized exclusively for the purpose of assisting in the provision of adequate, safe, and sanitary residential housing, for any other public purposes related hereto, and is organized within the meaning of Section 115(1) of the Internal Revenue Code.
- Golden State Connect Authority (GSCA), is a joint powers authority under the provisions of the Government Code of the state of California, engaged in the exercise of essential government functions. GSCA was created by the joint powers agreement entered into by counties, the purpose of which is to make reliable and adequate communications services and connectivity available for the benefit of rural communities, businesses, and residents, including establishing and operating programs and projects to facilitate provision and expansion of broadband internet access service and related telecommunications services in rural communities, and directly providing such services in substantially the same manner as a municipal utility.
- Golden State Natural Resources (GSNR) is a nonprofit public benefit corporation organized within the meaning of Section 501(c)(3) of the Internal Revenue Code. GSNR was organized exclusively for the purpose of promoting public safety, forest resiliency, wildfire risk reduction, air quality improvement, organic waste reduction, rural economic development, and public purposes thereto.
- Rural Counties' Environmental Services Joint Powers Authority (ESJPA) is a joint powers authority under the provisions of the Government Code of the state of California, engaged in the exercise of an essential governmental function. The purpose of ESJPA is to develop and fund programs to provide for solid waste planning, solid waste services, cooperative marketing, regulatory advocacy, and other environmental services, as well as to provide a forum for mutual support, to strengthen the liaison with state government, and to secure and disseminate information of common interest relating to environmental issues.
- Rural Advancement Institute (RAI) is a nonprofit public benefit corporation organized within the meaning of Section 501(c)(3) of the Internal Revenue Code. RAI was organized exclusively to support RCRC and to operate exclusively for the benefit of RCRC.

RCRC employs 36 people at its Sacramento offices. RCRC provides support services through contractual arrangements with the affiliates listed above for an annual fee. All entities except for ESJPA, are accounted for as an enterprise fund and its financial statements are prepared on the accrual basis of accounting. ESJPA financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. RCRC and all its affiliated entities have a December 31 year end, with a requirement to finalize the audited financial statements by April 30 as outlined in the joint powers authority agreement with member counties.

I. SERVICES TO BE PERFORMED

Following are key services to be performed:

- Annual audits to be completed in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.
- Federal Single Audit (currently only one organization is subject to the Single Audit: GSFA).
- Tax filings for two organizations organized within the meaning of Section 501(c)(3) of the Internal Revenue Code.
- Meeting with Executive Committee and / or Board of Directors (at least twice annually).

Government Code section 12410.6 provides that a local agency shall not employ a public accounting firm to provide audit services if the lead audit partner or coordinating audit partner having primary responsibility for the audit, or the audit partner responsible for reviewing the audit, has performed audit services for that local agency for six consecutive fiscal years. While some of the RCRC affiliated entities may not be subject to Section 12410.6, RCRC has elected to implement these requirements for all affiliates. If the relationship with a single external audit firm is maintained for six or more consecutive years, RCRC will require that the firm rotate the partners responsible for performing, coordinating, and reviewing RCRC's audit at least once every six fiscal years.

II. KEY PERSONNEL

Following are key contacts for information you may seek in preparing your proposal:

- Patrick Blacklock, President / CEO and Executive Director
- Milena De Melo, Finance Director
- Craig Ferguson, Senior Vice President and Deputy Director

Requests for additional information, including copies of prior financial statements and tax returns, and the current listing of our Board of Directors, should be coordinated through Milena De Melo, Finance Director.

III. FINANCIALLY SIGNIFICANT SYSTEMS

RCRC currently uses the following financially significant systems:

- Sage 100 (2021) – General Ledger
 - Sage Intacct transition planned for 2027
- Sage AP Automation (Beanworks) – Accounts Payable
- ADP – Payroll

IV. TERMS OF ENGAGEMENT

The awarded contract will be for a three-year period and shall become effective immediately upon execution by all parties with implementation of all specified services to take place beginning with the year ending December 31, 2026. The term shall cover all services necessary for the preparation of three years of audit reports and three annual tax filings, which may exceed 36 calendar months. The agreement may be extended at the discretion of Management and the Executive Committee.

V. INDEMNITY AND INSURANCE REQUIREMENTS

The successful awardee will provide a copy of certificate of insurance that covers the dates of this contract and shall provide updated certificates annually.

VI. PROPOSAL RESPONSE

In responding to this request, we request the following information:

1. Discuss the firm's independence with respect to RCRC and its affiliated entities. Explain how you monitor and maintain your independence on an ongoing basis.
2. Detail your firm's experience in providing auditing and tax services to companies in the government and not-for-profit sector, including those with multiple entity arrangements and those with public/private partnerships.
3. Provide information on whether you provide services to any related industry associations or groups.
4. Discuss commitments you will make to staff continuity, including your staff turnover experience in the last three years.
5. Identify the three largest clients your firm (or office) has lost in the past three years and the reasons. Also discuss, in instances where loss of the client was due to an unresolved auditing or accounting matter, the process of attempting to resolve the issue(s).
6. Identify the partner, manager, and incharge accountant who will be assigned to our job if you are successful in your bid and provide biographies. Indicate any complaints against them that have been leveled by the state board of accountancy or other regulatory authority, if any. Indicate any corrective actions that have been taken by the firm with respect to these people.
7. Describe how your firm will approach the audit of the organization, including the use of any association or affiliate member firm personnel and the areas that will receive primary emphasis. Also discuss the firm's use of technology in the audit. And finally, discuss the communication process used by the firm to discuss issues with the management and audit committees of the board.
8. Set forth your fee proposal for the 2026 to 2028 fiscal years for services outlined in section II, with whatever guarantees or expectations can be given regarding increases in future years, with an option to extend at the discretion of the Executive Committee.
9. Furnish standard billing rates for classes of professional personnel for each of the last three years. Describe how you bill for questions on technical matters that may arise throughout the year.
10. Provide the names and contact information for other, similarly sized clients of the partner and manager that will be assigned to our organization for reference purposes.
11. Describe how and why your firm is different from other firms being considered, and why our selection of your firm as our independent accountants is the best decision we could make.
12. Include a copy of your firm's most recent peer review report, the related letter of comments, and the firm's response to the letter of comments.

VII. EVALUATION OF PROPOSALS

Review, evaluation, and selection of respondents will be performed by RCRC Management and the Executive Committee. The absence of required information may render the proposal non-responsive and may be cause for rejection.

Prior to final selection, a short list of qualified and responsive respondents may be requested to participate in an interview and/or be asked to submit additional information for clarification. The purpose of the interview and acquisition of additional information will be to provide an opportunity for each respondent to present their qualifications and proposals in person and/or to answer any questions that RCRC may have regarding the respondent's submittals. If interviews are to be held, the time and place of the interview will be arranged after the short list is compiled.

Prior to the award of a contract, RCRC must be assured that a selected respondent has the resources to successfully perform under the contract. This includes, but is not limited to, personnel in number and requisite skill; equipment of appropriate type and quantity; financial resources sufficient to complete performance under the contract; and experience in similar endeavors. If, during the evaluation process, RCRC is unable to assure itself of the respondent's ability to perform under the contract if awarded, RCRC has the option of requesting from the respondent any information that RCRC deems necessary to determine the respondent's responsibility. If such information is required, the respondent will be so notified and will be permitted five (5) business days to submit the information requested in writing.

VIII. PROPOSAL CALENDAR

RCRC will evaluate proposals on a qualitative basis. This includes our review of the firm's peer review report and related materials, interviews with senior engagement personnel to be assigned to our organization, results of discussions with other clients, and the firm's completeness and timeliness in its response to us. The following is a list of key dates up to and including the date proposals are due to be submitted:

- Request for proposals issued: May 21, 2026
- Due date for proposal: June 30, 2026
- Evaluations by management by selected firms: July 1 -10, 2026 (may require oral presentation or additional interviews)
- Recommendation to and approval by the Executive Committee: on or before July 22, 2026.
- Contract date following approval by the Executive Committee

IX. PROPOSAL SUBMISSION INSTRUCTIONS

The proposal should be submitted to Milena De Melo, Finance Director at the following e-mail address: mdemelo@rcrcnet.org. Final submissions must include a cover letter signed by an individual authorized to bind the respondent's organization contractually. The signature block must indicate the title or position that the individual holds in the organization. An unsigned final proposal may be rejected. Signatures may be scanned copies of wet signatures or digital signatures made consistent with Government Code section 16.5, as interpreted by Chapter 10 of Division 7 of Title 2 of the California Code of Regulations. Digital signatures created in Adobe software are presumed to comply with this requirement.

A respondent may withdraw its final submission at any time prior to the submission deadline, by submitting a written notification of withdrawal via email signed by an authorized representative of the respondent. The respondent may thereafter submit a new or modified proposal prior to the respective submission deadline. Modification offered in any other manner, oral or written, will not be considered. Other than as allowed by law, final proposals cannot be changed or withdrawn after the submission deadline date and time.

The final decision of the selection of the firm to conduct the audit will be made by the Executive Committee. The final agreement will be in the form of a written contract following the standard agreement form used by CPA firms conducting audits.

X. QUESTIONS

All questions and correspondence should be directed to Milena De Melo, in writing at the above e-mail address or by calling 916-447-4806 ext.1015.

XI. ADMINISTRATIVE GUIDANCE

This RFP is not intended to limit proposal content or to exclude any potential respondent from submitting a proposal. Respondents who do not meet certain requirements may still submit proposals so long as they include supporting documentation and/or information on why and how the respondent may work to fulfill those requirements.

Scope of Terms and Conditions

Before submitting a proposal, the respondent shall understand all contract conditions referred to in this document. It shall be the respondent's responsibility to ensure that their final proposal, including all supporting documentation, is submitted by the final RFP submission date. By submitting a proposal, the respondent acknowledges and accepts the Terms and Conditions described herein.

Equal Opportunity Employer

RCRC is an Equal Opportunity Employer. Respondents must not engage in discriminatory hiring practices, including discrimination towards race, color, sex, language, religion or creed, national or social origin, disability, age, marital or family status, sexual orientation or gender identity. Respondents should be familiar with the Employers' Practical Guide to Reasonable Accommodations Under the Americans with Disabilities Act as published by the Job Accommodation Network, a service of the U.S. Department of Labor's Office of Disability Employment Policy.

Confidentiality

All submissions, including all supporting documentation, become public after contracts are awarded. Submissions will not be released to any other bidder or any member of the public prior to the contract award date.

RCRC is subject to the California Public Records Act (Government Code section 7920.000 et seq.) ("PRA"), which provides public access to all records in RCRC's possession – including submissions for this RFP. Everything submitted to RCRC is presumptively a public record. If material a respondent has marked "confidential," "proprietary," or "trade secret" is requested from RCRC pursuant to the PRA, RCRC will make an independent assessment about whether it is exempt from disclosure. If RCRC determines that a record a respondent has submitted is public, RCRC will notify respondents and give them a reasonable opportunity to support an opposite conclusion or obtain a court order protecting the material from disclosure.

Respondents should be aware that marking a document "confidential," "proprietary," or "trade secret" may exclude their proposal from consideration for award and will not keep that document from being released after notice of award as part of the public record unless a court has ordered RCRC not to release the document. The content of all working papers and discussions relating to any proposal shall be held in confidence indefinitely, unless the public interest is best served by an item's disclosure because of its direct pertinence to a decision, agreement, or the evaluation of the proposal.

Any disclosure of confidential information by a respondent is a basis for rejecting the respondent's proposal and ruling the respondent ineligible to further participate.

Proposal Preparation Costs

RCRC is not liable for any cost incurred by the respondent associated with the preparation of their proposal nor the negotiation of a contract for serviced prior to the issuing of the contract.

Proposal Terms

The issuance of this RFP does not constitute an assurance that RCRC will enter into a contract with any respondent. RCRC expressly reserves the right to:

- Reject any and all proposals.
- Adjust or change requirements within the RFP.
- Reissue the RFP.
- Adjust or extend any due dates in the RFP process without advance warning.

RCRC reserves the unequivocal right to decline awarding a contract to any of the participants at its sole discretion, without being bound to provide any justification or compensation for such decisions.

Appeals and Protests

An unsuccessful respondent shall have the right to appeal any scoring decision or contract award decision to RCRC's Executive Director. The Executive Director, at their sole discretion, may award a contract notwithstanding the scoring process. In exercising this discretion, the Executive Director may request to confer with a respondent and/or request additional information or documentation. Should a respondent fail to confer or provide such information or documentation, the Executive Director may decline to consider the appeal. The Executive Director shall have an unlimited amount of time to make any such decisions.

This procurement process does not include any provision to protest either the process or resulting contract award(s).