



SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

Request for Proposals for Las Vegas Area Audit Services On the

Boulder Canyon Project (aka Hoover Dam) Electric Service Contracts and Accounts

Issuance Date: April 1, 2015

Response Deadline: April 22, 2015 by 4:00p.m. PDT

I. Introduction

The Southern California Public Power Authority (SCPPA), on behalf of the Boulder Canyon Project (BCP) Electric Service Contractors (listed below), is hereby soliciting competitive proposals for Audit Services from within the Las Vegas Area, as described below in Section III.

SCPPA is interested in discovering all Respondent's capabilities related to specified Areas of Interest and associated pricing to enable informed decisions and potentially proceed to more specific negotiations on contract development with one or more qualified Respondents to this Request for Proposals (RFP).

Responses to this RFP are due on or before **4 p.m. PDT April 22, 2015** as described below in Sections III and V.

II. Background

SCPPA is a joint powers authority and a public entity organized under the California Joint Exercise of Power Act found in Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, and through the SCPPA Joint Powers Agreement, for the purposes of planning, financing, developing, acquiring, constructing, operating and maintaining projects for the generation or transmission of electric energy. SCPPA also facilitates joint service contracts, at the request of its members, to aggregate like project efforts among its Members for the purposes of developing energy efficiency, demand response and resource procurement Programs or Projects to improve operating efficiencies and reduce costs.

Membership of SCPPA consists of eleven cities and one irrigation district, which supply electric energy within Southern California, including the municipal utilities of the cities of Anaheim, Azusa, Banning, Burbank, Cerritos, Colton, Glendale, Los Angeles, Pasadena, Riverside, and Vernon, and the Imperial Irrigation District. SCPPA is governed by its Board of Directors, which consists of representatives from each of its Members. The management of SCPPA is under the direction of an Executive Director who is appointed by the Board.

For this RFP, the "BCP Electric Service Contractors" include the following entities listed below:

- **SCPPA Members:** The California cities of Anaheim, Azusa, Banning, Burbank, Colton, Glendale, Los Angeles, Pasadena, Riverside, and Vernon.
- **Non-SCPPA Participants:** The Metropolitan Water District of Southern California, Southern California Edison, Arizona Power Authority, Colorado River Commission of Nevada and City of Boulder City, Nevada.

Refer to Exhibit 1 for background information on authorizing legislation, the BCP, agreements and financial data.

The audit results from any service contract entered into by SCPPA pursuant to this RFP will be utilized directly by the BCP Electric Service Contractors to support their respective management needs in anticipation of the September 30, 2017, expiration of the existing BCP Electric Service Contracts. The service and work products during the term of the audit will be ordered and approved directly by one or more individuals, or an audit subcommittee, designated by the BCP Electric Service Contractors. Invoicing, billing and payments pursuant to the audit will be administered through SCPPA.

III. Scope of Services

The BCP Electric Service Contractors have expressed an interest in obtaining Las Vegas Area Audit Services to meet the needs of their constituents in preparation of the September 30, 2017 termination of the existing BCP Electric Service Contracts. Listed below are two agreements for audit services review which are available to download at site: <http://www.usbr.gov/lc/region/programs/bouldercanyon.html>

1. For the purposes of this audit, only one BCP Electric Service Contract will be reviewed (as it represents essentially the same language as the remaining fourteen individual BCP Electric Service Contracts which expire September 30, 2017):

Contract, Contract No. DE-MS65-86WP39579 between United States Department of Energy Western Area Power Administration Boulder Canyon Project and The State of Nevada and its Colorado River Commission for Electric Service (BCP Electric Service Contract).

2. The Boulder Canyon Project *Implementation Agreement, Contract No. 95-PAO-10616, between United States Department of Energy Western Area Power Administration and United States Department of the Interior Bureau of Reclamation and Boulder Canyon Project Electric Service Contractors (BCPIA).* This BCPIA was originally established in 1995 to resolve eleven controversial issues related to the administration of the BCP Electric Service Contracts as represented above. The BCPIA's term and associated BCPIA resolutions continue beyond September 30, 2017.

In preparation of the close out of the BCP Electric Service Contracts, the Agreed Upon Procedures are listed below. The BCP Electric Service Contractors and the two federal agency signatories are negotiating a new set of BCP Electric Service Contracts which will include some new contractors (New Schedule D Contractors) in accordance with the Hoover Power Allocation Act of 2011. The Respondent shall examine Bureau's and the Western Area Power Administration (Western) Lower Colorado Region's annual financial information or records for the federal Fiscal Years 1995 through 2015 (Oct. 1-Sep. 30) in accordance with generally accepted auditing standards promulgated by the American Institute of Certified

Public Accountants, Government Auditing Standards promulgated by the Comptroller General of the United States, and any other audit principles relevant to public agencies in the State of Nevada, as outlined in the Agreed Upon Procedures.

IV. Agreed Upon Procedures

1. Research, reconcile, analyze and prepare a report regarding replacements and repayable advances. Specific efforts should be employed to ensure completeness and accuracy in accordance with BCPIA and associated resolutions.
2. Prepare a comprehensive report of the cash balances as of September 30, 2015 and research and determine any requirements of those funds as well as sources of funds, i.e., working capital fund advance, retirement funds, operating amounts and determine which funds can/should be returned to the BCP Electric Service Contractors.
3. Research, reconcile, analyze and prepare a report regarding principle and interest payments related to long term debt. Specific efforts should be employed to ensure amounts have been calculated and paid in accordance with the BCPIA and associated resolutions.
4. Research, reconcile, analyze and prepare a report regarding obligated fund balances as of September 30, 2015. Develop a procedure/process for New Schedule D Contractors to fund an appropriate share of existing obligated fund balances as of October 1, 2017 when new BCP Electric Service Contracts are to commence.
5. Research, reconcile, analyze and prepare a report regarding uprating credits and determine remaining balances. Specifically determine outstanding credits or liabilities for each contractor and prepare a forecast of principal uprating payments to ensure compliance with the BCPIA through September 30, 2017.
6. Analyze and determine the appropriateness of processes and costs allocated to the BCP for multi-project costs.
7. Research and confirm the contractors have not incurred any costs related to the Hoover By-Pass Bridge through the BCP rate process.
8. Research, reconcile, analyze and prepare a report regarding the assessment of surplus revenues as described in the Hoover Power Plant Act of 1984. These revenues are more specifically identified in the Act as 4 ½ mills per KWh for purchasers within the State of Arizona and 2 ½ mills per KWh for the purchasers in the States of California and Nevada.
9. Research, reconcile, analyze and prepare a report regarding the Power Repayment System Study (PRSS). Include analysis of internal fiscal controls and project financial statements for both federal agencies that are signatories to the agreements in Section III.
10. Establish procedures for transition to the new BCP Electric Service Contracts effective October 1, 2017 for funds management between the existing contractors' contributions to cash accounts, obligations, debt, working capital fund advances and operating amounts to the establishment of New Schedule D Contractors funding requirements for the BCP.

Tentative Timeline / Schedule*

SCPPA RFP for Las Vegas Area Audit Services Selection Process	
Schedule of Requirements	Target Date(s)
Issue RFP	April 1, 2015
Pre Award Conference	April 6, 2015
Responses Due	4 p.m. PDT April 22, 2015
Review of Responses	April 23, 2015 – May 21, 2015
Interviews (if necessary)	Week of May 11-15, 2015
Selection of Respondent(s)	May 22, 2015

*Timeline/Schedule is subject to change.

V. Proposal Submission Required Elements

1. Transmittal Letter Content:

- a. A brief statement of the Respondent's understanding of the work to be done and commitment to perform the work as scheduled, including:
 - i) statement of work specifications; and
 - ii) reference to any proposed contractual terms and conditions required by the Respondent; and
 - iii) a summary of exceptions taken to the RFP requirements; and
 - iv) any and all expectations from SCPPA including, but not limited to: requirements definitions, strategy refinement, and staffing requirements to support the proposed project or program implementation.
- b. An officer authorized to bind must sign the proposal on behalf of the Respondent and must include the following declarations on the transmittal letter:

“This proposal is genuine, and not sham or collusive, nor made in the interest or in behalf of any person not herein named; the Respondent has not directly or indirectly induced or solicited any other Respondent to put in a sham bid, or any other person, firm or corporation to refrain from submitting a proposal; and the Respondent has not in any manner sought by collusion to secure for themselves an advantage over any other Respondent.”

- 2. **Respondent Information:** Respondent shall be an established CPA firm licensed in Nevada providing the type of services requested under this solicitation for over five years, and shall have conducted these types of services with the past year.
- 3. Provide legal name of Company or Individual, physical street address, the name(s) and title(s) of the individual(s) authorized to represent the Respondent, including telephone number(s) and email address(es).

4. To minimize travel and lodging expenses, the Respondent must have an office within a 75 mile radius of the United States Bureau of Reclamation's Lower Colorado Regional Offices located at 500 Fir Street, Boulder City, Nevada 89005-2403. **Any RFPs submitted with a business address beyond this 75 mile radius will be rejected.**
5. **Proposal:** Proposals must include a description of the proposed project or program, how it meets (or does not meet) each of the objectives of this RFP, and a detailed description addressing all of the Section III: Scope of Services and Section IV: Agreed Upon Procedures. Respondents may also include additional services, products, tasks, task elements and/or functions that may not be part of or included in the RFP, but are deemed by the Respondent to be pertinent and potentially valuable to SCPPA or the BCP Electric Service Contractors. SCPPA will have full discretionary authority to consider, accept and/or reject without cause such supplemental information that is not directly requested, included in or made part of the RFP.
6. **Fees:** The Firm Fixed Price Agreement in all Proposals should be made based on good faith estimates of the requirements defined in this RFP. Please include all necessary details of specific examples or estimates of the total bid cost. No hourly rates, time and material pricing proposals will be accepted.

Fees for scope changes: The BCP Electric Service Contractors do not expect any additional audit work beyond the scope specified in the RFP, However, if any additional audit work is requested by the BCP Electric Service Contractors, the fees may be based either upon a negotiated lump sum or a time and materials basis. Respondent shall submit a list of its labor rates and fees, which will be included in the contract.

7. **Experience:** Respondent shall clearly identify project participants and management team, including:
 - a. Describe your firm's experience as may be applicable to this RFP, your organizational structure, management qualifications, and other contract related qualifications, including number of years firm has been in business.
 - b. Specify key employees and describe their qualifications, experience and duties related to this RFP, including the office location(s) where work will be performed, in addition to the physical street address referenced above.
 - c. Provide a commitment statement for the retention and use of key employees as proposed, their availability to initiate and sustain the proposal, as well as planned supplemental employees if key personnel are not available to assure project delivery.
 - d. State whether Respondent will use subcontractors to perform services pursuant to the contract. Should the use of subcontractors be offered, the Respondent shall provide the same assurances of competence for the subcontractor, plus the demonstrated ability to manage and supervise the subcontracted work. Subcontractors shall not be allowed to further subcontract with others for work. The provisions of any contract resulting from this RFP shall apply to all subcontractors in the same manner as to the Respondent.
 - e. Respondent shall indicate any and all pending litigation that could affect the viability of Respondent's proposal, continuance of existing contracts, operation or financial stability.

8. References:

- a. Describe whether the Respondent has, within the last five (5) years, rendered any service to SCPPA, to any of SCPPA's Members, BCP Electric Service Contractors, the United States Bureau of Reclamation's Lower Colorado Region, or the United States Department of Energy Western Area Power Administration Desert Southwest Region either as a contractor or subcontractor, either under the current Respondent's name or any other name or organization. If so, please provide details (status as prime or subcontractor, brief description of the contract, contract start and end date, the contract administrator name, and total actual contract expenditures).
- b. If the Respondent has not rendered any service within the last five (5) years to SCPPA, BCP Electric Service Contractors, the United States Bureau of Reclamation's Lower Colorado Region, or the United States Department of Energy Western Area Power Administration Desert Southwest Region, then please provide references over that period with the details described above including the counterparty for which services were provided.
- c. Identify existing related or relevant projects or programs which Respondent developed and/or operates that would demonstrate Respondent's capabilities in this area.
- d. Describe relevant program development and implementation experience, approach, and provide a list of references for similar projects completed.

VI. Proposal Submission Delivery Requirements

An initial Respondents' conference for interested parties and potential Respondents to ask questions related to this RFP will be held on April 6, 2015 at 9:00 am at the Bureau of Reclamation Lower Colorado Region Regional Training Office Building, room #128, 100 Date Street, Boulder City, NV 89006. Please contact Rick Leavitt, CPA at 702-293-8457 prior to attending and to receive a call-in number for teleconference.

One (1) hard copy of your response, including a transmittal letter of authentic offer with wet-ink authority signature, and any supporting documentation should be delivered no later than 4:00 pm PDT on April 22, 2015 to:

Southern California Public Power Authority
RFP: Boulder Canyon Project (aka Hoover Dam) Electric Service
Contracts and Accounts
Attention: Katherine Ellis
1160 Nicole Court
Glendora, California 91740

One (1) electronic copy of your proposal should also be delivered to the address above, preferably on a CD or USB flash drive, or alternatively e-mailed to kellis@scppa.org no later than the time and date referenced above.

No contact should be made with the Board of Directors, committees or working group representatives, or SCPPA Members or BCP Electric Service Contractors concerning this RFP.

All information received by SCPPA in response to this RFP is subject to the California Public Records Act and may be subject to the California Brown Act and all submissions may be subject to review in the event of an audit.

VII. Proposal Terms and Conditions

1. SCPPA reserves the right to cancel this RFP at any time, reject any and all proposals and to waive irregularities.
2. SCPPA shall determine at its sole discretion the value of any and/or all proposals including price and non-price attributes.
3. Proposals may be sub-divided or combined with other proposals, at SCPPA's sole discretion.
4. SCPPA shall perform an initial screening evaluation to identify and eliminate any proposals that are, for example, not responsive to the RFP, do not meet the minimum requirements set forth in the RFP, are not economically competitive with other proposals, or are submitted by Respondents that lack appropriate creditworthiness, sufficient financial resources, or qualifications to provide dependable and reliable services for this RFP.
5. SCPPA reserves the right to submit follow up questions or inquiries to request clarification of information submitted and to request additional information from any one or more of the Respondents.
6. SCPPA reserves the right, without qualification and in its sole discretion, to accept or reject any or all proposals for any reason without explanation to the Respondent, or to make any award to that Respondent, who, in the opinion of SCPPA, will provide the most value to SCPPA and the BCP Electric Service Contractors.
7. SCPPA may decline to enter into any potential engagement agreement or contract with any Respondent, terminate negotiations with any Respondent, or to abandon the request for proposal process in its entirety.
8. SCPPA reserves the right to make an award, at its sole discretion, irrespective of price or technical ability, if SCPPA determines that to do so would result in the greatest value to SCPPA and the BCP Electric Service Contractors.
9. Those Respondents who submit proposals agree to do so without legal recourse against SCPPA, its Members, the BCP Electric Service Contractors, their directors, officers, employees and agents for rejection of their proposal(s) or for failure to execute or act on their proposal for any reason.
10. SCPPA shall not be liable to any Respondent or party in law or equity for any reason whatsoever for any acts or omissions arising out of or in connection with this RFP.
11. SCPPA shall not be liable for any costs incurred by any Respondents in preparing any information for submission in connection with this RFP process or any and all costs resulting from responding to this RFP. Any and all such costs whatsoever shall remain the sole responsibility of the Respondent.

12. SCPPA may require certain performance assurances from Respondents prior to entering into negotiations for work that may result from this RFP. Such assurances may potentially include a requirement that Respondents provide some form of performance security.
13. Prior to contract award, the successful Respondent shall supply a detailed breakdown of the applicable overheads and fringe benefit costs that are part of the labor rates and other direct costs associated with the services to be performed.
14. SCPPA Members, or BCP Electric Service Contractors, either collectively or individually may contact Respondents to discuss or enter into negotiations regarding a proposal. SCPPA is not responsible or liable for individual Members or BCP Electric Service Contractors interactions with the Respondent which are not entirely conducted through SCPPA or at SCPPA's option or election to engage the Respondent as defined within the RFP.
15. Submission of a Proposal constitutes acknowledgement that the Respondent has read and agrees to be bound by the terms and specifications of this RFP and any addenda subsequently issued by SCPPA.
16. Information in this RFP is accurate to the best of SCPPA's and the BCP Electric Service Contractors' knowledge but is not guaranteed to be correct. Respondents are expected to complete all of their due diligence activities prior to entering into any final contract negotiations with SCPPA.
17. SCPPA reserves the right to reject any Proposal for any reason without cause. SCPPA reserves the right to enter into relationships with more than one Respondent, can choose not to proceed with any Respondent with respect to one or more categories of services, and can choose to suspend this RFP or to issue a new RFP that would supersede and replace this RFP.

VIII. Additional Requirements for Proposal

1. **Insurance, Licensing, or other Certification:** If selected, the Respondent will be required to maintain sufficient insurance, licenses, or other required certifications for the type of work being performed. SCPPA or its Members or the BCP Electric Service Contractors may require specific insurance coverage to be established and maintained during the course of work and as a condition of award or continuation of contract.
2. **Prevailing Wage Rates:** If selected, the Respondent will be required to conform to prevailing wage rates applicable to the location(s) where any work is being performed. Workers shall be paid not less than prevailing wages pursuant to determinations of the Director of Industrial Relations as applicable in accordance with the California Labor Code. To access the most current information on effective determination rates, Respondent shall contact:

Department of Industrial Relations
Division of Labor Statistics and Research
PO Box 420603, San Francisco, CA 94142-0603

Division Office Telephone: (415) 703-4780

Prevailing Wage Unit Telephone: (415) 703-4774

Web: <http://www.dir.ca.gov/dlsr/DPreWageDetermination.htm>

3. **SCPPA-Furnished Property:** SCPPA or a BCP Electric Service Contractors' utility drawings, specifications, and other media furnished for the Respondent's use shall not be furnished to others without written authorization from SCPPA or the applicable BCP Electric Service Contractors.

4. **Contractor-Furnished Property:** Upon completion of all work under any agreement developed as a result of this RFP, ownership and title to reports, documents, drawings, specifications, estimates, and any other document produced as a result of the agreement shall automatically be vested to SCPPA and no further agreement will be necessary for the transfer of ownership to SCPPA. SCPPA has the sole right to distribute, reproduce, publish, license, or grant permission to use all or a portion of the deliverable documentation, work product or presentations as it determines in its sole discretion.