



Orange Water and Sewer Authority

Our community's trusted partner for clean water and environmental protection.

RFP NO. 25-004

REQUEST FOR PROPOSALS

FOR

AUDIT SERVICES

Date Issued: December 5, 2024



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NOTIFICATION

REQUEST FOR PROPOSALS

SOLICITATION NO. 25-004 FOR AUDIT SERVICES

1 NOTICE OF REQUEST FOR PROPOSALS

The Board of Directors of the Orange Water & Sewer Authority (hereinafter called “OWASA”) invites qualified independent auditors (hereinafter called “Auditor”) having sufficient governmental accounting and auditing experience in performing an audit in accordance with the specifications outlined in this Request for Proposals (RFP) to submit a proposal.

NC Certified HUB Vendors are encouraged to submit Proposals for all solicitation opportunities at OWASA.

To obtain a copy of the Request for Proposal (RFP) document, suppliers shall download the document from the OWASA’S website at <https://www.owasa.org/Proposal-opportunities>

Proposals for the AUDIT SERVICES SOLICITATION are being solicited and will be accepted in either paper format or as two separate PDF files submitted via email to dmoore@owasa.org. The submission deadline is **3:00 p.m. ET on Friday, December 20, 2024.**

Proposers are advised that late Proposals will not be accepted.

Questions regarding the RFP shall be directed to David Moore, Procurement Coordinator at dmoore@owasa.org.

OWASA reserves the right to reject any or all Proposals.

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2 SCHEDULE OF EVENTS

DATE	SCHEDULE OF EVENTS
Decmeber 5, 2024	RFP distributed and posted to OWASA's website
Decmeber 12, 2024 3:00 PM ET	Inquiries must be received in writing by (e-mail only) to David Moore at dmoore@owasa.org
Decmeber 13, 2024 3:00 PM ET	Responses to all questions received will be posted on the OWASA's website.
Decmeber 20, 2024 3:00 PM ET	Proposals due at the administrative offices of OWASA or via email at dmoore@owasa.org
Jan. 2, 2025 –Jan. 9, 2025 (tentative)	Interviews
January 13, 2025 (tentative)	Announcement of Intent to Award Contract
February 13, 2025 (tentative)	Board of Directors Approval

3 SCOPE OF SERVICES

(SEE ATTACHMENT A)

4 PROPOSAL SUBMITTAL REQUIREMENTS

Proposals must be signed by authorized officials and submitted either electronically or in paper format by **Friday, December 20, 2024, at 3:00 pm ET**. Proposals submitted in envelopes should be clearly labeled on the front as "**Response to RFP 25-004 for Auditing Services.**"

Submission Options:

- **Electronic Submission (via Email):**
 - Email proposals to dmoore@owasa.org.
 - Include two separate PDF attachments:
 1. **Section 1 and Section 2** combined into one PDF.
 2. **Cost Estimates** as a separate PDF.
- **Paper Submission (via Mail or Delivery):**
 - Include **five bound copies** of the proposal and **one USB drive** containing electronic files.
 - Clearly separate **Section 1 and Section 2** in the submission.
 - Provide a **separate sealed envelope** for **Section 3: Cost Estimates**.



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- Deliver proposals to:
David Moore, Procurement Coordinator
Orange Water and Sewer Authority
400 Jones Ferry Road
Carrboro, NC 27510-2001

Ensure all materials are clearly organized with a **table of contents** indicating sections and page numbers.

The information outlined below must be presented in a clear, comprehensive, and concise manner, following the prescribed format. To facilitate OWASA's evaluation of qualifications based on established criteria, proposals should be organized in the specified order. Submissions should be straightforward, economical, and focused on providing concise and relevant details.

FIRST SECTION

The first section should be comprised of the audit firm's prior experience and qualifications of its personnel in performing governmental audits. It should also include the various methodologies used in testing the financial statements.

The first section should address the information below. Responses should reference the item number:

1. Indicate the audit firm's North Carolina office location(s) that will handle the audit.
2. Indicate the number of people (by level) located within the local office that will be assigned to the audit.
3. Provide a list of the local office's current and prior government audit clients indicating the type(s) of services performed and the number of years served for each. Include any relevant information regarding audits performed on financial statements prepared under the GASB reporting model.
4. Indicate the experience of the local office in providing additional services to government clients by listing the name of each government, the type(s) of service performed, and the years(s) of engagement.
5. Describe your audit organization's participation in American Institute of CPA's sponsored or comparable quality control programs (peer review). Provide a copy of the firm's current peer review.
6. Describe the professional experience in governmental audits of each senior and higher-level person assigned to the audit, the years on each job, and his/her position while on each



audit. Indicate the percentages of time each senior and higher-level person will spend on the engagement. Relevant experience with GASB reporting requirements should be disclosed.

7. Describe the relevant educational background of each senior level and higher person assigned to the audit. This should include seminars and courses attended within the past three years, especially those courses in governmental accounting and auditing.
8. Describe the professional experience of assigned individuals in auditing relevant government organizations, programs, activities, or functions (e.g., utilities, water and sewer, enterprise funds and component units).
9. Describe any specialized skills, training, or background in public finance of assigned individuals. This may include participation in state or national professional organizations, speaker or instructor roles in conferences or seminars, or authorship of articles and books.
10. Provide names, addresses, and telephone numbers of personnel of current and prior governmental audit clients who may be contacted for reference.
11. Describe the firm's Statement of Policy and Procedures regarding Independence under Government Auditing Standards (Yellow Book), July 2018 Revision. Provide a copy of the firm's Statement of Policy and Procedures.
12. Describe the firm's liability insurance coverage arrangements.
13. Describe any regulatory action taken by any oversight body against the proposing audit organization or local office.
14. Comment on your knowledge of and relationship with the NC Local Government Commission and the University of North Carolina School of Government in Chapel Hill.

SECOND SECTION

This second section shall include the following information:

1. Type of audit program used (tailor-made, standard government, or standard commercial).
2. Use of statistical sampling.
3. Use of automated processes and internal control testing methods.
4. Use of computer audit specialists.



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5. Organization of the audit team and the approximate percentage of time spent on the audit by each member.
 6. Information that will be contained in the management letter.
 7. Use of OWASA accounting staff, if other than outlined in the RFP.
 8. Assistance expected from OWASA's non-accounting staff.
 9. Tentative schedule for completing the audit.

THIRD SECTION

Cost Proposal Submission Requirements

Proposals must include a completed cost estimate sheet and any additional necessary cost information. This information shall be submitted in a **separate, sealed envelope** marked "**Cost Estimate.**" OWASA will evaluate the qualifications of all firms submitting proposals before considering the cost estimates.

Cost Proposal Guidelines

- Provide cost estimates for the audit year **July 1, 2024, to June 30, 2025.**
- Include estimated costs for the subsequent two audit years.
 - The cost for the audit year ending June 30, 2025, is **binding**, while costs for the following two years are estimates.
- Clearly indicate the basis for the charges and specify whether the total is a "**not-to-exceed**" amount.

Cost Estimate Format

All cost estimates must be itemized according to the following categories:

A. Personnel Costs

Provide a detailed breakdown of costs for each category of personnel (e.g., partner, manager, senior, staff accountants, clerical, etc.), including:

1. **Estimated Hours** – Categorize hours into:
 - Interim work
 - Year-end financial work
 - Year-end compliance work
2. **Rate per Hour** – Indicate the hourly rate for each category of personnel.
3. **Total Cost** – Provide the total cost for each category and for all personnel costs combined.



B. Travel Costs

- Itemize transportation and other travel-related expenses separately.
- Note: OWASA encourages firms to conduct the audit remotely, as audits in recent years have been successfully completed without travel.

C. Supplies and Materials

Provide an itemized list of costs for all supplies and materials required for the audit.

D. Other Costs

Identify and itemize any additional costs not included in the categories above.

E. Audit Cost Adjustments

If applicable, explain the method for determining potential increases in audit costs from Year One to Year Three.

F. Summary of Audit Costs

Include the **Summary of Audit Costs Sheet** (Attachment B) with the proposal, in addition to the detailed cost breakdowns above.

To comply with statutory requirements, the following attachments must be accurately completed and included with your submission except for "Reference Only". These documents are essential for demonstrating compliance with applicable laws.

- a. Scope of Work (Attachment A) Reference Only**
- b. Cost Proposal Form (Attachment B) Mandatory Form**
- c. E-Verify Affidavit (Attachment C) Mandatory Form**
- d. Certification Regarding Conflict-of-Interest (Attachment D) Mandatory Form**
- e. Iran Divestment Act Certification (Attachment E) Mandatory Form**
- f. Companies Boycotting Israel Divestment Act Certification (Attachment F) Mandatory Form**
- g. Non-Collusion Affidavit (Attachment G) Mandatory Form**
- h. Reference Form (Attachment H) Mandatory Form**
- i. RFP Response Checklist (Attachment I) Reference Only**

Proposers are advised that late Proposals will not be accepted.

5 EVALUATION CRITERIA AND SELECTION PROCESS

The evaluation and selection process are designed to ensure a fair and transparent review of all proposals while identifying the firm that best meets OWASA's needs. Proposals will be evaluated based on specific criteria, including qualifications, technical approach, cost, staffing, and



references, to determine their overall suitability for the project. The selection process will prioritize both the proposer's ability to deliver high-quality services and their alignment with OWASA's objectives. Detailed evaluation criteria and the step-by-step selection process are outlined below:

Evaluation Criteria:

1. **Qualifications and Experience (30 Points)**

The proposer's prior experience in conducting governmental audits will be assessed. This includes the qualifications and education of personnel, their technical expertise, and relevant governmental audit experience. Proposals should clearly demonstrate the audit firm's track record in similar projects and provide details of the personnel who will be assigned to the engagement.

2. **Technical Approach and Methodology (25 Points)**

This criterion evaluates the audit methodologies proposed for testing the financial statements. Proposals should outline the technical approach, including innovative and effective auditing practices, and demonstrate the proposer's understanding of OWASA's specific needs.

3. **Cost Proposal (20 Points)**

Cost proposals will be evaluated separately and will be opened only for the top-ranked firms. While cost is an important factor, it is not the sole determining factor. Proposals must provide clear and detailed cost estimates. Note that the lowest bid will not necessarily be awarded the contract.

4. **Reporting Requirements and Deadlines (15 Points)**

This criterion evaluates the proposer's approach to meeting reporting requirements and deadlines based on their prior experience and proposed project plan. Proposals should include a detailed timeline for the audit process, including key milestones for reporting progress and delivering interim and final audit reports. Proposers should demonstrate their ability to manage deadlines effectively in similar engagements, emphasizing reliability and proactive communication.

5. **References (10 Points)**

Proposers must provide at least three references showcasing their reliability, responsiveness, and success in governmental audits. References should reflect the proposer's ability to deliver quality services, meet deadlines, and ensure compliance with standards. OWASA reserves the right to contact references to verify performance.



Interviews and Final Scoring

As part of the evaluation process, shortlisted firms will be invited to participate in interviews to discuss their proposals in greater detail. These interviews will provide an opportunity for firms to present their qualifications, approach, and expertise, as well as to address any questions from the evaluation panel. The results of the interviews will contribute to the final scoring and selection of the firm that best meets OWASA's needs.

OWASA reserves the right to reject any and all Proposals.

6 GENERAL PROPOSAL CONDITIONS

6.1 Addenda and Communication Guidelines

Any changes to this RFP document will be issued as written addenda by OWASA. Once issued, the addenda become part of the official RFP document and take precedence over any inconsistent or conflicting provisions in earlier versions. Addenda will be made available for download from the OWASA website, alongside the original RFP document. This process will be repeated for each subsequent addendum issued.

Proposers must acknowledge receipt of all addenda in their submission. Failure to provide a detailed listing of addenda received may result in disqualification from further consideration.

To ensure fairness and impartiality in the procurement process, OWASA is committed to providing the same information to all interested parties. OWASA will not respond to telephone inquiries or personal visits. Respondents or their representatives may visit OWASA only if requested by OWASA for interviews. All questions related to this RFP must be submitted in writing.

Submit written questions via email to **David Moore, Procurement Coordinator**, at **dmoore@owasa.org** by **3:00 p.m. Eastern Time on December 12, 2024**. Responses to questions will be posted on the OWASA website no later than **3:00 p.m. Eastern Time on December 13, 2024**. Please note that verbal answers or directives regarding the RFP process from any OWASA employee other than Mr. Moore are not binding. Only written responses provided via addenda or official postings are considered authoritative.

6.2 Public Proposal Opening

There will not be a Public Proposal Opening.



6.3 Late Proposals

Proposers are reminded that late submissions will not be accepted. It is the responsibility of the proposer to ensure their proposal is submitted on time. An acknowledgment will be sent for all proposals received via email. If you do not receive a confirmation within 15 minutes, please assume the proposal was not received and promptly contact dmoore@owasa.org or call 919-271-3905. Proposers are strongly encouraged to allow sufficient time for any potential delays via email so that issues can be addressed before the submission deadline.

6.4 Confidentiality and Public Records Disclosure

Proposers must clearly state in writing any reservations regarding the use of data contained in their proposals. OWASA will make reasonable efforts to comply with a Proposer's designation of proprietary or confidential information. However, under the **North Carolina Public Records Act (the Act)**, OWASA may be required to disclose records, including data or documents, if requested by the public, unless an applicable exemption under the Act applies.

OWASA's decision to withhold or disclose a record will be determined based on the specific circumstances and whether the record is exempt from disclosure under the Act. Proposers must clearly identify any records they consider to be trade secrets, privileged, or confidential by marking each page of such records accordingly.

6.5 Method of Response

Proposals must be prepared and submitted in accordance with the scope of work and the instructions provided in this RFP. Failure to follow these instructions may result in the rejection of the proposal.

6.6 Withdrawal of Proposals

Proposers may withdraw their Proposal at any time before the specified closing date and time. A withdrawal request must be submitted by the Proposer or an authorized representative. Withdrawing a Proposal does not prevent the Proposer from submitting a new Proposal prior to the closing time. Once the deadline has passed, Proposals cannot be withdrawn.

6.7 Acceptance of Terms and Conditions

Proposers understand and agree that submission of a Proposal will constitute acknowledgment and acceptance of, and a willingness to comply with, all the terms, conditions, and criteria contained in this RFP, except as otherwise specified in the Proposal. Any and all parts of the submitted Proposals may become part of any subsequent Agreement between the selected Proposer and OWASA.



6.8 False, Incomplete or Unresponsive Statements

False, incomplete, or unresponsive statements in connection with a Proposal may be sufficient cause for rejection of the Proposal. The evaluation and determination of the fulfillment of the above requirement will be OWASA'S responsibility and its judgment shall be final.

6.9 Clear and Concise Submission

Proposals shall provide a straightforward, concise delineation of the Proposer's capability to satisfy the requirements of the RFP. Each Proposal shall be submitted in the requested format and provide all required information. Each Proposal shall be signed in ink by a duly authorized officer of the company.

6.10 Prime Proposer's Responsibilities

The selected Proposer will be required to assume responsibility for all requested deliverables as indicated in Attachment A-Scope of Work regardless of who produces them. Further, OWASA will consider the selected Prime Proposer to be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the contract.

6.11 Minority Business Participation

OWASA is committed to fostering an inclusive and equitable environment in its contracting processes by providing minority-owned businesses with equal opportunities to participate in all aspects of its contract activities. This policy reflects OWASA's dedication to diversity, ensuring that minority businesses have fair access to contract opportunities and can contribute meaningfully to projects and services. By actively supporting minority business inclusion, OWASA aims to promote a competitive and diverse marketplace that benefits the organization and the broader community it serves.

6.12 Insurance

During the performance of the Contract, Proposer shall maintain the minimum levels of insurance shown below and provide certificates of such coverage to Owner prior to performance. All policies must provide ten (10) days advance written notice to Owner in the event of cancellation, expiration, or alteration.

6.12.1 Excess/Umbrella Liability Insurance, with a limit of \$4,000,000.

6.12.2 General Liability Insurance, with a combined single limit of \$1,000,000 for each occurrence and \$1,000,000 in the aggregate.

6.12.3 General Liability Property Damage Liability, with a limit of \$1,000,000 for each occurrence.

6.12.4 Automobile Liability Insurance, with a combined single limit of \$1,000,000 for each person and \$1,000,000 for each accident.



6.12.5 Workers' Compensation Insurance in accordance with statutory requirements and Employers' Liability Insurance, with a limit of \$1,000,000 for each occurrence.

6.13 Contract Term

The term of this Agreement shall be for three (3) years.

7 PROTEST PROCEDURES

7.1 Protests Received Prior to Receipt of Proposals

Protests concerning the procedures of this solicitation must be submitted in writing to the OWASA Director of Finance not later than five (5) working days prior to the date set for the receipt of Proposals. Upon receipt of a protest, the Director of Finance may, at his/her discretion, extend or postpone the deadline for receipt of Proposals. The Director of Finance will answer the protest in writing not later than three (3) working days prior to the deadline date for receipt of Proposals.

7.2 Selection Protests

Following this announcement, a Proposer may file a protest regarding the recommendation. A protest of the recommendation must be in writing and must be received by the OWASA Director of Finance not later than five (5) working days after the OWASA Announcement of Notice of Intent to Award Contract. OWASA will consider all protests regarding the recommended Proposer prior to executing the contract.

7.3 Filing Procedures

Any and all protests filed with the OWASA shall:

1. Include the name and address of the protester.
2. Identify the procurement.
3. Contain a statement of the legal and factual grounds for the protest and any supporting documentation. The grounds for the protest must be fully supported.
4. Indicate the ruling or relief desired from OWASA.

Protests shall be filed with the OWASA Director of Finance, via personal delivery or courier to 400 Jones Ferry Road Carrboro, NC 27510; The Director of Finance will respond in detail to each substantive issue raised in the protest. With regard to a properly filed protest, OWASA's determination will be final.

8 COSTS AND DAMAGES

All costs of a protest shall be the responsibility of the protester and undertaken at the protester's expense. OWASA will not be liable for damages to the Proposer filing the protest or to any participant in the protest, on any basis, expressed or implied.

Attachment A

Scope of Work

TYPE OF AUDIT

The audit will encompass a financial and compliance examination of OWASA's Annual Comprehensive Financial Report (ACFR) in accordance with the laws and/or regulations of the state of North Carolina, which include requirements for the minimum scope of the audit. The financial and compliance audit will cover federal, state, and local funding sources in accordance with generally accepted auditing standards; *Government Auditing Standards*, July 2024 revisions; the provisions of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*; the State Single Audit Implementation Act; and all other applicable laws and regulations.

The scope of the audit and all fee quotes presented should include all approved and known pronouncements through the date of proposal submission. This includes, but is not limited to, the Governmental Accounting Standards Board (GASB) statements and *Government Auditing Standards*. Although some pronouncements will not be in effect until after the first year of the audit, estimates for future years should include pronouncements that will become effective during that contract period. The audit firm will be expected to advise appropriate Authority staff on the applicability of accounting and reporting standards as they become effective.

PERIOD

OWASA desires a relationship with the Auditor for no less than three years starting with the fiscal year ending June 30, 2025. However, OWASA contracts for its financial audit on an annual basis. Continuation after the first year is subject to the annual approval of OWASA's governing board; such approval will be based on a review of the Auditor's performance, recommendation of OWASA's staff, satisfactory negotiation of terms (including price), and availability of an appropriation. OWASA reserves the right to issue an RFP for auditing services at any time. With the understanding that OWASA will be obligated by contract for only the first year, proposals should be prepared for the fiscal years ending:

July 1, 2024 to June 30, 2025
July 1, 2025 to June 30, 2026
July 1, 2026 to June 30, 2027

REQUIREMENTS

The audit firm is considered to be an independent contractor and will be wholly responsible for the services and the supervision of its own employees and permitted sub-contractors.

The audit must be conducted in accordance with Generally Accepted Auditing Standards (GAAS), *Government Auditing Standards*, July 2024 revisions issued by the Comptroller General of the United States; and if applicable, the US Office of Management and Budget's (OMB) Uniform Guidance; and, if applicable, the State Single Audit Implementation Act, and any other applicable procedures for the audit of a local government's financial statements prepared in accordance with Generally Accepted Accounting Principles (GAAP). By accepting this engagement, the Auditor warrants that he has met the requirements for a peer review and continuing education as specified in Government Auditing Standards. The Auditor must provide a copy of their most recent peer review report with their proposal.

The Authority staff will prepare all standard year-end accruals and other adjusting journal entries as well as any necessary entries to allocate the state pension balances and necessary Other Post-Employment Benefits (OPEB) entries. The Authority shall designate an individual, such as the Finance Officer, with the suitable skills, knowledge and/or experience (SKE) necessary to oversee the services and accept responsibility for the results of the services performed. Authority management will ultimately be responsible for the preparation and fair presentation of the financial statements, which includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements. The Authority will need the assistance of the Financial Statement Preparer for the preparation, typing and proofing of the ACFR. OWASA will prepare or be actively involved in preparing the Letter of Transmittal, Management's Discussion & Analysis and other information, statements and schedules. A substantially complete draft of the ACFR will be presented to OWASA's Board of Directors no later than at its meeting on the second Thursday of October following the end of the audited fiscal year. The Financial Statement Preparer will submit the draft to OWASA prior to the Board Meeting on a date (to be determined) that will provide OWASA sufficient time to perform a thorough review.

OWASA will be responsible for printing the ACFR. The final electronic version of the ACFR and all other applicable reports, schedules, letters and opinions must be supplied to OWASA in a single portable document format (PDF) within a time-frame that allows the delivery of the ACFR to the North Carolina Local Government Commission (LGC) no later than four (4) months following the end of the fiscal year. The Auditor is responsible for completing the required data input sheet.

The financial audit opinion will cover the financial statements for a stand-alone enterprise fund. However, due to the manner in which OWASA's Board is appointed, OWASA is considered to be a component unit of the Town of Chapel Hill. Therefore, certain information from the Town of Chapel Hill will be presented as additional analytical data. This supplemental information, as

required by GASB 34, will be subjected to the tests and other auditing procedures applied in the audit of the basic financial statements, and an opinion will be given as to whether the supplemental information is fairly stated in all material respects in relation to the financial statements taken as a whole. The Auditor shall also express an opinion on the budgetary comparison information for the enterprise fund and capital projects fund. An opinion will not be given on the Management's Discussion and Analysis.

The audit will also include the following:

- *Preplanning conference*
- *Preparation of letter to the Director of Finance disclosing and discussing informal/non-material comments (not included in the management letter)*
- *Management letter presented to the Executive Director and the Director of Finance*
- *Presentation of the financial statement to the Board of Directors on the second Thursday of October following the end of the audited fiscal year.*

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

In the event that circumstances arise during the audit that requires work to be performed above the original estimates, such cost will be negotiated prior to commencement of work and an amended contract will be approved by the Board and forwarded to the staff of the LGC for approval.

AUDIT CONTRACT AND PAYMENT OF SERVICES

The audit contract must be approved by the LGC. All requests for payments are subject to approval by the LGC prior to being processed by OWASA. Interim or progress billings will be accepted for up to 75% of the total fee prior to submission of the audited financial statements to the LGC. The final invoice will not be paid until the ACFR, Single Audit and Management Letter have been reviewed and approved by the LGC.

OTHER SERVICES

The Financial Statement Preparer will submit a draft of the ACFR in native file format for review by the Director of Finance. The Director of Finance will return the draft with proposed revisions within ten working days. The Auditor will submit a final in PDF format.

The Auditor will assist management's efforts to obtain the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting.

OWASA's Bond Order requires that the Auditor calculate OWASA's Debt Service Coverage Ratio (DSCR) and comment on the unit's compliance with the DSCR and other debt covenants.

DESCRIPTION OF OWASA AND ITS ACCOUNTING STRUCTURE

Description

OWASA was established in 1977 and is a component unit of the Town of Chapel Hill in North Carolina. OWASA operates a water and sewer system that provides services to Chapel Hill, Carrboro and portions of southern Orange County. OWASA does not provide other general-purpose government services or programs. OWASA's operations, capital improvements program and debt service payments are funded almost entirely through rates, fees and other charges for these water and sewer services.

FUNDS

OWASA's financial statements are presented as an Enterprise Fund. Recent ACFRs and Budgets are available on OWASA's website www.owasa.org.

GRANTS, ENTITLEMENTS, AND SHARED REVENUES

A copy of the Schedule of Federal and State Expenditures and a Summary of Auditor's Results showing the major programs for the year ended June 30, 2024, can be found in the ACFR located on OWASA's website. OWASA receives state and federal loans from time to time and expects to receive low interest state reserve project loans during the year ending June 30, 2025.

BUDGETS

OWASA budgets all funds on the modified accrual basis of accounting as required by North Carolina General Statutes. Both the budgetary and encumbrance systems are integrated with the accounting system to simplify comparison with actual expenditures. Appropriations are developed at the departmental level and the budget ordinance is adopted at the divisional level by the Board of Directors.

ACCOUNTING RECORDS

OWASA maintains all its accounting records at its administrative building at 400 Jones Ferry Road, Carrboro, North Carolina 27510. OWASA utilizes Microsoft Dynamics GP and maintains its accounting records on an SQL Server 2017 database platform.

ASSISTANCE AVAILABLE TO THE AUDITOR

The Authority has designated the Deputy Executive Director as a person with the suitable skills, knowledge and/or experience (SKE) necessary to oversee the services and accept responsibility for the results of the services performed. The Finance staff consists of the following: the Deputy Executive Director, Director of Finance, Procurement Coordinator, Financial Analyst, Warehouse Coordinator, and two (2) Accounting Technicians.

To assist the Auditor in the examination of the records OWASA will provide and prepare the following as needed:

General

1. Trial balance.
2. All year-end adjusting entries.
3. The original budget, all amendments, and the final budget as of June 30.

4. All project ordinances and all amendments for active projects occurring during the audit period.
5. Details of budgeted and expended amounts for all Capital Projects with supporting information as to status of projects.
6. Board-approved fiscal policies.
7. Confirmation letters for mailing by Auditor; i.e. Banks, revenues, grants and legal representation letter.
8. Management's Discussion and Analysis.
9. Required supplementary information.

Cash and Investments

1. Bank reconciliations for each month.
2. List of outstanding checks, showing check number, payee, date, and amount.
3. Schedule of cash at year-end.

Receivables

1. Aged trial balance of accounts and miscellaneous receivables as of year-end.
2. Analysis of allowance for doubtful accounts.

Other Assets

1. Schedule of prepaid assets.
2. Schedule of inventory items on hand.

Capital Assets

1. Schedule of all capital outlays during the audit period.
2. Schedule of all capital dispositions during the audit period.
3. Schedule of depreciation expense.
4. Schedule of Capital Improvements Program projects.

Liabilities

1. Subsidiary detail of accounts payable.
2. Detail of all salaries and wages payable and accrued withholdings.
3. Schedule of retainage payable.
4. Detail of deferred revenues.

Long-Term Debt

1. Schedule of long-term debt, including amortization of issuance costs and amortization of bond discounts and premiums.
2. Computations of compensated absences.

SIZE AND COMPLEXITY OF UNIT

1. Personnel/payroll
 - a. Number of authorized positions at June 30, 2024 was 146.
 - b. Frequency of payroll is biweekly.

- c. All employees participate in direct deposit of their pay.
- 2. Water & sewer billing
 - a. Number of statements each month is about 22,000.
 - b. Average number of unpaid accounts at month end is about 5,000.
- 3. Bank Accounts
 - a. Number of bank accounts:
 - i. 13 Bank of New York accounts invested in North Carolina Cash Management Trust
 - ii. 4 public checking funds accounts
 - iii. 2 North Carolina Cash Management Trust accounts
 - b. Approximate activity in the checking accounts:
 - i. Annual number of deposits approximately 2,300.
 - ii. Annual number of checks approximately 3,300.
- 4. Information Technology (IT)
 - a. The approximate number of financial user connections is 20.
 - b. The IT department is separate from the Finance department.
- 5. The following financial applications are on the computer system:
 - a. General Ledger
 - b. Accounts Payable
 - c. Payroll
 - d. Capital Assets
 - e. Accounts Receivable
 - f. Purchasing – requisition and purchase order
 - g. Billing

Finance Department staff will furnish additional data as requested and will be available to furnish reasonable assistance in other areas.



Attachment B

Cost Proposal Form

To: Orange Water and Sewer Authority
400 Jones Ferry Road
Carrboro, NC 27510

The undersigned, as the Proposer, hereby declares that this Cost Proposal is made without connection to any other person, company, or parties making a similar Cost Proposal and that the Cost Proposal is in all respects fair and in good faith, without collusion or fraud.

The Proposer has carefully examined the scope of work and instructions to Proposer and hereby declares that Proposer will furnish all services called for in the manner prescribed in the scope of work and instructions to Proposers for the following price:

COST ESTIMATE

(Per Year)

THREE YEAR CONTRACT

	FYE 2025	FYE 2026	FYE 2027
Base charge – Financial Audit			
Base charge- Compliance Audit			
Charge per program for additional compliance testing			
Other:			
Total			

Methodology of cost estimate:

Basis for determining cost estimate after first year:

Name of Business Submitting Proposal

Signature of Authorized Representative/Title

Print Name

Address

Email Address of Representative

Telephone Number



Attachment B

Orange Water and Sewer Authority
Finance Department
400 Jones Ferry Road
Carrboro, NC 27510
ap@owasa.org

Name (as reported on your income tax return) _____

Business Name _____ Federal ID# _____ or SS# _____

Check one of the following:

___ Corporation ___ Sole Proprietorship ___ Partnership ___ Other _____

Order Address

Payment Address

Street _____

Street _____

PO Box _____

PO Box _____

City _____

City _____

State _____

State _____

Zip Code _____

Zip Code _____

Contact Person _____

Contact Person _____

Phone Number _____

Phone Number _____

Fax Number _____

Fax Number _____

Terms _____

Discount _____

E-Mail Address _____

Are you related to or have a professional relationship with any OWASA employee? ___ Yes ___ No
(If you answered yes, the Relationship Vendor Form should be completed and included with this bid)

Are you a minority business enterprise? ___ Yes ___ No

If you answered yes, please check the appropriate box:

___ African-American ___ Hispanic

___ American Indian ___ Female

___ Asian American

___ Socially and economically disadvantaged as defined in 15 U.S.C. 637

Product(s) and/or Service(s)

Please list the type product(s) and/or service(s) that your company can provide:

Three horizontal lines for listing products and services.

Signature: _____ Title: _____



Orange Water and Sewer Authority
Finance Department
400 Jones Ferry Road
Carrboro, NC 27510

Relationship Vendor Form

If you are related to or have a professional relationship with any employee of Orange Water and Sewer Authority, this form must be completed and included with this bid.

Vendor Information:

Name: _____

Address: _____

Related OWASA employee: _____

Relationship to employee: _____

We agree that our relationship will not hinder or corrupt our professional relationship with Orange Water & Sewer Authority.

Vendor Signature

Date

OWASA Employee Signature

Date

Orange Water and Sewer Authority is aware and understands these parties have a relationship with each other. The decision to authorize the use of this vendor was not influenced in any manner by the relationship referenced above.

Department Manager

Date

Finance Officer

Date

E-VERIFY AFFIDAVIT

I, _____ (the individual attesting below), being duly authorized by and on behalf of _____ (the entity identified as the "Employer") after first being duly sworn

hereby swears or affirms as follows:

1. Employer understands that E-Verify is the federal E-Verify program operated by the United States Department of Homeland Security and other federal agencies, or any successor or equivalent program used to verify the work authorization of newly hired employees pursuant to federal law in accordance with Article 2 of Chapter 64 of the North Carolina General Statutes.
2. Employer understands that Employers Must Use E-Verify. Each employer, after hiring an employee to work in the United States, shall verify the work authorization of the employee through E-Verify in accordance with Article 2 of Chapter 64 of the North Carolina General Statutes.
3. Employer will ensure compliance with E-Verify by any subcontractors subsequently hired by Employer for specified contracts subject to E-Verify entered into with the Orange Water and Sewer Authority.

This _____ day of _____, _____.

Signature of Affiant

Print or Type Name: _____

State of _____ County of _____

Signed and sworn to (or affirmed) before me, this the _____

day of _____, _____.

My Commission Expires:

Notary Public

(Affix Official/Notarial Seal)

Name of Counterparty: _____

ATTACHMENT D



CERTIFICATION REGARDING CONFLICT OF INTEREST

The Submitter is required to certify that performance of the work will not create any conflicts of interest or disclose any actual or potential conflicts of interest by completing and signing one of the following statements:

All Vendors should be aware of OWASA’S Code of Ethics, which prohibits OWASA Employees and Board Members from having certain relationships with persons or entities conducting (or proposing to conduct) business with OWASA and which prohibits the acceptance of gifts from Vendors. If the Vendor has an actual or potential conflict, the Vendor shall disclose any Conflict of Interest that may exist.

Conflicts of Interest (Potential or actual) will be evaluated by OWASA’S General Counsel to determine the proper course of action. Failure to comply with the provisions established above may render the vendor ineligible to participate in OWASA’S procurement process.

The Submitter hereby discloses no conflicts of interest.

DATE: _____

AUTHORIZED SIGNATURE: _____

TITLE: _____

SUBMITTER/COMPANY NAME: _____

OR

The Submitter hereby discloses the following circumstances that could give rise to a conflict of interest for the Submitter, any affiliates, any proposed subconsultants, and key personnel of any of these organizations. (Attach additional sheets as needed.)

ATTACHMENT D

Name of the Individual/Company to which potential conflict of interest might apply:

Nature of potential conflict of interest:

Proposed Remedy:

DATE: _____

AUTHORIZED SIGNATURE: _____

TITLE: _____

SUBMITTER/COMPANY NAME: _____

ATTACHMENT E

RFP Number (if applicable): _____

Name of Vendor or Bidder: _____

IRAN DIVESTMENT ACT CERTIFICATION REQUIRED BY N.C.G.S. 143C-6A-5(a)

As of the date listed below, the vendor or bidder listed above is not listed on the Final Divestment List created by the State Treasurer pursuant to N.C.G.S. 143-6A-4.

The undersigned hereby certifies that he or she is authorized by the vendor or bidder listed above to make the foregoing statement.

Signature _____ Date _____

Printed Name _____ Title _____

Notes to persons signing this form:

N.C.G.S. 143C-6A-5(a) requires this certification for bids or contracts with the State of North Carolina, a North Carolina local government, or any other political subdivision of the State of North Carolina. The certification is required at the following times:

- When a bid is submitted
- When a contract is entered into (if the certification was not already made when the vendor made its bid)
- When a contract is renewed or assigned

N.C.G.S. 143C-6A-5(b) requires that contractors with the State, a North Carolina local government, or any other political subdivision of the State of North Carolina must not utilize any subcontractor found on the State Treasurer's Final Divestment List.

The State Treasurer's Final Divestment List can be found on the State Treasurer's website at the address www.nctreasurer.com/Iran and will be updated every 180 days.

Attachment F

Companies Boycotting Israel Divestment Act Certification Form

RFP/RFQ Number (if applicable): _____

Name of Contracting Party or Bidder: _____

COMPANIES BOYCOTTING ISRAEL DIVESTMENT ACT CERTIFICATION REQUIRED BY N.C.G.S. §147-86.81et seq. *

Pursuant to N.C.G.S. §147-86.81, any person identified as engaging in a boycott of Israel, as defined by this Act. In addition, State agencies must divest from investments in such restricted companies, determined by appearing on the Final Divestment List created by the State Treasurer pursuant to G.S. 147-86.81, is ineligible to contract with the State of North Carolina or any political subdivision of the State.

As of the date listed below, the supplier or bidder listed above is not listed on the Final Divestment List created by the State Treasurer pursuant to N.C.G.S. §147-86.81.

The undersigned hereby certifies that he or she is authorized by the contracting party or bidder listed above to make the foregoing statement.

Signature

Date

Printed Name

Title

N.C.G.S. §147-86.81 requires this certification for bids or contracts with the State of North Carolina, a North Carolina local government, or any other political subdivision of the State of North Carolina. The certification is required at the following times:

- When a bid is submitted
- When a contract is entered into (if the certification was not already made when the vendor made its bid)
- When a contract is renewed or assigned

N.C.G.S. § 147-86.81(b) requires that contractors with the State, a North Carolina local government, or any other political subdivision of the State of North Carolina must not utilize any subcontractor found on the State Treasurer's Final Divestment List.

The State Treasurer's Final Divestment List can be found on the State Treasurer's website at: <https://www.nctreasurer.com/inside-the-department/OpenGovernment/Pages/Divestment-Acts-Resources.aspx> and will be updated every 180 days.

* Note: Enacted by Session Law 2017-193 as N.C.G.S. §147-86.81et seq.

Attachment G



NON-COLLUSION AFFIDAVIT

The prequalified bidder, being duly sworn, solemnly swears (or affirms) that neither he, nor any official, agent or employee has entered into any agreement, participated in any collusion, or otherwise taken any action which is in restraint of free competitive bidding in connection with any bid or contract, that the prequalified bidder has not been convicted of violating *N.C.G.S. § 133-24* within the last three years, and that the prequalified bidder intends to do the work with its own bonafide employees or subcontractors and will not bid for the benefit of another contractor.

By submitting this non-collusion affidavit, the Contractor certifies, under penalty of perjury according to North Carolina law, their compliance with non-collusion standards. This affidavit affirms the Contractor's adherence to the required non-collusion guidelines without any exceptions.

SIGNATURE OF PREQUALIFIED BIDDER

Name of Prequalified Bidder _____
Print or type name

Address as Prequalified _____

Signature of Prequalified Bidder _____
Print or type Signer's Name

Signature of Witness _____
Print or type Signer's name

AFFIDAVIT MUST BE NOTARIZED

Subscribed and sworn to before me this the
_____ day of _____ 20__.

Signature of Notary Public
of _____ County
State of _____

My Commission Expires: _____

NOTARY SEAL

ATTACHMENT H

(BIDDER TO COMPLETE AND RETURN WITH BID)

List Minimum Three (3) References

REFERENCE NO. 1 - COMPANY NAME: _____

ADDRESS: _____

CONTACT PERSON: _____ TITLE: _____

E-MAIL: _____ TELEPHONE NUMBER: _____

AMT. OF CONTRACT: _____ DATE AND TYPE OF SERVICE _____

REFERENCE NO. 2 - COMPANY NAME: _____

ADDRESS: _____

CONTACT PERSON: _____ TITLE: _____

E-MAIL: _____ TELEPHONE NUMBER: _____

AMT. OF CONTRACT: _____ DATE AND TYPE OF SERVICE _____

REFERENCE NO. 3 - COMPANY NAME: _____

ADDRESS: _____

CONTACT PERSON: _____ TITLE: _____

E-MAIL: _____ TELEPHONE NUMBER: _____

AMT. OF CONTRACT: _____ DATE AND TYPE OF SERVICE _____

REFERENCE NO. 4 - COMPANY NAME: _____

ADDRESS: _____

CONTACT PERSON: _____ TITLE: _____

E-MAIL: _____ TELEPHONE NUMBER: _____

AMT. OF CONTRACT: _____ DATE AND TYPE OF SERVICE _____

REFERENCE NO. 5 - COMPANY NAME: _____

ADDRESS: _____

CONTACT PERSON: _____ TITLE: _____

E-MAIL: _____ TELEPHONE NUMBER: _____

AMT. OF CONTRACT: _____ DATE AND TYPE OF SERVICE _____

ATTACHMENT- I

RFP RESPONSE CHECKLIST

Proposer Response Checklist

ALL FORMS AND REQUIRED INFORMATION BELOW MUST BE COMPLETED AND INCLUDED WHEN YOU SUBMIT YOUR BID PACKAGE:

Proposer Attachments

The Proposer must complete the following table identifying all the other documents that are being attached as part of the RFP response.

Table 1 Vendor Attachment Checklist

Item #	Attachment Name	Attachment Provided?	
		YES <input type="checkbox"/>	NO <input type="checkbox"/>
1	Scope of Work (Attachment A) <i>Reference Only</i>	YES <input type="checkbox"/>	NO <input type="checkbox"/>
2	Cost Proposal Form (Attachment B) <i>Mandatory Form</i>	YES <input type="checkbox"/>	NO <input type="checkbox"/>
3	E-Verify Affidavit (Attachment C) <i>Mandatory Form</i>	YES <input type="checkbox"/>	NO <input type="checkbox"/>
4	Certification Regarding Conflict-of-Interest (Attachment D) <i>Mandatory Form</i>	YES <input type="checkbox"/>	NO <input type="checkbox"/>
5	Iran Divestment Act Certification (Attachment E) <i>Mandatory Form</i>	YES <input type="checkbox"/>	NO <input type="checkbox"/>
6	Companies Boycotting Israel Divestment Act Certification (Attachment F) <i>Mandatory Form</i>	YES <input type="checkbox"/>	NO <input type="checkbox"/>
7	Non-Collusion Affidavit (Attachment G) <i>Mandatory Form</i>	YES <input type="checkbox"/>	NO <input type="checkbox"/>
8	Reference Form (Attachment H) <i>Mandatory Form</i>	YES <input type="checkbox"/>	NO <input type="checkbox"/>
9	RFP Response Checklist (Attachment I) <i>Reference Only</i>	YES <input type="checkbox"/>	NO <input type="checkbox"/>