



**DeKalb County
Office of Independent Internal Audit**

REQUEST FOR PROPOSALS

FOR

An independent audit of the DeKalb County Government Water Metering and Billing

Chief Audit Executive: John L. Greene
Phone: 404-371-2765
Email: jlgreene@dekalbcountyga.gov

Pre-Proposal Conference: N/A
Deadline for Receipt of Questions/Answers Provided: 12/23/2016
Deadline for Submission of Proposals: 12/30/2016

THE RESPONSIBILITY FOR SUBMITTING A RESPONSE TO THIS RFP TO THE OFFICE OF INDEPENDENT AUDITOR OF DEKALB COUNTY GOVERNMENT ON OR BEFORE THE STATED DATE AND TIME WILL BE SOLELY AND STRICTLY THE RESPONSIBILITY OF THE RESPONDER.



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**DeKalb County
Office of Independent Internal Audit**

Maloof Administration Building, 1300 Commerce Drive, 6th Floor, Decatur, Georgia 30030

December 12, 2016

REQUEST FOR PROPOSAL

FOR

An Independent Audit of the DeKalb County Government Water Metering and Billing

DEKALB COUNTY, GEORGIA

The Chief Audit Executive of DeKalb County Government (the County) requests qualified individuals and firms with experience in conducting audits to submit proposals for conducting an independent audit of the DeKalb County Government Water Metering and Billing under government auditing standards or other applicable standards.

I. INTRODUCTION

- A. General Information - The overall purpose of the audit is to determine whether water meter readings and water sewer billings are systemically inaccurate, and if such readings and billings are inaccurate, to determine the root causes of such inaccuracy and recommended remedial or corrective action. The specific scope and objectives of the audit will be developed by the selected firm and the Chief Audit Executive, based on a review of preliminary data, background information, and input from the audit oversight committee.
- B. The successful Proposer shall provide an audit report in accordance with Attachment E, Audit Solicitation Final.
- C. The following Required Documents Checklist includes a list of attachments which **must** be completed and returned with Responder's technical proposal:

Required Documents	Attachment
Cost Proposal Form (1 copy, separate & sealed)	A
Proposal Cover Sheet	B
Contractor Reference and Release Form	C
Responder Affidavit	D

- D. The services shall commence within ten (10) calendar days after acknowledgement of receipt of written notice to proceed and shall be completed by May 15, 2017.

II. STATEMENT OF WORK

The Office of Independent Internal Audit (OIIA) and Audit Oversight Committee seek a firm to conduct an independent audit of the DeKalb County Government Water Metering and Billing under government auditing standards or other applicable standards. This solicitation is to contract for and oversee a performance audit of the DeKalb County Government Water Metering and Billing Operation to identify factors causing inaccurate water meter readings and inconsistent water and sewer billing reports. The work will be administered through a contract with the OIIA. The audit must be completed by **May 15, 2017**. See the Attached **Audit Solicitation Final** document.

III. PROPOSAL FORMAT

Responders are required to submit their proposals in the following format:

A. Cost Proposal

1. The cost proposal must be submitted in a separate, sealed envelope with the responder's name and "Cost Proposal for Request for Proposals for an independent audit of the DeKalb County Government Water Metering and Billing on the outside of the envelope.
2. The sealed envelope containing the cost proposal is requested to be included in the sealed package containing the information about the Experience, Qualifications and Other requirements discussed in the Audit Solicitation Final document.
3. **DO NOT INCLUDE FEES OR COSTS IN ANY AREA OUTSIDE OF THIS COST PROPOSAL.** Including fees in any area outside of the Cost Proposal in its separate, sealed envelope may result in Responder's proposal being deemed non-responsive.
4. Responders are required to submit their costs on Attachment A, *Cost Proposal Form*. **Responder shall not alter the cost proposal form.**

IV. CRITERIA FOR EVALUATION

Qualifications will be evaluated by a team representing the OIIA and the Audit Oversight Committee. Criteria for evaluation are relevance of experience; quality of past performance on similar projects; strength of staff qualifications and expertise; appropriateness of project plan and approach; capacity to devote the resources and effort needed to complete the audit report by **May 15, 2017**; and total price.

V. CONTRACT ADMINISTRATION

A. Submittal Instructions

One (1) original Proposal stamped “Original” and three compact discs with each disc containing an identical copy of the Proposal; and one (1) original Cost Proposal (see Section III.A. for additional instructions regarding submittal of Cost Proposal) must be submitted to the following address no later than 3:00 p.m. on December 30, 2016.

Office of Independent Internal Audit
The Maloof Center, 6th Floor
1300 Commerce Drive
Decatur, Georgia 30030

Proposals must be clearly identified on the outside of the packaging with the responder’s name and Request for Proposals Project Name: Independent audit of the DeKalb County Government Water Metering and Billing on the outside of the envelope(s) or box(es).

B. Questions

All questions concerning the Project and requests for interpretation of the must be submitted to John Greene via email to jlgreene@dekalbcountyga.gov no later than close of business on December 23, 2016. Oral answers are not authoritative and all written questions and requests for interpretation received by the Office of Independent Internal Audit (OIIA) and Audit Oversight Committee after this date will not receive a response or be the subject of addenda.

C. Proposal Duration

Proposals submitted in response to this proposal must be valid for a period of One Hundred Twenty (120) days from proposal submission deadline and must be so marked.

D. Project Director/Contract Manager

The Chief Audit Executive will coordinate this project for the County. The successful responder will perform all work required pursuant to the contract under the direction of and subject to the approval of the Chief Audit Executive. All issues including, payment issues, shall be submitted to the Chief Audit Executive for resolution.

E. Expenses of Preparing Responses to this RFP

The OIIA and the Audit Oversight Committee accepts no responsibility for any expenses incurred by the responders to this proposal. Such expenses are to be borne exclusively by the responders.

F. Georgia Open Records Act

Without regard to any designation made by the person or entity making a submission, DeKalb County Government considers all information submitted in response to this invitation or request to be a public record that will be disclosed upon request pursuant to the Georgia Open Records Act, O.C.G.A. §50-18-70 et seq., without consulting or contacting the person or entity making the submission, unless a court order is presented with the submission. You may wish to consult an attorney or obtain legal advice prior to making a submission.

G. Business License

Upon award of the contract, successful responder shall submit a copy of its valid company business license. If the responder is a Georgia corporation, responder shall submit a valid county or city business license. If the responder is not a Georgia corporation, responder shall submit a certificate of authority to transact business in the state of Georgia and a copy of its valid business license issued by its home jurisdiction. If responder holds a professional certification which is licensed by the state of Georgia, then responder shall submit a copy of its valid professional license. Any license submitted in response to this requirement shall be maintained by the responder for the duration of the contract.

H. Ethics Rules

Bidders are subject to the Ethics provision within the DeKalb County Purchasing Policy; the Organizational Act, Section 22A, the Code of DeKalb County; and the rules of Executive Order 2014-4. Any violations will be addressed, pursuant to these policies and rules.

To the extent that the Organizational Act, Section 22A, the Code of DeKalb County, and the rules of Executive Order 2014-4 allow a gift, meal, travel expense, ticket, or anything else of value to be purchased for a CEO employee by a contractor doing business with the County, the contractor must provide written disclosure, quarterly, of the exact nature and value of the purchase to the Chief Integrity Officer, if created, or the Finance Director or his/her designee. Every contractor conducting business with the County will receive a copy of these ethical rules at the time of execution of the contract.

I. Right to Audit

The County, OIIA and the Audit Oversight Committee shall have the right to audit all books and records, including electronic records, relating or pertaining to this contract or agreement, including but not limited to all financial and performance related records, property, and equipment purchased in whole or in part with County funds and any documents or materials which support those records, kept under the control of the Contractor, including but not limited to those kept by the Contractor's employees, agents, assigns, successors and subcontractors. The County, OIIA and the Audit Oversight Committee also have the right to communicate with Contractor's employees related to the audited records.

The Contractor shall maintain such books and records, together with such supporting or underlying documents and materials, for the duration of this contract and for seven (7) years after termination or expiration, including any and all renewals thereof. The books and records, together with supporting documents and materials shall be made available, upon request to the County, OIIA and the Audit Oversight Committee or its designee, during normal business hours at the Contractor's office or place of business. In the event that no such location is available, then the books, records, and supporting documents shall be made available for audit at a time and location which is convenient for the County, OIIA and the Audit Oversight Committee.

VI. AWARD OF CONTRACT

An evaluation committee will review and rate all proposals and shall determine if interviews are necessary.

If interviews are conducted, firms may be scheduled for an oral presentation to the evaluation committee, not to exceed one hour's duration, in order to respond to questions from the evaluation committee relevant to the firm's proposal.

The evaluation committee will make its recommendation for award to the OIIA and the Audit Oversight Committee, and DeKalb County Board of Commissioners, who will make the final decision as to award of contract.

THE COUNTY, OIIA AND THE AUDIT OVERSIGHT COMMITTEE RESERVE THE RIGHT TO REJECT ANY AND ALL PROPOSALS, TO WAIVE INFORMALITIES, AND TO RE-ADVERTISE.

Sincerely,

John L. Greene, Chief Audit Executive
Office of Independent Internal Audit

Attachment A: Cost Proposal
Attachment B: Proposal Cover Sheet
Attachment C: Contractor Reference and Release Form
Attachment D: Responder Affidavit
Attachment E: Audit Solicitation Final

ATTACHMENT A

COST PROPOSAL FORM

(Consist of 2 pages)

Independent audit of the DeKalb County Government Water Metering and Billing

Responder: Please complete the attached pages of the Cost Proposal Form, and return them with this cover page. The cost proposal must be submitted in a separate, sealed envelope with the Responder's name and "Request for Proposals Name: Independent audit of the DeKalb County Government Water Metering and Billing" clearly identified on the outside of the envelope.

By signing this page, Responder acknowledges that he has carefully examined and fully understands the Contract, Scope of Work, and other attached documents, and hereby agrees that if his proposal is accepted, he will contract with DeKalb County according to the Request for Proposal documents.

Please provide the following information:

Name of Firm: _____

Address: _____

Contact Person Submitting Proposal: _____

Title of Contact Person: _____

Telephone Number: _____

Fax Number: _____

E-mail Address: _____

Signature of Contact Person

Title of Contact Person

ATTACHMENT A
COST PROPOSAL FORM

**Responder: State a FIRM FIXED LUMP SUM for all costs, direct and indirect,
administrative costs, and all things necessary for Independent audit of the DeKalb County
Government Water Metering and Billing.**

(State the amount in writing on this line.)

\$ _____

(State amount in figures on this line.)

ATTACHMENT B

PROPOSAL COVER SHEET

NOTE: Read all instructions, conditions and specifications in detail before completing this Request for Proposal.

Please complete and include this cover sheet with your proposal.

Company Name		Federal Tax ID#	
Complete Primary Address	County	City	Zip Code
Mailing Address (if different)	City	State	Zip Code
Contact Person Name and Title	Telephone Number (include area code)		
Email Address	Fax Number (include area code)		
Company Website Address	Type of Organization (check one) <input type="checkbox"/> Corporation <input type="checkbox"/> Joint Venture <input type="checkbox"/> Proprietorship <input type="checkbox"/> Government		
<p>Proposals for Office of Independent Internal Audit (OIIA) and Audit Oversight Committee Independent audit of the DeKalb County Government Water Metering and Billing described herein will be received in the Independent Audit Department, Room 6th Floor, The Maloof Center, 1300 Commerce Drive, Decatur, Georgia 30030 on <u>December 30, 2016</u> until <u>3:00 p.m. (EST)</u>. Proposals shall be marked in accordance with the RFP, Section V.B.</p> <p>CAUTION: The Decatur Postmaster will not deliver certified or Special Delivery Mail to specific addresses within DeKalb County Government. When sending bids or time sensitive documents, you may want to consider a courier that will deliver to specific addresses.</p>			
<p>Proposal Cover Sheet should be signed by a representative of Proposer with the authority to bind Proposer to all terms, conditions, services, and financial responsibilities in the submitted Proposal.</p>			
Authorized Representative Signature(s)		Title(s)	
Type or Print Name(s)		Date	

ATTACHMENT C
CONTRACTOR REFERENCE AND RELEASE FORM

List below at least three (3) references, including company name, contact name, address, email address, telephone numbers and contract period who can verify your experience and ability to perform the type of service listed in the solicitation.

Company Name	Contract Period		
Contact Person Name and Title	Telephone Number (include area code)		
Complete Primary Address	City	State	Zip Code
Email Address	Fax Number (include area code)		
Project Name			

Company Name	Contract Period		
Contact Person Name and Title	Telephone Number (include area code)		
Complete Primary Address	City	State	Zip Code
Email Address	Fax Number (include area code)		
Project Name			

Company Name	Contract Period		
Contact Person Name and Title	Telephone Number (include area code)		
Complete Primary Address	City	State	Zip Code
Email Address	Fax Number (include area code)		
Project Name			

REFERENCE CHECK RELEASE STATEMENT

You are authorized to contact the references provided above for purposes of this RFP.

Signed _____ Title _____
(Authorized Signature of Proposer)

Company Name _____ Date _____

ATTACHMENT D

RESPONDER AFFIDAVIT

By executing this affidavit, the undersigned verifies its compliance with O.C.G.A. § 13-10-91, as amended, stating affirmatively that the responder submitting a bid to DEKALB COUNTY, GA, a political subdivision of the State of Georgia, has registered with and is participating in a federal work authorization program* [any of the electronic verification of work authorization programs operated by the United States Department of Homeland Security or any equivalent federal work authorization program operated by the United States of Homeland Security to verify information of newly hired employees, pursuant to the Immigration Reform and Control Act of 1986 (IRCA), P.L. 99-603], in accordance with the applicability provisions and deadlines established in O.C.G.A. § 13-10-91, as amended].

Responder's Name

Federal Work Authorization
Enrollment Date

BY: Authorized Officer or Agent

Title of Authorized Officer or Agent of Bidder

Identification Number

Printed Name of Authorized Officer or Agent

Address (*do not include a post office box)

SUBSCRIBED AND SWORN
BEFORE ME ON THIS THE

_____ DAY OF _____, 20__

Notary Public

My Commission Expires: _____

ATTACHMENT E

Audit Solicitation Final

Proposal

The Office of Independent Internal Audit (OIIA) and Audit Oversight Committee seeks a firm to conduct an independent audit of the DeKalb County Water Metering and Billing under government auditing standards or other applicable standards. This solicitation is to contract for and oversee a performance audit of the DeKalb County Water Metering and Billing Operation to identify factors causing inaccurate water meter readings and inconsistent water and sewer billing reports. The work will be administered through a contract with the OIIA. The audit must be completed by **May 15, 2017**.

Purpose of the Audit

The overall purpose of the audit is to determine whether water meter readings and water sewer billings are systemically inaccurate, and if such readings and billings are inaccurate, to determine the root causes of such inaccuracy and recommended remedial or corrective action. The specific scope and objectives of the audit will be developed by the selected firm and the Chief Audit Executive, based on a review of preliminary data, background information, and input from the audit oversight committee. Potential audit issues and areas of inquiry include but are not limited to the following:

- What factors could explain the perceived billing errors
- What is the process for reading the meters
- What is the operational process flow from meter reading through the customer billing cycle
- How many days to read the meters and bill the customers
- Is the meter reading equipment working effectively
- Does billing staff have procedures and processes to review data for anomalies and issue work orders for meter inspectors to reread or repair meters.
- How many accounts are tagged for review each month for:
 - a. Negative consumption
 - b. Zero consumption
 - c. No meter reading
 - d. Duplicate readings
 - e. Out of range readings
 - f. Billings that represent small or large days of billing
- Meter installation errors, data entry errors and undetected leaks that contribute to high or inaccurate bills
- Malfunctioning of meters leading to high and inaccurate bills
- Meters misread leading to high and inaccurate bills
- Review multiplier used to calculate the bill
- Review the billing process from meter reading to calculation of the water bill
- Validate the billing system to align with the meter when meter is changed out
- Review the county daily exception rate compared to the national average

The audit shall be conducted in accordance with government audit standards, or other applicable standards with approval by the Chief Audit Executive.

Results of the audit will be provided in the form of both a pdf and written report and presentation to the Chief Audit Executive, Audit Oversight Committee and the DeKalb County Georgia Board of Commissioners by **May 15, 2017**. The OIIA will be given unlimited access to the working papers supporting the finding, recommendations and conclusions.

Availability of Staff Assistance and Information

The firm will have access to or be provided as requested all available information needed to conduct the audit, including but not limited to the following:

- Interviews with Department of Watershed Staff and Finance Billing staff for Water and Sewage bills
- Audited financial statements of the Water and Sewer Funds
- Water/sewer fund revenue and expenditure detail from the County's financial systems
- Department of Watershed reports to external oversight bodies
- All officers and employees of DeKalb County shall provide the firm unrestricted access to employees, information, and records including electronic data within their custody regarding powers, duties, activities, organization, property, financial transactions, contracts, and methods of business required to conduct the performance audit.

The Chief Audit Executive of the OIIA will act as day-to-day point of contact for the audit team, providing assistance with scheduling and information gathering, monitoring progress on the project and contractual responsibilities, and other assistance/contract administration as may be required. In addition, the OIIA will provide staff assistance as available to the extent that resource constraints require it, to keep either time to complete the project or out-of-pocket expenditures for the project within required limits. This may include assistance in compiling and reviewing preliminary information needed to develop specific scope and objectives for the audit, conducting parts of the audit field work, and developing the written report.

Fraud and Illegal Acts

Auditors will be required to make an immediate, written report of any fraud or indications of illegal acts of which they become aware to the Chief Audit Executive so he may follow the protocol of HB 599.

Experience, Qualifications, and Other Requirements

Firms proposing to conduct the audit should have substantial experience and expertise in the following areas:

- Operational/performance audits emphasizing operational efficiency and effectiveness
- Public utility audits and analysis, preferably water and wastewater utilities and including industry best practices and typical practices
- Financial audits and analysis, including government accounting, financial statement and budget analysis; utility rate forecasting and modeling; and public sector capital financing.
- Construction management audits of complex multi-year capital programs, including contract management, schedule management, project management, cost management and risk management
- Application of professional standards, e.g. GAGAS, IIA, or AICPA consulting, in audits of organizations of comparable size and complexity to the DeKalb County Department of Watershed Management and involving the above subject areas.

The potential audit team collectively should possess all of the experience described above, in amounts commensurate with their proposed responsibilities.

Firms proposing to conduct the audit should submit the following materials:

- Information about the firm
- Firm's relevant experience and references
- Proposed team's relevant experience and qualifications
- Copy of final work product from a similar engagement conducted by the firm
- Proposed team's roles and responsibilities
- Proposed approach to developing the final audit scope and objectives
- Proposed work plan and schedule to meet the **May 15, 2017** deadline
- Disclosure of close family relationships between the firm's proposed team members and employees of the Department of Watershed Management
- Previous DWM projects as a prime or sub-contractor
- Proposed total price
- Proposed hourly rates per team member

Qualifications will be evaluated by a team representing the OIIA and the Audit Oversight Committee. Criteria for evaluation are amount and relevance of experience; quality of past performance on similar projects; strength of staff qualifications and expertise; appropriateness of project plan and approach; capacity to devote the resources and effort needed to complete the audit report by **May 15, 2017**; and total price.

The firm selected for this work will not be eligible to perform subsequent work for the Department of Watershed for a period of one year from the contract's expiration date, but will remain eligible to conduct additional work for the OIIA.

Schedule for Response, Evaluation, Selection and Project Start/Finish

Advertisement	December 15, 2016
Questions Due & Answers Provided	December 23, 2016
Proposals due	December 30, 2016
Interviews with finalists	January 6, 2017
Selected firm notified	January 9, 2017
BOC Approval Legislation approving	
Contract introduced	January 10, 2017
Contract terms finalized	January 24, 2017
Legislation approving contract adopted	January 24, 2017
Contract signed by principals	January 25, 2017
Project start	January 26, 2017
Project completion	May 15, 2017*

*NOTE: The audit report must be delivered to the Chief Executive Officer and Board of Commissioners by this date. The selected firm should plan to provide a draft report to the Chief Audit Executive auditor by approximately May 1st to allow for review by the Chief Audit Executive, Audit Oversight Committee and Watershed management, and an exit conference with Watershed management, and subsequent revisions to the draft.¹ Alternative schedules and project plans put forth by proponents, such as delivery of the report in segments or other arrangements, will be considered, as long as the **May 15, 2017** deadline remains clearly feasible.

¹ Watershed management will have the opportunity to review the draft report, discuss it with the audit team and the chief audit executive, and prepare written comments suggesting corrections and revisions. In addition, the OIIA will request a formal written response from Watershed management to address the report's recommendations, but this can be published separately and does not have to be incorporated into the report by the firm.