

REQUEST FOR PROPOSALS

PASO ROBLES AREA GROUNDWATER AUTHORITY FINANCIAL STATEMENT AUDIT SERVICES



Paso Robles Area Groundwater Authority
P.O. Box 82
Paso Robles, CA 93447

Proposal Release Date

April 10, 2026

Proposal Submittal Due Date

4p.m. (PST), May 15, 2026

**Paso Robles Area Groundwater Authority
Request for Proposal for Financial Statement Audit Services**

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PART 1 – AUDIT SPECIFICATIONS

I. INTRODUCTION

The Paso Robles Area Groundwater Authority (hereinafter referred to as the “Authority”) is requesting proposals from qualified firms of certified public accountants for a three-year contract to audit its financial statements for the three years beginning with the fiscal year ending June 30, 2026, including an initial audit covering the Authority’s “stub” period April 2025 through June 2026. At the option of the Authority, the audit engagement may be extended for two, one-year periods (fiscal years) by written amendment. These audits are to be performed in accordance with generally accepted auditing standards and all applicable requirements of California Government Code Section 6505.

A copy of this Request for Proposal (RFP) and the Authority’s most recent budget can be found on the Authority’s website: www.pasoroblesaga.org.

II. PASO ROBLES AREA GROUNDWATER AUTHORITY BACKGROUND

In September 2014, Governor Brown signed into law three bills collectively referred to as the Sustainable Groundwater Management Act (SGMA). SGMA requires the formation of groundwater sustainability agencies (GSAs) in state-designated medium and high priority groundwater basins. The Paso Robles Groundwater Basin (Paso Basin) is part of the larger Salinas Valley Basin and covers roughly 436,240 acres (681 square miles) within San Luis Obispo County. The Paso Basin has been classified by the Department of Water Resources (DWR) as a high-priority basin in a state of critical overdraft.

Within Paso Basin are five (5) Groundwater Sustainability Agencies (GSAs):

- City of Paso Robles GSA
- County of San Luis Obispo GSA
- Shandon-San Juan Water District GSA (SSJWD)
- Estrella-El Pomar-Creston Water District GSA (EPC)
- San Miguel Community Services District GSA (SMCSD)

These agencies (collectively, the Paso Basin GSAs) entered into a Memorandum of Agreement (MOA) establishing the Paso Basin Cooperative Committee (PBCC) to develop and implement a single Groundwater Sustainability Plan (GSP). While these GSAs coordinated in the development of a single GSP under a MOA and through the advisory PBCC, it became clear that the MOA did not provide a workable long-term governance framework to adequately implement the GSP.

In April 2025, the Authority was formed to coordinate implementation of the GSP. Four of the GSAs (all but the San Miguel Community Services District) are members of the Authority. The joint exercise of powers agreement states that each member retains its GSA status, and the Authority is only authorized to exercise the powers specifically delegated to it by the members under said agreement.

The Authority does not have employees but rather relies on staff support from contracted consultants for legal, administrative and Executive Director services of the Authority. The Authority also contracts with technical consultants as needed.

The Authority established its first budget for the 2026 Fiscal Year in the amount of \$944,952 and the budget for Fiscal Year 2027 is \$1,095,446. Revenues in Fiscal Year 2026 were derived from member agency contributions. Fiscal Year 2026 will be the Authority’s initial audit and shall include a 15-month “stub”

period, April 2025 through June 2026. The total number of financial transactions in the 15-month period is estimated to be approximately 150.

III. SCOPE OF WORK TO BE PERFORMED

A. Services to be performed by Auditors.

1. The auditors will perform a financial audit to determine (a) whether the financial statements of the Authority fairly present the financial position and the results of financial operations in accordance with generally accepted accounting principles, and (b) whether the Authority has complied with laws and regulations that may have a material effect upon the financial statements.
2. The auditors will examine the Authority's internal accounting controls and accounting procedures and render written reports of their findings and recommendations to the Board of Directors. The examination shall be made, and reports rendered, in accordance with generally accepted auditing standards and all applicable requirements of California Government Code Section 6505. In addition, the auditors shall communicate any reportable conditions found during the audit that can be defined as either a significant or material weakness in the design or operation of the internal control structure, which could adversely affect the Authority's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statement.
3. Auditors shall be required to make an immediate, written report to the Authority's Board of Directors or their designee, of all irregularities and illegal acts or indications of illegal acts of which they become aware.
4. Auditors shall include all funds of the Authority.
5. Auditors shall submit a management letter setting forth their findings and/or recommendations on those matters noted and observed during the conduct of the examination of the financial records and developed within the scope usually associated with such an examination relating to, but not limited to, a) improvement in systems of internal control, b) improvement in accounting system, c) apparent noncompliance with laws, rules, and regulations, and d) any other material matter coming to the attention of the firm during the conduct of the examination.
6. The partner in charge of the audit shall be available to attend one meeting of the Board of Directors to review the audit report.

B. Timeline Requirements

1. Auditors shall schedule with the Authority's accounting consultant for the Fiscal Year 2026 audit.
2. All Authority books must be closed and ready for audit by the mutually agreed upon start date. Authority staff shall prepare detailed lead sheets and account reconciliations for the auditors.

3. Fieldwork shall commence on an agreed upon date between auditors and Authority staff but no later than the first week of October and shall be completed no later than the first week of December, at which time a draft copy of the audited financial statements with all required auditors' reports and a management report shall be prepared and delivered to the Authority's accounting consultant.
4. The final audit report shall be issued no later than the third week of January.

C. Reporting and Communication

1. The auditors will meet continuously during the field work process with the Authority's accounting consultant, to discuss preliminary audit findings and management recommendations.
2. Prior to issuing their final reports and letters, the auditors will meet with the Authority's accounting consultant with all audit reports to be addressed to the Authority's Board of Directors.
3. The auditors may be consulted occasionally throughout the year as an information resource.

D. Other Considerations

1. All working papers and reports must be retained, at the auditor's expense, for a minimum of five (5) years, unless the firm is notified in writing by the Authority of the need to extend the retention period.
2. The auditors will be required to make working papers available upon request to the appropriate parties. In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

IV. PASO ROBLES AREA GROUNDWATER AUTHORITY RESPONSIBILITIES

A. Accounting Consultant

1. The Authority's accounting consultant will prepare the final closing of the books, including any auditor adjusting entries or changes to the financial statements and will provide balance sheets for all funds and groups and statements of revenue and expenditures for all funds including detailed subsidiary ledgers.
2. The Authority's accounting consultant will produce the confirmation letters that are mailed by the auditors.
3. The Authority's accounting consultant will be available to assist the auditors in locating records or preparing audit schedules. All requests from the auditors will be directed to the Authority's accounting consultant.
4. The Authority's accounting consultant will assist the auditors in determining the appropriate workspace in which to conduct audit-related services, with the understanding the Authority does not have a physical office.

V. BASIS FOR COMPENSATION

- A. The Authority will pay the auditors for the services described in Section III (Scope of Work to be Performed) that do not exceed the amount contained within a signed agreement between the Authority and the audit firm. For additional services required after the inception of the agreement, written approval by the Authority shall be required in advance of such services being rendered. The fee for such services shall be paid based on the auditor's quoted hourly rates. The auditor's base fee shall include preparation of the audit of the basic financial statements, including all required reports and letters, and presence at one of the Authority's Board of Directors meetings.
- B. The Authority shall receive all final opinions and reports for the Authority financial statements no later than the third week of January following the period under audit, barring any unforeseen Authority delays. If delay of deliverables is a result of the Authority's acts or omissions, report submission deadlines will be discussed and amended.

VI. ADDITIONAL PROVISIONS

- A. No officer or agent of the Authority and no member of its governing bodies shall have any pecuniary interest, direct or indirect, in the Authority's agreement with the auditor or the proceeds thereof. No officer, agent, or employee of the auditors shall serve on an Authority committee or hold any such position which is incompatible with such person's duties or obligations or other relationship to the auditor's agreement with the Authority.
- B. Time is of the essence in each and all provisions relating to the auditor's service to the Authority.

VII. SPECIAL TERMS AND CONDITIONS

- A. The Authority reserves the right to reject any or all proposals, to waive non-material irregularities or information in the request for proposal, and to accept or reject any item or combination of items. By requesting proposals, the Authority is in no way obligated to award a contract or to pay expenses of the proposing firms in connection with the preparation or submission of a proposal.
- B. The Authority is not responsible for oral statements made by any of its agents concerning this RFP. If the bidder requires specific information, the bidder must make the request in writing as instructed in the RFP.
- C. All responses to the RFP shall become the property of the Authority and are subject to public inspection under the California Public Records Act (Government Code Sections 7920 et seq.) Responders must identify all copyrighted material, trade secrets or other proprietary information that the responder claims are exempt from disclosure by the California Public Records Act. Any language purporting to render the entire proposal confidential or proprietary will be ineffective and will be disqualified. In the event a responder claims such exemption, the responder must state in the response that:

"The responder will indemnify the Authority and hold it harmless from any claim or liability and defend any action brought against the Authority for its refusal to disclose copyrighted

material, trade secrets, or other proprietary information to any person making a request thereof.”

Failure to include such a statement shall constitute waiver of the responder’s right to exemption from disclosure and authority for the Authority to provide a copy of the proposal or any part thereof to the requestor.

- D. During the evaluation process, the Authority reserves the right, where it may serve the Authority’s best interest, to request additional information or clarifications from proposers, or to allow corrections of errors or omissions. The Authority reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether the proposal is selected.
- E. After an audit firm is selected by the Authority, the contents of the submitted proposal shall become a contractual obligation. The successful proposer will be required to execute a Professional Services Agreement with the Authority. Failure of the audit firm to agree to and enter into that agreement with the Authority will result in cancellation of the award. The Authority reserves the right to reject those parts of the proposal that do not meet with the approval of the Authority.
- F. The Authority is committed to equal opportunity for all and to providing a work environment that is free of unlawful discrimination and harassment. In keeping with this commitment, the Authority prohibits unlawful discrimination and harassment in any form based on race, religious creed, color, national origin, ancestry, physical or mental disability, medical condition, pregnancy or childbirth, marital status, gender, gender identity, gender expression, reproductive health decisions, sex, sexual orientation, veteran status, age or any other protected status under federal or state law by officials, employees and non-employees (vendors, contractors, consultants, etc.). The Authority will not discriminate based on the above classifications in consideration for an award of contract. The Authority encourages consultants and contractors to offer inclusive work environments to their employees and to embrace the benefits and value of teams with diverse experiences, perspectives, and problem-solving approaches.

PART 2 – PROPOSAL REQUIREMENTS AND INFORMATION

I. PROPOSAL PROCESS AND CALENDAR

A. Distribution of Proposals

Request for Proposals shall be available on April 10, 2026 on the Authority’s website <https://pasoroblesaga.org/request-for-proposals>

B. Proposal Submission

Proposals for the Authority Financial Statement Audit Services must be received no later than **4:00 PM on Friday, May 15, 2026**. Proposals will only be accepted by electronic submission to Jacqueline Harris at jharris@hgcpm.com.

C. Proposal Review and Notification

The Authority's accounting consultant and a select panel of member agencies' staff members will review and evaluate each proposal submitted and written notification will be sent to proposers, if interviews are held, or once a firm is selected.

D. Interviews

The Authority may schedule interviews with selected proposers for the week of June 1, 2026. Firms selected for interviews, if held, are requested to prepare a short presentation for the committee.

E. Final Selection Notification

The Authority anticipates sending written notification of selection status to proposing firms the week of July 6, 2026.

F. Important RFP Dates to Remember

April 10, 2026	RFP Available
April 17, 2026	Deadline for Submission of Questions
May 15, 2026	Deadline for Proposal Submission
Week of May 18, 2026	Authority Review of Proposals
Week of June 1, 2026	Interviews, If Needed
Week of July 6, 2026	Notifications to Proposers
July 22, 2026	Authority Board of Directors' Award

II. FORMAT AND CONTENT OF PROPOSAL

The Proposal should be clear, concise, complete, well organized and demonstrate Proposer's qualifications, a comprehensive understanding of the requested services related to the Authority, and ability to follow instructions. The Proposal must be limited to 10 pages (except information expressly excluded) and shall include the sections detailed below in the following order and containing the items described below. There are no page limits for covers, section dividers, and appendices which will include resumes.

Proposals must be submitted as electronic files in PDF format, each no more than 15 MB in size, via email. Proposals will be considered only if Proposals are delivered via email to Jacqueline Harris at jharris@hgcpm.com on or before the specified due date and time. A confirmation of receipt of Proposal will be sent to proposing firms by 5pm on the submission date. If you do not receive a confirmation email, please call 916-923-1500 ext. 702 to inquire.

Each email must include in the subject line the name of the Proposer (abbreviated is acceptable) and "PRAGA Financial Statement Audit Services".

A. Title Page (excluded from page count)

The title page should include the request for proposal subject, the name of the proposer's firm, local address, telephone number, name of contact person, and date.

B. Table of Contents (excluded from page count)

Include a clear identification of the material by section and by page number.

C. Cover Letter

1. Provide an overview of the firm and identify the qualities that differentiate the proposed team and will make it successful. Include identification of the proposing firm's contact person with authority to act on behalf of and bind the firm, and all relevant business contact information.
2. State general information about the Proposer, including at least the number of employees, type of business structure, whether the firm is local, national, or international, years in business, website, home office location, local office location (if different), and federal tax I.D. number.

D. Firm Experience

1. The audit firm should provide an affirmative statement that it is independent of the Authority as defined by generally accepted auditing standards. Moreover, the firm must have no conflict of interest with regard to any other work performed for the Authority. It is understood that the services performed by the auditors are in the capacity of independent contractors and not as an officer, agent, or employee of the Authority.
2. The audit firm should provide an affirmative statement indicating that the firm and all assigned key professional staff are properly licensed to practice in California.
3. For the audit firm's office that is assigned responsibility for the audit, list the most significant public agency engagements (at least three (3) and a maximum of five (5)) performed in the last five years that are similar to the engagement described in this request for proposal. Provide the names, titles, emails, telephone numbers of client officials responsible for three of the audits listed for the Authority to contact as references.

E. Key Personnel and Team Experience

1. Describe the composition of the audit team, including staff from other than the local office, and consultants. Describe the commitment of the firm to providing the same audit team on subsequent audits. Include resumes of each person so identified as an appendix to the proposal.
2. The audit firm shall identify the principal management staff, including engagement partner(s), manager(s), other supervisors and specialists, who would be assigned to the engagement and indicate whether each such person is licensed to practice as a certified public accountant in California. The audit firm must also provide information on governmental auditing experience, including the scope of audit services requested by the Authority, of each person, and information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit.

F. Approach and Work Plan

1. The proposal should describe the proposed work plan, including an explanation of the audit methodology to be followed, to perform the services required in Part I, Section III of this request for proposal.
2. Describe the scope of the required services to be provided and outline a plan of how such services will be provided. Proposers should list all reports, including management letters that are to be issued, the points to be addressed by reports, and the estimated completion dates.
3. The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from the Authority.

G. Cost Information

1. The proposal should include schedules of professional fees and expenses presented in the format shown in Appendix A.
2. Indicate the total hours and hourly rates by staff classification and the resulting all-inclusive maximum fee (not to exceed total) for which the requested work will be done.
3. The proposal should contain all pricing information relative to performing the audit engagement as described in Part I, Section V(A) of this request for proposal as "the total all-inclusive maximum price to be proposed".

H. Appendices (excluded from page count)

1. Resumes of key personnel.
2. The audit firm shall submit a copy of the report on its most recent external quality control review (Peer Review), with a statement on whether that quality control review included a review of specific government engagements.
3. The audit firm shall provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years (such information may be presented in an appendix and will not count against the page limit). In addition, the audit firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations.

III. EVALUATION

A. PROPOSAL EVALUATION CRITERIA

Proposals will be reviewed to evaluate minimum compliance with the RFP. Incomplete proposals may be removed from further evaluation. The Authority's panel will review complete proposals meeting minimum requirements using the following criteria and scoring:

- Overall Proposal Quality (10%)
- Specialized Experience and Capabilities (10%)
- Firm Qualifications and Audit Team (20%)
- Approach to Work (40%)
- Cost Information (20%)

B. INTERVIEW EVALUATION CRITERIA

Presentations will be held remotely using Microsoft Teams or Zoom platforms and will be arranged and initiated by the Authority. The interview shall be attended by no more than three (3) representatives of the proposing firm. The presentation duration shall be a maximum of 30 minutes, which will be followed by a question and answer session lasting up to approximately 15 minutes. The interview will include two components:

1. Presentation by Audit Firm

The presentation is an opportunity to communicate the proposed approach and team and highlight qualifications, communication style, and related audit experience. It will be evaluated based on content and effectiveness.

2. Question and Answer Session

This session will address communication skills, ability to interact with Authority personnel, and other related questions regarding the Authority and the firm's proposal.

IV. QUESTIONS AND CLARIFICATIONS

If Proposer has any questions regarding this Request for Proposal (RFP), please contact Jacqueline Harris via email at jharris@hgcpm.com by April 17, 2026. Proposers are requested not to contact other Authority or member agency staff members or Authority Board members in any manner in connection with this RFP and selection process. Any applicants who violate this request may be disqualified from further consideration.

The Authority will reply regarding substantive questions by addenda which will be emailed to any potential Proposer who has requested such information and uploaded to the Authority's website. It is the responsibility of the Proposer to check for updated information prior to the Proposal due date. Questions received after the deadline for submission of questions noted in this RFP may not be answered.

Respondents must submit questions via email regarding any ambiguity, uncertainty, or other perceived flaw in this RFP as soon as the issue is identified, but no later than the deadline to submit questions on this RFP. Any such issue which is not raised prior to the deadline to submit questions will be considered to be waived, and the Authority will not consider any challenge based on the contents, structure, or terms of this RFP after the Proposal deadline.

The Authority reserves the right to investigate any Proposal or Proposer, including without limitation requesting clarification from the Proposer or contacting other entities who have engaged the Proposer or any of its personnel for additional information related to the Proposer. The Authority reserves the right to consider information relating to a Proposer or Proposal based on information obtained outside of the Proposal available to the evaluators.

**APPENDIX A
 FORMAT FOR SCHEDULES OF PROFESSIONAL FEES AND EXPENSES
 TO SUPPORT THE TOTAL ALL-INCLUSIVE MAXIMUM PRICE**

**Detailed Schedule of Professional Fees
 and Expenses to Support the Total All-
 Inclusive Maximum Price (Year 1 - FY26)**

	Hours	Hourly Rate	Total
Partner	_____	\$ _____	\$ _____
Manager	_____	\$ _____	\$ _____
Supervisory Staff	_____	\$ _____	\$ _____
Other Staff (Specify)	_____	\$ _____	\$ _____
Total Fees			\$ _____
Total Expenses (Specify)			\$ _____
Total All-Inclusive Maximum Price (Year 1 - FY26)			\$ _____

**Summary Schedule of
 Total All-Inclusive**

Maximum Price by Year	<i>Optional Years</i>				
	FY26	FY27	FY28	FY29	FY30
Audit and Preparation of Financial Statements	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Expenses (Specify)	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Total Fees and Expenses	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____