

**SACRAMENTO CENTRAL GROUNDWATER
AUTHORITY**

**Request for Proposals
for Financial Auditing Services**

Responses Due: January 22, 2026, by 5 pm

RFP for Financial Auditing Services
Sacramento Central Groundwater Authority

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I. Purpose

The Sacramento Central Groundwater Authority (SCGA or Authority) is requesting proposals from certified public accounting firms to conduct the annual financial audit for three fiscal years ending June 30, 2026 through June 30, 2028, with an option of two one-year extensions. The proposal must present all-inclusive audit fees for each fiscal year of the contract term.

To be considered, the proposals must be submitted electronically no later than **January 22, 2026**. Proposals will be considered by a selection team consisting of SCGA staff, finance contractor and one or more Board of Directors (Board) representatives. The selection team will make a recommendation to the Board. Once approved, an agreement will be executed between SCGA and the approved firm. It is anticipated that the selection process will be completed by **February 11, 2026**.

There is no expressed or implied obligation for SCGA to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

SCGA reserves the right to reject any or all proposals, to waive any non-material irregularities or information in any proposal, and to accept or reject any items or combination of items. Materials submitted by respondents are subject to public inspection under the California Public Records Act (Government Code Sec. 6250 et seq.), unless exempt.

II. Background

SGMA requires local agencies to manage groundwater basins in a sustainable manner over the long-term and allows for limited state intervention when necessary to protect groundwater resources. SGMA requires medium and high priority basins to make measurable progress toward locally determined groundwater management criteria, to report that progress annually, and to achieve ongoing sustainability. The Basin is a medium priority basin and, therefore, must implement its Groundwater Sustainability Plan (GSP) to achieve and maintain sustainability by 2042.

The SCGA is a joint powers authority created in 2006 to ensure responsible, coordinated, groundwater management in one the most vital subbasins in California. As a recognized Groundwater Sustainability Agency for the South American Subbasin, SCGA's mission is to protect and manage groundwater resources for long-term sustainability, public benefit, and environmental resilience.

The Board consists of 14 members representing four cities, Sacramento County, three water districts, one sewer district, and numerous other interests in the region.

The agency is staffed entirely by contractors – namely the Executive Director, technical/engineering experts, legal counsel, and fiscal support.

SCGA has an operating budget of approximately \$1.1 million in FY 2026 funding the core administration of the agency's mission and objectives. Please see the following links for more context:

[SCGA FY 2026 Adopted Budget](#)

[SCGA FY 2025 Financial Audit](#)

III. Requested Services

SCGA is seeking a firm to provide an Independent Auditor's Report on the Authority's basic financial statements in full compliance with all Governmental Accounting Standards Board (GASB) pronouncements including the following activities:

1. The audit will be conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller of the United States and generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants (AICPA).
2. SCGA's basic financial statements will be prepared by the audit firm. The audit firm will also apply limited audit procedures to the Management's Discussion and Analysis (MD&A) and required supplementary information pertaining to the agency's only fund – the General Fund.
3. SCGA does not anticipate the need for a single audit on the expenditures of federal grants during the contract term. If a single audit becomes necessary, the Authority will amend the contract with the selected audit firm for the additional work.
4. The audit firm shall issue a separate management letter addressed to the Executive Director of SCGA, that includes recommendations for improvements in internal control, accounting procedures and other significant observations that are non-reportable conditions.
5. Without sacrificing the independent role of the audit firm, the selected firm will be available to SCGA staff during the year to answer questions about appropriate accounting treatment, offer suggestions regarding implementing new accounting standards, and support for the purpose of educating staff and producing high-quality financial reports.
6. SCGA closes its books by August 31 each year and will be ready for audit field work in September. The audit firm shall provide all drafts and recommendations for improvements to the Executive Director within a reasonable time period after the last day of field work. The audit firm should be available for any meetings that may be necessary to discuss the draft audit reports. Once all issues of discussion are resolved, the completed Independent Auditor's Report, Management's Discussion and Analysis, Basic Financial Statements, Notes to the Basic Financial Statements, Required Supplementary Information, Government Auditing Standards Report on Internal Control Over Financial Reporting and on Compliance, and other reports shall be delivered to the Executive Director in digital format. This process should be completed, and the final products delivered by mid-November of each year.
7. All working papers and reports must be retained at the auditor's expense for a minimum of seven (7) years after completion of the audit, unless the firm is notified in writing by SCGA of the need to extend the retention period. In addition, the firm will respond to reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance. Auditors are required to make an immediate, written report of all irregularities and illegal acts or

indications of illegal acts of which they become aware to the following parties:
Executive Director, Legal Counsel, and the Board Chairperson.

IV. RFP Timeline and Evaluation Criteria

1. Timeline

SCGA anticipates the following timeline:

January 2, 2026	RFP issuance
January 13, 2026	Deadline for RFP questions
January 22, 2026	Due date for proposals
January 27, 2026	Review of proposals
February 3, 2026	Interviews with top firms, if needed
February 11, 2026	Approval of firm by Board
February 18, 2026	Agreement execution by Executive Director

2. Evaluation Criteria

SCGA will evaluate each firm's experience and expertise in providing the services described in Section III above. Firms will be evaluated on the information presented in the proposal. Final selection may be based on the proposal as well as any supplemental information or interviews conducted. Evaluation criteria used to select the top-ranking firms include the following (listed without regard to order of importance):

- Expertise and qualifications of assigned staff, including prior experience in performing similar work for public sector clients
- Audit methodology and approach
- Responsiveness to the requirement of the RFP
- Recent references from comparable clients.

3. SCGA Rights and Options

SCGA retains full discretion in determining the applicability and weight of the criteria listed above. During the evaluation process, the SCGA reserves the right to request additional information or clarification from proposers, or to allow corrections of errors or omissions. Also, at the discretion of SCGA, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

V. Proposal Requirements

Inquiries concerning the RFP must be made to Piret Harmon, Executive Director, using the

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contact information below.

The proposals must be submitted in digital format as an Adobe PDF file by the stated deadline and should be clearly identified as “Audit Services Proposal”.

Parties interested in being considered for this project are requested to submit their proposals by January 22, 2026 by 5pm to:

Piret Harmon, Executive Director
Sacramento Central Groundwater Authority
executivedirector@scgah2o.com
Phone 650-868-0209

Responses will be posted on Public Purchase’s site for the benefit of all proposers.

The proposal must be concise, well organized and follow the format outlined below.

1. Firm Qualifications and Experience

The proposal should state the size of the firm, the size of the firm’s audit staff, and the location of the office from which the work on this engagement is to be performed.

2. Staff Qualifications & Experience

The firm should identify the number and responsibility levels of staff assigned to the engagement by name and role and indicate whether each such person is licensed to practice as a certified public accountant in California. The firm also should provide information on the auditing experience of each person, and more specifically, the governmental auditing experiences of each person.

3. Similar Engagements with Other Government Entities

List the most significant engagements performed in the last three years that are similar to the engagement described in this request for proposal, including the annual percentage of the firm’s audit practice that is for governmental entities. Indicate the name and contact information for these engagements.

4. Specific Audit Approach

Set forth a work plan, including:

- i. Explanation of the audit methodology to be followed
- ii. Reference to such sources of information as the agency’s budget and related materials, organizational charts, manuals, programs, and financial and other management information systems
- iii. Proposed phases of the audit and staff hours assigned to each phase for the engagement
- iv. Description of analytical procedures to be used in the engagement, including sampling
- v. Approach to be taken to understand, review and make recommendations regarding the Authority’s internal control structure

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- vi. Description of any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from SCGA

5. Total All-Inclusive Not-to-Exceed Cost

The cost estimate should contain all pricing information relating to performing the audit engagements as described in this request for proposal. The all-inclusive maximum price is to contain all direct and indirect costs including all out-of-pocket expenses. The proposal should indicate pricing for the three (3) years covering the audit proposal. The proposal should also include a schedule of professional fee rates by partner, specialist, supervisory and staff level. Invoices are to be based on actual costs incurred up to the not-to-exceed budget.

6. Additional Professional Services

If it should become necessary for the Authority to request the audit firm to render any additional services to either supplement the services requested in this request for proposal or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth by SCGA Executive Manager. Any such additional work agreed to between SCGA and the firm will be performed at the same rates set forth in the schedule of fees included in this proposal. A written contract amendment will be required for any such additional work that necessitates an increase in the maximum contract price.