

APPROACH

Transition Services

Should Redwood City be selected to provide financial and accounting services to the Authority, we anticipate a smooth transition and an efficient approach to converting data and obtaining records from the City of San Carlos. The City currently has an existing working relationship with the City of San Carlos, due to our shared services contract to provide the City of San Carlos with fire services. We anticipate that the transition will occur over a two-month period and will take approximately 100 hours of City of Redwood City staff time. The procedures are expected to include:

- Meeting with Authority and City of San Carlos staff to discuss the timing and detailed process of the conversion
- Set up of a new financial software system for the Authority, including financial statement reporting, accounting, and accounts payable
- Purchase of software licensing for Authority and City staff
- Set up of all accounts payable vendors used by the Authority
- Receiving copies of all W-9 forms, paid invoices, and other vendor information electronically
- Receiving roll-forward balances for all Authority accounts
- Establishing access to all bank and investment accounts

During the conversion process, City staff will be working with City of San Carlos staff to transfer data and gain an understanding of current financial policies and procedures. In order to minimize disruptions to the City of San Carlos' day-to-day operations we will compile an all-inclusive list of requested items prior to our initial meeting. We anticipate our initial meeting will occur in April/May, once the Authority and the City have signed the service agreement. The establishment of the financial software system and exchanging of documents is anticipated to be completed prior to June 30, 2019. It is the City's goal to have everything up and running on Monday July 1, 2019.

It is expected that the Assistant City Manager of Administrative Services, the Financial Services Manager, a Senior Accountant, the Principal Finance Analyst, the Accountant, and an Account Clerk will be involved in the transition process.

Accounting and Financial Services

The City will provide superior accounting and financial services to the Authority. The Department has won numerous GFOA awards over the past 30+ years, both for the CAFR and Budget documents, which are a result of a high functioning and efficient department.

The Assistant City Manager of Administrative Services will direct and guide the accounting and financial services provided to the Authority and will be responsible for communicating with the Authority's Board of Directors and Executive Director as needed. She has over 12 years of experience in finance and general government operations. It is expected that she will provide up to 50 hours of service to the Authority on an annual basis.

The Financial Services Manager will be responsible for daily oversight of staff and for evaluating and implementing internal financial controls, reviewing and recommending financial policies and procedures, providing detailed information as requested by Authority staff, and overseeing the day-to-day operations of the accounting and financial services provided to the Authority. He has over 19 years of experience in governmental accounting, finance, and auditing. It is expected that he will provide 150 hours of service to the Authority on an annual basis.

APPROACH (CONTINUED)

Accounting and Financial Services (Continued)

The Principal Finance Analyst will assist in providing daily management of cash and investments, including surplus cash and reserve funds, preparation of quarterly investment report, and the recommendation of annual updates to the Authority's investment policy. She has been employed by the City for over 12 years and is responsible for overseeing the City's daily cash and investments, including surplus cash and reserve funds, and the annual update of the City's investment policy. It is expected that she will provide over 100 hours of service to the Authority on an annual basis.

The Senior Accountant will be responsible for maintaining the fixed asset records, reconciling the capital assets sub-ledger to the accounting system, managing the cash with fiscal agent accounts, and recording and making the scheduled bond payments. She has over 30 years of government and private sector finance experience and is responsible for the City's capital assets, cash with fiscal agent accounts, and ensuring all bond payments are made timely. It is expected that she will provide 150 hours of service to the Authority on an annual basis.

The Accountant will perform journal entries, general accounting functions, financial reporting, and input of the budget into the accounting system. The Accountant will also be responsible for maintaining and reconciling all general ledger accounts. She is responsible for the SVCWA and City bank reconciliations and the City's budget amendments. It is expected that she will provide 400 hours of service to the Authority on an annual basis.

The process of entering accounts payable invoices, customer bills, and cash receipts into the accounting system will be handled by the Account Clerk. The Account Clerk will also be responsible for processing vendor invoices for payment, depositing receipts, and managing receivables. He efficiently and accurately processes an average of over 150 accounts payable checks on a weekly basis. He is responsible for processing all of the City's accounts payable checks. It is expected that he will provide 600 hours of service to the Authority on an annual basis.

Accounts payable checks can be issued **weekly**. Most agencies issue accounts payable checks bi-weekly. The City also has a process of preparing and issuing "special" on-demand checks on an as-needed basis every Thursday, if necessary. Regular payments require that invoices be submitted every Monday and are released on the following Monday. Therefore, it will be no longer than 7 days from invoice submittal to a check being prepared.

The City currently uses Wells Fargo Bank for the City's main general checking and accounts payable bank accounts, including the SVCWA checking account. The City's current banking contract ends in 2021 with Wells Fargo.

Semi-annual financial statements, including general ledger detail, will be prepared by the Accountant and reviewed by the Senior Accountant and Financial Services Manager. As part of the calendar year financial statements, the City will have the audit firm provide a review report on the Authority's financial statements. In addition, the Accountant, as requested by the Authority, can also generate ad-hoc reports whenever requested.

All accounting and financial services will follow standard municipal government procedures and regulations, including the utilization of enterprise fund accounting.

APPROACH (CONTINUED)

Accounting and Financial Services (Continued)

The City is currently in the process of entering into a contract for a new financial system. Implementation of the new system is expected to start in FY 2019-20. At that time, the City will consult with the Authority on the best course of action for the Authority's accounting software.

Financial Statements and Auditing

The Financial Services Manager has over 16 years of experience as an Audit Manager with a public CPA firm and was responsible for managing the audits of numerous California municipalities, special districts, and joint powers authorities. This experience will allow the City to more efficiently and effectively manage the selection process for the audit firm and to work with the Authority's auditors to report the Authority's audited financial statements at fiscal year-end and to report reviewed financial statements on a calendar year basis.

With assistance from the Senior Accountant, the Financial Services Manager will be responsible for managing the fiscal year-end audit process and preparing all audit workpapers needed by the audit firm. The City currently utilizes a year-end checklist to prepare schedules and analysis for the City's audit firm. A similar system will be utilized for the Authority's annual audit. This checklist ensures that all requested workpapers are prepared and made available to the audit firm prior to their on-site visit.

It is anticipated that the City's audit firm will audit the Authority. The City will enter into a contract with the audit firm to include the Authority's audit as an additional scope of work. The City has included an allowance of \$13,000 in audit fees, as noted in *Appendix B – Cost Proposal*.

It is understood that the Authority may change to a calendar year-end instead of a fiscal year-end in the future. The City will work with the Authority and audit firm during the transition if a change to a calendar year-end is desired. The City does not anticipate an inordinate amount of time for this transition. However, there will be an additional fee as noted in *Appendix B – Cost Proposal*.

Customer Support

The City will provide advice on accounting and financial policies as requested by Authority staff. This advice will be included as part of the contract and will not be an additional cost to the Authority.

It is the City's goal to provide proactive, cooperative, and friendly service to Authority staff. Our reference, SVCWA, will confirm that we continuously reach this goal with them. Authority staff will be provided with personal contact information of the Financial Services Manager, in case of any after-hours emergencies or other needs to contact the City immediately. In addition, Finance staff work hours vary from 7am to 6pm, allowing for sufficient coverage and availability, while ensuring that someone is always available during normal business hours.

Additional Services

Any additional services not included in our contract with the Authority will be billed at the City's hourly billing rates, as agreed to in advance by both parties, in writing.

It is our understanding that payroll and human resources functions are not part of the Authority's requested services and are not part of this proposal.

DESCRIPTION OF QUALIFICATIONS

As described previously, the City's Finance Division has over 30 years of experience providing similar services to the Silicon Valley Clean Water Authority. Due to SVCWA procuring a new financial accounting system, the number of required service hours from the City in the future will significantly decrease. As a result, the City has additional capacity to undertake the services requested by the Authority.

Since 1987, the City has performed all of Silicon Valley Clean Water Authority's accounting and financial support functions. The City currently provides the following financial and accounting services to SVCWA:

- Maintain the general ledger as required by the Governmental Accounting Standards Board according to Generally Accepted Accounting Principles.
- Provide financial analysis as requested by management.
- Reconcile cash and investment accounts and prepare monthly investment reports.
- Perform all banking activities and reconcile bank statements. Notify management of any irregularities.
- Process accounts payable transactions and prepare checks (ended 6/30/18).
- Prepare accounts payable reports for management (ended 6/30/18).
- Review check registers.
- Prepare manual checks as required.
- Deposit checks, void and re-issue checks, and mail checks as instructed (ended 6/30/18).
- Process payroll transactions as input by staff and prepare checks and automatic deposits.
- Process adjustments for CalPERS as necessary.
- Process all payroll reports (state and federal tax reports, CalPERS reports, group health, and other employee insurance reports).
- Prepare payroll reports for management.
- Coordinate the annual W-2's and 1099's processing and mailing.
- Assist in the annual financial audit and prepare workpapers, where appropriate.
- Review audited financial statements and interface with auditors as required on accounting issues.
- Communicate with staff regarding any significant accounting issues.
- Provide advice and consultation on financial matters and accounting policies.

The Assistant City Manager of Administrative Services serves as the Controller. In addition, the Financial Services Manager and Accountant attend all Board meetings.

As described above, it is evident that the City is well positioned and has the qualifications, expertise, and specific related experience to provide the requested services to the Authority.

The City will not be utilizing any subcontractors to provide services to the Authority.

Please see *Appendix A – Resumes* for the resumes of the proposed City staff that will be working with the Authority.

COST

Please see *Appendix B – Cost Proposal* for the price, number of hours anticipated for each task, and the rates for additional services.

**SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY
PROPOSAL**

The City looks forward to providing services to the Authority. Please consider the City's proposal for financial and accounting services and feel free to contact me with any questions.

Respectfully Submitted,

Kimbra McCarthy
Assistant City Manager of Administrative Services

SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY

APPENDIX A – RESUMES

Kimbra McCarthy – Assistant City Manager of Administrative Services

- Assistant City Manager with 12 years of experience in finance and general government operations. Prior experience in corporate law and governmental relations
- Oversight and direct responsibility of Citywide internal operations, including Financial Services, Human Resources, Information Technology, and Revenue Services
- Prior service with the City of Mountain View as Deputy City Manager and prior fiscal and policy management roles at the County of Santa Barbara District Attorney’s Office and the County Executive Office
- Member of the following:
 - Governmental Finance Officers Association
 - California Society of Municipal Finance Officers
 - International City/County Management Association
 - Municipal Management Association of Northern California
- Bachelor of Arts degree in Political Science from Washburn University, Juris Doctor degree from Washburn University School of Law, and Masters of Law in International Law from University of Limerick, Ireland

Derek Rampone – Financial Services Manager

- Manager with 19 years of experience in government finance, accounting, and auditing
- Oversees the day-to-day operations of the City’s Finance Division
- Reviewer for the GFOA CAFR award program
- Member of the following:
 - Governmental Finance Officers Association
 - California Society of Municipal Finance Officers – Chair of the Peninsula Chapter
- Bachelor of Arts degree in Business Economics with an emphasis in Accounting from University of California – Santa Barbara

Sylvia Peters – Principal Finance Analyst/Deputy Treasurer

- Analyst with 11 years of experience in government finance
- Oversees the City’s general liability and property insurance program, including management of the tort claims process
- Manages the Citywide annual budget process
- Manages the City’s cash flow and investment portfolio
- Experience in debt issuance, continuing disclosure, and assessment district administration
- Member of the following:
 - California Society of Municipal Finance Officers
 - California Municipal Treasurers Association
- Bachelor of Science of Business Administration with an emphasis in Management from California State University - San Jose

Carolyn Kerans – Senior Accountant

- Senior Accountant with over 30 years of experience in government and private sector finance
- Responsible for accounting of the City’s capital assets
- Supervises the City’s Accountant
- Member of the following:
 - California Society of Municipal Finance Officers
- Bachelor of Science of Business Administration with an emphasis in Accounting from California State University - East Bay

Molly Flowerday – Accountant

- Accountant with 3 years of experience in government finance
- Prepares the City’s and SVCWA bank reconciliations
- Performs the monthly close of the SVCWA accounting records
- Member of the following:
 - California Society of Municipal Finance Officers
- Bachelor of Arts degree in Business Administration with an emphasis in Accounting from California State University - San Francisco

SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY
APPENDIX B – COST PROPOSAL

Name of Proposer: City of Redwood City

Address: 1017 Middlefield Road, Redwood City, CA, 94063

Telephone: (650) 780-7072

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Transition Period Services*	\$ 9,969	\$ -	\$ -	\$ -	\$ -
Accounting and Financial Services**	118,290	121,839	125,494	129,259	133,137
Financial Statements and Auditing***	17,000	17,000	17,000	17,000	17,000
Customer Support	Included	Included	Included	Included	Included
Total Price	\$ 145,259	\$ 138,839	\$ 142,494	\$ 146,259	\$ 150,137

*Transition period services are only applicable to the first year of the contract.

**Does not include estimated bank fees of \$600/month. The Authority will pay actual fees.

***Software/license fees of \$1,500/year are included. In addition, \$13,000/fiscal year in audit fees and \$2,500/fiscal year in review fees are included.

An additional fee of up to \$4,430 will be charged to the Authority if there is a change from fiscal year to calendar year.

We are proposing that annual compensation increases be determined based on the annual Consumer Price Index (CPI) for all Urban Consumers, Pacific Cities, and United States Cities Average, for San Francisco – Oakland – San Jose, published by the United States Department of Labor, Bureau of Labor Statistics. We have used 3% for illustration purposes above.

RATES FOR ADDITIONAL SERVICES

Additional services will be agreed to in writing, prior to services commencing, and will be based on the following rates, adjusted for the annual CPI.

Schedule of Fees for Additional Services	Hourly Rates
Assistant City Manager of Administrative Services	\$ 173
Financial Services Manager	125
Principal Finance Analyst	109
Senior Accountant	100
Accountant	79
Account Clerk	60

Signature: _____

Printed Name: Kimbra McCarthy

Title: Assistant City Manager of Administrative Services

SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY
APPENDIX B – COST PROPOSAL

Estimated Hours - FY 2019-20

SEGMENTS	Account Clerk	Accountant	Senior Accountant	Principal Analyst	Financial Services Manager	Assistant City Manager	Total
Transition Period							
Set up financial and accounting software	30	10	10		5		55
Obtain all information and balances	5	10	5		5	5	30
Access bank and investment accounts	5			5	5		15
Accounting and Financial Services							
Maintain bank and investment accounts				60	5		65
Enter all documents into the accounting system	150	30					180
Process vendor invoices	340	60	25		10		435
Deposit receipts and manage receivables	50		8		5		63
Input budget		30	8		5		43
Evaluate and implement internal controls			10		25		35
Maintain and reconcile general ledger		200	20		5		225
Maintain fixed assets			30		5		35
Manage bond accounts and bond payments			20	7	5		32
Recommend annual investment policy				8	5		13
Manage the investment of surplus cash				20	5		25
Provide detailed information as requested		20	7		5		32
Provide detailed general ledger reporting		20	7		10		37
Financial Statements and Auditing							
Work with auditors to report financial results	50	30	10	5	6	4	105
Manage the fiscal year-end process	10	10	5	5	6		36
Manage the selection process of the audit firm					3	1	4
Customer Support							
Advice on accounting and financial policies	as needed	as needed	as needed	as needed	as needed	as needed	as needed
Attend Board meetings					5	5	10
GRAND TOTAL	640	420	165	110	125	15	1,475

Hours above do not include an estimate of 80 hours for Information Technology. However, these hours are included in the proposed cost.

Attachment A: Qualifications Certification

ORGANIZATION	City of Redwood City
ADDRESS	1017 Middlefield Road
TELEPHONE	650-780-7071
CONTACT EMAIL	drampone@redwoodcity.org
CONTACT NAME, TITLE	Derek Rampone, Financial Services Manager

1. Proposer certifies that neither Proposer nor its principals are presently disbarred, suspended, proposed for disbarment, declared ineligible or voluntarily excluded from participation in this transaction by any federal department or agency, any California State agency, or any local governmental agency.
2. Proposer certifies that Proposer did not receive unauthorized information from any SBWMA staff member, contractor, or board member during the RFP response period except as provided for in this RFP package and through formal addenda, if any, issued by the SBWMA.
3. Proposer certifies that Proposer does not have any conflicts of interest, whether actual or perceived, such as current or recent work for Recology or South Bay Recycling or companies directly related to them, and has disclosed any such work in its response to this RFP.
4. Proposer certifies that the information and all accompanying documentation contained in Proposer's submittal pursuant to this RFP are true and correct.
5. Please check the appropriate box below:
 - If a **public agency** submits a response to this RFP, an individual authorized to contractually bind the organization shall sign it.
 - If an **individual** submits a response to this RFP, he or she shall sign it. If he or she is doing business under a fictitious name, the response shall so state.
 - If a response to this RFP is submitted by a **partnership**, the full names and addresses of all members and the address of the partnership shall be stated and the response shall be signed for all members by one or more members thereof.
 - If a **corporation** submits a response to this RFP, an authorized officer or officers of the corporation shall sign it in the corporate name.
 - If a **limited liability company (LLC)** submits a response to this RFP, an authorized officer or officers shall sign it in the LLC's name.
 - If a response to this RFP is signed by a **joint venture**, the full names and addresses of all members of the joint venture shall be stated and a representative of each individual entity shall sign it.

Attachment A – Qualifications Certification (continued)

By signing below, the submittal pursuant to this RFQ shall be deemed a representation and certification by the Consultant that Consultant has investigated all aspects of the RFQ, that Consultant is aware of the applicable facts pertaining to the RFQ process, its procedures and requirements, and that Consultant has read and understands the RFQ.

Authorized Representative Name: (Signature)	
Authorized Representative Name: (Printed name)	Kimbra McCarthy
Authorized Representative Title and Entity: (Printed title and entity)	Assistant City Manager of Administrative Services City of Redwood City
<i>Complete additional signatures below if required.</i>	
Authorized Representative Name: (Signature)	
Authorized Representative Name: (Printed name)	
Authorized Representative Title and Entity: (Printed title and entity)	
Authorized Representative Name: (Signature)	
Authorized Representative Name: (Printed name)	
Authorized Representative Title and Entity: (Printed title and entity)	

Attachment B: Client Reference Form

Please specify any public agencies and solid waste, recyclables or organics collection services or facility operations companies that Proposer has worked with or for in the past ten (10) years, with respect to the provision of financial and accounting services. In addition, please provide references for each listed agency or company.

For multiple references, please copy this form as appropriate.

Client Reference Form

Name of Agency or Company	Silicon Valley Clean Water Authority
Address	1400 Radio Road
	Redwood City, CA 94063
Contact Name(s), Address, Telephone Number(s), Email	Matt Anderson, CFO
	(650) 591-7121
	manderson@svcw.org
<p>Description of work performed and dates of service:</p> <p>Since 1987, the City has performed all of Silicon Valley Clean Water Authority's accounting and financial support functions (see list below). As part of our contract, the City converted the Authority's financial record keeping from a private vendor to the City's financial system.</p> <p>The City provides the following financial services:</p> <ol style="list-style-type: none"> 1. Maintain the general ledger as required by the Governmental Accounting Standards Board according to Generally Accepted Accounting Principles. 2. Provide financial analysis as requested by management. 3. Reconcile cash and investment accounts and prepare monthly investment reports. 4. Perform all banking activities and reconcile bank statements. Notify SVCWA management of any irregularities. 5. Process accounts payable transactions and prepare checks. 6. Prepare accounts payable reports for SVCWA management. 7. Prepare manual checks as required. 8. Deposit checks, void and re-issue checks, and mail checks as instructed by SVCWA. 9. Process payroll transactions as input by SVCWA staff and prepare checks and automatic deposits 10. Process adjustments for CalPERS as necessary. 11. Process all payroll reports (state and federal tax reports, CalPERS reports, group health, and other employee insurance reports). 12. Prepare payroll reports for SVCWA management. 13. Coordinate the annual W-2's and 1099's processing and mailing. 14. Assist in the annual financial audit and prepare workpapers, where appropriate. 15. Review audited financial statements and interface with auditors as required on accounting issues 16. Communicate with SVCWA staff regarding any significant accounting issues. 17. Provide advice and consultation on financial matters and accounting policies. 	