

# STRONGER TOGETHER

# Central Iowa Water Works

RE: Request for Proposal (RFP) for Creation of System of Financial Records and Accounts and Financial Operation Services by Central Iowa Water Works

Central Iowa Water Works (CIWW) is seeking qualified CPA firms with extensive experience representing municipal entities to create a system of financial records and accounts and provide ongoing accounting services for CIWW.

CIWW invites your firm to respond to the enclosed RFP. Proposals must be submitted no later than 3:00 p.m. Central Time on August 16, 2024.

**REQUEST FOR PROPOSAL (“RFP”)  
CREATION OF SYSTEM OF FINANCIAL RECORDS AND ACCOUNTS  
AND  
FINANCIAL OPERATION SERVICES  
CENTRAL IOWA WATER WORKS**

**SCOPE OF WORK**

Central Iowa Water Works (“CIWW”), an entity created by 28E-28F Agreement on file with the Iowa Secretary of State as Agreement No. M516883, is inviting proposals to provide the services required to establish and operate a system of financial records and accounts to support its operations expected to commence January 1, 2025.

<b>Name of Proposal</b>	Financial System Creation and Operation
<b>Deadline for Receipt of Submittals</b>	August 16, 2024, at 3:00 PM, Central Time
<b>Submission of Proposals</b>	Electronic file, plus one original and eight hard copies submitted to CIWW’s temporary office at:  Central Iowa Water Works Attn: Amy Kahler 2201 George Flagg Parkway Des Moines, Iowa 50321
<b>Method of Submission</b>	Emailed, mailed, or delivered in person
<b>Contact Person, Title</b>	Amy Kahler, CIWW Treasurer
<b>Email Address</b>	kahler@dmww.com
<b>Phone Number</b>	515-283-8760

The only official position of CIWW with respect to this RFP is that position which is stated in writing and issued by the Treasurer of CIWW. No other means of communication, whether written or oral, shall be construed as formal or official response statement.

**AWARD**

No submissions will be considered which have not been received by the deadline set forth. CIWW is not responsible for delays occasioned by the United States Postal Service, or any other means of delivery employed by the proposer.

## **OBJECTIVE**

CIWW is seeking proposals from qualified firms of certified public accountants to establish and maintain a complete system of financial records and prepare a set of monthly and annual financial statements in accordance with Generally Accepted Accounting Principles as applied to governmental units, for the calendar year 2025 and subsequent years and to operate such system for a minimum period of three years, and on a year-to-year basis thereafter until terminated.

## **PROCESS AND LIMITATIONS**

Firms interested in responding to this RFP shall provide email notification by July 26, 2024, of their intent to respond.

Questions for the purpose of clarifying the RFP may be submitted by email and must be received no later than July 26, 2024. The submission of questions for response does not in any way enhance or guarantee the chances of receiving a contract through this proposal. CIWW shall make all firms' inquiries, as well as CIWW's answers to them, available to all known interested respondents by August 2, 2024.

Proposals submitted will be initially evaluated by staff and the Finance and Audit Committee of CIWW with a final recommendation made to the Board of Trustees of CIWW (the "CIWW Board") which will authorize the final selection of a firm.

During the evaluation process, CIWW reserves the right, where it may serve CIWW's best interest, to request additional information or clarifications from proposers, or to allow corrections of errors or omissions. CIWW reserves the right to reject any or all proposals submitted.

Submission of a proposal indicates acceptance by the firm of the conditions contained in the request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between CIWW and the firm selected. CIWW reserves the right to retain all proposals submitted and use any ideas in a proposal regardless of whether that proposal is selected. All proposals shall be retained as public records of CIWW upon completion of the RFP process.

## **TIMELINE**

The following is the timeline of the RFP process:

Activity	Timing
Interested firms provide notification of intent to respond	July 26, 2024
Any inquiries from interested firms due	July 26, 2024
CIWW answers to inquiries distributed to all firms providing notification of intent to respond	August 2, 2024
Responses to RFP due	August 16, 2024
Evaluation by CIWW staff and Finance & Audit Committee	Mid-August - Mid-September, 2024
Board authorizes selection of firm	September 25, 2024
Agreement finalized and contract commences	On or around October 1, 2024
Design and creation of financial system and processes	October 1 - December 31, 2024
Financial system and processes operational	January 1, 2025

Authorization of the selected firm to commence work shall be required in the form of a contract on terms to be negotiated with staff and counsel to CIWW and approved by the CIWW Board. The contract shall address the scope of work, deliverables, timelines, compensation, representations and warranties as outlined in the selected firm’s response to the RFP and other legal matters customary in contracts of such kind.

THERE IS NO EXPRESSED OR IMPLIED OBLIGATION FOR CIWW TO REIMBURSE RESPONDING FIRMS FOR ANY EXPENSES INCURRED IN PREPARING PROPOSALS IN RESPONSE TO THIS REQUEST.

**DESCRIPTION OF CIWW**

CIWW is a new entity created under Chapter 28E-28F Code of Iowa to act as a regional supplier of water to its twelve member agencies that are each either municipal entities or rural water districts. Member Agencies include the cities of Ankeny, Clive, Johnston, Grimes, Norwalk, Polk City, and Waukee; three board-managed utilities including Des Moines Water Works, West Des Moines Water Works, and Urbandale Water Utility; and two rural water districts including Warren Water District and Xenia Rural Water District. The entity was established on April 11, 2024, and expects to commence water supply operation on January 1, 2025. The 28E-28F Agreement is available at <https://bit.ly/CIWWExecution28E28F>.

CIWW is governed by a thirteen-member Board of Trustees, comprised of two Trustees representing Des Moines Water Works and one Trustee for the other eleven Member Agencies. CIWW is expected to have two employees initially, consisting of an Executive Director and an Executive and Administrative Assistant. An organizational chart is provided in Appendix A.

CIWW employees are expected to be eligible to participate in in the Iowa Public Employees Retirement System (“IPERS”) a multi-employer, defined benefit plan. Other benefits offered by CIWW are under development.

Through Operating Contracts with four Water Producing Member Agencies (Des Moines Water Works, West Des Moines Water Works, Grimes, and Polk City) (“Contract Operators”), CIWW will

operate as a wholesale provider of water to its Member Agencies and will own fixed assets related to the production of water, including water resources, treatment facilities, transmission and storage. CIWW will receive water revenue from Member Agencies purchasing water and will reimburse Contract Operators for operations and maintenance and capital improvement expenditures. The Contract Operators will have primary responsibility for initially incurring and recording for operational and capital expenditures and seeking reimbursement from CIWW; however, CIWW may incur such costs directly over time as operations and facilities expand. CIWW will issue debt from time to time, anticipated to be through the State Revolving Fund, for significant capital improvement and system expansion projects.

CIWW will engage additional third-party financial services providers. Public Financial Management (PFM) has been retained for financing and municipal advisory consulting services, including short- and long-term financing strategies and rate-making analyses. Des Moines Water Works will provide meter-to-cash services, remitting cash receipts and supporting ledger information to CIWW on a daily or monthly basis. Payroll processes have been established using the ADP RUN platform.

CIWW's fiscal year is on a calendar basis of January 1 to December 31<sup>st</sup>. CIWW prepares its budget reports and demonstrates its budget compliance using the cash basis of accounting. The Contract Operators are responsible for preparing five-year capital improvement plans and budgets, as well as annual operational and capital budgets, and providing those budgets to PFM for rate-making analysis and general financial modeling. An outline of the five-year CIP and annual budgeting process is provided in Appendix B.

## **DESCRIPTION OF SERVICES REQUIRED**

The financial and accounting system and services to be created for CIWW are, at a minimum:

- Provide all systems, processes, services, and materials necessary to produce a complete set of financial records for all actual and budgeted financial transactions of CIWW, including a chart of accounts, general ledger, and certain subsidiary ledgers, including but not limited to Accounts Receivable, Investments, Fixed Assets, and Accounts Payable.
- Maintain banking and investment records and reconcile bank statement(s) monthly.
- Process bi-weekly or monthly payroll using timesheets submitted by CIWW staff. CIWW's existing ADP RUN platform may or may not be utilized and services in lieu of ADP may be, but are not required to be, included in any proposal.
- Process a weekly disbursement cycle for authorized miscellaneous payables and initiate monthly reimbursements to Contract Operators, or as business needs dictate.
- Create and generate miscellaneous invoices.
- Coordinate with Contract Operators, Executive Director, the Executive and Administrative Assistant, the Board Treasurer, and third-party financial service providers for the exchange of financial information as required to fulfill the duties outlined herein.
- Establish a robust system of internal controls.

- Create a set of defined management and financial reports to be provided monthly and/or annually, as well as ad hoc reports that may be reasonably requested by CIWW staff or Board from time to time.
- Coordinate and facilitate an annual audit by an independent auditor, including preparation of annual financial statements and audit workpapers and be available to answer questions and provide supporting documentation during the audit. Implement recommendation arising from the audit.
- Other related duties reasonably within the scope of initiating, recording, and reporting financial transactions and the overall financial condition of a business.

The above-described services are referred to herein as the “Required Services” and are further subject to other detailed specifications and technical requirements set forth below.

The financial system, records, and services must be designed to:

- Facilitate the periodic audit of CIWW’s accounts and operations.
- Be non-proprietary and capable of operation by any reasonably skilled provider of accounting services utilizing readily available hardware and software technology at reasonable cost.
- Integrate or receive information from certain ancillary systems, such as billing, payroll, budget, and others as business needs dictate.
- Provide complete transition services to any successor providers to CIWW of Required Services.
- Comply with applicable accounting principles and governing law as applied to political subdivisions in the State of Iowa and must otherwise support CIWW’s full compliance with applicable law as applied to financial matters.

Excluded systems and services include:

- Meter-to-cash services, including creating and generating monthly invoices to Member Agencies, and receiving related cash remittances directly from Member Agencies.
- Corporate insurance program.

As used in this RFP the term “audits” should be understood to mean audits performed by a third-party firm or government official in accordance with auditing standards generally accepted in the United States of America, Chapter 11 of the Code of Iowa, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. If a Single Audit is required, the audit is to also be performed in accordance with U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

## **ADDITIONAL PROFESSIONAL SERVICES**

CIWW may engage other professional services, such as human resources and benefits support, from time to time and the availability of such services and the proposed costs thereof may be included but are not required to be included as an optional alternative in any proposal.

## **TASKS**

The Required Services are divided into Separate Tasks as follows:

<b>Task</b>	<b>Description</b>
1	Detailed design of Financial System, Processes, and Internal Controls. Submission to CIWW for approval.
2	Creation of Financial System, Processes, and Internal Controls
3	Initial data entry/conversion
4	Commencement of Required Services, anticipated to be January 1, 2025
5	Required Services provided for calendar years 2025, 2026, 2027

CIWW staff and contractors will be available to assist with the Tasks by providing information, documentation and explanations.

The ongoing principal contacts with CIWW will be the Executive Director and the person designated by the CIWW Board as its Treasurer.

## **PROPOSAL REQUIREMENTS**

### General Requirements

Contact with personnel of CIWW other than as outlined in this RFP may be grounds for elimination from the selection process.

Submissions must include the following information:

- Title page - The title page showing the request for proposals' subject; the firm name; the name, address, and telephone number of a contact person; and the date of the proposal.
- Table of Contents
- Transmittal Letter - A signed letter of transmittal briefly stating the proposer's understanding of the work to be done, the commitment to perform the work within the time period outlined, a statement of why the firms believes itself to be the best qualified to perform the Required Services, and a statement that the proposal is a firm and irrevocable offer for 90 days.

- Cost Proposal - The cost proposal should follow the format set forth in Appendix C.

### Technical Requirements

The purpose of the technical requirements is to demonstrate the qualifications, competency and capacity of firms seeking to undertake the Required Services to CIWW in conformity with the requirements of this request for proposals.

As such, the substance of proposals will carry more weight than their form or manner of presentation. The technical proposal should demonstrate the qualifications of the firm and of the staff to be assigned to provide services to CIWW. It should also specify an accounting approach that will meet the requirements outlined herein.

The proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the request for proposals. While additional data may be presented, the following bulleted subjects must be included. These represent the criteria against which the proposals will be evaluated.

- *Firm Qualifications and Experience*  
State the size of the firm, the size of the firm's staff, the location of the office from which the work for CIWW is to be performed, the number and nature of the professional staff to be assigned to CIWW on a full-time basis, and the number and nature of the staff to be assigned on a part-time basis.
- *Partner, Supervisory, and Staff Qualifications and Experience*  
Identify the principal supervisory and management staff, including partners, managers, other supervisors and specialists, who would be assigned to perform the Required Services and indicate whether each such person is licensed to practice in the State of Iowa as a certified public accountant.

The firm should provide relevant information regarding the number, qualifications, experience, and training, including continuing professional education, of the specific staff to be assigned to serve CIWW. The firm should also indicate how the quality of staff over the term of the agreement will be assured.

Partners, managers, other supervisor staff, and specialists may be changed if those personnel leave the firm, are promoted, or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of CIWW. However, in either case, CIWW retains the right to approve or reject replacements.

Consultants and firm specialists mentioned in response to this request for proposals can only be changed with the express prior written permission of CIWW which retains the right to approve or reject replacements.



- *Recommended Approach*  
Provide an overview of the firm's proposed approach, systems, and processes to perform the Required Services. Clearly identify any Required Service that is unable to be met.
- *Additional Optional Professional Services*  
To the extent the Proposer elects to propose providing human resources support, or any other services the firm offers that may be of value to CIWW, regardless of whether those services have been specifically included in this RFP, provide narrative on the firm's ability to provide the proposed additional services.
- *Other Municipal Clients*  
Provide information demonstrating experience with at least three clients receiving similar services as the Required Services, preferably municipalities or governmental agencies, that CIWW may contact as references. Identify any potential conflicts of interest and how those potential conflicts would be managed.
- *Costs*  
The cost should contain all pricing information relative to performing the Required Services and shall be in the format as shown in Appendix C and include the following:

One-Time Implementation Costs

Provide an amount for one-time implementation costs to perform Task 1 and Task 2.

Annual Costs

Provide an annual estimate of hourly rates and billed hours, with an annual Not To Exceed price for each of the three years of the contract. Additionally, provide any cost escalation for the two subsequent years, if applicable.

Rates for Additional Professional Services

If it should become necessary for CIWW to request the accountant to render any additional services to either supplement the services requested in this request for proposals or to perform additional work, then such additional work shall be performed only if set forth in an addendum to the contract between CIWW and the firm. Any such additional work agreed upon between CIWW and the firm shall be performed at the same rates set forth in the schedule of fees and expenses included in the cost.

## **EVALUATION PROCEDURES**

Proposals will be reviewed for the firm's ability to perform the Requested Services, the quality and completeness of the firm's proposal, and the criteria as listed below.

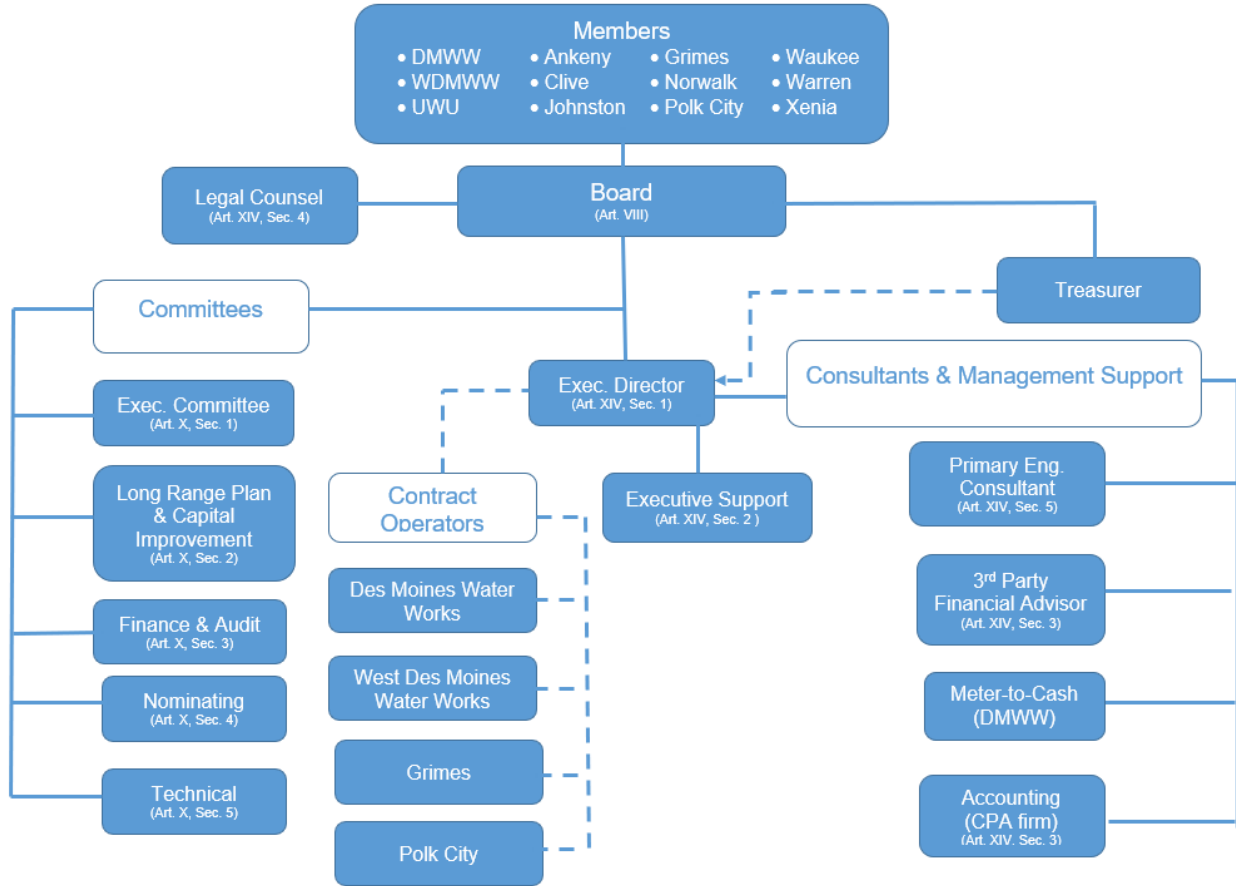
## Evaluation Criteria

Submissions will be primarily evaluated based on the firm's qualifications and experience, and the Recommended Approach as outlined in the Technical Requirements. Cost will not be the primary factor in the selection of the firm. Pricing will be considered in relation to the number of hours proposed, the firm's ability to meet the mandatory requirements of the proposals, and the firm's technical qualifications.

Submission of proposal indicates acceptance by the firm of the conditions contained in the request for proposals unless clearly and specifically noted in the proposal submitted and confirmed in the contract between CIWW and the firm selected.

CIWW will be subsequently issuing a Request for Proposals for an independent auditor. The selected firm to this RFP shall not be considered for selection as an audit firm.

## APPENDIX A CIWW Organizational Chart



**APPENDIX B**  
**CIWW CIP and Budget Cycle**  
**January – June**

	January	February	March	April	May	June
C I P	M e m b e r s	Water Producers finalize 5 Yr CIP & Communicate CIP to CIWW			5 Yr CIP Plan Approved/Rec'd & Filed by Water Producers	
	C I W W		CIWW drafts 5-Year CIP	CIWW 5-YR CIP presented to Long Range Planning and CIP CIWW Committee	CIWW- 5-YR CIP approved by CIWW Board	
B U D G E T	M e m b e r s				Water Producers DRAFT Operational Budgets	Water Producers REVIEW Operational Budgets
	C I W W	Calculate CIWW Flows for Jan - Dec of prior year; Finalize Max Day and calculate excess consumption reconciliation (Max Day and excess consumption analysis can generally be started in prior Oct - Nov)	Water Producers provide final prior year costs to CIWW			

**APPENDIX B**  
**CIWW CIP and Budget Cycle**  
**July - December**

	July	August	September	October	November	December
C I P	M e m b e r s					
	C I W W					
B U D G E T	M e m b e r s		Water Producer Operational & Capital Budgets Adjusted for CIWW Information and finalize retail rates	Water Producer Finance Committees REVIEWS Operational & Capital Budgets and Rates	DMMWW Budget Public Hearing & Board Approval	WDMWW Budget Public Hearing & Board Approval; Budget Received and Filled by WDM/DSM City council
	C I W W	CIWW DRAFT Operational Budget	CIWW Operational & Capital DRAFT Budgets; CIWW Communicates Operating and Capital Budgets, and Rates to Members	CIWW Budget presented to CIWW Board w/justification	CIWW Budget Hearing & Board Approval; Identify current year Max Day; Begin current year excess consumption reconciliation calculated	

**APPENDIX C  
COSTS**

FIRM NAME \_\_\_\_\_

A. Outline Hourly Rates and Estimated Hours by Position

B. Summarize Not-To-Exceed Amounts as follows:

	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
One-Time Implementation Costs		n/a	n/a	n/a
Required Services				
Additional Professional Services (enumerate services and costs)				
Out-Of-Pocket Expenses, including supplies, materials, etc.				

C. Outline required terms of payment.