



Washington Electric Cooperative, Inc.

40 Church Street, PO Box 8
East Montpelier, VT 05651

Toll Free: 1-800-932-5245
Telephone: 802-223-5245
Fax: 802-223-6780

www.washingtonelectric.coop

REQUEST FOR PROPOSAL AND STATEMENT OF QUALIFICATIONS FOR AUDIT SERVICES

CONFIDENTIALITY

This document has been prepared by WEC and is being given to Respondent, in consideration of Respondent's agreement to treat the information contained within this document and related business discussions as confidential, to provide Respondent with an opportunity to respond to WEC's requirements as contained further herein. The information enclosed in this document is proprietary to WEC. WEC is not conveying any ownership to any party by disclosing this information. By accepting this document, Respondent agrees that Respondent will: (1) treat this information as confidential; (2) not allow any other person or entity to see it or use it; and, (3) not use it in any way other than to prepare the requested response.

TABLE OF CONTENTS

1.0	INTRODUCTION.....	1
1.1	OBJECTIVE	1
1.2	WEC OVERVIEW.....	1
1.3	TIMETABLE	1
2.0	AUDIT SERVICES REQUIREMENTS	2
2.1	CURRENT BUSINESS SITUATION AND OVERALL NEED	2
2.2	FUNCTIONAL REQUIREMENTS (ANNUAL AUDIT)	2
2.3	IMPLEMENTATION APPROACH	4
2.4	RESPONDENT QUALIFICATIONS.....	5
3.0	PRICING INFORMATION	7
4.0	EVALUATION CRITERIA.....	0
5.0	RESPONSE PROCEDURES.....	9
4.1	OVERVIEW	9
4.2	LIABILITY	9
4.3	USE AND DISCLOSURE OF INFORMATION	9
4.4	RESPONSE PROTOCOL	10

1.0 INTRODUCTION

1.1 OBJECTIVE

The objective of this document is to solicit responses that will provide the Washington Electric Cooperative, Inc. (WEC) the services that best supports WEC's requirements. Responses to this document are expected to propose a complete deliverable that meets all the stated requirements.

Proposals must be received by WEC at the address set forth in paragraph 5.4 no later than 4:00PM Eastern Time on July 31, 2026. Proposals received after this date and time will not be considered.

1.2 WEC OVERVIEW

Washington Electric Cooperative, Inc. (WEC) is a member-owned, not-for-profit Cooperative founded in 1939. WEC is Vermont's fourth largest electric distribution utility, serving approximately 12,000 member-customers in 41 towns throughout rural Central Vermont. As a cooperative, WEC operates under the Seven Cooperative Principles. We are a democratic organization controlled by our members. A nine (9) member Board of Directors is elected by its members. These directors actively participate in setting policies and making decisions, and are accountable to the membership.

In addition to distribution services, WEC owns two small generating facilities. A wholly owned subsidiary is responsible for operating the larger of the two facilities.

WEC is a borrower with the Rural Utilities Service (RUS), USDA, the National Rural Cooperative Finance Corp. (CFC) and CoBank.

1.3 TIMETABLE

WEC expects to adhere to the timetable shown below. It should be noted, however, that the Target Dates are approximate and subject to change.

RFP Activity	Target Dates
Release of RFP	June 30, 2026
Proposals Due	July 31, 2026
Selection of Finalist	August 29, 2026
Award Audit Services (Engagement Letter)	October 3, 2026

2.0 AUDIT SERVICES REQUIREMENTS

2.1 CURRENT BUSINESS SITUATION AND OVERALL NEED

WEC will accept proposals with Statements of Qualifications from Certified Public Accounting Firms for the Cooperatives audit and financial consulting services for a three (3) year engagement term to include the years ending December 31, 2026, through December 31, 2028. Interested firms should submit their proposal via certified mail or email in the format described in Section 5.4 with the subject line and title: "Proposal for Auditing Services".

The initial engagement period shall be that of three (3) years, encompassing three (3) **annual audits**, optional **financial consulting services if applicable** and lastly if necessary including audit services to conduct **single audit compliance reporting (Circular A-133) for receiving Federal grant awards** if WEC were to receive a grant award in excess of \$1,000,000 in any one year during the engagement period in accordance to the terms and conditions within these specifications, contracts and WEC Procurement Policy.

Summary of Tasks and Services Requested:

- 1.) Three (3) Annual Financial Audits
- 2.) Financial Consulting Services Hourly Rates (Not Annual Audit Related)
- 3.) A-133 Single Audit Compliance Reporting
- 4.) Annual preparation of IRS Form 990

2.2 FUNCTIONAL REQUIREMENTS (ANNUAL AUDIT)

A. The objective of the audit is to provide an opinion on the *consolidated* financial statements taken as a whole. The opinion shall state that such financial statements present fairly, in all material respects, the financial position of the Company and its results of operations and cash flows and have been prepared in conformity with generally accepted accounting principles, and that examination of such accounts in connection with such financial statements has been made in accordance with generally accepted auditing standards, and that such audit provides a reasonable basis for such opinion in their circumstances.

B. The audit will be a financial and compliance audit with a report on the Cooperative's internal control over financial reporting and on test of it's compliance with certain provisions of laws, regulations, contracts and grants.

C. The statements must be ready for publication by March 10th of the calendar year following the audit year.

D. The Auditor in Charge will be onsite during all field work and have a minimum of 5 years' experience auditing electric distribution companies. The Auditor will use their best effort to bring experienced support staff to WEC for all field work.

Request for Proposal

WEC – Confidential and Proprietary

E. The examination of the Cooperative's financial records must be made in accordance with generally accepted accounting principles (GAAP), and governmental auditing standards.

F. Accompanying the financial statements, the Auditor will submit a Management Letter of Comments and Recommendations, if applicable, for improvement of program and financial management per the Auditor's opinion after examining the Cooperative's systems. The Auditor will include a Consolidated Trial Balance.

G. The Auditor shall submit an audit report which shall comply with the applicable reporting standards. An electronic audit report and 10 copies of each report shall be made. Each audit report shall contain at least the following:

1. An index.

2. The auditor's reports on:

- a. The annual financial statements and any supplementary data within the scope of the audit.

- b. The auditor's study and evaluation of the entity's system of internal accounting control and, where applicable, pertinent other control systems.

- c. Compliance matters which may have a material effect on the financial statements reported upon.

- d. Any other disclosures or expressions of opinion required by previously referenced federal guidelines.

- e. Additional activities, if any, required to be included within the scope of the annual financial audit and required to be included in the audit reports.

- f. A statement that the audit was made in accordance with generally accepted government auditing standards as well as all applicable laws and provisions.

H. An exit conference with the Director of Finance and General Manager will be conducted by the auditor in charge. At the exit conference findings and recommendations regarding compliance and internal control shall be discussed. The CFO or a designee shall have the opportunity to respond, orally or in writing, to the findings.

I. The Auditor shall give an overview of the audit report and answer any questions at a meeting for the Cooperatives Board of Directors and Finance Committee to be held in March, prior to the March Board of Directors meeting. This meeting shall include both a general session including the CFO and GM, and an executive session which members of the Finance Committee can hear directly from auditors.

J. The Auditor shall prepare an Auditor's Certification regarding Loan Fund Expenditures as required by WEC's Lenders.

2.3 IMPLEMENTATION APPROACH

A. Statements, Schedules and other pertinent information to be prepared by WEC staff

The staff of WEC will prepare or provide the following statements and schedules for the auditor as follows:

1. Trial balance for all accounts
2. Detailed schedules of revenues and expenditures, expenses, accounts payable and receivable, and encumbrances
3. Detail of balance sheet and subsidiary account activity
4. Check registers for all funds
5. Bank reconciliation for all accounts
6. Detail of capital projects expenditures
7. Analysis of accounts as requested
8. Investment activity schedules
9. Debt schedules
10. Fixed assets schedules
11. Payroll records
12. Schedule of compensated absences
13. Standard representation letters
14. Accounting Policies and Procedures

B. General

Office space with internet access will be provided. The auditor will be required to provide equipment and other office materials that may not be readily available.

WEC has developed the following high-level schedule for annual audit implementation as described below. Please provide in your response the ability to meet this schedule.

The Audit firm will observe the physical inventory count of materials once annually by WEC on approximately September 30th each year, weather permitting. Inventory will roll forward for yearend representation.

Audit work for each year would include interim period field work during the fourth calendar quarter to minimize the overall impact of completing the audit with final field work completed in the first quarter of the following year.

Final audit report to be available electronically on or before March 10th to allow for distribution of audit results to the WEC Board of Directors at their March meeting.

2.4 RESPONDENT QUALIFICATIONS

Please provide information on the following:

2.4.1 COMPANY OVERVIEW

- State whether your audit organization is national, regional, or local. Describe the organization, size, and structure of your firm.

- State the address of the local office which will be conducting the audit.
- Affirm that your audit organization is properly licensed for public practice as a certified public accountant in the State of Vermont.
- Indicate the number of people by level within the local office that will handle the audit. State your policy on notification of changes in key personnel. Also, indicate the overall supervision to be exercised over the audit team by the firm's management.
- Provide a list of the local office's current and prior electric utility audit clients indicating the type(s) of services performed and the number of years served for each. Indicate your experience in auditing entities which are similar in size and complexity to WEC, including electric cooperatives or utilities subject to RUS accounting requirements.
- Indicate the local office's experience in providing additional services to electric utility clients by listing the name of each electric utility, the type(s) of services performed, and the year(s) of engagement.

2.4.2 FINANCIAL INFORMATION

- Provide support of demonstrated financial strength and the ability to perform on a long term basis.

2.4.3 REFERENCE INFORMATION

Provide an overview of two (2) references who are existing clients and two (2) references who are no longer clients. For each reference include the following:

- Client name and main line of business.
- Respondent's rationale for including the specific reference (e.g., similar in size to WEC).
- Client's principal location.
- Number of client employees.
- Length of business relationship.
- Client contact information including name, position, phone number, and extension.

Information to be requested by WEC and evaluated from each reference includes services performed, Respondent's abilities, communication skills and timeliness, prices, accuracy, problems, overall performance, and whether or not the reference would rehire Respondent. WEC reserves the right to check any other reference(s) that might be indicated through the explicitly specified contacts or that result from communication with other entities involved with similar requirements.

2.4.4 ACCOUNT MANAGEMENT AND AUDIT STAFF TECHNICAL QUALIFICATIONS

- Describe the experience in utility audits of each senior and higher level person assigned to the audit, including years on each job. Indicate the percentage of the time the senior will be on-site.
- Describe the relevant educational background of each individual to be assigned to the audit.
- Describe respondent's account management approach.
- Provide a proposed organization chart of Respondent's proposed account team for WEC.
- Describe Respondent's method for managing account team turnover.
- Provide a copy of your most recent peer review report, the related letter of comments, and the firm's response to the letter of comments.

2.4.5 *ENGAGEMENT PERFORMANCE*

If at any time during the past five (5) years, Respondent has had an engagement terminated for convenience, non-performance, or any other reason, describe fully all such terminations including the name and address of the other contracting party, and the circumstances surrounding the termination.

3.0 PRICING INFORMATION

A price proposal shall be provided for each of the following:

- Three (3) Year Annual Financial Audits, including observation of Physical Inventory
- A-133 Single Audit Compliance Reporting, as needed
- Hourly Rates for non-audit related Financial Consulting Services
- Annual preparation of IRS Form 990

The price proposal shall include all costs including manpower, supplies and materials, subcontractors, and travel. The manpower price should be broken down to identify the personnel or category of personnel, possible estimated hours, rate per hour and total price. **A firm, total not-to-exceed price for the annual audit shall be provided.**

Pricing must be fully comprehensive, complete, and list any available discounts. Pricing information supplied with the response must be valid for at least 180 days from the response submission date. All one-time and recurring prices must be fully provided.

- Pricing Summary (Schedule A) – This schedule shall present the total price to perform all of the requirements of this document.
- Professional Services and Staffing (Schedule B) – This schedule shall present Respondent's total professional services and staffing prices for the proposed deliverable. The hourly rates defined therein will be in effect for the duration of the engagement unless Respondent documents, and WEC accepts, future rate changes.
- Describe how you will bill for questions on technical matters that may arise during the year.

The Respondent must include details in the Price Proposal supporting any and all other prices. These details must include, at a minimum, detailed descriptions and/or specifications of the goods and/or services to be provided, quantities, and timing and unit prices, if applicable.

The WEC Evaluation Team will judge each response based upon their understanding of the responses. WEC will conduct a fair, impartial, and comprehensive evaluation of all responses. If applicable, an engagement letter will be awarded, taken into consideration the best interest of WEC. In addition to the pricing, the criteria for selecting a Respondent may include the:

- Ability, experience, capacity and skills of Respondent to perform the requirements described herein;
- Character, integrity, reputation, judgment, experience, and efficiency of Respondent;
- Quality of Respondent's services for other clients; and,
- Such other information that may be secured and that has a bearing on the decision to award the engagement letter.

WEC reserves the right to make an engagement letter award without any further discussions with the Respondents regarding the responses received. Therefore, response should be submitted initially on the most favorable terms available to WEC from a price, contractual terms and conditions and technical standpoint. WEC, however, reserves the right to conduct discussions with Respondents who submit proposals that pass the initial screening process of this document. WEC is not under any obligation to reveal to a Respondent how a response was assessed or to provide information relative to the decision-making process.

5.0 RESPONSE PROCEDURES

5.1 OVERVIEW

This document was developed to provide Respondent with the necessary information to allow Respondent to prepare a comprehensive response. This section contains solicitation information and procedures, response submission instructions, and general response format requirements. Respondent is expected to carefully examine all requirements stipulated in this document and respond to each requirement in the format prescribed.

In the case that a response results in a procurement by WEC, the provisions of this document and the winning response (each of which shall be incorporated by reference), and any additional clauses or provisions required by Federal, or State law, or regulations in effect at the time of the execution of a engagement will be included in the same.

5.2 LIABILITY

The issuance of this document and the receipt of information in response to this document shall not in any way cause WEC to incur any liability or obligation to Respondent, financial or otherwise. WEC assumes no obligation to reimburse or in any way compensate Respondent for expenses incurred in connection with Respondent's response to this document.

Winning bidder will provide a certificate of insurance, listing Washington Electric Cooperative, Inc. as an additional insured, and showing evidence of general liability in an amount not less than \$1,000,000 per occurrence and \$2,000,000 aggregate, excess liability in an amount not less than \$5,000,000 aggregate, professional errors and omissions insurance in an amount not less than \$1,000,000 per occurrence and \$2,000,000 aggregate and evidence of workers' compensation insurance must be submitted to the Director of Finance prior to the beginning of a job and annually thereafter.

5.3 USE AND DISCLOSURE OF INFORMATION

5.3.1 RESPONDENT INFORMATION

WEC reserves the right to use information submitted in response to this document in any manner it may deem appropriate in evaluating the suitability of the proposed deliverable. Materials submitted by Respondent that are considered confidential must be clearly marked as such. In the event that confidentiality cannot be afforded, Respondent will be notified and will be permitted to withdraw its response.

5.3.2 WEC INFORMATION

The information contained in this document is proprietary to WEC as described in the Confidentiality section of this document.

5.4 RESPONSE PROTOCOL

Responses must be submitted no later than close of business on the date indicated on the timetable contained herein. WEC, at its discretion, may elect to return responses received after the deadline.

Respondent's bid shall be signed on behalf of the entity submitting it by a person legally authorized to bind the entity. Upon request, respondent should furnish satisfactory evidence of the authority of any signatory.

Responses should be submitted in Microsoft® Word™ format by certified mail or electronically unless otherwise specified.

Washington Electric Cooperative, Inc.
Attention: Teia Greenslit, Director of Finance
PO Box 8
40 Church Street
East Montpelier, VT 05651
802-223-5245 (Office)
802-223-6780 (Facsimile)
Teia.Greenslit@wec.coop (E-mail)

- WEC reserves the right to reject any responses or, at WEC's discretion, to solicit additional responses. WEC may also accept or reject portions of a response.
- Any response to this RFP that is incomplete may be disqualified. WEC may accept or reject, without consideration, proposals that are submitted late or are incomplete. WEC expressly reserves the right to reject any and all bid proposals and to pursue whatever alternative arrangements it desires. WEC is not obligated to accept any proposal nor the least expensive from among the proposals submitted and may, at its sole option, award one or more contracts.
- All responses to this RFP will become the property of WEC.
- The information contained in the bid and any contract resulting therefrom is regarded as confidential and is not to be disclosed beyond the parties directly involved without the express written permission of bidder and VEC. In protecting any bidder's confidential or proprietary information, VEC will use

the same degree of care that it uses to protect its own confidential and proprietary information provided such information is clearly marked as being confidential and proprietary. WEC further reserves the right to disclose such information if such disclosure is solely for the evaluation of the response to this RFP.

- Respondent and its employees, agents and subcontractors shall not offer or give to an officer, employee or agent of WEC any services, gifts, entertainment, payments, loans or special favors which might appear to be offered to influence the award of a contract or to obtain favorable treatment or another contract with WEC.
- No obligation on the part of WEC will be incurred until a satisfactory contract has been signed by respondent and accepted by WEC.

The entire price for the preparation of a response, the Respondent presentation, or negotiation sessions (if conducted) shall be borne by Respondent.

This document represents the best estimate of WEC's requirements. WEC reserves the right to adjust the specifications or scope of effort stated in this document. In the event that any modifications to the original document become necessary, all Respondents will be notified in writing by means of an addendum.