

CITY OF PORT LAVACA
FINANCE DEPARTMENT



REQUEST FOR PROPOSALS
FOR
PROFESSIONAL AUDITING SERVICES

SUBMITTAL DEADLINE:
July 28, 2022 @ 2:00 P.M. CDT

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SPECIFICATIONS

I. INTRODUCTION

A. General Information

The City of Port Lavaca, Texas (hereinafter referred to as the City) is requesting proposals in response to this Request for Proposal (RFP) from qualified certified public accounting firms (hereinafter referred to as the proposer or the firm, with related pronoun references “he” or “his” to be interpreted without regard to gender). The objectives of this RFP are to audit its financial statement for the fiscal year ending September 30, 2022, with the option to audit the City's financial statements for each of the four subsequent years. These audits are to be performed in accordance with the provisions contained in this request for proposals.

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

To be considered, an original of the proposal on a USB drive plus three (3) hard copies of the proposal must be received in a sealed envelope bearing the name and address of the respondent and the RFP Number AUDIT-22. Delivered as follows:

City of Port Lavaca
City Secretary Office
202 N. Virginia St.
Port Lavaca, TX 77979

To be considered, the proposals must be received by 2:00 p.m. on July 28, 2022. Late proposals will not be considered. The City reserves the right to reject any or all proposals submitted. All proposals must include a statement that they are valid for a minimum period of 90 days subsequent to the RFP closing date.

An Audit RFP Review Committee selected by the City of Port Lavaca's City Manager will evaluate proposals submitted. During the evaluation process, the Audit RFP Review Committee and the City reserves the right, where it may serve the City's best interest, to request additional information or clarifications from proposers, and to allow corrections of errors or omissions. At the discretion of the City or the Audit RFP Review Committee, proposers submitting proposals may be requested to make oral presentations as part of the evaluation process.

The City reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal shows acceptance by the proposer of the conditions contained in this RFP; unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City and the firm selected.

It is anticipated that the selection of a firm will be completed by August 22, 2022. Following the notification of the selected firm, it is expected a contract will be executed between both parties by August 26, 2022.

B. Term of Engagement

A five-year contract is contemplated, subject to the annual review and recommendation of the Finance Committee, the satisfactory negotiation of terms (including a price acceptable to the City and to the selected firm). The City does not have a mandatory auditor rotation policy.

C. Subcontracting

No subcontracting will be allowed without the express prior written consent of the City.

II. NATURE OF SERVICES REQUIRED

A. General

The Annual Comprehensive Financial Report (hereinafter referred to as the ACFR) shall be prepared by the Auditor and the proposer will verify that it was prepared in accordance with the most recently issued Governmental Accounting and Financial Reporting Principles, as promulgated by the Governmental Accounting Standards Board (GASB), and in the format and content to qualify for the Certificate of Achievement for Excellence in Financial Reporting issued by Government Finance Officers Association (GFOA).

B. Scope of Work to be Performed

The City desires the auditor to express an opinion on whether the financial statements (combining, basic and fund; governmental and business-type activities) of the City and the Single Audit Section of the ACFR fairly present the financial position and the results of financial operations in accordance with generally accepted accounting principles (GAAP). The auditor is not required to audit the supporting schedules contained in the ACFR. However, the auditor is to provide an "in-relation-to" opinion on the supporting schedules based on the auditing procedures applied during the audit of the basic financial statements and the combining and individual fund financial statements and schedules. The auditor is not required to audit the introductory section or the statistical section of the report.

The auditor shall also be responsible for verifying any procedures involving the Management's Discussion and Analysis as well as being responsible for performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board (GASB).

The auditor is required to audit the schedule of federal financial assistance. Under the requirements of the Federal Government's program covering a single audit for all federal grant funds, auditors shall conduct an audit in accordance with the Single Audit Act Amendments of 1996 and in generally accepted auditing standards as well as generally accepted governmental auditing standards.

The auditor shall also be responsible for performing certain limited procedures on management controls on investments and adherence to the City's established investment policies as required by state law.

C. Auditing Standards to be Followed

To meet the requirements of this RFP, the audit shall be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, the standards for financial audits set forth in the U.S. General Accounting Office's (GAO) *Government Auditing Standards* (the 1994 "yellow book"), as amended, the provisions of the Single Audit Act of 1984 (as amended), and the provisions of U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of State, Local Governments and Nonprofit Organizations* and GASB.

D. Reports to be Issued

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue:

1. A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles, including an opinion on the fair presentation of the supplementary schedule of expenditures of federal awards "in relation to" the audited financial statements.
2. A report on compliance and internal control structure over financial reporting based on the auditors' audit of the financial statements and understanding of the control structure and assessment of control risk.
3. A report on compliance and internal control applicable to each major federal program.
4. A report on compliance and internal control applicable to non-major federal financial assistance programs.
5. A management letter that describes any reportable conditions.

In the required reports on internal controls, the auditor shall communicate any reportable conditions found during the audit. Reportable conditions shall be defined as a significant deficiency or deficiencies in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions also include material weakness or weaknesses in the internal control structure, such that there is a reasonable possibility of a material misstatement of the financial statements that will not be prevented, detected and corrected in a timely manner.

Non-reportable conditions discovered by the auditors shall be reported in a separate letter to management, which shall be referred to in the reports on internal controls.

The reports on compliance shall include all instances of noncompliance and, if any, shall be reported to the Director of Finance when discovered.

Irregularities and Illegal Acts. Auditors shall be 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 Finance Committee, to the City Manager and the Director of Finance for the City.

Reporting to the Finance Committee. Auditors shall assure themselves that the City's finance committee is informed of each of the following:

1. The auditor's responsibility under generally accepted auditing standards
2. Management judgments and accounting estimates
3. Significant audit adjustments
4. Other information in documents containing audited financial statements
5. Disagreements with management
6. Management consultation with other accountants
7. Major issues discussed with management prior to retention
9. Difficulties encountered in performing the audit

E. Preparation of the ACFR

All financial statements (government wide, basic and fund), part of the statistical section, part of the notes to the financial statements, and part of the Management Discussion and Analysis shall be prepared by the auditor. The auditor will be expected to provide on-going support and assistance regarding new accounting standards and statement implementation

F. Special Considerations

1. The City currently anticipates it will prepare one or more official statements in connection with the sale of debt securities, which will contain the general purpose financial statements and the auditor's report thereon. The auditor shall be required, if requested by the financial advisor and/or the underwriter, to issue a "consent and citation of expertise" as the auditor and any necessary "comfort letters."
3. The schedule of federal financial assistance and the related auditor's report, as well as the reports on compliance and internal controls are not to be issued as part of the ACFR, but are to be issued separately. This schedule and the notes will be prepared and printed by the auditors.

4. The United States Department of Housing and Urban Development will function as the cognizant agency in accordance with the provisions of the provisions of the Federal Single Audit Requirements as described in Circular A-133, Audits of State, Local Governments and Nonprofit Organizations.
5. Changes are anticipated because of mandated implementation and compliance of GASB statements.
6. Throughout the year, the auditors will provide financial advice and counsel on matters occurring that would affect the annual reports.

F. Working Paper Retention and Access to Working Papers

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 City of the need to extend the retention period. The auditor will be required to make work papers available, upon request, to the following parties or their designees:

The City of Port Lavaca;

State and Federal granting agencies;

U.S. General Accounting Office (GAO);

Parties designated by the federal or state governments or by the City as part of an audit quality review process; and

Auditors of entities of which the City is a sub-recipient of grant funds.

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, at no additional cost to the City.

III. DESCRIPTION OF THE GOVERNMENT

A. Name and Telephone Number of Contact Persons and Location of Offices

The auditor's principal contact with the City will be Susan Lang, Director of Finance. Susan will coordinate auditor assistance for the City. Her address and telephone number are as follows: 202 N. Virginia St, Port Lavaca, TX; (361) 552-9793 ext. 234.

B. Background Information

The City serves an area of about 14 square miles with a population of approximately 11,557. The City has 90 full-time employees. Its fiscal year begins on October 1 and ends on September 30.

The City provides the following services to its citizens:

Public Safety Services - police, fire, and animal control

Parks And Recreation Services - parks and recreation activities

Public Community Services - a conference center, a recreation center, an RV park, and beach

Port and Harbors – the city owns and operates several marinas and harbors, and rents office and retail space at locations within the marina areas

Public Works Services - engineering, building inspections, planning and zoning, street drainage maintenance, water distribution, waste water collection, waste water treatment, and drainage utilities.

The accounting and financial reporting functions of the City are centralized. More detailed information on the government and its finances can be found in the City's ACFR for the Fiscal Year and in the City's Annual Budget for the Fiscal Year.

C. Fund Structure

The City uses the following fund types in its financial reporting:

<u>Fund Type</u>	<u>Funds</u>	<u>Annual Budgets</u>
General fund	1	1
Special revenue funds	12	1
Debt service funds	7	1
Capital projects funds	8	0
Enterprise funds	3	3
Internal service funds	0	0
Expendable trust funds	0	0
Non-expendable trust funds	0	0
Pension trust funds	1	0
Fiduciary funds	1	0
Agency funds	1	0

D. Budgetary Basis of Accounting

The City prepares its budgets on a basis consistent with generally accepted accounting principles.

E. Federal and State Financial Assistance

During the fiscal year to be audited, the City received the following financial assistance and others could be added later:

Federal Programs:

HUD passed through GLO CDBG Disaster Recovery-Flood Mitigation
HUD passed through GLO CDBG Mitigation – Coastal Resiliency
Dept. of Treasury Coronavirus State and Local Fiscal Recovery Funds
US DOJ passed through Governor Criminal Justice Division-Bullet Proof Vest
Federal Emergency Management Program
US Dept Homeland Security passed through TX Div of Emergency
Management Disaster Grant – Public Assistance Hazard Mitigation Program
HUD passed through TDHCA – HOME Program
US Dept. of Interior passed through TX Parks & Wildlife Boating Access
Federal Highway Administration passed through TX Parks & Wildlife –
Recreational Trails

State Programs:

Law Enforcement Officer Standards and Education – LEOSE

F. Pension Plans

The City participates in the Texas Municipal Retirement System. Actuarial services for this plan is provided by the Texas Municipal Retirement System utilizing Gabriel, Roeder, Smith & Company (GRS).

G. Size of Finance Operations

The Finance Department is headed by Susan Lang, Director of Finance, and includes three additional employees; Blake Buller, Senior Accountant, Brittney Hogan, Accountant, and Reyann Grimaldo, Accounts Payable Specialist.

H. Availability of Prior Audit Reports and Working Papers

Interested proposers who wish to review prior years' management letters and audit reports should contact Susan Lang at 202 N. Virginia St., Port Lavaca, Texas 77979; telephone number 361-552-9793, fax number 361-552-6062 or e-mail slang@portlavaca.org. The City will use its best efforts to make prior audit reports and supporting working papers available to proposers to aid their response to this RFP.

IV. TIME REQUIREMENTS

A. Proposal Calendar

The following is a list of key dates up to and including the date proposals are due to be submitted:

Request for proposal	June 30, 2022
Due date for proposals	July 28, 2022

B. Notification, Contract and Entrance Conference Dates

Selected firm awarded by council	August 22, 2022
Selected firm notified	August 22, 2022
Contract date by	August 26, 2022
Entrance conference by	August 26, 2022

C. Schedules for the Fiscal Year Audits

Interim audit Fieldwork	August and/or September
Preparation for year-end close	Month of September
Fiscal year-end, preliminary audit complete	September 30
Auditors complete HUD audit	October 31
Finance staff prepared year-end audit schedules and trial balances and to begin ACFR preparation	November 28
Auditors begin year-end work	December 5
All fieldwork should be virtually complete.	January 6, 2023
ACFR draft from auditors for review	January 20, 2023
ACFR returned to auditors with any corrections noted	January 30, 2023
ACFR completed	February 6, 2023
Audit reports presented to council	March 13, 2023

V. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION

A. Finance Department and Clerical Assistance

The finance department staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation and explanations. The preparation of confirmations will be the responsibility of the auditor. Additional clerical support will be made available to the auditor for the preparation of routine letters, confirmations and memoranda.

B. Statements and Schedules to be prepared by the City Staff

Schedules to be prepared by City Staff, the auditor shall provide a list at least three (3) weeks prior to interim fieldwork. At a minimum, the City staff will prepare the following statements and schedules:

1. Salary and FICA reconciliation.
2. Investment transactions and allocation of interest to funds.
3. Inventory lists.
4. Fixed asset changes.
5. Property tax reconciliation.
6. Interest and Sinking Fund activity, agent disbursements, bonds payable activity and accrued interest calculations.
7. TMRs Retirement Fund calculations.
8. Draft of the schedules.
9. Fund trial balances and financial reports.

C. Work Area, Wi-Fi and Photocopying Machines

The City will provide the auditor with reasonable workspace, desks and chairs. The auditor will also be provided with access to Wi-Fi and photocopying machines subject to their professional use.

D. Report Preparation

Preparation of the ACFR, editing and proofing shall be the responsibility of the auditor with review and proofing of drafts by the City. City staff will produce the transmittal letter, explanations in the MD&A and certain information in the statistical section of the ACFR, and cover.

The audit firm will prepare and provide twelve (12) copies of the final ACFR and separate Single Audit Report, as well as final PDF versions.

VI. PROPOSAL REQUIREMENTS

A. Submission of Proposals

To be considered, the following material must be received by 2:00 p.m. on July 28, 2022:

1. A master copy (so marked) of a Technical Proposal and two copies to include the following:
 - a. Title Page
A title page showing the RFP subject, the proposer's name; the name, address and telephone number of the contact person; and the date of the proposal.
 - b. Table of Contents

- c. Transmittal Letter
This is a signed letter of transmittal briefly stating the proposer's understanding of the work to be done and the commitment to perform the work within the contract period. It should also include a statement why the proposer believes it to be best qualified to perform the engagement and a statement that the proposal is an offer for the five-year period.
 - d. Detailed Proposal
The detailed proposal should follow the order set forth in Section VI B of this RFP.
 - e. Executed copies of Proposer Guarantees (Appendix B) and Proposer Warranties (Appendix C), attached to this RFP.
2. Proposers should send, in a sealed envelope, USB and three completed proposals to the following address:

City of Port Lavaca
City Secretary Office
202 N. Virginia St.
Port Lavaca, TX 77979

B. Technical Proposal

1. General Requirements

The purpose of the Technical Proposal is to demonstrate the qualifications, competence and capacity of the proposers seeking to undertake an independent audit of the City in conformity with the requirements of this RFP. 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 proposer and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the RFP requirements.

The Technical Proposal should address all the points outlined in the RFP (excluding any cost information). The Proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the RFP. While additional data may be presented, the following subjects, items numbered 2 through 10 must be included. They represent the criteria against which the proposal will be evaluated.

2. Independence

The proposer should provide an affirmative statement that is independent of the City.

3. License to Practice in Texas

An affirmative statement should be included that the proposer and all assigned key professional staff are properly licensed to practice in Texas.

4. Proposer Qualifications and Experience

The proposer should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed, and the number and nature of the professional staff to be employed full-time and part-time on this engagement. If the proposer is a joint venture or consortium, the qualifications of each firm comprising the joint venture or consortium should be separately identified and the firm that is to serve as the principal auditor should be noted, if applicable.

The proposer is also required to submit a copy of the report on its most recent external quality control review, with a statement whether that quality control review included a review of specific government engagements.

The proposer shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past five years. Also, the proposer shall provide information on the circumstances and status of any disciplinary action taken or pending against the proposer during the past five years with state regulatory bodies or professional organizations.

5. Partner, Supervisory and Staff Qualifications and Experience

Identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement. State whether each such person is registered or licensed to practice as a certified public accountant in Texas. Provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past three years. Must have a total of 80 CPE's over the last two years, of which 24 must be governmental, and membership in professional organizations relevant to the performance of this audit.

Provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. Indicate how the quality of staff over the term of the agreement will be assured.

Engagement partners, managers, other supervisory staff and specialists may be changed if they leave the firm, are promoted or are assigned to another office. They may also be changed for other reasons with the express prior written permission of the City. However, in either case, the City retains the right to approve or reject replacements.

Consultants and firm specialists, mentioned in response to this RFP, can only be changed with the express prior written permission of the City, which retains the right to approve or reject replacements. Other audit personnel may be

changed at the discretion of the firm if replacements have the same or better qualifications or experience.

6. Prior Engagements with the City

List separately all engagements within the last five years, ranked by total staff hours, for the City by type of engagement (i.e., audit, management advisory services, and other). Indicate the scope of work, date, engagement partners, total hours, the location of the proposer's office from which the engagement was performed, and the name and telephone number of the principal client contact.

7. Similar Engagements with Other Government Entities

For the proposer's office that will be assigned responsibility for the audit, list the most significant engagements performed in the last five years that are similar to the engagement described in this RFP. These engagements should be ranked by total staff hours. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contacts.

8. Specific Audit Approach

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section II of this RFP. In developing the work plan, reference should be made to such sources of information as the City's budget and related materials, organizational charts, manuals and programs, and financial and other management information systems.

Proposers will be required to provide the following information on their audit approach:

- a. Proposed segmentation of the engagement
- b. Level of staff and number of hours to be assigned to each proposed segment of the engagement

NO DOLLARS SHOULD BE INCLUDED IN THE TECHNICAL PROPOSAL

- c. Sample size and the extent to which statistical sampling is to be used in the engagement, including sampling methods, size and areas of use
- d. Type and extent of analytical procedures to be used in the engagement
- e. Approach to be taken to gain and document an understanding of the City's internal control structure
- f. Extent of use of electronic data processing software in the engagement and electronic repository of schedules, information, etc.

- g. Approach to be taken in determining laws and regulations that will be subject to audit test work
- h. Approach to be taken in drawing audit samples for purposes of tests of compliance
- i. List of standard schedules required to be prepared by client
- j. Discussion and approach to the level and amount of Finance staff support necessary to complete the work as outlined in the proposal. Clearly describe the work the firm proposes that City staff perform other than preparation, client prepared schedules, and auditor questions/clarifications. Include information on specific portions of the audit and scope of work including timeframes
- k. Comment on the firm's ability to meet the timelines as indicated in the RFP. Provide any recommended changes to the schedule that you think are required to enhance the timeliness and quality of the engagement

9. Identification of Anticipated Potential Audit Problems

The proposal should identify and describe any anticipated potential audit problems, and the adoption of new laws or accounting audit principles that might affect the audit, the proposer's approach to resolving these problems and any special assistance that will be requested from the City.

10. Report Format

The proposal should include sample formats for required reports.

NO DOLLARS SHOULD BE INCLUDED IN THE TECHNICAL PROPOSAL

11. Appendices

Executed copies of Proposer Guarantees, Proposer Warranties, Conflict of Interest Questionnaire, and Certificate of Interested Parties, attached to this request for proposal (Appendix B, C, D and Appendix E) and proof of insurance.

C. Sealed Dollar Cost Proposal – Total All-Inclusive Maximum Price

The sealed dollar cost fee should contain all pricing information relative to performing the audit engagement as described in this request for proposal. The total all-inclusive maximum price proposed is to contain all direct and indirect costs including all out-of-pocket expenses.

The City will not be responsible for expenses incurred in preparing and submitting the technical proposal or the sealed dollar cost fee. Such costs should not be included in the proposal.

Use the Schedule of Professional Fees and Expenses located in the Appendix, F.

Provide:

- a. Name of Firm
- b. Certification that the person signing the proposal is entitled to represent the firm, empowered to submit the bid, and authorized to sign a contract with the City.
- c. Rates by Partner, Manager, Supervisory and Staff as well as Hours anticipated for each.
- d. Provide for an amount for other or out-of-pocket expenses.
- e. This will result in a total, all-inclusive maximum price for the Fiscal Year 2022 engagement and provide a total-cost proposal for each of the subsequent four (4) years, though will be negotiated annually.

D. Rates for Additional Professional Services

If it should become necessary for the City to request the auditor 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 in an additional contract between City and the firm. Any such additional work agreed to by the City and the firm shall be performed at the same rates set forth in the schedule of fees and expenses included in the sealed dollar cost fee.

E. Contractual Agreement and Manner of Payment

The contract to be awarded shall be for the provision of services as requested herein at the estimated fee negotiated for the first year, and if extended, the subsequent years. The contract can be in the form of an engagement letter. This is considered an all-inclusive, not-to-exceed fee estimate. The contract or engagement letter shall be prepared by the auditors and shall incorporate all applicable provision of the City's proposal.

The City shall agree to make interim progress payments of the annual fee based on the percentage of work performed, with proper documentation of status of work completed attached. Interim billing shall cover a period of not less than a calendar month. \$1,000 will be withheld pending completion and acceptance of the annual audit reports.

If the audit scope should need to be broadened, the auditor must communicate the existence of such circumstances to the Director of Finance of work that will result in fees exceeding the proposed amounts. A change order needs to be executed prior to work that would incur additional fees exceeding the proposed amounts

VII. EVALUATION PROCEDURES

A. Finance RFP Review Committee

The Finance RFP Review Committee, selected by the City Manager, will evaluate proposals submitted.

B. Review of Proposals

The Finance RFP Review Committee will use a point formula during the review process to score proposals. Each member of the Finance RFP Review Committee will first score each technical proposal by each criterion described in Section VII C below. The full Finance RFP Review Committee will then convene to review and discuss these evaluations and to combine the individual scores to arrive at a composite technical score for each proposer. At this point, proposers with an unacceptably low technical score will be eliminated from further consideration.

Award of a contract may be made without discussion with the proposer after proposals are received. Proposals should therefore be submitted on the most favorable terms. The City reserves the right to retain all proposals submitted and to use any idea in a proposal regardless of whether that proposal is selected.

C. Evaluation Criteria

Proposals will be evaluated using three sets of criteria. Proposers meeting the mandatory criteria will have their proposals evaluated and scored for technical qualifications. The following represent the principal selection criteria that will be considered during the evaluation process.

1. Mandatory Elements

- a. The audit firm is independent and licensed to practice in Texas.
- b. The firm has no conflict of interest regarding any other work performed by the firm for the City.
- c. The proposer submits a copy of its last external quality control review report and the proposer has a record of quality audit work.
- d. The proposer follows the instructions in this RFP on preparing and submitting the proposal.

2. Technical Quality: (Maximum Points - 100)

a. Expertise and Experience - 70

- (1) The proposer's experience and performance on comparable government engagements
- (2) The quality of the proposer's professional personnel to be assigned to the engagement and the quality of the proposer's management support personnel to be available for technical consultation
- (3) The quality of the proposer's experience with similar federal and state financial assistance programs

b. Audit Approach - 30

- (1) Adequacy of proposed staffing plan for various segments of the engagement
- (2) Use of electronic data processing software in the engagement and electronic repository of schedules
- (3) Adequacy of analytical procedures, and sampling techniques

D. Oral Presentations

During the evaluation process, the Finance Committee may, at its discretion, request any one or all proposers to make oral presentations. Such presentations will provide proposers with an opportunity to answer any questions the Finance RFP Review Committee may have on a proposer's proposal. Not all proposers may be asked to make such oral presentations.

E. Final Selection

The City will select a firm based upon the recommendation of the Finance RFP Review Committee. The fee for the audit will be discussed with that firm. If the fee cannot be agreed upon, the Finance Committee will go to the next ranking candidate until an audit firm is selected.

It is anticipated that a firm will be selected by August 15, 2022. Following notification of the firm selected, August 15, 2022, it is expected a contract will be executed between both parties by August 19, 2022.

F. Right to Reject Proposals

Submission of a proposal indicates acceptance by the proposer of the conditions contained in this RFP. Unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City and the firm selected. The City reserves the right without prejudice to reject any or all proposals.

Appendix A

LIST OF KEY PERSONNEL, OFFICE LOCATIONS AND TELEPHONE NUMBERS

<u>Name and Title</u>	<u>Location of Office</u>	<u>Telephone</u>
Jack Whitlow, Mayor	Contact City Secretary's Office	361/552-9793
Joanna P. "Jody" Weaver, P.E., Interim City Manager	City Hall	361-552-9793
Mandy Grant, City Secretary	City Hall	361-552-9793
Susan Lang, Finance Director	City Hall	361-552-9793
Blake Buller, Sr. Accountant	City Hall	361-552-9793
Brittney Hogan, Accountant	City Hall	361-552-9793
Rachel Garza, Assistant to the City Manager/HR	City Hall	361-552-9793
Colin Rangnow, Police Chief	Police Department	361-552-3788
Joe Reyes, Jr., Fire Chief	Fire Station No. 1	361-552-5617
Derrick Smith, Director of Development Services	City Hall	361-552-9793
Wayne Shaffer, Public Works Director	Public Works Office	361-552-1529
Jim Rudellat, Harbor Master	Nautical Landings Building	361-220-0846

PROPOSER GUARANTEES

1. The proposer certifies it can and will provide and make available, as a minimum, all services set forth in Section II, Nature of Services Required.

Signature of Official: _____

Name (Typed): _____

Title: _____

Firm: _____

Date: _____

PROPOSER WARRANTIES

- A. Proposer warrants that it is willing and able to comply with State of Texas laws.
- B. Proposer warrants that it has or is willing and able to obtain an errors and omissions insurance policy providing a prudent amount of coverage for the willful or negligent acts, or omissions of any officers, employees or agents thereof.
- C. Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the prior written permission of the City of Port Lavaca, Texas.
- D. Proposer warrants that all information provided by it, in connection with this proposal is true and accurate.

Signature of Official: _____

Name (Typed): _____

Title: _____

Firm: _____

Date: _____

CONFLICT OF INTEREST QUESTIONNAIRE For vendor doing business with local governmental entity		FORM CIQ
<p>This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.</p> <p>This questionnaire is being filed in accordance with Chapter 176, Local Government Code, by a vendor who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the vendor meets requirements under Section 176.006(a).</p> <p>By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the vendor becomes aware of facts that require the statement to be filed. See Section 176.006(a-1), Local Government Code.</p> <p>A vendor commits an offense if the vendor knowingly violates Section 176.006, Local Government Code. An offense under this section is a misdemeanor.</p>	OFFICE USE ONLY Date Received	
1 Name of vendor who has a business relationship with local governmental entity.		
2 <input type="checkbox"/> Check this box if you are filing an update to a previously filed questionnaire. (The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)		
3 Name of local government officer about whom the information is being disclosed. <div style="text-align: center;"> _____ Name of Officer </div>		
4 Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relationship with the local government officer. Complete subparts A and B for each employment or business relationship described. Attach additional pages to this Form CIQ as necessary. <div style="margin-left: 40px;"> <p>A. Is the local government officer or a family member of the officer receiving or likely to receive taxable income, other than investment income, from the vendor?</p> <p style="text-align: center;"> <input type="checkbox"/> Yes <input type="checkbox"/> No </p> <p>B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer or a family member of the officer AND the taxable income is not received from the local governmental entity?</p> <p style="text-align: center;"> <input type="checkbox"/> Yes <input type="checkbox"/> No </p> </div>		
5 Describe each employment or business relationship that the vendor named in Section 1 maintains with a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership interest of one percent or more.		
6 <input type="checkbox"/> Check this box if the vendor has given the local government officer or a family member of the officer one or more gifts as described in Section 176.003(a)(2)(B), excluding gifts described in Section 176.003(a-1).		
7		
_____ Signature of vendor doing business with the governmental entity	_____ Date	

CERTIFICATE OF INTERESTED PARTIES		FORM 1295	
Complete Nos. 1 - 4 and 6 if there are interested parties. Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.		OFFICE USE ONLY	
1 Name of business entity filing form, and the city, state and country of the business entity's place of business.		Must file online at www.ethics.state.tx.us/File	
2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.			
3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.			
4 Name of Interested Party		City, State, Country (place of business)	
		Nature of Interest (check applicable)	
		Controlling	Intermediary
5 Check only if there is NO Interested Party. <input type="checkbox"/>			
6 UNSWORN DECLARATION My name is _____, and my date of birth is _____. My address _____ (street) _____ (city) _____ (state) _____ (zip code) _____ (country). I declare under penalty of perjury that the foregoing is true and correct. Executed in _____ County, State of _____, on the _____ day of _____, 20____. (month) (year)			
_____ Signature of authorized agent of contracting business entity (Declarant)			
ADD ADDITIONAL PAGES AS NECESSARY			

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES

NAME OF FIRM: _____

	<u>Hours</u>	<u>Standard Hourly Rates</u>	<u>Quoted Hourly Rates</u>	<u>Total</u>
Partners	_____	_____	_____	_____
Managers	_____	_____	_____	_____
Supervisory Staff	_____	_____	_____	_____
Staff	_____	_____	_____	_____
Other (specify):	_____	_____	_____	_____
Subtotal	_____	_____	_____	_____
Total for Services	_____	_____	_____	_____
Out-of-pocket expenses:	_____	_____	_____	_____
Other (specify):	_____	_____	_____	_____

Total all—inclusive maximum price for the Fiscal Year 2022 audit \$ _____

Please provide estimate of fees for the following 4 years:

FY 2023 _____ FY 2025 _____
 FY 2024 _____ FY 2026 _____

The person signing this proposal is entitled to represent the firm, empowered to submit the proposal, and authorized to sign a contract with the City.

_____ _____ _____
 Printed Name Signature Date

CITY'S INSURANCE REQUIREMENTS

Proof of Errors & Omission or Professional Liability insurance for \$2,000,000.

CONFLICT OF INTEREST QUESTIONNAIRE
For vendor doing business with local governmental entity

A complete copy of Chapter 176 of the Local Government Code may be found at <http://www.statutes.legis.state.tx.us/Docs/LG/htm/LG.176.htm>. For easy reference, below are some of the sections cited on this form.

Local Government Code § 176.001(1-a): "Business relationship" means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on:

- (A) a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity;
- (B) a transaction conducted at a price and subject to terms available to the public; or
- (C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency.

Local Government Code § 176.003(a)(2)(A) and (B):

(a) A local government officer shall file a conflicts disclosure statement with respect to a vendor if:

- ***
 - (2) the vendor:
 - (A) has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income, other than investment income, that exceeds \$2,500 during the 12-month period preceding the date that the officer becomes aware that
 - (i) a contract between the local governmental entity and vendor has been executed;
 - or
 - (ii) the local governmental entity is considering entering into a contract with the vendor;
 - (B) has given to the local government officer or a family member of the officer one or more gifts that have an aggregate value of more than \$100 in the 12-month period preceding the date the officer becomes aware that:
 - (i) a contract between the local governmental entity and vendor has been executed; or
 - (ii) the local governmental entity is considering entering into a contract with the vendor.

Local Government Code § 176.006(a) and (a-1)

(a) A vendor shall file a completed conflict of interest questionnaire if the vendor has a business relationship with a local governmental entity and:

- (1) has an employment or other business relationship with a local government officer of that local governmental entity, or a family member of the officer, described by Section 176.003(a)(2)(A);
 - (2) has given a local government officer of that local governmental entity, or a family member of the officer, one or more gifts with the aggregate value specified by Section 176.003(a)(2)(B), excluding any gift described by Section 176.003(a-1); or
 - (3) has a family relationship with a local government officer of that local governmental entity.
- (a-1) The completed conflict of interest questionnaire must be filed with the appropriate records administrator not later than the seventh business day after the later of:
- (1) the date that the vendor:
 - (A) begins discussions or negotiations to enter into a contract with the local governmental entity; or
 - (B) submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential contract with the local governmental entity; or
 - (2) the date the vendor becomes aware:
 - (A) of an employment or other business relationship with a local government officer, or a family member of the officer, described by Subsection (a);
 - (B) that the vendor has given one or more gifts described by Subsection (a); or
 - (C) of a family relationship with a local government officer.