



City of Waelder

300 U.S. 90 W
P.O. Box 427
Waelder, Texas 78959
<https://waeldertexas.gov>

REQUEST FOR PROPOSAL (RFP)
FINANCIAL AUDIT SERVICES
SOLICITATION NUMBER 2025-AUDIT SERVICES
SEPTEMBER 2025

**FINANCIAL AUDIT SERVICES
PART I
GENERAL REQUIREMENTS**

1. **PURPOSE:** The City of Waelder, herein after “the City” seeks proposals from firms experienced in financial audit services to provide the following audit:
 - Balance sheet only for the fiscal year ending June 30, 2024, with testing of revenue and expenses for fiscal year June 30, 2024, and prior years
 - Financial statements for the fiscal year ending June 30, 2025, and for each of the four (4) subsequent fiscal years.

These audits are to be performed in accordance with generally accepted auditing standards set forth by the Comptroller General of the United States Government Auditing Standards, the provisions of the federal Single Audit Act of 1984 (as amended in 1996), and U.S. Office of Management and Budget (OMB) Uniform Guidance, Audits of States, Local Governments, and Non-Profit Organizations.

2. **BACKGROUND:** The City is a Type A General Law city operating under a Council-Manager form of government. The City serves an area of approximately 1.3 square miles with a population of approximately 1,000. The City’s fiscal year begins on July 1 and ends on June 30.

A. The services provided by the City under general governmental functions include police protection, street maintenance, public improvements, parks operation and maintenance, library services, and administrative services necessary to serve the citizens of Waelder. In addition, electric, water, and wastewater, services are operated under an Enterprise Fund concept, with user charges set to ensure adequate coverage of operating expenses and payments on outstanding debt.

B. The City has a total of 20 employees.

C. The City is organized into five (5) departments.

D. Prior to the pandemic, the City had annual audits prepared within 180 days of year end. Due to turnover in personnel, the engaged auditors were unable to receive documents and schedules timely and audits were not completed. In May, a new mayor and two new Council members were elected. Shortly after the election, two of the existing Council members resigned. The current Council also made the decision to terminate the City Manager and name an existing employee as Interim City Manager.

E. The City plans to move forward to change their fiscal year end to September 30 upon completion of the June 30, 2025 audit.

3. **SOLICITATION PACKET:** This solicitation packet is comprised of the following:

Description	Index
Part I – General Requirements	Page(s) 1- 5
Part II – Supplemental Terms and Conditions	Page(s) 6-9
Part III – Statement of Work	Page(s) 10-14
Part IV – Proposal Preparation Instructions and Evaluation Factors	Page(s) 15-20
Attachment A – Reference Sheet	Separate Attachment

4. **SCHEDULE OF EVENTS:** It is the City’s intention to follow the solicitation timeline below.

Event	Date
Solicitation released	September 9, 2025
Deadline for submission of questions	September 23, 2025 @ 5:00 PM, CST
City responses to questions or addendums	October 3, 2025 @ 5:00 PM, CST
Deadline for submission of responses	October 14, 2025 @ 3:00 PM, CST

All questions regarding the solicitation shall be submitted to citymanager@waeldertexas.gov by 5:00 PM, CST on the due date noted above. A copy of all questions submitted and the City’s response to the questions shall be posted on the City’s webpage in the form of an addendum at: <https://waeldertexas.gov>. The City reserves the right to modify these dates. Notice of date change will be posted to the City’s website: <https://waeldertexas.gov>

5. **SOLICITATION UPDATES:** Respondents shall be responsible for monitoring the City’s website at <https://waeldertexas.gov> for any updates pertaining to the solicitation described herein. Various updates may include addendums, cancellations, notifications, and any other pertinent information necessary for the submission of a correct and accurate response. The City will not be held responsible for any further communication beyond updating the website.
6. **RESPONSE DUE DATE:** Appropriately submitted responses are due at or before 3:00 PM, on the due date noted in PART I, Section 4– Schedule of Events. The Offeror shall respond by providing five (5) copies of their proposal via US Mail (P.O. Box 427, Waelder, Texas 78959) or courier service (300 U.S. 90 W, Waelder, Texas 78959). Proposal must be delivered in a sealed envelope with a return address and clearly marked “City of Waelder Request for Proposals (Audit Services). DO NOT OPEN.” The respondent’s firm name shall appear on the outside of the envelope.

- A. This request for proposal (RFP) does not commit the City to contract for any supply or service.
 - B. Responses cannot be altered or amended after opening.
 - C. No response can be withdrawn after opening without written approval from the City for an acceptable reason.
 - D. The City will not be bound by any oral statement or offer made contrary to the written specifications.
 - E. Samples and/or copies shall be provided at the Respondent's expense and shall become the property of the City.
 - F. Late responses will not be considered.
7. **CERTIFICATE OF INTERESTED PARTIES:** Section 2252.908 of the Texas Government Code requires the successful offeror to complete a Form 1295 "Certificate of Interested Parties" that is signed for a contract award requiring council authorization. The "Certificate of Interested Parties" form must be completed on the Texas Ethics Commission website, printed, signed, and submitted to the City by the authorized agent of the Business Entity with acknowledgment that disclosure is made under oath and under penalty of perjury prior to final contract execution. Link to Texas Ethics Commission Webpage:
https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm
8. **EX-PARTE COMMUNICATION:** Please note that to ensure the proper and fair evaluation of an offer, the City of Waelder prohibits ex-parte communication (e.g., unsolicited) initiated by the Offeror to the City Official, Employee, City Consultant, or Evaluation Team member evaluating or considering the offers prior to the time an award decision has been confirmed. Communication between an Offeror and the City will be initiated by the appropriate City Official or Employee in order to obtain information or clarification needed to develop a proper and accurate evaluation of the offer. Ex-parte communication may be grounds for disqualifying the offending Offeror from consideration of award in evaluation or any future bid.
9. **OPPORTUNITY TO PROTEST:** The (Interim) City Manager for the City of Waelder ("City"), in consultation with the City Attorney, shall have the authority to settle or resolve any dispute concerning the solicitation or award of a contract. The (Interim) City Manager may solicit written responses to the protest from other interested parties. The aggrieved person must prepare his or her complaint in writing and send it by electronic mail to the (Interim) City Manager at citymanager@waeldertexas.gov. In the event of a timely protest, the City shall not proceed further with the solicitation or award of a contract unless it is determined that the award must take place without delay, to protect the best interests of the City. The procedures for notifying the City of an alleged deficiency or

filing a protest are listed below. If you fail to comply with any of these requirements, the City may dismiss your complaint or protest.

A. **Prior to Offer Due Date:** If you are a prospective offeror for the award of a contract ("Offeror") and you become aware of the facts regarding what you believe is a deficiency in the solicitation process before the due date for receipt of offers in response to a solicitation ("Offers"), you must notify the City in writing of the alleged deficiency before that date, giving the City an opportunity to resolve the situation prior to the Offer due date.

B. **After Offer Due Date:** If you submit an Offer to the City and you believe that there has been a deficiency in the solicitation process or the award, you have the opportunity to protest the solicitation process, or the recommended award as follows:

- i. You must file a written notice of your intent to protest within four (4) working days of the date that you know or should have known of the facts relating to the protest. If you do not file a written notice of intent within this time, you have waived all rights to protest the solicitation process or the award.
- ii. You must file your formal written protest within ten (10) working days of the date that you know or should have known of the facts relating to the protest unless you know of the facts before the Offer has been closed. If you know of the facts before those dates, you must notify the City as stated in section (A) above.
- iii. You must submit your protest in writing and must include the following information:
 - a. your name, address, telephone number, and email address.
 - b. the solicitation number.
 - c. a specific identification of the statutory or regulatory provision that you are alleging has been violated.
 - d. a detailed statement of the factual grounds for your protest, including copies of any relevant documents.
 - e. a statement of any issues of law or fact that you contend must be resolved; and
 - f. a statement of the argument and authority that you offer in support of your protest.
- iv. Your protest must be concise and presented logically and factually to help with the City's review.

C. **Receipt of Timely Protest:** When the City receives a timely and complete written protest, the (Interim) City Manager, with assistance from the City Attorney, shall make one of the following determinations:

- i. Determine that a violation of rules and statutes has occurred prior to the award of the contract and inform you and other interested parties of the determination. The City will prepare updated solicitation documents and will re-solicit.
- ii. Determine that no violation of rules or statutes has occurred and inform you and other interested parties of the decision by letter. The reasons for the determination will be presented in the letter.
- iii. Determine that a violation of rules and statutes has occurred after the award of the contract and inform you and other interested parties of the determination. However, the awarded contract will not be canceled. As needed, corrective actions may be taken with any other pertinent City staff.
- iv. A determination will usually be made within fifteen (15) business days after receipt of the formal protest.
- v. **Any written decisions by the (Interim) City Manager shall be the final administrative action for the City.**

All documentation pertaining to a protest will be kept on file at the City and are subject to open records requests.

PART II
SUPPLEMENTAL TERMS AND CONDITIONS

1. **AGREEMENT TERMS:** The terms of the awarded agreement shall include but not be limited to the following:
 - A. The term of the resulting Agreement shall be effective on the date it has been signed by each party and shall remain effective until auditing services for prior, current, and for each of the four (4) subsequent fiscal years have been fully completed to the satisfaction of the City.
 - B. The City reserves the right to review the Respondents' performance at the end of each twelve (12) month period and cancel all or part of the agreement or continue the agreement through the next period.
 - C. The City will require a Letter of Engagement executed annually prior to the beginning of each succeeding twelve (12) months term.
 - D. If the Respondent fails to perform its duties in a reasonable and competent manner, the City shall give written notice to the Respondent of the deficiencies, and the Respondent shall have thirty (30) days to correct such deficiencies. If the Respondent fails to correct the deficiencies within thirty (30) days, the City may terminate the agreement or letter of engagement by giving the Respondent written notice of termination and the reason for the termination.
 - E. If the Letter of Engagement is terminated, for any reason, the Respondent shall turn over all records, to include but not be limited to the following: records of services, deliverables, and transactions, to the City within fifteen (15) working days after the date of termination.
 - F. If the Agreement is terminated, for any reason, the Respondent shall turn over all records to the City within fifteen (15) working days after completion of duties contained in the Agreement.
2. **RESPONDENT QUALIFICATIONS:** Respondent shall, at a minimum, confirm they meet and address the following requirements in their proposal response:
 - A. Be firms, corporations, individuals, or partnerships normally engaged in providing financial auditing services for governmental agencies as specified herein and have adequate organization, facilities, equipment, financial capability, and personnel to ensure prompt and efficient service to the City.
 - B. In order to confirm financial stability, the City may choose to review audited financial statements at any time throughout the RFP evaluation process. Upon request, the Respondent shall provide two years audited financial statements, including any notes or supplemental schedules within 2 business days of the original request.

C. Be domiciled in or have a home office inside the United States. Respondents domiciled outside the United States, or not having a home office inside the United States will not be included for consideration in this RFP process.

D. Be independent and licensed to practice in Texas.

E. Have no conflict of interest with regard to any other work performed by the firm for the City. Respondents shall be neutral and impartial, shall not advocate specific position to the City. Respondents shall identify the extent, nature, and length of these relationships or engagements. Entities having a conflict of interest, as determined by the City, will not be eligible for contract award.

F. Respondent has performed five or more audits of Texas Municipalities in the past two (2) years.

3. **SUBCONTRACTORS**: Respondent shall not subcontract or otherwise engage subcontractors to perform required services. The City seeks to do business directly with a company experienced in financial audit services.

4. **SAFETY**: The City reserves the right to remove any employee from City property for violation of federal, state, and local health, safety and environmental laws, ordinances, rules, and regulations. The Respondent shall:

A. Ensure that all employees comply with all Occupational Safety and Health Administration (OSHA), State and City safety and occupational health standards and other applicable federal, state, and local health, safety, and environmental laws ordinances, rules, and regulations in the performance of these services.

B. Be held responsible for the safety of their employees and unsafe acts or conditions that may cause injury or damage to any persons or property within and around the work site. In case of conflict, the most stringent safety requirement shall govern.

C. Indemnify and hold the City harmless from and against all claims, demands, suits, actions, judgments, fines penalties and liability of every kind arising from the breach of the Contractor's obligations under this paragraph.

5. **PRICING**: The Respondent shall determine and submit a fixed cost for the work and shall include all incidental costs, labor, overhead charges, travel, payroll expenses, freight, equipment acquisition and maintenance, demurrage, fuel surcharges, delivery charges, costs associated with obtaining insurance, bonds, and risk management. No separate line-item charges shall be permitted for either response or invoice purposes.

6. **PRICE INCREASE**: Contract prices for financial audit services shall remain firm throughout the initial twelve (12) month term of the contract. A price increase to the agreement may be considered on the anniversary date of the Contract each year and

shall be equal to the consumer price index for that year, but at no time can the increase be greater than 10% for any single line item unless otherwise approved by the City.

A. Consumer Price Index (CPI): Price adjustments will be made in accordance with the percentage change in the U.S. Department of Labor Consumer Price Index (CPI-U) for all Urban Consumers. The price adjustment rate will be determined by comparing the percentage difference between the CPI in effect for the base year six-month average (January through June OR July through December), and each (January through June OR July through December six month average) thereafter. The percentage difference between those two CPI issues will be the price adjustment rate. No retroactive contract price adjustments will be allowed. The Consumer Price Index (CPI) is found at the Bureau of Labor Statistics, Consumer Price Index website: <http://www.bls.gov/cpi>

B. Procedure to Request Increase:

i. Email the written price increase request to citymanager@waeldertexas.gov with the rate detail comparison, a comprehensive calculation, and any supporting documentation to the designated City Contract Specialist a minimum of 45 days prior to the annual Contract anniversary date. The detailed written calculation will be verified and confirmed.

ii. Upon receipt of the request, the City reserves the right to either accept the escalation and make change to the purchase order within 30 days of the request or negotiate with the Vendor or cancel the agreement or purchase order if an agreement cannot be reached on the value of the increase.

7. **PERFORMANCE REVIEW**: The City reserves the right to review the awarded Contractor's performance anytime during the contract term.
8. **AWARD**: The City reserves the right to enter into an Agreement or a Purchase Order with a single award, split award, primary and secondary award, non-award, or use any combination that best serves the interest and at the sole discretion of the City. Respondents to the solicitation will be notified when City staff recommendation of award has been made. The award announcement will be posted to the City's website at <https://waeldertexas.gov> once City Council has approved the recommendation of award and the agreement has been executed.

9. **POINT OF CONTACT / DESIGNATED REPRESENTATIVE**:

A. **Contractor's point of contact**: In order to maintain consistent standards of quality work performed across the City, the City shall be provided with a designated and identified point of contact upon award of the contract to include contact information. The City's designated representative shall be notified by the Respondent immediately should the point of contact change.

B. The City's designated representative:

City of Waelder
RFP - Financial Audit Services
August 2025

Adolph Gonzales
Interim City Manager
Phone: 830-788-7331
E-mail: citymanager@waeldertexas.gov

PART III STATEMENT OF WORK

1. **BACKGROUND INFORMATION**

A. **Fund Structure**: The City uses the following fund types and account groups in its financial reporting:

Fund Type	Number of Individual Funds
General Fund	1
Special Revenue Fund	4
Debt Service Fund	1
Enterprise Fund - Utilities	1

NOTE: Several of the above funds are combined for reporting purposes.

B. **Budgetary Basis of Accounting**: The City prepares its governmental fund type budgets on a basis consistent with generally accepted accounting principles.

C. **Federal And State Financial Assistance Awards**: During the fiscal years to be audited, the City receives the following Federal and State financial assistance awards:

- General Land Office

D. **Pension Plans**: The City provides pension benefits for all its full-time employees through a non-traditional, joint contributory, hybrid benefit plan in the state-wide Texas Municipal Retirement System (TMRS), an agent multiple-employer public employee retirement system.

E. **Computer Systems**: The City utilizes the following systems for transactions:

- i. Quickbooks for Financial and Payroll
- ii. Edoc for Court Department
- iii. Asyst for Utility Billing.

2. **SCOPE OF WORK**: The Respondent shall provide the following auditing services, and in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants (AICPA), U.S. GAO Government Auditing Standards, the provisions of the federal Single Audit Act of 1984 (as amended in 1996) and U.S. OMB Uniform Guidance, Audits of States, Local Governments, and Non-Profit Organizations:

A. The auditors will be responsible for preparing the annual financial report in accordance with Governmental Accounting Auditing and Financial Reporting (GAAFR), and standards promulgated by GASB.

- B. Express an opinion on the fair presentation of the City's basic financial statements in conformity with generally accepted accounting principles; auditing of the basic financial statements; performance of certain limited procedures mandated by generally accepted auditing standards; auditing of information contained in the Schedule of Expenditures of Federal Awards and evaluating the effectiveness of the City's internal controls.
- C. Perform certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards.
- D. Audit information contained in a schedule of federal and state financial assistance – this information must be subjected to the auditing procedures applied in the audit of basic financial statements and in accordance with Governmental Auditing Standards, the Single Audit Act as amended in 1996, US Office of Management and Budget ("OMB") Uniform Guidance and the State of Texas Uniform Grants Management Standards, Chapter IV, Texas State Single Audit Circular. As needed, an opinion of the fair presentation of this schedule in relation to the basic financial statements taken as a whole must be provided.
- E. Perform certain limited procedures on management controls on investments and adherence to the City's established investment policies, as required by Texas state law.
- F. The Respondent may be requested to provide other types of services. Examples include additional audits or reviews of specific areas such as the City's utility funds, cost studies, and other consulting services. The scope of the City's annual audit may be broadened and/or special projects assigned with the advance written consent of the City, and fees for such additional services must be determined in writing in advance.
- G. Perform additional services and provide technical support throughout the year, including new GASB pronouncements.
- H. Personnel: Work may be performed on site or remote.
 - i. Engagement partners, managers, other supervisory 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 the City. However, in either case, the City retains the right to approve or reject replacements.
 - ii. Consultants and firm specialists mentioned in response to this solicitation can only be changed with the express prior written permission of the City, which retains the right to approve or reject replacements.
 - iii. Other audit personnel may be changed at the discretion of the Respondent provided that replacements have substantially the same or better qualifications or experience.

3. **REQUIRED REPORTS:** The primary purpose of the required auditing services shall be to express an opinion on the basic financial statements taken as a whole. The combining and non-combining major fund type statements and supplementary schedules shall be subject to the same auditing procedures as the audit of the basic financial statements.
- A. Following the completion of audit of the fiscal year's financial statements, the Contractor shall issue all reports currently required by the state and federal grantors, the American Institute of Certified Public Accountants, GASB, and any other regulatory agencies.
- B. In the required reports on internal audits, the Contractor shall communicate any reportable conditions discovered during the audit to the Interim City Manager and the City's governing body. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure which could adversely affect the City's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions that are also material weaknesses shall be identified as such in the report.
- C. Non-reportable conditions discovered by the Contractor shall be reported in a separate letter to management, which shall be referenced in the reports on internal controls.
- D. A report shall also be issued on the Schedule of Expenditures of Federal Awards and the internal control structure used in administering those financial awards.
- E. The Contractor shall be required to make an immediate written report to the Interim City Manager and the governing body detailing any and all irregularities and illegal acts discovered.
- F. The Contractor shall ensure that the City's Mayor and governing body are informed of each of the following in its report:
- i. Responsibilities of auditors under generally accepted and government auditing standards
 - ii. Significant accounting policies
 - iii. Management judgments and accounting estimates
 - iv. Significant audit adjustments
 - v. Other information in documents containing audited financial statements
 - vi. Disagreements with management
 - vii. Management consultation with other professional accountants
 - viii. Major issues discussed with management prior to retention of the selected firm
 - ix. Difficulties encountered in performing the audit.
 - x. The Contractor shall provide the City with information relating to regulation changes that affect the City and its operations such as timely notification of changes proposed or initiated by GASB, FASB, or GAO.

4. **WORKING PAPER RETENTION AND ACCESS TO WORKING PAPERS:** All working papers and reports shall be retained, at the Contractor's expense, for a minimum of five (5) years, from completion of the audit, unless the firm is notified, in writing by the City, to extend the retention period. The Contractor shall make working papers accessible, upon request, to the following parties or their designees:
- City of Waelder
 - State or Federal grant agencies
 - U.S. Government Accountability Office
 - Parties designated by the federal or state governments or by the City as part of an audit quality review process.
 - Auditors of entities of which the City is a subrecipient of grant funds.
 - In addition, the Respondent shall respond to inquiries of successor auditors and allow successor auditors to review working papers related to matters of continuing accounting significance.
 - Legal Requirements: It shall be the responsibility of the Respondent to be knowledgeable of all Federal, State and Local laws, ordinances, rules, and regulations that in any manner affect the services covered herein which may apply.
5. **CITY RESPONSIBILITIES:** The City will provide the following to the Contractor:
- A. A "prepared by client list" is to be provided to the Interim City Manager. This list should include adequate detail and explanation as to the purpose of the working paper or item requested. City staff will be available to the Contractor for purposes of pulling invoices, providing access to proper files or for explanation of procedures. City staff and responsible management will be available during normal working hours throughout the course of the audit to assist the Contractor by providing information, documentation, and explanations. Preparation of confirmations shall be the sole responsibility of the Contractor.
- B. The City will provide workspace, desks, chairs, Wi-Fi internet access and photocopying equipment.
6. **SCHEDULE FOR PRIOR AND CURRENT FISCAL YEAR AUDIT:** The Contractor shall submit a schedule of the following audit functions to the Interim City Manager for review:
- A. Audit planning and scheduling – Contractor will provide the City with a proposed schedule.
- B. Information to be provided by the City – a "prepared by client list" is to be provided to the Interim City Manager.
- C. Completion of field work for prior and current year audit – the Contractor shall make every effort to complete all required field work as presented in the proposed timeline.

The City is committed to providing staff needed to provide items requested in a timely manner.

D. Preparation of final report – Contractor will provide the City with a proposed schedule for completion of the final report.

7. **ENTRANCE CONFERENCES, PROGRESS REPORTS, AND EXIT CONFERENCES:** The Contractor shall schedule an entrance conference, periodic progress reports and an exit conference with the Interim City Manager or relevant staff. Fees for these events must be stated in the proposal. In the event additional meetings are required, such meetings must be agreed upon in writing in advance by the City.

PART VI

PROPOSAL PREPARATION INSTRUCTIONS AND EVALUATION FACTORS

1. **PROPOSAL ACCEPTANCE PERIOD**: All proposals are valid for a period of one hundred and twenty (120) calendar days subsequent to the RFP closing date unless a longer acceptance period is offered in the proposal.
2. **PROPOSAL RESPONSE**: Responses shall be clear and concise while appropriately responding to the evaluation criteria listed below in Section 3.

Proposal Submittal Instructions: The Respondent shall include all the following documents in their response:

- ☐ Attachment A- Reference Sheet
- ☐ Acknowledged Addenda (if applicable)
- ☐ Company Information- which gives in brief, concise terms, a summation of the proposal. Include the following

Business Organization: State full name and address of your organization and identify parent company if you are a subsidiary. Specify the branch office or other subordinate element which will perform, or assist in performing, work herein. Indicate whether you operate as a partnership, corporation, or individual. Include the State in which incorporated or licensed to operate.

Project Management Structure: Provide a general explanation and chart which specifies project leadership and reporting responsibilities; and interface the team with City project management and team personnel.

Authorized Negotiator: Include the name, email address, and telephone number of the person(s) in your organization authorized to negotiate Contract terms and render binding decisions on Contract matters.

- ☐ Segment requirements listed below in Part V, Item 3.
- ☐ Letter of Transmittal.
 - a. Briefly state your firm's understanding for the services to be performed and make a positive commitment to provide the services as specified.
 - b. A statement of affirmation warranting compliance with State of Texas laws with respect to foreign (nonstate of Texas) corporations.
 - c. A statement of affirmation warranting responsibilities shall not be delegated or subcontracted without prior written permission of the City.
 - d. A statement about why the firm believes itself to be best qualified to perform the engagement and a statement that the response is a firm offer for the period stated.

e. Provide the name(s) of the person(s) authorized to make representations for your firm, their titles, address, telephone numbers and e-mail address.

- ☐ A statement of your compliance with all applicable rules and regulations of Federal, State and Local governing entities.
- ☐ List of Exceptions (if any)- Be advised that exceptions to any portion of the Solicitation may jeopardize acceptance of the Proposal by the City. Exceptions to this solicitation if any, shall be submitted on a separate sheet labeled "Exceptions" with the Respondent's proposal.
- ☐ List of any additional fees not specifically called out by the City in Attachment B- Cost Proposal Sheet that may be required to perform the tasks requested by this solicitation.

3. EVALUATION CRITERIA:

A. Segment 1 – Company Work Experience and Personnel

i. Company Work Experience: State the number of years the Respondent company has been providing the services requested in the solicitation. Describe only relevant municipal, corporate, and individual experience for the company and personnel who will be actively engaged in the project. Do not include corporate experience unless personnel assigned to this project actively participated. Do not include experience prior to 2017. Supply the project title, year, and reference name, title, present address, and phone number of principal persons for whom prior projects were accomplished.

1) Respondent shall submit a copy of the report on its most recent peer review, with a statement whether that peer review included a review of specific government engagements, and whether in the most recent review, an unmodified opinion was issued.

2) Respondent shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years. In addition, Respondent shall provide information on the circumstances and status of any disciplinary action taken or pending against the Respondent during the past three (3) years with state regulatory bodies or professional organizations.

3) In addition to the submission of Attachment A- Reference Sheet, list separately all engagements within the last five years, ranked on the basis of total staff hours, for the City by type of engagement (e.g. audit, management advisory services, other). Indicate the scope of work, date, engagement partners, total hours, the location of the firm's office from

which the engagement was performed, and the name and telephone number of the principal client contact.

4) For the Respondent's office that will be assigned responsibility for the audit, list the most significant engagements (maximum – 5) performed in the last five years that are similar to the engagement described in this solicitation. These engagements shall be ranked on the basis of total staff hours. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

ii. Personnel: Include names, qualifications, and resumes of all personnel who will be assigned to the account. State the primary work assigned to each person and the percentage of time each person will devote to this work. Identify key persons by name and title.

1) Identify the principal supervisory and management staff, including engagement partners, managers, other supervisors, and specialists, who would be assigned to the engagement. Indicate 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 (3) years and membership in professional organizations relevant to the performance of this audit.

3) Adequacy of proposed staffing plan for various segments of the engagement.

B. Segment 2- Respondent's Methodology, Approach, & Timeline

Respondent's Method and Approach: Respondent shall define the method and approach to be used. The Response shall set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services. In developing the work plan, reference shall be made to such sources of information as City budget and related materials, organizational charts, manuals and programs, and financial and other management information systems. Respondents shall provide the following information on their audit approach:

- i. Proposed segmentation of the engagement.
- ii. Level of staff and number of hours to be assigned to each proposed segment of the engagement.
- iii. Sample size and the extent to which statistical sampling is to be used in the engagement.
- iv. Extent of use of computer audit tools in the engagement.
- v. Type and extent of analytical procedures to be used in the engagement.

- vi. Approach to be taken to gain and document an understanding of the City's internal control structure
- vii. Approach to be taken in determining laws and regulations that will be subject to audit test work.
- viii. Approach to be taken in drawing audit samples for purposes of tests of compliance.
- ix. Approach and frequency to be taken regarding regular communications with the Interim City Manager regarding the engagement status.
- x. Identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from the City.

Timeline: The Respondent shall submit a detailed schedule for the Fiscal Year 2024 Balance Sheet audit and Fiscal Year 2025 audit per these specifications:

- i. A detailed audit plan and a list of all schedules needed shall be provided to the City according to the agreed upon timeline for the prior and current year audit.
- ii. Entrance conferences, progress reporting and exit conferences shall be developed for audits of prior, current and future fiscal years, provided, the City exercises its option for additional audits. Contractor shall schedule them with the Interim City Manager.

C. **Segment 3 – Cost Proposal:** Complete and submit with your response. A firm fixed price or not-to-exceed Contract is contemplated. Include a list of any additional fees required to perform the tasks requested by this solicitation.

D. **Evaluation Scoring:** The intent of the City is to award to one Respondent in accordance with the evaluation criteria below. The purpose of this evaluation criteria is to determine which proposal best meets the requirements and provides the best overall value to the City.

• Company Work Experience and Personnel (Segment 1)	40 pts
• Respondent's Solution, Methodology, & Timeline (Segment 2)	40 pts
• Cost Proposal (Segment 3)	20 pts
Maximum Weight:	100 pts

- i. An evaluation committee will be established to evaluate the proposal. The committee will include employees of the City, a representative from City Council and may include other impartial individuals who are not City employees. The evaluation committee will determine if discussions and/or Best and Final Offers (BAFO) are necessary. Award of a contract may be made without discussions or BAFO, if in the best interest of the City. The evaluation committee may determine that discussions are necessary to clarify or verify a written proposal response. The City may, at

its discretion, elect to have respondents provide oral presentations of their proposal. The City reserves the right to re-score an offer based on demonstrations provided. A request for a BAFO is at the sole discretion of the City and will be requested in writing. The evaluation committee will evaluate the finalists and make a recommendation for award.

- ii. The City reserves the right to reject any or all proposals submitted, or to award to the respondent who, in the City's opinion, offers the best value to the City. The City also reserves the right to cancel the RFP process and pursue alternate methods for providing the requirements.
- iii. The City reserves the right to conduct studies and other investigations as necessary to evaluate any proposal.
- iv. The City reserves the right to waive any minor technicality, irregularities, or informalities noted in the submission process. Submission of proposal confers no legal rights upon any Respondent.
- v. The City reserves the right to request further documentation or information and to discuss proposal response with any Respondent in order to answer questions or to clarify any aspects of the proposal.
- vi. The City may develop a "short list" of qualified proposal and may determine that the Respondent(s) should submit a Best and Final Offer (BAFO). Each "short listed" Respondent will be given a reasonable opportunity for discussion and revision of their proposal.

4. AGREEMENT NEGOTIATIONS AND AWARD PROCESS:

A. A proposal presented in response to this RFP is subject to negotiation concerning any issues deemed relevant by the City. The City reserves the right to negotiate any issue with any party. Any unsolicited communication by the Respondent to a City official, undesigned employee, or an evaluation team member evaluating or considering the offers may be grounds for disqualifying the offending Offeror from consideration of award.

B. Submission of proposal indicates the Respondent's acceptance of the evaluation process and recognition that the City may make subjective judgments in evaluating the proposal to determine the best value for the City.

C. If negotiations are successful, the City and Respondent may enter into an agreement. If negotiations are unsuccessful, the City may formally end negotiations with that Respondent.

D. The City also reserves the right to reject any or all submittals, or to accept any submittal deemed most advantageous, or to waive any irregularities or informalities in the submittal received.

E. An independent signed authorized Contract will be sent to the Contractor(s). Execution of a City of Waelder contract is required prior to starting work and processing any payments to the awarded Respondent.

5. **POST AWARD MEETING**: The City and the Respondent may schedule a post award meeting to discuss, but not be limited to the following:
 - A. The method to provide a smooth and orderly transition of services performed from the current Contractor.
 - B. Provide City contact(s) information for implementation of the Agreement.
 - C. Identify specific milestones, goals, and strategies to meet objectives.

**ATTACHMENT A
REFERENCE SHEET**

PLEASE COMPLETE AND RETURN THIS FORM WITH THE SOLICITATION RESPONSE

SOLICITATION NUMBER: 2025-Audit Services

RESPONDENT'S NAME: _____ **DATE:** _____

Provide the name, address, telephone number and **E-MAIL** of at least three (3) valid Municipal, Government agencies or firms of comparable size that have utilized services that are similar in type and capacity within the last two (2) years. References may be checked prior to award. If references cannot be confirmed or if any negative responses are received it may result in the disqualification of submittal.

1. Company's Name _____
Name of Contact _____
Title of Contact _____
E-Mail Address _____
Present Address _____
City, State, Zip Code _____
Telephone Number () Fax Number: ()

2. Company's Name _____
Name of Contact _____
Title of Contact _____
E-Mail Address _____
Present Address _____
City, State, Zip Code _____
Telephone Number () Fax Number: ()

3. Company's Name _____
Name of Contact _____
Title of Contact _____
E-Mail Address _____
Present Address _____
City, State, Zip Code _____
Telephone Number () Fax Number: ()