



REQUEST FOR PROPOSAL

RFP NUMBER: 2018-006

PROPOSAL FOR: PROFESSIONAL AUDITING SERVICES

PROPOSAL DUE DATE: April 26, 2018

PROPOSAL DUE TIME: 2:00 pm

PRE-PROPOSAL CONFERENCE: NA

CONTACT: Justin Scharnhorst, Purchasing Manager
E-mail: jscharnhorst@burlesontx.com
Telephone: 817-426-9646, Fax: 817-426-9368

Sealed proposals, one (1) original and two (2) copies, subject to the Terms and Conditions of this RFP and other contract provisions, will be received by the **Purchasing Manager, 141 W. Renfro, Burleson, Texas 76028**, before the due date and time shown above. **Proposals must be returned in a sealed envelope or other appropriate package, addressed to the Purchasing Manager, City of Burleson and have the proposal number, due date, and company name clearly marked on the outside envelope. No elaborate binding or binders, please.** Late proposals will be returned to the vendor unopened. Proposals may be withdrawn at any time prior to the due date and time shown above. Proposals may not be altered, amended or withdrawn after the due date and time without the recommendation and approval of the Purchasing Agent. The undersigned agrees, if the proposal is accepted, to furnish any and all items upon which prices are offered, at the price(s) and upon the terms and conditions contained in the specifications. The period for acceptance of this proposal shall be 90 calendar days.

THE UNDERSIGNED, BY HIS/HER SIGNATURE, REPRESENTS THAT HE/SHE IS AUTHORIZED TO BIND THE PROPOSING VENDOR FOR THE AMOUNT SHOWN ON THE ACCOMPANYING PROPOSAL SHEETS AND HEREBY CERTIFIES FULL COMPLIANCE WITH THE TERMS AND CONDITIONS, SPECIFICATIONS AND SPECIAL PROVISIONS OF THE RFP. BY SIGNING BELOW, YOU SIGNIFY THAT YOU HAVE READ THE ENTIRE DOCUMENT AND AGREE TO THE TERMS AND CONDITIONS THEREIN. BY SIGNING BELOW, YOU ALSO CERTIFY THAT IF A TEXAS ADDRESS IS SHOWN AS THE ADDRESS OF THE PROPOSING VENDOR, THE VENDOR QUALIFIES AS A TEXAS "RESIDENT BIDDER" AS DEFINED IN RULE 1 TAC 111.2.

Company Name and Address	Company's Authorized Agent:
	Signature
	Name and Title (Typed or Printed)
Federal ID Number (TIN) or SSN and Name	
Telephone No.	Date
Fax No.	Email address:

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CITY OF BURLESON
REQUEST FOR PROPOSALS

I. **INTRODUCTION**

A. **General Information:**

The City of Burleson is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal year ending September 30, 2018, and 2019, with the option of auditing its financial statements for three subsequent fiscal years. These audits are to be performed in accordance with generally accepted auditing standards, the standards set forth for financial audits in the General Accounting Office's (GAO) *Government Auditing Standards* (1994), the provisions of the federal Single Audit Act of 1984 (as amended in 1996) and U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States and Local Governments*, as well as examination for compliance with procedures established by Charter, Ordinance, or where applicable, State and Federal laws or regulations. The Finance Department submits its Comprehensive Annual Financial Report (CAFR) to the Government Finance Officers Association of the United States and Canada (GFOA) Certificate of Achievement for Excellence in Financial Reporting Program. The City of Burleson, therefore, searches for a firm that actively participates in technically assisting clients that have previously been awarded the certificate.

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

To be considered, three copies of a proposal must be received by the City of Burleson Purchasing Manager, Justin Scharnhorst at 141 W. Renfro, Burleson, Texas 76028 by 2 p.m. on April 26, 2018. The City of Burleson reserves the right to reject any or all proposals submitted.

Proposals submitted will be evaluated by the City of Burleson

During the evaluation process, the City of Burleson reserves the right, where it may serve the City of Burleson's best interest, to request additional information or clarifications from proposers, or to allow corrections of errors or omissions. At the discretion of the City of Burleson, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

The City of Burleson 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 indicates acceptance by the firm of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City of Burleson

and the firm selected.

The City of Burleson desires to enter into an agreement that will be advantageous to both the City and the audit firm.

It is anticipated the selection of a firm will be completed by May 24, 2018. Following the notification of the selected firm it is expected a contract will be executed between both parties by August 6, 2018.

B. Term of Engagement:

A three-year contract is contemplated, renewable annually subject to the annual review and recommendation of the City of Burleson, the satisfactory negotiation of terms (including a price acceptable to both the City of Burleson and the selected firm), the concurrence of the City of Burleson and the annual availability of an appropriation.

II. NATURE OF SERVICES REQUIRED

A. General:

The City of Burleson is soliciting the services of qualified firms of certified public accountants to audit its financial statements for the fiscal year ending September 30, 2018, and 2019 with the option to audit the City of Burleson's financial statements for three subsequent fiscal years with the approval of the City Council. These audits are to be performed in accordance with the provisions contained in this request for proposals.

From time to time, the City of Burleson may request the auditor to perform other audits and reviews not specifically provided for under this request for proposal. If such a request is made, the auditor shall submit, at the City's request, a separate proposal for completing the engagement, along with a proposed fee schedule. The City reserves the right to contract any additional audits or reviews with whomever they chose.

B. Scope of Work To Be Performed:

The City of Burleson desires the auditor to express an opinion on the fair presentation of its basic financial statements in conformity with generally accepted accounting principles.

The auditor shall also be responsible for performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards.

C. Auditing Standards To Be Followed:

To meet the requirements of this request for proposals, 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 set forth

for financial audits in the U.S. General Accounting Office's (GAO) *Government Auditing Standards* (1994), the provisions of the federal Single Audit Act of 1984 (as amended in 1996) and U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States and Local Governments*, as well as examination for compliance with procedures established by Charter, Ordinance, or where applicable, State and Federal laws or regulations.

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 basic financial statements in conformity with generally accepted accounting principles, including an "in-relation-to" opinion on the combining and individual fund financial statements and schedules.
2. A report on compliance and internal control over financial reporting based on an audit of financial statements in accordance with Government Auditing Standards.
3. Additionally, should a federal (or state) single audit be required, the auditor should also issue the following:
 - a. An "in-relation-to" opinion on the schedule of expenditures of federal (or state) awards.
 - b. A report on compliance and internal control over compliance applicable to each major federal (or state) program.
4. The auditor shall communicate in a letter to management any significant deficiency and material weakness in accordance with governmental auditing standards.

The report on compliance and internal controls shall include all material instances of noncompliance. All nonmaterial instances of noncompliance shall be reported in a separate management letter, which shall be referred to in the report on compliance and internal controls.

Illegal acts. Auditors shall be required to make an immediate, written report of all illegal acts or indications of illegal acts of which they become aware to the City Council.

E. Special Considerations:

1. The City of Burleson will send its comprehensive annual financial report to the Government Finance Officers Association of the United States and Canada for

review in their Certificate of Achievement for Excellence in Financial Reporting program. It is anticipated that the auditor will be required to provide special assistance to the City of Burleson to meet the requirements of that program.

2. The City of Burleson currently anticipates it will prepare one or more official statements in connection with the sale of debt securities over the term of this proposed engagement, which will contain the financial statements and the auditor's report thereon. The Auditor shall be required, if requested by the City, to issue a "consent and citation of expertise" as the auditor and any necessary "comfort letters" and to provide assistance in compliance with disclosure and other diligence requirements for the issuance of said debt securities.
3. The schedule of federal financial assistance and related auditor's report, as well as the reports on the internal control structure and compliance are not to be included in the comprehensive annual financial report, but are to be issued separately.
4. Assistance may be required in implementing and complying with new requirements recently mandated by GASB statements.

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 Burleson of the need to extend the retention period. The auditor shall not dispose of working papers and reports without the written consent of the City of Burleson. The auditor will be required to make working papers available, upon request, to the City or designees, including Federal Grant Agencies or other Federal Agencies, State of Texas Grant Agencies and other State of Texas Agencies, and auditors of entities of which the City of Burleson is a sub recipient of grant funds. In addition, the firm shall respond to reasonable inquiries of successor auditors and allow successor terms to review working papers relating to matters of continuing accounting significance.

G. Client Prepared Schedules:

The Auditors should submit a list of requested client-prepared schedules to the Finance Director no later than August 31. The Accounting staff will devote up to an average of ten man-hours per week to the schedule preparation from August 31 through December 21. Because the Accounting Division is staffed at only a maintenance level and must carry on its normal operations during the audit, much of this time will be overtime. The Accounting Division will strictly adhere to this time commitment.

III. DESCRIPTION OF THE GOVERNMENT

A. City Contacts:

The auditor's principal contacts with the City of Burleson will be Rhett Clark,

Finance Director, at (817) 426-9651.

B. Background Information:

The City of Burleson serves an area of 28.6 square miles with a population of 45,016. The City of Burleson's fiscal year begins on October 1 and ends on September 30.

The City of Burleson provides the following services to its citizens:

Services provided by the City under general governmental functions include beautification, two economic development and revitalization, park operations and maintenance, community and recreation services, library services, public safety including police, fire and emergency medical services, and public works activities such as permitting, licensing, and street construction and maintenance. Other business type functions include the operation of a water and sewer system, storm drainage system as well as a golf course.

The City of Burleson has a total payroll of approximately \$31,000,000 covering 410 full-time equivalent positions (FTE).

More detailed information on the government and its finances can be found in the CAFR and Annual Operating Budget which is available on the City of Burleson website www.burlesontx.com.

C. Fund Structure:

Fund Type	Number of Funds	Number of Funds with Legally Adopted Annual Budgets
Primary Government		
General	1	1
Special Revenue	15	15
Debt Service	3	3
Capital Projects	32	0
Enterprise	5	5
Internal Service	4	4

The City also has two account groups and uses a consolidated cash fund.

D. Basis of Accounting and Budgeting:

The governmental fund types follow the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the fiscal period. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The obligations of the city (for example outstanding purchase orders) are budgeted as expenses

during the fiscal year they are issued.

The proprietary fund type uses the accrual basis of accounting. Under this method, revenues are recorded when earned (for example, drainage utility fees are recognized as revenue when bills are produced) and expenses are recorded when a commitment is made (e.g., through a purchase order).

The Comprehensive Annual Financial Report (CAFR) shows the status of the City's finances on the basis of "generally accepted accounting principles" (GAAP). The City prepares its budget on the GAAP basis except for the treatment of depreciation expense (which is not shown in the budget, although the full purchase price of equipment is shown as a capital outlay). The modified accrual basis of accounting is used for the governmental fund types budgets and the accrual basis of accounting is used for the proprietary fund budgets.

E. Federal and State Awards:

The City of Burleson receives funds from various federal and state sources each year. The amount of funding depends greatly upon factors that are not predictable. The last single audit was performed for the City during the 2017 Fiscal Year.

F. Pension Plans:

The City of Burleson participates in the Texas Municipal Retirement System, a multiple employer agency. This system was established in 1948 and is administered in accordance with the Texas Municipal Retirement System Act (Texas Government Code, Title 8, Subtitle G).

G. Component Units:

The management of the City of Burleson identified the following component units for inclusion in the City of Burleson's financial statements:

The Burleson Community Service Development Corporation ("BCDC") was incorporated June 25, 1993 as a nonprofit industrial development corporation under the Development Corporation Act of 1979 ("Act"). The Corporation is organized exclusively for the purposes of benefiting and accomplishing public purposes of, and to act on behalf of, the City, and the specific purposes for which the Corporation is organized. This includes the construction and renovation of the municipal buildings and other facilities. Although it is legally separate from the City, the BCDC is reported as if it were part of the primary government (blended) because its Board of Directors is substantially the same as the City Council and the City is the primary beneficiary of the financing services provided. Separate financial statements for the BCDC are not available.

The Burleson 4A Economic Development Corporation (the "4A Corporation") was incorporated September 28, 2000. The Corporation as organized is to promote and provide for the economic development within the city and the State of Texas in

order to eliminate unemployment and underemployment, and to promote and encourage employment and the public welfare of, for, and on behalf of the City by developing, implementing, providing, and financing projects under the Act and as defined in Section 4A of the Act. Although it is legally separate from the City, the 4A Corporation is reported as a blended component unit because its Board of Directors is substantially the same as the City Council and the City is the primary beneficiary of the services it provides. Separate financial statements for the 4A Corporation are not available.

Tax Increment Finance Reinvestment Zone #2 (the TIF) was formed to finance and make public improvements serving only the City, under the authority of the Tax Increment Financing Act. The TIF is governed by a five-member board of directors, of which four members are appointed by the City Council. Although it is legally separate from the City, the TIF is reported as a blended component unit because its Board of Directors is substantially the same as the City Council and City is the primary beneficiary of the services it provides. Separate financial statements for the TIF are not available.

Tax Increment Reinvestment Zone Number Three (TIRZ 3) was created in 2012. The Board and Bylaws of the Corporation have not been established, but it is anticipated that the purpose and organization of TIRZ 3 will be much the same as that of TIF 2.

H. Magnitude of Finance Operations:

The Finance Department is headed by Rhett Clark, CPA, Director of Finance, and consists of 9 full-time employees. The principal functions performed and the number of employees assigned to each are as follows:

<u>Function</u>	<u>Number of Employees</u>
Finance, Accounting, and Budget	8
Administration	1
Purchasing	1

I. Computer Systems:

Hardware is a networked Intel Pentium 64 bit with an operating system of Windows 2016 server and Windows 7/10 desktop environment. Software is through Superior HTE System running on an IBM iSeries.

J. Availability of Prior Audit Reports and Working Papers:

Interested proposers who wish to review prior years' audit reports and management letters should contact the Purchasing Manager. The City of Burlison will use its best efforts to make prior audit reports and supporting working papers available to proposers to aid their response to this request for proposals.

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 issued	April 5, 2018
Due date for proposals	April 26, 2018
Interviews with Top Firms	May 1, 2018
Selected firm notified	May 24, 2018
Contract date	August 6, 2018

B. **Projected Annual Calendar:**

Interim audit work and entrance, progress, and exit conferences should be scheduled with the Finance Department as early as possible. The auditor shall provide the City by August 31, 2018, and August 31st for subsequent years, both a detailed audit plan and a list of all schedules to be prepared by the City.

Final audit fieldwork should begin after the second week of November and be completed no later than December 21st each year. The City will have sufficient work papers and draft reports available for audit fieldwork to begin on the first week of November.

The auditor's report on the City's financial statements must be completed thirty (30) days prior to the first regularly scheduled February City Council Meeting for City staff review along with an interim management letter if any materially significant internal control weaknesses are discovered. An informal presentation and report for the Finance Committee and report shall be issued within the week of the regularly scheduled February City Council Meeting, and a formal presentation and report shall be issued no later than the regularly scheduled February City Council Meeting. Forty (40) signed copies and an electronic scanned version (PDF file) of the final report should be delivered to the Burleson City Council at that time. If a Single Audit was also issued, it should be submitted to the clearing house within two weeks of the City Council formally approving the CAFR, and a receipt of acceptance provided to the Director of Finance.

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 City of Burleson once the auditors provide their preferred formatting.

B. **Electronic Data Processing (EDP) Assistance:**

Any requirements for computer time and/or system documentation will be

coordinated through the City's Information Technology Director.

C. Statements and Schedules to be Prepared by the Staff of the City of Burleson:

The City anticipates preparing the necessary trial balances, supporting schedules, analytical review schedules, etc. as agreed to with the auditor. The accounting staff will prepare necessary "prepared by client" (PBC) working papers normally required for the annual audit. All working papers requested to be prepared by the City should be submitted in writing as a list to the Assistant Finance Director on or before August 31st of each year. The PBC list should include adequate explanatory details as to the purpose of the working papers as well as method of preparing the working papers. Sufficiency and adequacy of the statements and schedules will be determined by the City.

D. Facilities:

The City of Burleson will provide the auditor with reasonable workspace, desks and chairs. The auditor will also be provided with limited access to our Sungard accounting software system, Optiview (electronic stored copies of support) and photocopying/printing facilities machines subject to requests of needs being made on or before the August 31 pre-audit requirements.

E. Report Preparation:

Audit reports are to be addressed to the Honorable Mayor, City Council and City Manager, City of Burleson, Texas.

Proposals should include an option for preparation of CAFR within the limits established by GAAS, or other regulatory authority, and an explanation of the firm's interpretation of those limits.

Proposal should include preparation of the financial statements, notes, and all required supplementary schedules of the CAFR.

All report preparation, editing and printing shall be the responsibility of the auditor. Forty (40) copies of each covered report should be printed and an electronic version (PDF file) provided for use on the City's website.

VI. PROPOSAL REQUIREMENTS

A. General Requirements:

1. Inquiries:

Inquiries concerning the request for proposals and the subject of the request for proposals must be made to:

Justin Scharnhorst
jscharnhorst@burlesontx.com
141 W. Renfro
Burleson, Texas 76028

2. **Submission of Proposals:**

The City realizes that the audit firm may have local government audit and consulting expertise nationally. While this is important, the City is most interested in "local office." The "local office" is defined as the office from which the audit engagement will be managed and primarily staffed. The following material is required to be received by 2 P.M. Central Standard Time April 26, 2018 for a proposing firm to be considered:

- a. A master copy (so marked) of a Technical Proposal and two (2) copy to include the following:
 - i. Title Page showing the request for proposals subject; the firm's name; the name, address and telephone number of the contact person; and the date of the proposal.
 - ii. Table of Contents
 - iii. Transmittal Letter signed and briefly stating the proposer's understanding of the work to be done, the commitment to perform the work within the time period, a statement why the firm believes itself to be best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for ninety (90) days.
 - iv. Detailed Proposal, which should follow the order set forth in the Technical Proposal Section of this request for proposal.
 - v. Executed copies of Proposer Guarantees, Proposer Warranties, Conflict of Interest Questionnaire and Schedule of Fees attached to this request for proposal (See Appendix A, B,C and D).
- b. The proposer shall submit an original and two (2) copies of a dollar cost bid in a separate sealed envelope marked as follows.
- c. Proposers should send the completed proposal consisting of the two separate envelopes to the following address:

City of Burleson
Purchasing Manager
RFP 2018-006
Professional Audit Services
141 W. Renfro
Burleson, Texas 76028

B. Technical Proposal:

1. General Requirements:

The purpose of the Technical Proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit of the City of Burleson in conformity with the requirements of this request for proposals. As such, the substance of proposals will carry more weight than their form or manner of presentation. The Technical Proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the request for proposals requirements.

THERE SHOULD BE NO DOLLAR UNITS OR TOTAL COSTS INCLUDED IN THE TECHNICAL PROPOSAL DOCUMENT.

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

2. Independence:

The firm should provide an affirmative statement that is independent of the City of Burleson as defined by generally accepted auditing standards and the U.S. General Accounting Office's *Government Auditing Standards*.

The firm also should provide an affirmative statement that it is independent of all of the component units of the City of Burleson as defined by those same standards.

The firm should also list and describe the firm's (or proposed subcontractors') professional relationships involving the City of Burleson or any of its component units for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

In addition, the firm shall give the City of Burleson written notice of any professional relationships entered into during the period of this agreement.

3. **License to Practice in Texas:**

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

4. **Firm 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 in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis.

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 firm 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 firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past five (5) years. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past five (5) years with state regulatory bodies or professional organizations. Also describe all major pending and settled litigation of the firm during the last five (5) years. Please identify any litigation involving the local office.

The firm should also describe firm strengths, local strengths, audit philosophy, and how it differs from other firms.

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. 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 two (2) years 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, specialists and other audit personnel may be changed if those personnel leave the firm, are promoted or are assigned to another office provided that replacements have substantially the same or better qualifications or experience.

Describe staff turnover in the local office over the last 24 months due to resignations or terminations.

6. **Prior Engagements with the City of Burleson:**

List separately all engagements within the last five years, ranked on the basis of total staff hours, for the City of Burleson by type of engagement (i.e., 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. Describe how this engagement does not conflict with your firm's independence in providing professional audit services in the future.

7. **Similar Engagements with Other Government Entities:**

For the firm'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 request for proposal. These engagements should 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.

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 request for proposal.

Indicate the firm's agreement with respect to the scope of audit services, time period for engagement, and working papers. Any disagreement with these terms should be expressed here, as the City of Burleson plans to incorporate the RFP as proposed into the final contract by reference.

9. **Identification of Anticipated Potential Audit Problems:**

The proposal should 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 of Burleson.

10. **Report Format:**

The proposal should include sample formats for required reports.

NO DOLLARS SHOULD BE INCLUDED IN THE TECHNICAL PROPOSAL

C. **Sealed Dollar Cost Bid:**

1. **Total All-Inclusive Maximum Price** - The sealed dollar cost bid should contain all pricing information relative to performing the audit engagement as described in this request for proposal. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs including all out-of-pocket expenses stated separately.

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

The first page of the sealed dollar cost bid should include the following information:

- 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 of Burleson.
 - c. A Total All-Inclusive Maximum Price for the fiscal year ending September 30, 2018, and 2019 engagement. Include price for the preparation of the CAFR, typing and printing the camera ready master copy of the CAFR and the required forty (40) copies, as well as the electronically scanned (PDF file) of entire document. Identify the fee for out-of-pocket expenses, if any, separately from the fee for audit services.
2. **Rates by Partner, Specialist, Supervisory and Staff Level Times Hours Anticipated for Each:**
The second page of the sealed dollar cost bid should include a schedule of professional fees and expenses, presented in the format provided in the attachment, that supports the total all-inclusive maximum price. The cost of special services described in Section II E of this request for proposal should be disclosed as separate components of the total all-inclusive maximum price (See Appendix D).
 3. **Out-of-pocket Expenses Included in the Total All-inclusive Maximum Price and Reimbursement Rates:**
Out-of-pocket expenses for firm personnel (e.g., travel, lodging and subsistence) will be reimbursed at the rates used by the City of Burleson for its employees. All estimated out-of-pocket expenses to be reimbursed

should be presented on the second page of the sealed dollar cost bid. All expense reimbursements will be charged against the total all-inclusive maximum price submitted by the firm.

In addition, a statement must be included in the sealed dollar cost bid stating the firm will accept reimbursement for travel, lodging and subsistence at the prevailing City of Burleson rates for its employees.

4. **Rates for Additional Professional Services:**

If it should become necessary for City of Burleson to request the auditor to render any additional services to either supplement the services requested in this RFP or 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 addendum to the contract between City of Burleson and the firm. Any such additional work agreed to between City of Burleson 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 bid.

5. **Manner of Payment:**

Progress payments will be made on invoices for no less than one month of approved professional services rendered.

VII. EVALUATION PROCEDURES

A. **Review of Proposals:**

The City of Burleson will use a point formula during the review process to score proposals. The City of Burleson will first score, discuss, and review each technical proposal by each of the criteria described in Section VII C below. At this point, firms with an unacceptably low technical score will be eliminated from further consideration.

After the composite technical score for each firm has been established, the sealed dollar cost bid will be opened and additional points will be added to the technical score based on the price bid. The maximum score for price will be assigned to the firm offering the lowest total all-inclusive maximum price. Appropriate fractional scores will be assigned to other proposers.

The City of Burleson reserves the right to retain all proposals submitted and use any idea in a proposal regardless of whether that proposal is selected.

B. **Evaluation Criteria:**

Proposals will be evaluated using three sets of criteria. Firms meeting the mandatory criteria will have their proposals evaluated and scored for both technical qualifications and price. The following represent the principal selection criteria, which 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 with regard to any other work performed by the firm for the City of Burleson
- c. The firm adheres to the instructions in this request for proposal on preparing and submitting the proposal
- d. The firm submits a copy of its last external quality control review report and the firm has a record of quality audit work
- e. The audit firm's professional personnel have received adequate continuing professional education within the preceding two years.

2. **Technical Quality:**

- a. Expertise and Experience
 - (1) The firm's past experience and performance on comparable government engagements
 - (2) The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation.
- b. **Audit Approach:**
 - (1) Adequacy of proposed staffing plan for various segments of the engagement
 - (2) Adequacy of sampling techniques
 - (3) Adequacy of analytical procedures
- c. **Price:** Will be determined by weighted matrix.

C. **Oral Presentations:**

During the evaluation process, the City of Burleson may, at its discretion, request any one or all firms to make oral presentations. Such presentations will provide firms with an opportunity to answer any questions the City may have on a firm's proposal. Not all firms may be asked to make such oral presentations.

D. Final Selection:

It is anticipated that a firm will be selected by May 24, 2018. Following notification of the firm selected, it is expected a contract will be executed between both parties by August 6, 2018.

E. Right to Reject Proposals:

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

The City of Burleson reserves the right without prejudice to reject any or all proposals.

APPENDICES

- A. Proposer Guarantees
- B. Proposer Warranties
- C. Conflict of Interest Questionnaire
- D. Format for Schedule of Professional Fees and Expenses

APPENDIX A

PROPOSER GUARANTEES

State of _____
County of _____

_____, being first duly sworn disposed and says that:

- (1) He/She is the (owner, partner, officer, representative or agent) of _____, the proposer that has submitted the attached proposal;
- (2) He/She is fully informed respecting the preparation and contents of the attached proposal and all the pertinent circumstances respecting such proposal;
- (3) Such proposal is genuine and is not a collusive or sham proposal;
- (4) Neither said proposer nor any of its officers, partners, owners, agents, representatives, employees or parties in interest, including the affiant, has in any way clouded, conspired, connived or agreed, directly or indirectly with any other proposer, firm or person to submit a collusive or sham proposal in connection with such Contract, or has in any manner, directly or indirectly, sought by agreement, collusion, communication or conference with any other proposer, firm or person to fix the price or prices in the attached proposal or to fix any overhead, profit or cash element of the proposal price or the proposal price of any other proposer or to secure through any collusion, conspiracy, connivance or unlawful agreement any advantage against the Owner of any person interested in the proposed contract; and the price or prices quoted in the attached proposals are fair and proper.
- (5) All responsible parties will comply with Chapter 176 Local Government Code and complete the Conflict of Interest Questionnaire (CIQ).

SIGNATURE

PRINTED NAME

Subscribed and sworn to before me this _____ day of _____, 20____.

NOTARY PUBLIC IN AND FOR

_____ County, _____

My commission expires: _____

APPENDIX B

PROPOSER WARRANTIES

- A. Proposer warrants that it is willing and able to comply with State of Texas laws with respect to foreign (non-state of Texas) corporations.
- B. Proposer warrants that it 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 Burleson.
- 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: _____

APPENDIX C

CONFLICT OF INTEREST QUESTIONNAIRE

FORM CIQ

For vendor or other person doing business with local governmental entity

This questionnaire is being filed in accordance with chapter 176 of the Local Government Code by a person doing business with the governmental entity.

By law this questionnaire must be filed with the records administrator of the local government not later than the 7th business day after the date the person becomes aware of facts that require the statement to be filed. See Section 176.006, Local Government Code.

A person commits an offense if the person violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor.

OFFICE USE ONLY

Date Received

1 Name of person doing business with local governmental entity.

2

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 September 1 of the year for which an activity described in Section 176.006(a), Local Government Code, is pending and not later than the 7th business day after the date the originally filed questionnaire becomes incomplete or inaccurate.)

3

Describe each affiliation or business relationship with an employee or contractor of the local governmental entity who makes recommendations to a local government officer of the local governmental entity with respect to expenditure of money.

4

Describe each affiliation or business relationship with a person who is a local government officer and who appoints or employs a local government officer of the local governmental entity that is the subject of this questionnaire.

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

FORM CIQ
Page 2

5 Name of local government officer with whom filer has affiliation or business relationship. (Complete this section only if the answer to A, B, or C is YES.)

This section, item 5 including subparts A, B, C & D, must be completed for each officer with whom the filer has affiliation or business relationship. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer named in this section receiving or likely to receive taxable income from the filer of the questionnaire?

Yes No

B. Is the filer of the questionnaire receiving or likely to receive taxable income from or at the direction of the local government officer named in this section AND the taxable income is not from the local governmental entity?

Yes No

C. Is the filer of this questionnaire affiliated with a corporation or other business entity that the local government officer serves as an officer or director, or holds an ownership of 10 percent or more?

Yes No

D. Describe each affiliation or business relationship.

6 Describe any other affiliation or business relationship that might cause a conflict of interest.

7

Signature of person doing business with the governmental entity

Date

APPENDIX D

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES

FOR THE AUDIT OF THE 9/30/2018 FINANCIAL STATEMENTS

	Hours	Standard Hourly Rates	Quoted Hourly Rates	Total
Partners	_____	\$ _____	\$ _____	\$ _____
Managers	_____	\$ _____	\$ _____	\$ _____
Supervisory Staff	_____	\$ _____	\$ _____	\$ _____
Staff	_____	\$ _____	\$ _____	\$ _____
Other (specify):	_____	\$ _____	\$ _____	\$ _____
<hr/>				
Subtotal				\$ _____
Out-of-Pocket expenses:				
Meals and Lodging				\$ _____
Transportation				\$ _____
Other (specify):				\$ _____
Total All-Inclusive Maximum price for 9/30/2018 audit				\$ _____

Note: The rate quoted should not be presented as a general percentage of the standard hourly rate or as gross deduction from the total All-Inclusive Maximum Price.

