

**CITY OF STEPHENVILLE**  
**REQUEST FOR PROPOSALS**  
**FOR**  
**ANNUAL FINANCIAL AUDIT**

The City of Stephenville will receive Request for Proposals for the Annual Financial Audit until 2:00pm, August 23, 2023.

Responses to the Request for Proposal should be addressed to:

Tricia Wortley, Purchasing Manager  
City of Stephenville  
298 W. Washington  
Stephenville, TX 76401

Any proposal received after the stated closing time will not be accepted. If proposals are sent by mail, the proposer shall be responsible for actual delivery of the packet to the aforementioned agent.

Until the final award of the City of Stephenville, said City reserves the right to reject any and/or all proposals, to waive technicalities, to re-advertise, to proceed otherwise when the best interest of the City will be realized hereby.

RFP's must be signed by someone having the authority to bind their company in a contract.

For more information, please call Mrs. Monica Harris, Director of Finance at 254-918-1211.

**RFP 3044**

**REQUEST FOR PROPOSAL**  
**ANNUAL FINANCIAL AUDIT**  
**CITY OF STEPHENVILLE**

I. **GENERAL INFORMATION**

The City of Stephenville is requesting proposals from qualified and experienced public accounting firms to obtain independent audit services for performance of the City's annual financial audit for the fiscal year ending September 30, 2023, with the option of auditing its financial statements for each of the four (4) subsequent fiscal years.

II. **NATURE OF SERVICES REQUIRED**

A. **Scope of Work to be Performed**

The City of Stephenville desires the auditor to express an opinion on the fair presentation of its general purpose financial statements for the City.

The City also desires the auditor to express an opinion on the fair presentation of its combining and individual fund and account group financial statements and schedules in conformity with generally accepted accounting principles. The auditor is not required to audit the supporting schedules contained in the comprehensive annual financial report. However, the auditor is to provide an "in-relation-to" statement on the supporting schedules based on the auditing procedures applied during the audit of the general purpose financial statements and the combining and individual fund financial statements and schedules.

The auditor shall 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.

If necessary, the auditor shall be required to audit the information contained in a schedule of federal financial assistance. This information should be subjected to the auditing procedures applied in the audit of the general purpose financial statements in accordance to Governmental Auditing Standards, the Single Audit Act as amended 1996, and (OMB) Circular A-133. The auditor is to provide, if needed, an opinion of the fair presentation of this schedule in relation to the general purpose financial statements taken as a whole.

B. **Auditing Standards to be Followed**

The audit shall be made in accordance with generally accepted auditing standards, as adopted by the membership of the American Institute of Certified Public Accountants and the Governmental Accounting Standards Board, the standards for

the financial audits set forth in the U.S. General Accounting Office's (GAO) Auditing Standards, the provisions of the federal Single Audit Act of 1996 and the provisions of the U.S. Office of Management and Budget (OMB) Circular-133, Audits of State and Local Governments, as well as the following additional requirements; examination for compliance with procedures established by City Charter, City Ordinance or, where applicable, state and federal laws or regulations.

C. **Term of Engagement**

The contract for audit services, based upon City Council approval of the proposal, will be for the fiscal year ending September 30, 2023. The City may request to extend this agreement on an annual basis not to exceed four years through the fiscal year ending September 30, 2027, following satisfactory delivery of the services specified in the proposal and engagement letter.

D. **Dispute Resolution**

Disputes concerning the terms of contracted services that cannot be resolved will be brought before an independent mediation judge or panel, whose decision will be binding upon both parties.

E. **Special Considerations**

1. The City of Stephenville 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 to meet the requirements of that program.
2. The auditor will provide twenty (20) copies and one (1) PDF copy of the written report. The proposer will specify the amount in the total estimated audit fee for printing twenty copies of the audit report and allow the City to make other arrangements for printing, if it so chooses.
3. On or before January 31, 2024, the preliminary draft of the audit report will be presented to the City prior to submission of the final draft.
4. On or before February 29, 2024, the final audit report will be presented to the City.
5. Satisfactory delivery of the services specified by the Request for Proposal and the engagement letter shall be accomplished and the independent auditor will be required to present the audit report to the City Council no later than the first meeting scheduled in March following the fiscal year end.
6. The independent auditor is strongly encouraged to provide a management letter containing comments oriented towards constructive improvements.

Copies of the selected audit working papers will be provided as requested by the City and as provided in the engagement letter.

### III. **PROPOSAL CONTENT**

#### A. **Cover Letter**

The proposal shall include a cover letter clearly stating the name of the firm and the name address and telephone number of the proposer's representative.

#### B. **Technical Component**

To describe clearly the accounting firm's understanding of the work to be done, the proposer will:

1. Provide a definition of the term "generally accepted government auditing standards" with clear distinctions between these standards and the generally accepted auditing standards for non-governmental engagements;
2. Explain the proposer's approaches to performing an annual audit, including the methodology, nature, and extent of audit procedures to be performed;
3. Describe how the approach to performing the audit would be affected if this was a multi-year contract; and
4. Make a statement concerning the independence of the proposer including direct and indirect financial interest; and the relationship of the proposed audit team to employees of the City and any of the City Council members.

#### C. **Management Component**

The proposer will furnish satisfactory evidence of the capability to provide, in a professional and timely manner, the services stated in the Request for Proposal. To meet this requirement:

1. Provide the name of the external quality control review organization of which the proposer is a member, and the proposer's length of membership. Also state the review organization's planned frequency of peer reviews;
2. State whether the firm has received a peer review and whether, in the most recent review, an unqualified report was issued;
3. State whether the proposer is a national, regional or local public accounting firm;
4. Provide evidence that the proposer has experience in performing government audits. List current and past clients along with the names and

telephone numbers of contact persons and number of years audit services were provided for each;

5. State whether the proposer is currently under the terms of a public or private reprimand by the Texas State Board of Public Accountancy and/or licensing boards of other states;
6. Describe the proposed audit team, in terms of job positions in the firm;
7. List names of staff member(s) who will direct the overall audit throughout the duration of the engagement as well as those staff members who will be responsible for planning, directing, and conducting substantial portions of the field work or reporting on this audit engagement. Include the educational background of all staff members named and professional licenses held;
8. Describe continuing professional education in governmental accounting and auditing received by the proposed audit team during the last two years;
9. Provide the names and qualifications of any needed outside specialists and consultants that will assist the proposer's staff members;
10. Describe staff rotation plans for audit team members if this is to be a multi-year contract;
11. Describe the level of assistance that will be expected from City personnel;

D. **Task/Activity Plan**

The proposer will specify budgeted hours, timeliness and sequence for audit procedures and names of staff to be assigned.

E. **Estimated Fees**

Below state the estimated fees for the annual audit for the fiscal year ending September 30, 2023. Also state the estimated fees for the subsequent four years, under current existing conditions, if the City were to request an extension of the contract.

- |    |                  |    |
|----|------------------|----|
| 1. | 2023 Fiscal Year | \$ |
| 2. | 2024 Fiscal Year | \$ |
| 3. | 2025 Fiscal Year | \$ |
| 4. | 2026 Fiscal Year | \$ |
| 5. | 2027 Fiscal Year | \$ |

The City will pay audit fees as agreed upon in the engagement letter.

F. **Evaluation**

Criteria used to evaluate the proposer's methodologies, products and services is shown in Attachment A.

IV. **CONDITIONS FOR SUBMISSIONS OF PROPOSAL**

All proposals in response to this request must meet the following conditions to be considered:

- A. Proposal shall include a cover letter clearly stating the name of the firm and the name, address, and telephone number of the proposer's representative;
- B. Proposal shall address each of the audit requirements as stated in this Request for Proposal;
- C. The City reserves the right to reject any and all proposals, and to negotiate portions thereof. Proposals that address only part of the requirements contained in this Request for Proposal will not be considered;
- D. The City reserves the right to select any proposal, considering the quoted estimated fee and other factors;
- E. The proposer shall furnish such additional information that the City may reasonably require;
- F. The City will not be liable for any cost incurred in the preparation of proposals; and
- G. The City may ask proposers to send a representative for an oral interview prior to City Council approval of a proposal. The City will not be liable for the costs incurred by the proposer in connection with such interview.

V. **PROCEDURES FOR SUBMITTING PROPOSALS**

A. **Delivery**

Responses to the Request for Proposal should be addressed to:

Tricia Wortley, Purchasing Manager  
City of Stephenville  
298 W Washington St.  
Stephenville, TX 76401-4257  
Telephone: (254) 918-1227

**Proposals must be received no later than 2:00 p.m., August 23, 2023.**

B. **Number of Copies of Proposal**

Submit three (3) copies of the proposal. The proposals are to be bound and sealed.

VI. **ASSISTANCE TO PROPOSERS**

Any person wishing to obtain additional information about the Request for Proposal or about the operations of the City may contact the following individual:

Monica Harris, Director of Finance and Administration  
City of Stephenville  
298 W Washington St.  
Stephenville, TX 76401-4257  
Phone: (254) 918-1218 Fax: (254) 918-1207

VII. **CITY COUNCIL APPROVAL**

A proposal will be selected on or before October 3, 2023, barring decision by the City Council to allow additional time or to reject all proposals submitted.

**EVALUATION WORKSHEET**

This worksheet is to be used to document the City's evaluation of the proposer's qualifications. Points within the ranges specified are to be assigned to the below-listed criteria as a means for quantifying the relative strengths and weaknesses of the various proposals.

In the event that oral interviews are necessary to break a tie or for making final clarification in the evaluation process, additional points may be awarded. It should be understood that while the total score is a significant factor, the requester of the services reserves the right to consider other factors in making a final selection.

**PROFESSIONAL QUALIFICATIONS**

The evaluation of professional qualifications of the proposer will be based on the following criteria:

I. **Mandatory Criteria**

Proposals will not be considered for further evaluation unless there is compliance with all of the following criteria. The proposer:

- A. Must be an independent auditor properly licensed for public practice.
- B. Must meet the independence standards of Government Auditing Standards, as most recently revised, United States General Accounting Office.
- C. Must not have a record of substandard work.
- D. Must submit a proposal meeting all of the requirements of the Request for Proposal.

II. **Technical Criteria**

**POINTS**

Proposals which have met each of the criteria in Section I above will be evaluated on the following criteria:

- A. Technical experience of the firm:
  - 1. Auditing experience in city government (0-15)
  - 2. Auditing experience in other government entities (0-5)
- B. Characteristics of the staff, including consultants to be assigned to the audit:
  - 1. Size and Structure of the firm, including audit staff positions (0-5)



2.	Qualifications of supervisory personnel, consultants, and the field audit team Education, including continuing education courses taken during the past two years Years and types of experience	(0-20)
3.	General direction and supervision to be exercised over the audit team by the firm's management	(0-15)
C.	Clear understanding of the work to be performed:	
1.	Comprehensiveness of the audit work plan	(0-5)
2.	Realistic time estimates of each major segment of the work plan, and the estimated number of hours for each staff level including consultants assigned	(0-10)
	Total Technical Points	(0-75)
III.	<b><u>Cost Criteria</u></b>	
	Cost of the audit	(0-25)
	Total Technical and Cost Points	(0-100)
IV.	<b><u>Oral Interviews (If Necessary)</u></b>	
	Interview Points Awarded	(0-15)
	Total Points if Oral Interview is Conducted	(0-115)