



REQUEST FOR SEALED PROPOSAL

FOR

AUDIT SERVICES

RFP NO. 25-001-10-17



NOTICE OF INTENT TO RESPOND

Firms interested in submitting a bid on RFP NO. 25-001-10-17 as outlined in the specifications, should indicate their intention by signing, dating and returning the form to the email address below prior to OCTOBER 11, 2024, so that they may receive any addendums to the specifications should the need arise.

City of San Juan
Attn: Lori A. Maldonado, Purchasing Agent
512 S. Nebraska Avenue, San Juan, Texas 78589
Phone: (956) 223-2204
lmaldonado@sjtx.us

Bidder: _____
[Please print or type the full name of your proprietorship, partnership, corporation, or joint venture.*]

Contact Name: _____
[Please print or type name] [Title]

Address: _____
[Mailing]

[Street, if different]

Telephone: _____
[Print or type telephone number]

Fax: _____
[Print or type telephone number]

Email: _____
[Print or type]

**CITY OF SAN JUAN, TEXAS
REQUEST FOR SEALED PROPOSALS
FOR
AUDIT SERVICES**

The City of San Juan is issuing this request for Sealed Proposal (RFP) for professional services which will include the following:

- A financial audit for the City's financial statements
- If needed, a compliance audit of the City's federal programs in accordance with the Federal Single Audit Act

The contact person regarding this RFP is Lori A. Maldonado, Purchasing Agent, who can be reached at 956-223-2204. Any communication regarding this RFP should be emailed to lmaldonado@sjtx.us including in the subject line "Audit Services – RFP NO. 25-001-10-17"

The City is requesting One (1) Original, One (1) Copy and One (1) Electronic Format (USB) of the proposal in a sealed envelope. The envelope should clearly indicate it is a proposal for Audit Services. **Proposals submitted by fax or electronically will not be accepted. Proposals must be submitted on or before 3:00 p.m., on Thursday, October 10, 2024, in a sealed envelope with a return address, addressed as follows:**

**SEALED PROPOSALS
AUDIT SERVICES - RFP NO. 25-001-10-17
CITY OF SAN JUAN
512 S. NEBRASKA
SAN JUAN, TEXAS 78589-2649**

The audit period under contract is for the year ending September 30, 2024, with the option to award for two additional years, at one (1) year interval, year(s) ending September 30, 2025, and September 30, 2026 as approved by the City Commission. The City reserves the right to terminate the contract if, in the opinion of the City, the successful firm's performance is not acceptable or the City wishes, without cause, to discontinue the contract. Termination of contract will be in written form.

AUDITING STANDARDS

Your examination will be conducted in accordance with the standards for financial audits contained in Audits of State and Local Governments (and if necessary, compliance audit standards contained in the Government Auditing Standards, issued by the Governmental Accounting Standard Board, the Federal Single Audit Act and the provisions of the Office of Management and Budget's (OMB) Circular A-133) and, accordingly, will include any other tests of the accounting records and such other auditing procedures you consider necessary in the circumstances.

ASSISTANCE PROVIDED BY THE CITY'S FINANCIAL STAFF

The City Staff will provide the auditor with balanced trail balances and supporting information as agreed to with the auditor in a pre-audit planning conference, however, it is expected that the auditor will be primarily responsible for the drafting and preparation of the financial statements.

It is expected that it will be necessary for the auditor to provide some final year-end adjustments during the audit.

Additionally, City Staff will assist the auditors with clerical tasks including the pulling and refile of invoices needed during the audit, typing of third-party confirmation requests and other items as agreed to.

The Audit Staff will be provided with work space and reasonable access to telephones and photocopy machines and other items as agreed to by the City and the Auditors at the pre-audit conference.

MANDATORY QUALIFICATIONS OF THE AUDITOR

The following information must be affirmed in the proposal response.

1. The proposer is properly licensed for public practice as a certified public accountant.
2. The proposer meets the independence requirements of the Governmental Auditing Standards published by the Governmental Accounting Standard Board.
3. The respondent does not have a record of substandard audit work. Please disclose the controls your firm has in place to ensure quality standards have been met; also disclose whether your firm is subject to an external quality control review process.
4. The respondent has experience in successfully assisting municipal clients in their application for and receipt of the GFOA/Certificate of Achievement for Excellence in Financial Reporting.
5. The respondent must demonstrate their knowledge of GASB Statement Number 34 and describe the assistance they will provide their clients with GASB 34.
6. Report must be submitted to the City Commission for approval by March 31, 2025

MONITORING

To ensure the quality of the audit, the City may request from time to time, a report of the progress of the audit. In addition, prior to completion of the fieldwork, an audit exit conference will be held to discuss the results of the audit.

TIMEREQUIREMENTS

The City shall receive all proposal responses by 3:00 p.m. October 17, 2024, in a sealed envelope clearly indicating it is a proposal for audit services. Any proposals received after this date and time will not be considered.

WORKING PAPERS

The working papers shall be retained for at least three years. The working papers will be available for examination by authorized representatives of the State of Texas, and, if required, the cognizant federal audit agency and the General Account Office.

RIGHT TO REJECT

The City reserves the right to reject any and all proposals submitted and to waive any or all formalities or technicalities or to accept the proposal to be the best and most advantageous to the City and hold the proposal for a period of ninety (90) days without taking action. Any contract awarded will be made to the independent auditor who, based on evaluation of all responses, applying all criteria and oral interviews if necessary, is determined to be the best qualified to do the audit.

NUMBER OF COPIES OF AUDITOR'S REPORTS

The auditor shall furnish the City ten (10) copies of all required reports. In addition, the auditor shall furnish the requested number of copies for each federal and state agency, as applicable.

CONTRACTUAL AGREEMENTS

Invoices for service will be paid when received. The total amount to be invoiced shall not exceed the amount of the bid unless other arrangements have been negotiated in writing with the City first. The cost of audits for subsequent years of service beyond this RFP will be negotiated each year or as needed. The City reserves the right to terminate the contract for audit at any time.

METHOD OF EVALUATING PROPOSALS

Proposals will be evaluated with strict emphasis on quality. Attributes which will be analyzed include:

1. Number of governmental entities audited by CPA firm.
2. Firm governmental resources available.
3. Involvement in municipal activity and organizations.
4. Training of personnel in governmental (and federal grant) auditing.
5. Experience with clients receiving GFOA/Certificate of Achievement for Excellence in Financial Reporting.
6. Demonstrated knowledge of GASB 34 and methods described related to assisting governmental units with its implementation.
7. Quality of staff included in assignment.
8. Reference responses.
9. Maintenance of a secondary partner and rotation of partners periodically.
10. Internal quality control procedures and external quality control review.
11. Estimated completion date of report to the City Commission.

After technical qualities have been evaluated, cost and other considerations will be evaluated. The proposing audit firm should indicate the cost of the audit for the first year and the range of average cost per hour for audit services.

Once all factors have been evaluated, the audit firm who is most qualified and reasonable in cost will be selected.

FORMATE OF THE RFP RESPONSE

It is suggested the RFP response be formatted as follows:

Title Page

The response should identify the RFP subject and the name of the independent auditor, local address, telephone number, name and title of contact person and date of submission. The period which the proposal is effective should also be disclosed.

Table of Contents

The table of contents of the proposal should include a clear and complete identification of the materials submitted by section and page number.

Letter of Transmittal

The letter of transmittal should contain the following information:

1. A brief understanding of the audit service to be performed.
2. A positive commitment to perform the service timely.
3. The name of persons authorized to represent the respondent, their title, address and telephone number. This may be important if different from the individual who signs the transmittal letter.

PROFILE OF THE INDEPENDENT AUDITOR

The respondents are requested to provide a profile of general background information. This should include:

1. The organization and size of the respondent, whether it is local, regional, national or international in operations.
2. The location of the office from which the work is to be done and the number of professional staff by staff level employed at that office.
3. A description of the range of activities performed by the firm such as auditing, accounting, tax service or management services.
4. A description of the firm's expertise regarding GASB 34 including training, educational presentations, articles, etc., and a description of how your firm will assist its clients with the implementation of GASB 34.
5. A statement of the respondent's staff capability to audit federal programs, including the number and classifications of personnel skilled in federal program auditing who will work in the audit, if required to.
6. A positive statement that the following mandatory criteria are satisfied:
 - A. An affirmation that the proposer is properly licensed for practice as a certified public accountant.
 - B. An affirmation that the respondent does not have a record of substandard work.
 - C. An affirmation from the respondent that they will follow the American Institute of Certified Public Accountants' "Interpretation 501-3, Failure to Follow Standards and/or Procedures or Other Requirements in Governmental Audits". Basically, if a member (of AICPA) accepts such an engagement and undertakes an obligation to follow specified government audit standards, guides, procedures, statutes, rules and regulations, in addition to generally accepted auditing standards, the auditor is obligated to follow such requirements. Otherwise, the auditor must disclose in the audit report the fact that such requirements were not followed and the reasons therefore.

SUMMARY OF THE PROPOSER'S QUALIFICATIONS

1. Identify the audit managers and field supervisors and other staff who will work on the audit, including staff from other than the local office. Resumes including relevant experience and continuing education for auditor in-charge up to the individual with final responsibility for the engagement should be included. (The resumes may be included as an appendix).
2. Describe the recent local and regional office auditing experience similar to the type of audit requested and give the names and telephone numbers of client officials responsible for three of the audits listed.
3. Other auditors who are participating in the audit are also required to provide similar information.

PROPOSER'S APPROACH TO THE EXAMINATION

Submit a work plan to accomplish the scope of the audit. The work plan should include time estimates for each significant segment of the work and the staff level to be assigned. Where possible, individual staff members should be named and their titles provided. The planned use of specialists should be specified.

The audit work plan should completely cover what audit work will be accomplished to allow the auditor to render:

1. A report on the study and evaluation and report on internal control systems.
2. Reporting on the organization's control system to assure compliance and whether the organization has complied with laws and regulations that may have an effect on each major federal assistance program.

The audit work plan should demonstrate the auditor's understanding of the audit requirements of a single audit as specified in OMB Circular A-133 and the audit tests and procedures to be applied in completing the audit plan.

TIMEREQUIREMENTS

If not already adequately covered in the letter of transmittal, the response should detail information on when the audit firm plans to deliver the final reports.

COMPENSATION

Audit contract covering more than one year shall specify an audit fee for each year. The fee shall be inclusive of all expenses. Additionally, provide current hourly rates by staff classification for additional services which may be requested by the City.

ADDITIONAL DATA

Provide any additional data the respondent feels may be helpful in the selection process.

**CITY OF SAN JUAN, TEXAS
CONTRACT AGREEMENT**

An agreement made and entered into this the _____ day of _____, 2024 by and between _____ of _____.

(Name) (City and State)

Herein after called the Firm and the City of San Juan, Texas, hereinafter called the City, WITNESSETH, that the Firm and the City for the consideration hereinafter named, agree and as follows:

1. That the entire Request for Proposal including all documents provided in the Request for Proposal hereto attached or herein referred to shall be and are hereby made a part of the agreement and contract.
2. The Firm shall perform all of the work as set forth in this Proposal in strict accordance with the specifications, and other documents which have been made a part of this contract in the manner, time, and place as therein set forth.
3. In consideration whereof, the City agrees to pay to the Firm the amounts provided in the attached Proposal, being the product of the unit prices therein set forth, multiplied by the number of units actually used during performance of the contract, all in the time and manner as set forth in the Contract Documents.

WITNESS:

1. _____

(Firm Name)

(Signature/Title)
2. _____

(Owner Name)

(Mayor's Signature)
3. _____

(City Manager)
4. ATTEST: _____
(City Secretary) _____
(City Attorney)