

REQUESTS FOR PROPOSALS
FOR
QUALIFIED FIRMS OF CERTIFIED PUBLIC ACCOUNTANTS
TO AUDIT FINANCIAL STATEMENTS FOR FISCAL YEAR
ENDING SEPTEMBER 30, 2023

Released by:



WEST CENTRAL TEXAS COUNCIL OF GOVERNMENTS

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Proposals Due:
December 1, 2023 by 5:00 p.m.

WEST CENTRAL TEXAS COUNCIL OF GOVERNMENTS
REQUEST FOR PROPOSALS

I. INTRODUCTION

A. General Information

The West Central Texas Council of Governments (WCTCOG) is requesting proposals from qualified firms of certified public accountants to audit financial statements for the fiscal year ending September 30, 2023. This audit is to be performed in accordance with generally accepted auditing standards; the standards set forth for financial audits in the U.S. General Accounting Office's (GAO) Government Auditing Standards (Yellow Book); the provisions of the federal Single Audit Act Amendments of 1996; U.S. Office of Management and Budget (OMB) Circulars and Compliance Supplements; Uniform Grant Management Standards (UGMS); State of Texas Single Audit Circular, and American Institute of Certified Public Accountants (AICPA) Industry Audit Guides.

The proposal should also include the audit of financial statements for the fiscal year ending March 31, 2023 for West Central Texas Regional Foundation (WCTRF). (a 501 (c)(3) charitable non-profit entity) in accordance with all applicable auditing standards and industry guides.

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

To be considered, a proposal must be received via email to kcheek@westcentraltexas.org by 5:00 P.M., December 1, 2023. WCTCOG reserves the right to reject any or all proposals submitted. Proposals submitted will be evaluated by the Executive Committee assisted by WCTCOG staff.

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

The WCTCOG 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 WCTCOG and the firm selected.

It is anticipated the selection of a firm will be completed by January 24, 2024.

B. Term of Engagement

A one year contract, with up to four additional years.

II. NATURE OF SERVICES REQUIRED

A. General

The WCTCOG is soliciting the services of a qualified firm of certified public accountants to audit its financial statements for the fiscal year ending September 30, 2023. This audit is to be performed in accordance with the provisions contained in this request for proposals.

B. Scope of Work to be Performed

The WCTCOG desires the auditor to express an opinion on the fair presentation of its general purpose 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 Governments 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 is to be performed in accordance with generally accepted auditing standards.

III. DESCRIPTION OF THE ENTITIES

A. Name and Telephone Number of Contact Person

The auditor's principal contact with the WCTCOG will be Kelly Cheek, Deputy Director, 3702 Loop 322, Abilene, Texas, via e-mail kcheek@westcentraltexas.org or telephone 325/672-8544, who will coordinate the assistance to be provided by WCTCOG to the auditor.

To be placed on a notification list for any updates or corrections to the RFP, please send an email with subject: **Audit RFP to kcheek@westcentraltexas.org.**

B. Background Information

The WCTCOG serves an area of nineteen counties consisting of BROWN, CALLAHAN, COLEMAN, COMANCHE, EASTLAND, FISHER, HASKELL, JONES, KENT, KNOX, MITCHELL, NOLAN, RUNNELS, SHACKELFORD, SCURRY, STEPHENS, STONEWALL, TAYLOR and THROCKMORTON.

As set forth in its By-laws, the purpose of the West Central Texas Council of Governments is to encourage and assist units of governments to join and cooperate with one another to improve the health, safety, and general welfare of their citizens and to plan for the future development of the area embraced by the communities within the area; to assist member units in solving current problems and completing capital improvements; and to establish regional coordination and communication to help eliminate monetary waste from duplication and misapplication.

The WCTCOG has a federal fiscal year of October 1 through September 30, with a current budget of approximately \$15,000,000.

West Central Texas Regional Foundation has a fiscal year April 1 through March 31 with a current budget of approximately \$3,000,000.

C. Fund Structure

The WCTCOG uses the following fund types and account groups in its financial reporting:

<u>Fund Type</u>	<u>Number</u>
General Fund	5 approximate
Special Revenue Funds	50 approximate
Agency Fund	1

D. Budgetary Basis of Accounting

The WCTCOG prepares its budget on a basis consistent with generally accepted accounting principles.

E. Federal and State Financial Assistance

The WCTCOG receives financial assistance from various Federal and State agencies.

F. Pension Plans

All staff of the WCTCOG are provided pension benefits through the Texas County and District Retirement System.

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 Proposals issued	September 27, 2023
Due date for proposals	December 1, 2023
Selection of firm	January 24, 2024
Approximate date annual audits may commence	March 27, 2024

B. Final Reports are Due no later than June 1, 2024

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 in draft form will be the responsibility of the auditor. WCTCOG personnel will prepare confirmation letters in final form on WCTCOG stationery.

B. Statements and Schedules

Most statements and schedules will be prepared by WCTCOG staff. The actual reports will be prepared by the auditor.

C. Work Area

The WCTCOG will provide the auditor with reasonable work space, tables and chairs. The auditor will also be provided access to telephone service, photocopying, internet and other necessary technology.

D. Report Preparation

Printing of the final reports will be the responsibility of the auditor. Approximately ten (10) printed copies for WCTCOG, five (5) printed copies for WCTRF will be required, as well as one (1) .pdf copy of each entire report with signatures.

VI. PROPOSAL REQUIREMENTS

A. General Requirements

1. Submission of Proposals

The following material is required to be received by December 1, 2023 for a proposing firm to be considered:

a. Technical Proposal to include the following:

- Title Page showing the request for proposals' subject; the firm's name; contact person including name, address, email address and telephone number; and the date of the proposal.
- Table of Contents

- Transmittal Letter briefly stating the proposer's understanding of the work to be done, the commitment to perform the work within the time period and a statement why the firm believes itself to best qualified to perform the engagement.

b. The proposer shall submit a fee estimate in a separate email to kcheek@westcentraltexas.org with subject line as follows:

COG Audit FEE 2023-4

c. Proposers should email the completed proposal to kcheek@westcentraltexas.org with subject line as follows:

COG Audit RFP 2023

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 WCTCOG 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 estimated fee proposal). 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 Nos. 2 through 8, must be included. They represent the criteria against which the proposal will be evaluated.

2. Independence

The firm should provide an affirmative statement that it is independent of the WCTCOG.

3. License to Practice in Texas

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

4. Firm Qualifications and Experience

The proposal 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.

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 three 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 three years with state regulatory bodies or professional organizations.

5. Partner, Supervisory and Staff Qualifications and Experience

The firm should identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement and indicate whether each person is licensed to practice as a certified public accountant in Texas. The firm also should 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.

The firm should 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. The firm also should indicate how the quality of staff over the term of the agreement will be assured.

Audit personnel may be changed at the discretion of the proposer provided that replacements have substantially the same or better qualifications or experience.

6. Prior Engagements with the WCTCOG

The firm should list, separately, all engagements within the last five years, ranked on the basis of total staff hours, for the WCTCOG by type of engagement.

7. Similar Engagements with Other Councils of Governments or Government Entities

The firm should list, separately, all engagements within the last five years, ranked on the basis of total staff hours for a government agency such as a council of governments, a regional planning commission or similar regional planning agency, created under Chapter 391, Local Government Code or any other government entity. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

LIST ADDITIONAL CATEGORIES RELEVANT TO THE ENGAGEMENT

C. Sealed Fee Estimate

1. Total Annual Fee Estimate

The separately emailed fee estimate is considered sealed and should include all pricing information relative to performing the audit engagement as described in this request for proposals. The total fee estimate is to include all direct and indirect costs including all out-of-pocket expenses.

The WCTCOG will not be responsible for expenses incurred in preparing and submitting the technical proposal or the sealed fee estimate. 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 WCTCOG.
- c. An Annual Fee Estimate for the FY 2023 engagement

2. Rates by Partner, Specialist, Supervisory and Staff Level Time Hours Anticipated for Each

The second page of the sealed fee estimate should include a schedule of professional fees and expenses, presented in the format provided in the attachment (Appendix A), that supports the estimate.

3. Manner of Payment

Progress payments can be made based on completed hours of work during the course of the engagement. Invoices for payment may not be submitted to the Finance Department for payment more often than one time per month.

VII. EVALUATION PROCEDURES

A. Proposal Review

Proposals submitted will be evaluated by the Budget Sub-committee of the Executive Committee.

B. Evaluation Criteria

Proposals will be evaluated using three sets of criteria. Firms meeting the mandatory criteria will have their proposals evaluated 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 audit firm's professional personnel have received adequate continuing professional education within the preceding two years
- c. The firm has no conflict of interest with regard to any other work performed by the firm for the WCTCOG
- d. The firm submits a copy of its most recent external quality control review report and the firm has a record of quality audit work
- e. The firm adheres to the instructions in this request for proposals on preparing and submitting the proposal

2. Technical Qualifications

a. Expertise and Experience

- (1) The firm's past experience and performance on prior engagements with the WCTCOG.
- (2) The firm's past experience and performance on similar engagements with other councils of government or governmental entities.
- (3) 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.

3. Fee Estimate

COST WILL NOT BE THE PRIMARY FACTOR IN THE SELECTION OF AN AUDIT FIRM

C. Oral Presentations

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

D. Final Selection

It is anticipated the selection of a firm will be completed by January 24, 2024.

E. Right to Reject Proposals

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 WCTCOG and the firm selected.

THE WEST CENTRAL TEXAS COUNCIL OF GOVERNMENTS RESERVES THE RIGHT WITHOUT PREJUDICE TO REJECT ANY OR ALL PROPOSALS.

APPENDIX A
Schedule of Estimated Fees and Expenses
For WCTCOG Audit of the FY 2023 Financial Statements

Firm Name: _____

	Estimated Hours	Standard Hourly Rates	Quoted Hourly Rates	Estimated Total
Partners	\$ _____	\$ _____	\$ _____	\$ _____
Managers	_____	_____	_____	_____
Supervisors	_____	_____	_____	_____
Staff	_____	_____	_____	_____
Other (Specify)	_____	_____	_____	_____

Estimated Out-of-Pocket expense:

Meals and Lodging _____

Transportation _____

Other (Specify below in ADDITIONAL INFORMATION section) _____

All-inclusive Estimated Fee for FY2023 **\$** _____

ADDITIONAL INFORMATION: