

# **Westworth Village**

**REQUEST FOR PROPOSAL (RFP)  
FOR  
PROFESSIONAL AUDITING SERVICES**

**May 3, 2021**

**311 Burton Hill Road  
Westworth Village, TX 76114**

## **NOTICE TO AUDITORS**

Competitive sealed proposals for the furnishing of Professional Auditing Services for the City of Westworth Village will be received at the City, 311 Burton Hill Road, Westworth Village, Texas until 3:00 P.M. on Monday, June 3, 2021. All proposals will be publicly opened at 3:05 P.M. on Monday, June 3, 2021 in the City Hall Community Room.

All proposals submitted for consideration by the City of Westworth Village must be clearly marked on the outside of the sealed envelope with the words:

**PROFESSIONAL AUDITING SERVICES PROPOSAL**  
**ATTENTION: Brandy Barrett, City Secretary**

The City reserves the right to reject any or all proposals and waive any or all irregularities. Proposals shall be valid for a period of ninety (90) days from the date the proposals are opened.

Late proposal submissions will not be accepted and unsigned proposals will be rejected as non-responsive.

It is the policy of the City to afford all people an equal opportunity to bid on any contract being let by the City. The City has a policy that prohibits discrimination against any person because of race, color, sex, or national origin, in the award of performance of any contract.

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## I. INTRODUCTION

### A. Purpose

The City of Westworth Village (City) is requesting proposals from qualified firms of certified public accountants to perform financial audits for the fiscal year ending September 30, 2021, with the option of auditing its financial statements for each of the four (4) subsequent fiscal years.

These audits are to be performed in accordance with Generally Accepted Auditing Standards (GAAS) as defined by the American Institute of Certified Public Accountants (AICPA), the standards set forth for financial audits in the General Accounting Office's (GAO) Government Auditing Standards (2018), and the Texas Commission on Environmental Quality's (TCEQ) Water District Financial Management Guide (2004).

### B. Term of Engagement

A five (5) year contract is contemplated, subject to the following:

- 1) An annual review and recommendation by the City Council.
- 2) The satisfactory negotiation of contract terms (including a price acceptable to both the City and the selected auditor).
- 3) The annual availability of an appropriation approved by City Council.

## II. NATURE OF SERVICES REQUIRED

### A. Scope of Work to be Performed

City desires the auditor to express an opinion on the fair presentation of its financial statements in conformity with Generally Accepted Accounting Principals (GAAP).

The auditor is not required to audit the supporting schedules. However, the auditor is to provide an "in-relation-to" report 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 is not required to audit the statistical section of the report nor is it required to audit a schedule of expenditures of federal awards.

### B. Auditing Standards to be Followed

To meet the requirements of this Request for Proposal (RFP), this audit shall be performed in accordance with GAAS as defined by AICPA, the standards set forth for financial audits in the GAO's Government Auditing Standards (2018).

**C. Reports to be Issued**

Following the completion of the audit of the fiscal year's financial statements, the

- 1) Audit Reports (standard and specialized)
- 2) Management Letter
  - a) The auditor shall provide written communication of any reportable conditions found during the audit to management and the City Council. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.
  - b) Reportable conditions that are also material weaknesses shall be identified as such in the letter.
  - c) The letter on compliance shall include all instances of noncompliance.
  - d) Non-reportable conditions discovered by the auditors shall be reported in a separate letter to management, as well as the City Council.
  - e) The auditor shall be required to make an immediate, written report of all material irregularities and illegal acts or indications of illegal acts of which it becomes aware to the following parties:  
City Administrator  
City Attorney  
City Council
- 3) Reporting to City Council. Auditors shall assure themselves that the aforementioned are informed of each of the following:
  - a) The auditor's responsibility under GAAP.
  - b) Significant accounting policies.
  - c) Management judgments and accounting estimates.
  - d) Significant audit adjustments.
  - e) Other information in documents containing audited financial statements.
  - f) Disagreements with management.
  - g) Management consultation with other accountants.
  - h) Major issues discussed with management prior to retention.
  - i) Difficulties encountered in performing the audit.

**D. Special Considerations**

The City anticipates that during the course of the engagement, one or more official statements will be prepared in connection with the sale of debt securities, which will contain the basic financial statements and the auditor's report thereon. The auditor may be required, if requested by the City financial advisor and/or the underwriters, to issue a "consent and citation of expertise," as well as any necessary "comfort letters".

**E. Work Paper Retention and Access to Work Papers**

All work papers and reports must be retained, at the auditor's expense, for a minimum of five (5) years, unless the auditor is notified in writing by the City of the need to extend the retention period. The auditor will be required to make the work papers available, upon request, to representatives of federal and state agencies and the City.

In addition, the auditor shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review work papers relating to matters of continuing accounting significance.

**F. Conferences**

The following conferences are to be conducted with the City Administrator/City Secretary and/or other City finance personnel, as needed:

- 1) Entrance conference prior to interim work.
- 2) Exit conference at conclusion of interim work.
- 3) Entrance conference at beginning of fieldwork.
- 4) Progress conferences during fieldwork.
- 5) Exit conference at end of fieldwork.
- 6) Conference when draft copy of management letter is prepared.
- 7) Presentation to City Council.

**III. DESCRIPTION OF THE GOVERNMENT**

**A. Entity Description**

The City is in Tarrant County, and is located most generally in the Western Fort Worth area commonly neighboring the Joint Reserve Base.

Westworth Village is governed by a Mayor and City Council, whose members are elected. The day-to-day operations of the City are handled by a City Administrator hired by the Mayor and City Council. The City provides water, wastewater treatment, police and fire protection to the area within its boundaries. In addition, the City owns and operates Hawks Creek Golf Course and Westworth Redevelopment Authority.

The City currently has five (7) funds: General, Water & Sewer, Capital Projects, Debt Service, Hawks Creek Golf Course (HCGC), Crime Control and Prevention (CCPD), and the Westworth Redevelopment Authority (WRA). The City levies a total of two (2) cents in Sales Tax and \$0.5 cents in Ad Valorem Tax, for general fund use and for Debt Service. The Water & Sewer fund is an enterprise fund supported solely by water and sewer revenues. HCGC is an enterprise fund supported by green fees and sale of food/merchandise. The Sales Taxes are collected as follows: 1 cent for General Fund, ½ cents for CCPD, ¼ Cents for Economic Development (WRA), and ¼ cent for Street Maintenance within the General Fund. The City operates a fully staffed police force including a jail facility and 24-hour dispatch. The City contracts fire services through the City of Fort Worth. Library services are also provided to the citizens through Fort Worth, with Westworth Village reimbursing participating citizens.

**The City provides the following services:**

Administration	Water / Wastewater Collections & Billing	Hawks Creek Golf Course
Public Works	Operations & Maintenance	Capital Improvement Projects
Debt Service	Economic Development (WRA)	Police Services / Crime Control
Municipal Court	Library	Fire Services

**B. Fund Structure**

The City’s accounting records are maintained in accordance with GAAP as promulgated by the Governmental Accounting Standards Board (GASB). Accordingly, the City has maintained general, debt service, and capital projects governmental fund types; general fixed assets and general long-term debt account groups.

**C. Budget**

For the City, the City Administrator/Mayor submits to the City Council a proposed operating budget for the fiscal year beginning on October 1. The adopted operating budgets are then legally enacted through the passage of an ordinance and represent the proposed fund appropriations. Unencumbered appropriations lapse at the end of the year. The City Administrator may transfer budgeted amounts between accounts or departments on a limited basis. The budget, as well as all revenues, appropriations, and encumbrances are recorded in the accounting records.

**Adopted 2020-21 budget for the City’s major funds are as follows:**

<b>Fund</b>	<b>Revenue</b>	<b>Expenses</b>	<b>Net Revenue</b>
General	\$3,978,482	\$3,874,874	\$103,609
Water & Sewer	\$1,457,200	\$1,463,936	(\$6,736)
Capital Projects	\$335,120	\$410,000	(\$74,880)
Crime Control & Prevention	\$570,000	\$570,093	(\$93)
Debt Service	\$1,017,528	\$920,686	\$96,842
Street Maintenance	\$300,310	\$241,517	\$58,792
HCCG	\$1,758,461	\$1,762,693	(\$4,232)
WRA	\$754,160	\$750,630	\$3,530
<b>Total</b>	<b>\$10,171,260</b>	<b>\$9,994,429</b>	<b>\$176,831</b>

The City participates in the Texas Municipal Retirement System (TMRS) for its employees.

**D. Accounting Process – Related Systems**

The City’s accounting records for general governmental operations are maintained on a modified accrual basis, and revenues are recorded when available and measurable and expenditures are recorded when the services or goods are received and the liabilities are incurred.

**E. Computer Systems**

The general ledger accounting system is operated and maintained on a comprehensive financial enterprise system known as INCODE. The system supports full reporting and inquiry functions in all areas.

**F. Organizational Responsibility for the Accounting Function**

The Accounting Function falls under the general supervision of the Finance Department who reports to the City Administrator.

**IV. GENERAL PROPOSAL REQUIREMENTS**

**A. Required Information**

The City proposal packet contains various sections requiring completion. All forms herein must be completed prior to the date and time set for proposal response and included with the proposal or the auditor may be found non-responsive. Responding auditors may be required to complete and supply all information contained in a "supplemental information" packet at a date after proposal response. Failure to complete "supplemental information" requirements in a timely manner, prior to award, may be used by the City in determining a respondent's responsibility.

**B. Instructions**

These instructions apply to all proposals and become a part of terms and conditions of any proposal packet submitted.

**C. Knowledge of Conditions**

Auditors submitting proposals should carefully examine all terms, conditions, specifications and related documents. Should discrepancies in or omission from the specifications or related documents, or should there be doubt as to their meaning, the principal contact should be notified immediately for clarification prior to submitting the proposal. In the event of any conflict between the terms and provisions of these requirements and the specifications, the specifications shall govern. In the event of any conflict of interpretation of any part of this overall document, City's interpretation shall govern.

**D. Exceptions**

All proposals must clearly and specifically detail all exceptions to the exact requirements imposed by this document. Such exceptions must be explained in the auditor's proposal. Otherwise, City shall consider the subject proposal as being made in strict compliance with this document.

**E. Late Proposals**

Proposals received after the submission deadline will be returned unopened, and unsigned proposals will be rejected as non-responsive. City is not responsible for lateness or non-delivery of mail, carrier, etc., and the date/time stamp at the designated location shall be the official time receipt.

**F. Altering Proposals**

Proposals cannot be altered or amended after submission deadline. Any alterations or erasures made before the opening time must be initialed by the signer of the proposal, thus guaranteeing authenticity.

**G. Withdrawal of Proposals**

Any proposals may be withdrawn prior to the scheduling time for the opening. Notice to withdraw the proposal must be in writing and submitted to City prior to the scheduled time for opening proposals. Any proposal withdrawal notice, which is received after the deadline for receiving proposals, shall not be considered.

**H. Sales Tax**

City is exempt by law from payment of Texas Sales Tax and Federal Excise Tax. Do not include tax in the proposal.

- I. Pricing**  
Prices for all goods and/or services shall be firm for the duration of this contract. Prices shall be all inclusive. Additional charges not shown in the proposal will not be honored.
- J. Preparation Costs**  
The City will not be liable for any costs associated with the preparation, transmittal, or presentation of any proposals or material submitted in response to this RFP.
- K. Duration**  
The auditor must agree, in writing, that all information contained in the submitted proposal is valid for at least ninety (90) days from the date of submittal or until a final contract is approved, whichever occurs first.
- L. Proposal Opening**  
All proposals submitted will be opened at the City's scheduled proposal opening for the designated project. ***However, the opening of a proposal at such opening should not be construed as a comment on the responsiveness of proposal bid or as any indication that the City accepts such proposal as responsive.***
- M. Rejection of Proposals**  
The City may choose to reject all proposals and not award any contract. If the aforementioned does not award a contract within ninety (90) days following the date specified for the opening of proposals, all proposals are deemed to be rejected by the City.
- N. Contract Award**  
If a contract is awarded, the auditor will be selected on a rational basis using the proposal evaluation criteria and results of subsequent negotiations. The City has a right to award a contract upon the conditions, terms and specifications contained in a proposal submitted to the City for a period of up to ninety (90) days following the date specified for the opening of proposals.
- O. Addenda**  
Any interpretations, corrections, or changes to this proposal packet will be made by addenda. Addenda will be sent to all who are known to have received a copy of this proposal packet. Auditors shall acknowledge receipt of all addenda or they may be declared non-responsive.
- P. Minor Defects**  
The City reserves the right to waive any minor defect, irregularity, or informality in any bid.
- Q. Funding**  
The City is a governmental entity, operated and funded on an October 1 to September 30 basis; accordingly, the City reserves the right to terminate, without liability to them, any contract for which funding is not available.

- R. Insurance**  
The auditor shall comply with all insurance requirements as specified in the contract and proposal documents. Failure to meet such requirements shall disqualify the auditor from award. The auditor shall submit an Insurance Requirements Affidavit (Appendix H) certifying that the insurance requirements have been reviewed and that auditor is able to provide the insurance as required.
- S. Subcontracting**  
No subcontracting will be allowed without the express prior written consent of the City.
- T. Conflicts of Interest**  
No officer or employee of the City shall have a financial interest, direct or indirect, in any contract with the City.
- U. Ethics**  
The auditor shall not offer or accept gifts or anything of value or enter into any business arrangement with any employee, official or agent of the City. More than one proposal on any one contract from a firm or auditor under different names shall be grounds for rejection of all proposals in which the firm or auditor has an interest. One or all proposals will be rejected if there is any reason to believe that collusion exists between auditors.
- V. Indemnification**  
*The auditor shall indemnify, defend, and hold the City, its officers, agents and employees harmless from any liability, claims, suits, actions, causes of action, costs, expenses, charges or fees, including attorney's fees, for injury to any person (including death) or damage to or destruction of any property; and, any act of omission of auditor, its contractors, subcontractors, suppliers, or agents, in connection with or arising out of, whether directly or indirectly, this agreement.*
- W. Ownership**  
All responses and accompanying documentation become the property of the City.
- X. Proprietary Information**  
Information construed as proprietary by a submitting auditor must be marked as such and will be so regarded by the City. Subject to Texas Open Records Act, Texas Government Code, Chapter 552, the City will treat such information as confidential to the extent permitted by law and the City agrees to withhold any such information and request an opinion from the Attorney General should another party request such data. The City shall abide by the decision of the Attorney General. Such information should be submitted in a separate folder attached to the proposal and referred to appropriately in the proposal. For a proposal to be valid, however, all information must be available for review by approval bodies as required by the City. Viewing of information designated as proprietary by such bodies will not be construed to violate the constraints of proprietary information.

**Y. References**

Auditors submitting proposals shall submit the names, addresses, contact persons, phone numbers, and dates of a minimum of three (3) current and three (3) previous governments in which the auditor has provided similar services (Appendix G).

**V. SPECIFIC PROPOSAL REQUIREMENTS**

**A. Deadline and Distribution**

All proposals must be received by the City prior to 3:00 p.m. on Friday, June 3, 2021.

Proposals may be delivered or mailed to:

**City of Westworth Village  
Attn: Brandy Barrett, City Secretary  
311 Burton Hill Road  
Westworth Village, TX 76114**

Proposals must be signed by the auditor, with his or her signature in full. When an auditor is a partnership, the proposal shall be signed in the name of the partnership by one or more of the partners. When an auditor is a corporation, the officer signing shall sign his name and give the title of his office. The proposal shall also bear the seal of the corporation.

Auditors will submit one (1) original and ten (10) copies of all proposals and associated documentation. Price quotes must be signed by a duly authorized official of the auditor organization and notarized.

Upon selection, the successful auditor shall submit, within seven (7) days after notice of award of contract, a corporate resolution, certificate of partnership, partnership agreement or joint venture agreement, which identifies the person(s) authorized to execute a contract on behalf of the corporation, partnership or joint venture.

**B. Inquiries**

All inquiries regarding this RFP should be directed to the Principal Contact:

**City of Westworth Village  
311 Burton Hill Road  
Westworth Village, TX 76114  
Attn: Brandy Barrett, City Secretary  
(817)710-2526 Phone - (817) 710-2545 Fax  
Email: bbarrett@Cityofwestworth.com**

**C. Submission of Proposal**

To simplify the review process and obtain the maximum degree of comparison, the proposal should be organized in the following manner:

- 1) Title Page

- a) Show the RFP subject, the name of the auditor's firm, address, telephone number, name of contact person, and the date.
- 2) Table of Contents
  - a) Include a clear identification of the material by section and by page number.
- 3) Letter of Intent
  - a) A signed letter of intent briefly stating the auditor's understanding of the work to be performed and a positive commitment to perform the work within the time period required should be included. Such letter of intent should also state why the auditor believes itself to be best qualified to perform the engagement and that the proposal is a firm and irrevocable offer for at least ninety (90) days from the date of submittal or until a final contract is approved, whichever occurs first.
- 4) Detailed Proposal
  - a) The detailed proposal should follow the order set forth in Section V: Specific Proposal Requirements.

**D. Technical Proposal**

The purpose of the proposal is to demonstrate the qualifications, competence, and capacity of the auditors seeking to undertake an independent audit of the City in conformity with the requirements of the RFP. As such, the substance of proposals will carry more weight than their form or manner of presentation. The proposal should demonstrate the qualifications of the auditor and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the RFP requirements. Interested auditors are encouraged to use their own preferred style and format in preparing a proposal. However, it is suggested that the proposal include at least the following arranged accordingly. ***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 RFP, excluding any cost information, which should only be included in the Compensation Proposal document. The proposal should be prepared simply and economically, providing a straightforward and concise description of the auditor's capabilities to satisfy the requirements of the RFP. While additional data may be presented, the following subjects, item No. 1 through 10, must be included. They represent the criteria against which the proposal will be evaluated. ***The Technical Proposal document should be no more than twenty (20) pages in its entirety.***

**1) Independence**

- a) The audit must be made by an independent auditor or auditors. An "independent auditor" means a public auditor who meets the independence standards specified by the GAO and AICPA.
- b) The auditor should provide an affirmative statement that it is independent of the City as to relationships between the City and its management and members of your firm, and with regard to any other work performed by the firm for the City that might impair the firm's independence and objectivity.
- c) The auditor should also list and describe its professional relationships involving the City or any of its agencies 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.

**2) License to Practice in Texas**

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

**3) Auditor Qualifications and Experience**

- a) 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 and a part-time basis. State whether your firm is local, regional, national, or international. State the number of partners, managers, supervisors, seniors, and other professional staff employed at the local office. Describe the range of activities performed by the local office, such as auditing, accounting, tax service, or management advisory services. Describe the local office's capability to audit computerized systems, including the number and classification of personnel skilled in computer science who will work on the audit.
- b) The auditor should demonstrate a commitment to governments by participation in Special Review Committees of the GFOA Certificate of Achievement program and active participation in the governmental accounting standards process.
- c) If the auditor 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.
- d) The auditor is also required to submit a copy of the report on its most recent external quality control review, with a statement as to whether that quality control review included a review of specific government engagements.
- e) The auditor shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years. In addition, the auditor shall provide information on the circumstances and status of any disciplinary action taken or pending against the auditor during the past three (3) years with state regulatory bodies or professional organizations. Please identify any litigation involving the local office.
- f) Indicate the strengths of your firm in general, and more specifically, your local office. Being specific, indicate how your audit philosophy differs from that of other firms. Indicate the strategy for the future of your local office and in what areas you will be investing resources.
- g) Describe the rate of audit staff turnover in the local office due to resignations or terminations in the past twenty-four (24) months.
- h) Describe why the City would be important to your firm and to the local office as a client. Discuss your policies regarding staff education and development. Indicate which universities are the major sources of new staff for the local office.

**4) Partner, Supervisory and Staff Qualifications and Experience**

- a) The auditor 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 such person is licensed to practice as a CPA in Texas. Indicate areas of specialty: audit, tax, management advisory services, etc. Indicate the ratio of audit managers and other staff to audit partners in the local office.

- b) The auditor should provide information on the governmental 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. Include resumes as an appendix. Clearly indicate what specific responsibility each individual will have. Provide information as to what time commitment or workload is presently assigned to each person who will be working on this engagement. The auditor should also indicate how the quality of staff over the term of the agreement would be assured.
- c) Indicate your firm's policy in rotating partners and managers. Indicate what commitments your firm will make to the City management and financial employees with respect to accessibility of the partners and managers assigned to this engagement.

**5) Assignment of Auditing Staff and Changes in Assigned Staff**

- a) It is understood by the City that the individuals specified in the auditor's proposal are the individuals who will actually perform the work associated with the City's audit. The City reserves the right to approve or deny any change to the assigned staff named in the proposal, whether such change occurs prior to or during the engagement. The City shall be provided with a resume of any proposed substitute and shall be given the opportunity to interview that person prior to its decision to approve or disapprove.

**6) Prior Engagements with the City**

- a) The auditor should list separately any and all engagements performed for the City within the last five (5) years. For each engagement, the auditor should indicate the scope of work, date, engagement, partners, total hours, and the location of the firm's office from which the engagement was performed.

**7) Similar Engagements with Other Governmental Entities**

- a) The auditors must list the most significant engagements (maximum of 5) performed in the last five (5) years that are similar to the engagement described in the RFP. ***Previous engagements shall include a Texas municipality of similar scope.*** These engagements should be ranked on the basis of total staff hours. Indicate the scope of work, date of engagement, partners, total hours, and the name and telephone number of the principal client contact. Auditors desiring to keep this list confidential or that do not want these past or present clients contacted should so state next to each engagement listed. The City will comply with confidentiality requests to the full extent allowed by federal and State of Texas freedom of information statutes. Auditors should be advised that failure to provide evidence satisfactory to the City of any listed engagement may result in that engagement being disallowed for bid evaluation purposes.

**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 the RFP. In developing the work plan, reference should be made to such sources of

information as the City budgets and related materials, organizational charts, manuals and programs, and financial and other management information systems.

Auditors will be required to provide the following information on their audit approach:

- a) Proposed segmentation of the engagement.
- b) Level of staff and number of hours to be assigned to each proposed segment of the engagement.
- c) Sample sizes and the extent to which statistical sampling is to be used in the engagement.
- d) Extent of use of Electronic Data Processing (EDP) software in the engagement.
- e) Type and extent of analytical procedures to be used in the engagement.
- f) Approach to be taken to gain and document an understanding of the City's internal control structure.
- g) Approach to be taken in determining laws and regulations that will be subject to audit test work.
- h) Approach to be taken in drawing audit samples for purposes of tests of compliance.
- i) List of standard schedules required to be prepared by client.

**9) Identification of Anticipated Potential Audit Problems**

- a) The proposal should identify and describe any anticipated potential audit problems, the auditor's approach to resolving these problems, and any special assistance that will be requested from the City.

**10) Additional Information**

- a) Any additional information the auditor considers essential to the proposal should be included in this section. If there is no additional information to present, state, "There is no additional information we wish to present."

**E. Compensation Proposal**

**1) Total All-Inclusive Maximum Price**

- a) The proposal should contain all pricing information relative to performing the audit engagement as described in the RFP. The Total All-Inclusive Maximum Price to be bid is to contain all direct and indirect costs, including all out-of-pocket expenses.

**2) Rates by Partner, Supervisory, Staff Level, and Time Hours Anticipated for Each**

- a) Include a schedule of professional fees and expenses that support the Total All-Inclusive Maximum Price. The cost of special services described in the RFP should be disclosed as separate components of the Total All-Inclusive Maximum Price.

**3) Rates for Additional Professional Services**

- a) If it should become necessary for the City to request the auditor to render any additional services to either supplement the services requested in the RFP or to perform additional work as a result of the specific recommendations included in any report issued during this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between the City and the auditor. Any such additional work agreed to between the city and the auditor shall be performed at the same

rates set forth in the schedule of fees and expenses.

**4) Manner of Payment**

- a) An initial payment of twenty-five percent (25%) of the total contract price will be made upon completion of the interim fieldwork. A second payment of fifty percent (50%) of the total contract price will be made at the end of the fieldwork. The final twenty-five percent (25%) of the total contract price will be paid upon issuance of the final reports.

**5) Subsequent Year Fees**

- a) A proposed fee adjustment method for future contract years should be submitted.

**VI. ASSISTANCE 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 auditor by providing information, documentation, and explanations. The preparation of confirmations will be the responsibility of the City. Clerical support will be made available to the auditor for the preparation of routine letters, confirmations and memoranda.

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

Any requirements for computer time and/or system documentation will be coordinated through the City Administrator.

**C. Prior Audit**

Patillo, Brown, & Hill, L.L.P. , located at 401 West State Highway 6, Waco, Texas conducted the audit of the financial records for the fiscal years ended September 30, 2016 through 2021.

**D. Work Area, Telephones, Photocopying and Facsimile Machines**

The City shall provide the space and facilities necessary for the auditor to conduct the examination. In addition; all information, data, reports, and records necessary for carrying out the work shall be furnished to the auditor. The City shall cooperate with the auditor in every reasonable way to ensure timely completion of the audit. The auditor will also be provided with access to one telephone line, photocopying facilities, and a facsimile machine.

**E. Report Preparation**

**1) Management Letter**

The auditor will prepare and print the management letter, eighteen (18) copies of which will be furnished to the City.

**VII. EVALUATION PROCESS**

**A. Audit Committee**

Submitted proposals will be evaluated by a five (5) member Audit Committee consisting of the following individuals:

1. Mayor
2. Mayor Pro-Tem
3. City Administrator
4. City Secretary
5. Council Member

**Schedule**

RFP Released	May 3, 2021
Pre-Proposal Conference (10:00 A.M)	May 14, 2021
Proposal Submission Deadline (3:00 P.M.)	June 3, 2021
Proposal Opening (3:05 P.M.)	June 3, 2021
Oral Presentations	Week of June 21, 2021*
Recommendation to City Council	July 13, 2021
Selected Auditor Notified	July 14, 2021
Contract Execution	Mid-Late Aug 2021*
Final Reports	Late Jan 2022*

\*Indicates tentative dates.

The City will expect the delivery of the written reports at a date that will allow delivery of the reports to the TCEQ one hundred thirty-five (135) days after the close of the fiscal year. The auditor shall be required to present the findings of the audit to City Council at their January meeting. City Council meetings are held on the second Tuesday of the month.

**C. Pre-Proposal Conference**

A pre-proposal conference will be conducted in the City Council Conference Room at 10:00 am May 14, 2021; at 311 Burton Hill Road, Westworth Village, Texas 76114. The purpose of the conference is to answer any questions prospective auditors may have relating to the RFP. **Attendance at the conference is recommended but not mandatory for submitting proposals.**

**D. Evaluation Criteria**

Proposals will be evaluated using the following weighted criteria:

Audit Approach	50%
Experience and Quality of Personnel	30%
Compensation Proposal	<u>20%</u>
TOTAL	100%

**E. Oral Presentations**

During the evaluation process, the Audit Committee may, at its discretion, request any one or all auditors to make oral presentations. Such presentations will provide auditors an opportunity to elaborate on their written proposals and answer questions posed by the Audit Committee.

**F. Final Selection**

The City will select an auditor based upon the recommendations of the Audit Committee and upon the approval of the City Council. Following notification of the auditor selected, it is expected a contract will be executed between both parties within thirty (30) days of approval.

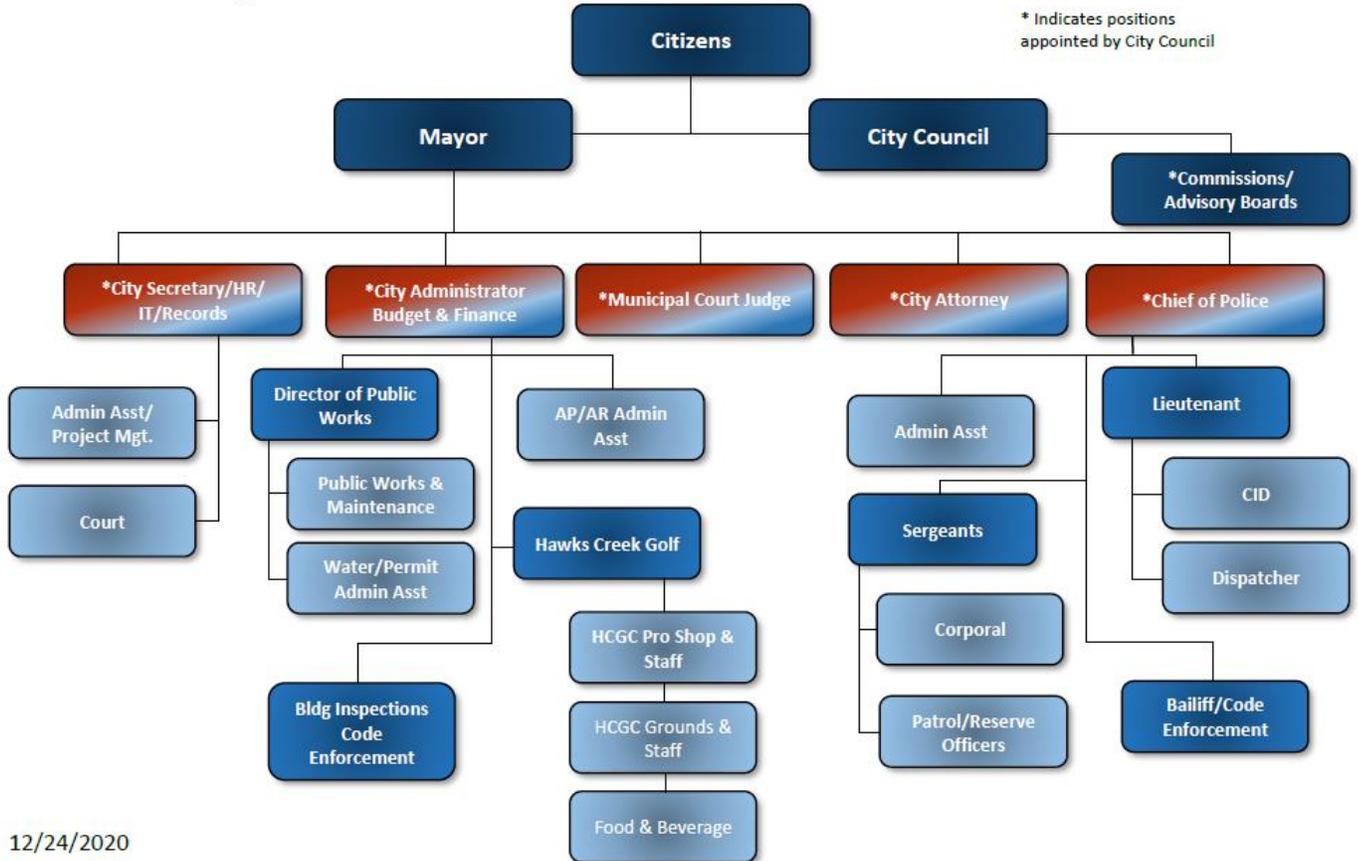
**G. Engagement Letter**

The auditor shall prepare a written and dated engagement letter, which will identify the specific responsibilities of the City and the auditor, along with a list of client prepared documents and delivery dates, established within ten (10) days of final selection.

APPENDIX A: CITY ORGANIZATIONAL CHART



Organizational Chart



12/24/2020

## APPENDIX B: LIST OF KEY PERSONNEL AND PHONE NUMBERS

General Information	Front Desk	(817) 710-2500
City Administrator	Mike Murray	(817) 710-2517 <a href="mailto:mmurray@Cityofwestworth.com">mmurray@Cityofwestworth.com</a>
City Secretary	Brandy Barrett	(817) 710-2526 <a href="mailto:bbarrett@Cityofwestworth.com">bbarrett@Cityofwestworth.com</a>

## APPENDIX C: LIST OF CITY COUNCIL MEMBERS

Mayor L. Kelly Jones

Place 1 Phillip Poole

Place 2 Michael Dingman

Place 3 Brian Libbey

Place 4 Abe Elizondo

Place 5 Halden Griffith

**APPENDIX D: SCHEDULE OF PROFESSIONAL FEES AND EXPENSES**  
(SAMPLE FORMAT)

	<b>2021 TOTAL</b>	<b>2022 TOTAL</b>	<b>2023 TOTAL</b>	<b>2024 TOTAL</b>
Outyears	_____	_____	_____	_____

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

**APPENDIX E: CURRENT AND PREVIOUS REFERENCES**  
(SAMPLE FORMAT)

1. COMPANY NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

CITY / STATE / ZIP: \_\_\_\_\_

PHONE: \_\_\_\_\_

CONTACT / TITLE: \_\_\_\_\_

DATES: \_\_\_\_\_

2. COMPANY NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

CITY / STATE / ZIP: \_\_\_\_\_

PHONE: \_\_\_\_\_

CONTACT / TITLE: \_\_\_\_\_

DATES: \_\_\_\_\_

3. COMPANY NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

CITY / STATE / ZIP: \_\_\_\_\_

PHONE: \_\_\_\_\_

CONTACT / TITLE: \_\_\_\_\_

DATES: \_\_\_\_\_

## APPENDIX F: INSURANCE & INDEMNITY

PLEASE REVIEW THIS SECTION CAREFULLY WITH YOUR INSURANCE AGENT

### 1. General Insurance Requirements

- 1.1 The auditor/vendor/supplier (hereinafter called "auditor") shall not start work under this contract until the auditor has obtained, at his own expense, all of the insurance called for here under and such insurance has been approved by the City; nor shall the auditor allow any subcontractor to start work on any subcontract until all insurance required of the subcontractor has been so obtained and approved by the auditor. Approval of insurance required of the auditor and subcontractors for the City will be granted only after submission to the City of original, signed certificates of insurance or, alternately, at City's request, certified copies of the required insurance policies.
- 1.2 The auditor shall require all subcontractors to maintain during the term of this agreement, Commercial General Liability insurance, Business Automobile Liability insurance, and Workers' Compensation and Employer's Liability insurance, in the same manner as specified for the auditor. The auditor shall furnish subcontractors' certificates of insurance to City immediately upon request.
- 1.3 All insurance policies required hereunder shall be endorsed to include the following provision:
  - 1.3.1 "It is agreed that this policy is not subject to cancellation, non-renewal, material change, or reduction in coverage until ten (10) days prior written notice has been given to City Administrator of Westworth Village, 311 Burton Hill Rd, Westworth, Texas, 76114."

**NOTE: The words "endeavor to" and "but failure to mail such notice shall impose no obligation to liability of any kind upon the company, its agents or representatives" are to be eliminated from the cancellation provision of standard ACORD certificates of insurance.**

- 1.3.2 The City shall be named as additional insured on all policies, except for Auditor Liability and Workers Compensation.
  - 1.3.3 The City shall be provided with Waiver of Subrogation on Workers' Compensation or Alternative program if applicable.
- 1.4 No acceptance and/or approval of any insurance by the City shall be construed as relieving or excusing the auditor, or the surety, or its bond, from any liability or obligation imposed upon either or both of them by the provisions of the contract documents.
- 1.5 The City (including its elected and appointed officials, agents, volunteers, and employees) is to be named as an additional insured under all coverages except Workers' Compensation and Automobile Liability, and the certificate of insurance, or the certified policy, if requested, must so state. Coverage afforded under this paragraph shall be primary as respects the City, its elected and appointed officials, agents and employees.

1.5.1 The following definition of the term City applies to all policies issued under the contract:

City and any affiliated or subsidiary Council, Authority, Committee, or Independent Agency (including those newly constituted), provided that such affiliated or subsidiary Council, Authority, Committee, or Independent Agency is either a Body Politic created by the City, or one in which controlling interest is vested in the City; and the City Constitutional Officers.

- 1.6 INDEMNITY. The auditor covenants to release, defend, hold harmless and indemnify the City and all of its elected or appointed officials, agents and employees from and against any and all claims, loss, damage, injury, cost (including court costs and attorney's fees), charges, liability or exposure, however caused, resulting from or arising out of or in any way connected with the auditor's negligent performance or non-performance of the terms of the contract documents or its obligations under the contract. This indemnification shall continue in full force and effect until the auditor completes all of the work required under the contract, except that indemnification shall continue for all claims involving auditor services after final acceptance of the work by the City for which the City gives notice to the auditor after City's final acceptance of the work.
- 1.7 The auditor shall be responsible for the work performed under the contract documents and every part thereof, and for all materials, tools, equipment, appliances, and property of any and all descriptions used in connection with the work. The auditor assumes all risks for direct and indirect damage or injury to the property or persons used or employed on or in connection with the work contracted for, and of all damage or injury to any person property wherever located, resulting from any action, omission, commission or operation under the contract, or in connection in any way whatsoever with the contracted work, until final acceptance of the work by the City.
- 1.8 Insurance coverage required in these specifications shall be in force throughout the contract term. Should the auditor fail to provide acceptable evidence of current insurance within seven (7) days of written notice at any time during the contract term, the City shall have the absolute right to terminate the contract without any further obligation to the auditor, and the auditor shall be liable to the City for the entire additional cost of procuring performance and the cost of performing the incomplete portion of the contract at time of termination.
- 1.9 Contractual and other liability insurance provided under this contract shall not contain a supervision, inspection or engineering services exclusion that would preclude the City from supervising or inspecting the project as to the end result. The auditor shall assume all on-the-job responsibilities as to the control of persons directly employed by it and of the subcontractors and any persons employed by the subcontractor.
- 1.10 Nothing contained in the specifications shall be construed as creating any contractual relationship between any subcontractor and the City. The auditor shall be as fully responsible to the City for the acts and omissions of the subcontractors and of persons employed by them as it is for acts and omissions of persons directly employed by it.

- 1.11 Precaution shall be exercised by the auditor at all times for the protection of persons, (including employees) and property. All existing structures, utilities, roads, services, trees and shrubbery shall be protected against damage or interruption of service at all times by the auditor and its subcontractors during the term of the contract, and the auditor shall be held responsible for any damage to property occurring by reason of its operation on the property.
- 1.12 Written requests for consideration of alternate coverages must be received by the City at least ten (10) working days prior to the date set for receipt of proposals. If the City denies the request for alternative coverages, the specified coverages will be required to be submitted.
- 1.13 All required insurance coverages must be acquired from insurers authorized to do business in the State of Texas and acceptable to the City. The City prefers that all insurers also have a policyholder's rating of "A-" or better, and a financial size of "Class VI" or better in the latest edition of A.M. Best, or A or better by Standard and Poors, unless the City grants specific approval for an exception, in the same manner as described in 1.13 above.
- 1.14 The City will consider deductible amounts as part of its review of the financial stability of the bidder. Any deductibles shall be disclosed in the auditor's proposal and all deductibles will be assumed by the auditor. Auditor may be required to provide proof of financial ability to cover deductibles, or may be required to post a bond to cover deductibles.

**2. Auditor's Insurance - "Occurrence" Basis; Except as Specifically Provided**

- 2.1 The Auditor shall purchase the following insurance coverages:
  - 2.1.1 Commercial General Liability - Such Commercial General Liability policy shall include the following:
    - i. General aggregate limit is to apply per project.
    - ii. Premises/Operations.
    - iii. Actions of Independent Contractors.
    - iv. Products/Completed Operations to be maintained for one year. Final completion and acceptance of the work, with evidence of same filed with owner.
    - v. Contractual Liability including protection for the auditor from claims arising out of liability assumed under this contract.
    - vi. Personal Injury Liability including coverage for offenses related to employment.
  - 2.1.2 Business Automobile Liability including coverage for any owned, hired, or non-owned motor vehicles and automobile contractual liability.

2.1.3 Workers' Compensation - statutory benefits as required by the State of Texas, or other laws as required by labor union agreements, including Employers' Liability coverage.

2.2 Auditor Errors and Omissions – Claims Made Basis

Auditor shall carry Auditor Liability insurance which will pay for injuries arising out of errors or omissions in the rendering, or failure to render auditor services under the contract, for the term of the contract documents and up to three (3) years after the contract is completed in the amount following amount:

Auditor Errors and Omissions, Limit \$1,000,000.

**APPENDIX G: INSURANCE REQUIREMENTS AFFIDAVIT**

TO BE COMPLETED BY APPROPRIATE INSURANCE AGENT AND RETURNED AS PART OF BID

I, the undersigned agent, certify that the insurance requirements contained in this proposal document have been reviewed by me with the below-identified auditor. If the below-identified auditor is awarded this contract by the City, I will be able, within ten (10) working days after being notified of such award, to furnish a valid insurance certificate to the City, thus meeting all of the requirements contained in this bid.

\_\_\_\_\_  
Agent Signature

\_\_\_\_\_  
Agent Name (Print or Type)

\_\_\_\_\_  
Name of Insurance Carrier

\_\_\_\_\_  
Address of Agency

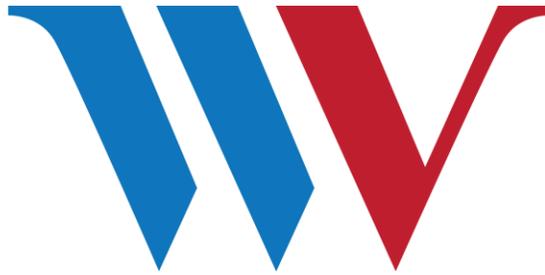
\_\_\_\_\_  
City/State/Zip Code

\_\_\_\_\_  
Phone Number

\_\_\_\_\_  
Name of Auditor (Print or Type)

**SUBSCRIBED AND SWORN TO** before me this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_  
Notary Public, State of Texas



# Westworth Village

NOTE TO AGENT
If this time requirement is not met, the City has the right to declare this vendor non-responsive and award the contract to the alternate auditor meeting the required specifications. If you have any questions concerning these requirements, please contact the City Secretary at (817) 710-2526.

## **APPENDIX H: AUDITOR CHECKLIST**

All information included in, attached to, or required by the RFP shall be public record upon delivery to the City. Please ensure, at a minimum, that the following have been attached:

- 1) Proposal as outlined in Section V: Specific Proposal Requirements
- 2) Appendix D: Schedule of Professional Fees and Expenses
- 3) Appendix E: References
- 4) Appendix H: Insurance Requirement Affidavit
- 5) If selected, document identifying person(s) to execute a contract on behalf of corporation, partnership or joint venture, as outlined in Section V: Specific Proposal Requirements
- 6) If selected, valid insurance certificate, as outlined in Appendix G
- 7) If selected, Engagement Letter, as outlined in Section VII: Evaluation Process