

**FRANKLIN COUNTY, TEXAS
REQUEST FOR PROPOSALS NO. 2019A
FINANCIAL AUDIT SERVICES**

SECTION I - GENERAL INSTRUCTIONS AND INFORMATION

1.01 THE PURPOSE OF THIS DOCUMENT IS TO contract for financial audit services for a one year period (2018) with an option to renew for four (4) additional one-year terms at the discretion of the Commissioners Court. It is Franklin County's intent to obtain proposals from and the services of a qualified, certified public accountant with extensive experience in performing financial audit services for County governments.

1.02 CONTACT: Offerors are cautioned that any oral statement by any representative of the County, modifying or changing any conditions of this RFP, is an expression of opinion only and confers no right upon the offeror.

Requests for information regarding matters related to this RFP should be directed to:

Marla White, County Auditor
200 N. Kaufman, Mt. Vernon, TX 75457
903-537-8333 [-mwhite@co.franklin.tx.us](mailto:mwhite@co.franklin.tx.us)

1.03 SUBMISSION: Sealed proposals shall be received no later than 9 a.m. February 11, 2019.

MARK ENVELOPE: RFP NO. 2019A — FINANCIAL AUDIT SERVICES

**RETURN PROPOSALS TO: FRANKLIN COUNTY JUDGE
200 N. KAUFMAN
PO Box 989
MT. VERNON, TEXAS 75457**

Proposals must be submitted as instructed in this packet. **Two (2) copies** of your proposal shall be placed in a sealed envelope, with each appropriate page manually signed by a person having the authority to bind the *firm* in a contract. The proposal number and title must be clearly marked on the outside of the envelope. No elaborate binding or binders, please. Facsimile or e-mail transmittal shall not be accepted.

1.04 NO OFFER: If offeror does not wish to submit a proposal at this time but desires to remain on the list for this service, please submit a "NO OFFER" by the same time and at the same location as stated above.

Franklin County is always conscious and extremely appreciative of the time and effort you must expend to submit an offer. We would appreciate your indicating on any "NO OFFER" response any requirements of this RFP, which may have influenced your decision to "NO OFFER".

1.05 ACCEPTANCE/REJECTION OF PROPOSALS: It is understood that the Franklin County Commissioners Court reserves the right to accept or reject any and/or all proposals as it shall deem to be in the best interest of the County. Receipt of any proposal shall under no circumstances obligate the County to accept the lowest proposal. The award of the contract shall be made to the responsible offeror whose proposal is determined to be the lowest **and** best evaluated offer resulting from negotiation, taking into consideration the relative importance of price and other evaluation factors set forth in this request for proposals.

1.06 LATE PROPOSALS: Proposals received after the submission deadline shall be returned unopened and will be considered void and unacceptable. Franklin County is not responsible for lateness of mail, carrier, etc., and the time and date stamped by the Courthouse Office shall be the official time of receipt.

1.07 ALTERATION OF PROPOSALS: Any interlineations, alteration, or erasure made before the submission deadline must be initialed by the signer of the proposal, guaranteeing authenticity.

1.08 WITHDRAWAL OF PROPOSALS: A proposal may not be withdrawn or cancelled by the offeror for a period of thirty (30) days following the date designated for the receipt of proposal, and offeror so agrees upon submittal of their proposal.

1.09 ACKNOWLEDGEMENT OF PROPOSALS: Proposals will be received and publicly acknowledged at the location, date, and time stated above. Offerors, their representatives and interested persons may be present. Proposals shall be received and acknowledged only so as to avoid disclosure of the contents to competing offeror and kept secret during the negotiation/evaluation process. All proposals shall be open for public inspection **after the contract is awarded**, except for trade secrets and confidential information contained in the proposal **so identified by offeror as such**.

1.10 DISCLOSURE OF CERTAIN RELATIONSHIPS: Effective January 1, 2006, Chapter 176 of the Texas Local Government Code requires that any vendor or person considering doing business with a local government entity disclose in the questionnaire Form CIQ, the vendor or person's affiliation or business relationship that might cause a conflict of interest with a local government entity. By law, this questionnaire must be filed with the records administrator of Franklin County no later than the 7th business day after the date the person becomes aware of facts that require the statement to be filed. See Local Government Code Section 176.006. A person commits an offense if the person violates Local Government Code Section 176.006. An offense under this section is a Class C misdemeanor.

A copy of the form is available at http://www.ethics.state.tx.us/whatsnew/conflict_forms.htm

By submitting a response to this request, the vendor represents that it is in compliance with the requirements of the Texas Local Government Code Chapter 176.

SECTION II — SPECIFIC REQUIREMENTS

2.00 GENERAL: The following information is specific to the selection of a firm for the services described in the scope of services to follow.

2.01 EVALUATION CRITERIA: The Commissioners Court will evaluate proposals and the award of the contract shall be made to the responsible offeror whose proposal is determined to be the lowest evaluated offer resulting from negotiations, taking into consideration the relative importance of price and other factors set forth in this request for proposals in accordance with the Texas Local Government Code, Chapter 262. The evaluation criteria will be grouped into percentage factors as follows:

60% Offerer's total proposed price

1. Total costs of proposal
2. Cost proposals compliance with minimum specifications.
3. Cost proposals compatibility with owners stated purpose.

20% Offerer's Qualifications/Experience

1. Financial stability
2. Demonstrated prior experience in providing similar services
3. Capability to provide responsive service
4. Offerer's ability to perform

20% The proposed services meeting Franklin County's needs and requirements

1. Adherence to requirement of RFP
2. Offerer's responsibility clearly defined
3. Franklin County's participation and responsibility clearly defined
4. Demonstrated ability to fully meet the needs of Franklin County

2.02 MINIMUM REQUIREMENTS: The County ranks audit quality and technical competence high in its expectations. Recent governmental auditing standards require specialized continuing education.

Negotiations may be conducted with responsible offerors who submit proposals determined to be reasonably susceptible of being selected for award. All offerors will be accorded fair and equal treatment with respect to any opportunity for negotiation and revision of proposals. Revisions to proposals may be permitted after submission and before award for the purpose of obtaining the best and final offer.

2.03 SUBMITTAL: For proper comparison and evaluation, Franklin County requests the following format.

- A. Transmittal Letter — An introductory letter of representation. Briefly state your understanding of the work to be performed and a commitment to perform the work within the time period. State the names of persons authorized to make representations for the firm, their titles, addresses, and telephone numbers.
- B. Executive Summary— A brief summary highlighting the most important points of the proposal. Describe the scope of the required services. The firms specific audit approach should be set forth in the proposal and should include an explanation of the audit methodology to be followed.
- C. Peer Review — Offeror shall include a report on the results of the firm’s most recent Peer Review as required by the AICPA and Government Auditing Standards. The report should state whether the Peer Review included a review of County government audits.
- D. Degree of Compliance — A statement that all services quoted in proposal are in full accord with the specifications or a brief listing of all those specification sections to which the offeror takes exception. All comments shall be listed and numbered in order of the respective article of the specification.
- E. Proposal Pricing — Summarize the work plan to accomplish the scope defined in the guidelines stated herein and the maximum fee for which the requested work will be done for each fiscal year in the initial term. Also indicate what methods would be used to calculate costs for future optional terms. Include detail of price including the number of staff and staff hours that will be committed to the audit. Cost estimates should be submitted on the Cost Estimate Sheet included in this request for proposal.
- H. Background Information — This section should include a description of the respondent’s experience with other services similar to the one described herein. At a minimum, include:
 - a. Briefly describe the firm, location, and range of activities engaged in by the firm;
 - b. Confirm that proposers are certified public accountants presently engaged in the practice of public accountancy;
 - c. Affirm that proposers are independent;
 - d. Provide the names and qualifications of the staff and supervisors who will work on the audit describing the continuing professional education in governmental accounting and auditing completed by those members in the last two years; and
 - e. Include information which attests to the proposers auditing experience, particularly in auditing county governments in Texas.
- I. References — Offeror shall submit with the proposal a list of at least three (3) references where like services have been performed by their firm, specifically governmental clients. Include name of client, address, telephone number and name of representative and the scope of services provided for this client.
- J. Affidavit — Offeror shall complete and submit with the proposal the Bid Proposal Affidavit provided as part of this request for proposal.

2.04 TERM: The initial term of the contract shall be for a One (1) year period beginning with the 2018 County fiscal year ending December 31, with an option to renew for four (4) additional one-year terms at the discretion of

Commissioners Court.

2.05 OFFEROR RESPONSIBILITY: It is the responsibility of each offeror before submitting a proposal:

- A. To examine thoroughly the contract documents and other related data identified in the proposal documents.
- B. To consider federal, state and local laws and regulations that may affect costs, progress, performance or furnishing of the work.
- C. To promptly notify the County Auditor's Office of all conflicts, errors, ambiguities, or discrepancies which offeror has discovered in or between the contract documents and such other related documents.

SECTION III —SCOPE OF SERVICES

3.00 NATURE OF SERVICES REQUIRED

- A. Fiscal year, ending December 31, financial audit of Franklin County. The examination shall include the general-purpose financial statements and schedule of Federal/State Financial Assistance to Franklin County. The auditor's opinion must cover the full scope of the Financial Statement and the schedule of Federal/State Financial Assistance.
- B. The audit should be made in accordance with:
 1. Generally accepted auditing standards established by the American Institute of Certified Public Accountants.
 2. The AICPA Industry Audit Guide, Audits of State and Local Governmental Units.
 3. NCGA Statement 1, Governmental Accounting and Financial Reporting Principles.
- C. State and Federal Grant Single Audit may be required and must be in conformance with OMB Circular A-133 and the State of Texas Audit Circular, issued by the Office of the Governor.
- D. The audit must be completed in a timely manner. Preferred start date for audit fieldwork would be April, 2019 and target date of July 15, 2019 for submission of the audit to Commissioners Court. The independent auditor will be required to present the audit report to the Commissioner's Court during a regular meeting (2nd and 4th Monday of each month).
- E. During the course of the audit, the firm will apprise the County Auditor of audit findings as each area of the audit is completed (payroll, bank reconciliations, transactions, deposits, case files, internal controls, etc.).
- F. Independent Auditor to prepare government wide combined and individual fund and account group statements and Fund Financial Statements.

3.01 CONTRACTUAL ARRANGEMENTS: Franklin County reserves the right to accept or reject any (or all) proposals submitted. Franklin County is under no legal requirement to execute a contract and intends the material herein as a general description of the services desired.

3.02 ADDITIONAL INFORMATION

- A. The majority of the fieldwork for the County's independent audit will be conducted in the Courthouse. The County Auditor will coordinate the audit and workspace for the field work.
- B. The County's 2018 Total budgeted expenditures total approximately \$9 million. The General Fund 2018

Budgeted expenditures are approximately \$5.1 million. We maintain 19 Special Revenue Funds, 1 Debt Service Fund, 1 Capital Project Fund, 3 Proprietary Funds, and 6 Agency Funds.

- D. A single audit of grants may be required and if so must be performed in conjunction with the financial audit.
- E. The County is structured so that cash collections are decentralized. There are multiple cash collection points throughout the County. There are no known material weaknesses in the County's system of internal control.
- F. Franklin County employees participate in the Texas County and District Retirement System, a deferred compensation plan and a tax-free benefit plan. Franklin County employees are insured for health insurance through the Texas Association of Counties HEBP program.
- G. Prior year audit reports, single audits, and management letters are on file for review upon request in the County Auditor's office at 200 N Kaufman, Mt. Vernon, Texas.
- H. Franklin County's payroll is managed by the County Treasurer, with the assistance of the County Auditor and distributed by the County Treasurer with over 70 employees on a bi-weekly basis, up to 20 payroll deductions, multi-fund direct deposits and garnished wages.
- I. The auditor and treasurer's office will assist by providing computer generated general ledgers/trial balances of all funds, any other audit schedules that can be generated through our current software applications in addition to some limited audit schedules and work papers as time and staffing constraints allow.

SECTION IV - GENERAL CONTRACT TERMS AND CONDITIONS

4.00 CONTRACT: This proposal, submitted documents and any negotiations, when properly accepted by Franklin County, shall constitute a contract equally binding between the successful offeror and Franklin County. No different or additional terms will become a part of this contract with the exception of a Change Order.

4.01 CONFLICT OF INTEREST: No public official shall have any interest in this contract, except as permitted by and subject to the disclosure requirements of Vernon's Texas Codes Annotated, Local Government Code, Title 5, Subtitled C, Chapter 171.

4.02 CONFIDENTIALITY: All information disclosed by Franklin County to the successful offeror for the purpose of the work to be performed or information that comes to the attention of the successful offeror during the course of performing such work is to be kept strictly confidential.

4.03 ADDENDA: Any interpretations, corrections or changes to this RFP will be made by addenda. Sole issuing authority of addenda shall be vested in the Franklin County Judge. Addenda will be mailed to all who are known to have received a copy of this Request for Proposal. Offeror shall acknowledge receipt of all addenda.

4.04 CHANGE ORDERS: No oral statement of any person shall modify or otherwise change, or affect the terms, conditions or specifications stated in the resulting contract. All change orders to the contract will be made in writing by the Franklin County Judge.

4.05 ASSIGNMENT: The successful offeror shall not sell, assign, transfer or convey any contract resulting from this RFP, in whole or in part, without the prior written consent of Franklin County Commissioners.

4.06 VENUE: This agreement will be governed and construed according to the laws of State of Texas. This agreement is performable in Franklin County, Texas.

4.07 SUBMITTAL OF CONFIDENTIAL MATERIAL: Any material that is to be considered as confidential in

nature must be clearly marked as such by the offeror and will be treated as confidential by Franklin County.

4.08 MINIMUM STANDARDS FOR RESPONSIBLE PROSPECTIVE OFFERORS: A prospective offeror must affirmatively demonstrate their responsibility. A prospective offeror must meet the following requirements:

- A. Have adequate financial resources, or the ability to obtain such resources as required;
- B. Be able to comply with the required or proposed delivery schedule;
- C. Have a satisfactory record of performance;
- D. Have a satisfactory record of integrity and ethics;
- E. Be otherwise qualified and eligible to receive an award.

Franklin County may request representation and other information sufficient to determine offeror's ability to meet these minimum standards listed above.

4.09 INDEMNIFICATION: Successful offeror shall defend, indemnify and save harmless Franklin County and all its officers, agents and employees from all suits, actions or other claims of any character, name and description brought for or on account of any injuries or damages received or sustained by any person, persons, or property on account of any negligent act or fault of the successful offeror, or of any agent, employee, subcontractor or supplier in the execution of, or performance under, any contract which may result from proposal award. Successful offeror shall pay any judgment with cost which may be obtained against Franklin County growing out of such injury or damages,

4.10 SALES TAX: Franklin County is, by statute, exempt from the State Sales Tax and Federal Excise Tax; therefore, the proposal price shall not include taxes.

4.11 PATENTS/COPYRIGHTS: The successful offeror agrees to protect Franklin County from claims involving infringements of patents and/or copyrights.

4.12 TERMINATION OF CONTRACT: This contract shall remain in effect until contract expires, completion and acceptance of services or default. Franklin County reserves the right to terminate the contract immediately in the event the successful offeror fails to:

1. Meet delivery or completion schedules, or
2. Otherwise perform in accordance with the accepted proposal.

Breach of contract or default authorizes the County to award to another offeror, purchase elsewhere and charge the full increase cost to the defaulting offeror.

Either party may terminate this contract with thirty (30) day written notice prior to either party stating cancellation. The successful offeror must state therein the reasons for such cancellation. Prior written notice must be delivered in person or sent by registered or certified mail, return receipt requested, proper postage paid, and properly addressed to the other party at the address on the affidavit for the contractor or to the Franklin County Judge, 200 N. Kaufman,, Mt. Vernon, TX 75457.

4.13 PERFORMANCE OF CONTRACT: Franklin County reserves the right to enforce the performance of this contract in any manner prescribed by law or deemed to be in the best interest of the County in the event of breach or default of resulting contract award.

4.14 INVOICES: Invoices shall be mailed directly to:

Franklin County Auditor
200 N. Kaufman
PO Box 989
Mt. Vernon, TX 75457

The invoices shall show:

1. Accounting firm name and address;
2. Detailed breakdown of all charges for the services delivered, stating the applicable period of time;

Invoices shall be based upon actual services rendered and actual hours of performance and/or products delivered.

4.15 PAYMENT: Payment will be made upon receipt and acceptance by the County of all completed services and/or product ordered and receipt of a valid invoice, in accordance with the Texas Government Code, Chapter 2251. Successful offeror is required to pay subcontractors within ten (10) days.

**FRANKLIN COUNTY, TEXAS
REQUEST FOR PROPOSALS NO. 2019A
FINANCIAL AUDIT SERVICES
COST ESTIMATE SHEET**

THIS FORM MUST BE RETURNED WITH YOUR PROPOSAL.

OFFEROR: _____

FRANKLIN COUNTY AUDIT

Financial Statements

Single Audit

Maximum Fee: Year ending December 31, 2018 _____

Indicate the methods that would be used to calculate costs for future optional terms. Include detail of price including the number of staff, staff hours, and staff qualifications that will be committed to the audit.

NOTE: Proposals not accompanied by this Cost Estimate form will not be considered.

**FRANKLIN COUNTY, TEXAS
REQUEST FOR PROPOSALS NO. 2019A
FINANCIAL AUDIT SERVICES
COST ESTIMATE SHEET**

THIS FORM MUST BE RETURNED WITH YOUR PROPOSAL.

OFFEROR: _____

VENDOR REFERENCES

Please list three (3) references of current clients who can verify the quality of service your company provides. The County prefers customers of similar size and scope of work to this proposal.

REFERENCE 1

Government/County Name: _____

Address: _____

Contact Person and Title: _____

Phone: _____ Fax: _____

Contract Period: _____

Scope of Work: _____

REFERENCE 2

Government/County Name: _____

Address: _____

Contact Person and Title: _____

Phone: _____ Fax: _____

Contract Period: _____

Scope of Work: _____

REFERENCE 3

Government/County Name: _____

Address: _____

Contact Person and Title: _____

Phone: _____ Fax: _____

Contract Period: _____

Scope of Work: _____

BID PROPOSAL AFFIDAVIT

The undersigned certifies that the bid prices in this proposal have been carefully reviewed and are submitted as correct and final. He/She further certifies that the offeror agrees to furnish any and/or all items upon which prices are extended at the price(s) offered, and upon the conditions contained in the specifications of the Invitation to Bid. The period of acceptance of this bid proposal will be sixty (60) calendar days from the date of the bid opening.

STATE OF TEXAS §
COUNTY OF FRANKLIN §

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared _____, who, after being duly sworn, did depose and say: "I, _____, am a duly authorized officer or agent for _____, and have been authorized to execute the foregoing bid proposal on their behalf. I hereby certify that the foregoing proposal has not been prepared in collusion with any other bidder or other person or persons engaged in the same line of business prior to the official opening of this bid. Further, I certify that the bidder is not now, nor has he been for the past six (6) months, directly or indirectly concerned in any pool or agreement or combination, to control the price of the services or materials bid on, or to influence any person or persons to bid or not to bid thereon.

Name and Address of Offeror: _____

Telephone: _____

By: _____ Title: _____
(Type or Print Name)

Signature: _____

SUBSCRIBED AND SWORN to before me by the above named on this the ____ day of _____, 20____.

Notary Public in and for the State of Texas

NOTE: Proposals not accompanied by this Affidavit will not be considered.