



**PURCHASING DEPARTMENT
REQUEST FOR PROPOSAL**

23-006

**PROFESSIONAL AUDITING
SERVICES**

RESPONSES DUE THURSDAY, MARCH 23, 2023

BY 2:00 P.M.

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INVITATION TO BID

The City of North Richland Hills is accepting sealed bids from all interested parties for:

- Bid Number: 23-006
- Bid Type: REQUEST FOR PROPOSAL
- Bid Name: Professional Auditing Services
- Pre-Bid Conference: 10:00 A.M. Central Time Tuesday, February 14, 2023
- Location: Microsoft Teams Meeting: [Click here to join the meeting](#)
- Bid Due Date: Thursday, March 23, 2023
- Bid Due Time: 2:00 P.M. Central Time
- Deadline for questions:
 - Date: Tuesday, February 21, 2023
 - Time: 12:00 P.M. Central Time

DOCUMENTS MUST BE SUBMITTED ELECTRONICALLY VIA:

www.publicpurchase.com

No oral explanation in regards to the meaning of the specifications will be made, and no oral instructions will be given after the pre-bid meeting and before the award of the contract. Requests from interested vendors for additional information or interpretation of the information included in the specifications should be directed in writing as a question related to this bid on Public Purchase and the question will be answered on Public Purchase. All addendums will also be posted to Public Purchase. It will be the vendor's responsibility to check all information related to this bid on Public Purchase before submitting a response.

All bid responses must be turned in complete from cover page to the last page of the bid – pages in order.

The City of North Richland Hills reserves the right to reject in part or in whole all bids submitted, and to waive any technicalities for the best interest of the City of North Richland Hills.

GENERAL CONDITIONS

In submitting this bid, the Bidder understands and agrees to be bound by the following terms and conditions. These terms and conditions shall become a part of the purchase order or contract and will consist of the invitation to bid, specifications, the responsive bid and the contract with attachments, together with any additional documents identified in the contract and any written change orders approved and signed by a city official with authority to do so. All shall have equal weight and be deemed a part of the entire contract. If there is a conflict between contract documents, the provision more favorable to the City shall prevail.

1. **BID TIME**

It shall be the responsibility of each Bidder to ensure his/her bid are submitted to the Public Purchase website on or before **2:00 P.M. Thursday, March 23, 2023**. The official time shall be determined by the Public Purchase Website. The Public Purchase Website will NOT allow bid responses to be uploaded after the closing time.

All attached bid documents are to be returned completely filled out, totaled, and signed. The City of North Richland Hills will not accept any bid documents other than the attached.

2. **WITHDRAWING BIDS/PROPOSALS/QUOTES**

Bids may be withdrawn at any time prior to the official opening; request for non-consideration of bids must be made in writing to the Purchasing Manager and received prior to the time set for opening bids. The bidder warrants and guarantees that his/her bid has been carefully reviewed and checked and that it is in all things true and accurate and free of mistakes. Bidder agrees that a bid price may not be withdrawn or canceled by the bidder for a period of ninety (90) days following the date designated for the receipt of bids.

3. **IRREGULAR BIDS/PROPOSALS/QUOTES**

Bids will be considered irregular if they show any omissions, alterations of form, additions, or conditions not called for, unauthorized alternate bids, or irregularities of any kind. However, the City of North Richland Hills reserves the right to waive any irregularities and to make the award in the best interest of the City.

4. **REJECTION/DISQUALIFICATION**

Bidders will be disqualified and/or their bids rejected, among other reasons, for any of the specific reasons listed below:

- a) Bid received after the time set for receiving bids as stated in the advertisement;
- b) Reason for believing collusion exists among the Bidders;
- c) Bid containing unbalanced value of any item; bid offering used or reconditioned equipment;
- d) Where the bidder, sub-contractor or supplier is in litigation with the City of North Richland Hills or where such litigation is contemplated or imminent;
- e) Uncompleted work which in the judgment of the City will prevent or hinder the prompt completion of additional work, or having defaulted on a previous contract;
- f) Lack of competency as revealed by reference checks, financial statement, experience and equipment, questionnaires, or qualification statement;
- g) Bid containing special conditions, clauses, alterations, items not called for or irregularities of any kind, which in the Owner's opinion may disqualify the Bidder.

However, the City of North Richland Hills reserves the right to waive any irregularities and to make the award in the best interest of the City of North Richland Hills.

5. BID EVALUATION

Award of bid, if it be awarded, will be made to the lowest responsible bidder or may be awarded to the bidder that offers the goods and/or services at the *best value* for the City (Texas Local Government Code, 252.043). In determining the best value the City will consider the following:

- a) The purchase price; terms and discounts; delivery schedule;
- b) The reputation of the bidder and of the bidder's goods or services;
- c) The quality of the bidders' goods or services;
- d) The extent to which the bidder's goods or services meet the City specifications and needs;
- e) The bidder's past relationship with the City;
- f) Total long term cost to the city to acquire the bidder's goods or services;
- g) Any relevant criteria specifically listed in the specifications;
- h) Compliance with all State and local laws, General Conditions and Specifications;
- i) Results of testing, if required;
- j) Warranty and/or guarantee, maintenance requirements and performance data of the product requested;
- k) City's evaluation of the bidder's ability to perform to specifications.

6. AWARD OF BID

The bid award will be made within sixty (60) days after the opening of bids. No award will be made until after investigations are made as to the responsibilities of the best bidder.

The City of North Richland Hills reserves the right to award bids whole or in part when deemed to be in the best interest of the City. Bidder shall state on bid form if their bid is "all or none", otherwise it shall be considered as agreeing to this section.

Information contained in submitted bid documents shall not be available for inspection until after the award has been made by the City Council. Requests for this information must be submitted in writing.

7. ASSIGNMENT

The successful bidder may not assign his/her rights and duties under an award without the written consent of the North Richland Hills City Manager. Such consent shall not relieve the assignor of liability in the event of default by his assignee.

8. SUBSTITUTIONS/EXCEPTIONS

Exceptions/variations from the specifications may be acceptable provided such variations, in each instance, is noted and fully explained in writing and submitted with bid. NO substitutions or changes in the specifications shall be permitted after award of bid without prior written approval by the Purchasing Manager.

9. DELIVERY/ACCEPTANCE

The delivery date is an important factor of this bid and shall be considered during the evaluation process. The City considers delivery time the period elapsing from the time the order is placed until the City receives the order at the specified delivery location. All

material shall be delivered F.O.B. City of North Richland Hills to the address specified at the time of order. Acceptance by the City of North Richland Hills of any delivery shall not relieve the Contractor of any guarantee or warranty, expressed or implied, nor shall it be considered an acceptance of material not in accordance with the specifications thereby waiving the City of North Richland Hills right to request replacement of defective material or material not meeting specifications.

10. NOTICE OF DELAYS

Whenever the contractor encounters any difficulty which is delaying or threatens to delay timely performance, written notice shall immediately be given to the Purchasing Manager, stating all relevant information. Such notice shall not in any way be construed as a waiver by the City of any rights or remedies to which it is entitled by law. Delays in performance and/or completion may result in cancellation of agreement.

11. SALES TAX

The City of North Richland Hills is exempt from Federal Excise and State sales tax; therefore tax must not be added to bid.

12. TIE BIDS

In the event of a tie bid, State Law provides the bid or contract shall be awarded to the local bidder. In cases where a local bidder is not involved, tie bids shall be awarded by drawing lots at the City Council meeting, or as otherwise directed by the Mayor.

13. BRAND NAME OR EQUAL

If items are identified by a "brand name" description, such identification is intended to be descriptive, not restrictive, and is to indicate the quality and characteristics of products that will be satisfactory. As used in this clause, the term "brand name" includes identification of products by make and model.

Such products must be clearly identified in the bid as an equal product and published specifications of the equal products offered must be included with the bid reply.

Bids offering equal products will be considered for award if determined by the Purchasing Manager and the user department to be equal in all material respects to the brand name products referenced. The decision of acceptable "equal" items or variations in the specifications will solely be the City of North Richland Hills. Unless the bidder clearly indicates in his/her bid that he is offering an "equal" product, his bid shall be considered as offering the brand name product referenced in the invitation for bids.

14. REFERENCES

A minimum of three (3) references, preferably located within the Dallas/Fort Worth Metroplex, must be submitted with each bid. Company name, contact and phone number must be included with each reference.

15. PROHIBITION AGAINST PERSONAL FINANCIAL INTEREST IN CONTRACTS

No employee of the City of North Richland Hills shall have a direct or indirect financial interest in any proposed or existing contract, purchase, work, sale or service to or by the City (CMA-074, Standards of Conduct, Section IV).

16. TERMINATION/NON PERFORMANCE

Continuing non-performance of the vendor in terms of Specifications shall be a basis for the termination of the contract by the City. The City of North Richland Hills 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 City in the event of breach or default of this contract. The City reserves the right to terminate the contract immediately in the event the successful bidder fails to 1.) Meet delivery schedules or, 2.) Otherwise not perform in accordance with these specifications.

Breach of contract or default authorizes the City to award to another bidder, and/or purchase elsewhere and charge the full increase in cost and handling to the defaulting successful bidder.

The contract may be terminated by either party upon written thirty (30) days' notice prior to cancellation without cause.

17. ATTORNEYS FEES

Neither party to this contract shall be entitled to attorney fees for any matter arising under this contract, whether for additional work, breach of contract, or other claim for goods, services, or compensation. All claims for attorney's fees are hereby WAIVED.

18. INDEMNITY

City shall not be liable or responsible for, and shall be saved and held harmless by Contractor from and against any and all suits, actions, losses, damages, claims, or liability of any character, type, or description, including claims for copyright and patent infringement, and including all expenses of litigation, court costs, and attorney's fees for injury or death to any person, or injury to any property, received or sustained by any person or persons or property, arising out of, or occasioned by, directly or indirectly, the performance of Contractor under this agreement, including claims and damages arising in part from the negligence of City, without; however, waiving any governmental immunity available to the CITY under Texas law and without waiving any defenses of the parties under Texas law. The provisions of this indemnification are solely for the benefit of the parties hereto and not intended to create or grant any rights, contractual or otherwise, to any other person or entity.

It is the expressed intent of the parties to this Agreement that the indemnity provided for in this section is an indemnity extended by Contractor to indemnify and protect City from the consequences of City's own negligence, provided, however, that the indemnity provided for in this section shall apply only when the negligent act of City is a contributory cause of the resultant injury, death, or damage, and shall have no application when the negligent act of City is the sole cause of the resultant injury, death, or damage, unmixed with the legal fault of another person or entity. Contractor further agrees to defend, at its own expense, and on behalf of City and in the name of City, any claim or litigation brought in connection with any such injury, death, or damage.

The Contractor will secure and maintain Contractual Liability insurance to cover this indemnification agreement that will be primary and noncontributory as to any insurance maintained by the City for its own benefit, including self-insurance.

19. PERFORMANCE AND PAYMENT BONDS

In the event the total contract amount exceeds \$100,000, the Contractor shall be required to execute a performance bond in the amount of one hundred (100) percent of the total contract price; if the total contract amount exceeds \$50,000 the contractor shall be required to execute a payment bond in the amount of one hundred (100) percent of the total contract price, each in standard forms for this purpose, guaranteeing faithful performance of work and guaranteeing payment to all persons supply labor and materials or furnishing any equipment in the execution of the contract. It is agreed that this contract shall not be in effect until such performance and payment bonds are furnished and approved by the City of North Richland Hills. No exceptions to this provision allowed.

Unless otherwise approved in writing by the City of North Richland Hills, the surety company underwriting the bonds shall be acceptable according to the latest list of companies holding certificates of authority from the Secretary of the Treasury of the United States.

Attorneys-in-fact who sign bid bonds or contract bonds must file with each bond a certified and current copy of their power of attorney.

20. INTERLOCAL AGREEMENT

Successful bidder agrees to extend prices and terms to all entities who have entered into or will enter into joint purchasing interlocal cooperation agreements with the City of North Richland Hills.

☐ Yes, we agree

☐ No, we do not agree

21. ELECTRONIC PROCUREMENT

The City of North Richland Hills has adopted policies and procedures complying with Local Government Code Section 252.0415, Section 271.906 and Section 2155.062. The City of North Richland Hills may receive submittals in electronic form in response to procurement requests. However, a bid that is submitted non-electronically by the due date and time will be accepted and then entered electronically by Purchasing after the bid opening.

22. COMPLIANCE WITH SB 89:

Vendor agrees per HB 89 of the 85th Texas Legislative Session, and in accordance with Chapter 2270 of the Texas Government Code, vendor has not and shall not boycott Israel at any time while providing products or services to the City of North Richland Hills.

☐ Yes, we agree

☐ No, we do not agree

23. COMPLIANCE WITH SB 252:

Vendor agrees per SB 252 of the 85th Texas Legislative Session, and in accordance with Chapter 2252 of the Texas Government Code, vendor shall not do business with Iran, Sudan or a foreign terrorist organization while providing products or services to the City of North Richland Hills.

☐ Yes, we agree

☐ No, we do not agree *

* By selecting no, vendor certifies that it is affirmatively excluded from the federal sanctions regime by the United States government and is not subject to the contract prohibition under Section 2252.154 of the Texas Government Code. Vendor shall provide sufficient documentation to the City of such exclusion prior to award of any contract for goods or services.

24. ETHICS AND COMPLIANCE POLICY

The City's Ethics and Compliance Policy can be found at The City of North Richland Hills Purchasing Division webpage - Or you may request a copy from the Purchasing Division. Acknowledgment - The City of North Richland Hills' Internal Ethics and Compliance Policy has been made available to me. I understand the expectations of ethical behavior and compliance with the law, and agree to adhere to the City's ethics policies.

<https://www.nrhtx.com/DocumentCenter/View/389/Code-of-Ethics---PDF?bidId>

☐ I agree

☐ I do not agree

25. COMPLIANCE WITH CHAPTER 2274

Pursuant to Chapter 2274, Texas Government Code, Prohibition on Contracts with Companies Boycotting Certain Energy Companies, as enacted by S.B. 13, 87th Legislature, the City of North Richland Hills is prohibited from using public funds to contract with a for-profit Company as defined by Government Code 809.01 who boycotts energy companies. If Seller has more than 10 employees and this Contract has a value of \$100,000 or more, by signing this agreement/contract, the Seller verifies that it does not discriminate against energy companies and will not discriminate during the term of the Contract. By submitting a bid response, Seller certifies compliance with these requirements.

26. COMPLIANCE WITH CHAPTER 2274

Pursuant to Chapter 2274, Texas Government Code, Prohibition on Contracts with Companies that Discriminate Against Firearm and Ammunition Industries, as enacted by S.B. 19, 87th Legislature, the City of North Richland Hills is prohibited from using public funds to contract with a for-profit Company as defined by Chapter 2274.001, who discriminates against firearm and ammunition industries. If Seller has at least 10 full-time employees and this Contract has a value of \$100,000 or more, by signing this agreement/contract, the Seller agrees that it does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate during the term of the Agreement. By submitting a bid response, Seller certifies compliance with these requirements. This section does not apply if Seller is a sole-source provider.

27. DEPARTMENT OF TRANSPORTATION (TXDOT) RELATED BIDS

"The City of North Richland Hills, in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. §§ 2000d to 2000d-4) and the Regulations, hereby notifies all bidders that it will affirmatively ensure that any contract entered into pursuant to this advertisement, disadvantaged business enterprises will be afforded full and fair opportunity to submit bids in response to this invitation and will not be discriminated

against on the grounds of race, color, or national origin in consideration for an award.” Due care and diligence has been used in preparation of this information, and it is believed to be substantially correct. However, the responsibility for determining the full extent of the exposure and the verification of all information presented herein shall rest solely with the bidder. The City of North Richland Hills and its representatives will not be responsible for any errors or omissions in these specifications, nor for the failure on the part of the proposer to determine the full extent of the exposures.

MINIMUM INSURANCE REQUIREMENTS

Contractors performing work on City property or public right-of-way for the City of North Richland Hills shall provide the City a certificate of insurance evidencing the coverages and coverage provisions identified herein. Contractors shall provide the City evidence that all subcontractors performing work on the project have the same types and amounts of coverages as required herein or that the subcontractors are included under the contractor's policy. The City, at its own discretion, may require a certified copy of the policy.

All insurance companies and coverages must be authorized by the Texas Department of Insurance to transact business in the State of Texas and must be acceptable to the City of North Richland Hills.

The following guidelines are designed to show the most common minimum insurance requirements for standard contracts and agreements with the City. Non-standard agreements may require additional coverage and/or higher limits. Coverage Amounts required for non-standard agreements to be determined by the department and the City Manager.

General Contracts for Services:

Service work, and general maintenance agreements, etc.

- ☐ Commercial General Liability
- ☐ Automobile Liability
- ☐ Workers' Compensation & Employer's Liability
- ☐ Payment and Maintenance Bond (if applicable)

See Exhibit A for insurance language to include in general contracts for services

Professional Services:

Consultants or other professionals including: accountants, attorneys, architects, engineers, medical professionals, medical services, etc.

- ☐ Commercial General Liability
- ☐ Automobile Liability
- ☐ Workers' Compensation & Employer's Liability
- ☐ Professional Liability or equivalent Errors & Omissions (appropriate to Contractor's profession)

See Exhibit B for insurance language to include in professional services contracts

Construction:

Building contractors for construction projects.

- ☐ Commercial General Liability
- ☐ Automobile Liability
- ☐ Workers' Compensation & Employer's Liability
- ☐ Professional Liability (if applicable for design function)

- ☐ Builder's Risk (required for new or existing property under construction)
- ☐ Payment and Maintenance Bond (if applicable)

See Exhibit C for insurance language to include in construction contracts

Information Technology/Network Access Services:

For the purchasing and installation of technology-related software and equipment or contracting services that support, maintain or interact with the CITY'S technology systems.

- ☐ Commercial General Liability
- ☐ Automobile Liability
- ☐ Workers' Compensation & Employer's Liability
- ☐ Professional Liability (if applicable)
- ☐ Cyber Liability

See Exhibit D for insurance language to include in IT/network access services agreements

Standard Minimum Required Insurance Coverage

Insurance Type	Limit	Provision
Commercial General Liability	\$1,000,000 Each Occurrence \$2,000,000 Aggregate	City to be listed as additional insured and provided 30-day notice of cancellation or material change in coverage
	For Construction Projects: \$2,000,000 Each Occurrence \$4,000,000 Aggregate	
Automobile Liability	\$1,000,000 Combined Single Limit	
Workers' Compensation	Texas Statutory Requirements	Waiver of subrogation in favor of City
Employer's Liability	\$500,000 injury - each accident \$500,000 disease - each employee \$500,000 disease - policy limit	
Professional Liability (or equivalent Errors & Omissions coverage appropriate to the Contractor's profession)	\$1,000,000 Each Occurrence	
Builder's Risk (required for new or existing property under construction)	100% Value	
Cyber Liability	\$1,000,000 Each Occurrence	
Payment/Maintenance Bonds	In accordance with Chapter 2253 of the Texas Government Code	

EXHIBIT A

GENERAL CONTRACTS FOR SERVICES

For the duration of this Agreement, CONTRACTOR shall maintain the following minimum insurance which shall protect CONTRACTOR, its subcontractors, its sub-consultants and CITY from claims for injuries, including accidental death, as well as from claims for property damage which may arise from the performance of work under this Agreement.

A. Workers' Compensation and Employer's Liability Insurance:

Workers' Compensation	Texas Statutory
Employer's Liability	\$500,000 injury - each accident
	\$500,000 disease - each employee
	\$500,000 disease - policy limit

B. Commercial General Liability:

On an "occurrence" basis, including, property damage, bodily injury, products and completed operations and personal & advertising injury with limits no less than \$1,000,000 per occurrence and \$2,000,000 aggregate.

C. Automobile Liability:

Covering any auto, or if CONTRACTOR has no owned autos, covering hired and non-owned autos with a Combined Single Limit no less than \$1,000,000 per accident for bodily injury and property damage.

Insurance limits can be met with a combination of primary and excess/umbrella coverage.

The CITY, its officers, officials and employees are to be covered as "Additional Insured" on the commercial general liability and automobile liability policies as respects liability arising out of activities performed by or on behalf of the CONTRACTOR.

A waiver of subrogation in favor of the CITY, its officers, officials and employees shall be contained in the Workers' Compensation insurance policy.

Policies of insurance shall not be cancelled non-renewed, terminated, or materially changed unless and until thirty (30) days' notice has been given to CITY.

All insurance shall be issued by responsible insurance companies eligible to do business in the State of Texas and having an A.M. Best Financial rating of A- VI or better.

CONTRACTOR shall furnish the CITY certificates of insurance affecting coverage required. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. Certificates of Insurance must be submitted on a form approved by the Texas Department of Insurance.

Payment and Maintenance Bonds (if applicable): CONTRACTOR shall procure Payment and Maintenance Bonds as applicable and in accordance with Chapter 2253 of the Texas Government Code.

EXHIBIT B

PROFESSIONAL SERVICES

For the duration of this Agreement, CONTRACTOR shall maintain the following minimum insurance which shall protect CONTRACTOR, its subcontractors, its sub-consultants and CITY from claims for injuries, including accidental death, as well as from claims for property damage which may arise from the performance of work under this Agreement.

A. Workers' Compensation and Employer's Liability Insurance:

Workers' Compensation	Texas Statutory
Employer's Liability	\$500,000 injury - each accident
	\$500,000 disease - each employee
	\$500,000 disease - policy limit

B. Commercial General Liability:

On an "occurrence" basis, including, property damage, bodily injury, products and completed operations and personal & advertising injury with limits no less than \$1,000,000 per occurrence and \$2,000,000 aggregate.

C. Automobile Liability:

Covering any auto, or if CONTRACTOR has no owned autos, covering hired and non-owned autos with a Combined Single Limit no less than \$1,000,000 per accident for bodily injury and property damage.

D. Professional Liability (Errors and Omissions)

CONTRACTOR shall maintain Professional Liability (or equivalent) errors and omissions insurance appropriate to the CONTRACTOR'S profession, describe type of services, with a limit no less than \$1,000,000 per occurrence or claim.

Insurance limits can be met with a combination of primary and excess/umbrella coverage.

The CITY, its officers, officials and employees are to be covered as "Additional Insured" on the commercial general liability and automobile liability policies as respects liability arising out of activities performed by or on behalf of the CONTRACTOR.

A waiver of subrogation in favor of the CITY, its officers, officials and employees shall be contained in the Workers' Compensation insurance policy.

Policies of insurance shall not be cancelled non-renewed, terminated, or materially changed unless and until thirty (30) days' notice has been given to CITY.

All insurance shall be issued by responsible insurance companies eligible to do business in the State of Texas and having an A.M. Best Financial rating of A- VI or better.

CONTRACTOR shall furnish the CITY certificates of insurance affecting coverage required. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. Certificates of Insurance must be submitted on a form approved by the Texas Department of Insurance.

EXHIBIT C

CONSTRUCTION

For the duration of this Agreement, CONTRACTOR shall maintain the following minimum insurance which shall protect CONTRACTOR, its subcontractors, its sub-consultants and CITY from claims for injuries, including accidental death, as well as from claims for property damage which may arise from the performance of work under this Agreement.

A. Workers' Compensation and Employer's Liability Insurance:

Workers' Compensation	Texas Statutory
Employer's Liability	\$500,000 injury - each accident
	\$500,000 disease - each employee
	\$500,000 disease - policy limit

B. Commercial General Liability:

On an "occurrence" basis, including, property damage, bodily injury, products and completed operations and personal & advertising injury with limits no less than \$2,000,000 per occurrence and \$4,000,000 aggregate.

C. Automobile Liability:

Covering any auto, or if CONTRACTOR has no owned autos, covering hired and non-owned autos with a Combined Single Limit no less than \$1,000,000 per accident for bodily injury and property damage.

D. Professional Liability (if contract involves design work)

CONTRACTOR shall maintain Professional Liability (or equivalent) errors and omissions insurance appropriate to the CONTRACTOR'S profession, with a limit no less than \$1,000,000 per occurrence or claim

E. Builder's Risk

CONTRACTOR shall maintain Builder's Risk Insurance providing All-Risk (Special Perils) coverage in an amount equal to one hundred percent (100%) of the completed value of the project in question and no coinsurance penalty provisions. The policy shall list the CITY as loss payee as their interests may appear.

Insurance limits can be met with a combination of primary and excess/umbrella coverage.

The CITY, its officers, officials and employees are to be covered as "Additional Insured" on the commercial general liability and automobile liability policies as respects liability arising out of activities performed by or on behalf of the CONTRACTOR.

A waiver of subrogation in favor of the CITY, its officers, officials and employees shall be contained in the Workers' Compensation insurance policy.

Policies of insurance shall not be cancelled non-renewed, terminated, or materially changed unless and until thirty (30) days' notice has been given to CITY.

All insurance shall be issued by responsible insurance companies eligible to do business in the State of Texas and having an A.M. Best Financial rating of A- VI or better.

CONTRACTOR shall furnish the CITY certificates of insurance affecting coverage required. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. Certificates of Insurance must be submitted on a form approved by the Texas Department of Insurance.

Payment and Maintenance Bonds (if applicable): CONTRACTOR shall procure Payment and Maintenance Bonds as applicable and in accordance with Chapter 2253 of the Texas Government Code.

EXHIBIT D

INFORMATION TECHNOLOGY/NETWORK ACCESS SERVICES

For the duration of this Agreement, CONTRACTOR shall maintain the following minimum insurance which shall protect CONTRACTOR, its subcontractors, its sub-consultants and CITY from claims for injuries, including accidental death, as well as from claims for property damage which may arise from the performance of work under this Agreement.

A. Workers' Compensation and Employer's Liability Insurance:

Workers' Compensation	Texas Statutory
Employer's Liability	\$500,000 injury - each accident
	\$500,000 disease - each employee
	\$500,000 disease - policy limit

B. Commercial General Liability:

On an "occurrence" basis, including, property damage, bodily injury, products and completed operations and personal & advertising injury with limits no less than \$1,000,000 per occurrence and \$2,000,000 aggregate.

C. Automobile Liability:

Covering any auto, or if CONTRACTOR has no owned autos, covering hired and non-owned autos with a Combined Single Limit no less than \$1,000,000 per accident for bodily injury and property damage.

D. Professional Liability (Errors and Omissions)

If appropriate for CONTRACTOR'S work, CONTRACTOR shall maintain Professional Liability (or equivalent) errors and omissions insurance appropriate to the CONTRACTOR'S profession, with a limit no less than \$1,000,000 per occurrence or claim.

E. Cyber Liability

CONTRACTOR shall maintain cyber liability (or equivalent) insurance. Such insurance shall provide limits of no less than \$1,000,000 per occurrence. Coverage shall be sufficiently broad to respond to the duties and obligations as undertaken by the CONTRACTOR.

Insurance limits can be met with a combination of primary and excess/umbrella coverage.

The CITY, its officers, officials and employees are to be covered as "Additional Insured" on the commercial general liability and automobile liability policies as respects liability arising out of activities performed by or on behalf of the CONTRACTOR.

A waiver of subrogation in favor of the CITY, its officers, officials and employees shall be contained in the Workers' Compensation insurance policy.

Policies of insurance shall not be cancelled non-renewed, terminated, or materially changed unless and until thirty (30) days' notice has been given to CITY.

All insurance shall be issued by responsible insurance companies eligible to do business in the State of Texas and having an A.M. Best Financial rating of A- VI or better.

CONTRACTOR shall furnish the CITY certificates of insurance affecting coverage required. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. Certificates of Insurance must be submitted on a form approved by the Texas Department of Insurance.

Other Insurance Requirements - To Be Included As Applicable

CONTRACTORS who serve or distribute liquor:

Liquor Legal Liability - CONTRACTOR shall maintain Liquor Legal Liability coverage covering the selling, serving, or furnishing of any alcoholic beverage performed by CONTRACTOR, or on its behalf. Such insurance shall provide limits of no less than \$1,000,000.00 per occurrence.

CONTRACTORS who hold long-term leases:

Property Insurance – LESSEE shall maintain Property Insurance against all risks of loss to any improvements or betterments, at full replacement cost with no coinsurance penalty provision. The CITY shall be added as a Loss Payee to the policy as interests may appear.

CONTRACTOR's whose work involves chemicals or otherwise has a pollution exposure:

Contractors' Pollution Liability (or equivalent) – CONTRACTOR shall maintain Contractors' Pollution Liability with limits no less than \$1,000,000.00 per occurrence or claim and \$2,000,000 policy aggregate.

CONTRACTORS who take possession of City or public vehicles (e.g., parking lots operators, auto repair shops):

Garage Keepers Liability (or equivalent) – CONTRACTOR shall maintain Garage Keepers Liability or equivalent coverage for applicable property while in the CONTRACTOR'S care, custody or control. Coverage must include Comprehensive and Collision coverage. Such insurance shall provide limits equal to no less than the total value of CITY or public property in the CONTRACTOR'S care, custody and control at any one time.

CONTRACTORS who own and operate unmanned aircraft (drones):

UAS Liability (or equivalent) - CONTRACTOR shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damage to property which may arise from or in connection with the ownership, maintenance or use of Unmanned Aerial Systems (Drones). Coverage must include limits no less than \$1,000,000 per occurrence and \$2,000,000 aggregate.

A PURCHASE ORDER WILL NOT BE ISSUED WITHOUT EVIDENCE OF INSURANCE.

NON-COLLUSION AFFIDAVIT OF BIDDER

State of _____ County of _____

_____ verifies that:
(Name)

- (1) He/She is owner, partner, officer, representative, or agent of
_____, has submitted the attached
bid: (Company Name)
- (2) He/She is fully informed in respect to the preparation, contents and circumstances in
regard to attached bid;
- (3) Neither said bidder nor any of its officers, partners, agents or employees has in any way
colluded, conspired or agreed, directly or indirectly with any other bidder, firm or person
to submit a collusive or sham bid in connection with attached bid and the price or prices
quoted herein are fair and proper.

SIGNATURE

PRINTED NAME

Subscribed and sworn to before me this
_____ Day of _____ 2023.

NOTARY PUBLIC in and for

_____ County, Texas.

My commission expires: _____

THIS FORM MUST BE COMPLETED, NOTARIZED AND SUBMITTED WITH BID

BID CERTIFICATION

The Undersigned, in submitting this bid, represents and certifies:

- a. He/she is fully informed regarding the preparation, contents and circumstances of the attached bid;
- b. He/she proposes to furnish all equipment/service at the prices quoted herein and bid is in strict accordance with the conditions and specifications stated herein;
- c. There will be at no time a misunderstanding as to the intent of the specifications or conditions to be overcome or pleaded after the bids are opened;
- d. He/she is an equal opportunity employer, and will not discriminate with regard to race, color, national origin, age or sex in the performance of this contract.
- e. The undersigned hereby certifies that he/she has read, understands and agrees that acceptance by the City of North Richland Hills of the bidder's offer by issuance of a purchase order will create a binding contract. Further, he/she agrees to fully comply with documentary forms herewith made a part of this specific procurement.

COMPANY: _____

ADDRESS: _____

CITY, STATE & ZIP: _____

TELEPHONE: _____

FAX _____

EMAIL: _____

SIGNATURE: _____

PRINTED NAME: _____

DATE: _____

COMPLIANCE WITH HOUSE BILL 1295

In 2015, the Texas Legislature adopted [House Bill 1295](#), which added section 2252.908 of the Government Code. The law states that a governmental entity may not enter into certain contracts with a business entity unless the business entity submits a disclosure of interested parties to the governmental entity at the time the business entity submits the signed contract to the governmental entity.

The law applies only to a contract of a governmental entity that either (1) requires an action or vote by the governing body of the entity or agency before the contract may be signed or (2) has a value of at least \$1 million. The disclosure requirement applies to a contract entered into on or after January 1, 2016.

The Texas Ethics Commission has adopted rules necessary to implement the law, prescribed the disclosure of interested parties form, and posted a copy of the form on the commission's website.

Filing Process:

The commission has made available on its website a new filing application that must be used to file Form 1295. A business entity must:

- 1) Use the application to enter the required information on Form 1295,
- 2) Print a copy of the completed form, which will include a certification of filing that will contain a unique certification number.
- 3) Contract Number should be the Bid/RFP Number and Bid Title.
- 4) Sign the printed copy of the form (an authorized agent of the business entity must sign),
- 5) Either include your personal information or have the form notarized,
- 6) File the completed Form 1295 with the certification of filing with the governmental body with which the business entity is entering into the contract.

The governmental entity must notify the commission, using the commission's filing application, of the receipt of the filed Form 1295 with the certification of filing not later than the 30th day after the date the contract binds all parties to the contract. The commission will post the completed Form 1295 to its website within seven business days after receiving notice from the governmental entity.

Information regarding how to use the filing application may be found at https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm.

FOR DISADVANTAGED BUSINESS ENTERPRISES ONLY

Disadvantaged Business Enterprises (DBE) are encouraged to participate in the City of North Richland Hills bid process. Representatives from DBE Companies should identify themselves as such and submit a copy of their Certification.

The City of North Richland Hills recognizes the certifications of both the State of Texas Building and Procurement Commission HUB Program and the North Central Texas Regional Certification Agency. All companies seeking information concerning DBE certification are urged to contact:

**Texas Building and Procurement Commission
Statewide HUB Program**

1711 San Jacinto Blvd., Austin TX 78701-1416

P O Box 13186, Austin, TX 78711-3186

(512) 463-5872

<http://www.window.state.tx.us/procurement/prog/hub/hub-certification/>

North Central Texas

Regional Certification Agency

624 Six Flags Drive, Suite 216

Arlington, Texas 76011

(817) 640-0606

<http://www.nctrca.org/certification.html>

If your company is already certified, attach a copy of your certification to this form and return as part of your packet.

Company Names: _____

Representative: _____

Address: _____

City, State, Zip: _____

Telephone No. _____ **Fax No.** _____

Email address: _____

INDICATE ALL THAT APPLY:

_____ **Minority-Owned Business Enterprise**

_____ **Women-Owned Business Enterprise**

_____ **Disadvantaged Business Enterprise**

CONFLICT OF INTEREST QUESTIONNAIRE

Pursuant to Chapter 176 of the Texas Local Government Code, a person, or agent of a person, who contracts or seeks to contract for the sale or purchase of property, goods, or services with the City of North Richland Hills must file a completed conflict of interest questionnaire. The conflict of interest questionnaire must be filed with the City Secretary of the City of North Richland Hills no later than the seventh business day after the person or agent begins contract discussions or negotiations with the City of North Richland Hills or submits to the City of North Richland Hills an application, response to a request for proposal or bid, correspondence, or another writing related to a potential agreement with the City of North Richland Hills. An updated conflict of interest questionnaire must be filed in accordance with Chapter 176 of the Local Government Code. An offense under Chapter 176 is a Class C misdemeanor.

The Conflict of Interest Questionnaire is included as part of this document and can be found at:

<https://www.ethics.state.tx.us/data/forms/conflict/CIQ.pdf>

CONFLICT OF INTEREST QUESTIONNAIRE
For vendor doing business with local governmental entity

FORM CIQ

<p>This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.</p> <p>This questionnaire is being filed in accordance with Chapter 176, Local Government Code, by a vendor who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the vendor meets requirements under Section 176.006(a).</p> <p>By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the vendor becomes aware of facts that require the statement to be filed. See Section 176.006(a-1), Local Government Code.</p> <p>A vendor commits an offense if the vendor knowingly violates Section 176.006, Local Government Code. An offense under this section is a misdemeanor.</p>	<p>OFFICE USE ONLY</p> <hr/> <p>Date Received</p>
<p>1 Name of vendor who has a business relationship with local governmental entity.</p>	
<p>2 <input type="checkbox"/> Check this box if you are filing an update to a previously filed questionnaire. (The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)</p>	
<p>3 Name of local government officer about whom the information is being disclosed.</p> <p style="text-align: center;">_____</p> <p style="text-align: center;">Name of Officer</p>	
<p>4 Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relationship with the local government officer. Complete subparts A and B for each employment or business relationship described. Attach additional pages to this Form CIQ as necessary.</p> <p style="margin-top: 20px;">A. Is the local government officer or a family member of the officer receiving or likely to receive taxable income, other than investment income, from the vendor?</p> <p style="text-align: center;"> <input type="checkbox"/> Yes <input type="checkbox"/> No </p> <p style="margin-top: 10px;">B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer or a family member of the officer AND the taxable income is not received from the local governmental entity?</p> <p style="text-align: center;"> <input type="checkbox"/> Yes <input type="checkbox"/> No </p>	
<p>5 Describe each employment or business relationship that the vendor named in Section 1 maintains with a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership interest of one percent or more.</p>	
<p>6 <input type="checkbox"/> Check this box if the vendor has given the local government officer or a family member of the officer one or more gifts as described in Section 176.003(a)(2)(B), excluding gifts described in Section 176.003(a-1).</p>	
<p>7</p> <p style="text-align: center;"> _____ Signature of vendor doing business with the governmental entity </p> <p style="text-align: right; margin-right: 100px;"> _____ Date </p>	

CONFLICT OF INTEREST QUESTIONNAIRE
For vendor doing business with local governmental entity

A complete copy of Chapter 176 of the Local Government Code may be found at <http://www.statutes.legis.state.tx.us/Docs/LG/htm/LG.176.htm>. For easy reference, below are some of the sections cited on this form.

Local Government Code § 176.001(1-a): "Business relationship" means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on:

- (A) a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity;
- (B) a transaction conducted at a price and subject to terms available to the public; or
- (C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency.

Local Government Code § 176.003(a)(2)(A) and (B):

- (a) A local government officer shall file a conflicts disclosure statement with respect to a vendor if:

- (2) the vendor:

(A) has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income, other than investment income, that exceeds \$2,500 during the 12-month period preceding the date that the officer becomes aware that

(i) a contract between the local governmental entity and vendor has been executed;

or

(ii) the local governmental entity is considering entering into a contract with the vendor;

(B) has given to the local government officer or a family member of the officer one or more gifts that have an aggregate value of more than \$100 in the 12-month period preceding the date the officer becomes aware that:

(i) a contract between the local governmental entity and vendor has been executed; or

(ii) the local governmental entity is considering entering into a contract with the vendor.

Local Government Code § 176.006(a) and (a-1)

- (a) A vendor shall file a completed conflict of interest questionnaire if the vendor has a business relationship with a local governmental entity and:

(1) has an employment or other business relationship with a local government officer of that local governmental entity, or a family member of the officer, described by Section 176.003(a)(2)(A);

(2) has given a local government officer of that local governmental entity, or a family member of the officer, one or more gifts with the aggregate value specified by Section 176.003(a)(2)(B), excluding any gift described by Section 176.003(a-1); or

(3) has a family relationship with a local government officer of that local governmental entity.

- (a-1) The completed conflict of interest questionnaire must be filed with the appropriate records administrator not later than the seventh business day after the later of:

- (1) the date that the vendor:

(A) begins discussions or negotiations to enter into a contract with the local governmental entity; or

(B) submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential contract with the local governmental entity; or

- (2) the date the vendor becomes aware:

(A) of an employment or other business relationship with a local government officer, or a family member of the officer, described by Subsection (a);

(B) that the vendor has given one or more gifts described by Subsection (a); or

(C) of a family relationship with a local government officer.

CONTRACT CHANGES GRID

The Contractor has the obligation to review all documents that make up the contract documents in their entirety and include any objections or requests for modifications to the Terms and Conditions, or any of the Contract Documents, in the Contract Changes Grid included with the Notice to Bidders. No changes or modifications will be made to the contract documents unless such changes are set forth in the Contract Changes Grid, submitted to the City along with the Contractor's proposal, and agreed to by the City.

CONTRACT CHANGES GRID

Proposed Contractor/Bidder _____ ("Contractor" or "Bidder"), submits the following modifications to the City's Standard _____ ("Agreement") requesting changes to such provisions be accepted by the City and incorporated into the Agreement. Contractor understands and acknowledges that the City is under no obligation to accept the modification(s) proposed by Contractor; however, the City agrees to negotiate in good faith in consideration of Contractor's request, subject to legal requirements, City policies and advice of the City Attorney.

Section / Page	Term, Condition or Specification	Exception/Proposed Modification	Disposition (For City of NRH Use Only)
			City Response: ____ Accepted ____ Not Accepted ____ Modified

CONFIDENTIALITY OF PROPRIETARY INFORMATION

During the evaluation process of this RFP, to the extent permitted by law, the City of North Richland Hills will maintain all contents of the Proposers' responses and discussions related to the Proposers' proposals as confidential. The City will treat all proposals as confidential until negotiations are completed, the successful Proposer has been selected, and a contract has been awarded. During the evaluation process, the City intends to disseminate information submitted by all Proposers to selected staff, any consultants employed by the City, and the evaluation committee, as the City deems appropriate in its sole discretion. Such staff, consultants, and committee members shall maintain the Proposers' information as confidential to the extent permitted by law. All materials submitted in response to this RFP shall become the property of the City of North Richland Hills and will not be returned. After a Proposer is selected and the contract is awarded, all submissions shall be subject to release in accordance with Texas Government Code Chapter 552, the Texas Public Information Act (the "Act").

If a Proposer does not desire proprietary information in the proposal to be disclosed, it is required to identify all proprietary information in the proposal prior to submission of the proposal to the City. The identification shall be done by individually marking each page with the words "Proprietary Information" on which such proprietary information is found. If the Proposer fails to identify such information as proprietary, the Proposer agrees by submission of its proposal that those sections shall be deemed non-proprietary and made available to the public upon request as authorized by law upon completion of the RFP process and award of contract.

Proposers are advised that the City, to the extent permitted by law, will protect the confidentiality of their proposals. Proposers shall consider the implications of the Act, particularly after the RFP process has ceased and a contract has been awarded. If a public information request is made for a Proposer's response following award of a contract, proprietary information submitted in an RFP process may only be withheld from public disclosure pursuant to Section 552.1101 of the Act. A determination as to whether Section 552.1101 applies will not be decided by the City of North Richland Hills, but by the Office of the Attorney General of the State of Texas. In the event a request for public information is made, the City will notify the Proposer, and the Proposer is required to request an opinion as to the confidentiality and proprietary nature of the information from the Attorney General pursuant to Section 552.305 of the Act. The City is not authorized to make the request on the Proposer's behalf.

SPECIFICATIONS

I. INTRODUCTION

A. General Information

The City of North Richland Hills (“City”) is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the three (3) fiscal years ending September 30, 2023, 2024 and 2025 with the option for two (2) additional one (1) year renewals for the two (2) subsequent fiscal years ending September 30, 2026 and 2027. These audits are to be performed in accordance with generally accepted auditing standards (GAAS), the standards set forth for financial audits as contained in the Government Auditing Standards issued by the Comptroller General of the United States, Title 2 of the U.S. Code of Federal Regulation (CFR) part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), the Texas Grant Management Standards, as well as the provisions of the Texas Public Funds Investment Act as amended.

B. Term of Engagement

A three-year contract is contemplated, subject to the annual review and recommendation of the Proposal Review Committee, the satisfactory negotiation of terms (including a price acceptable to both the City and the selected firm), the concurrence of the City of North Richland Hills and the annual availability of an appropriation. By mutual agreement, the contract may be extended by no more than two separate, one-year amendments.

II. NATURE OF SERVICES REQUIRED

A. General

The City of North Richland Hills is soliciting the services of qualified firms of certified public accountants to audit its financial statements for the three (3) fiscal years ending September 30, 2023, 2024, and 2025 with the option for two additional one-year renewals for the two subsequent fiscal years ending September 30, 2026 and 2027. These audits are to be performed in accordance with the provisions contained in this request for proposals.

B. Scope of Work to be Performed

The City 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 City desires the auditor to express an opinion on the fair presentation of its combining and individual fund and account group financial statements and schedules in conformity with generally accepted accounting principles. As part of this scope of work, the auditor will prepare a draft of the financial statements, related notes, and illustrative tables to support the information contained in the notes. The auditor will be responsible for formatting the report for printing and transmitting a final, electronic copy to the City. The auditor will not be responsible for printing and binding of the reports as that responsibility will remain with the City.

The auditor is not required to audit the supporting schedules contained in the annual comprehensive financial report. 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 introductory section of the report or the statistical section of the report.

The auditor is not required to audit the schedule of expenditures of federal and state awards. However, the auditor is to provide an “in-relation-to” report on that schedule based on the auditing procedures applied during the audit of the financial statements.

Further, the auditor may be separately tasked to assist NRH through the City Manager’s office to provide assurance using agreed upon procedures on the accuracy of certain reports the City Manager is required to approve and sign before submission to a reviewing agency (federal, state, etc.)

C. Auditing Standards to be Followed

To meet the requirements of this request for proposals, the audit shall be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, the standards for financial audits set forth in the Government Auditing Standards issued by the Comptroller General of the United States, Title 2 of the U.S. Code of Federal Regulation (CFR) part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), the Texas Grant Management Standards, as well as the provisions of the Texas Public Funds Investment Act as amended.

D. Reports to be Issued

Following the completion of the audit of the fiscal year’s financial statements, the auditor shall issue a report on the fair presentation of the financial statements in conformity with generally accepted accounting principles, including an opinion on the fair presentation of the supplementary schedule of expenditures of federal and state awards in relation to the audited financial statements. The auditor’s opinion on the fair presentation of the financial statements will be included in the Annual Comprehensive Financial Report. A report on the City’s internal control structure, operating procedures, and control risk, based on the auditor’s understanding of such, is also required.

A report on compliance and internal control over compliance with laws and regulations related to major and non-major federal and state financial assistance programs shall be prepared if receipt thresholds are reached and require such. This report should be prepared in accordance with the provisions of 2 CFR 200 – Uniform Guidance.

In the required report on internal controls and operating procedures, the auditor shall communicate any reportable conditions found during the audit. 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. Reportable conditions that are also material weaknesses shall be identified as such in the report.

Non-reportable conditions discovered by the auditors shall be reported in a separate letter to management, which shall be referred to in the report on internal controls.

Prepare a report to be submitted to the Federal Audit Clearinghouse for the single audit reporting package and prepare a separate report to be submitted to the State Single Audit Coordinating Agency as designated by the Comptroller’s office.

Irregularities and illegal acts. Auditors shall be required to make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the City Manager, Finance Director, or Assistant Director of Finance as deemed appropriate.

Reporting to the City Council. Auditors shall assure the City Council of North Richland Hills is informed of each of the following:

- The auditor's responsibilities under generally accepted auditing standards
- Significant accounting policies
- Management judgments and accounting estimates
- Significant audit adjustments
- Other information in documents containing audited financial statements
- Disagreements with management
- Management consultation with other accountants
- Major issues discussed with management prior to retention
- Difficulties encountered in performing the audit

E. Special Considerations

1. The City will send its annual comprehensive financial report to the Government Finance Officers Association of the United States and Canada for review in its Certificate of Achievement for Excellence in Financial Reporting program. Special assistance from the selected audit firm may be required for City of North Richland Hills to meet the requirements of that program.
2. The City currently anticipates it will prepare one or more official statements in connection with the sale of debt securities which will contain the general purpose financial statements and the auditor's report thereon. The auditor shall be required, if requested by the financial advisor and/or the underwriter, to issue a "consent and citation of expertise" as the auditor and any necessary "comfort letters."
3. The schedule of federal and state financial assistance and related auditor's report, as well as the reports on the internal control structure and operating procedures and compliance are not to be included in the Annual Comprehensive Financial Report, but are to be issued separately.
4. A list of findings and other weaknesses from the City's most recent financial statement audit can be requested by contacting the NRH Purchasing Manager by phone at 817-427-6165 or email purchasing@nrhtx.com. Management believes any findings and other weaknesses noted any annual report have been addressed and an improvement plan put in practice.
5. From time to time, auditor will be asked to provide guidance concerning proper accounting procedures and assist City Staff with interpretation of changes in new GASB standards or pronouncements, payroll law and/or tax law.

F. Working Paper Retention and Access to Working Papers

All working papers and reports must be retained, at the auditor's expense, for a minimum of three (3) years, unless the firm is notified in writing by the City of the need to extend the retention period. The auditor will be required to make working papers available, upon request,

to the City or their designees. Copies of working papers will be provided to the City on an annual basis. If the auditor cannot provide copies, the original working papers will be made available to City staff for copying purposes.

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

III. DESCRIPTION OF THE GOVERNMENT

A. Contact Person, Organizational Chart, and Location of City Offices

The auditor's principal contact with the City of North Richland Hills will be Glenn Mizell, Assistant Director of Finance, or a designated representative who will coordinate the assistance to be provided by the City of North Richland Hills to the audit firm.

A list of key personnel (Exhibit E) and an organizational chart (Exhibit F) are attached. All City staff offices are located within the city limits of North Richland Hills.

B. Background Information

The City of North Richland Hills serves an area of 18.9 square miles with an estimated 2022 population of 71,904. The City of North Richland Hills' fiscal year begins on October 1st and ends on September 30th.

The City of North Richland Hills, Texas (the "City") Home Rule Charter was adopted by the voters at an election held on November 3, 1964. The City operates under a Council-Manager form of government. The City provides a full range of services including police and fire protection; municipal court operations; the construction and maintenance of streets and infrastructure; parks, library, and recreational activities including tennis center operations; neighborhood services activities; planning and inspections; and the operation of a water and wastewater system, and a public water park. The City's golf course operations are managed by KemperSports through a multi-year contract. A private contractor, through a franchise agreement, provides solid waste collection and disposal services for the City.

The City of North Richland Hills has a total bi-weekly payroll of approximately \$1,592,186 covering approximately 840 employees. The summer months add approximately 200 employees to the payroll at an estimated bi-weekly cost of \$125,000.

The City of North Richland Hills is organized into 20 departments and agencies. The accounting and financial reporting functions of the City of North Richland Hills are centralized. However, the cash receipts function of the City is decentralized. Collections are handled at multiple locations throughout the City.

More detailed information on the government and its finances can be found in the City Charter, budget documents, official statements, and annual comprehensive financial reports. Much of this information is published on the City's web site at <http://www.nrhtx.com/>.

Fund Structure

The City of North Richland Hills uses the following fund types and account groups in its financial reporting:

Fund Type/Account Groups	# of Funds	#Funds w/Adopted Budgets	Major/Non-major
General Fund	1	1	1/0
Special Revenue Funds	11	9	3/8
Debt Service Funds	1	1	1/0
Capital Projects Funds	1	0	1/0
Enterprise Funds	3	3	2/1
Internal Service Funds	4	4	0/4
Pension Trust Funds	1	-	1/0
Investment Trust Funds	-	-	-
Private Purpose Trust Funds	-	-	-
Agency Funds	-	-	-
Discretely Presented CU	-	-	-

Classification of a fund as major or non-major is subject to change in any given fiscal year. The City may, during the contract period, create additional funds deemed necessary to properly record and report financial transactions, while some existing funds may be deemed no longer necessary during the contract period. Use of the latter will be discontinued when all financial transactions have been posted, audited, and reported.

C. Budgetary Basis

The City prepares its annual operating budgets on a cash basis which require certain reclassification entries at year end to convert to a generally accepted accounting principles basis.

D. Federal and State Financial Assistance

During the previous fiscal year, the City did receive sufficient Federal and State Awards of financial assistance to obtain a 2§CFR 200 Single Audit. Further, we anticipate the minimum level of proceeds will continue to be met in a minimum of the next three fiscal years to warrant such an audit with separate federal / state reports.

E. Pension Plans

The City participates in the Texas Municipal Retirement System, a joint contributory, defined contribution plan. Employee contributions are currently 7% of earnings with the City matching employee contributions at a rate actuarially derived each fiscal year (2022 Blended rate 16.81%). Actuarial services for this plan are provided by the Texas Municipal Retirement System.

F. Component Units

The City of North Richland Hills is defined, for financial reporting purposes, in conformity with the Governmental Accounting Standards Board's *Codification of Governmental Accounting and Financial Reporting Standards*, Section 2100. Using these criteria, component units are included in the financial statements of the City.

The management of the City of North Richland Hills has identified the following component units for inclusion in the North Richland Hills financial statements (each shares the same fiscal year as the City):

- North Richland Hills Park and Recreation Facilities Development Corporation (PRD)
- North Richland Hills Crime Control and Prevention District (CCD)
- City Point Public Improvement District
- Tax Increment Financing District #3 (TIF #3) – a part of City Point Development

All component units listed above are categorized as blended component units.

G. Magnitude of Finance Operations

The Finance Department is headed by Mark Mills, Director of Finance and consists of 21 employees. The principal functions performed and the number of employees assigned to each are as follows:

<u>Function</u>	<u># of Employees</u>
Accounting and Administration	8
Purchasing	3
Utility Billing	10

H. Computer System

Applications: MUNIS Enterprise Resource Planning system – Tyler Technologies
Utility Billing – HTE from Central Square (legacy system)

Systems:

- Financial
- Human Capital Management
- Purchasing and Inventory
- Utility Billing (HTE upload to MUNIS)
- Cashiering
- Budget
- Executime (Public Safety utilizes Telestaff)
- Enterprise Asset Maintenance
- Energov (Permitting)
- Incode (Courts)

PC's: Microsoft Excel, Word, PowerPoint

Current/Non-Current Debt, GASB 87 Leases, and GASB 96 SAAS information is maintained using DebtBook. Auditor access can be arranged.

Parks Dept utilizes ActiveNet for Operations

Water Park utilizes GateMaster for Operations, including Point of Sale activity

I. Internal Audit Function

The City of North Richland Hills has maintained a very limited internal audit function for the past several years. The internal audit function reports to Trudy Lewis, Director of Budget and Research, and is staffed by two employees who assist with both the Operations and Capital budget functions.

J. Availability of Prior Audit Reports and Working Papers

Interested respondents wishing to review the City's most recent financial statement should find a copy on the City's web site at <http://www.nrhtx.com/>. The City has provided in Exhibit G, a copy of 2022 Audit Provided by Client (PBC) listing outlining audit documentation available to the audit firm. The actual audit documentation that coincides with the "PBC" listing will be made available during the mandatory pre-proposal meeting. Electronic copies will be available to each firm that wishes to participate in this proposal.

K. Responses to Questions on Previous RFP 18-007 (2018) for Audit Services

As a courtesy, selected questions and responses received during the most recent RFP process for audit services are provided for your reference and information in Exhibit H. While many of these responses have been incorporated into this RFP, the questions and responses are included here for transparency and completeness of information.

Where beneficial, the responses have been updated for the fiscal years FY 2020-2022. The updated responses are shown in **bolded red** font under the column "2022 Response".

IV. TIME REQUIREMENTS

A. Proposal Calendar

The following list contains key dates up to and including the date proposals are due to be submitted (all times shown are Central Time):

- Request for proposals issued: January 20, 2023
- Pre-proposal conference (virtual format): 10:00 a.m. on Tuesday, February 14, 2023
- Deadline for questions: 12:00 p.m. (noon) on February 21, 2023.
All questions must be submitted via Public Purchase.
- Due date for proposals: 2:00 p.m. on March 23, 2023
During the time period from March 23, 2023 up to April 7, 2023 the City's Proposal Review Committee (PRC) will review and discuss each proposal. The City may determine there is a need to contact the proposers for clarification during this time as well.
- Firm Interviews: week of April 17-21, 2023. Time to be determined.
At least the top two (2) responders will be invited for a 30 minute presentation to the PRC, followed by a time (not to exceed 30 minutes) for questions and answers before final award is made. Those firms invited to make presentations will be notified no later than April 10, 2023.

B. Notification and Contract Dates

- Notification of selected firm: April 24, 2023
- City Council award of contract: May 08, 2023
- Contract date: on or before June 1, 2023

C. Date Audit May Commence

Interim work for the 2023 fiscal year is currently scheduled for a two-week period beginning within the month of August 2023. The regular audit for fiscal year 2023 can begin after December 4, 2023. The audit fieldwork shall be substantially complete by January 19, 2024. Any deviation from this schedule is to be noted by the audit firm in the response to the request for proposals.

D. Important Dates for the 2023 Fiscal Year Audit

PRELIMINARY Fiscal Year 2023 Audit Dates	
ITEM	DUE DATE
Interim Field Work (7/31 TB Date) only if needed	Any two week period (August, 2023)
Electronic Trial Balance to Auditors (rolled up to ACFR Levels)	November 26, 2023
Field Work	December 4, 2023 – December 22, 2023
Draft ACFR Report from Auditors	January 31, 2024
Presentation to City Council	February 26, 2024

Each of the following shall be completed by the auditor no later than the dates indicated. Any deviations from the dates shown are to be noted by the audit firm in the response to the request for proposals.

1. Detailed audit plan

The auditor shall provide the City with a detailed audit plan by the conclusion of interim work. A list of all schedules (“PBC”) to be prepared by City staff shall be submitted no later than four (4) week prior to commencement of field work.

2. Draft financial reports

City staff will be responsible for presenting a Trial Balance and supporting schedules, including all required items from the PBC list, to the auditor prior to the commencement of field work. The auditor will be responsible for preparing the Annual Comprehensive Financial Report (“ACFR”).

City staff anticipates the auditor will complete the financial portion of the report for city staff review no later than January 24, 2024 (Financial Statements, Notes and supplemental schedules). The Letter of Transmittal, Management Discussion and Analysis, and statistical sections will be complete by city staff for inclusion in the report by December 1, 2023. Staff anticipates the auditor will complete the Single Audit, Required Supplemental Information, Management Report, and Internal Control portions of the report for city staff review no later than January 30, 2024. The complete report will be available for city staff to review no later than January 31, 2024.

City staff will complete review of the draft as expeditiously as possible. Staff anticipates the review process should be complete within four (4) business days. Suggested corrections to the draft are to be completed and an updated draft of the report will be submitted back to City within three (3) business days.

Subsequent corrections to the ACFR must be submitted to City staff as expeditiously as possible in order to meet the scheduled delivery date of the final report as noted below.

3. Final report

All reports are required to be submitted in final print ready pdf form to the City for insertion or inclusion with the final ACFR for council presentation.

City staff anticipates the auditor will complete the final, print ready version of the ACFR by February 19, 2024 for inclusion in the City's Legislative Electronic Agenda system. The auditor will not be responsible for the printing and binding of any report document.

The financial statements, report to management on internal control, and single audit report will be presented to City Council on February 26, 2024. Auditor will be required to make a presentation concerning the audit process, required disclosures to City Council (Section II, Paragraph E), single audit results, internal control issues, and highlighted financial data. A similar presentation will be required each year the audit contract is in effect.

The City may publish any or all such reports on the City's web site for access by interested parties. As such, electronic copies of said reports shall be provided to the City for such publication. Staff anticipates publication of said reports within 30 days of City Council approval and acceptance of the reports.

4. Additional required reports

All reports are required to be submitted in final print ready pdf form to the City for presentation as necessary. The auditor will be expected to electronically file the Federal Single Audit Report with the Federal Audit Clearinghouse and the State Single Audit Report with the Texas Comptroller of Public Accounts and the State Auditor's Office.

E. Entrance/Exit Conferences and Progress Reporting

1. Entrance/Planning Conference for upcoming Audit

1. July of each year a meeting/conference will convene to help establish audit calendar, timeline, and relevant other pre-audit concerns and issues.

2. Progress Reporting

1. Starting with first week of field work and every active week of audit work afterward the Audit Lead of the firm, Senior members of the Audit team, the City's Assistant Finance Director, and City's Finance Director will convene to have progress meetings on audit status.

3. Exit Conferences

1. At the City's option, an exit conference will be scheduled during the final two weeks before presentation to council. Suggested attendees will be a member of City Management, Budget Director (oversees internal audit), Finance Director, the Assistant Finance Director, CPA firm Audit Manager, CPA firm Audit Partner, and other designated representatives agreed upon by all parties.

F. Master List of Expected Report Deliverables

1. Annual Comprehensive Financial Report
2. Federal and State Single Audit Report(s)
3. Management Letter
4. Other reports on an “as-needed” basis – such as possible assistance with Internal Audit reviews, assistance with Issuances of Debt, assistance with Strategic Planning or Long Range Planning activities, etc.

V. **ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION**

A. Finance Department 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. City staff will prepare audit confirmation letters requested by auditors.

B. Information Technology Assistance

Information technology personnel will be available to provide systems documentation and explanations. The auditor will not be provided access to the City’s computer hardware or software. However, the City’s general ledger account balances will be provided electronically. Typically, this information has been available in Microsoft Excel format. If desired, a secured connection to the City’s MUNIS ERP system can be made available for auditor use during the engagement.

In subsequent fiscal years, document images supporting financial transactions will be available online. Staff will make every effort to make such images available to auditor to assist with audit tests and samples.

Staff does and will provide 95% (or more) of support documents to the auditors in electronic format.

C. Statements and Schedules to be Prepared by City Staff

City staff will provide the following information, schedules, and reports to the auditor:

- General ledger detail of year-to-date activity for all or selected accounts as requested by auditor
- Year-to-date Summary Trial Balance for each reporting fund
- Budget Reports, both adopted and revised

D. Work Area and Available Equipment

The City will provide the auditor with reasonable work space, tables, chairs, wifi access, door access to accounting area, a telephone line, and photocopying facilities will also be provided.

E. Report Preparation

Preparation of statements, schedules, notes, and other narrative included in the Annual Comprehensive Financial Report, exclusive of the “MD&A” and “T-Letter” will be the responsibility of the auditor. The City requires the auditor to review the report and propose corrections as necessary. Review shall include verification of calculations and partial presentations of audited figures reflected in the report narrative.

Auditor will be responsible for preparation and issuance of other required reports such as the Single Audit Report and the Report to Management on Internal Control. The City requires all final and signed reports be provided in both pdf electronic and printed/bound form. The number of printed/bound reports will be determined and agreed to by both parties each year.

VI. Proposal Requirements

A. General Requirements

1. Pre-proposal Conference
2. Inquiries
3. Submission of Proposals

The following material is required to be received by 2:00 p.m. on March 23, 2023, for a proposing firm to be considered:

- a. The proposal response should be electronic and submitted as specified on page 3 of this document.
 - i. Title Page
 - ii. Table of Contents
 - iii. Transmittal Letter
 - iv. Detailed Proposal

DOCUMENTS MAY BE SUBMITTED ELECTRONICALLY VIA:

www.publicpurchase.com

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 City in conformity with the requirements of this request for proposals. As such, the substance of the 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 be included only in the sealed dollar cost bid. 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, item numbers 2 through 10, must be included as 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 City of North Richland Hills as defined by generally accepted auditing standards and the *Government Auditing Standards* as issued by the Comptroller General of the United States.

The firm should also provide an affirmative statement that it is independent of all of the component units of the City as defined by those same standards.

The firm should also list and describe the firm's professional relationships involving the City or any of its agencies or component units 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.

In addition, the firm shall give the City written notice of any professional relationships that could compromise independence entered into during the period of this agreement.

3. License to Practice in the State of 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 professional staffing 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 professional background of professional staff to be employed on this engagement on a full-time basis as well as the number and professional background of the staff to be so employed on a part-time basis.

If the proposer is a joint venture or consortium, the qualification 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.

The firm is also required to submit a copy of the report on its most recent external quality control review (peer review), with a statement whether that quality control review included a review of specific governmental agency engagements.

The firm shall also provide information on the results of any federal or state desk review or field review of its audits during the past three (3) 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 (3) 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 should provide information on the governmental auditing experience of each person, including information on relevant continuing education for the past three (3) years and memberships 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 should also indicate how the quality of the staff over the term of the engagement will be assured.

Engagement partners, managers, other supervisory staff, and specialists may be changed if those personnel leave the firm, are promoted, or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of the City. However, in either case, the City retains the right to approve or reject replacements.

Consultants and firm specialists mentioned in response to this request for proposals can only be changed with the express prior written permission of the City, which retains the right to approve or reject replacements. Should the need arise where the City may request a Consultant or specialist be replaced, the Director of Finance will work with the Audit Partner directly to address any such occurrence.

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

6. Prior Engagements with the City of North Richland Hills

The firm should list separately all engagements within the last five years, ranked on the basis of total staff hours, for the City of North Richland Hills by type of engagement (i.e. audit, management advisory services, special studies, etc.). For each engagement, the firm should indicate the scope of the work, date, engagement partners, total hours, the location of the firm's office from which the engagement was performed, and the name and telephone number of the of the principal client contact.

7. Similar Engagements with Other Governmental Entities

For the firm's office that will be assigned responsibility for the City's audit, list the most significant engagements (maximum of 5) performed in the last five (5) years that are similar to the engagement described in this request for proposals. These engagements should be ranked on the basis of total staff hours. The scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact must be included.

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 this request for proposals. In developing the work plan, references should be made to such sources of

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

Proposers will be required to provide the following information on 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 the use of 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 purpose of tests of compliance
9. Identification of Anticipated Potential Audit Problems
- The proposer should identify and describe any anticipated potential audit problems, the firm's approach to resolving these types of problems, and any special assistance that will be requested from the City of North Richland Hills and its staff.

10. Report Format

The proposer should include sample formats for required reports. Examples of such reports are shown in Section II, Item D – Reports to be Issued.

NO DOLLAR COSTS FOR THIS ENGAGEMENT SHOULD BE INCLUDED IN THE TECHNICAL PROPOSAL.

C. Sealed Dollar Cost Bid

1. Total All-Inclusive Maximum Price

The sealed dollar cost bid should contain all pricing information relative to performing the audit engagement as described in this request for proposals. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs. The City will not reimburse Auditor for out-of-pocket expenses.

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 City of North Richland Hills;
- c. A total all-inclusive maximum price by year for the financial audit of the annual comprehensive financial report of the City of North Richland Hills for the three fiscal years ending September 30, 2023, 2024, and 2025;
- d. Total all-inclusive maximum price by year for the single audit of the City of North Richland Hills for the three fiscal years ending September 30, 2023, 2024, and 2025.
- e. Method to be employed to calculate future year audit costs (i.e. for the two one-year extension options).

The City will not be responsible for expenses incurred in the preparation and submission of the response to this request for proposals. Such costs should not be included in the proposal.

2. Rates for Additional Professional Services

If it should become necessary for the City to request the auditor to render any additional services to either supplement the services requested in this request for proposals or to perform additional work as a result of the specific recommendations included in any report issued to management on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between the City and the firm. Any such additional work agreed to between the City and the firm shall be performed at the same rates set forth in the schedule of fees and expenses included in the sealed dollar cost bid.

3. Manner of Payment

Progress payments will be made on the basis of hours of work completed during the course of the engagement in accordance with the firm's sealed dollar cost bid. Interim billing statements shall cover a period of not less than one calendar month. Billings must include detail reflecting hours worked by staffing levels and estimated hours to completion.

Invoices received without this information will be returned unpaid.

Invoices for single audit services shall be prepared using the same detail specifications for billings mentioned in the preceding paragraph. Invoices for single audit services shall not include any items other than those performed in connection with the single audit. Interim billing statements for single audit services shall cover a period of not less than one calendar month.

SAMPLE BILLING STATEMENT
LEVEL OF DETAIL REQUIRED FOR PAYMENT

Financial Statement Audit, Single Audit

Year Ended September 30, 2023

Description	Engagement Hours	Hourly Rates	Engagement Costs	Remaining Hours	Remaining Costs
Partners		\$	\$		\$
Managers		\$	\$		\$
Supervisory		\$	\$		\$
Staff		\$	\$		\$
Other (specify)		\$	\$		\$
		\$	\$		\$
		\$	\$		\$
Totals					

Description	Incurred Hours	Incurred Costs	Previously Billed	Due Current Statement
Partners		\$	\$	
Managers		\$	\$	
Supervisory		\$	\$	
Staff		\$	\$	
Other (specify)		\$	\$	
		\$	\$	
		\$	\$	
Totals				

VII. EVALUATION PROCEDURES

A. Proposal Review Committee

Proposals submitted will be evaluated by a five-member Proposal Review Committee (“PRC”) selected by the City of North Richland Hills.

B. Review of Proposals

The PRC will use a point formula during the review process to score proposals. Each member of the PRC will first score each technical proposal by each of the criteria described in Section VII, C below. The full PRC will then convene to review and discuss their individual evaluations and to combine the individual scores to arrive at a composite technical score for each firm. At this point, firms with an unacceptably low technical score will be eliminated from further consideration.

After the composite technical score for each firm has been established, the sealed dollar cost bid will be opened and additional points will be added to the technical score based on the price bid. The maximum score for price will be assigned to the firm offering the lowest all-inclusive maximum prices. Appropriate fractional scores will be assigned to the remaining proposers’ dollar cost bids. The City of North Richland Hills reserves the right to retain all proposals submitted and use any idea in any proposal regardless of whether that proposal is selected.

C. Evaluation Criteria

Proposals will be evaluated using four sets of criteria. Firms meeting the mandatory criteria will have their proposals evaluated and scored 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 firm is independent and licensed to practice in Texas
- b. The firm has no conflict of interest with regard to any other work performed by the firm for the City
- c. The audit firm’s professional personnel have received adequate continuing professional education within the last three (3) years
- 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 for preparing and submitting the proposal

2. Technical Qualifications

- a. Expertise and experience
 - i. The firm’s past experience and performance on comparable governmental engagements as determined in part from client reference responses
 - ii. 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
 - iii. Computer expertise
- b. Audit approach
 - i. Adequacy of proposed staffing plan the various segments of the engagement
 - ii. Adequacy of sampling techniques
 - iii. Adequacy of analytical procedures

3. Ability to meet stated deadlines
 - a. Ability to meet summer fieldwork schedule or provide an acceptable alternative
 - b. Ability to meet on-site audit dates or provide an acceptable alternative
 - c. Ability to meet final report delivery date, no alternative is acceptable

4. Price

Cost will not be the primary factor in the selection of an audit firm

D. Oral Presentations

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

E. Past Annual Reports

The City's past Annual Comprehensive Financial Reports (ACFR) and Single Audits are posted on the City's website and can be found here:

<https://www.nrhtx.com/99/Annual-Comprehensive-Financial-Report>

BID FORMS

BID SUMMARY SHEET			
SUMMARY SCHEDULE OF PROFESSIONAL FEES FOR AUDITING SERVICES RELATING TO THE FISCALS YEARS ENDING SEPTEMBER 30, 2023, 2024, & 2025			
DESCRIPTION	TOTAL COST FY ENDING 9/30/2023	TOTAL COST FY ENDING 9/30/2024	TOTAL COST FY ENDING 9/30/2025
Financial Audit	\$	\$	\$
Single Audit	\$	\$	\$
Official Statement Review (per issuance)	\$	\$	\$
Payroll Tax or Employment law Consultation (per Hour Cost)	\$	\$	\$
Annual Totals	\$	\$	\$

BID FORMS

FINANCIAL AUDIT AND REPORT ISSUANCE			
SCHEDULE OF PROFESSIONAL FEES FOR FINANCIAL STATEMENT AUDIT SERVICES RELATING TO THE			
DESCRIPTION	TOTAL HOURS	QUOTED HOURLY RATE	TOTAL ALL-INCLUSIVE COST
Fiscal Year Ending September 30, 2023			
Partners		\$	\$
Managers		\$	\$
Supervisory		\$	\$
Staff		\$	\$
Other (specify)		\$	\$
Annual Totals		\$	\$
Fiscal Year Ending September 30, 2024			
Partners		\$	\$
Managers		\$	\$
Supervisory		\$	\$
Staff		\$	\$
Other (specify)		\$	\$
Annual Totals		\$	\$
Fiscal Year Ending September 30, 2025			
Partners		\$	\$
Managers		\$	\$
Supervisory		\$	\$
Staff		\$	\$
Other (specify)		\$	\$
Annual Totals		\$	\$

EXHIBIT E

KEY PERSONNEL

City Manager	Mark Hindman
Deputy City Manager	Paulette Hartman
Assistant City Manager	Karen Manila
Director of Public Safety	Jimmy Perdue
City Secretary / Chief Governance Officer	Alicia Richardson
City Attorney	Maleshia McGinnis

Finance Department

Director	Mark Mills, CGFO
Assistant Director	Glenn Mizell, CMA, PMP, CGFO
Accountant II	Amanda Brown
Accountant II	Andrew MacNeal, CGFO
Grants Specialist	Rachel Clements
Accounting Technician	Donna Carman
Accounting Technician	Lisa Ramirez
Accounting Technician	Robin Berger

Budget & Research Department

Budget Director	Trudy Lewis
Senior Budget Analyst	Jennipher Castellanos, CGFO
Budget Analyst	Jason Hammett
Budget Intern	vacant

Human Resources Department

Director	Patrick Hillis
Assistant Director	Cameron Rowland
Human Resource Analyst	Ellen Cooper
Payroll Specialist	Nancy Holcomb
Benefits Coordinator	Sabrina Markum
Human Resources Generalist	Stacey Lykins

EXHIBIT F

DEPARTMENT OF FINANCE ORGANIZATIONAL CHART

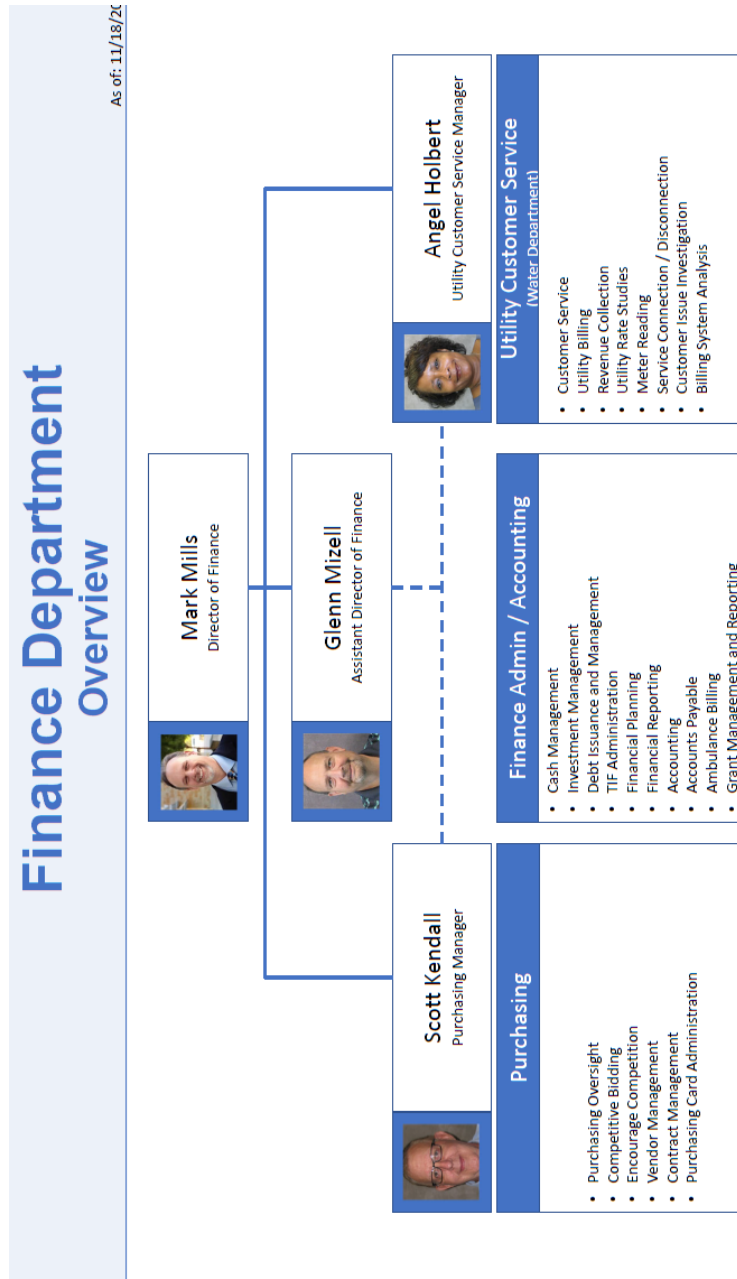


EXHIBIT G

FY 2022 PBC LISTINGS (Interim) & (Final)

EXHIBIT H

RESPONSES TO QUESTIONS ON RFP 18-007 (with updates for FY2022)

City of North Richland Hills

2022 Year-End Audit

Category	ID	Name	Description
Preliminary Items			
	1	Trial Balance as of year-end	TB-1.06
	2	Original and final amended budget as of year-end	MSC-1.01
	3	YTD GL Detail	
	4	Schedule of Expenditures of Federal and State Awards as of year-end	GR-1.06
	5	Electronic Check register for 7/7/2022 through 9/30/2022 (please include checks, ACH and wires)	
	6	Payroll register from 7/7/23- 9/30/22 (please include checks and direct deposit)	EXP-1.09
	7	Detail of all legal expenses incurred during FY - summarize by attorney with a brief description of the nature of activities to determine if an attorney representation letter should be sent.	MSC-1.38
	8	YTD listing of all AJEs (all manual JE's)	Manual JE Source Codes: GEN, GNI, GRV
	9	Electronic Check register for 10/1/22 through latest check run (in order to perform search for unrecorded liabilities) (Please include checks, ACH and wires)	Paid check run report
	10	Detail listing of p-card transactions for 7/1/22 to 9/30/22	
	11	Trial balance for Fund 999 as of year-end	
	12	TMRS calendar year (1.1.2021-12.30.2021) 'Valuation Census Data' report, and calendar year Payroll check register	Please download it from TMRS website in an excel format. And Payroll check register for calendar year 2021.
ACFR			
	13	AJEs made subsequent to original TB provided	TB-1.15 Please provide summary in excel format of all AJEs and then support for each in PDF.
	14	Transmittal Letter	TB-1.16
	15	Photos for ACFR with preferred placement	
	16	Updated MD&A (WP to provide word template)	
	17	Draft ACFR Review Comments	
	18	Cover Photo	
	19	Statistical Section	
	20	Organizational Chart	Update Finance for audit use only
	21	Principal Officials	
	22	Updated Logo, if Applicable	
	23	City Council Presentation	
	24	2021 GFOA Comments	
	25	Updated notes for Budget, Construction commitments, and other notes	
Cash and Investments			
	26	Copies of bank statements and reconciliations for 9/30/2022 with copies of outstanding check lists and any other attachments needed for bank reconciliations.	
	27	Copies of all bank statements for the first subsequent month	
	28	Reconciliation of all cash/investment accounts from the bank statements to the GL (cash matrix)	C-1.01, C1.04
	29	Copy of 3rd & 4th Quarter Investment Reports	INV-1.05
	30	Copies of all investment statements as of 9/30/2022	INV-1.04
	31	Reconciliation of 4th Quarter Investment Report to the trial balance	INV-1.06
	32	Investment Weighted Average Maturity Calculation	INV-1.12
	33	Pledged collateral statements as of year-end	C-1.10
	34	Operating account bank statements for full 12 months of FY	Exclude items provided during Interim
	35	Updated depository agreements, if applicable	
	36	PARS - OPEB Statement - Account Report for September 2022, and Signed confirmation letter.	
Revenues and Receivables			
	37	Taxes receivable roll forward for the year ended 9/30/2022 - (include reports from tax assessor collector at year-end showing total taxes collected, amounts outstanding- summary and detail by year).	AR-1.04 & AR-1.05
	38	Copy of TAD certified appraisal of Assessed values for fiscal year	AR-1.07
	39	Reconciliation of TAD taxable values to tax office levy	REV-1.36

City of North Richland Hills

2022 Year-End Audit

Category	ID	Name	Description
	40	Summary of franchise revenue by customer for current FY and schedule of franchise taxes receivable as of year-end (gas, electric, and cable)	REV-1.38
	41	Schedule of Sales taxes received by month from State as of year-end	REV-1.39
	42	Schedule of other Tax Revenue Received by type such as Hotel, mixed beverage, etc.	REV-1.40
	43	Summary of all licenses and permits issued by type for current FY and two prior FY's	REV-1.41
	44	Summary of all tickets issued by type for current FY and two prior FY's	REV-1.47
	45	Aging report of Municipal Court Receivables as of year-end for Adjudicated and non-adjudicated fines and forfeitures.	REV-1.48
	46	Analysis of allowance for doubtful accounts for court receivables as of year-end	REV-1.49
	47	Reports of gallons pumped, rates, and other useful information for analytical purposes of the water and sewer fund for current FY and two prior FY's (Water, sewer, impact fees, and drainage fees)	REV-1.50
	48	Aging report of Water and Sewer billing receivable and calculation of allowance for doubtful accounts as of year-end	REV-1.51 & 1.52
	49	Schedule of notes receivable as of year-end, if applicable	
	50	Schedule of accrued interest receivables as of year-end and support for accrued interest receivable account	REV-1.54
	51	Detail of Special Assessments Receivable	BLS-1.06
	52	Detail of Other Significant Misc. Receivables	BLS-1.07
	53	Detail & analysis worksheets for significant revenue areas	BLS-1.03
	54	Detail of unbilled revenue	REV-1.58
	55	Support for Ambulance Receivable and Allowance	REV-1.59
	56	Detail report of Utility Fund Customer Deposits	405-0000-164.01-40
	57	PY Settle Up letter for Trinity River Authority/Fort Worth	
	58	Approved Ordinance tax rates for current fiscal year	
	59	TIF#2 Payments report	
Inventory, Prepaids, and Other Assets			
	60	Inventory detail as of year-end	BLS-1.02
	61	Detail & Variance analysis of Prepaid Items	BLS-1.04, BLS-1.05
Capital Assets			
	62	Governmental and BTA Capital Asset Rollforwards	FA-1.04
	63	Schedule of Construction in Progress with amounts payable at year end.	FA-1.09, FA-1.13
	64	Detail of additions to fixed assets (including transfers from CWIP) reconciled to the rollforward additions	FA-1.05
	65	Detail of all disposals reconciled to the rollforward	FA-1.06
	66	YTD Detail of Repairs and Maintenance Expenditures	FA-1.08
	67	Reconciliation of Capital Outlay Accounts to Additions	FA-1.10
	68	Detail of all capital assets including cost, book value, CY depreciation expense, and accumulated depreciation	FA-1.11
	69	Detail of any impaired assets	FA-1.12
	70	Detail of all capital assets sold with calculation of gain/loss	FA-1.07
	71	Gov-wide Allocation by function for additions and depreciation	FA-1.16
Accounts Payable and other accruals			
	72	Detail listing of accounts payable at year end with vendor, invoice, invoice date, invoice amount, account distribution agreed to general ledger by fund.	AP-1.06
	73	Have available vendor invoices that have not been paid for review.	AP-1.14
	74	Listing of Purchase orders at year end that will be rolled to current FY (Reserve for encumbrance at year end.)	AP-1.01
	75	List of possible contingencies- and estimates of any contingencies reported.	MSC-1.37
	76	Detail listing of retainage payable at year end with vendor, invoice, invoice date, invoice amount, account distribution agreed to general ledger by fund.	AP-1.07
	77	Detail list of amounts paid to or on behalf of all members of city council and department heads. This will include travel, training and other reimbursements.	

City of North Richland Hills

2022 Year-End Audit

Category	ID	Name	Description
Long Term debt			
	78	Long-term debt analysis- showing beginning balance all additions, retirements, ending balance, interest payments during the year. Separate schedule for business-type activities.	LTD-1.22
	79	Debt book from financial advisor for amounts at 9/30/2022	LTD-1.19
	80	For current year bond issuances since interim - provide official statement, final numbers, closing memo and AJE with support.	LTD-1.22
	81	Provide information for any bonds issued subsequent to year-end that will be a subsequent event.	LTD-1.23
	82	Capital leases - provide copy and amortization schedule and note disclosure per ACFR Note	PF-1.12
	83	Analysis of bonds outstanding considered defeased at year end.	LTD-1.21
	84	Accrued Interest Payable Calculation	Excel version; LTD-1.04
	85	Amortization of discounts, premiums, and deferred amounts as of year-end	LTD-1.05
	86	Arbitrage Calculation from Financial Advisor	PL-1.28
	87	GASB 88 Disclosures for Private Placement Debt Issue	2017 GO Ref, 2021 CO
Other Liabilities			
	88	Detail of customer security deposits as of year-end	REV-1.53
	89	Detail list of municipal court bonds outstanding, if applicable.	MSC-1.40
	90	Detail of Unearned Revenue	OL-1.01
	91	Detail of Deposits and Other Liabilities	OL-1.02
	92	Detail of Claim Checks	OL-1.03
	93	Detail of Developer Deposits	OL-1.09
	94	Incurred but Not Reported claims as of 9/30/2022	
Payroll and other related costs			
	95	Compensated absences analysis	-detail analysis of vacation and sick time accrual at year end -beginning balance, additions, deletions and ending balance -provide by employee and by department
	96	Detail of Accrued payroll at year-end and support for calculation	-excel file of hours and rates accrued by employee -payroll register by employee (PR 598L) -# number of days accrued
	97	Net pension liability calculation and AJE	NPO/OPEB-1.09
	98	Support for OPEB entries, if applicable, and related statement and disclosure information	NPO/OPEB-1.07
	99	Number of employees (Payroll Headcounts) for current FY and 2 PYs	EXP-1.03
	100	TMRS monthly submissions w/ backup showing covered payroll from interim to current	For July - September 2021
	101	TMRS Contribution Rate letter for 2022	
Other			
	102	Schedule showing fund balance per prior year audit report agrees to General Ledger.	FB-1.01, FB-1.02
	103	Listing of interfund receivable and payable amounts - should match ACFR note disclosure	IFT-1.02
	104	Schedule of interfund transfers and purpose of each transfer (with council approval documentation if required)	IFT-1.05
	105	Details any other litigation, if any, pending.	PL-1.37
	106	Disclosure of any new component units (if applicable)	PL-1.38
	107	Any Tax Abatement information necessary for disclosure (if applicable)	PL-1.39
	108	Significant correspondence from grantors, or regulatory bodies regarding non-compliance with grant requirements or laws and regulations	GR-1.08
	109	Updated policies or procedure manuals since year-end	
	110	SOC 1 reports and bridge letters for TMRS	
	111	Agency Funds for GASB 84	
	112	Presentation for City Council	

City of North Richland Hills

2022 Year-End Audit

Category	ID	Name	Description
	113	IT User Rights for Munis System for the following:	1. 1 employee in Accounts Payable 2. 1 employee in Purchasing 3. 1 employee in Finance Dept
	114	TIF #3 Financial Statements	
	115	Legal Letters to sign	
	116	Copy of interlocal agreement with NCTCOG for \$2M advance funding	
Single Audit and Grants			
	117	Detail of Intergovernmental Receivables	GR-1.04
	118	Detail of Intergovernmental Payables	GR-1.07
	119	Detail of Deferred Revenue	GR-1.05
	120	Significant correspondence from granting agencies for monitoring reviews or other communication	GR-1.15
	121	Detail of expenditures for major program	
	122	Listing of all drawdowns submitted for FY22 along with back up documentation	
	123	Register of all expenditures charged to grant for full FY22	
	124	Equipment log through 9/30/22	for PD, Fleet, and Fire (ARPA incl)
City Point PID			
	125	City Point PID support documents	LTD (current / non-current, amort, int accruals)
Sample Support			

City of North Richland Hills

2022 Interim Audit

Category	Subcategory ID	Name	Description
Administrative			
	1	Signed engagement letter	
	2	Access to all minutes from beginning of FY through current for the City Council	
	3	City-wide and Finance Organization Chart (with names)	
	4	Chart of accounts, if updated from prior year	
	5	Conflict of Interest Disclosures signed by City Council	
		Confirmation information	
		- List of all bank accounts	
	6	- List of all pledged collateral	
		- List of all investments	
		- List of all bonds payable, notes payable, leases, and other debt	
	7	Signed confirmation and Council Questionnaire letters. WP can provide templates if not available from PY.	
Legal			
	8	Summary of ongoing litigation including description of the issue and range of exposure	
Financial Reporting			
	9	Original legally adopted budget (in excel)	
	10	Trial balance as of 5/31	
	11	Trial balance as of 5/31 for fund 999	
Cash/Investments			
	12	Current depository contracts for all banks	
	13	Quarterly Investment Reports for current fiscal year	
	14	Investment Policy with approval by City Council	
	15	Investment Training Certificates completed in current year for investment officers (PFIA)	
	16	Broker certification statements	
	17	Latest completed bank reconciliation and bank statements for all accounts	
	18	Detail of all reconciling items for latest bank reconciliation for main operating account	
Accounts Payable			
	19	YTD check register from beginning of FY through latest check run (should also include ACH and electronic payments) - Please include check number, check date, vendor number, vendor name, account coding, check amount, and line amount	
	20	YTD p-card transaction detail from beginning of FY through current date	
	21	List of p-card holders with transaction limits	
Debt			
	22	Official statements, closing memos, and final numbers for new bond issuance during fiscal year	
	23	Any new lease agreements for FY	
	24	Debt Book from Financial Advisor	
	25	AJE Worksheets for Bond Issuances	
	26	Amortization of Premiums/Discounts/Deferrals as of YE, if available	
Purchasing			
	27	List of bids/RFP's, etc. for FY (Master Bid List)	
	28	Purchasing policy manual, if updated from prior year	
Payroll			
	29	YTD payroll register from beginning of FY to current date (should include direct deposit and manual checks)	
	30	Payroll register for calendar year 2021 to compare to census data	
	31	TMRS Census Data (Excel Spreadsheet)	
	32	TMRS Reporting Packet (GASB 68)	
	33	TMRS monthly submissions w/ backup showing covered payroll for beginning of FY to current	
Ordinances			
	34	Property Taxes - Ordinance to approve tax rate for FY	
	35	Ordinances involving revenue sources (water, sewer, garbage, etc.)	
Revenues			
	36	Licenses and permits - batch deposits submitted to Finance for the following days:	
	37	Utility Billing - batch deposits submitted to Finance for the following days:	
	38	Utility Billing - detail of all manual adjustments from beginning of FY to current	
	39	Water Park - batch deposits submitted to Finance for the following days:	
	40	Municipal Court - detail listing of payments collected from beginning of FY to current	

City of North Richland Hills

2022 Interim Audit

Category	Subcategory ID	Name	Description
	41	Municipal Court - detail listing of all non-cash adjustments from beginning of FY to current	
	42	Rec Centre - batch deposits submitted to Finance for the following days:	
	43	Golf Course - batch deposits submitted to Finance for the following days:	
	44	Municipal Court - batch deposits submitted to Finance for the following days:	
	45	Utility Billing - detail listing of charges from beginning of FY to current	
Grants			
	46	Schedule of Expenditures of Federal Awards as of 5/31 or 6/30 (with 9/30 projections if possible)	
	47	Written procedures for federal grants (Grants Manual)	
	48	Copy of any outside agency review reports (i.e. HUD, CDBG, TDEQ, etc.) issued during the year, if any	
Single Audit - Major Programs			
	State Major Program - TBD		
	49	Grant Application	
	50	Notice of Grant Award (NOGA)	
	51	Register of all expenditures charged to grant from 10/1/21 to 5/31	
	52	YTD Payroll Register of all employees charged to grant from 10/1/21 to 5/31	
	53	All drawdowns with supporting documentation	
	Federal Major Program - TBD		
	54	Grant Application	
	55	Approved Budget	
Information Technology			
	56	Strategic plan	
	57	Disaster recovery plan	
	58	IT organizational chart, include one IT employee's job description	
	59	Screenshot of password parameters, including minimum length, complexity, lockout time, maximum number of days	
	60	Latest version of financial software used	
	61	List of all users with administrative access to the financial system	
	62	Anti-virus policy	
	63	Backup policy	
	64	Firewall policy	
	65	Network diagram	
	66	Change management policy	
	67	Copy of most current helpdesk report (last 30 days)	
Other			
	68	Updated internal control narratives (WP will provide forms from PY) and schedule - Walk through interviews need to be scheduled with key personnel for the following areas:	PL-1.12, PL-1.34 - Accounts Payable - Purchasing - Human Resources - Payroll - Information Technology - Utility Billing - Municipal Courts - Water Park - License and Permits
	69	GFOA comments and certificate for PY	
	70	Material changes/developments that may affect audit work. Should include new bonds issued, key personnel changes, software changes, known fraud (if any), etc.	
	71	SOC1 Type 2 Report for AS&G Claims Administration	
	72	Bridge Letter for AS&G Claims Administration SOC1 report for Nov 30, 2021	
	73	SOC1 Report for United Healthcare Claim Admin Processing	
	74	Bridge Letter for United Healthcare for SOC1 report through Oct 31, 2021	
Samples			

RESPONSE TO RESPONDENT QUESTIONS

Q#	QUESTION	2018 RESPONSE	2022 RESPONSE
Q3	Does the City have a mandatory auditor rotation?	The City does not have a mandatory auditor rotation; however, the City is not averse to changing auditors. The last three times the City has gone through this process, it has changed audit firms.	Same
Q4	Is the incumbent auditor allowed to bid?	Yes. The incumbent auditor is allowed to bid.	Same
Q5	Has the City experienced any turnover in the Finance department within the past two years?	Yes. January 2015 – January 2018: <u>Finance Admin / Accounting</u> <ul style="list-style-type: none"> • Director of Finance (x2) • Finance Assistant • Assistant Director of Fin. (x2) • Accountant • Accounting Technician (x3) <u>Other Divisions of Finance</u> <ul style="list-style-type: none"> • Customer Service Supervisor • Water Service Worker • Assistant Buyer 	Yes. January 2019 – January 2022: <u>Finance Admin / Accounting</u> <ul style="list-style-type: none"> • Grants Specialist • Accounting Technician <u>Other Divisions of Finance</u> <ul style="list-style-type: none"> • Customer Service • Water Service Worker
Q6	Does the City anticipate any turnover in the Finance department within the next two years?	The Utility Service Manager is contemplating retirement, but we believe that is at least two to three years out. Barring unforeseen events, the City does not anticipate any additional turnover in the Finance Department within the next two years	The Utility Service Manager and Purchasing Manager are contemplating retirement in early 2024. Barring unforeseen events, the City does not anticipate any additional turnover in the Finance Department within the next two years.

RESPONSE TO RESPONDENT QUESTIONS

Q#	QUESTION	2018 RESPONSE	2022 RESPONSE
Q7	How many major programs under both Uniform Guidance and State UGMS does the City anticipate in 2018?	Departments are still applying for grants for FY 2018. For FY 2016, there were 4 Federal and 1 State. For FY 2017, we believe there were 4 Federal and 2 State but the final report has not been issued to date.	The availability of federal and state funding has increased over the past two years resulting in an increase in grant awards.
Q8	Will the City provide a copy of its Single audit reports?	Unless a different timeframe is desired, the City will make copies of its last two completed single audits (2015 and 2016) available through Public Purchase. Staff anticipates presenting the CAFR to Council on March 26. As proposals are due March 14, CAFR or the Single Audit will not be available for review to respondents prior to submission. The CAFR and Single Audit will be available shortly after presentation to Council. (See Q9)	The single audit reports are available on the City's website. See page 49 of the RFP for the link.
Q12	Please provide the Report to Management or GAS report listing deficiencies, significant deficiencies, or material weaknesses for 2017 and 2016.	A copy of the Management Letter and a listing of corrected and uncorrected audit adjustments for 2015 and 2016 will be provided through the Public Purchase website. This information will not be available for 2017 until after proposals are submitted, but will be made available to	Same. This information for FY 2021 will be provided as a supplemental document via Public Purchase.

RESPONSE TO RESPONDENT QUESTIONS

Q#	QUESTION	2018 RESPONSE	2022 RESPONSE
		respondents after the presentation to Council.	
Q13	Why was the audit opinion for 2016 not issued until May? What delayed the issuance of the 2021 audit?	Significant turnover of long tenured personnel, coupled with extensive medical leave, within the Finance Department slowed the audit and review process.	NRH implemented a new ERP system for financials on October 1, 2020 (MUNIS). The processes for closing the year-end were unfamiliar and took longer than expected. Further, the Finance team was also involved in the Energov and HCM implementations which diverted attention away from year end audit preparations.
Q15	Why are you seeking proposals at this time?	NRH is seeking proposals because the existing contract, and its associated renewals, have expired. The existing contract was a three-year contract with two one-year optional renewals subject to the approval of both parties.	Same
Q17	Do you prefer final fieldwork to be performed at the same time as the financial audit? If a different timeline is preferred, please provide further information.	The City is open to an alternate timeline if the proposer can indicate where the alternate is more efficient than the timeline indicated in the RFP. The current process has been where the auditor is on site for two weeks in September for Interim and another two weeks after Thanksgiving for final fieldwork. Some follow-up has occurred in later December / January once the auditor returned to their office.	Same

RESPONSE TO RESPONDENT QUESTIONS

Q#	QUESTION	2018 RESPONSE	2022 RESPONSE
Q18	Are you willing to disclose audit fees for the past 2 years?	\$107,926 – 2015 \$124,304 – 2016 \$124,000 – 2017 (PO)	2019 - \$107,550 (PO) 2020 – \$125,580 (PO) 2021 - \$130,000 (PO)
Q19	Approximately how many days and how many auditors worked in your office on the audit in prior years?	With the turnover and medical leave that affected the 2017 CAFR, the 2017 on-site time for the auditor was increased and out of the ordinary. Typically, the auditors are at our office: <ul style="list-style-type: none"> • Interim consists of two weeks on-site with two (2) or three (3) auditors. • Field Work consists of two (2) weeks on-site, with three (3) auditors, perhaps four (4). • This excludes any time that the partner was on-site. 	Same as shown for typical audit seasons.
Q22	What areas of the audit have been historically more difficult than others and why?	Capital outlay can be difficult to reconcile. GASB implementations tend to be a struggle. GASB 74/75 was no exception.	Capital outlay can be difficult to reconcile, but steps were attempted under MUNIS to address this. GASB implementations tend to be a struggle. GASB 87 was no exception. NRH now uses the DebtBook third party software service for debt tracking, lease tracking and will be using it for GASB 96 compliance tracking as well.
Q25	Does the City have written documentation of its internal	Exists but fragmented. Some departments have their own processes – i.e. Utility Billing and	Same

RESPONSE TO RESPONDENT QUESTIONS

Q#	QUESTION	2018 RESPONSE	2022 RESPONSE
	controls over significant process cycles (payroll, cash disbursements, cash reports, etc.)?	Aquatic Park have their own cash handling policies.	
Q27	Is the City willing to consider a proposal using the bidder's format engagement letter?	No. To be considered, Responders must use the bid format provided. This will allow us to compare responses without having to sort through each proposal.	Same
Q28	If the City requires its own format agreement, how would you prefer exceptions to be identified (a list of sections to be negotiated, specific redlines, etc.)?	Any proposed exceptions, negotiable items, specific redlines, etc. must be submitted in a separate document with the proposal package.	Any proposed exceptions, negotiable items, specific redlines, etc. must be noted in the Contract Changes Grid on page 29 of the RFP.
Q29	Is there a performance bond required for this project?	The City will not require a bid bond for this project. These are typically associated with Public Works projects	Same

RESPONSE TO RESPONDENT QUESTIONS

Q#	QUESTION	2018 RESPONSE	2022 RESPONSE
Q34	Who will be responsible for printing, binding, distribution, etc?	The Auditor will be required to provide an electronic copy / version of the CAFR, Management Letter, and Single Audit Reports. The City will be responsible for all printing and binding of reports, posting on website, and submission to GFOA. The Auditor will be responsible for completion of the Data Collection Form for Single Audit.	The Auditor will be required to provide an electronic copy / version of the ACFR, Management Letter, and Single Audit Reports. The Auditor will be responsible for completion of the Data Collection Form for Single Audit. The City will be responsible for all printing and binding of reports, posting on website, and submission to GFOA.
Q35	Who prepares the Statistical Section for the ACFR?	The City provides the data / reporting for the Statistical Section. The Auditor will be required to conform the formatting for presentation.	The City provides the data / reporting for the Statistical Section. The Auditor will be required to conform the formatting for presentation.

RESPONSE TO RESPONDENT QUESTIONS

Q#	QUESTION	2018 RESPONSE	2022 RESPONSE
Q36	What are you looking for in an Auditor? What Services are you most interested in obtaining?	We are looking for continuity and assurance what we are doing aligns with previous years. We rely on the expert assistance provided by our auditors throughout the year, not just during the audit. We utilize our auditors as an extension of our staff in providing guidance on complex accounting transactions, training opportunities for staff, and assisting us with implementation of new GASB standards. We desire to have a cooperative relationship with our auditor – not an adversarial one.	We are looking for continuity and assurance what we are doing aligns with previous years. We rely on the expert assistance provided by our auditors throughout the year, not just during the audit. We utilize our auditors as an extension of our staff in providing guidance on complex accounting transactions, training opportunities for staff, and assisting us with implementation of new GASB standards. We desire to have a cooperative relationship with our auditor – not an adversarial one.
Q37	What is your current ERP system?	We currently operate a Sunguard / Superion system formerly called HTE that was installed around 1998. The new implementation is scheduled to occur during this audit contract period.	MUNIS is the current ERP system for Financials, Budget, Purchasing, and HCM. Energov is the ERP system for Permits and Licensing which is tied into MUNIS. Incode is the system for Courts which uploads financial data to MUNIS daily. Utility Billing remains on HTE as that conversion to MUNIS has not yet been completed.

RESPONSE TO RESPONDENT QUESTIONS

Q#	QUESTION	2018 RESPONSE	2022 RESPONSE
Q39	On the average, how many audit adjustments are completed after fieldwork? How many are auditor requested? How many are client initiated?	Typically, the interim TB is issued after Thanksgiving. Most adjustments that follow are due to instances such as miscalculations, late accruals, 60 day collections and so forth. For 2017, the GASB 74 entries required revisions as well. Of the total adjustments, half are usually client found. However, the total number of lines in audit adjustments typically is less than 100 lines.	Typically, the interim TB is issued after Thanksgiving. Most adjustments that follow are due to instances such as miscalculations, late accruals, 60 day collections and so forth. Of the total adjustments, half are usually client found. However, the total number of lines in audit adjustments typically is less than 100 lines.
Q41	Will your ERP system export to an Excel file?	Yes. The City has the current ability to export from our ERP system to a .csv file format. We anticipate that any replacement system selected in the future will have an equivalent ability.	Yes, the MUNIS will export to Excel. Further, auditors will be provided with MUNIS logins to increase access to data for testing.
Q43	Should the RFP response be submitted in hardcopy or electronic?	The City strongly encourages (and prefers) electronic submission via Public Purchase.	Only electronic submission via Public Purchase will be accepted.
Q44	Does the current audit firm have a DBE or minority partner?	The RFP does not require a DBE or minority partner. However, responders are encouraged to develop their proposed audit teams to maximize efficiency and cost savings.	Same

RESPONSE TO RESPONDENT QUESTIONS

Q#	QUESTION	2018 RESPONSE	2022 RESPONSE
Q45	Does the City develop the ACFR or does the auditor?	City provides a trial balance and set of financial statements feed off that trial balance. The auditor is responsible for generating the final financial statements and notes, as well as compiling the final documents. City staff is responsible for the transmittal letter and the MD&A.	Same