

CITY OF TAFT



**REQUEST FOR QUALIFICATIONS
(RFQ)**

RFQ 2024-01

**For
INDEPENDENT FINANCIAL AUDITING
SERVICES**

Release Date: Friday, December 20, 2024
Proposals Due: Friday, January 3, 2025
By 2:00 p.m., CST

SECTION I: INTRODUCTION

A. Request for Qualifications (RFQ)

The City of Taft, Texas (the “City”) is soliciting Statements of Qualifications from qualified certified public accounting firms (hereinafter “Firm”) to perform the City’s annual audit, issue opinions on the related financial statements and provide other auditing services as described within this Request for Qualifications for fiscal year ending September 30, 2024, with the City retaining the exclusive option to extend the agreement resulting from this solicitation for two additional one-year periods. The external audit will include evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. The external audit will also include tests of the City’s compliance with certain provisions of laws, regulations, contracts, and grant management. Persons and/or firms qualified to perform these services include certified public accountants who are licensed by the State of Texas and public accountants who hold permits to practice from the Texas State Board of Public Accountancy.

This RFQ represents a competitive process, which is designed to facilitate an open and fair opportunity for qualified firms to offer their services for consideration. This competitive RFQ process will provide the City with the flexibility to select the Firm whose proposal is deemed most advantageous for the City and to negotiate with such Firm to arrive at a mutually agreeable contract. The purpose of this RFQ is to establish parameters within which the Firm is to provide Audit Services. The City reserves the right to accept or reject any and all Proposals and to re-solicit for proposals, as it shall deem to be in the City’s best interests. Receipt and consideration of any Proposal(s) shall, under no circumstance, obligate the City to accept any proposal(s). If an award of contract is made, it shall be made to the responsible Firm whose Proposal is determined to be the best evaluated offer taking into consideration the relative importance of the evaluation factors set forth in the RFQ.

B. Terms of Audit Engagement

The contract for audit services based upon approval by the City Council of the City of Taft, Texas, will be for the fiscal year ending September 30, 2024, through September 30, 2025. The City may request to extend this agreement for another two (2) years through fiscal year-ending September 30, 2027, following satisfactory deliver of the services specified in the Statement of Qualifications and engagement letter. The audit will initially be performed for the Fiscal Year of October 01, 2023 to September 30, 2024.

C. Certificate of Interested Parties

Firm agrees to comply with Texas Government Code Section 2252.908, as it may be amended, and to completed Form 1295, “Certificate of Interested Parties” as part of the agreement if required by said statute.

SECTION II. DESCRIPTION OF THE CITY OF TAFT

A. Background Information

Taft, incorporated in 1929, is a political subdivision and municipal corporation of the State of Texas. Located in San Patricio County, the City serves a population of approximately 2,801 as of 2020 estimates. The City often referred to as the “friendliest cotton-pickin’ town in Texas”, is rich in cotton, as well as, oil and gas resources.

Taft is a Type “A” General Law form of Municipal Government. A Mayor chosen at-large by popular vote and a four-member ward system council are elected to two- year terms with no term limits. The Mayor and City Council appoint the City Manager who is the Chief Administrative Officer of the City and oversees the daily operations of the municipality. The City Council is also responsible for the appointment of the City Attorney, Municipal Judge, City Secretary and City Auditor.

The City’s Fiscal Year 2023-2024 Adopted Budget of approximately \$5.8 million, which includes multiple funds, including the General Fund, Special Revenue Funds, Debt Service Funds, and Enterprise Funds. City Council elections occur in November in even years one alderman from each ward is elected and in odd years the mayor and one alderman from each ward is elected.

B. Current City Officials

Elected Officials:

- Mayor – Leonard Vásquez
- Councilperson, Ward 1 – Elida Castillo
- Councilperson, Ward 2 – Alonzo Molina, Jr.
- Councilperson, Ward 1 – Isaiah Garza
- Councilperson, Ward 2 – Chris Keeney

Executive Staff:

- City Manager – Ryan Smith
- City Secretary – Jessica Gonzalez
- Interim Finance Director – Lindsay Koskiniemi

C. Fund Structure

As of September 30, 2024, the City’s fund structure is as follows:

FUND TYPE / ACCOUNT GROUP	NO. OF INDIVIDUAL FUNDS	NO. W/ LEGALLY ADOPTED ANNUAL BUDGETS
GENERAL FUND	1	1

WATER TOWER GRANT	1	0
FIREMEN PENSION	1	1
DONATIONS	2	2
WATER FUND	1	1
DEBT SERVICE	2	
ECONOMIC DEVELOPMENT CORPORATION	2	2
TAFT QUALITY CORP	1	1
WASTEWATER FUND	1	1
EMS FUND	1	1
SANITATION FUND	1	1
MUNICIPAL COURT	2	2
STREET FUND	1	1
DRUG SEIZURE & FORFEITURE	2	2

D. Budgetary Basis of Accounting

The City prepares its operating budget on an annual basis. The budgets for all governmental funds are prepared and adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP) and meets all municipal budget adoption Code pursuant to Texas Tax Code and Texas Local Government Code. The budgets prepared and adopted for the Water and Wastewater Funds (Enterprise Funds) differ from Generally Accepted Accounting Principles primarily in that depreciation expense is not a budgeted item. The Enterprise Funds operate on an accrual basis of accounting, while the General Fund (operational fund) uses the modified accrual basis of accounting.

E. Financial Information

Total annual appropriations for funds of the primary government for Fiscal Year 2023 – 2024 total \$5.8 million. Information that is more detailed is available about the City and its finances on the City’s website at www.tafttx.gov. There you will find a prior Annual Comprehensive Financial Reviews (ACFR). The most current ACFR can be requested from the City. Minor corrections were required and as such, the City has not uploaded the final report to the website at this time.

F. Pension Plans

The City participates in Texas Municipal Retirement System (TMRS). The City also has a pension plan for volunteer firefighters.

G. Federal and State Financial Assistance

During the fiscal year to be audited, the City may receive funding from federal state and financial

assistance programs. We do not believe a Single Audit is required for the fiscal year to be audited, as we do not believe we have met the \$750K threshold.

H. Computer Systems

The City currently utilizes Incode 9 software package from Tyler Technologies, Inc. for the following applications:

- General Ledger
- Accounts Payable
- Check Reconciliation
- Fixed Assets
- Payroll
- Utility Billing
- Cash Collections
- Court Administration

I. Internal Audit Function

The City does not currently have an internal audit department.

J. Finance Department Personnel

The Interim Finance Director is a contractor placed by Texas First Group as of October 7, 2024. The Interim Finance Director has a master's degree in Accountancy from the University of Phoenix and is a Certified Government Finance Officer (CGFO) and has eight (8) years of municipal finance experience.

SECTION III. SERVICES REQUIRED

A. Scope of Work to be Performed

The City desires the auditor to express an opinion on the fair presentation of the financial position of the governmental activities, the business-type activities, the fiduciary funds, and the discretely presented components units in conformity with accounting principles generally accepted in the United States and the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

The auditor will issue an "in relation to" opinion on the City's combining and individual fund statements and schedules, including the Schedule of Expenditures of Federal Awards, if deemed necessary.

The auditor will prepare, edit and produce all sections of the Annual Comprehensive Financial Report (ACFR) each year based on financial and other information provided by the City.

The Auditor will also be responsible for performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board as mandated by Generally Accepted Auditing Standards.

B. Auditing Standards to be Followed

The examination of the City's financial statements should be made in accordance with:

- Generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants (AICPA);
- Auditing standards promulgated in the U.S. Government Accountability Office's Government Auditing Standards, also known as Generally Accepted Government Auditing Standards (GAGAS);
- Provisions of the Federal Single Audit Act of 1984 (as amended in 1996);
- Provisions of the U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, as applicable;
- Requirements of the State of Texas Single Audit Circular (State Single Audit) in accordance with Uniform Grants Management Standards of the State of Texas; and
- Provisions of relevant Governmental Accounting Standards Board statements on Auditing Standards.

The preparation of the Annual Comprehensive Financial Report will be in accordance with:

- The most recent Governmental Accounting Auditing and Financial Reporting (GAAFR) issued by the Government Finance Officers Association of the U.S. and Canada (GFOA);
- Standards promulgated by the Governmental Accounting Standards Board (GASB); and
- The format and content necessary to qualify for the Certificate of Achievement for Excellence in Financial Reporting issued by the GFOA.

C. Reports to be Issued

- Annual Comprehensive Financial Report (ACFR);
- Schedule of Expenditures of Federal Awards (SEFA), if required;
- Independent Auditor's Report;

- Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards;
- Management Letter;
- Single Audit, if required;
- All other reports required of the independent auditor examining the City’s financial statements in accordance with the standards listed above;
- Presentation to City Council by Audit Partner at a regularly scheduled meeting.

D. Evaluation of Internal Control Systems

The selected audit firm shall observe the adequacy of the systems of internal control. If weaknesses are noted, appropriate findings and recommendations should be reviewed with the City Manager and Director of Finance, with final inclusion in a separate letter to the City Council.

E. Provision of Advisory Guidance

The successful audit firm will be expected to provide advisory guidance to City staff during the course of audit work for accounting and other technical matters necessary to keep the City in compliance with any changes in governmental accounting and financial reporting standards.

F. Requested Client-Prepared Schedules

The successful audit firm will be expected to submit a detailed list of requested client-prepared schedules to the City’s Director of Finance at an agreed-upon date to facilitate efficient and timely completion of the fieldwork process. The Finance Department is staffed at only a maintenance level and must carry on its normal operations during the audit. Additional staff time may be necessary to prepare schedules for the audit and thus this time constraint should be taken into account in preparing the Statement of Qualifications.

G. ACFR Preparation

The audit firm will prepare the draft and final versions of the ACFR as follows:

- The introductory and statistical sections will be prepared by City staff with assistance from the auditor as necessary. Final review of introductory and statistical sections will be performed by the auditor.
- The financial section will be prepared by the auditor. The auditor will compile and prepare all financial statements and schedules. The notes to

the basic financial statements will be a joint effort of the City and the auditor, and they will be prepared by the auditor.

Printing and binding of fifteen (10) copies of the ACFR will be the responsibility of the audit firm, with the report covers provided by the City. The audit firm will also provide the City with a print-ready version of the ACFR in Portable Document Format (PDF) to facilitate the printing of any additional copies and for posting the ACFR on the City's website.

H. 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 five (5) years, unless the firm is notified in writing by the City of the need to extend the retention period.

At the City's request, copies of any or all working papers prepared in conjunction with a respective audit engagement will be provided, on a timely basis, at no cost to the City. In addition, the audit firm shall respond to reasonable inquiries of successor auditors and allow them to review working papers relating to matters of continuing accounting significance.

The selected Firm will be required to make working papers available, upon request, to the following parties or their designees:

- a) City of Taft
- b) U.S. General Accounting Office (GAO)
- c) Cognizant Agency
- d) Parties designated by the federal or state governments or by the City as part of an audit quality review process
- e) Auditors of entities for which the City is a sub-recipient of grant funds

In addition, the selected 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. As requests for copies of working papers are fulfilled, the selected Firm will be required to notify the Director of Finance of the request, as appropriate.

SECTION IV. CITY OF TAFT'S RESPONSIBILITIES DURING AUDIT

A. The City's finance department staff shall close all accounts within 90 days, this is the amount of time the software allows to close, after fiscal year end and prepare, at the audit firm's option, a trial balance and/or detailed general ledger transaction listing for all funds to be examined by the auditor.

B. The City will provide the auditor with an onsite work area and access to a source

of power, telephone, photocopier, and fax machine.

C. The City will make available and accessible all documents, records, and systems requested by the independent auditors to conduct their examination.

D. City staff will be available to provide documents and reports for examination, reproduce documents, prepare specific schedules, etc.

E. The City will allow the auditor access to staff work areas for confidential discussions to take place.

SECTION V. CALENDAR OF EVENTS

A. Selection of Audit Firm

KEY DATE	DESCRIPTION OF EVENT
Friday, December 20, 2024	Advertise RFQ on City’s website and on Texas Municipal League website. Notify newspaper of RFQ advertisement to run in paper week of 12/19/2024.
Thursday, December 26, 2024	Second advertisement to run in newspaper week of December 26, 2024.
Thursday, January 2, 2024	4:30 p.m. – Last day for questions.
Friday, January 3, 2025	Must receive sealed Statements of Qualifications by 2:00 p.m. CST to the City Manager at Taft City Hall.
Tuesday, January 7, 2025	Projected date of award at City Council meeting.

SECTION VI Technical Proposal

General Requirements

The purpose of the Technical Proposal is to demonstrate the qualification, competence and capacity of the firms seeking to be the selected Firm and to undertake annual independent audits of the City in conformity with the requirement of this RFQ. As such, the substance of proposals will carry more weight than their form or manner of presentation. The Technical Proposal should demonstrate the qualifications of the Firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the RFQ requirements.

The Technical Proposal should address all the points outlined in the RFQ. The Proposal should be prepared

simply and economically, providing a straightforward, concise description of the Firm's Capabilities to satisfy the requirements of this RFQ.

Independence

The Firm shall provide an affirmative statement that it is independent of the City as defined by Generally Accepted Auditing Standards/the U.S. General Accounting Office's Government Auditing Standards. The Firm must also list and describe its (and any proposed subcontractors') professional relationships involving the City or any of the City's agency/agencies, component unit/units, or oversight 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 work. In addition, the Firm shall give the City written notice of any professional relationships entered into during the period of this agreement.

License to Practice in Texas

An affirmative statement must be included indicating that the Firm and all assigned key professional staff (and any proposed subcontractors and their staff) are properly registered and licensed to practice in the State of Texas.

Firm Qualifications and Experience

The proposal should state the size of the Firm, the size of the Firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed, and the number and nature of the professional staff to be employed in this engagement on a full-time and part-time basis.

If the Firm is a joint venture or consortium, the qualifications of each Firm comprising the joint venture or consortium shall be separately identified, and the Firm that is to serve as the principal auditor must be noted, if applicable.

The Firm is also required to submit a copy of the report on its most recent external quality control review, with a statement as to whether that quality control review included a review of specific government engagements. The Firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three (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 any state or federal regulatory bodies or professional organizations.

Partner, Supervisory and Staff Qualifications and Experience

The Firm shall individually identify the principal supervisory and management staff, including engagement partners, managers, other supervisors, specialists, and staff who would be assigned to the engagement and indicate whether each such person is registered or licensed to practice as a certified public accountant in Texas. The Firm also must provide information on the government auditing

experience of each identified person, including information on relevant continuing professional education for the past three (3) years, the number of years of local government experience, experience as it relates to the latest GASB pronouncements, and membership in professional organizations relevant to the performance of this audit.

The Firm also must indicate how the quality of staff over the term of the agreement will be assured. Engagement partners, manager, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. Those 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, and Firm must explain how consistent quality among such assigned personnel shall be maintained. Other audit personnel may be changed at the discretion of the Firm provided that replacements have substantially the same or better qualifications or experience.

Prior Engagements with the City of Taft

The Firm shall list separately all engagements within the last five (5) years, ranked on the basis of total staff hours, for the City by type of engagement (i.e. audit management advisory services, other). For each engagement, the Firm shall indicate the scope of 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 principal client contact.

Similar Engagements with other Government Entities

For the Firm's office, which will be assigned responsibility for the audit, list the most significant engagements (maximum of five) performed in the last five (5) years that are similar to the engagement described in this Request for Qualifications. These engagements should be ranked on the basis of total staff hours. For each listed engagement, indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact. Identify all current government clients and their fiscal year end date. Provide the number of funds maintained by and the total revenues of those clients for the most recent fiscal year audit.

Identification of Anticipated Potential Audit Problems

The proposal should identify and describe any anticipated potential audit problems, the firms approach to resolving these problems, and any special assistance that will be requested from the City.

Schedule of Proposal Prices

A. Total All-Inclusive Maximum Price

The Schedule of Proposal Prices must contain all pricing information relative to performing the audit engagement as described in this RFQ. The total all-inclusive maximum price must contain all direct and indirect costs to be charged to the City, including all Firm out-of-pocket expenses for which reimbursement will be sought. The Schedule of Proposal Prices must include maximum pricing for each year of the potential five-year engagement period. The City will not reimburse or otherwise be responsible for expenses incurred in preparing and submitting a response. Such costs may not be included in the proposal. The first page of the Schedule of Proposal Prices must include the following information:

- i. Name of the Firm
- ii. 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
- iii. A Total All-Inclusive Maximum Price for the 2023 engagement
- iv. All-Inclusive Maximum Price for each of the subsequent four years, with clear indication of whether such amount is an estimate or a firm price offer.

B. Rates by Partner, Specialist, Supervisor and Staff Level Times/Hours Anticipated for Each

The second page of the Schedule of Proposal Prices must include a schedule of professional fees and expenses that supports the Total All-inclusive Maximum Price for 2023 as well as subsequent years.

Out-Of-Pocket Expenses

Out-of-pocket expenses must be included and will count against the Total All-Inclusive Maximum Price. Reimbursements for Firm personnel (e.g., travel, lodging and subsistence) will be made at the rates used by the City for its employees. All estimated out-of-pocket expenses to be reimbursed should be presented in the Proposal Package for each potential year of the engagement. All expense reimbursements will be charged against the Total All-Inclusive Maximum Price submitted by the Firm.

C. Rates for Additional Professional Services

If it should become necessary for the City to request the Firm to render any additional services to either supplement the services requested in this RFQ or to perform additional work, any such additional work must be agreed to in writing between the City and the Firm and shall be performed at the same rates, set forth in the schedule of fees and expenses included in the Proposal Package.

D. Invoices for Fees

All invoices for fees, services, or costs shall be submitted with sufficient detail to demonstrate strict compliance with contract terms.

Relationship with Current Firm

The City audit has previously been performed by Donald Allman, CPA. The current firm is eligible to submit a response to this RFQ.

PROPOSAL SUBMISSION

Proposals must be submitted sealed with “INDEPENDENT AUDITING SERVICES – RFQ 2024-01” notated on the outside of the envelope to City Manager Ryan Smith at the address listed below by 2:00 p.m. on January 3, 2025.

CITY OF TAFT
ATTN: CITY MANAGER RYAN SMITH
230 GREEN AVE.
TAFT, TX 78390

Any proposal received after the deadline specified above will not be considered.

RFQ QUESTIONS

Questions concerning this RFQ should be directed to City Manager Ryan Smith at citymanager@tafttx.gov ahead of the cut-off for questions on December 18, 2024.

LAWS AND REGULATIONS

All applicable federal and state laws, City policies, and the rules and regulations of all authorities having jurisdiction over the agreement shall apply to the agreement throughout, and they will be considered to be included in the agreement, regardless of whether they are written out in full in the agreement or not.

TAX EXEMPTION

The City of Taft is exempt from Federal Excise and State Sales Tax; therefore, tax must not be included in any contract that may be awarded from this RFQ.

CERTIFICATE OF INTERESTED PARTIES FORM 1295

The Firm being recommended for award of contract will be required to complete online the Certificate of Interested Parties Form 1295, including required notarization or other attestation, The form can be completed at <https://www.ethics.state.tx.us/filinginfo/1295/>.

ERRORS OR OMISSIONS

The Firm shall not be allowed to take advantage of any errors or omissions in this RFQ. Where errors or omissions appear in this RFQ, the Firm shall promptly notify the designated contact person in writing of such error or omission it discovers. Any significant errors, omissions or inconsistencies in this RFQ are to be reported no later than ten (10) days before the RFQ response is to be submitted.

WITHDRAWAL OF PROPOSALS

A representative of a Firm may withdraw a proposal at any time prior to the RFQ submission deadline, upon presentation of acceptable identification as a representative of such Firm.

COSTS INCURRED IN RESPONDING

All costs directly or indirectly related to preparation of a response to the RFQ or any oral presentation required to supplement and/or clarify a proposal which may be required by the City shall be the sole responsibility of and shall be borne by the participating Firms.

NON-ENDORSEMENT

If a proposal is recommended for award or awarded, the successful Firm shall not issue any news releases or other statements that state or imply the City endorses the successful Firm's services.

UNAUTHORIZED COMMUNICATIONS

No officer, employee, agent, or representative of a Firm may (i) have any contact or discussion, oral or written, directly or indirectly, in violation of this prohibition or (ii) seek to influence any City Council member, City employee or official, or member of the RFQ evaluation panels regarding any matters pertaining to this solicitation. If a representative of any Firm(s) violates the foregoing prohibition by contacting any of the above listed parties with whom contact is not authorized, such contact may result in the Firms being disqualified from the procurement process.

PROPRIETARY INFORMATION

Information submitted to the City in connection with an RFQ is generally considered to be public once a contract has been awarded and executed. If a Firm wishes to seek protection for any submitted information, the Firm is required to identify all purported proprietary information in the Proposal by individually marking each page on which such information appears with the words "Proprietary Information." Firms may *not* mark their entire Proposals as proprietary. If a Firm fails to identify

proprietary information, it agrees that by submitting its Proposal all unmarked sections shall be deemed non-proprietary and made available upon public request.

Firms are advised that the City, to the extent permitted by law, shall protect the confidentiality of their Proposals. Firm shall consider the implications of the Texas Public Information Act, particularly after the RFQ process has ceased and the agreement has been awarded. While there are provisions in the Texas Public Information Act to protect proprietary information where the Firm can meet certain evidentiary standards, please be advised that a determination on whether those standards have been met shall not be decided by the City 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 shall notify the Firm pursuant to 552.305, Texas Government Code. An affected Firm may then submit to the Attorney General the Firm's arguments against disclosure. The City shall not make arguments to the Attorney General on the basis of a Firm's purported proprietary interests.

DISCLOSURE REQUIREMENTS

Firm must disclose to the City any known or reasonably anticipated conflicts of interest regarding the Firm providing services to the City and must also disclose any legal or disciplinary events that may be material to the City's evaluation of the Firm or the integrity of the Firm's management or advisory personnel.

Public Funds Investment Act Compliance

The selected Firm will evaluate the City's compliance with the Public Funds Investment Act (the Act). The Public Funds Investment Act regulates the investment activities of State agencies and local governments in the State of Texas. A compliance checklist is to be used for testing compliance with the Act in local governmental entities only. Material instances of non-compliance will be noted in a separate report published by the selected Firm regarding the City's compliance with laws and regulations.

SECTION VII: CRITERIA FOR PROPOSAL EVALUATIONS

A. ACCEPTANCE OF THE FOLLOWING TERMS:

- 1. Contract.** The City intends to select and enter into a formal contract with the Firm as soon as practicable after receipt of proposals. The contract will contain fiscal funding and other right to terminate clauses. If Firm is unable to agree to the contract terms, the City reserves the right to select another competing proposal.
- 2. Contract Term.** The contract between the selected Firm and the City for external audit services will be for an initial term of three years beginning with the audit for Fiscal Year 2023, which services are expected to commence on or about October 1, 2023, or as otherwise dictated by the needs of the City. Each subsequent renewal period will automatically go into effect unless either party provides at least sixty (60) days' written notice in advance of the applicable anniversary date that the contract will not be renewed.

Any adjustments in rates in subsequent years may only be made by mutual agreement of the parties prior to a renewal.

3. Reservation of Rights.

- a. City reserves the right to award one (1), or no contract(s) in response to this RFQ.
- b. The contract, if awarded, will be awarded to the Firm or Firms whose proposals are deemed most advantageous to City, as determined by the selection committee, and subject to approval of the City Council.
- c. City may accept any proposal completely or in part. If subsequent negotiations are conducted, they shall not constitute a rejection or alternate RFQ on the part of City. However, final selection of a Firm is subject to City Council approval.
- d. City reserves the right to accept one (1) or more proposals or reject any or all proposals received in response to this RFQ, and to waive informalities and irregularities in the proposals received. City also reserves the right to terminate this RFQ, and reissue a subsequent solicitation, and/or remedy technical errors in the process.
- e. The City reserves the right to add similar services or delete services specified in any contract resulting from this procurement if requirements change during the performance of the contract. Prices for services to be added to the contract must be mutually agreed to by the City and selected Firm. A contract modification will be required for any service addition or deletion or price modification.
- f. This RFQ does not commit the City to enter into a contract, award any services related to this RFQ, or obligate the City to pay any costs incurred in preparation or submission of a proposal or anticipation of a contract.

4. Conflicts of Interest.

- a. No public official may have interest in this contract in accordance with the Texas Local Government Code Title 5, Subtitled C, Chapter 171.
- b. Disqualification for failure to disclose material information to City: A Firm may be disqualified for failure to disclose material information to the City. "Material information" is defined as information of sufficient importance or relevance as to have possible significant influence on the City's choice of the Firm.

B. EVALUATION CRITERIA

The following criteria will be used to evaluate proposals received:

1. Firm's Qualifications and Experience (50%)

This criterion includes the ability of the Firm to meet the terms of the RFQ, and any special considerations, which the Firm feels may increase its ability to perform the contract. Within this criterion consideration will be given to:

- a. Expertise; level of capability to perform the services required
- b. Quality of performance; professional qualifications of the key personnel assigned relevant to the work to be performed
- c. Experience, within the last five (5) years, providing the same or substantially similar services as outlined in this RFQ for other entities
- d. Reputation, ethical standards, and disciplinary history such as judgments or sanctions
- e. Feedback from three references with at least one from a municipal government of similar scope and size

2. Understanding the Needs of the City (30%)

This factor refers to the extent to which the Firm's proposal reflects its:

- a. Understanding of the City's external audit needs and objectives.
- b. Understanding of the nature and scope of the work involved.
- c. Accessibility and responsiveness, including ability to meet the schedules and deadlines as outlined in this RFQ.
- d. Familiarity with the City of Taft.

3. Reasonableness of Costs (20%)

These points will be awarded based on the cost and efficiency of the Firm's proposed approach. Efficiency and economy are very important to the City, but this area will not necessarily be the primary deciding factor in the selection process.

SECTION VIII: SCHEDULE OF EVENTS

RFQ Release Date	Friday, December 6, 2024
Proposals Due	Thursday, December 30, 2024
Anticipated City Council Approval	Tuesday, January 7, 2025