

**CLAY COUNTY, TEXAS
REQUEST FOR QUALIFICATIONS NO.
2024-01 FINANCIAL AUDIT SERVICES**

SECTION I – GENERAL INSTRUCTIONS AND INFORMATION

1.01 THE PURPOSE OF THIS DOCUMENT IS TO contract financial audit services for a three (3) year period with an option to renew for two (2) additional one-year terms at the discretion of the Commissioners Court. It is Clay County’s intent to obtain proposals from and the services of a qualified, certified public accountant with extensive experience in performing financial audit services for government agencies.

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

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

Laura Lee Brock, CPA
Clay County Auditor
214 N Main
Henrietta, TX 76365
Phone 940-538-5560
lauralee.brock@co.clay.tx.us

SUBMISSION: Sealed proposals shall be received by Thursday, October 3, 2024 no later than 2:00 p.m., and will be opened at the Clay County Commissioners Courtroom at 2:00 pm on the same day. Award of the RFQ will be made at the Commissioners Court meeting on 9:30 am, Monday October 14, 2024.

MARK ENVELOPE: RFQ NO. 2024-01 – PROFESSIONAL AUDIT SERVICES

**RETURN PROPOSALS TO: CLAY COUNTY JUDGES OFFICE
214 N Main
Henrietta, TX 76365**

Proposals must be submitted as instructed in this packet. **Four (4) copies** of your proposal shall be placed in a sealed envelope, with each appropriate page manually signed by a person having the authority to bind the firm in a contract. The proposal number and title must be clearly marked on the outside of the envelope. **No elaborate binding or binders, please.** Mailed or hand carried proposals are preferred. Clay County is not responsible for technical failures, so if alternative methods of delivery are utilized, please contact the auditor’s office to ensure your document has been delivered.

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

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

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

1.05 LATE PROPOSALS: Proposals received in the Clay County Judge’s Office after the submission deadline shall be returned unopened and will be considered void and unacceptable. Clay County is not responsible for

lateness of mail, carrier, etc., and time/date stamped by Clay County Judge's Office shall be the official time of receipt.

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

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

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

SECTION II – SPECIFIC REQUIREMENTS

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

2.01 EVALUATION CRITERIA: The Audit Committee will review and evaluate the proposals submitted and will recommend the most highly qualified provider of the services requested on the basis of demonstrated competence and qualifications to the Commissioners Court

The following will be considered in evaluating the qualification:

30% - Firm's Expertise and Experience – Accounting Firm – The firm's past experience and performance on comparable government engagements.

15% - Key Project Personnel – 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

15% - References Provided

40% - Pricing

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

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

2.03 SUBMITTAL: For proper comparison and evaluation, Clay County requests that proposals address, at a minimum, the following format.

- A. Transmittal Letter** – A brief introductory letter of representation. Briefly state your understanding of the work to be performed and make a positive commitment to perform the work within the time period. State the names of persons authorized to make representations for the firm, their titles, addresses, and telephone numbers.

- B. Executive Summary** – A brief summary highlighting the most important points of the proposal. Describe the scope of the required services. The firm’s specific audit approach should be set forth in the proposal and should include an explanation of the audit methodology to be followed.
- C. Peer Review** – Offeror should include a report on the results of the firm’s most recent Peer Review as required by the AICPA and Government Auditing Standards. The report should state whether the Peer Review included a review of government audits.
- D. Degree of Compliance** – A statement that all services quoted in the proposal are in full accord with the specifications or a brief listing of all those specification sections to which the offeror takes exception.
- E. Proposal Pricing** – Summarize the work plan to accomplish the scope defined in the guidelines stated herein and the estimated maximum fee for services for each fiscal year in the initial term. Also indicate what methods would be used to calculate costs for future optional terms. Include detail of price including the number of staff and staff hours that will be committed to the audit and include the number of hours committed to onsite auditing. Cost estimates should be submitted on the Cost Estimate Sheet included in this request for proposal.
- F. Explanations and Exceptions** – Include explanations, exceptions, comments, etc., that you consider necessary pertaining to the specific sections of the specifications. All comments shall be listed and numbered in the order of the respective article of the specification.
- G. Descriptive Literature** – Illustrative or descriptive literature, brochures, specifications, etc., that provide additional offeror/service information with regard to issues addressed in other areas of the offeror’s proposal.
- H. Background Information** – This section should include a description of the offeror’s experience with other services similar to the one described herein. At a minimum, include:
1. Briefly describe the firm, location, and range of activities engaged in the practice of public accountancy.
 2. Confirm that the offerors are certified public accountants presently engaged in the practice of public accountancy.
 3. Affirm that offerors are independent.
 4. Include information which attests to the offeror’s auditing experience, particularly in auditing Counties of Texas. Specifically, include a reference list of local government audit clients as described below; and,
 5. Include the names, qualifications and a brief resume of each individual who will be assigned to the audit for the County. At least one (1) certified public accountant is required. At a minimum, resumes should include:
 - a. The amount of experience the individual has in the auditing profession;
 - b. A summary of similar audits on which the individual has worked; and
 - c. A summary of continuing professional education the individual has completed in governmental accounting and auditing during the last two (2) years.
- I. References** – Offeror shall submit with the proposal a list of **at least three (3) references** where like services have been performed by their firm **as required on the attached Vendor Reference Form**. Include name of client, address, telephone number and name of representative.
- J. Affidavit** – Offeror shall complete and submit with the proposal the **Bid Proposal Affidavit** provided as part of this request for proposal.

2.04 TERM: The initial term of the contract shall be for a three (3) year period from the date of the award with an option to renew for two (2) additional one-year terms at the discretion of Commissioners Court.

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

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

SECTION III –SCOPE OF SERVICES

3.00 NATURE OF SERVICES REQUIRED

- A. Fiscal year financial audit of Clay County for the year ended 2024 (initial year). The examination shall include the general-purpose financial statements and schedule of Federal Financial Assistance of Clay County. The auditor's opinion must cover the full scope of the Financial Statement and the schedule of Federal Financial Assistance.
- B. The audit should be made in accordance with:
 - 1. Generally accepted auditing standards established by the American Institute of Certified Public Accountants.
 - 2. The AICPA Industry Audit Guide, Audits of State and Local Governmental Units.
 - 3. NCGA Statement 1, Governmental Accounting and Financial Reporting Principles
- C. State and Federal Grant Single Audit in conformance with OMB Circular A-133, when applicable. A single audit will be required for fiscal year 2024.
- D. The audit must be completed by June 1 or earlier for the first year. Preferred start date for audit fieldwork is on or about mid-February or March. The County requires at least one week for reviewing the financial statement and management comments prior to issuance.

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

3.02 ADDITIONAL INFORMATION

- A. The majority of the fieldwork for the County's independent audit will be conducted in the office of the County Auditor and County Treasurer. The County Auditor will coordinate the audit for the county. Workspace for audit staff will be provided in the Clay County Courthouse Annex. Records and documents to be audited are located at the County Treasurer's Office and other County Offices.
- B. The County's 2024 budgeted expense was \$26,221,870. The General Fund budget was \$8,393,242. For financial statement presentation, we maintain 30 individual governmental

funds. The General Fund, 24 Special Revenue Funds, and approximately 14 Trust and Agency Funds (of which 3 are maintained in the G/L).

- C. A single audit of grants must be performed in conjunction with the financial audit when required. Clay County will require a single audit for the fiscal year 2024. The majority of Federal Funds will be the American Rescue Fund.
- D. The County is structured so that cash collections are decentralized. There are multiple cash collection points throughout the County. There are no known material weaknesses regarding cash collections within the system of internal control.
- E. Purchasing in Clay County is decentralized. Purchase orders are usually only issued for cooperative purchasing or IT needs. Credit cards are issued for hotel and conference registrations along with limited office purchases.
- F. Clay County employees participate in the Texas County and District Retirement System, a deferred compensation plan and a tax-free benefit plan.
- G. There are no anticipated problems with the implementation of new pronouncements of the Governmental Accounting Standards Board (GASB).
- H. Prior year audit reports and management letters are on file for review upon request in the County Auditor's office at 214 N Main, Henrietta, TX 76365. The most recent audit report is also available at the County's website www.claycountytexas.net under County Offices, County Auditor tab.
- I. Clay County's payroll is managed by the County Treasurer, with the approval of the County Auditor and distributed by the County Treasurer with 88 employees on a monthly basis and includes up to 12 payroll deductions. The greatest majority of payroll checks are issued by EFT.
- J. Clay County underwent a software conversion from Hill Country software to a new software system, Financial Intelligence (FI). The conversion took place as of February 1, 2024. Detail transactions for October 1, 2023, through January 31, 2024, remain in the Hill Country Software which Clay County still has access to. The balances as of January 31, 2024, from Hill Country to FI were reviewed by the FI conversion staff, the County Treasurer and the County Auditor. It was a smooth transition, and totals were confirmed to be correct. However, part of the conversion also converted the account #'s to a new standardized numbering system.
- K. Clay County has evaluated its leases for implementation of GASB 87. This was a manual process for Clay County. No specialized software is used.

SECTION IV – GENERAL CONTRACT TERMS AND CONDITIONS

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

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

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

4.03 ADDENDA: Any interpretations, corrections or changes to this RFQ will be made by addenda. Sole issuing authority of addenda shall be vested in the Clay County Auditor. Addenda will be mailed to all who are known to have received a copy of this Request for Qualification. The offeror shall acknowledge receipt of all addenda.

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

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

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

4.07 SUBMITTAL OF CONFIDENTIAL MATERIAL: Any material that is to be considered as confidential in nature must be clearly marked as such by the offeror and will be treated as confidential by Clay County.

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

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

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

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

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

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

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

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

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

Either party may terminate this contract with thirty (30) day written notice prior to either party stating cancellation. The successful offeror must state therein the reasons for such cancellation. Prior written notice must be delivered in person or sent by registered or certified mail, return receipt requested, proper postage paid, and properly addressed to the other party at the address on the affidavit for the contractor or to the Clay County Judge, 214 N Main, Henrietta TX 76365.

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

4.14 INVOICES: Invoices shall be mailed directly to:

Clay County Auditor
214 N Main
Henrietta TX 76365

The invoices shall show:

1. Accounting firm name and address;
2. Detailed breakdown of all charges for the services delivered, stating the applicable period of time;
3. Separate billing charges for Single Audit and GFOA preparation, when applicable.

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

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

4.16 FUNDING: Funds for payment have been provided through the Clay County budget by the Commissioners Court for this fiscal year only. State of Texas statutes prohibit the obligation and expenditure of public funds beyond the fiscal year for which a budget has been approved. Therefore, anticipated orders or other obligations that may arise past the end of the current Clay County fiscal year shall be subject to budget approval.

**CLAY COUNTY, TEXAS
REQUEST FOR PROPOSALS NO. 2022-A-011
FINANCIAL AUDIT SERVICES**

COST ESTIMATE SHEET

THIS FORM MUST BE RETURNED WITH YOUR PROPOSAL.

OFFEROR: _____

CLAY COUNTY AUDIT – MAXIMUM FEES

Fiscal Year ending September 30, 2024 _____

Single Audit _____

Fiscal Year ending September 30, 2025 _____

Single Audit _____

Fiscal Year ending September 30, 2026 _____

Single Audit _____

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

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

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

VENDOR REFERENCES

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

THIS FORM MUST BE RETURNED WITH YOUR PROPOSAL.

REFERENCE ONE

Government/Company Name: _____

Address: _____

Contact Person and Title: _____

Phone: _____ Fax: _____

Contract Period: _____

Scope of Work: _____

REFERENCE TWO

Government/Company Name: _____

Address: _____

Contact Person and Title: _____

Phone: _____ Fax: _____

Contract Period: _____

Scope of Work: _____

REFERENCE THREE

Government/Company Name: _____

Address: _____

Contact Person and Title: _____

Phone: _____ Fax: _____

Contract Period: _____

Scope of Work: _____

NOTE: Proposals not accompanied by this Vendor References form will not be considered.

BID PROPOSAL AFFIDAVIT

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

STATE OF TEXAS §

COUNTY OF CLAY §

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

Name and Address of Offeror: _____

Telephone: _____

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

Signature: _____

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

Notary Public in and for the State of Texas

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