



To: Audit Firms
From: Pamela McGee, Assistant Director of Finance
Date: May 17, 2022
Subject: Auditing Services Request for Proposal

The City of Keller, Texas is soliciting proposals from qualified firms of certified public accountants to audit the City of Keller's financial statements for the fiscal year ending September 30, 2022, with the option of auditing the City of Keller's financial statements for the four (4) subsequent fiscal years. The contract with prior audit firm has expired.

Enclosed for your consideration is a Request for Proposal (RFP), with all attachments.

To be considered for this engagement, your firm must meet the qualifications and satisfy the requirements set forth in the RFP. Completed proposals must be received at the address listed below 2:00 p.m. on Friday, June 10, 2022.

Mailing Address:
Finance Department
Attention: Pamela McGee
City of Keller, Texas
P.O. Box 770
Keller, Texas 76244

Hand Delivery Address:
Finance Department
Attention: Pamela McGee
City of Keller, Texas
1100 Bear Creek Parkway
Keller, Texas 76248

The City will host a Pre-Proposal Conference Thursday, June 2, 2022 at 11:00 a.m. at Town Hall, 1100 Bear Creek Parkway, Keller, Texas 76248.

All questions and correspondence should be directed in writing at the above address or by email to Pamela McGee, Assistant Director of Finance. Contact with City of Keller personnel other than the individuals named herein regarding this RFP may risk elimination from further consideration.



**REQUEST FOR PROPOSAL
PROFESSIONAL AUDITING SERVICES
RFP #22-019**

May 17, 2022

1100 Bear Creek Parkway, 76248
P. O. Box 770, 76244-0770
Keller, Texas
(817) 743-4025

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Disclosure Requirements

Chapter 176 of the Texas Local Government code mandates the public disclosure of certain information concerning persons doing business or seeking to do business with the City of Keller, including affiliations and business and financial relationships such persons may have with City of Keller officers. An explanation of the requirements of Chapter 176 is located at <http://www.capitol.state.tx.us/statutes/lg.toc.htm>. A list of City officials is located at www.cityofkeller.com. The disclosure form is included in this packet. Please complete with your response.

By doing business or seeking to do business with the City of Keller, you acknowledge that you have been notified of the requirements of Chapter 176 of the Texas Local Government Code and that you are solely responsible for complying with them.

I. INTRODUCTION

A. General Information

The City of Keller, Texas (the City) is requesting proposals from qualified and experienced public accounting firms (Proposers), whose principal officers are independent certified public accountants to obtain independent audit services for performance of the City's annual financial audit for the fiscal year ending September 30, 2022, with the option of auditing its financial statements for each of the four (4) subsequent fiscal years, based upon satisfactory performance. These audits are to be performed in accordance with generally accepted auditing principles.

B. Proposal Information

Inquiries concerning this Request for Proposal (RFP) should be submitted prior to the close of the pre-proposal conference and be directed to the Assistant Director of Finance.

Deadline for Proposals is 2:00 p.m. Friday, June 10, 2022

Submit Proposals to:

<u>By Mail</u>	<u>Hand Delivered</u>
Finance Department Attention: Pamela McGee City of Keller, Texas P.O. Box 770 Keller, Texas 76244	Finance Department Attention: Pamela McGee City of Keller, Texas 1100 Bear Creek Parkway Keller, Texas 76248

Submission of Proposals – Original Proposal may be submitted per above instructions, or through the City of Keller e-bid system. See pages 11- 12 for additional instructions.

Acceptance – All Proposals must include a statement that they are valid for a minimum period of forty-five (45) days subsequent to the RFP closing date.

Late Proposals – Late proposals will not be considered. Proposals received after the deadline will be returned to the Proposer unopened. The City reserves the right to reject any or all proposals submitted. Each Proposer shall be solely responsible for ensuring that the City receives the Proposal within the time limit indicated.

Contract – The City may require a formal contract to be executed containing all provisions included in the Proposal.

Non-appropriation – the City may cancel the contract should the present or any future City Council not appropriate funds in any fiscal year for the payment of this agreement. No penalty shall attach in the event of any such non-appropriation. In the event of non-appropriation, the City shall give the successful Proposer written notice of cancellation and the City shall not be obligated to make any payments beyond the end of the fiscal year for which funds were appropriated (related to a subsequent fiscal year).

Costs – Costs related to preparation of a response shall be the responsibility of the Proposer. There is no express or implied obligation for the City to reimburse the Proposer for any costs or expenses incurred in the preparation and submission of this Proposal.

Right of rejection – The City reserves the right to reject any or all proposals submitted and to waive any informality in proposals received. Proposals submitted will be evaluated by City staff.

Clarification or additional information requested – During the evaluation process, the City reserves the right, where it may serve the City's best interest, to request additional information or clarifications from Proposers, or to allow corrections of errors or omissions. At the discretion of the City, Proposers may be requested to make oral presentations as part of the evaluation process.

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Right of retention – The City reserves the right to retain all Proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a Proposal indicates acceptance by the firm of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City and the firm selected.

Award – It is anticipated that the Keller City Council will award the contract for Professional Audit Services on July 5, 2022, or as soon thereafter as possible.

C. Term of Engagement

A five-year contract is contemplated, subject to the annual review and recommendation of the Director of Finance and City Manager, the satisfactory negotiation of terms (including a price acceptable to both the City and the selected firm), the concurrence of the City of Keller City Council and the annual availability of an appropriation.

D. Subcontracting

No subcontracting will be allowed without the express prior written consent of the City.

II. NATURE OF SERVICES REQUIRED

A. General

The City is requesting proposals from qualified and experienced public accounting firms (the Auditor), whose principal officers are independent certified public accountants and to obtain independent audit services for performance of the City's financial audit for the fiscal year ending September 30, 2022, with the option of auditing its financial statements for each of the four (4) subsequent fiscal years, based upon satisfactory performance. These audits are to be performed in accordance with generally accepted auditing standards. Preference will be given to accounting firms with a strong knowledge of the new government finance model and experience in providing audit services to municipalities comparable in size to the city of Keller.

B. Scope of Work to be Performed

The City desires the Auditor to express an opinion on the fair presentation of its basic financial statements in conformity with generally accepted accounting principles.

The Auditor must audit the basic financial statements, consisting of the government-wide statements and combined statements for all fund types, including major and non-major funds. However, the Auditor is to provide an "in-relation-to" statement on the combining and non-major fund type statements and supplementary schedules based on the auditing procedures applied during the audit of the basic financial statements. The Auditor is not required to audit the transmittal letter, MD & A or statistical section of the report. These sections will remain unaudited but should be reviewed.

The Auditor shall 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.

The Auditor shall be required to audit the information contained in a schedule of federal and state financial assistance, if applicable. This information should be subjected to the auditing procedures applied in the audit of the basic financial statements and in accordance to Governmental Auditing Standards, the Single Audit Act as amended in 1996, U.S. Office of Management and Budget (OMB) Circular A-133, and the State of Texas Uniform Grants Management Standards, Chapter IV, Texas State Single Audit Circular. Auditor is to provide, if needed, an opinion of the fair presentation of this schedule in relation to the basic financial statements taken as a whole.

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The Auditor shall also be responsible for performing certain limited procedures on management controls on investments and adherence to the City's established investment policies, as required by state law.

C. Broadened Engagements

Proposers may be requested to provide other types of services, collectively referred to as "special projects." Examples of such services include additional audits or reviews of specific areas such as the City's utility funds and analysis of internal control procedures. The scope of the City's annual audit and other special projects, which the Auditor may become engaged, can only be broadened with the express written consent of the City. The City retains the right to negotiate fees for work related to any broadened engagement.

D. Auditing Standards to Be Followed

The audit shall be made in accordance with:

- Generally accepted auditing standards, as adopted by the membership of the American Institute of Certified Public Accountants and the Governmental Accounting Standards Board
- Standards for the financial audits set forth in the U.S. General Accounting Office's (GAO) Government Auditing Standards (1994)
- Provisions of the federal Single Audit Act of 1996 and the provisions of OMB Circular A-133, Audits of State and Local Governments
- State and Federal Laws or regulations; and
- Examination for compliance with procedures established by City Charter and City Ordinance

E. Reports to Be Issued

1. The primary purpose of the audit shall be to express an opinion on the basic financial statements taken as a whole. The combining and non-major fund type statements and supplementary schedules will be subject to the same auditing procedures as the audit of the basic financial statements.
2. Following the completion of the audit of the fiscal year's financial statements, the Auditor shall issue all reports currently required by State and Federal grantors, American Institute of Certified Public Accountants, Governmental Accounting Standards Board (GASB), Government Finance Officers Association of the United States and Canada and any other regulatory agencies.
3. In the required reports on internal controls, the Auditor shall communicate any reportable conditions found during the audit to the Director of Finance. 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.
4. Non-reportable conditions discovered by the Auditor shall be reported in a separate letter to management, which shall be referred to in the reports on internal controls.
5. A report shall also be issued on the supplementary schedule of federal and state financial assistance programs and the internal control structure used in administering those financial assistance programs, if applicable.
6. The Auditor shall be required to make an immediate, written report of all irregularities and illegal acts of which they become aware to the City Manager and Director of Finance.
7. The Auditor shall assure themselves that the City's Mayor and Council are informed of all items required by the regulatory agencies including:
 - (a) Auditor's responsibility under generally accepted & government auditing standards.
 - (b) Significant accounting policies.

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- (c) Management judgments and accounting estimates.
- (d) Significant audit adjustments.
- (e) Other information in documents containing audited financial statements.
- (f) Disagreements with management.
- (g) Management consultation with other accountants.
- (h) Major issues discussed with management prior to retention.
- (i) Difficulties encountered in performing the audit.

8. Auditors shall agree to provide the City with information relating to regulation changes that would affect the City and its operation such as timely notification of changes proposed or initiated by GASB, FASB, or GAO.

F. Annual Comprehensive Financial Report (ACFR)

The Auditor will prepare the annual comprehensive financial report, with assistance provided by the Finance Department staff and present to the Assistant Director of Finance by March 15. The Auditor will review all information, and approve it prior to printing. The schedule of federal and state financial assistance and related Auditor's reports, as well as the reports on the internal control structure and compliance are not to be included in the ACFR, but are to be issued separately.

G. Special Considerations

The City expects to submit an Annual Comprehensive Financial reports that receives the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association. It is anticipated that the Auditor will be required to provide assistance to the City to meet the requirements of that program. The City has received GFOA's Certificate of Achievement for Excellence in Financial Reporting for thirty-two (32) consecutive years (through fiscal year ended September 30, 2020). The City sent its ACFR for the fiscal year ended September 30, 2021 to the Government Finance Officers Association of the United States and Canada for review in their Certificate of Achievement for Excellence in Financial Reporting program in March, 2022. It is anticipated that the City will receive the Certificate for the annual comprehensive financial report.

The schedule of federal and state financial assistance and related auditor's report, as well as the reports on the internal control structure and compliance are not to be included in the ACFR, but are to be issued separately.

The City shall require an electronic and five (5) paper copies of the Single Audit report (if applicable) and the management letter.

The City currently anticipates it will prepare one or more official statements in connection with the sale of debt securities that will contain the general purpose financial statements and the Auditor's report thereon. The Auditor shall be required, if requested by the fiscal advisor and/or the underwriter, to issue a "consent and citation of expertise" as the Auditor and any necessary "comfort letters."

H. Working Paper Retention and Access to Working Papers

At the City's request, copies of any or all of the working papers, including electronic files, prepared in conjunction with the audit engagement will be provided, on a timely basis, at no cost to the City. All working papers and reports must be retained, at the Auditors' 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 following parties:

- f* City of Keller
- f* Federal Grant Agencies and Other Federal Agencies
- f* State of Texas Grant Agencies and Other State of Texas Agencies
- f* Auditors of entities of which the City is a sub-recipient of grant funds

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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.

The Auditor shall provide the City with all adjusting journal entries along with the draft of the audit report.

The Auditor shall provide the City with both a hard copy and electronic file (prefer Microsoft Excel format) of final summary and detail trial balances and available cash balances for all operating funds.

III. DESCRIPTION OF THE GOVERNMENT

A. Reporting Entity

The reporting entity for the City, as defined by Governmental Accounting Standards Board (GASB) Statement No. 34, includes all major and non-major funds reported in annual audit for the fiscal year ended September 30, 2021; see Appendix A. The City is not included in any other governmental "reporting entity," as defined by Statement No. 34.

B. Key Personnel / Organizational Chart

An organizational chart (Appendix D) and a list of key personnel (Appendix E) are attached. There have been no recent significant personnel changes within the Finance Department.

C. Background Information

The City is a home-rule City operating under a Council-Manager form of government. All powers of the City are vested in an elected Council consisting of six members and a mayor who are elected at -large. Each members serve three-year terms. The City Council enacts local legislation, determines City policies and appoints the City Manager, the City Secretary, the City Attorney, the Municipal Judge, and members of various boards and commissions.

The City Manager is the chief executive officer and the head of the administrative branch of the City government. He is responsible to the Council for the proper administration of all affairs of the City and the appointment and supervision of City Department Directors.

The City was incorporated on November 16, 1955 under the general laws of the State of Texas, and the current Home-rule Charter was approved by the voters in 1982. The City is located in Northeast Tarrant County, Texas, approximately 10 miles north of Fort Worth on U.S. Highway 377, and 25 miles northwest of downtown Dallas. The city encompasses 19 square miles with a population of approximately 45,660. The City of Keller's fiscal year begins on October 1 and ends on September 30.

Services provided by the City under general governmental functions include police protection, street maintenance, public improvements, planning and zoning, sanitation, parks operation and maintenance, library services and administrative services necessary to serve the citizens of Keller. In addition, water and wastewater services and drainage are operated under an Enterprise Fund concept, with user charges set to ensure adequate coverage of operating expenses and payments on outstanding debt. Blended component units include the Keller Development Corporation, a 4(B) economic development corporation, and the Keller Crime Control Prevention District.

D. Magnitude of Finance Operations

The Finance Department is managed by Aaron Rector, Director of Administrative Services, and includes financial and support services. The principal functions performed and the number of employees assigned to each is as follows:

<u>Function</u>	<u>Number of Employees</u>
Finance Administration/Accounting	9
Customer Services/Utility Billing	<u>10</u>

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Tax assessment and collection services are performed by Tarrant County Tax Assessor/Collector under contract with the City.

The City has a total payroll of approximately \$32.7 million covering 344 full time equivalent positions.

Budget, accounting and financial reporting functions of the City are centralized. There is no internal Auditor. The Finance Department collects the bulk of funds.

The City last issued debt in 2021, but expects to again in fiscal year 2023, for street, water, and wastewater improvements.

E. Name of Contact Persons

The auditor's principal contacts with the City will be Pamela McGee, Assistant Director of Finance or a designated representative, who will coordinate the assistance to be provided by the City to the auditor. Questions regarding this proposal may be directed to:

Office Phone Number: (817) 743-4025 or (817) 743-4028 (direct line)
Fax Number: (817) 743-4191
Email Addresses: pmcgee@cityofkeller.com

Proposers who desire additional information or clarification should submit written requests to the Assistant Director of Finance. Written responses will be prepared and delivered to all parties receiving this request for proposal.

F. Fund Structure

The City uses the following fund types and account groups in its financial reporting:

<u>Fund Type</u>	<u>Number of Individual Funds</u>	<u>Number With Legally Adopted Annual Budgets</u>
General fund	1	1
Special revenue funds	10	6
Debt service funds	1	1
Capital projects funds	4	2
Enterprise funds	3	3
Agency funds	0	0
Internal service funds	3	3
General fixed asset account group	1	
Long-term debt account group	1	

G. Budgetary Basis of Accounting

The City prepares its budgets on a basis consistent with generally accepted accounting principles. However, depreciation expense is not budgeted, while capital outlay and debt service principal are budgeted as expenditures. Working capital is used as fund balance for enterprise funds. Budgets are adopted for most Governmental and Proprietary Funds.

H. Federal and State Financial Assistance

The City is periodically the recipient of Federal and/or State Financial Assistance. Most recently, proceeds were received and used for public health (CARES Act), economic recovery (ARPA funds), and park improvements.

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I. Pension Plans

The City provides pension benefits for its full-time employees through a nontraditional, joint contributory, defined benefit plan in the state-wide Texas Municipal Retirement System, an agent, multiple-employer public employee retirement system. Actuarial services for this plan are provided by the Texas Municipal Retirement System.

J. Component Units

The financial reporting entity includes all the funds and account groups of the primary government (i.e., the City as legally defined). In determining potential component units to include in the financial reporting entity, the City has applied the criteria set forth in the Governmental Accounting Standards Board (GASB) Statement No. 14. Using these criteria, component units are included in the City's financial statements.

The management of the City identified the following component units for inclusion in the City's financial statements:

Keller Economic Development Corporation The Keller Economic Development Corporation is:

- A non-profit corporation operating under Section 4B of the Development Corporation Act of the State of Texas.
- Overseen by a Board of Directors which is appointed by the City Council of the City of Keller.

Keller Crime Control Prevention District The Keller Crime Control Prevention District is:

- A non-profit corporation operating under Section 363 of the Texas Local Government Code.
- Overseen by a Board of Directors which is appointed by the City Council of the City of Keller.
- In November 2021, renewed for an additional fifteen (15) year period.

These component units are currently included in the City's reporting entity as blended component units and are audited as part of the audit of the City's financial statements.

K. Computer Systems

The City utilizes Incode 10 suite of financial applications, including Utility Billing, Receivable, Accounts Payable, Fixed Assets, Cash Receipts, Budget Preparation, and Miscellaneous Accounts Receivable.

The Information Technology (IT) Department operates and maintains all computer and technology related resources within the City of Keller. The IT department manages a Microsoft Active Directory network comprised of two Domain Controllers, two database servers, four VMWare virtualization hosts, and a HPE Nimble Storage Area Network (SAN) with storage arrays located in three City-owned buildings. All email and database applications run on Microsoft applications, including Microsoft SQL Server 2017 and 2019 and Exchange 2016 and Office 365. The network runs on Cisco network equipment. The City's phone system is Voice Over IP (VOIP) and operates on Cisco's Call Manager communication server suite of products.

L. Availability of Prior Audit Reports and Working Papers

Interested proposers who wish to review prior year audit reports and management letters should contact Pamela McGee, Assistant Director of Finance. The City will use its best efforts to make prior audit reports and supporting working papers available to Proposers to aid their response to this RFP.

M. Equal Employment Opportunity

The Proposer agrees that during the performance of its contract, it will treat all applicants and employees without discrimination as to race, color, religion, sex, national origin, marital status, age, or disability and identify itself as an “Equal Opportunity Employer” in all help wanted advertisements or requests. The Proposer shall be advised of any complaints filed with the City alleging that Proposer is not an Equal Opportunity Employer. In determining whether to terminate any portion of this contract, the City reserves the right to consider reports from its Director of Human Resources in response to discrimination complaints. However, the Proposer is specifically advised that any Equal Opportunity Employer complaint may be the basis for cancellation of this contract.

IV. TIME REQUIREMENTS

A. Calendar of Events

DESCRIPTION OF EVENTS	TARGET DATE
Request for proposal issued	Wednesday, May 17, 2022
Advertise the Professional Audit Services RFP Notice in the <i>Ft. Worth Star-Telegram</i>	Sunday, May 22 & 29, 2022
Host a Pre-Proposal Conference at 11:00 a.m. at Town Hall to review RFP and answer questions	Thursday, June 2, 2022
Deadline for Proposal submission from interested firms by 2:00 p.m.	Friday, June 10, 2022
Review proposals and discuss recommendations with City staff	Monday, June 13 – June 17, 2022
Presentations/Interviews (if needed)	Tuesday, June 22, 2022
Council presentation for the award of the contract	Tuesday, July 5, 2022
Selected firm notified	Friday, July 8, 2022

B. Date Audit May Commence

The City will have all records ready for audit and all management personnel available to meet with the firm's personnel upon mutual agreement.

C. Schedule for 2022 and Future Year Fiscal Year Audit

The Auditor will submit a proposed schedule for review and approval by the Director of Finance. The City anticipates the following schedule:

1. Interim. Expected start and completion dates (early to mid-August)
2. Information to be provided by the City. The Auditor shall provide the City a list of all schedules and other assistance to be prepared by City staff. This list should be submitted to the Assistant Director of Finance by August 1 and for each year thereafter.

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3. Completion of Field Work. The Auditor shall make every effort to complete all field work prior to December 20 for each year after the initial year.
4. Adjusting Journal Entries. Auditor shall provide the City with all adjusting journal entries by January 15 and for each year thereafter.
5. Draft Reports. Drafts of the audit report and recommendations to management shall be available for review by January 15 and for each year thereafter.
6. Final Report. The Auditor shall make every effort to complete the final report for filing with the City Secretary and presentation to City Council **no later than the second Council meeting in March** for each year after the initial year.

D. Entrance Conferences, Progress Reporting and Exit Conferences

The selected auditor will schedule an entrance conference, periodic progress reports and an exit conference with the Director of Finance and appropriate staff as necessary. The City understands that the fees stated in any proposal will be estimates and are subject to change as a result of unforeseen circumstances that may arise. *However, the Auditor must communicate the existence of such circumstances to the Director of Finance prior to performing work that will result in fees exceeding the proposed amounts.*

At a minimum, the following conferences should be held:

Entrance conference with Director of Finance and Assistant Director of Finance	Prior to interim work
Entrance conference with all key finance department personnel	Prior to interim work
Progress conference with Director of Finance and Assistant Director of Finance	Completion of interim work
Entrance conference with Director of Finance and Assistant Director of Finance to commence field work	Start of field work
Exit conference with Director of Finance, Assistant Director of Finance and City Manager	Conclusion of audit

E. Due Date of Final Report

The Director of Finance seeks assistance from the Auditor in preparing the City's Annual Comprehensive Financial Report for the fiscal year ended September 30, 2022. The City anticipates that future ACFRs will be a joint effort of both City staff and the Auditor. The Auditor shall provide all recommendations, revisions and suggestions for improvement to the Director of Finance within seven (7) business days of receipt of the draft.

The Finance staff will review and complete revisions to the draft report as expeditiously as possible. It is not expected that this process should exceed one week. During that period, the Auditor shall be available for any meetings that may be necessary to discuss the final report.

Once all issues for discussion are resolved, original signed opinion letters shall be delivered to the Director of Finance. **It is anticipated and highly desirable that this process will be completed**

and the final report presented to City Council no later than the second Council meeting in

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March

City Council meetings are the first and third Tuesday of each month. The City staff will make a presentation covering significant matters of the financial operations and on any material findings reported in the management letter.

V. Assistance to be Provided to the Auditor and Report Preparation

A. Finance Department Staff Assistance

The Assistant Director of Finance and staff will prepare supporting schedules and financial statements. All working papers and schedules to be prepared by the City must be submitted, in writing, to the Assistant Director of Finance on or before August 1 of each year together with adequate detail and explanation as to the purpose of the working papers as well as the method of preparing the working papers. Personnel will be available to the auditors for the purpose of obtaining invoices, directing Auditors to the proper files, or for explaining procedures.

The Finance staff and responsible management personnel will be available during normal working hours throughout the course of the audit to assist the firm by providing information, documentation and explanations. The preparation of confirmations will be the responsibility of the Auditor, but will be typed by City staff. In addition, clerical support (hours to be mutually agreed upon by the Auditor and the City) will be made available to the Auditor for the preparation of routine letters and memoranda.

B. Information and Schedules to be Prepared by City Staff

City staff will prepare the following statements and schedules for the Auditor by the dates indicated:

<u>Statement of Schedule</u>	<u>Date</u>
IRS 941 tax reconciliation	10-31
Accounts receivable schedule & reconciliation	11-30
Accounts payable schedule	11-30
Utility billing reconciliation	11-30
Grant receivable schedule	10-31
Ad valorem tax reconciliation	11-30
Fixed asset listing & reports	11-30
Asset additions and deletions	11-30

C. Work Area, Photocopying and Fax Machines

The City will provide the Auditor with reasonable work space, table and chairs. The Auditor will also be provided access to photocopying equipment and Fax machines subject to the following restrictions.

D. Report Preparation

Report preparation, editing, typing, and printing will be the joint responsibility of the City and the Auditor. The Auditor will review the draft report and upon acceptance of the report, will provide the City with opinion letters to be included in the ACFR.

The Auditor will prepare and provide an adequate number of the separate Annual Financial and Compliance Reports (Single Audit) for filing with state and federal agencies.

VI. PROPOSAL REQUIREMENTS

A. General Requirements

1. Inquiries

Inquiries concerning the request for proposals and the subject of the request for proposals must be made to:

Pamela McGee, Assistant Director of
Finance
City of Keller
P.O. Box 770
Keller, Texas
Phone: (817) 743-
40285
FAX: (817) 743-4191
Email: pmcgee@cityofkeller.com

CONTACT WITH PERSONNEL OF THE CITY OF KELLER OTHER THAN PERSONS SPECIFICALLY NAMED HEREIN REGARDING THIS REQUEST FOR PROPOSAL MAY BE GROUNDS FOR ELIMINATION FROM THE SELECTION PROCESS.

2. Submission of Proposals

The following material is required to be received by 2:00 p.m. on Friday, June 10, 2022, by mail, hand delivery or the City of Keller e-bid system for a proposing firm to be considered:

- a. A master copy (so marked) of a Technical Proposal to include the following:
 - i. Title Page – Title page showing the request for proposals subject; the firm's name; the name, address and telephone number of the contact person; and the date of the proposal.
 - ii. Table of Contents – Table should include an index of the proposal contents and attachments with page numbers.
 - iii. Transmittal Letter – A signed letter of transmittal should contain the responding firm's name, office address and contact persons authorized to answer technical, price, and/or contract related questions. The letter should briefly state the Proposer's understanding of the work to be done, the commitment to perform the work within the time period, and a statement that the proposal is a firm and irrevocable offer for the period stated.
 - iv. Executive Summary – A summary of three pages or less should be provided which provides a summation of the proposal. Identify the points that make your firm uniquely qualified for this engagement.
 - v. Quality Control Review – Submit a copy of the report on firm's most recent external quality control review, with a statement whether that quality control review included a review of specific governmental engagements.
- b. Provide information on the results of any federal or state desk reviews or field reviews of firm's audits during the past three years. Provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three years with state regulatory bodies or professional organizations.
- c. Detailed Proposal – The detailed proposal should follow the order set forth in Section VI. B. of this RFP.

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- d. Executed copies of Proposer Guarantees, Proposer Warranties, Insurance Requirements, and Indemnity Agreement, attached to this request for proposal (Appendix F, Appendix G, Appendix H and Appendix I).
- e. The Proposer shall include a dollar cost bid in the sealed envelope.
- f. Proposers should send the complete proposal marked as follows to the following address:

Mailing Address:
Finance Department
Attention: Pamela McGee
City of Keller, Texas
P.O. Box 770
Keller, Texas 76244

Hand Delivery Address:
Finance Department
Attention: Pamela McGee
City of Keller, Texas
1100 Bear Creek Parkway
Keller, Texas 76248

In bottom left corner of envelope indicate:

PROFESSIONAL AUDITING SERVICES
RFP Number #22-019

In top left corner of envelope indicate Proposer's address.

- g. Chapter 176 of the Texas Local Government code mandates the public disclosure of certain information concerning persons doing business or seeking to do business with the City, including affiliations and business and financial relationships such persons may have with City officers. An explanation of the requirements of Chapter 176 is located at <http://www.capitol.state.tx.us/statutes/lg.toc.htm>. A list of City officials is located at www.cityofkeller.com. The disclosure form is included in this packet. Please complete with your response.

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 of Keller in conformity with the requirements of this request for proposals. 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 request for proposal requirements.

The Technical Proposal should address all the points outlined in the request for proposals (excluding any cost information which should only be included in the sealed dollar cost fee estimate). The Proposal should be prepared simply and economically, providing a straightforward, concise description of the Proposer's capabilities to satisfy the requirements of the RFPs.

While additional data may be presented, the following subjects, items numbered 2 through 8, must be included. They represent the criteria against which the Proposal will be evaluated.

THERE SHOULD BE NO DOLLAR UNITS OR TOTAL COSTS INCLUDED IN THE TECHNICAL PROPOSAL DOCUMENT.

2. Independence

The firm should provide an affirmative statement that is independent of the City as defined by generally accepted auditing standards and the U.S. General Accounting Office's *Government Auditing Standards* (1994).

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

3. License to Practice in the State of Texas

An affirmative statement should be included that the firm and all assigned key professional staff are properly licensed to practice in the State of Texas.

4. Firm Qualifications and Experience

The Proposer 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 basis and the number and nature of the staff to be so employed on a part-time basis.

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

The firm is also required to submit a copy of the report on its most recent external quality control review, with a statement 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 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 such person is licensed to practice as a certified public accountant in the State of Texas. The firm should also provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit.

The firm should also 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. Indicate how the quality of staff over the term of the agreement 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

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reject replacements.

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

6. Similar Engagements with Other Government Entities

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements performed in the last three (3) years that are similar to the engagement described in this request for proposals. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact. Also indicate whether the ACFR issued in connection with the audit was awarded the GFOA's Certificate of Achievement for Excellence in Financial Reporting.

7. 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 RFP. In developing the work plan, reference should be made to such sources of information as the City's budget and related materials, organizational charts, and financial and other management information systems.

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

- a. Proposed segmentation of the engagement (such as planning, cash and investments, debt, revenue, compliance – federal programs, etc.).
- b. Level of staff and number of hours to be assigned to each proposed segment of the engagement.

NO DOLLARS SHOULD BE INCLUDED IN THE TECHNICAL PROPOSAL.

- c. The extent to which statistical sampling is to be used in the engagement, including sampling methods, sizes, and areas of use.
- d. Extent of use of computer audit tools 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 utility revenue testing.

8. Identification of Anticipated Potential Audit Problems

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

C. Dollar Cost Fee Estimate

1. Total All-Inclusive Maximum Price

The dollar cost fee estimate should contain all pricing information relative to performing the audit engagement as described in this request for proposals. The total all-inclusive maximum price proposed shall contain all direct and indirect costs including all out-of-pocket expenses.

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The City will not be responsible for expenses incurred in preparing and submitting the technical proposal or the dollar cost bid. Such costs should not be included in the proposal.

The first page of the dollar cost fee estimate 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 fee estimate, and authorized to sign a contract with the City; and
- c. A total all-inclusive maximum price for the 2022 engagement and the subsequent engagements for the next four (4) fiscal years.

2. Rates by Partner, Specialist, Supervisory and Staff Level Times/Hours Anticipated for Each

The second page of the dollar cost fee estimate should include a schedule of professional fees and expenses, presented in the format provided in the attachment (Appendix I) that supports the total all-inclusive maximum price.

3. Rates for Additional Professional Services

If it should become necessary for the City to request the Auditor to perform additional work as a result of the specific recommendations included in any report issued 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 fee estimate.

4. Manner of Payment

Progress payments will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the firm's dollar cost fee estimate. Interim billing shall cover a period of not less than a calendar month.

VII. EVALUATION PROCEDURES

A. Audit RFP Review and Selection Committee

Proposals submitted will be evaluated by city staff.

B. Review of Proposals

Designated City staff will review all proposals for initial technical scoring and compliance with RFP requirements, using a point formula during the review process to score proposals, and will prepare a preliminary score of all proposals. 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 cost fee estimate. The maximum score for price will be assigned to the firm offering the lowest total all-inclusive maximum price. Appropriate fractional scores will be assigned to other Proposers.

Each member of the Audit Selection Committee will review and score each qualifying proposal by each of the criteria described in Section VII. C. below. The full Audit Selection Committee will then convene to review and discuss these evaluations and to arrive at a recommendation for the Council's consideration.

The City reserves the right to retain all proposals submitted and use any idea in a proposal regardless of whether that proposal is selected.

C. Evaluation Criteria

Proposals will be evaluated using three (3) sets of criteria: (1) Mandatory Elements; (2) Technical Qualification; and (3) Cost Fee Estimate. Firms meeting the mandatory criteria will have their proposals evaluated and scored for both technical qualifications and cost fee estimate. The following represent the principal selection criteria which will be considered during the evaluation process.

1. Mandatory Elements

- a. The audit firm is independent and licensed to practice in the State of 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 preceding two (2) years to meet the *Government Audit Standards*.
- d. The firm is required to submit a copy of its most recent external quality control review, with a statement as to whether that quality control review included a review of specific government engagements.
- e. The firm has a record of quality audit work.
- f. The firm has performed ten (10) or more audits of comparable Texas municipalities in the past seven (7) years.
- g. The firm has prepared ten (10) or more ACFRs which have received the GFOA's Certificate of Achievement for Excellence in Financial Reporting.
- h. The firm adheres to the instructions in this request for proposals on preparing and submitting the proposal.

2. Technical Qualifications: (Maximum Points - 80)

a. Expertise and Experience (Maximum Points - 50)

- (1) The firm's past experience and performance on comparable government engagements. (15 points)
- (2) 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 points)
- (3) The firm's past experience with the GFOA Certificate of Achievement for Excellence in Financial Reporting Program. (10 points)
- (4) The firm's past experience and performance with Single Audits and tests of compliance with laws and regulations. (5 points)
- (5) Ability to perform additional services and provide technical support throughout the year. (5 points)

b. Audit Approach (Maximum Points - 30)

- (1) Comprehensiveness of audit work plan and adequacy of sampling techniques. (10 points)

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- (2) Adequacy of proposed staffing plan for various segments of the engagement and the quality of the firm's management support personnel to be available for technical consultation. (10 points)
- (3) Adequacy of study and evaluation of internal accounting and administrative controls. (10 points)

3. Cost Fee Estimate: (Maximum Points - 20)

D. Oral Presentations/Interviews

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

The City reserves the right to conduct personal interviews of any or all firms prior to selection.

The City will not be liable for any cost incurred by the Proposer in connection with oral presentations or interviews (i.e., travel accommodations, etc.)

E. Final Selection

The City of Keller City Council will select a firm based upon the recommendation of the Audit Selection Committee; however, the City Council may select an audit firm other than the one recommended.

It is anticipated that a firm will be selected by July 5, 2022. Following notification of the firm selected, it is expected a contract will be executed between both parties immediately thereafter.

F. Right to Reject Proposals

Submission of a proposal indicates acceptance by the firm of the conditions contained in this RFP unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City and the firm selected.

The City reserves the right without prejudice to reject any or all proposals.

VIII.APPENDICES

APPENDIX A

**Annual Financial Report
For the Fiscal Year Ended September 30, 2021**

Download from city's website:

<https://www.cityofkeller.com/services/finance/budget-and-financial-reports>

APPENDIX B

**Single Audit Report
For the Fiscal Year Ended September 30, 2021**

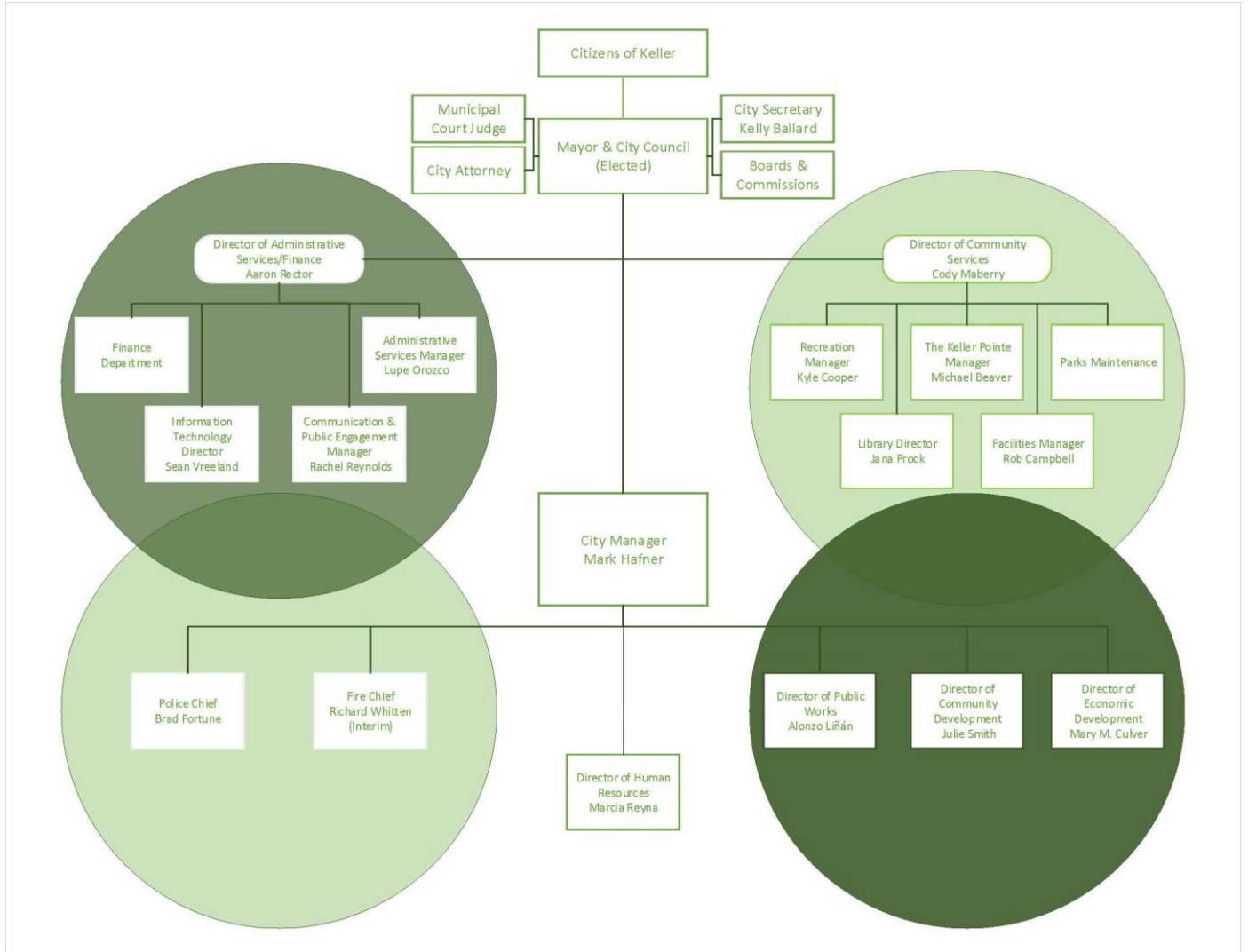
The City of Keller was not required to have a Single Audit performed because federal funding did not exceed \$750,000.

APPENDIX C

**Management Letter
For the Fiscal Year Ended September 30, 2021**

The City did not receive a management letter for the year ended September 30, 2021.

**APPENDIX D
Organization Chart**



APPENDIX E

List of Key Personnel

ELECTED OFFICIALS

Mayor	Armin Mizani
Council, Place 1	Shannon Dubberly
Council, Place 2, Mayor Pro-Tem	Sean Hicks
Council, Place 3	Jessica Juarez
Council, Place 4	Tag Green
Council, Place 5	Chris Whatley
Council, Place 6	Ross McMullin

APPOINTED OFFICIALS

City Manager	Mark Hafner
City Secretary	Kelly Ballard
Chief of Police	Brad Fortune
Interim Fire Chief	Richard Witten
Director of Administrative Services/Finance	Aaron Rector
Director of Community Services	Cody Maberry
Director Community Development	Julie Smith
Director of Economic Development	Mary Culver
Director of Human Resources	Marcia Reyna
Director Information Technology	Sean Vreeland
Library Director	Jana Prock
Director of Public Works	Alonzo Liñán

OTHER APPOINTED OFFICIALS

City Attorney	Boyle and Lowry, LLP
Bond Counsel	McCall, Parkhurst & Horton, LLP Financial
Advisors	HilltopSecurities
Investment Advisors	HilltopSecurities

APPENDIX F

Proposer Guarantees

The Proposer certifies it can and will provide and make available, at a minimum, all services set forth in Section II, Nature of Services Required.

Signature of Official:

Name (typed): _____

Title: _____

Firm: _____

Date: _____

APPENDIX G Insurance

Requirements

Except as otherwise specified in this contract, the Proposer will be required at its own expense, to maintain in effect at all times during the performance of the work, insurance coverage with limits not less than those set forth below, with insurers and under forms of policies satisfactory to the City of Keller. It shall be the responsibility of the Proposer to maintain adequate insurance coverage and to assure that all subcontractors, if any, are adequately insured at all times. Failure of the Proposer to maintain adequate coverage shall not relieve him of any contractual responsibility or obligation. Deductibles, of any type, are the responsibility of the vendor/Proposer.

CERTIFICATES OF INSURANCE

At the time of the execution of this contract and each subcontract, but in any event, prior to commencing work at the job site, the contractor and his subcontractors shall furnish the City with certificates of insurance with an Endorsement naming the City of Keller as additional insured as evidence that the policies providing the required coverage and limits of insurance are in full force and effect. Contracts less than \$4,999.99 do not require an Insurance Endorsement; however, a **Certificate of Insurance** is required naming the City of Keller as additional insured. Contracts exceeding \$5,000.00 shall be required to provide a copy of the Certificate of Insurance and the Insurance Endorsement naming the City of Keller as additional insured. The certificates of insurance provide that any company issuing an insurance policy for the work under this contract shall provide not less than 30 days advance notice in writing of cancellation, non-renewable, or material change in the policy of insurance. In addition, the contractor shall provide written notice to the City of Keller upon receipt of notice of cancellation of any insurance policy. All certificates of insurance shall clearly state that all applicable requirements have been satisfied including certification that the policies are of the "occurrence" type. Certificates of insurance and Endorsements for contractor and subcontractor, terminations, or alterations of such policies shall be mailed to Karla Parker, Purchasing Agent, Finance Department, P O. Box 770, Keller, TX 76244.

COMPREHENSIVE GENERAL LIABILITY

This insurance shall be an occurrence type policy written in comprehensive form and shall protect the Proposer and the Additional Insured against all claims arising from bodily injury, sickness, disease, or death of any person other than the Proposer's employees or damage to property of the City of Keller or others arising out of the act or omission of the Proposer or its agents, employees, or subcontractors (if applicable). This policy shall also include protection against claims insured by usual personal injury liability coverage, a (protective liability) endorsed to insure the contractual liability assumed by the Proposer under the article entitle indemnification and completed operations, products liability, contractual liability, broad form property coverage, premises/operations, and independent contractors.

Bodily Injury and Property Damage - \$500,000 per person, \$1,000,000 per occurrence

COMPREHENSIVE AUTOMOBILE LIABILITY

This insurance shall be written in the comprehensive form and shall protect the Proposer and the additional insured against all claims for injuries to members of the public and damage to property of others arising from the use of motor vehicles, and shall cover operation on and off the site of all motor vehicles licensed for highway use, whether they were owned, non-owned, or hired, the liability shall not be less than:

Bodily Injury and Property Damage - \$500,000 per person, \$1,000,000 per occurrence

WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY

The contractor shall provide all workers' compensation insurance for its employees as required by law.

CERTIFICATE OF INTERESTED PARTIES (FORM 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 or state agency may not enter into certain contracts with a business entity unless the business entity submits a disclosure of interested parties to the governmental entity or state agency at the time the business entity submits the signed contract to the governmental entity or state agency. The law applies only to a contract of a governmental entity or state agency 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 was required to adopt rules necessary to implement that law, prescribe the disclosure of interested parties form, and post a copy of the form on the commission's website. The commission adopted the Certificate of Interested Parties form (Form 1295) on October 5, 2015. The commission also adopted new rules (Chapter 46) on November 30, 2015 to implement the law.

Filing Process:

On January 1, 2016, the commission made available on its website a new filing application that must be used to file Form 1295. A business entity must use the application to enter the required information on Form 1295 and print a copy of the completed form, which will include a certification of filing that will contain a unique certification number. An authorized agent of the business entity must sign the printed copy of the form and have the form notarized. The completed Form 1295 with the certification of filing must be returned with this BID documentation.

Information regarding how to use the filing application is available at <https://www.ethics.state.tx.us/tec/1295-Info.htm>. Please follow instructional Video for Business Entities.

APPENDIX H

Indemnity Agreement

INDEMNIFICATION

For consideration included in the RFP price, Proposer shall pay, indemnify, and hold harmless, the City, its agents, guests, consultants, invites, and employees, from all suits, actions, claims, demands, losses, expenses, including attorney's fees, costs and judgments of every kind and description to which the City, its agents, guests, consultants, invites, or employees may be subjected to by reason of injury to persons or death or property damage, resulting from or growing out of any act of commission, omission, negligence, or fault of the Proposer, its agents or employees, committed in connection with this contract, Proposer's performance hereof, or of any work performed hereunder.

The Proposer agrees to and shall indemnify and hold harmless the City against any and all liens and encumbrances for all labor, goods and services which may be provided under the City's request, by seller or seller's vendor(s), and if the City requests, a proper release of all liens or satisfactory evidence of freedom from liens shall be delivered to the City.

The Proposer shall indemnify and hold harmless the City, its agents, or employees and consultants from and against all claims, demands, actions, suits, damages, losses, expenses, costs including attorney's fees, and judgments of every kind and description arising from, based upon, or growing out of the violation of any Federal, state, county, or city law, bylaw, ordinance, or regulation by the Proposer, its agents, trainees, invites, servants, and employees.

WAIVER OF SUBROGATION

The Proposer shall require its insurance carrier, with respect to all insurance policies, to waive all rights of subrogation against the City of Keller, its commissioners, partners, officials, agents, and employees and against all other proposers, contractors and subcontractors.

Signature of Official Representative of Audit Firm

Name of Official Representative (typed)

Title

APPENDIX I
 Part 1

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES
 FOR THE AUDIT OF THE 2022 FINANCIAL STATEMENTS
 AS SET FORTH IN SECTION II

	Number of Hours	Quoted Hourly Rates	Total
Partners		\$	\$
Managers		\$	\$
Supervisory Staff		\$	\$
Staff		\$	\$
Other (specify)		\$	\$
SUBTOTAL			\$
Other expected fees			\$
Out-of-pocket expenses			\$
Meals and Lodging			\$
Transportation			\$
Other (specify)			\$
TOTAL ALL INCLUSIVE MAXIMUM PRICE FOR 2022 AUDIT			\$

Note: The rate quoted should *not* be presented as a general percentage of the standard hourly rate or as a gross deduction from the total all-inclusive maximum price.

APPENDIX I
 Part 2

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES
 FOR THE AUDIT OF THE 2023 FINANCIAL STATEMENTS
 AS SET FORTH IN SECTION II

	Number of Hours	Quoted Hourly Rates	Total
Partners		\$	\$
Managers		\$	\$
Supervisory Staff		\$	\$
Staff		\$	\$
Other (specify)		\$	\$
SUBTOTAL			\$
Other expected fees			\$
Out-of-pocket expenses			\$
Meals and Lodging			\$
Transportation			\$
Other (specify)			\$
TOTAL ALL INCLUSIVE MAXIMUM PRICE FOR 2023 AUDIT			\$

Note: The rate quoted should *not* be presented as a general percentage of the standard hourly rate or as a gross deduction from the total all-inclusive maximum price.

APPENDIX I
 Part 3

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES
 FOR THE AUDIT OF THE 2024 FINANCIAL STATEMENTS
 AS SET FORTH IN SECTION II

	Number of Hours	Quoted Hourly Rates	Total
Partners		\$	\$
Managers		\$	\$
Supervisory Staff		\$	\$
Staff		\$	\$
Other (specify)		\$	\$
SUBTOTAL			\$
Other expected fees			\$
Out-of-pocket expenses			\$
Meals and Lodging			\$
Transportation			\$
Other (specify)			\$
TOTAL ALL INCLUSIVE MAXIMUM PRICE FOR 2024 AUDIT			\$

Note: The rate quoted should *not* be presented as a general percentage of the standard hourly rate or as a gross deduction from the total all-inclusive maximum price.

APPENDIX I
 Part 4

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES
 FOR THE AUDIT OF THE 2025 FINANCIAL STATEMENTS
 AS SET FORTH IN SECTION II

	Number of Hours	Quoted Hourly Rates	Total
Partners		\$	\$
Managers		\$	\$
Supervisory Staff		\$	\$
Staff		\$	\$
Other (specify)		\$	\$
SUBTOTAL			\$
Other expected fees			\$
Out-of-pocket expenses			\$
Meals and Lodging			\$
Transportation			\$
Other (specify)			\$
TOTAL ALL INCLUSIVE MAXIMUM PRICE FOR 2025 AUDIT			\$

Note: The rate quoted should *not* be presented as a general percentage of the standard hourly rate or as a gross deduction from the total all-inclusive maximum price.

APPENDIX I
 Part 5

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES
 FOR THE AUDIT OF THE 2026 FINANCIAL STATEMENTS
 AS SET FORTH IN SECTION II

	Number of Hours	Quoted Hourly Rates	Total
Partners		\$	\$
Managers		\$	\$
Supervisory Staff		\$	\$
Staff		\$	\$
Other (specify)		\$	\$
SUBTOTAL			\$
Other expected fees			\$
Out-of-pocket expenses			\$
Meals and Lodging			\$
Transportation			\$
Other (specify)			\$
TOTAL ALL INCLUSIVE MAXIMUM PRICE FOR 2026 AUDIT			\$

Note: The rate quoted should *not* be presented as a general percentage of the standard hourly rate or as a gross deduction from the total all-inclusive maximum price.

CONFLICT OF INTEREST QUESTIONNAIRE

FORM CIQ

For vendor or other person doing business with local governmental entity

This questionnaire reflects changes made to the law by H.B. 1491, 80th Leg., Regular Session.

This questionnaire is being filed in accordance with Chapter 176, Local Government Code by a person who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the person meets requirements under Section 176.006(a).

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 person becomes aware of facts that require the statement to be filed. See Section 176.006, Local Government Code.

A person commits an offense if the person knowingly violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor.

OFFICE USE ONLY

Date Received

1 Name of person who has a business relationship with local governmental entity.

2 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 the originally filed questionnaire becomes incomplete or inaccurate.)

3 Name of local government officer with whom filer has employment or business relationship.

Name of Officer

This section (item 3 including subparts A, B, C & D) must be completed for each officer with whom the filer has an employment or other business relationship as defined by Section 176.001(1-a), Local Government Code. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer named in this section receiving or likely to receive taxable income, other than investment income, from the filer of the questionnaire?

Yes No

B. Is the filer of the questionnaire receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer named in this section AND the taxable income is not received from the local governmental entity?

Yes No

C. Is the filer of this questionnaire employed by a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership of 10 percent or more?

Yes No

D. Describe each employment or business relationship with the local government officer named in this section.

4

Signature of person doing business with the governmental entity

Date