



Brenham
INDEPENDENT SCHOOL DISTRICT EST. 1875

REQUEST FOR QUALIFICATIONS

RFQ #2023-003

FINANCIAL AUDIT SERVICES

Issued By:
Brenham Independent School District

PO Box 1147
711 E. Mansfield St
Brenham, TX 77834
PH: 979-277-3700
Email: tlasater@brenhamk-12.net

Thad Lasater, Chief Financial Officer

Submittal Deadline
Wednesday February 15, 2023
3:00 PM

NOTICE TO BIDDERS

The Brenham Independent School District is accepting sealed qualifications to establish an annual contract to provide **External Audit Services** in accordance with the instructions, specifications, terms and conditions, contained in this Solicitation.

ADDENDA TO RFQ. BISD reserves the right to revise and amend the specifications prior to the date set for the opening. Respondents are requested to clarify any ambiguity, conflict, discrepancy, omission or other error(s) in the RFQ in writing and request modification or clarification desired. Revisions or amendments, if any, will be made by issuing an addendum. Every effort will be made to send addenda issued to the parties known to have been furnished a complete copy of the RFQ. It is the responsibility of each Vendor, prior to submitting the Proposal, to contact the Business Office to determine if addenda were issued and, if so, to obtain such addenda for attachment to the Proposal.

Company submitting proposals shall not discuss this RFQ with employees of Brenham ISD or members of the Board of Trustees. If discussion is necessary, your company will be notified in writing. **Failure to abide by this requirement may result in automatic disqualification.**

- a. Offers may be hand carried or mailed in a sealed envelope/package clearly marked with the offering company's name, return address, the RFQ title and opening date and time.
- b. ***The Brenham Independent School District will not be bound to accept any Proposal and reserves the right to accept or reject in whole or in part, any and all Proposals, to negotiate portions thereof, and to waive any minor informality.***
- c. All costs incurred in the preparation and submission of the RFQ response shall be borne solely by the Vendor. Where Vendors may be required to perform a presentation, give demonstrations, and provide samples and/or technical literature, or participate in any interview process as related to this solicitation, all costs shall be borne by the Vendor
- d. Submission of a Proposal shall be construed to mean that the Offeror agrees to carry out all of the conditions set forth in this document.
- e. An offeror's signature on the response to this RFQ and the district's acceptance of that Proposal should constitute an adequate set of terms and conditions for the performance of the required services. However, if a vendor expects the district to sign a separate service agreement, a copy of that document must be provided along with RFQ response for evaluation.
- f. Submittals that address only part of the requirements contained in this solicitation will not be considered;

1. INTRODUCTION

1. **INVITATION** –The Brenham ISD invites Responses which offer to provide the services identified on the Cover Sheet.
2. **RFQ CLARIFICATION** - Questions regarding this RFQ should be directed to the person specified on the cover sheet, Thad Lasater, Chief Financial Officer, tlasater@brenhamk-12.net. Answers citing the question will be distributed simultaneously to all known prospective offerors. Oral answers provided by Brenham ISD or its agents shall not be binding. No modification or amendment to this Request for Qualifications shall be valid unless it is set forth in writing -- via a signed addendum or amendment from the District Business Office.
3. **Offeror Responsibility** - We expect you to be thoroughly familiar with all specifications and requirements of this RFQ. Your failure or omission to examine any relevant form, article, site or document will not relieve you, as a contractor, from any obligation regarding this RFQ. By submitting a Response, you are presumed to concur with all terms, conditions and specifications of this RFQ unless you have specifically, by Section number, raised objection. Objections we consider excessive or affecting vital terms may reduce or eliminate your prospects for award.

4. **SUBMISSION OF PROPOSALS** – Proposals should be prepared in such a way as to provide a straight forward, concise delineation of capabilities to satisfy the requirements of the RFQ. Extensive binding, colored displays, promotional materials, etc., are not necessary or desired. Emphasis should be concentrated on conformance and clarity of content.
5. **COMPLETENESS** – Proposal shall be completed in all respects as indicated. A proposal may be rejected if it is conditional or incomplete, or it contains irregularities of any kind.
6. **FALSE/MISLEADING STATEMENTS** - Proposal which contain false or misleading statements, or which provide references which do not support an attribute or capability of the proposed system or service may be rejected. If, in the opinion of the District, such information was intended to mislead the District in its evaluation of the Proposal and the attribute, condition or capability as a requirement of the RFQ, the Proposal shall be rejected.
7. **PROPOSAL SIGNATURE** – The proposal must be signed by an individual who is authorized to bind the responding firm contractually. The signature should indicate the title or position that the individual holds in the firm. Firms who sign their contracts with the name of the firm must provide the name of the corporate officer for signature validation by the District. An unsigned proposal shall be rejected.
8. **CONTRACT PERIOD** - The District intends to award a contract for a single year from the notice of award. In order to promote efficiency and economy, the District reserves the right to extend the contract awarded for four (4) additional one-year periods. Such extension(s) will be at the option of the District, subject to same terms, conditions, favorable prices, and mutual agreement between the Contractor and the District.
9. The District reserves the right to cancel any contract resulting from this Request for Qualifications at any time, for any reason (or for no reason) with a thirty (30) day written notice to the firm. The firm may cancel any resulting contract, at any time for any reason, or for no reason with a sixty (60) day written notice.
10. **ISSUING OFFICER** – The issuing officer and mailing address to send Proposal and all other correspondence concerning the RFQ is:

Mailing Address

Thad Lasater, Chief Financial Officer
Brenham ISD
PO Box 1147
711 E. Mansfield St
Brenham, TX 77834
(979) 277-3710

The RFP may also be hand delivered to the physical address:

Physical Address

Thad Lasater, Chief Financial Officer
711 E. Mansfield St
Brenham, TX 77834

The Brenham Independent School District is requesting statements of qualifications from public accounting firms to perform the annual financial audit for fiscal year 2023 with the option to extend annually for four additional option years.

I. BACKGROUND INFORMATION

Auditing requirements for Texas' public school districts are contained in the *Texas Education Agency Financial Accountability System Resource Guide* which is the authoritative document adopted by reference as a rule of the State Board of Education, through Title 19, [Texas Administrative Code](#), Section 109.61.

Brenham Independent School District has 794 employees and has a student enrollment of approximately 5,000 students in grades pre-kindergarten through 12, on 8 campuses. The 2022-2023 adopted budgeted expenditures for the General, Food Service, and Debt Service Funds is \$56,183,249. The district expends federal financial assistance for numerous programs including but not limited to the National School Lunch Program, School Breakfast Program, ESEA Title I Part A – Improving Basic Programs, ESEA Title II Part A – Supporting Effective Instruction, ESEA Title III Part A – ELA, IDEA- Part B Formula and Preschool, Perkins Strengthening CTE for 21st Century, ESSER I, II, III.

A. Purpose of the Audit

The purpose of the request for qualifications is to obtain the services of a public accounting firm for the annual audit for fiscal year 2023. The organization-wide audit will encompass the financial statements as required by GASB Statement No. 34 and the *Texas Education Agency Financial Accountability System Resource Guide* for the District for the fiscal year ending August 31, 2023. The audit is to be performed in accordance with generally accepted government auditing standards contained in the *Texas Education Agency Financial Accountability System Resource Guide*.

The financial statement audit is to determine whether (1) the financial statements present fairly the financial position, results of operations, and cash flows or changes in financial positions in accordance with generally accepted accounting principles, and (2) whether the Brenham Independent School District has complied with laws and regulations for those transactions and events that may have a material effect on the financial statements. The financial related audit will also include determining whether (1) financial reports and related items are fairly presented, (2) financial information is presented in accordance with established or stated criteria, and (3) the school district has adhered to specific financial compliance requirements.

As a part of the audit of the general purpose financial statements, the annual audit will also include obtaining an understanding of the school district's internal control and reporting any reportable conditions relating to the internal control systems coming to the attention of the auditors. To comply with Office of Management and Budget Uniform Guidance, a study and evaluation of internal control will include internal accounting and administrative controls for major federal financial assistance programs, in accordance with standards for risk assessment for major federal financial assistance. Any material weakness noted during the study and evaluation of internal accounting and administrative controls and other kinds of noncompliance and questioned costs will be reported in accordance with the Single Audit Act.

As part of the audit of the financial statements, transactions and records pertaining to federal programs will be tested for material compliance with federal laws, rules, and regulations and all instances of noncompliance will be reported to the school district.

The audit will include the performance of certain audit procedures for the purpose of reviewing the accuracy of fiscal information provided by the district through the Public Education Information Management System (PEIMS), as required by Section 44.008(b) of the Texas Education Code.

The firm selected shall also provide additional audit services to the Brenham Independent School District as deemed necessary from time to time during the year at an hourly rate agreed to by both parties.

B. Other Requirements

1. The accounting firm should provide an annual audit report in a form acceptable to the Texas Education Agency and within the time frame stipulated in TEC 44.008 (d) of 150 days subsequent to the close of the fiscal year for which the audit was made.
2. The District has limited staff but will provide financial information as requested by the auditor for review at the close of the fiscal year.
3. The District intends to sell bonds from time to time, which may require the audited financial statements and Auditor's opinion to be printed in total or as a part of the section of or addendum to the Official Statement for bond issues. Also, certification may be required for Interest and Sinking Fund Reserve Balances as a point in time other than year end.
4. The firm upon being awarded this engagement will be expected to review the detailed audit work plan and schedule with the Chief Financial Officer prior to commencing the audit assignment each year.
5. Financial statements developed by the Auditor must be in a form that complies with the Texas Education Agency.
6. All working papers and reports must be retained, at the auditor's expense, for a minimum of five (5) years, unless the firm is notified in writing by the District of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to auditors from the Texas Education Agency, The Government Accountability Office, or other applicable governmental agencies; they are not otherwise considered to be records open to the general public.

B. Independent Auditor

The proposer must demonstrate the capability to perform the annual audit in accordance with generally accepted government auditing standards and state board of education auditing rules. Public accounting firms that have performed annual audits for similar entities are encouraged to file a proposal.

C. Term of the Audit Engagement

The contract for audit services based upon Board of Trustees approval of the proposal will be for the fiscal year ending August 31, 2023. The Brenham Independent School District may request to extend this agreement annually for another four years through fiscal year August 31, 2027, following satisfactory delivery of the services specified in the proposal and engagement letter.

D. Dispute Resolution

Disputes concerning the terms of contracted services that cannot be resolved will be brought before an independent mediation center.

II. PROPOSAL CONTENT IN THE ORDER LISTED: PLEASE FOLLOW THE ORDER BELOW

A. Cover Letter

See conditions for submission of proposal in Section III.

B. Technical Component

To describe clearly the public accounting firm's understanding of the work to be done, the proposer will:

1. Provide a definition of the term "generally accepted government auditing standards" with clear distinctions between these standards and generally accepted auditing standards for nongovernmental engagements;
2. Explain the proposer's approaches to performing an annual audit, including the methodology, nature, timing and extent of audit procedures to be performed;
3. Describe how the approach to performing the audit would be affected if this were a multiyear contract; and
4. Make a statement concerning the independence of the proposer, including direct and indirect financial interest, and the relationship of the proposed audit team to employees of the district and any of the board members.

C. Management Component

The proposer will furnish satisfactory evidence of capability to provide in a professional and timely manner the services stated in the Request for Qualifications. To meet this requirement:

1. Provide the name of the external quality control review organization of which the proposer is a member and the proposer's length of membership. Also, state the review organizations planned frequency of peer reviews;
2. State whether the firm has received a peer review and whether in the most recent review an unqualified report was issued;
3. State whether the proposer is a national, regional or local public accounting firm;
4. Provide evidence that the proposer has experience in performing school district/government audits. List current and past audit clients along with the names and telephone numbers of contact persons and number of years audit services were provided.
5. State whether the proposer is currently under the terms of a public or private reprimand by the Texas State Board of Public Accountancy and/or licensing boards of other states;
6. Describe the proposed audit team, in terms of job positions in the firm;
7. Provide a brief resume of staff member(s) who will direct the overall audit throughout the duration of the engagement as well as those staff members who will be responsible for planning, directing, and conducting substantial portions of the fieldwork or reporting on this audit engagement. Include the educational background of all staff members named and professional licenses held;
8. Describe continuing professional education in governmental accounting and auditing received by the proposed audit team during the last four years;
9. Provide the names and qualifications of any needed outside specialists and consultants that will assist the proposer's staff members;
10. Describe staff rotation plans for audit team members if this is to be a multiyear contract;
11. Describe the level of assistance that will be expected from Brenham Independent School District personnel; and
12. Provide evidence of the ability to comply with the requirements in Sections II and VI of the request for qualifications.

13. Estimated Fees: State below the estimated fees for the annual audit for the fiscal year ending August 31, 2023. Also state estimated fees for the subsequent four years, under current conditions should the Brenham Independent School District request an extension of the contract. NOTE: The Brenham ISD will pay audit fees as agreed upon in the engagement letter.

Fiscal Year	Estimated Fees
August 31, 2023	\$
August 31, 2024	\$
August 31, 2025	\$
August 31, 2026	\$
August 31, 2027	\$

D. Task/Activity Plan

The proposer will specify time lines and sequence for audit procedures.

E. Evaluation

Criteria used to evaluate the proposer's methodologies, products, and services are shown in Attachment A.

III. CONDITIONS FOR SUBMISSIONS OF PROPOSAL

All submissions in response to this request must meet the following conditions to be considered:

A. Response must include a cover letter clearly stating the name of the firm and the name, address, and telephone number of the proposer's representative;

B. Response must address each of the audit requirements as stated in this request for qualifications;

C. The Brenham Independent School District reserves the right to reject any and all proposals, and to negotiate portions thereof. Proposals that address only part of the requirements contained in this request for qualifications will not be considered;

D. The Brenham Independent School District reserves the right to select any proposal it deems to be in the best interest of the District.

E. The proposer shall furnish such additional information that the district may reasonably require;

F. The Brenham Independent School District will not be liable for any cost incurred in the preparation of proposals; and

G. The Brenham Independent School District may ask proposers to send a representative for an oral interview prior to Board of Trustees approval of a proposal. The Brenham Independent School District will not be liable for the costs incurred by the proposer in connection with such interview.

H. The District and interested accounting firms may enter into discussions and revisions of proposal, as necessary. Discussions/negotiations may be conducted with interested accounting firms who are deemed to be within the final competitive range; however, Brenham Independent School District reserves the right to award a contract without discussions/negotiations. The best

and final proposal may be required as early as 24 hours after completion of negotiations/discussions.

I. Qualifications must be signed by an authorized individual to contractually bind their firm when submitting the Qualifications. Failure to sign the Qualifications will be rejected as “non-responsive”.

J. By submitting a proposal, the interested accounting firm affirms that its company, corporation, firm, partnership or individual has not prepared this proposal in collusion with any other bidder and that the contents of this proposal as to prices, terms, or conditions have not been communicated by the undersigned or by any employee or agent to any other person or firm engaged in this type of business prior to the official opening of this proposal.

K. Upon notification of potential selections for award, the person or entity submitting this proposal must give notice to the district if the person or an owner or operator of the business entity has been convicted of a felony. The notice must include a general description of the conduct resulting in this conviction of a felony (this requirement does not apply to a publicly held corporation). Reference Attachment B.

L. In the event that any one or more of the provisions contained in this Request for Qualifications (or resulting purchase order) shall be held by a court of competent jurisdiction to be invalid, illegal or unenforceable, such provisions shall not affect any other provision hereof, and this Request for Qualifications (or any resulting purchase order) shall be construed as if the invalid, illegal or unenforceable provision(s) had never been contained herein.

H. Proposals submitted will be evaluated by a Committee which may consist of:

Superintendent, Chief Finance Officer, and other staff as deemed appropriate

I. It is anticipated the selection of a firm will be completed by February 20, 2023. Following the notification of the selected firm it is expected an engagement agreement will be executed by both parties before February 28, 2023.

IV. PROCEDURES FOR SUBMITTING PROPOSALS

Mail Delivery

Responses to the Request for Qualifications should be addressed to:

Thad Lasater, Chief Financial Officer
Brenham ISD
P.O. Box 1147
711 E. Mansfield St
Brenham, TX 77834

Proposals must be received no later than 3:00 PM , February 15, 2023.

Qualifications received after the time and date specified above will not be considered and will be returned unopened.

Qualifications transmitted via the District’s facsimile machine or email are not acceptable. Qualifications must be submitted to the District in a sealed envelope. **DO NOT FAX OR EMAIL YOUR QUALIFICATIONS!**

B. Number of Copies of Proposal

Submit two (2) hard copies of the proposal along with one (1) electronic format of all required documents on a flash drive. The proposals are to be sealed. No other distribution of the proposal shall be made by the Offeror.

C. Proposed Calendar for Selection Process

The following is a list of key dates for the proposal submission and selection of an auditing firm:

Request for Qualifications Issued	Monday January 16, 2023
Due Date for Proposals	Wednesday February 15, 2023 3:00 PM
Oral Presentations (If Needed)	TBD
Board of Trustees Approval	Monday February 20, 2023
Selected Firm Notification Date	Tuesday February 21, 2023
Engagement Date	Tuesday February 21, 2023

V. QUESTIONS

Any person wishing to obtain additional information about the Request for Qualifications or about the operations of the District may contact:

Thad Lasater
Chief Financial Officer
tlasater@brenhamk-12.net

The District will only respond to questions submitted via email. The District will send addendums and answers to questions concerning this solicitation simultaneous to all respondents via email.

To obtain such addenda for attachment to your response you must contact Thad Lasater, Chief Financial Officer at tlasater@brenhamk-12.net to receive any addenda, submit questions and any other communications concerning this solicitation.

Please submit any questions via email to tlasater@brenhamk-12.net.

VI. STATEMENT OF REQUIREMENTS

- A. The independent auditor will provide fifteen (15) bound copies and one (1) pdf version of the final audit report that meets the requirements of Texas Education Agency Financial Accountability System Resource Guide.
- B. A preliminary draft of the audit report(s) will be presented to the District prior to submission of the final draft. Timing of the submission must allow District personnel sufficient time to review the report.
- C. The independent auditor will be required to present the audit report to the Board of Trustees at the December meeting of the Board of Trustees.
- D. The independent auditor is required to provide a management letter containing comments oriented toward constructive improvements. Copies of selected audit working papers will be provided as requested by the District and as provided for in the engagement letter. If a management letter is issued the auditor will provide the District fifteen (15) copies.
- E. The auditor will prepare and provide one (1) copy of the Data Collection Form for Reporting on Audits of States, Local Governments and Nonprofit Organizations.

F. Audit Timing (subject to change)

Start Interim Field Work	June - August
Start Final Field Work	September - November
Draft Financial Statements and Management Letter due to District for Review	November - December
Presentation of Issued Financial Report to the Board of Trustees	December

VII. BOARD OF TRUSTEE APPROVAL

- A. The District expects to make a recommendation to the Board on February 20, 2023 for their approval of the audit firm for the District. If the evaluation is not complete then the recommendation would move to March.
- B. The Board of Trustees expects to engage an audit firm for five (5) years. However, the Board of Trustees expressly reserves the right to reject all proposals and to review the relationship on an annual basis and to formally approve each year's extension. The Brenham ISD reserves the right to cancel any contract resulting from this Request for Qualifications at any time, for any reason (or for no reason) with a thirty (30) day written notice to the firm. The firm may cancel any resulting contract, at any time for any reason, or for no reason with a sixty (60) day written notice. Any notice required or permitted to be delivered to the firm shall be deemed to be delivered when mailed by registered or certified mail, return receipt requested, postage prepaid, and addressed to the bidder's address appearing on the face of the Request for Qualifications (or as subsequently revised or changed). Any compensation due the firm will be limited to items received and/or services performed and accepted by the District. It is possible that the Board could terminate the relationship at any time. However, the Board of Trustees does not desire or expect that to be the case and assumes that a long and satisfactory relationship will be the experience.

VIII. OTHER INFORMATION

- A. Auditors will be allowed to work on site after 4:30 p.m. if necessary and desirable. However, it cannot be guaranteed that Staff will be available to answer questions at those times. Arrangements should be made in advance if these after-hours periods are necessary.
- B. Forms
 - Felony Conviction Notice Form
 - W-9 Vendor Identification Number Certificate. Vendors are encouraged to submit with their proposal response a copy response a copy of a W-9 Offeror Identification Number Certificate to expedite the payment process if awarded a contract.
 - If awarded, HB 1295-For contracts entered into on or after January 1, 2016, Texas Government Code Chapter 2252.908
 - HB 89-Prohibition on contracts with companies boycotting Israel
 - Conflict of Interest Form. Local Government Code Chapter 176 imposes new disclosure / reporting obligations on vendors. Please complete and return Form CIQ. See <https://www.ethics.state.tx.us/forms/CIQ.pdf> for information.

Attachment A-EVALUATION WORKSHEET

This worksheet is to be used to document the District's evaluation of the interested accounting firms' qualifications. Points within the ranges specified are to be assigned to the below-listed criteria as a means for quantifying the relative strengths and weaknesses of the various qualifications.

In the event that oral interviews are necessary to break a tie or for making final clarification in the evaluation process, additional points may be awarded. It should be understood that while the total score is a significant factor, the District reserves the right to consider other factors in making a final selection of the firm that will serve the best interest of the District.

PROFESSIONAL QUALIFICATIONS

The evaluation of professional qualifications of the interested accounting firms will be based on the following criteria:

I. Mandatory Criteria

Qualifications will not be considered for further evaluation unless there is compliance with all of the following criteria. The interested accounting firm:

- A. Must be an independent auditor properly licensed for public practice.
- B. Must be a member of the AICPA Government Audit Quality Center (GAQC).
- C. Must meet all other requirements provided by Texas Education Code 44.008, Texas Administrative Code 109.23 and all other requirements.
- D. Must meet the independence standards of Government Auditing Standards, United States Government Accountability Office (GAO).
- E. Must not have a record of substandard work.
- F. Must submit a proposal meeting all of the requirements of the Request for Qualifications.

II. Technical Criteria (Step 1 Evaluation)

Qualifications which have met each of the criteria in Section I above will be evaluated on the following criteria:

- A. Technical experience of the firm. (30 points)
- B. Characteristics of the staff, including consultants to be assigned to the audit. (40 points)
- C. Clear understanding of the work to be performed. (15 points)
- D. Prior experience with District and current/past customer satisfaction. (15 points)

Total Step 1 Points 100

III. Oral Interviews (If District deems it necessary) (Step 2 Evaluation)

Interview Points Awarded (If District deems necessary) (10 points)

Total Step 2 Points 10

ATTACHMENT B

FELONY CONVICTION NOTICE

State of Texas Legislative Senate Bill No. 1, Section 44.034, Notification of Criminal History, Subsection (a), states “a person or business entity that enters into a contract with a school district must give advance notice to the district if the person or an owner or operator of the business entity has been convicted of a felony. The notice must include a general description of the conduct resulting in the conviction of a felony”.

Subsection (b) states “a school district may terminate a contract with a person or business entity if the district determines that the person or business entity failed to give notice as required by Subsection (a) or misrepresented the conduct resulting in the conviction. The district must compensate the person or business entity for services performed before the termination of the contract”.

THIS NOTICE IS NOT REQUIRED OF A PUBLICLY-HELD CORPORATION (Sign under ITEM A)

I, the undersigned agent for the firm named below, certify that the information concerning notification of felony convictions has been reviewed by me and the following information furnished is true to the best of my knowledge.

VENDOR’S NAME: _____

AUTHORIZED COMPANY OFFICIAL’S NAME: _____

A. My firm is a **publicly-held corporation**, therefore, this reporting requirement is not applicable.

Signature of Company Official: _____

B. My firm is not owned nor operated by anyone who has been convicted of a felony.

Signature of Company Official: _____

C. My firm is owned or operated by the following individual(s) who has/have been convicted of a felony.

Name of Felon(s): _____
(Attach additional sheet if necessary.)

Details of Conviction(s): _____
(Attach additional sheet if necessary.)

Signature of Company Official: _____