

West Central Texas Municipal Water District

REQUEST FOR PROPOSALS TO CONDUCT AN INDEPENDENT MANAGEMENT AUDIT

30 Texas Administrative Code (TAC) §292.13 (6) (A)

I. INTRODUCTION

The West Central Texas Municipal Water District (“**District**”) is requesting proposals (“**Proposals**”) from qualified certified public accounting firms to perform an Independent Management Audit (the “**Audit**”) in accordance with the rules and regulations of the Texas Commission on Environmental Quality (“**TCEQ**”) as listed in or promulgated under 30 Texas Administrative Code (“**TAC**”) §292.13 (6)(A), as well as any generally accepted U.S. auditing standards and/or other applicable laws or rules.

Proposals must provide the information regarding the firm’s principals and staff, the qualifications of those who will be assigned to the project, a history of similar Audits conducted by the firm, the proposed fee structure and an estimate of the total cost for the Audit.

There is no express or implied obligation for the District to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

To be considered, a Proposal must be received at the District’s Office, 410 Hickory Street, Abilene, Texas by **3:00 P. M., Thursday, March 23, 2017**. The District reserves the right to reject any or all Proposals submitted. Proposals meeting the terms and conditions of this Request will be evaluated by the Executive Committee of the District’s Board of Directors, assisted by District Staff.

During the evaluation process, the Committee reserves the right, where it may serve the District’s best interest, to request additional information or clarification from any firm submitting a proposal, or to permit the correction of errors or omissions contained therein. The District may request clarifications regarding the proposal, or require an oral presentation from the firm submitting a proposal as part of the evaluation process.

Submission of a proposal indicates acceptance by the submitting firm of the conditions contained in this Request for Qualifications/Proposals (“**RFQ**”), unless otherwise clearly and expressly stated in the proposal submitted and later confirmed in the contract between the District and the firm selected.

Selection of an audit firm to conduct final contract negotiations based on proposals submitted will be made at the discretion of the Executive Committee.

The Committee's action was authorized by the District's Board of Directors at their meeting held February 8, 2017.

Questions regarding this Request for Proposals should be directed to Mr. Chris Wingert, P.E. by calling (325) 673-8254, during the normal business hours of 8:00 am and 5:00 pm, Monday through Friday.

II. OBJECTIVE

The Management Audit shall be done in accordance with all current rules and guidelines prepared by the Texas Commission on Environmental Quality (TCEQ) or other State Agencies that are applicable to the above listed TAC rule. At a minimum, the audit should involve:

- Collecting data on the key functions of the District, its current procedures and policies, and the structure and qualifications of its staff.
- Analyzing the District's current processes and controls to insure proper accountability and safeguards are in place to protect the public in accordance with applicable State/Federal laws and rules.
- Identifying management strengths and what "good management practices" are currently in place and functioning well.
- Identifying weaknesses and proposing improvements to the current management, policies and/or procedures.
- Presenting the results to the Finance Committee of the District's Board of Directors August 10, 2017 and then again to the Board of Directors (if they so choose) August 30, 2017, both in writing and in person.

To accomplish this Audit, it will be necessary to review, analyze and describe the District's:

- Mission.
- Strategic Planning.
- Organizational Structure.
- Performance Measurement.
- Policies & Procedures.
- Human Resource Management.
- Risk Assessment.
- Fiscal Budget
- Information Management & Technology.
- Fixed Assets.
- Procurement.
- Cash Management.
- Other Matters as Needed.

III. TIME REQUIREMENTS

Request for Proposals issued	February 23, 2017
Due date for proposals	March 23, 2017
Review by Exec Committee (tentative)	April 7, 2017
Date audit may commence (tentative)	April 24, 2017 (or the later date of contract execution)

Twelve copies of a draft of the report should be submitted to the District no later than July 21, 2017.

The final report shall be bound and 30 copies submitted no later than August 18, 2017. Two formal presentations will be required to present audit results to the Finance Committee and to the Board of Directors in August.

IV. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION

District personnel will be available during the Audit to assist the auditing firm (“**Auditor**”) by providing information, documentation and explanations. Coordination between District personnel and the auditing firm will be provided by the District’s General Manager.

The District will provide the Auditor with reasonable work space, tables and chairs. The Auditor will also be provided access to telephone lines, photocopying facilities, internet access and fax machines as needed.

V. PROPOSAL REQUIREMENTS

a) Submission of Proposals.

Sealed proposals shall be addressed to the District’s General Manager, Mr. Chris Wingert, P.E., and delivered to the District as follows:

Hand Delivery: West Central Texas Municipal Water District
410 Hickory Street
Abilene, Texas 79601

Mail: West Central Texas Municipal Water District
P.O. Box 2362
Abilene, Texas 79604

The envelopes shall be clearly marked “**REQUEST FOR QUALIFICATIONS – MANAGEMENT AUDIT**”, and must be received no later than the date and time listed above in order to be considered. Each proposal must include items listed in (c) through (j) below.

b) General Requirements.

The purpose of the technical proposal is to demonstrate the qualifications, competence and capacity of the firm seeking to undertake a TCEQ Independent Management Audit of the District in conformity with the requirements of this RFQ and TCEQ rules and guidelines. As such, the substance of the Proposal will be afforded more weight than its form or manner of presentation. The Proposal should demonstrate the qualifications of the firm and of its principals and staff members who will perform the Audit. It should also describe, in general terms, an approach by the firm to perform the Audit which will meet the requirements stated within this RFQ.

c) Structure.

The proposal should be printed on standard 8½” by 11” paper, suitable for photocopying. It shall include a title page including the name of the submitting firm, the firm’s contact information and date of the Proposal. It should also include a table of contents listing, by topic/subject and page, all information included in the Proposal. Supplementary material, such as company brochures, may be included within the Proposal envelope, but shall be separate from the Proposal itself.

d) Independence.

The firm should provide an affirmative statement that it is independent of the District.

e) Licensed to Practice in Texas.

The Proposal shall include an affirmative statement by the firm indicating that the firm and all assigned key professional staff who would be responsible for preparing this Audit are properly licensed to practice such work in the State of Texas.

f) Firm Qualifications and Experience.

The proposal should state 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, names and individual qualifications of the firm’s key professional staff who will perform the Audit.

g) Partner, Supervisory and Staff Qualifications and Experience.

The firm should identify the principal supervisory and management staff of the firm, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement and indicate whether each person working on the Audit is (or is not) licensed to practice as a certified public accountant in Texas.

h) Work History and References.

The Proposal shall provide a brief history of the firm’s recent experience conducting similar Audits with governmental entities, particularly experience conducting audits for other River Authorities and/or Water Districts who are also subject to 30 TAC §292.13(6). The status of the

Audit, the completion date, and a third party reference should be provided on at least two (2) of the firm's most recent Management Audits, if possible.

The Proposer shall also list (if applicable) any past experience or relationship of the firm with the District and the outcome of, or any problems associated with, such experience or relationship.

i) Fee Structure and estimated time.

The Proposal shall contain the firm's proposed fee structure including hourly rates, overhead, multipliers, incidentals and travel rates. The Proposal shall also provide an estimated time needed to submit the draft and final Audit Reports.

j) Estimated total fee.

Proposer shall provide an estimated price for the work to indicate it is being done for a fair and reasonable price in accordance with Government Code Chapter 2254.

k) Execution.

A qualified individual, authorized to sign on behalf of the proposing company shall sign and date the proposal. His/Her name and position shall be clearly marked below the signature. The company shall provide a certification that the person signing is authorized to execute a contract with the District.

VI. EVALUATION PROCEDURES

Proposals submitted will be evaluated by the District's Executive Committee, assisted by District Staff.

Proposals will be evaluated using three sets of criteria. Firms meeting the mandatory criteria will have their proposals evaluated for both technical qualifications and price. The following represent the principal selection criteria which will be considered during the evaluation process.

a. Mandatory Elements

- (1) The audit firm is independent and licensed to practice in Texas.
- (2) The firm has no conflict of interest with regard to any other work performed by the firm for the District.
- (3) The firm has adhered to the instructions in, and satisfied the requirements of, this RFQ.

b. Technical Qualifications and Experience

- (1) The firm's past experience and performance on prior engagements with the District.
- (2) The firm's past experience and performance on similar engagements with other governmental entities.

- (3) The quality of the firm's professional personnel who will perform the Audit and the qualifications/availability of the firm's management support personnel for technical consultation.

c. **Fee Estimate**

ESTIMATED COST WILL NOT BE THE PRIMARY FACTOR IN THE SELECTION OF AN AUDIT FIRM. The District will review the fee to insure it is fair and reasonable as noted in Item V (j) above.

During the evaluation process, the Executive Committee, at its discretion, may request any one or more of the firms to make an oral presentation. Such presentation will provide firms with an opportunity to answer any questions the Executive Committee may have on a firm's Proposal. Not all firms may be asked to make an oral presentation. The Executive Committee will decide the best solution for the District and execute all necessary agreements with the selected Auditor as required.

Submission of 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 District and the firm selected.

THE WEST CENTRAL TEXAS MUNICIPAL WATER DISTRICT RESERVES THE RIGHT WITHOUT PREJUDICE TO REJECT ANY OR ALL PROPOSALS.