

REQUEST FOR QUALIFICATIONS

Financial Audit Services

CBC (RFQ) #25-01

SOLICITATION POST DATE: February 13, 2025

PROPOSAL DEADLINE: 2:00 p.m. CST/CDT, February 28, 2025

Coastal Bend College

3800 Charco Road

Beeville, TX 78102

(361) 354-2220

REQUEST FOR QUALIFICATIONS (RFQ) #25-01
FINANCIAL AUDIT SERVICES
PROPOSED SOLICITATION SCHEDULE

This schedule may be modified or changed at the sole discretion of Coastal Bend College.

DATE ACTION

February 13, 2025	RFQ issued.
February 28, 2025	Qualifications Statement Submission Deadline
March 4, 2025	Committee deliberates proposals.
March 18, 2025	Board approves committee selection.

PROCUREMENT CONTACT

Millie Templeman, Purchasing Specialist
361-354-2223
mtempleman@coastalbend.edu

I. SCOPE OF WORK

Coastal Bend College ("College") is soliciting sealed qualification statements from qualified firms to provide financial audit services. All work performed must be in compliance with existing federal, state and local codes, statutes and requirements.

Coastal Bend College is a public community college district organized under Chapter 130 of the Texas Education Code and is tax exempt in the State of Texas.

This scope of work covers the requirements to provide annual financial audit services for the College.

a. General

- i. Coastal Bend College consists of a central administration with centralized accounting, data processing, purchasing, and other technical support services for four (4) campus locations.
- ii. The College employs approximately 206 full-time employees and 216 part-time employees. It enrolls approximately 3,800 students.
- iii. The College utilizes Ellucian Colleague ERP software to integrate student and financial data.
- iv. The College's fiscal year ends on August 31. A draft version of the audit should be made available to the CFO and Finance/Audit Committee for review by December 9. The completed audit report shall be presented to the College's Board of Trustees by December 16 and filed with Texas Higher Education Coordinating Board (THECB) by December 31.
- v. Audits of major Federal and State programs shall be performed in accordance with Government Auditing Standards issued by the Comptroller General of the United States; Federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and State awards as required by the State of Texas Single Audit Circular for the College's fiscal year ending August 31 with the audit report due by December 16.

- b. Financial Auditor Responsibilities
 - i. Awarded firm shall express an opinion on fair presentation of the College's financial statements in conformity with generally accepted accounting principles.
 - ii. Awarded firm shall provide detailed program grant audits when requested specifically by a grantor agency.
 - iii. Awarded firm shall provide print-ready financial statements (in PDF format and 20 high quality copies) of the Annual Financial Report to the College on or before December 16.
 - iv. Awarded firm will compile and prepare all financial statements and schedules in the financial section of the Annual Financial Report (AFR) with assistance as required from College staff.
 - v. Awarded firm will complete GASB 68/75 journal entry, GASB 87/96, and notes to the financial statements with assistance as required from College staff.
 - vi. The schedule of federal and state financial assistance and related auditor's report, as required, as well as reports on internal control structure and compliance are to be issued as part of the AFR.
 - vii. Awarded firm shall submit a comprehensive list of requested client-prepared schedules to the College's Controller no later than June 1 of each fiscal year.
 - viii. Awarded firm is not required to opine nor audit the statistical section of the report.
 - ix. Interim field work shall be scheduled the last two (2) weeks of each July based on 6/30/20xx interim financial statements. Fall field work shall be scheduled mid-October through November based on 8/31/20xx financial statements. Periodic weekly progress meetings shall be scheduled during the interim summer/fall field work.
 - x. Awarded firm must have at least five years of experience conducting audits of higher education institutions and preferably community colleges.
 - xi. Awarded firm must be a properly licensed certified public accounting entity, in good standing with, and devoid of any disciplinary actions with the Texas Board of Public Accountancy or the American Institute of Certified Public Accountants.
 - xii. Awarded firm shall meet the independence requirements promulgated by the U.S. Government Accountability Office and the American Institute of Certified Public Accountants.
- c. College Responsibilities
 - i. The introductory and statistical sections of the ACFR will be prepared by the College.
 - ii. The College will prepare the schedule of expenditures of federal and state awards.
 - iii. The College's Controller and accounting staff will assist in audit related work. Work-paper preparation will be done to a large extent by College accounting staff at the direction of the independent auditors.
 - iv. Special Requirements
 - 1. All contractors, subcontractors or company representatives working at any college property or college facility shall wear a clearly visible

name tag, badge, embroidered or labelled uniform shirt, or other personal or company identification at all times. Failure to comply with this requirement could result in removal from the campus until corrected.

2. The Controller will make arrangements for internet access for the audit firm's team and a reasonable workspace.

v. Contract Term

The contract term for a contract awarded from this solicitation will be one (1) year with renewal options of three (3) one-year time periods.

II. EVALUATION CRITERIA

An Evaluation Committee will review all qualification statements according to the criteria stated herein. The committee's evaluations will be based on all available information, including qualification statements, reports, discussions, reference checks, and other appropriate review.

Qualification statements will be evaluated using the following criteria:

Factor Points

Section 1: Qualifications and Experience of Firm and Personnel 40

Section 2: Project Understanding, Approach, and Management 25

Section 3: Transition and Other Audit Services 20

Section 4: References 15

Total 100

The College's Evaluation Committee will evaluate and rank each submittal based on the criteria detailed above.

III. QUALIFICATION STATEMENT RESPONSE REQUIREMENTS

All qualification statements must be submitted by mail to:

Coastal Bend College

Attn: Millie Templeman

3800 Charco Road

Beeville, TX 78102

These requirements include, but are not limited to, the following:

Written Response:

Written Response shall be a single document with a maximum of thirty (30) pages (numbered 1-30). Sections must be in order and clearly labeled as outlined below.

Include a coversheet that includes your firm's name, representative, and contact information. Coversheet does not count towards the 30-page limit.

a. Qualifications and Experience of Firm and Personnel

- i. Include a description of the firm including firm's history and size. Provide information regarding how long the proposer has provided the services requested in this RFQ.

- ii. Describe the firm's experience, expertise, and capabilities with respect to planning, structuring, and execution of financial audit services similar to those that the College might consider.
- iii. Describe previous experience with Coastal Bend College or other public entities and/or colleges. Include how many public entities and/or college accounts are in your current client base. Did your company perform satisfactorily to the terms and conditions of the last award given to your company? Were there any discrepancies, issues or complaints reported concerning your organization's performance?
- iv. Describe any nonprofit experience, particularly with higher education institutions.
- v. Describe any disciplinary action imposed on the local office by the American Institute of Certified Public Accountants (AICPA), state board, state society, Security and Exchange Commission (SEC), or any other regulatory agency during the past five years.
- vi. Describe the results of your firm's and local office's most recent peer review and its status under the AICPA peer review program.
- vii. Provide financial rating of your company and any documentation (such as Dunn and Bradstreet Analysis), which indicates financial stability of your company.
- viii. Describe your firm's experience with the financial reporting requirements of the Texas Higher Education Coordinating Board. What are your firm's capabilities and commitment to provide management services in the field of higher education? Identify any that are unique to this field. Identify your particular expertise that would be beneficial in developing sound management/internal controls for the College.
- ix. What major clients and what community colleges (if not major) have you gained and lost in the local office in the past three years? Why?
- x. Describe the firm's knowledge and experience in federal financial aid review contained in Government Auditing Standards issued by the Comptroller General of the United States, Federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and State awards as required by the State of Texas Single Audit Circular.
- xi. Provide information, if any, on resources your firm will make available to the College in such areas as internal control, systems data processing, budget management, cash management, risk management, grants management, facilities management, personnel management, communications, and state and federal compliances, etc.
- xii. What training does your firm offer its Coastal Bend College client staff?
- xiii. Provide a project staffing plan for the College and provide brief resumes for each key team member detailing their prior financial audit experience and community college experience.
- xiv. What is the size of the office that would perform the audit, i.e. partners, staff, clients served? Identify the partners, managers, and supervisors who would be responsible for the audit. What has been the audit staff turnover experience in the office indicated above? What assurance can be given that staff assigned will have experience at comparable institutions or at least

- higher education, public sector or fund accounting experience? What is your firm's policy of staff and management rotation? Indicate how you will provide assurance of staff continuity.
- xv. How are continuing education requirements met for your staff and partners? Give specifics on how they relate to higher education, single audit, internal controls, etc. Identify how members of the engagement team satisfied the continuing professional education hours required by Government Auditing Standards.
- b. Project Understanding, Approach, and Management
 - i. Include your management and technical approach, as well as a brief description of all the relevant services offered by your firm. Include details pertaining to your firm's approach and capabilities as are relevant to this request for qualifications.
 - ii. Provide information on your firm's audit approach, tools and techniques. Include firm's ability and experience to assist the College with preparation of the ACFR, in accordance with Governmental Accounting Standards Board (GASB) rules, THECB reporting requirements and other applicable guidelines.
 - iii. Provide information regarding the proposed time schedule for both interim and year-end. Indicate if it would be different in future years.
 - iv. Identify your approach to the audit of automated systems. Would software packages used by your firm be available for College use? If yes, describe the software, opportunities for use by the College and impact to the College.
 - v. List any value-added services your company provides.
 - c. Transition and Other Audit Services
 - i. Indicate ways in which the College's resources might be used to contain audit costs.
 - ii. Address the impact to the College regarding the transition to a new financial audit firm, indicating the approach to be taken, time involved, etc.
 - iii. What commitments will your firm make with respect to accessibility of the partners and managers assigned to our engagement to the College's senior officers and key financial employees?
 - iv. Why is the College important to your firm as a client?
 - d. Other services
 - i. Describe your process for receiving and tracking client-prepared schedules and supporting documentation.
 - ii. What is your philosophy regarding the management letter content and use?
 - e. References
 - Include references for the following:
 - i. The proposer shall provide at least five (5) references on recent projects for which the proposer's company is currently providing or has provided the same type and level of service required in this RFQ within the past three years. Include the name, telephone number, and valid email address of a reference person who may be contacted for further information. It is highly preferable that these references are other colleges or public sector accounts comparable in size or larger.

- ii. All references will be contacted by email. Evaluations will be based on responses received from references. It is advisable to notify your references ahead of time that a reference will be requested by email.
- f. List of Response Attachments:
 - Include the following documents:
 - i. Written Response
 - ii. Conflict of Interest Form

IV. ACRONYMS AND DEFINITIONS

The acronyms and definitions referenced in this solicitation are described in this attachment.

Acronym Definition

AFR Annual Financial Report

AICPA American Institute of Certified Public Accountants

ACFR Annual Comprehensive Financial Report

FASB Financial Accounting Standards Board

GAAP Generally Accepted Accounting Principles

GAS Government Auditing Standards

GASB Governmental Accounting Standards Board

GFOA Government Finance Officers Association

NACUBO National Association of College and University Business Officers

OGM Office of Grants Management

OMB Office of Management and Budget

SEC Security and Exchange Commission

THECB Texas Higher Education Coordinating Board

CBC CONFLICT OF INTEREST DISCLOSURE STATEMENT

Coastal Bend College (CBC) is required to comply with Texas Local Government Code Chapter 176, Disclosure of Certain Relationships with Local Government Officers. House Bill 23 significantly changed Chapter 176 as well as the required disclosures and the corresponding forms. As of September 1, 2015, any vendor who does business with CBC or who seeks to do business with CBC must fill out the new Conflict of Interest Questionnaire (CIQ) whether or not a conflict of interest exists. A conflict of interest exists in the following situations:

- 1) If the vendor has an employment or other business relationship with a local government officer of CBC or a family member of the officer, as described by section 176.003(a)(2)(A) of the Texas Local Government Code; or
- 2) If the vendor has given a local government officer of CBC, or a family member of the officer, one or more gifts with the aggregate value of \$100, excluding any gift accepted by the officer or a family member of the officer if the gift is: (a) a political contribution as defined by Title 15 of the Election Code; or (b) a gift of food accepted as a guest; or
- 3) If the vendor has a family relationship with a local government officer of CBC.

“Vendor” means a person who enters or seeks to enter into a contract with a local governmental entity. The term includes an agent of a vendor. The term includes an officer or employee of a state agency when that individual is acting in a private capacity to enter into a contract. The term does not include a state agency except for Texas Correctional Industries. *Texas Local Government Code 176.001(7)*.

“Business relationship” means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on: (A) a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity; (B) a transaction conducted at a price and subject to terms available to the public; or (C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency. *Texas Local Government Code 176.001(3)*.

“Family relationship” means a relationship between a person and another person within the third degree by consanguinity or the second degree by affinity, as those terms are defined by Subchapter B, Chapter 573, Government Code. *Texas Local Government Code 176.001(2-a)*.

“Local government officer” means: (A) a member of the governing body of a local governmental entity; (B) a director, superintendent, administrator, president, or other person designated as the executive officer of a local governmental entity; or (C) an agent of a local governmental entity who exercises discretion in the planning, recommending, selecting, or contracting of a vendor. *Texas Local Government Code 176.001(4)*.

- ***CBC Board of Trustees and College President include:***

Dr. Justin Hoggard, <i>College President</i>	Kevin Behr
Jeff Massengill, <i>Board Chair</i>	Victor Gomez
Jerry Sanchez, <i>Board Vice Chair</i>	Eloy Rodriguez
Mercy Flynn, <i>Secretary</i>	Velma Elizalde

- ***Current local government officers include, but are not limited to:***

- Dr. Justin Hoggard, *President*
- Dr. David Byrd, *Vice President of Student Success & Engagement*
- Dr. Dreand Johnson, *Vice President of Instruction*
- Jacinto Colmenero, *Facilities Director*
- Michael D Rowlett, *Director, Information Technology*

If no conflict of interest exists, you must fill out Box 1 and type N/A on Box 3 of the CIQ form, sign and date it. In the event of changed circumstances, an updated CIQ must be filed within seven (7) business days after the vendor becomes aware that a conflict of interest exists.

CONFLICT OF INTEREST QUESTIONNAIRE
For vendor doing business with local governmental entity

A complete copy of Chapter 176 of the Local Government Code may be found at <http://www.statutes.legis.state.tx.us/Docs/LG/htm/LG.176.htm>. For easy reference, below are some of the sections cited on this form.

Local Government Code § 176.001(1-a): "Business relationship" means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on:

- (A) a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity;
- (B) a transaction conducted at a price and subject to terms available to the public; or
- (C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency.

Local Government Code § 176.003(a)(2)(A) and (B):

(a) A local government officer shall file a conflicts disclosure statement with respect to a vendor if:

(2) the vendor:

- (A) has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income, other than investment income, that exceeds \$2,500 during the 12-month period preceding the date that the officer becomes aware that
 - (i) a contract between the local governmental entity and vendor has been executed;
 - or
 - (ii) the local governmental entity is considering entering into a contract with the vendor;
- (B) has given to the local government officer or a family member of the officer one or more gifts that have an aggregate value of more than \$100 in the 12-month period preceding the date the officer becomes aware that:
 - (i) a contract between the local governmental entity and vendor has been executed; or
 - (ii) the local governmental entity is considering entering into a contract with the vendor.

Local Government Code § 176.006(a) and (a-1)

(a) A vendor shall file a completed conflict of interest questionnaire if the vendor has a business relationship with a local governmental entity and:

- (1) has an employment or other business relationship with a local government officer of that local governmental entity, or a family member of the officer, described by Section 176.003(a)(2)(A);
- (2) has given a local government officer of that local governmental entity, or a family member of the officer, one or more gifts with the aggregate value specified by Section 176.003(a)(2)(B), excluding any gift described by Section 176.003(a-1); or
- (3) has a family relationship with a local government officer of that local governmental entity.

(a-1) The completed conflict of interest questionnaire must be filed with the appropriate records administrator not later than the seventh business day after the later of:

- (1) the date that the vendor:
 - (A) begins discussions or negotiations to enter into a contract with the local governmental entity; or
 - (B) submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential contract with the local governmental entity; or
- (2) the date the vendor becomes aware:
 - (A) of an employment or other business relationship with a local government officer, or a family member of the officer, described by Subsection (a);
 - (B) that the vendor has given one or more gifts described by Subsection (a); or
 - (C) of a family relationship with a local government officer.