



## REQUEST FOR PROPOSAL

# Professional Audit Services

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**DUE DATE: July 2, 2026**

**TIME: 5:00 P.M. CST**

**City of Coleman, Texas**

**P.O. Box 592**

**200 West Liveoak Street**

**Coleman, Texas 76834**

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Committed to our Residents, **Organizational Pride**, **Leading by Example**, **Excellent Customer Service**,  
**Making a Difference**, **Accountable** for our actions, **Never settle for less** – We are **COLEMAN**

## I. INTRODUCTION

### 1.1 Purpose of Request

The City of Coleman (the “City”) is soliciting proposals from qualified firms of certified public accountants to audit its financial statements, including those of its component units, the Coleman EDC, Inc., a Type A economic development corporation, and the Coleman Community Coalition, a Type B economic development corporation for the fiscal year(s) ending September 30, 2026 and September 30, 2027, with the option of auditing the City’s financial statements for two (2) subsequent fiscal years. These audits are to be performed in accordance with generally accepted auditing standards, the standards set forth for financial audits in the U.S. General Accounting Office's (GAO) *Government Auditing Standards*, the provisions of the federal Single Audit Act, as amended, and Uniform Guidance 2 CFR Part 200 Subpart F.

### 1.2 Proposed costs

There is no expressed or implied obligation for the City to reimburse responding firms for any expenses incurred in preparing proposals to respond to this request.

### 1.3 Right to clarify

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, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

### 1.4 Retention of proposals

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 RFP, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City and the firm selected.

### 1.5 Anticipated schedule

It is anticipated that evaluation and ranking of firms will be completed by July 16, 2026, with negotiations and City Council appointment of the selected firm to follow in accordance with Texas Government Code Chapter 2254.

### 1.6 Term of engagement

A two-year contract, with an option for extending it for two additional years, is contemplated, subject to the satisfactory negotiation of terms (including a price acceptable to both the City and the selected firm), and concurrence of the City Council.

### 1.7 Subcontracting

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

## II. CRITERIA FOR EVALUATION/AWARD

### 2.1 Basis of evaluation and award

The City will select the firm on the basis of demonstrated compliance to perform the services required by the request for proposals. The firm selected must have a minimum of (5) five years of experience in conducting audits for municipalities and shall possess all of the qualifications and

meet all applicable standards for conducting municipal audits for the scope of the project described herein. The evaluation criteria will include assessment of the following factors:

- Years of experience of the firm and audit team in performing audits of municipal governments.
- Qualifications of personnel to be assigned as engagement partner, manager, and other members of the audit team.
- Knowledge of the reporting requirements as well as the basic concepts and conventions underlying local government accounting and financial reporting principles.
- The firm's knowledge of computerized fund accounting systems and its history of engagements of evaluating such systems.
- The overall satisfaction of other municipalities with the firm's services.

### **III. SCOPE OF AUDIT SERVICES REQUIRED**

#### **3.1 Audit opinion**

The City desires the auditor to express an opinion on the fair presentation of the City's and its component units, general purpose financial statements in conformity with generally accepted accounting principles.

#### **3.2 Audit standards and Single Audit**

To meet the requirements of this RFP, the audit should be performed in accordance with Generally Accepted Auditing Standards (GAAS) as set forth by the American Institute of Certified Public Accountants, the standards for financial audits set forth in the U.S. General Accounting Office's *Government Auditing Standards*, the provisions of the federal Single Audit Act, as amended, and Uniform Guidance 2 CFR Part 200 Subpart F. Additionally, the single audit work will be conducted in accordance with accepted governmental auditing standards to meet all federal grant audit requirements. Single Audit procedures shall be required only if the City meets the applicable federal expenditure threshold during the audit year.

#### **3.3 Client-prepared schedules**

The auditors should submit a list of requested and agreed-upon client-prepared schedules to the City's Finance Director prior to the start of fieldwork. Because the accounting division must carry on its normal operations during the audit, the auditor should coordinate timing and information requests with City staff.

#### **3.4 Successor auditor cooperation**

In addition, the firm shall respond to reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

#### **3.5 Working Paper Retention and Access to Working Papers**

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 City of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the Finance Director, and/or the City Manager of the City.

#### **3.6 Reports, Schedules, and Statements to be Issued**

Following completion of the audit of the fiscal year's financial statements, the auditor shall issue the reports and schedules listed below, including the independent auditor's report on the financial statements, reports on internal control and compliance, schedule of findings and questioned costs, and other required communications.

- ◆ An independent auditor's report on the fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America.
- ◆ An independent auditor's report on the compliance and internal control over financial reporting based on an audit of the financial statements performed in accordance with governmental auditing standards.
- ◆ An independent auditor's report on the compliance with requirements applicable to each major program, internal control over compliance and schedule of expenditures of federal awards in accordance with Uniform Guidance 2 CFR Part 200 Subpart F.
- ◆ A schedule of findings and questioned costs.
- ◆ A summary schedule of prior audit finding and corrective action plan.
- ◆ Auditor's letter of recommendations to management.

### **3.7 Internal control and compliance communications**

In the required reports on internal control and compliance, the auditor shall communicate all reportable conditions, material weaknesses, and instances of noncompliance identified during the audit, and shall provide a separate letter of recommendations to management as appropriate.

### **3.8 Communications with City Council**

Auditors shall assure themselves that the City's governing body is informed of the auditor's responsibilities, significant accounting policies, judgments and estimates, significant audit adjustments, disagreements with management, and other matters required by GAAS, and may be required to present such information to the City Council.

## **IV. BIDDING INSTRUCTIONS/REQUIREMENTS**

### **4.1 Filing**

One (1) original, one (1) electronic copy suitable for reproduction by the City, and three (3) copies of the proposal package must be submitted no later than 5:00 p.m. CST on July 2, 2026. The electronic copy shall be submitted in PDF format on a USB drive. Email submissions will not be accepted.

Submit Proposal clearly marked  
PROFESSIONAL AUDIT SERVICES  
PROPOSAL to:

City of Coleman  
James King  
Acting City Secretary  
200 West Liveoak Street  
P.O. Box 592  
Coleman, Texas 76834

No proposal will be accepted after 5:00 p.m. CST on July 2, 2026. Late proposals will be returned unopened to the proposer. Because this procurement involves professional services under Texas Government Code Chapter 2254, proposals will not be publicly opened or read aloud.

#### **4.2 Additional Information**

The City reserves the right to request additional information or to meet with representatives from proposing organizations to discuss points in the proposal before and after submission, any and all of which may be used in forming a decision to select the accounting firm.

#### **4.3 Negotiation of fees**

In accordance with Section 2254.003 of the Government Code, the City retains the right to negotiate the professional fees with the accounting firm selected. Negotiations may be conducted with responsible respondents who submit proposals that are reasonably susceptible of being selected. Firms will be ranked in order of preference and contract negotiations will begin with the top-ranked firm. Should negotiations with the highest-ranked firm fail to yield a contract, or if the firm is unable to execute said contract, negotiations will be formally ended and then commence with the second-highest-ranked firm, and so on.

#### **4.4 Rejections**

The City reserves the right to reject any and all proposals and to accept the proposal deemed most advantageous to the City.

#### **4.5 Key personnel resumes**

The resumes of key personnel should be included as an appendix to the proposal. The proposing firm will designate and commit individuals to perform the audit work. At a minimum, the Audit Partner, Manager, Site Supervisor and Direct Support Staff should be provided.

#### **4.6 Additional information**

Any additional data may be included in the proposal at the proposer's discretion. Please include such material as an appendix.

#### **4.7 Appointment**

The final appointment of an audit firm will be made by the Coleman City Council.

#### **4.8 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 as specified in 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, manuals and programs, and financial and other management information systems.

#### **4.9 Sealed dollar cost bid**

Firms may submit a separate sealed fee proposal containing pricing information relative to the audit engagement described in this RFP. Pricing information will be considered during contract negotiations following evaluation and ranking of firms based on qualifications.

## V. DISCLOSURES

### 5.1 **Insurance requirements**

The selected firm shall maintain, throughout the term of the engagement, insurance coverage issued by companies authorized to conduct business in the State of Texas and acceptable to the City. The selected firm shall provide certificates of insurance upon request by the City.

At a minimum, the selected firm shall maintain the following coverage:

- Professional Liability / Errors and Omissions Insurance
- Commercial General Liability Insurance
- Workers' Compensation Insurance in accordance with Texas law

The City reserves the right to request proof of coverage limits, endorsements, or additional insured status where applicable.

### 5.2 **Certificate of Interested Parties – Form 1295**

The successful proposer is required to complete online and notarize the Certificate of Interested Parties Form 1295, and the form must be submitted to the City prior to the appointment of the audit firm by the City Council. The form may be completed at: [https://www.ethics.state.tx.us/whatsnew/elf\\_info\\_form1295.htm](https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm).

### 5.3 **Conflict of Interest Disclosure Requirement**

Pursuant to Chapter 176 of the Local Government Code, any person or agent of a person who contracts or seeks to contract for the sale or purchase of property, goods, or services with a local governmental entity (i.e. The City of Coleman) must disclose in the Questionnaire Form CIQ (“Questionnaire”) the person’s affiliation or business relationship that might cause a conflict of interest with the local governmental entity. By law, the Questionnaire must be filed with the Coleman City Secretary no later than seven days after the date the person begins contract discussions or negotiations with the City, or submits an application or response to a request for proposals or bids, correspondence, or another writing related to a potential agreement with the City. Updated Questionnaires must be filed in conformance with Chapter 176. The form is available at <http://www.ethics.state.tx.us/forms/CIQ.pdf>. If you have any questions about compliance, please consult your own legal counsel. Compliance is the individual responsibility of each person or agent of a person who is subject to the filing requirement. An offense under Chapter 176 is a Class C misdemeanor.

**VI. CERTIFICATION**

The undersigned affirms that they are duly authorized to execute this contract, that this RFP has not been prepared in collusion with any other firm, and that the contents of this RFP have not been communicated to any other firm prior to the official opening of this RFP.

Signed By: \_\_\_\_\_ Title: \_\_\_\_\_

Typed Name: \_\_\_\_\_ Company Name: \_\_\_\_\_

Phone No.: \_\_\_\_\_ Fax No.: \_\_\_\_\_

Email: \_\_\_\_\_

Bid Address: \_\_\_\_\_  
P.O. Box or Street                      City                      State                      Zip

Federal Tax ID No.: \_\_\_\_\_

Date: \_\_\_\_\_