

WELLBORN SPECIAL UTILITY DISTRICT
REQUEST FOR PROPOSALS WITH QUALIFICATIONS
FOR AUDIT SERVICES FOR THE FISCAL YEAR 2024

Introduction and Instructions

Wellborn Special Utility District (the "District") requests proposals with qualifications from qualified accounting firms to perform an annual audit of the financial condition of the District for the fiscal year ending December 31, 2024 in accordance with Texas Water Code §49.191-199.

Please mail Proposals with Qualifications to the attention of:

Wellborn Special Utility District
Attn: Campbell Young, General Manager
P.O. Box 250
Wellborn, Tx 77881

In responding to this Request for Proposal with Qualifications ("Request for Proposal") 2 copies of the proposal with qualifications ("Proposal") must be delivered on or before October 25, 2024, at 5:00 PM. The envelope containing the Proposal must be sealed and plainly marked "Proposal and Qualifications for Annual Audit Services". The Proposal must include the following information:

1. Cover letter signed by person(s) authorized to enter into contracts on behalf of the accounting firm;
2. Firm background, qualifications, experience in performing annual audits, experience in performing audits for Special Utility Districts or other public entities, and references;
3. Scope of work/services to be performed, including a comprehensive annual audit plan and estimated time requirements;
4. Evidence of insurance as required herein;
5. Proposed pricing information; and,
6. Draft copy of any proposed audit engagement letter or agreement.

It is the responsibility of the respondent to this Request for Proposal (the "Respondent") to clearly mark and identify all portions of the Proposal which, in the Respondent's opinion, contain trade secrets, confidential information, and other proprietary information. The District intends that trade secrets and confidential information contained in the Proposals and clearly identified as such will not be open for public inspection at any time even after the contract has been awarded and executed, and whether or not the Respondents selected.

Following the October 23, 2024, deadline for submission of the Proposals, the Board of Directors of the District will review all proposals and award a contract for audit services at its meeting on November 19, 2024. The District will authorize its attorney and staff to negotiate details of a proposed contract, which will be effective immediately or as soon as practicable thereafter.

The District reserves the right to accept any Proposal or to reject any or all Proposals, to waive irregularities and/or informalities in a Proposal, and to negotiate a contract with any Respondent in any manner, consistent with law, deemed in the best interest of the District. Negotiations may be conducted with respondents deemed to be within a final competitive range; however, the District reserves the right to award a contract for audit services without negotiations.

District Background

Wellborn Special Utility District was established in 1963 serving approximately 150 customers. As of December 31, 2024, we were serving 9683 customers spread across 267 square miles using a network of 489 miles of pipe. The District currently utilizes a Surface Water Treatment Plant, 8 groundwater wells, 6 elevated towers with a total storage capacity of 2.7 million gallons. The District can produce up to 5 million gallons of water per day. For emergency purposes, Wellborn SUD has interconnections with the City of College Station, City of Bryan and Wickson SUD.

The source of drinking water used by Wellborn SUD is surface and ground water. It comes from the Yegua and Simsboro Aquifers and Navasota River located in Brazos County and Robertson County, as well as water purchased from the City of Bryan and the City of College Station.

Additional information about the District can be found at www.wellbornsud.com, and any questions regarding the District or this Request for Proposal should be directed to cyoung@wellbornsud.com. The failure of any respondent to familiarize itself with the requirements of the services to be provided shall not relieve the Respondent of any commitments contained within the Proposal. No additional compensation will be granted due to a lack of knowledge, or familiarity with such requirements.

District Objectives

The contract for audit services awarded pursuant to this Request for Proposal will be for the fiscal year ending December 31, 2024.

The District seeks a qualified accounting firm to provide the following services (collectively the "Audit Services"):

1. Meet with the Budget Committee prior to commencement of the audit process to review audit plan and schedule;
2. Prepare W-2's and 1099's from information provided in early January;
3. Perform an audit of the financial condition of the District in accordance with Texas Water Code §49.191-199;
3. Meet with the Budget Committee upon conclusion of the audit review to discuss audit scope, audit findings, a preliminary draft of the audit report and recommended actions;
4. Prepare and present a final audit report to the Board of Directors of the District by April 1, 2024, and provide 20 bound copies of such audit report to the District;
5. Prepare and present a management letter with comments and suggestions for constructive improvements;
6. Prepare the USDA Statement of Budget, Income and Equity;
7. Maintain copies of all audit working papers and provide same to employees and directors of the District upon request; and
8. Retain, at the Respondent's expense, all working paper add reports for a minimum of five (5) years, unless notified in writing by the District that the retention period must be extended, and make such papers and reports available to the District or third parties upon the District's authorization;

The Respondent must demonstrate the capability to perform the annual audit and Audit Services in accordance with generally accepted governmental auditing standards.

Proposal Content

Cover Letter: Include a letter transmitting the proposal to the General Manager of the District. This letter should indicate that the proposal is for the Audit Services, provide the date of the submittal, and be signed by a person authorized to contractually bind the Respondent. The letter should include the full name of the Respondent, address for service of legal notices, name, and telephone number of an authorized contact person, and indicate the legal status of the Respondent, whether corporation, partnership, or individual.

Firm Background, Qualifications, Experience, and References: Provide a brief description and history of the firm including current size, and how many persons in the firm are directly engaged in providing auditing or accounting services. Discuss the firm's experience in providing the proposed service to other public entities or organizations of comparable size, whether locally, regionally, or nationally, and provide a list of such organizations. Provide references from three (3) recent audit engagements, and include the audited organization's name, address, contact person, and telephone number. Identify accountant(s) that will serve as the primary contact person for the District, and discuss in detail his or her qualifications. Describe any characteristics, values, audit philosophies or procedures, or technology of the firm that might distinguish it from other Respondents. Make a statement concerning the independence of the firm, including disclosure of any direct or indirect financial interests and the relationship of the proposed audit team to any employees of the District. State whether the firm is currently under a public or private reprimand by the Texas State Board of Public Accountancy or other licensing board.

Scope of Work, Audit Plan and Services to be Performed: Describe how the firm would approach the audit of the District. Provide a comprehensive audit plan with details on procedures to be implemented and a detailed description of each task to be performed and service to be provided, the expected completion dates of each task or service, and the estimated personnel and time requirements for such task or service. State which members of the audit team will be responsible for planning, directing, and conducting substantial aspects of the Audit Services. In addition, the audit plan should include, without limitation, information on personnel to be utilized in completing the audit services (including educational background and licenses), quality control and review methods, and any additional services that might be recommended.

Evidence of Insurance: Provide evidence of coverage of insurance or ability to obtain coverage in appropriate amounts and types, but at a minimum, in the limits specified below:

Coverage Coverage Limit

- Worker's Compensation Statutory
- Comprehensive and General Public Liability \$1,000,000 per occurrence
- Comprehensive and General Public Liability \$1,000,000 aggregate
- Professional Liability or Errors and Omissions \$1,000,000 per occurrence
- Professional Liability or Errors and Omissions \$1,000,000 aggregate

Pricing Information: Set forth your full fee proposal and billing procedures for the 2024 Audit Services, and prepare a billing proposal for questions on technical matters that may arise throughout the year. Furnish current standard billing rates for classes of professional personnel, estimated number of billable

hours, other billable expenses, any discounts that may be applied, and a not-to-exceed fee for the audit, inclusive of all out of pocket expenses.

Proposal Selection

Evaluation: Proposals will be evaluated based upon a review of the materials submitted in response to this Request for Proposals, the quality and comprehensiveness of the proposed audit plan, pricing and cost information, interviews with senior personnel, results of discussions with other clients, the Respondent's record of experience, and the Respondent's completeness and timeliness in its Proposal, among other factors. The proposal selected by the District will be the one which best meets the needs of the District in the most cost effective manner, which assures compliance with any applicable laws and regulations, and which represents the best value to the District. Cost will not be the primary factor in the selection of a firm.

The District may utilize sources of information not supplied by the Respondent concerning the abilities to perform the Audit Services. Such sources may include, but are not limited to, current or past clients of the Respondent, licensing boards, and background research firms.

Disqualification of Respondents: Although not intended to be an exhaustive list of causes for disqualification, any one or more of the following causes, among others, may be considered sufficient for the disqualification of a Respondent and the rejection of a proposal:

- Evidence of collusion among Respondents;
- Failure to address each of the requirements as stated in this Request for Proposals; and
- Lack of competency as availed by reference to previous audit work, interviews with previous clients, or other factors.

Selection of Proposal and Award of Contract: After consultation with appropriate committee members, consultants, and employees, the Board of Directors of the District expects to select a Proposal and award the contract at its November 19, 2024, board meeting. Formal execution of a contract or engagement Audit agreement will be subject to the review of such contract or agreement by counsel for the District and formal approval by its Board of Directors.

Interviews: The Board will determine whether acceptance of the most favorable initial proposal without discussion is appropriate, or whether interviews should be conducted with Proposers. The District may ask Proposers to send a representative for an oral interview prior to Board of Director approval of a proposal. The District will not be liable for the costs incurred by the proposer in connection with such interview

Negotiations: The District may negotiate with the top two rated Proposers whose proposal meets the needs of the District. Each Proposer interviewed may be allowed to submit a final supplement called a "best and final offer."

Best and Final Offer: The best and final offer will contain all information and documents necessary to state the Proposer's entire proposal without reference to the original proposal or to any supplements that may have been submitted during negotiations. All Proposers that submit best and final offers will be evaluated by the Board, based upon those best and final offers.

Discrimination Prohibited. Proposers, in the execution, performance, or attempted performance of this service, shall not discriminate against any person or persons because of sex, race, religion, color, or national origin. The Proposer selected must be an equal opportunity employer.