Beaumont Firemen's Relief & Retirement Fund

REQUEST FOR PROPOSALS
FOR
INDEPENDENT FINANCIAL AUDITING SERVICES

Issuer:

Beaumont Firemen's Relief & Retirement Fund
1515 Cornerstone Ct.
Beaumont, TX 77706

October 2024

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Request for Proposal
Independent Financial Auditing Services

1.0 Invitation to Submit Proposal

The Beaumont Firemen's Relief & Retirement Fund (BFRRF or the "Fund") through its Administrator, Joni Hanley, is requesting proposals from qualified independent public accounting firms, licensed to practice in the State of Texas, to conduct independent annual audits of the financial statements of the Fund in accordance with generally accepted auditing standards and to express an opinion as to whether the financial statements present fairly in all material respects, the financial status of the Fund. The audit shall include testing of the accounting and other supporting documentation and records as deemed necessary by the independent auditor in order to express such an opinion.

All inquiries and contact with BFRRF regarding this request for proposal should be directed to:

Joni Hanley, Plan Administrator
Beaumont Firemen's Relief & Retirement Fund
1515 Cornerstone Ct., Beaumont, TX 77706
Voice 409-866-1526 Fax 409-866-1536
Joni.Hanley@Bmtfirepension.com

All written inquiries and answers will be provided to all parties that have expressed an interest in responding to this request for proposal (RFP). Only written responses will be binding upon the BFRRF.

1.1 Pension Plan Background and General Information

The BFRRF is a single-employer contributory defined benefit plan qualified as a tax-exempt entity under section 401(a) and 501(a) of the Internal Revenue Code and we intend to maintain it as a qualified Fund. The plan provides retirement, disability, and death benefit protection to its members and their beneficiaries. A member's pension benefit is based on a predetermined formula measured by salary and service credit.

The BFRRF is administered by a seven-member Board of Trustees, which includes three firefighters, the City Finance Officer or appointee, the Mayor or Mayor Representative and two civilians. The Board of Trustees formulates administrative policies and procedures, and authorizes benefit payments to members and the trust funds.

The BFRRF Board of Trustees meets monthly. The BFRRF also submits a Financial Report for each fiscal year ending on December 31st to the City of Beaumont and the Pension Review Board.

Outside consultants are utilized for particular investment expertise and retained to assist the BFRRF Board and Staff in the areas of establishing strategy, policy, and guidelines; portfolio construction and needs assessment; manager searches, due diligence, research, and monitoring; client support including recommendations, reporting, education, and attendance at meetings. Mariner Wealth Advisors is the general investment consultant for the BFRRF responsible for asset liability modeling studies, asset allocation policy, and public market consulting. Salem Trust Co. is BFRRF's custodian and is responsible for providing asset valuation and transactional detail for the public market securities.

All of the BFRRF assets are currently managed by outside investment management firms; no assets are managed internally. Information regarding the BFRRF plan allocation and investment portfolios as of December 31, 2023 is contained in Appendix A for your reference.

The Financial Report is prepared in conformity with the principles of government accounting and most current reporting pronouncements of the Government Accounting Standards Board (GASB) and Generally Accepted Accounting Principles (GAAP). The Financial Report is prepared on an accrual basis of accounting each fiscal year.

1.2 Contact Person

All communication regarding RFP-related matters should be directed to Joni Hanley, Plan Administrator, or Shayna Jewett, Benefits Coordinator.
1515 Cornerstone Ct, Beaumont, TX 77706
Joni.Hanley@Bmtfirepension.com Shayna.Jewett@Bmtfirepension.com
Voice 409-866-1526 Fax 409-866-1536

1.3 Tentative Timetable

Question Deadline: Question Deadline: November 15, 2024
RFP Response Deadline: December 1, 2024
Board Evaluation and Recommendation: December 9, 2024
Board decision on Audit Firm: December 18, 2024

1.4 General

No Offeror shall issue a news release regarding any aspect of this RFP without prior written approval from the BFRRF Plan Administrator.

1.5 Scope of Project and Services

The Beaumont Firemen's Relief & Retirement Fund is issuing this request for proposal to conduct an independent examination and audit of the Fund's financial statements for one year ending December 31, 2024, with the hopeful possibility of a long term relationship.

A management letter is required at the conclusion of the audit and should include a statement of audit findings and recommendations affecting the financial statements, internal controls, accounting system and other related matters of material concern.

Beginning with the calendar year 2024 audit, a draft of the audit reports for the year is required to be in our office no later than July 1st of the following year. The audit firm is also required to make a presentation to the Board at the July meeting following completion of the final audit. Fifteen (15) copies of the management letter are required each year.

A copy of BFRRF's audited financial statements for the year ending December 2023 is available on request.

1.6 Proposal Submission Requirements

The audit firm shall submit an original and fifteen (15) copies of a written proposal in a sealed package labeled "Proposal for Independent Audit of Financial Statements" bearing the name and address of the bidder and signed by an authorized official. The submission shall be sent to:

Joni Hanley, Plan Administrator
Beaumont Firemen's Relief & Retirement Fund
1515 Cornerstone Ct
Beaumont, TX 77706

Proposals must be received on or before **December 1, 2024**. Failure to meet the deadline may result in rejection of the proposal.

A proposal submission should have the following content:

1. A title page indicating the date, subject, audit firm name, address, phone number, contact name, title, and contact phone number.

2. An executive summary.

3. Background information on your audit firm, including ownership, principals, and the firm's history, experience, and areas of practice.

4. Biographies for members of your firm who will work on the audit, including their prior experience with conducting public sector audits and their work with Comprehensive Annual Financial Reports ("CAFR") and the Government Finance Office Association (GFOA) requirements.

5. Discussion on public sector audits which your firm has previously conducted, including specific issues addressed in those audits.

6. A statement of your firm's potential conflicts of interest, should your firm be selected for this project.

7. A brief explanation of any litigation or regulatory proceedings currently pending against your audit firm or which have been concluded within the past five (5) years. If so, provide a brief explanation and indicate current status.

8. References from three (3) public sector organizations the audit firm has completed audits on.

9. A description of your auditing philosophy.

10. Narrative on the strengths and limitations of your approach to auditing for the public sector.

11. A statement addressing the Board's requirement in the their audit contracts that the auditors of the BFRRF financial statements conform to the independence standard promulgated in the General Accounting Office's Government Auditing Standards even for audit engagements that are not otherwise subject to generally accepted government auditing standards.

12. A step by step work plan from initial meetings, preliminary field work, receipt of data, final audit and management report distribution and presentation to the Board of Trustees; include a time line for this project. Include discussion within your time line on additional work required to begin the project. The final presentation to the Board of Trustees will be at the June, 2025 Board meeting.

13. Discussion addressing your GFOA experience, if any, and what assistance you can provide BFRRF in developing a CAFR.

14. Discussion on how you will notify BFRRF of relevant changes in GAAP during the year prior to the audit.

15. A sample public sector audit that you have completed recently.

16. A description of the audit firm's fee structure itemized by type of service for all services as described in this RFP.

17. Disclosure as to whether the audit firm plans to use subcontractors; if so, disclose the name(s) of the subcontractor(s), the service(s) to be subcontracted and how the contractor controls cost, quality, timeliness, and confidentiality of these service(s).

18. A statement regarding information required from BFRRF and the extent of Staff and Board involvement necessary to ensure a successful and timely audit.

19. Additional information about your firm, approach to the work effort, Staff, etc., that you feel is appropriate.

Nonconformance with these submission requirements may result in rejection of the proposal.

All proposals submitted become the property of BFRRF and will not be returned. Any information that the audit firm includes in its proposal which it considers proprietary or confidential must be so marked.

All proposals shall be considered valid for acceptance for a period of 120 days or until awarded, whichever is sooner.

Materials belonging to BFRRF or the project will be safeguarded by the successful audit firm to at least the same extent as the successful audit firm safeguards proprietary information relating to its own business.

Audit Firm Travel Expenses: All travel expenses, if any, are to be included in the proposed fee.

1.7 Selection Process

BFRRF will evaluate audit firm proposals for completeness and compliance with the requirements presented in this solicitation. Failure to meet all of these requirements, or substantial deviations from specifications or other solicitation requirements, may result in rejection of the entire bid without further consideration.

BFRRF will review all proposals and audit firm qualifications to determine a ranking. In evaluating or ranking proposals, BFRRF, in its sole discretion, without the need to state any reason or justification and without liability of any kind to the audit firms, may reject any or all proposals in its sole judgment and discretion as deemed appropriate.

The award shall be made to the audit firm whose proposal is deemed most advantageous to BFRRF.

The factors to be utilized by BFRRF in evaluating the proposals will include, but not limited to the following:

- Experience with public pension plan administration processes and procedures
- Experience with auditing at other public retirement systems
- Quality of references provided with preference given to references that include experience with the audit firm's proposed staff
- Clarity, completeness, and content of proposed work plan and deliverables and ability to meet BFRRF's timetable

BFRRF will evaluate cost information for completeness and mathematical accuracy.

BFRRF may call to the attention of the audit firms, for discussion and correction, minor problems of completeness or compliance.

BFRRF reserves the right to require additional information from bidders, and to conduct necessary investigations to determine responsibility of bidders or to determine accuracy of bid information.

BFRRF may contact audit firm references during the initial evaluation or at a later stage in the evaluation process.

BFRRF will notify unsuccessful audit firms in writing following the completion of the contract award.

1.8 Rights Reserved to BFRRF

BFRRF reserves the right to award in part, to reject any and all proposals in whole or part, and to waive technical defects, irregularities and omissions if, in its judgment, the best interest of BFRRF will be served.

1.9 Pricing Schedule

The bidder is to submit a "not to exceed" cost estimate that includes a fee schedule for each year audited. This estimate must completely enumerate all costs and pricing options associated with the services the audit firm will provide.

Each bidder is solely liable for any cost incurred by the bidders prior to execution of a contract.

The selected bidder shall be required to assume responsibility for all items offered in their bid whether or not they produce them. Further, BFRRF shall consider the selected bidder to be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the contract.

The BFRRF will provide a normal and customary work space, accounting schedules, verification assistance and clerical help to the extent that the regular work of BFRRF is not impaired. Please include in your proposal an estimate of BFRRF accounting Staff time to be utilized in work paper preparation. If increased Staff time will result in a substantially lower fee, please so indicate in your proposal.

2.0 Method of Payment

Fees are payable within thirty (30) days of completion of the audit. All invoices for payment shall be submitted to the following address:

Joni Hanley, Plan Administrator
Beaumont Firemen's Relief & Retirement Fund
1515 Cornerstone Ct
Beaumont, TX 77706
Joni.Hanley@Bmtfirepension.com