



REQUEST FOR PROPOSAL

25-004

FY 2025-2029

Annual Financial and Compliance Audit

Heart of Texas Behavioral Health Network ("herein called HOTBHN"), is requesting proposals from public accounting firms with experience performing audits of community mental health/intellectual disability centers to perform the annual financial and compliance audit for fiscal years 2025-2029.

Background and Objectives

Heart of Texas Behavioral Health Network ("Center") is a governmental entity with non-profit status and was created in 1967 to provide community-based services beginning in the summer of 1969. The Center is the Health and Human Services Commission (HHSC) designated local mental health authority (LMHA) and local intellectual and developmental disabilities authority (LIDDA) established by the State of Texas to plan, coordinate, develop policy, develop, and allocate resources, supervise, and ensure the provision of community based mental health and/or mental retardation services for the residents of Bosque, Falls, Freestone, Hill, Limestone and McLennan Counties.

In February 2024, through the Texas CCBHC Initiative, Heart of Texas Behavioral Health Network received recertification as a Texas Certified Community Behavioral Health Clinic. Policy revisions, infrastructure development, and technological innovations have been employed to allow people to have better access to the care they need, and to transform service delivery to improve the lives and health outcomes of vulnerable populations by creating a more efficient and coordinated system.

Our Guiding Principles:

- We are committed to providing quality services in partnership with the individual, the family, and the community.
- We strive to empower the individual and family by respecting their right to make choices about their lives.
- We are actively involved with community initiatives that will improve the quality of life.
- We believe that it is through commitment to the individual's personal and professional development that you build an organization that strives for excellence.

The Center has fixed pricing budgets and all pricing quoted for any contracts resulting from this RFP should remain fixed for the duration of the contract, unless otherwise approved or authorized. Our goal is to employ best practices and cost effectiveness which combine to provide the best value for the Center.

INVITATION

Request for Proposals FY 2025-2029 Annual Financial and Compliance Audit

Heart of Texas Behavioral Health Network (“BHN”) is hereby accepting Competitive Bid Proposals from Vendors experienced in Groundskeeping Services, for our offices throughout McLennan County Texas.

Vendors wishing to submit proposals are encouraged to submit a written letter of intent to propose by **Friday, June 6, 2024, by 4:00 p.m. CST**. A formal letter sent as an email attachment to the Contracts Management Unit at contractsmanagement@hotbhn.org will be accepted. The letter must identify the name, address, phone number and email address of the person who will serve as the key contact for all correspondence regarding this RFP. Subject line for an email should be “**Letter of Intent for – RFP 25-004 Annual Financial and Compliance Audit**”.

A letter of intent is required in order for Heart of Texas BHN to provide interested vendors with a list of any questions received and the Network’s answers to those questions. Those providing a letter of intent will also be notified of any amendments or addenda that are issued. If a letter of intent is not submitted, it will be the vendor’s responsibility to monitor the website to get answers to questions and for any amendments or addenda issued for this RFP. Proposers shall pay particular attention to all **INSTRUCTIONS, REQUIREMENTS, ATTACHMENTS and DEADLINES** indicated in the attached proposal and should govern themselves accordingly.

In accepting proposals, Heart of Texas BHN reserves the right to reject any and all proposals, to waive formalities and reasonable irregularities in submitted documents, and to waive any requirements in order to take the action, which it deems to be in the best interest of BHN and is not obligated to accept the lowest proposal. This RFP does not obligate BHN to pay for any costs incurred by respondents in the preparation and submission of a proposal. Furthermore, this RFP does not obligate BHN to accept or contract for any expressed or implied services.

The written requirements contained in this Request for Proposal (RFP) shall not be changed or superseded except by written addendum from Heart of Texas BHN’s Contracts Management Unit. Failure to comply with the written requirements for this RFP may result in disqualification of the submittal by Heart of Texas BHN.

Regards,

Ryan Adams,
Chief Executive Officer
Heart of Texas Behavioral Health Network

Request for Proposal (RFP) Timeline and Events

Note: Heart of Texas BHN reserves the right to adjust this schedule, as necessary. Any significant changes to the schedule will be published via RFP Amendment.

Request for Proposal Issued	Tuesday, June 3, 2025
Formal Letter of Intent to Bid	Friday , June 6, 2025, by 4:00 PM CST
Vendor Questions Deadline	Friday, June 13, 2025, by 4:00 pm CST
Answers to RFP Questions Released	Monday, June 16, 2025, by 4:00 pm CST
Deadline for RFP Submission	Tuesday, June 24, 2025, by 2:00 p.m. CST
Proposal Opening	Tuesday, June 24, 2025, by 2:15 p.m. CST

****A private Proposal opening will be held following receipt of all Proposals at:
6400 Imperial Drive, Waco, Texas 76712**

Award contingent upon Board Approval, Board Meeting scheduled July 10,2025.

***This schedule is preliminary and may be modified by Heart of Texas Behavioral Health
Network**

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I. BACKGROUND INFORMATION

Auditing requirements for HOTBHN contained in the current Texas Health and Human Services Commission's *Guidelines for Annual Financial and Compliance Audits of Community MHMR Centers*.

HOTBHN's Fiscal Year 2025 operating budget will be approximately \$50.1 million. HOTBHN receives federal and state financial assistance for numerous programs, the more significant of which include the Texas Department of State Health Services, the Texas Department of Aging and Disability Services, the Texas Department of Assistive and Rehabilitative Services, and Medicaid. Included as part of the Request for Proposal packet are relevant excerpts of the current fiscal year operating budget (See Attachment B).

A. Purpose of the Audit

The purpose of the Request for Proposal is to obtain the services of a public accounting firm for the annual financial and compliance audit for fiscal years 2025-2029. The organization-wide audit will encompass the general-purpose financial statements, combining statements and other schedules for BHN for the fiscal years ending August 31, 2025, through 2029. The audit is to be performed in accordance with generally accepted auditing standards (*GAAS*), especially *SAS 117* on compliance auditing as applied to governmental entities and recipients of financial assistance, *Government Auditing Standards*, issued by the Comptroller of the United States, the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, current Texas Health and Human Services Commission's *Guidelines for Annual Financial and Compliance Audits of Community MHMR Centers*, the *State of Texas Uniform Grant Management Standards* (UGMS), the Single Audit Act of 1996 and the *State of Texas Single Audit Circular*. The audit must also adhere to any new standard or requirement that may come into effect at any time during the term of the contract.

The financial statement audit is to determine whether (1) the financial statements present fairly the financial position, results of operations, and cash flows in accordance with generally accepted accounting principles, and (2) whether HOTBHN has complied with laws and regulations for those transactions and events that may have a material effect on the financial statements. The financial related audit will also include determining whether (1) financial reports and related items are fairly presented, and (2) financial information is presented in accordance with established or stated criteria.

As a part of the audit of the general-purpose financial statements, the annual audit will also include obtaining an understanding of HOTBHN's internal control structure and identifying any reportable conditions relating to the internal control systems coming to the attention of the auditors, any reportable condition or material weakness noted during the study and evaluation of internal accounting and administrative controls must be reported.

As part of the audit of the general-purpose financial statements, transactions and records pertaining to federal and state programs will be tested for material compliance with applicable federal and state laws, rules, and regulations, and all instances of noncompliance required to be reported under *Government Auditing Standards* will be reported to HOTBHN.

The compliance audit, commonly referred to as the single audit, is subject to testing of all federal and state financial assistance. Federal and state financial assistance programs must be treated as separate populations for the determination of major programs. Major Type A and Type B financial assistance programs (as defined by OMB Circular A-133) will be tested for compliance

with laws and regulations, as well as compliance with specific requirements of the grants or contracts. All instances of noncompliance will be reported to HOTBHN.

B. Independent Auditor

The proposer must demonstrate the capability to perform the annual audit in accordance with generally accepted government auditing standards. Public accounting firms that have performed annual audits for similar entities are encouraged to submit a proposal.

C. Term of the Audit Engagement

The contract for audit services based upon approval of the HOTBHN Board of Trustees will be for the fiscal years ending August 31, 2025-2029 (September 1, 2024-2029 - August 31, 2025-2029).

HOTBHN will review each audit to ensure satisfactory delivery of the services specified in the proposal and engagement letter. The agreement can be terminated for cause.

D. Dispute Resolution

Disputes concerning the terms of contracted services that cannot be resolved will be brought before an independent mediation center, whose decision will be binding upon both parties.

II. TECHNICAL PROPOSAL CONTENT

NOTE: There should be no dollar units or total costs included in the technical proposal document.

A. Cover Letter

See conditions for submission of proposal in Section IV

B. Technical Component

To clearly describe the public accounting firm's understanding of the work to be completed, the proposer will:

1. Provide a definition of the term "generally accepted government auditing standards" with clear distinctions between these standards and generally accepted auditing standards for nongovernmental engagements.
2. Explain the proposer's approaches to performing an annual financial and compliance audit, including the methodology, nature, and extent of audit procedures to be performed.
3. Make a statement concerning the independence of the proposer, including direct and indirect financial interest, and the relationship of the proposed audit team to employees of HOTBHN and any of the members of the HOTBHN's Board of Trustees; and
4. Provide the Certification Number with Expiration Date if the firm is certified as a State of Texas Historically Underutilized Business (HUB), If not certified as a HUB, identify if the firm is eligible for certification and the HUB criteria met.

C. Management Component

The proposer will furnish satisfactory evidence of capability to provide in a professional and timely manner the services stated in the Request for Proposal. To meet this requirement, the proposer will:

1. Provide the name of the external quality control review organization of which the proposer is a member and the proposer's length of membership. Also, state the review organization's planned frequency of peer reviews.
2. State whether the firm has received a peer review within the past 36 months and whether in the most recent review an unqualified report was issued (a copy of the peer review report must be provided to HOTBHN).
3. State whether the proposer is a national, regional or local public accounting firm;
4. Provide evidence that the proposer has experience in performing annual financial and compliance audits for Community centers and preparation of the federal tax return (Form 990) within the past three (3) years. List current and past audit clients along with the names and telephone numbers of contact persons and the dates audit services were provided;
5. State whether the proposer is currently under the terms of a public or private reprimand by the Texas State Board of Public Accountancy and/or licensing boards of other states;
6. Describe the proposed audit team, in terms of job positions in the firm;
7. List names of staff member(s) who will direct the overall audit throughout the duration of the engagement as well as those staff members who will be responsible for planning, directing, and conducting substantial portions of the fieldwork or reporting on this audit engagement. Include the verifiable educational background of all staff members named and professional licenses held;
8. Describe continuing professional education in governmental accounting and auditing received by the proposed audit team during the last two (2) years;
9. Provide the names and qualifications of any needed outside specialists and consultants that will assist the proposer's staff members;
10. Describe the level of assistance that will be expected from HOTBHN personnel; and
11. Provide evidence of the ability to comply with the requirements in Sections II and VII of the Request for Proposal.

D. Task/Activity Plan

The proposer will specify timelines and sequence for audit procedures, and names of staff to be assigned.

E. Evaluation

Criteria used to evaluate the proposer's methodologies, products, and services are shown in Attachment A.

III. SEALED DOLLAR COST BID

A. Total All-inclusive Maximum Price

The sealed dollar cost bid should contain all pricing information relative to performing the audit engagement as described in this Request for Proposal.

HOTBHN will not be responsible for expenses incurred in preparing and submitting the technical proposal or the sealed dollar cost bid. Such costs should not be included in the proposal.

The first page of the sealed dollar cost bid should include the following information:

- a. Name of Firm
- b. Certification that the person signing the proposal is authorized to represent the firm empowered to submit the bid and authorized to sign a contract with HOTBHN.
- c. A total all-inclusive maximum price for the fiscal year 2025-2029 engagement as described in this Request for Proposal separately listing the cost for each fiscal.

B. Manner of Payment

Payments will be made in accordance with the contract or engagement letter.

IV. CONDITIONS FOR SUBMISSIONS OF PROPOSAL

All proposals in response to this request must meet the following conditions to be considered:

- A. Proposal must include a cover letter clearly stating the name of the firm and the name, address, and telephone number of the proposer's representative.
- B. Proposal must address each of the audit requirements as stated in this Request for Proposal.
- C. HOTBHN reserves the right to reject any and all proposals, and to negotiate portions thereof. Proposals that address only part of the requirements contained in this Request for Proposal will not be considered.
- D. HOTBHN reserves the right to select any proposal, considering the quoted estimated fee and other factors;
- E. The proposer shall furnish such additional information that HOTBHN may reasonably require;
- F. HOTBHN will not be liable for any cost incurred in the preparation of proposals; and
- G. HOTBHN may ask proposers to send a representative for an oral interview prior to the Board of Trustees approval of a proposal. HOTBHN will not be liable for the costs incurred by the proposer in connection with such interview.

V. PROCEDURES FOR SUBMITTING PROPOSALS

A. Delivery

Electronic Delivery

Responses to the Request for Proposal may be submitted electronically via email to:

Heart of Texas BHN
Juli Ivie, Manager, Contracts Management Unit
Email: contractsmanagement@hotbhn.org

On the subject line identify

“Confidential: RFP 25-004 Annual Financial and Compliance Audit”

Request confirmation receipt to ensure that submission has been received.

Mail Delivery

Responses to the Request for Proposal must be sent by certified mail, special carrier or hand delivered and addressed to:

Heart of Texas Behavioral Health Network
Contracts Management Unit 6400
Imperial Drive
Waco, Texas 76712
254-297-7125

“Confidential: RFP 25-004 Annual Financial and Compliance Audit”.

Proposals must be received no later than June 24, 2025 at 4:00 p.m., Central Standard Time

B. Number of Copies of Proposal

Submit one hard copy (1) original and five (5) copies each of the technical proposal and sealed dollar cost bid. The technical proposals are to be bound and sealed in a separate envelope from the sealed dollar cost bids. Each envelope must be clearly marked as "Technical Proposal" or "Sealed Dollar Cost Bid."

If the submission is electronic, submit one complete proposal.

VI. ASSISTANCE TO PROPOSERS

Proposers may contact Juli Ivie, Manager, CMU at contractsmanagement@hotbhn.org for technical assistance regarding the RFP process. Such requests must be in writing. Center staff responses to information requests will be provided to all who have indicated an interest in responding to the RFP.

VII. STATEMENT OF REQUIREMENTS

- A. The independent auditor will provide 15 copies of the written audit report and single audit report that meet the requirements of current *Guidelines for Annual Financial and Compliance Audits of Community MHMR Centers*.

- B. During the 1st. week of January, the preliminary draft of the reports will be presented to HOTBHN prior to submission of the final draft.
- C. Satisfactory delivery of the services specified by the request for proposal and the engagement letter shall be accomplished no later than January 15.
- D. The independent auditor will be required to present the reports to the HOTBHN Board of Trustees at the January board meetings usually held the 4th Wednesday unless an extension is required.
- E. The independent auditor is required to provide a management letter containing comments oriented toward constructive improvements.
- F. Copies of selected audit working papers will be provided as requested by HOTBHN and as provided for in the engagement letter. The independent auditor will make its working papers available for review by HOTBHN's coordinating agency.

VIII. BOARD OF TRUSTEES APPROVAL

A proposal will be selected on or before June 30, 2025 and approved at the July 10, 2025 Board Meeting barring unforeseen circumstances or a decision by the Board of Trustees to reject all proposals submitted.

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ATTACHMENT A

Criteria for Scoring the RFP

The following criteria will be used to evaluate responses. Points within the ranges specified will be assigned to the below-listed criteria as a means for quantifying the relative strengths and weaknesses of the proposals received. In the event that oral interviews are necessary to break a tie or for making clarification in the evaluation process, additional points may be awarded. It should be understood that while the total score is a significant factor, the requester of the services reserves the right to consider other factors in making a final selection.

MANDATORY CRITERIA: Proposals will NOT be considered for further evaluation unless there is compliance with ALL of the following criteria.			
	MANDATORY CRITERIA	Met?	Not Met?
1.	Must be an independent auditor properly licensed for public practice in Texas.		
2.	Firm must have experience performing annual financial and compliance audits within the past three (3) years for Community mental health/intellectual disability centers.		
3.	Must meet the independence standards and continuing education requirements of <i>Government Auditing</i> United States General Accounting Office (GAO).		
4.	Must be a member of an external review quality control review organization. Proposer must provide the name of the external review organization of which it is a member, the length of time of membership and the frequency of the firm's planned peer review.		
5.	Firm must have had a peer review conducted within the past three (3) years and, in the most recent review, have an unqualified report issued.		
6.	Firm must not be under the terms of a public or private reprimand by the State of Texas Board of Public Accountancy and/or licensing boards of other states.		
7.	Firm must provide verifiable evidence that it is eligible to do business in the State of Texas.		
8.	Must submit a proposal meeting all of the requirements of the Request for Proposal.		

PROPOSALS WHICH HAVE MET EACH OF THE MANDATORY CRITERIA LISTED ABOVE WILL BE EVALUATED ON THE FOLLOWING CRITERIA:

EVALUATION CRITERIA		Weighting
1	Qualifications of the Audit firm <ul style="list-style-type: none"> The experience of the audit firm in performing annual and compliance audits for Community mental health/intellectual disability centers in Texas with Single Audit Requirements within the past three (3) years. The opinions of prior clients of the audit firm. The results of the latest peer review of the firm. Certification or eligibility to be certified as a State of Texas Historically Underutilized Business (HUB). 	20 Points

2	<p>Qualifications of the Audit Team</p> <ul style="list-style-type: none"> • The collective experience of the team to be assigned to the audit. • The specifications in the proposal, in concrete language, of the education and experience in the type of work that the audit entails of the key personnel. The experience is explained in terms of specific audit engagements. • The professional continuing education in governmental accounting and auditing of key personnel explained in detail. 	15 Points
3	<p>Audit work plan reflects a clear understanding of the work to be performed</p> <ul style="list-style-type: none"> • The proposal contains a comprehensive work plan including schedule of interim and final fieldwork to meet the January financial report review deadline. • The plan contains a realistic estimate of time required to complete the audit and meet the requirements in Section VII of the Proposal. • The proposal indicates that the proposer will use (1) a systematic approach to 	

	<p>examining systems and internal controls and (2) effective procedures, including consideration of risk and materiality, to determine the extent of audit testing and review necessary.</p> <ul style="list-style-type: none"> • The proposal identifies the level of assistance needed from HOTBHN personnel • The ease of accessibility of the audit team to HOTBHN personnel. 	20 Points
4	<p>Subsequent year approach and continuity of knowledge</p> <ul style="list-style-type: none"> • The proposal addresses how the approach to audit would be affected if the contract were a multi-year one. • The firm's approach to senior staff rotation, notification of changes in key personnel and the ability to maintain a continuity of knowledge during subsequent years. 	10 Points
5	<p>The inclusive fee for the audit with maximum annual increases identified for maximum benefit and cost effectiveness.</p>	35 Points
TOTAL MAXIMUM SCORE AVAILABLE		100 Points

ATTACHMENT B

THE HEART OF TEXAS BEHAVIORAL HEALTH NETWORK ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED AUGUST 31, 2024 IS AVAILABLE UPON WRITTEN REQUEST.