

City Council Meeting
Agenda Item
Data Sheet

Meeting Date: August 18, 2025

Topic:

Approve an agreement with ABIP, PC as the City auditor (RFP 2025-16) to complete the fiscal year 2024-2025 audit for an amount not-to-exceed \$96,295, approve the expenditure of funds therefore, and utilize the City Manager to execute all documents related to the service. These expenditures are included in the FY2025-2026 proposed budget.

Background:

The City’s previous audit contract expired with the completion of the FY2024 audit report. A Request for Proposals was advertised (RFP 2025-16) for audit services and the City received five responses. Scoring was completed by a committee to determine the most qualified firm to complete the work. Following scoring, interviews were conducted with the top three scoring firms of the proposers and the overwhelming decision was to contract ABIP as the new city auditor.

The City requested an engagement letter from ABIP for the current fiscal year audit. The submitted proposal allows ABIP to complete audit services for the City for three consecutive fiscal year, ending in fiscal year 2026-2027. Listed below is their cost proposal. Additional fees that may be incurred include out-of-pocket fees, travel, etc.

ABIP, PC Proposed Audit Cost				
Governmental Audit	Single Audit (Texas)	Single Audit (Federal)	Additional Fees (possible)	Total Annual Fee
FY 2024-2025 \$75,245	\$8,825	\$9,725	\$2,500	\$96,295
FY 2025-2026 \$79,000	\$9,265	\$10,255	\$2,600	\$101,120
FY 2026-2027 \$82,950	\$9,725	\$10,750	\$2,700	\$106,125
Estimated Total Fee (Three Fiscal Years): \$303,540				

Any additional fees, if needed, pertaining to the audit services would be billed hourly at the proposed rates:

- Partner \$500/hour
- Manager \$385/hour
- Staff \$235/hour

The attached engagement letter will serve as the agreement between ABIP, PC and the City of Tomball to conduct the required audit services for fiscal year 2024-2025.

Origination: Finance Director

Recommendation:

Staff recommends approving an agreement with ABIP, PC to complete the fiscal year 2024-2025 audit for an amount not-to-exceed \$96,295.

Party(ies) responsible for placing this item on agenda: Bragg Farmer, Finance Director

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: _____ No: _____ If yes, specify Account Number: # _____

If no, funds will be transferred from account: # _____ To Account: # _____

Signed:	<u>Bragg Farmer</u>	<u>8.11.2025</u>	Approved by:	_____
	Staff Member	Date		City Manager Date