



REQUEST FOR PROPOSAL

Sealed proposals will be received for:
RFP NO. 2016-09-31

Audit Services

Sealed proposals will be received until

11:00 a.m. on May 6, 2016

Return RFP To:

**City of Copperas Cove
Finance Department
914 S. Main Street
Suite H
P.O. Drawer 1449
Copperas Cove, TX 76522**

CITY OF COPPERAS COVE
REQUEST FOR PROPOSAL
FOR
AUDIT SERVICES

1.0 General Information

- 1.1 Intent: The intent of this request for proposal (RFP) is to provide offerers with sufficient information to prepare a proposal for an annual contract to provide audit services to the City of Copperas Cove. The City of Copperas Cove, Texas (hereinafter referred to as "City") is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal year ending September 30, 2016, with the option of auditing its financial statements for each of the four (4) 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 General Accounting Office's (GAO) Government Auditing Standards, the provisions of the federal Single Audit Act, U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations as well as the following additional requirements:
- 1.2 Inquiries: Any questions or requests for clarification must be submitted to the City's Finance Department, in writing, prior to 12:00 noon on April 26, 2016. Requests may be submitted in writing via e-mail to spotvin@copperascovetx.gov . All responses to the questions will be posted to the city's website.
- 1.3 Selection: The award of the contract shall be made to the responsible offerer whose proposal is determined to be the most favorable offer best meeting the needs of the City resulting from negotiation, taking into consideration the relative importance of price and other evaluation factors set forth in the Request for Proposals in accordance with Texas Local Government Code, Chapter 252.

The evaluation criteria will be grouped into percentage factors as follows:

- 10% OFFERER'S PROPER PREPARATION AND SUBMITTAL OF PROPOSAL
- 85% OFFERER'S TECHNICAL QUALITY.
- 5% OFFERER'S TOTAL PROPOSED PRICE.

- 1.4 Guidelines for Proposal Evaluation: Proposals will be evaluated using three sets of criteria. Firms meeting the mandatory criteria will have their proposals evaluated and scored for both technical qualifications and price. The following represent the principal selection criteria which will be considered during the evaluation process.
- 1.4.1 Mandatory Elements: (Maximum Points- 10)
- a. The audit firm is independent and licensed to practice in Texas.
 - b. The firm has no conflict of interest with regard to any other work performed by the firm for the City.
 - c. The firm adheres to the instructions in this request for proposal on preparing and submitting the proposal.
 - d. The firm submits a copy of its last external quality control review report and the firm has a record of quality audit work.
- 1.4.2 Technical Quality: (Maximum Points - 85)
- a. Expertise and Experience

- (1) The firm's past experience and performance on comparable government engagements. (5 point for each city audited in the last two busy seasons with population of 30,000 and above Maximum Points-25)
- (2) The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation. (Maximum Points- 15)
- (3) The audit firm's professional personnel have received adequate continuing professional education. (Maximum Points- 5)
- (4) The audit firm's staff serves as a member of the Special Review Committee (SRC) of the Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting Program. (5 point for each reviewer-Maximum Points 25)

b. Audit Approach: (Maximum Points- 15)

- (1) Adequacy of proposed staffing plan for various segments of the engagement.
- (2) Adequacy of sampling techniques.
- (3) Adequacy of analytical procedures.

1.4.3 Price: (Maximum Points - 5)

Cost will not be the primary factor in the selection of an audit firm.

- 1.5 Submittal: To be considered, eight (7) copies of your proposal must be received in the Finance Department, via mail at P.O. Box 1449 – Copperas Cove, Texas 76522 or hand-delivery to the Finance Department, City Hall, 914 S. Main Street Ste. H, Copperas Cove, Texas 76522, on or before 11:00 a.m., May 6, 2016. City reserves the right to reject any or all proposals submitted.
- 1.6 Confidential Material: Any material that is to be considered as confidential in nature must be clearly marked as such and will be treated as confidential by the City to the extent allowable in the Open Records Act.
- 1.7 Contract Negotiations: City reserves the right to negotiate a contract with the selected offerer. Proposals will be evaluated by the Audit Committee, and negotiations will be handled by the City Manager's office.
- 1.8 Contract Obligations: This proposal, submitted documents and any negotiations, when properly accepted by City, shall constitute a contract equally binding between the successful offerer and the City. The selected offerer will be considered as the prime contractor and shall assume total responsibility for the Audit Services. Failure to meet obligations may result in the cancellation of any contracts.
- 1.9 Supporting Materials: All questions asked in this RFP will be used in making a selection and should be addressed by section and number.

2.0 MINIMUM TECHNICAL REQUIREMENTS

2.1 INTRODUCTION

2.1.1 General Information

The City of Copperas Cove, Texas (hereinafter referred to as "City") is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal year ending September 30, 2016, with the option of auditing its financial statements for each of the four (4) 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 General Accounting Office's (GAO) Government Auditing Standards, the provisions of the federal Single Audit Act, U.S. Office

of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations as well as the following additional requirements:

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

Proposals submitted will be evaluated by the City's Audit Committee.

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

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

It is anticipated the selection of a firm will be completed within 45 days. Following the notification of the selected firm it is expected a contract will be executed between both parties.

2.1.2 Term of Engagement

Contract term shall be for a one (1) year period with up to four (4) additional one (1) year periods if so agreed by both parties.

2.1.3 Subcontracting

Firms submitting proposals are encouraged to consider subcontracting portions of the engagement to small audit firms or audit firms owned and controlled by socially and economically disadvantaged individuals. If this is to be done, that fact, and the name of the proposed subcontracting firms, must be clearly identified in the proposal. Following the award of the audit contract, no additional subcontracting will be allowed without the express prior written consent of the City.

2.2 NATURE OF SERVICES REQUIRED

2.2.1 General

City is soliciting the services of qualified firms of certified public accountants to audit its financial statements for the fiscal year ending September 30, 2016, with the option to audit the City's financial statements for each of the four (4) subsequent fiscal years. The audits are to be performed in accordance with the provisions contained in this request for proposals.

2.2.2 Scope of Work to be performed

City desires the auditor to express an opinion on the fair presentation of its general purpose financial statements in conformity with generally accepted accounting principles.

City also desires the auditor to express an opinion on the fair presentation of its combining and individual fund and account group financial statements and schedules in conformity with generally accepted accounting principles. The auditor is not required to audit the supporting schedules contained in the comprehensive annual financial report. However, the auditor is to provide an "in-relation-to" opinion on the supporting schedules based on the auditing procedures applied during the audit of the general purpose financial statements and the combining and individual fund financial statements and schedules. The auditor is not required to audit the statistical section of the report.

2.2.3 Auditing Standards to Be Followed

To meet the requirements of this request for proposals, the audit shall be performed in accordance with generally accepting auditing standards 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 Single Audit Act, U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and all statements issued by the Governmental Accounting Standards Board (including GASB Statement No. 34, Basis Financial Statements and Management's Discussion and Analysis for State and Local Governments).

2.2.4 Reports to be Issued

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue:

- 2.2.4.1 A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles.
- 2.2.4.2 A report on the internal control structure based on the auditors' understanding of the control structure and assessment of control risk.
- 2.2.4.3 A report on compliance with applicable laws and regulations.
- 2.2.4.4 An "in-relation-to" report on the schedule of federal financial assistance.
- 2.2.4.5 A report on the internal control structure used in administering federal financial assistance programs (this report may be combined with report number 2).
- 2.2.4.6 A report on compliance with specific requirements applicable to major federal financial assistance programs.
- 2.2.4.7 A report on compliance with specific requirements applicable to nonmajor federal financial assistance programs (this report may be combined with report number 6).
- 2.2.4.8 A report on compliance with general requirements for both major and nonmajor federal financial assistance programs.
- 2.2.4.9 The auditor shall communicate in a letter to management any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. In addition, the following conditions shall be considered reportable:

Irregularities and illegal acts. Auditors shall be required to make an immediate, written report of all irregularities and illegal acts of which they become aware to the following parties:

- * Mayor and Council
- * City Manager
- * Audit Committee
- * City Attorney
- * Director of Financial Services

2.2.4.10 Reporting to the Finance Department. Auditors shall assure themselves that City's Finance Department is informed of each of the following:

- a. The auditor's responsibility under generally accepted auditing standards
- b. Significant accounting policies
- c. Management judgments and accounting estimates
- d. Significant audit adjustments
- e. Other information in documents containing audited financial statements
- f. Disagreements with management
- g. Management consultation with other accountants

- h. Major issues discussed with management prior to retention
- i. Difficulties encountered in performing the audit

2.2.5 Special Considerations

- 2.2.5.1 City will send its comprehensive annual financial report to the Government Finance Officers Association of the United States and Canada for review in their Certificate of Achievement for Excellence in Financial Reporting program. It is anticipated that the auditor will be required to provide special assistance to City to meet the requirements of that program.
- 2.2.5.2 City currently anticipates it will prepare one or more official statements in connection with the sale of debt securities which will contain the general purpose financial statements and the auditor's report thereon. The auditor shall be required, if requested by the financial advisor and/or the underwriter, to issue a "consent and citation of expertise" as the auditor and any necessary "comfort letters."
- 2.2.5.3 City has determined that the auditors will determine the cognizant agency in accordance with the provisions of the Single Audit Act, U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.
- 2.2.5.4 The schedule of federal financial assistance and related auditor's report, as well as the reports on the internal controls and compliance are not to be included in the comprehensive annual financial report, but are to be issued separately.
- 2.2.5.5 Accounting services to include consultations, meetings, and follow-up. The accounting consultations would be separate from the annual audit process and the annual financial report. The City may request up to four (4) meetings per year with additional consultations and follow-up throughout the year.
- 2.2.5.6 Audit services for the Copperas Cove Economic Development Corporation C.C.E.D.C.), Corporate Bylaws require that the same audit firm perform the audit services for both the City and the EDC. The Board shall have prepared for each annual meeting a full and clear statement of the business and conditions of the Corporation. Audit and billing services for the C.C.E.D.C. will be separate from the City of Copperas Cove audit and billing services.

2.2.6 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 three (3) years, unless the firm is notified in writing by City of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the following parties or their designees:

- * City of Copperas Cove, Texas.
- * U.S. General Accounting Office (GAO).
- * Parties designated by the federal or state governments or by the City as part of an audit quality review process.
- * Auditors of entities of which the City is a sub recipient of grant funds.

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

2.3 DESCRIPTION OF THE GOVERNMENT

- 2.3.1 The auditor's principal contact with City will be Velia Key, Director of Financial Services, or a designated representative, who will coordinate the assistance to be provided by the City to the auditor.
- 2.3.2 Background Information

- 2.3.2.1 City serves an area of 16.5 square miles with a population of 32,300. City's fiscal year begins on October 1 and ends on September 30.
- 2.3.2.2 The City provides the following services to its citizens:
 - * General Government
 - * Water and Sewer
 - * Solid Waste
 - * Drainage Utility
 - * Other Services
- 2.3.2.3 City has total annual payroll costs of approximately \$10.7 million covering approximately 275 employees.
- 2.3.2.4 City is organized into fourteen (14) departments. A majority of the accounting and financial reporting functions of the City are centralized, with grant reporting de-centralized.
- 2.3.2.5 More detailed information on the government and its finances can be found in the Finance Department at 914 S. Main Street Suite H, Copperas Cove, TX 76522.

2.3.3 Fund Structure

2.3.3.1 City uses the following fund types and account groups in its financial reporting:

<u>Fund Type/Account Group</u>	<u>Number of Individual Funds</u>	<u>Number With Legally Adopted Annual Budgets</u>
General fund	1	1
Special revenue funds	21	21
Debt service funds	1	1
Capital projects funds	26	26
Enterprise funds	3	3

2.3.4 Budgetary Basis of Accounting

City does not prepare its budgets on a basis consistent with generally accepted accounting principles. City's budget is prepared on a cash basis.

2.3.5 Federal and State Financial Assistance

During the fiscal year to be audited, the City received the following financial assistance:

- * Community Development Block Grants - CDBG
- * Homeland Security Grants - HSGP
- * Emergency Management Grants - EMPG
- * Justice Assistance Grants - JAG
- * Texas Department of Transportation Grant - TXDOT
- * Texas Forest Service Grants - TIFMAS
- * Various other grants

2.3.6 Pension Plans - City participates in the following pension plans:

2.3.6.1 Texas Municipal Retirement System (TMRS) - a multi-employer agent, defined benefit pension plan. Actuarial services are provided by TMRS.

2.3.7 Availability of Prior Audit Reports and Working Papers

Interested proposers who wish to review prior years' audit reports and management letters should contact Stephanie Potvin, Staff Accountant III. Requests may be submitted via e-mail to spotvin@copperascovetx.gov. Requests should be submitted in writing by noon April 26, 2016. There will

be no exceptions. City will use its best efforts to make prior audit reports and supporting working papers available to proposers to aid their response to this request for proposals.

2.4 TIME REQUIREMENTS

2.4.1 Proposal Calendar

The following is a list of key dates up to and including the date proposals are due to be submitted:

Request for proposal issued	April 15, 2016
Inquiry deadline	April 26, 2016
Due date for proposals	May 6, 2016

2.4.2 Date Audit May Commence

City will have all records ready for audit on or before December 1, 2016. City personnel will be available to meet with the firm's personnel as necessary.

2.4.3 Schedule for the 2016 Fiscal Year Audit.

Each of the following should be completed by the auditor no later than the dates indicated.

2.4.4.1 Interim Work – To be determined.

2.4.4.2 Detailed Audit Plan - The auditor shall provide the City, by August 1, 2016, for the first year of the contract, and by September 15th for each following contract year, a detailed audit plan and a list of all schedules to be prepared by the City.

2.4.4.3 Fieldwork - The auditor shall complete all fieldwork by February 10, 2017.

2.4.4.4 Draft Reports - The auditor shall have drafts of the audit report[s] and recommendations to management available for review by the Director of Financial Services by February 20, 2017.

2.4.5 Entrance Conferences, Progress Reporting and Exit Conferences are expected to be conducted on a timely basis. The auditors will prepare a schedule of these items and submit it to the Director of Financial Services.

2.4.6 Date Final Report is Due - The final audit report shall be presented to Council in the first public meeting during the month of March 7, 2017.

2.5 ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION

2.5.1 Finance Department and Clerical Assistance

The Finance Department staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation and explanations. The preparation of confirmations will be the responsibility of the auditor. In addition, clerical support will be made available to the auditor for the preparation of routine letters and memoranda.

2.5.2 Statements and Schedules to be prepared by the Staff of City

City staff will prepare the appropriate statements and schedules requested by the auditors during field work.

2.5.3 Work Area, Telephones, Photocopying and FAX Machines

City will provide the auditor with reasonable work space, desks and chairs. The auditor will also be provided with access to telephone lines, photocopying facilities and FAX machines.

2.5.4 Report Preparation

Report preparation, GASB conversion entries, and editing and printing shall be the responsibility of the auditors. The auditors shall prepare a draft of the report and submit it to the City for review no later than the second week in February 2017. The final report must be presented to the City Council no later than March 7, 2017.

2.6 PROPOSAL REQUIREMENTS

2.6.1 General Requirements

2.6.1.1 Submission of Proposals - The following material is required for a proposing firm to be considered:

2.6.1.1. a. A master copy (so marked) of a Technical Proposal and seven (7) copies to include the following:

i. Title Page - Title page showing the request for proposals subject; the firm's name; the name, address and telephone number of the contact person; and the date of the proposal.

ii. Table of Contents

iii. Transmittal Letter - A signed letter of transmittal briefly stating the proposer's understanding of the work to be done, the commitment to perform the work within the time period, a statement why the firm believes itself to be best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for 90 days.

iv. Detailed Proposal - The detailed proposal should follow the order set forth in Section 2.6.2 of this request for proposals.

v. Executed copy of Proposal Affidavit

2.6.1.1.b. The proposer shall submit an one (1) original and seven (6) copies of a dollar cost bid in a separate sealed envelope marked as follows:

SEALED DOLLAR COST BID
PROPOSAL FOR
CITY OF COPPERAS COVE, TEXAS
FOR
PROFESSIONAL AUDITING SERVICES
[DATE]

2.6.1.1.c. Proposers should send the completed proposal consisting of the two separate envelopes, each marked clearly "RFP No. 2016-09-31; Audit Services" to the following address:

Mail
City of Copperas Cove
Finance Department
P.O. Box 1449
Copperas Cove, TX 76522

Hand-Delivery
City of Copperas Cove
Finance Department
914 S. Main Street Suite H
Copperas Cove, TX 76522

2.6.2 Technical Proposal

2.6.2.1 General Requirements

The purpose of the Technical Proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit of the City in conformity with the requirements of this request for proposals. As such, the substance of proposals will carry more weight than their form or manner of presentation. The Technical Proposal should demonstrate the

qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the request for proposals requirements.

THERE SHOULD BE NO DOLLAR UNITS OR TOTAL COSTS INCLUDED IN THE TECHNICAL PROPOSAL DOCUMENT.

The Technical Proposal should address all the points outlined in the request for proposals (excluding any cost information which should only be included in the sealed dollar cost bid). The Proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the request for proposals. While additional data may be presented, the following subjects, items 2 through 10, must be included. They represent the criteria against which the proposal will be evaluated.

2.6.2.2 Independence

The firm should provide an affirmative statement that it is independent of the City as defined by generally accepted auditing standards.

The firm also should provide an affirmative statement that it is independent of all of the component units of City as defined by those same standards.

The firm should also list and describe the firm's (or proposed subcontractors') professional relationships involving City or any of its [agencies or component units/agencies, component units or oversight unit] for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

In addition, the firm shall give the City written notice of any professional relationships entered into during the period of this agreement.

2.6.2.3 License to Practice in Texas

An affirmative statement should be included that the firm and all assigned key professional staff are properly licensed to practice in Texas.

2.6.2.4 Firm Qualifications and Experience

The proposer should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis.

If the proposer is a joint venture or consortium, the qualifications of each firm comprising the joint venture or consortium should be separately identified and the firm that is to serve as the principal auditor should be noted, if applicable.

The firm is also required to submit a copy of the report on its most recent external quality control review, with a statement whether that quality control review included a review of specific government engagements.

The firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations.

2.6.2.5 Partner, Supervisory and Staff Qualifications and Experience

Identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement. Indicate whether each such person is registered or licensed to practice as a certified public accountant in Texas. Provide information on the government auditing experience of each person, including information on

relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit.

Provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. Indicate how the quality of staff over the term of the agreement will be assured.

Provide information relating to the staff experience with Tyler Technologies – INCODE Financial System.

Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of the City. However, in either case, the City retains the right to approve or reject replacements.

Consultants and firm specialists mentioned in response to this request for proposal can only be changed with the express prior written permission of the City, which retains the right to approve or reject replacements.

Other audit personnel may be changed at the discretion of the proposer provided that replacements have substantially the same or better qualifications or experience.

2.6.2.6 Prior Engagements with City

List separately all engagements within the last five years, ranked on the basis of total staff hours, for City by type of engagement (i.e., audit, management advisory services, other). Indicate the scope of work, date, engagement partners, total hours, the location of the firm's office from which the engagement was performed, and the name and telephone number of the principal client contact.

2.6.2.7 Similar Engagements with Other Government Entities

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum - 5) performed in the last five years that are similar to the engagement described in this request for proposal.

These engagements should be ranked on the basis of total staff hours. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

2.6.2.8 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 required in Section 2.0 of this request for proposal. 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.

Proposers will be required to provide the following information on their audit approach:

- a. Proposed segmentation of the engagement.
- b. Level of staff and number of hours to be assigned to each proposed segment of the engagement.
- c. Sample size and the extent to which statistical sampling is to be used in the engagement.
- d. Extent of use of electronic data processing software in the engagement.
- e. Type and extent of analytical procedures to be used in the engagement.

- f. Approach to be taken to gain and document an understanding of City's internal control structure.
- g. Approach to be taken in determining laws and regulations that will be subject to audit test work.
- h. Approach to be taken in drawing audit samples for purposes of tests of compliance.

2.6.2.9 Identification of Anticipated Potential Audit Problems

The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from City.

2.6.2.10 Report Format

The proposal should include sample formats for required reports.

NO DOLLARS SHOULD BE INCLUDED IN THE TECHNICAL PROPOSAL

2.6.3 Sealed Dollar Cost Bid

2.6.3.1 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. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs including all out-of-pocket expenses.

City 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 entitled to represent the firm, empowered to submit the bid, and authorized to sign a contract with the City.
- c. A Total All-Inclusive Maximum Price for the one-year engagement.

2.6.3.2 Rates by Partner, Specialist, Supervisory and Staff Level times Hours Anticipated for Each

The second page of the sealed dollar cost bid should include a schedule of professional fees and expenses, presented in the format provided in the attachment (Appendix A), that supports the total all-inclusive maximum price. The cost of special services described in Section 2.2.5 of this request for proposal should be disclosed as separate components of the total all-inclusive maximum price.

2.6.3.3 Out-of-pocket Expenses Included in the Total All-inclusive Maximum Price and Reimbursement Rates

Out-of-pocket expenses for firm personnel (e.g., travel, lodging and subsistence) will be reimbursed at the rates used by the City for its employees. All estimated out-of-pocket expenses to be reimbursed should be presented on the second page of the sealed dollar cost bid in the format provided in the attachment (Appendix A). All expense reimbursements will be charged against the total all-inclusive maximum price submitted by the firm.

In addition, a statement must be included in the sealed dollar cost bid stating the firm will accept reimbursement for travel, lodging and subsistence at the prevailing City rates for its employees.

2.6.3.4 Rates for Additional Professional Services

If it should become necessary for the City to request the auditor to render any additional services to either supplement the services requested in this RFP or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between City and the firm. Any such additional work agreed to between City and the firm shall be performed at the same rates set forth in the schedule of fees and expenses included in the sealed dollar cost bid.

2.6.3.5 Manner of Payment

Progress payments will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the firm's dollar cost bid proposal. Interim billing shall cover a period of not less than a calendar month.

2.7 EVALUATION PROCEDURES

2.7.1 Review of Proposals

Proposals submitted will be evaluated by the City's Audit Committee. A point formula review process will be used to score the proposals. City staff reserves the right to evaluate proposals based on the best value for the City.

2.7.2 Oral Presentations

During the evaluation process, the City's Audit committee may, at their discretion, request any one or all firms to make oral presentations. Such presentations will provide firms with an opportunity to answer any questions the City may have on a firm's proposal. Not all firms may be asked to make such oral presentations.

2.7.3 Final Selection

The Audit Committee will provide a recommendation to the City Council for approval.

2.7.4 Right to Reject Proposals

Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposal unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City and the firm selected.

The City reserves the right without prejudice to accept or reject in whole or in part any proposal submitted in the best interest of the City.

FIRM/OFFERER:

BY: _____
Signature Title

ADDRESS: _____

TELEPHONE: _____ FAX: _____

OFFERER MUST SIGN PROPOSAL AFFIDAVIT (INCLUDED AS ATTACHEMENT) AS PART OF THIS RFP

RETURN ENTIRE PACKET AND
ALL DOCUMENTATION REQUIRED BY THIS REQUEST FOR PROPOSAL

PROPOSAL AFFIDAVIT

All pages in offerer's proposal containing statements, letters, etc., shall be signed by a duly authorized officer of the company, whose signature is binding on the proposal.

The undersigned offers and agrees it can and will provide and make available, as a minimum, all services set forth in Section 2.2, Nature of Services Required. The period of acceptance of this proposal will be _____ calendar days from the date of the proposal opening. (period of acceptance will be ninety (90) days unless otherwise indicated by offerer.)

Furthermore, the undersigned warrants that:

1. it is willing and able to comply with State of Texas laws with respect to foreign (non-state of Texas) corporations;
2. it is willing and able to obtain an errors and omissions insurance policy providing a prudent amount of coverage for the willful or negligent acts, or omissions of any officers, employees or agents thereof;
3. it will not delegate or subcontract its responsibilities under an agreement without the prior written permission of the City;
4. all information provided by it in connection with this proposal is true and accurate.

STATE OF _____ COUNTY OF _____

BEFORE ME, the undersigned authority, a notary public in and for the State of _____, on this day personally appeared _____, who after being duly sworn, did depose and say:

"I, _____ am a duly authorized officer of/agent for
(Name)

_____, and have been duly authorized to
(Name of Firm)

execute the foregoing proposal on behalf of the said _____.
(Name of Firm)

I hereby certify that the foregoing proposal has not been prepared in collusion with any other offerer or other persons engaged in the same line of business prior to the official receipt of this proposal. Further, I certify that the offerer is not now, nor has ever been for the past six (6) months, directly or indirectly concerned in any pool or agreement or combination, to control the price of services/items offered, or to influence any person or persons to offer or not to offer thereon."

Name and Address of offerer: _____

Telephone Number _____ Fax Number _____

by: _____ Title: _____
(Print Name)

Signature: _____

SUBSCRIBED AND SWORN to before me by the above-named _____

_____ on this the _____ day of _____, 20_____

Notary Public in and for the State of _____

RETURN THIS AFFIDAVIT AS PART OF THE PROPOSAL

APPENDIX A
SCHEDULE OF PROFESSIONAL FEES AND EXPENSES
FOR THE AUDIT OF THE FYE SEPTEMBER 30, 2016 FINANCIAL STATEMENTS

	<u>Hours</u>	<u>Standard Hourly Rates</u>	<u>Quoted Hourly Rates</u>	<u>Total</u>
Partners	_____	_____	_____	_____
Managers	_____	_____	_____	_____
Supervisory Staff	_____	_____	_____	_____
Staff	_____	_____	_____	_____
Other (specify)	_____	_____	_____	_____
Subtotal	_____	_____	_____	_____
 Total for Audit services				_____
Out of pocket expenses:				_____
Meals and lodging				_____
Transportation				_____
Other (specify)				_____
_____				_____
 Total all inclusive maximum prices for audit				_____

Special services described in Section 2.2.5

- GFOA Certificate of Achievement for Excellence in Financial Reporting program assistance. _____
- Financial advisor and/or the underwriter "consent and citation of expertise" / "comfort letters." _____
- Single Audit Act, U.S. Office of Management and Budget (OMB) Circular A-133 requirements. _____
- The schedule of federal financial assistance / internal controls. _____
- Accounting services to include consultations, meetings, and follow-up. _____

Note: The rate quoted should not be presented as a general percentage of the standard hourly rate or as a gross deduction from the total all-inclusive maximum price.

Request for Taxpayer Identification Number and Certification

**Give Form to the
 requester. Do not
 send to the IRS.**

Print or type See Specific Instructions on page 2.	1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.	
	2 Business name/disregarded entity name, if different from above	
	3 Check appropriate box for federal tax classification; check only one of the following seven boxes: <input type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____ Note. For a single-member LLC that is disregarded, do not check LLC; check the appropriate box in the line above for the tax classification of the single-member owner. <input type="checkbox"/> Other (see instructions) ▶	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ <i>(Applies to accounts maintained outside the U.S.)</i>
	5 Address (number, street, and apt. or suite no.)	Requester's name and address (optional)
	6 City, state, and ZIP code	
	7 List account number(s) here (optional)	

Part I Taxpayer Identification Number (TIN) Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see <i>How to get a TIN</i> on page 3. Note. If the account is in more than one name, see the instructions for line 1 and the chart on page 4 for guidelines on whose number to enter.	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="10" style="text-align: center;">Social security number</td> </tr> <tr> <td style="width: 30px; height: 20px;"></td> </tr> <tr> <td colspan="10" style="text-align: center;">OR</td> </tr> <tr> <td colspan="10" style="text-align: center;">Employer identification number</td> </tr> <tr> <td style="width: 30px; height: 20px;"></td> </tr> </table>	Social security number																				OR										Employer identification number																			
Social security number																																																			
OR																																																			
Employer identification number																																																			

Part II Certification Under penalties of perjury, I certify that:
1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and 2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and 3. I am a U.S. citizen or other U.S. person (defined below); and 4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.
Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

Sign Here	Signature of U.S. person ▶	Date ▶
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General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. Information about developments affecting Form W-9 (such as legislation enacted after we release it) is at www.irs.gov/fw9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following:

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)

- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
 - Form 1099-C (canceled debt)
 - Form 1099-A (acquisition or abandonment of secured property)
- Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding? on page 2.

By signing the filled-out form, you:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting?* on page 2 for further information.



“The City Built for Family Living”

Finance Department

VENDOR INFORMATION SHEET

COMPANY NAME _____ **TAX ID #** _____

PRIMARY POC _____ **DATE** _____
(PLEASE PRINT)

SIGNATURE _____ **PHONE NUMBER** _____

EMAIL ADDRESS _____

SECONDARY POC _____ **DATE** _____
(PLEASE PRINT)

SIGNATURE _____ **PHONE NUMBER** _____

EMAIL ADDRESS _____

LOCAL GOVERNMENT OFFICER CONFLICTS DISCLOSURE STATEMENT

FORM CIS

(Instructions for completing and filing this form are provided on the back.)

This is the notice to the appropriate local governmental entity that the following local government officer has become aware of facts that require the officer to file this statement in accordance with chapter 176, Local Government Code.

OFFICE USE ONLY

Date Received

1 Name of Local Government Officer

2 Office Held

3 Name of person described by Sections 176.002(a) and 176.003(a), Local Government Code

4 Description of the nature and extent of employment or business relationship with person named in item 3

5 List gifts if aggregate value of the gifts received from person named in item 3 exceed \$250

Date Gift Received _____ Description of Gift _____ Did Not Accept Gift

Date Gift Received _____ Description of Gift _____ Did Not Accept Gift

Date Gift Received _____ Description of Gift _____ Did Not Accept Gift

(attach additional forms as necessary)

6 AFFIDAVIT

I swear under penalty of perjury that the above statement is true and correct. I acknowledge that the disclosure applies to a family member (as defined by Section 176.001(2), Local Government Code) of a government officer. I also acknowledge that this statement covers the 12-month period described by Section 176.003(a)(2)(b), Local Government Code.

Signature of Local Government Officer

AFFIX NOTARY STAMP / SEAL ABOVE

Sworn to and subscribed before me, by the said _____, this the _____ day
of _____, 20 _____, to certify which, witness my hand and seal of office.

Signature of officer administering oath

Printed name of officer administering oath

Title of officer administering oath

LOCAL GOVERNMENT OFFICER CONFLICTS DISCLOSURE STATEMENT

Section 176.003 of the Local Government Code requires certain local government officers to file this form. A "local government officer" is defined as a member of a governing body of a local government entity or a director, superintendent, administrator, president, or other person designated as the executive officer of the local government entity. This form is required to be filed with the records administrator of the local governmental entity not later than 5 p.m. on the seventh business day after the date on which the officer becomes aware of the facts that require the filing of this statement.

A local government officer commits an offense if the officer knowingly violates Section 176.003, Local Government Code. An offense under this section is a Class C misdemeanor.

Please refer to chapter 176 of the Local Government Code for detailed information regarding the requirement to file this form.

INSTRUCTIONS FOR COMPLETING THIS FORM

The following numbers correspond to the numbered boxes on the other side.

- 1. Name of Local Government Officer.** Enter the name of local government officer filing this statement.
- 2. Office Held.** Enter the name of the office held by the local government officer filing this statement.
- 3. Name of person described by Sections 176.002(a) and 176.003(a), Local Government Code.** Enter the name of the person described by Section 176.002, Local Government Code with whom the officer has an employment or other business relationship as described by Section 176.003(a), Local Government Code.
- 4. Description of the nature and extent of employment or business relationship with person named in item 3.** Describe the nature and extent of the relationship of the employment or other business relationship with the person in item 3 as described by Section 176.003(a), Local Government Code.
- 5. List gifts if aggregate value of the gifts received from person named in number 3 exceed \$250.** List gifts received during the 12-month period (described by Section 176.003(a)(2)(B), Local Government Code) by the local government officer or family member of the officer from the person named in number 3 that in the aggregate exceed \$250 in value.
- 6. Affidavit.** Signature of local government officer.