

Request for Qualifications

The City of Bastrop, Texas has authorized sealed proposals to be received for:

Auditing Services



**SEALED PROPOSALS DUE:
MAY 23, 2019, 2:00 P.M. CDT**

PART I

GENERAL

The City of Bastrop, hereinafter "City", seeks an agreement with a qualified Individual, Firm, or Corporation, hereinafter referred to as "Respondent", to audit the financial statements of (1) the City and (2) the Hunters Crossing Local Government Corporation, as reported through a Comprehensive Annual Financial Report (CAFR), for the fiscal year ending September 30, 2019, with the option to extend 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*, latest revision, the provisions of the federal Single Audit Act of 1984 (as amended in 1996), and U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

There is no expressed or implied obligation for the City to reimburse responding firms for any expenses incurred in preparing proposals in response to this request. All costs directly or indirectly related to preparation of a response to this request for proposal (RFQ), any oral presentation required to supplement and/or clarify a proposal, and/or reasonable demonstrations which may be, at its discretion, required by the City shall be the sole responsibility of and shall be borne completely by the proposer.

To be considered, one (1) bound original and an additional five (5) bound copies of the proposal must be received by the City Secretary, 1311 Chestnut Street, Bastrop, TX 78602, by **2:00 p.m. May 23, 2019**. The City reserves the right to reject any or all proposals submitted. Proposals submitted will be reviewed by the selection team. It is the proposer's responsibility to ensure that they receive all addenda related to the proposal. It shall be the sole responsibility of the respondent to ensure that their proposal is received by the City Secretary by the time indicated. Late proposals will not be considered.

1. CONTRACT INCORPORATION AND INSURANCE:

The Respondent shall be aware that the contents of the successful proposal will become part of any subsequent contractual document that may arise from this RFQ. Failure of a Respondent to accept this condition may result in proposal rejection.

Upon request, the successful Respondent must submit proof of meeting necessary insurance requirements within ten (10) business days of notification by the City of Bastrop. Failure to respond within ten (10) business days will be grounds for declaring a Respondent non-responsive to specifications.

In addition, the Respondent shall obtain and maintain 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 and shall continue to maintain the insurance policy in full force and effect during the term of an agreement entered into as a result of this solicitation.

2. ATTACHMENTS:

The following attachments are made a part of this solicitation:

- 2.1. Attachment A: Estimated Hours and Fees for Services
- 2.2. Attachment B: Title Page

3. CLARIFICATION:

For questions or clarifications of specifications, you may contact:

Tracy Waldron
Chief Financial Officer
1311 Chestnut St.
P.O. Box 427
Bastrop, TX 78602
(512) 332-8823
twaldron@cityofbastrop.org

The individual listed above may be contacted by telephone or visited for clarification of the specifications only. No authority is intended or implied that specifications may be amended, or alterations accepted prior to opening without written approval of the City of Bastrop.

4. EX PARTE COMMUNICATION:

Please note that to insure the fair evaluation of a solicitation, the City prohibits ex parte communication (e.g., unsolicited) initiated by the Respondent to a City representative evaluating or considering the solicitations prior to the time a decision has been made. Communication between Respondent and the City will be initiated by the appropriate City designee in order to obtain information or clarification needed to develop an accurate evaluation of the solicitation. Ex parte communication may be grounds for disqualifying the offending Respondent from consideration for award.

5. QUALIFICATIONS:

The opening of a proposal shall not be construed as the City's acceptance of such as qualified or responsive. All Respondents shall:

- 5.1. Be firms, corporations, individuals or partnerships normally engaged in the provision of the services as specified herein.
- 5.2. Have adequate organization, facilities, equipment and personnel to ensure prompt and efficient service to the City.
- 5.3. Respondent shall identify key project staff, task leaders and sub-contractors along with their expected services to the City within the scope of work on behalf of the firm. Resumes shall be included for each of the individuals and sub-contractors referenced which demonstrate their qualifications to satisfy all the critical and

service requirement areas. The City reserves the right to approve or disapprove all sub-contractors.

6. EVALUATION AND CRITERIA:

Respondents may be required to make an oral presentation to the selection team to further present their qualifications. These presentations will provide the Respondent the opportunity to clarify their proposal and ensure a mutual understanding of the services to be provided and the approach to be used.

The City reserves the right to reject any or all responses, or delete any portion of the response, or to waive any irregularities or informalities in the response received that best serves the interest and at the sole discretion of the City.

Proposals shall be evaluated on the basis of demonstrated competence and qualifications to perform the services requested using the following criteria:

Quality of Auditing services offered	30%
Respondent's demonstrated experience and strength to provide the services	25%
Respondent's methodology, work plan, and timeline	25%
Respondent's previous experience and references	15%
Thoroughness and Clarity of response to RFQ	5%

7. AGREEMENT TERMS:

- 7.1. The initial term of the resulting agreement shall be for one (1) consecutive twelve (12) month periods from the effective date. The agreement may be renewed for four (4) additional periods of time, not to exceed twelve (12) months each, provided both parties agree in writing.
- 7.2. The City reserves the right to review the Respondent's performance at any time.
- 7.3. The City will require a Letter of Engagement executed annually prior to the beginning of each succeeding twelve (12) months term.
- 7.4. If the Respondent fails to perform its duties in a reasonable and competent manner, the City shall give written notice to the Respondent of the deficiencies and the Respondent shall have thirty (30) days to correct such deficiencies. If the Respondent fails to correct the deficiencies within the thirty (30) days, the City may terminate the agreement at any time or letter of engagement by giving the Respondent written notice of termination and the reason for the termination. The City will reimburse for work performed to date.
- 7.5. If the agreement is terminated, for any reason, the Respondent shall turn over all records—including but not limited to the following: records of services, deliverables, and transactions—to the City within fifteen (15) working days after completion of duties contained in the agreement or letter of engagement.

8. AWARD:

The City reserves the right to enter into an Agreement with a single award, split awards, non-award, or use any combination that best serves the interest and at the sole discretion of the City. Award announcement will be made upon City Council approval of staff recommendation and execution of an Agreement.

9. PROMPT PAYMENT POLICY:

Payments will be made in accordance with the Texas Prompt Payment Law, Texas Government Code, Subtitle F, Chapter 2251. The City will pay Vendor within thirty days after the acceptance of the supplies, materials, equipment, or the day on which the performance of services was completed, or the day on which the City receives a correct invoice for the supplies, materials, equipment or services, whichever is later. The Vendor may charge a late fee (fee shall not be greater than that which is permitted by Texas law) for payments not made in accordance with this prompt payment policy; however, this policy does not apply to payments made by the City in the event:

- 9.1. There is a bona fide dispute between the City and Vendor concerning the supplies, materials, services or equipment delivered or the services performed that causes the payment to be late; or
- 9.2. The terms of a federal agreement, grant, regulation, or statute prevent the City from making a timely payment with Federal Funds; or
- 9.3. There is a bona fide dispute between the Vendor and a sub-contractor or between a subcontractor and its suppliers concerning supplies, material, or equipment delivered or the services performed which caused the payment to be late; or
- 9.4. The invoice is not mailed to the City in strict accordance with instructions, if any, on the purchase order or letter of engagement or other such contractual letter of engagement.

10. NON-APPROPRIATION:

The resulting Agreement is a commitment of the City's current revenues only. It is understood and agreed the City shall have the right to terminate the Agreement at the end of any City fiscal year if the governing body of the City does not appropriate funds sufficient to purchase the estimated yearly quantities, as determined by the City's budget for the fiscal year in question. The City may affect such termination by giving Vendor a written notice of termination at the end of its then current fiscal year.

PART II **SCHEDULE**

1. SOLICITATION SCHEDULE:

It is the City's intention to comply with the following solicitation timeline:

Date	Activity
April 25, 2019	Issue Request for Qualifications
May 7, 2019	Deadline for Questions on RFQ
May 10, 2019	Deadline for City Response to Questions on RFQ
May 23, 2019	RFQ Submittal Due – Deadline at 2:00 P.M.

A copy of all the questions submitted and the City's response to the questions shall be posted on our webpage under the Finance Department. The City reserves the right to modify these dates. Notice of date change will be posted to the City's website.

2. SOLICITATION UPDATES:

Respondents shall be responsible for monitoring the City's website at <http://www.cityofbastrop.org> for any updates pertaining to the solicitation described herein. Various updates may include addendums, cancelations, notifications, and any other pertinent information necessary for the submission of a correct and accurate response. The City will not be held responsible for any further communication beyond updating the website.

3. PROPOSAL DUE DATE: Signed and sealed proposals are due no later than 2:00 P.M. on May 23, 2019 to the City Secretary's Office. Mail or carry sealed proposals to:

City of Bastrop
City Secretary's Office
1311 Chestnut St.
P.O. Box 427
Bastrop, TX 78602

- 3.1. Responses received after this time and date shall not be considered.
- 3.2. Sealed responses shall be clearly marked on the outside of packaging with the Solicitation Title, Due Date and "DO NOT OPEN".
- 3.3. Facsimile or electronically transmitted responses are not acceptable.
- 3.4. Late responses will be returned to Respondent unopened if a return address is provided.

4. AGREEMENT NEGOTIATIONS:

In establishing an agreement as a result of the solicitation process, the City may:

- 4.1. Review all submittals and determine which Respondent is most qualified for award of the agreement.
- 4.2. Attempt to negotiate with the most responsive Respondent an agreement at fair and reasonable terms, conditions and cost.
- 4.4. If negotiations are successful, enter into an agreement.
- 4.5. If the negotiations are not successful, formally end negotiations with that Respondent. The City may then:
 - 4.5.1. Select the next most highly qualified Respondent and attempt to negotiate an agreement at fair and reasonable terms, conditions and cost with that Respondent.
 - 4.5.2. The City shall continue this process until an agreement is entered into or until all negotiations are terminated.
- 4.6. The City also reserves the right to reject any or all submittals, or to waive any irregularities or informalities in the submittal received.

5. POST AWARD MEETING:

The City and Respondent shall have a post-award meeting to discuss the following:

- 5.1. Contact information for implementation of an Agreement and Letter of Engagement.
- 5.2. Agreement terms and conditions.
- 5.3. Letter of Engagement terms, conditions, and Scope of Work for each year.
- 5.4. The identification of specific milestones, goals and strategies to meet objectives.

PART III **SPECIFICATIONS**

1. SCOPE OF WORK:

The Respondent shall provide the following auditing services, and in accordance with generally accepted auditing standards as set for by the American Institute of Certified Public Accountants (AICPA), U.S. GAO *Government Auditing Standards*, latest revision, the provisions of the federal Single Audit Act of 1984 (as amended in 1996) and U.S. OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*:

- 1.1. Express an opinion on the fair presentation of the City's and the Hunters Crossing Local Government Corporation ("HCLGC")'s basic financial statements in conformity with generally accepted accounting principles.
- 1.2. Express an opinion on the fair presentation of the City and of the HCLGC

combining and individual fund financial statements and schedules in conformity with generally accepted accounting principles. The Respondent is not required to audit the supporting schedules contained in the comprehensive annual financial report (CAFR). However, the Respondent shall provide an "in-relation-to" opinion on the supporting schedules based on the auditing procedures applied during the audit of the basic financial statements and the combining and individual fund financial statements and schedules. The Respondent is not required to audit the introductory section of the report or the statistical section of the CAFR.

- 1.3. Perform certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards.
- 1.4. The Respondent shall audit the schedule of expenditures of federal awards to City .
- 1.5. The Respondent shall provide a Single Audit when required.
- 1.6. Express an opinion on the fair presentation of the net assets and changes in net assets for the Hunters Crossing Local Government Corporation.

From time to time, the City may request the auditor to perform other audits and reviews not specifically provided under this section. If such a request is made, the auditor shall submit, at the City's request, a separate proposal for completing the engagement, along with a proposed fee schedule. The City reserves the right to contract additional audits or reviews with whomever they choose.

The City may send its Comprehensive Annual Financial Report (CAFR) to the Government Finance Officers Association of the United States and Canada (GFOA) for review in its Certificate of Achievement for Excellence in Financial Reporting program. The auditor will be required to provide special assistance to the City to meet the requirements of that program. Because the CAFR must be released within six months after the fiscal year end (March 31) to be eligible for the GFOA Certificate of Achievement, coordination of schedules will be required.

The City plans to move forward from auditor prepared basic financial statements to staff prepared financial statements over the course of the contract. Varying degrees of assistance in completion of the basic financial statements will be required.

2. BACKGROUND:

The City serves an area of approximately 9.11 square miles with a population over 9,000. The City's fiscal year begins on October 1 and ends on September 30.

- 2.1. The services provided by the City under general governmental functions include police and fire protection, municipal court, street maintenance, public improvements, planning and zoning, parks operation and maintenance, library services, convention center, and administrative services necessary to serve the

citizens of Bastrop. In addition, water /wastewater and electric services are operated under an Enterprise Fund concept, with user charges set to ensure adequate coverage of operating expenses and payments on outstanding debt.

- 2.2. The City has a total budget for FY2019 of \$39 million and 146 FTE employees.
- 2.3. The City is organized into twenty-three (23) funds. The accounting and financial reporting functions of the City are centralized.
- 2.4. More detailed information on the government and its finances can be found in the following documents:
 - 2.4.1. 2018-2019 Budget
 - 2.4.2. Comprehensive Annual Financial Report for the Year Ended September 30, 2018

2.5. All documents can be found on-line on the City's website, www.cityofbastrop.org
The Local Government Corporation was created in 2008 to serve as the governing board for the Hunter's Crossing Public Improvement District.

3. FUND STRUCTURE:

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

<u>Fund Type</u>	<u>Number of Individual Funds:</u>
General Fund	1
Special revenue funds	8
Debt service funds	1
Capital projects funds	5
Enterprise funds/ Utility	5
Permanent Fund funds	1
Agency Funds	1
Internal Service Fund	1

4. BUDGETARY BASIS OF ACCOUNTING:

The City prepares its governmental fund type budgets on a basis consistent with generally accepted accounting principles.

5. FEDERAL AND STATE FINANCIAL ASSISTANCE AWARDS:

During the fiscal year to be audited, the City received the following Federal and State Financial Assistance Awards:

- 5.1. Federal Emergency Management Agency
- 5.2. U.S. Department of Justice
- 5.3. U.S. Department of Housing & Urban Development
- 5.4. Federal Highway Administration

6. PENSION AND POST EMPLOYMENT PLANS:

The City provides pension benefits for all of its full-time employees through a non-traditional,

joint contributory, hybrid benefit plan in the state-wide Texas Municipal Retirement System (TMRS), an agent multiple-employer public employee retirement system. The City has employees who take part in an optional IRC Deferred Comp 457 plan. Eligible retirees of the City are provided post-employment benefits of health insurance coverage.

7. DISCRETELY PRESENTED COMPONENT UNIT:

A seven-member board appointed by the City Council governs the Bastrop Economic Development Corporation, an entity legally separate from the City. The City Council maintains budgetary control of the Corporation. This component unit is to be audited as part of the audit of the City of Bastrop's financial statements.

8. MAGNITUDE OF FINANCE OPERATIONS:

The Finance Department is headed by the Chief Financial Officer and consists of five (5) employees. The positions and numbers of employees assigned to each are as follows:

<u>Function</u>	<u>Number of Employees</u>
Chief Financial Officer	1
Assistant Finance Director	1
Finance Specialist II	2
Finance Specialist I	1

9. COMPUTER SYSTEMS:

The City utilizes the following systems for transactions:

- 9.1. Tyler Technology Incode
 - Check Reconciliation
 - Cash Collections
 - Call Center
 - General Ledger
 - Accounts Payable
 - Project Accounting
 - Purchase Orders
 - Fixed Assets
 - Time Entry
 - Payroll
 - Utility Billing
 - Public Safety
 - Court
- 9.1. Tyler Technology Energov
 - Planning & Zoning

10. INTERNAL AUDIT FUNCTION:

The City does not have an internal audit staff.

11. PRIOR AUDIT REPORTS:

All prior years' audit reports including the CAFR and Local Government Corporation Audit can be found on-line on the City's website, www.cityofbastrop.org.

12. RESPONDENT REQUIREMENTS:

Respondent shall, at a minimum, address the following requirements:

- 12.1. Respondent is independent and licensed to practice in Texas.
- 12.2. Have an office located within a radius of 120 miles of the City of Bastrop.
- 12.3. No conflict of interest with regard to any other work performed by the firm for the City.
- 12.4. Respondent has performed one or more audits of Texas Municipalities in the past two (2) years.
- 12.5. Prepared one or more CAFRs that have received the GFOA's Certificate of Achievement for Excellence in Financial Reporting.
- 12.6. Demonstrate past experience and performance on comparable government engagements.
- 12.7. Quality of respondent's professional personnel to be assigned to the engagement and the quality of management and support personnel to be available for technical consultation.
- 12.8. Past experience of Respondent's professional personnel to be assigned to the engagement with the GFOA's Certificate of Achievement for Excellence in Financial Reporting.
- 12.9. Past experience and performance with Single Audits and tests of compliance with laws and regulations.
- 12.10. Perform additional services and provide technical support throughout the year, including new GASB pronouncements.
- 12.11. Adequacy of proposed staffing plan for various segments of the engagement.

13. TIME SCHEDULE:

The Respondent shall submit a detailed timeline schedule for the following items:

- 13.1. The Respondent shall submit for review and approval by the Chief Financial Officer, a schedule of audit functions as follows:
 - 13.1.1. Interim work start and completion dates. Historically, performed late July and early August of the year.
 - 13.1.2. A detailed audit plan and a list of all schedules and listing the assistance provided by the City shall be provided to the City by September 1st of the

year audited.

- 13.1.3. The Respondent shall use their best efforts to complete all fieldwork no later than December 27, 2019 and each subsequent year.
- 13.1.4. The Respondent shall use their best efforts to have preliminary drafts of the audit reports, the CAFR, the LGC PID Audit Report and recommendations to management for review by the Chief Financial Officer no later than January 17, 2020 and each subsequent year.
- 13.1.5. Entrance conferences, progress reporting and exit conferences shall be developed for audits of current and future fiscal years, provided, the City exercises its option for additional audits.

14. WORKING PAPER RETENTION AND ACCESS TO WORKING PAPERS:

All working papers and reports shall be retained, at the successful Respondent's expense, for a minimum of three (3) years, from completion of the audit, unless the firm is notified, in writing by the City, to extend the retention period. The successful Respondent shall make working papers accessible, upon request, to the following parties or their designees:

- 14.1. City of Bastrop
- 14.2. State or Federal Grant Agencies
- 14.3. U.S. General Accounting Office
- 14.4. Parties designated by the federal or state governments or by the City as part of an audit quality review process
- 14.5. Auditors of entities of which the City is a sub recipient of grant funds.
- 14.6. In addition, the Respondent shall respond to inquiries of successor auditors and allow successor auditors to review working papers related to matters of continuing accounting significance.

15. CITY RESPONSIBILITIES:

The City will provide the following to the successful Respondent:

- 15.1. The Finance Department staff and responsible management personnel will be available during the audit to assist the successful respondent by providing information, documentation and explanations. The preparation of confirmations will be the responsibility of the City and the respondent. In addition, hours of clerical support, a total of which will be agreed upon by the Chief Financial Officer and Respondent, will be available to the Respondent for the preparation of routine letters and memoranda.
- 15.2. City staff will prepare and provide, but not limited to, the following statements and schedules for the Respondent:
 - 15.2.1. Trial Balances
 - 15.2.2. Accounts Receivable Schedules
 - 15.2.3. Accounts Payable Schedules

- 15.2.4. Payroll Schedules
- 15.2.5. Fixed Asset Listing
- 15.2.6. Asset Additions and Deletions
- 15.3. The City will provide workspace, desks and chairs.
- 15.4. The successful Respondent will have access to telephone lines, photocopying facilities and FAX machines.
- 15.5. Long distance charges shall not be covered unless included in the cost of fee estimate as other charges.
- 15.6. The City will print and publish the Final Report documents.

16. DELIVERABLES:

The successful Respondent shall provide, but not be limited, to the City the following reports:

- 16.1. A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles.
- 16.2. A report on internal control over financial reporting and on compliance and other matters based on an audit of the financial statements.
- 16.3. A report on compliance with requirements that could have a direct and material effect on each major program and on internal control over compliance.
- 16.4. In addition to the financial statements, Respondent shall prepare the City's Comprehensive Annual Financial Report (CAFR) with the assistance from the City. The final CAFR document shall be in a format ready for printing and duplication.
- 16.5. An Annual Financial Report for the Local Government Corporation Hunters Crossing Public Improvement District.

17. REPORT COMPLIANCE:

In the required report(s) on compliance and internal controls, the Auditor shall communicate any reportable conditions found during the audit.

- 17.1. Reportable conditions that are also material weaknesses shall be identified as such in the report(s). Non-reportable conditions discovered by the auditors shall be reported in a separate letter to management, which shall be referred to in the report(s) on compliance and internal controls.
- 17.2. The report on compliance and internal controls shall include all material instances of noncompliance. All nonmaterial instances of noncompliance shall be reported in a separate management letter, which shall be referred to in the report on compliance and internal controls.
- 17.3. Report(s) regarding irregularities and illegal acts shall be immediately sent, as they become evident, to the following parties: City Manager, Chief Financial Officer.

18. SPECIAL CONSIDERATIONS:

The 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 the City to meet the requirements of that program.

- 18.1. The City currently anticipates it will prepare one or more official statements in connection with the sale of debt securities, which will contain the auditor's report, the basic financial statements, the notes to the financial statements and the required supplementary information. The Auditor shall be required, if requested by the fiscal advisor and/or the underwriter, to issue a "consent and citation of expertise" as the Auditor and any necessary "comfort letters."
- 18.2. The Schedule of Expenditures of Federal Awards and related auditor's report, as well as the reports on compliance and internal controls are not to be included in the comprehensive annual financial report but are to be issued separately.
- 18.3 The Local Government Corporation Public Improvement District report will be issued separately.

19. FINAL REPORT:

The successful Respondent shall provide the prepared final draft financial statements, notes and all required supplementary schedules to the City no later than February 7, 2020 and each subsequent year. The City will complete a review of the preliminary draft report which is due to the City no later than January 17, 2020. The City will provide all recommendations, revisions and suggestions for improvement to the Respondent as expeditiously as possible. It is not expected that this process will exceed two (2) weeks. During that period, the Respondent shall be available for meetings that may be needed to discuss in order to finalize the reports. Once all issues for discussion are resolved, the final signed report shall be delivered to the Chief Financial Officer. The successful Respondent will be required to provide a presentation of the financial statements to the City Council and to the Local Government Board of Directors at their respective Board/ Council meeting.

PART IV

SUBMISSION REQUIREMENTS

1. **PROPOSAL SUBMISSION REQUIREMENTS:** To achieve a uniform review process and obtain the maximum degree of comparability, the responses shall be organized in the manner specified below. Sealed responses shall be clearly marked on the outside of packaging with the Solicitation title, due date and "**DO NOT OPEN**". Responses shall be clear and concise and shall include at a minimum: title page, transmittal letter, index or table of contents, dividers

for each section and all required attachments. Information in excess of those pages allowed may not be evaluated. One page shall be interpreted as one side of a double-spaced, printed, 8 1/2" X 11" sheet of paper. It is recommended that responses be submitted in ringed binders, metal spirals, or another bound format that best contains all required documentation for submission.

The Respondent shall submit one (1) original signed paper copy and five (5) copies, clearly identified as a "COPY" of its Response. The Sealed Dollar Cost Bid Proposal should be in a separate sealed envelope and should also include one (1) original signed paper copy and five (5) copies, clearly marked.

In addition, the Respondent shall submit one (1) flash drive, each containing a complete copy of Respondent's submission in an acceptable electronic format (PDF, RTF, TXT, DOC, XLS).

A complete copy of the Response includes all documents required by this Solicitation.

The flash drive shall be titled: "SOLICITATION TITLE- Complete copy of [Name of Respondent]'s submission."

If supplemental materials are included with the Response, each flash drive shall include such supplemental materials. The Response and accompanying documentation are the property of the City and will not be returned.

- 1.1. Title Page (Attachment B) – Complete the form and provide a signature from an individual that has authorizing authority.
- 1.2. **(TAB 1)** Letter of Transmittal (1 page) – Identify the services for which solicitation has been prepared.
 - 1.2.1. Briefly state your firm's understanding for the services to be performed and make a positive commitment to provide the services as specified.
 - 1.2.2. A statement of affirmation warranting compliance with State of Texas laws with respect to foreign (non-state of Texas) corporations.
 - 1.2.3. A statement of affirmation warranting responsibilities shall not be delegated or subcontracted without prior written permission of the City.
 - 1.2.4. A statement why the firm believes itself to be best qualified to perform the engagement and a statement that the response is a firm offer for the period stated.
 - 1.2.5. Provide the name(s) of the person(s) authorized to make representations for your firm, their titles, address, telephone numbers and e-mail address.
 - 1.2.6. The letter of each solicitation shall be signed in permanent ink by a corporate officer or other individual who has the authority to bind the firm. The name and title of the individuals(s) signing the solicitation shall be clearly shown immediately below the signature.

- 1.3. **(TAB 2) Table of Contents** (1 page) – Clearly identify the materials by Tab and Page Number.
- 1.4. **(TAB 3) Previous Performance/Experience** – Provide detailed information on firm and team experience with providing consultant services as described in the Scope of Work.
 - 1.4.1. Respondent shall 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.
 - 1.4.2. Respondent 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, Respondent shall provide information on the circumstances and status of any disciplinary action taken or pending against the Respondent during the past three (3) years with state regulatory bodies or professional organizations.
 - 1.4.3. List separately all engagements within the last five years, ranked on the basis of total staff hours, for the City by type of engagement (e.g.. 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.
 - 1.4.4. For the Respondent's office that will be assigned responsibility for the audit, list the most significant engagements (maximum - 10) performed in the last five years that are similar to the engagement described in this solicitation. These engagements shall 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.
- 1.5. **(TAB 4) Available Resources and Respondent Location** – Provide information on size, resources and business history of the firm.
 - 1.5.1. Respondent shall state the size of the firm, the size of the Respondent'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.
 - 1.5.2. If the Respondent is a joint venture or consortium, the qualifications of each firm comprising the joint venture or consortium shall be separately identified and the firm that is to serve as the principal auditor shall be noted, if applicable.
- 1.6. **(TAB 5) Qualifications** – Respondent shall identify the project team and provide statement of qualifications for those individuals to include education, professional registrations and areas and years of service in the respective field.

- 1.6.1. Identify and provide a resume for the principal supervisory and management staff, including engagement partners, managers, subcontractors, 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.
- 1.6.2. Provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, and specific experience related to GFOA Certificate of Achievement for Excellence in Financial Reporting, 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.
- 1.6.3. 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.
- 1.6.4. Consultants and firm specialists mentioned in response to this solicitation can only be changed with the express prior written permission of the City, which retains the right to approve or reject replacements.
- 1.6.5. Other audit personnel may be changed at the discretion of the Respondent provided that replacements have substantially the same or better qualifications or experience.
- 1.7. **(TAB 6) Methodology** – Respondent shall define the method and approach to be used. The Response shall set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services. In developing the work plan, reference shall be made to such sources of information as City budget and related materials, organizational charts, manuals and programs, and financial and other management information systems. Respondents shall provide the following information on their audit approach:
 - 1.7.1. Proposed segmentation of the engagement
 - 1.7.2. Level of staff and number of hours to be assigned to each proposed segment of the engagement
 - 1.7.3. Sample size and the extent to which statistical sampling is to be used in the engagement
 - 1.7.4. Extent of use of computer audit tools in the engagement
 - 1.7.5. Type and extent of analytical procedures to be used in the engagement

- 1.7.6. Approach to be taken to gain and document an understanding of the City's internal control structure
 - 1.7.7. Approach to be taken in determining laws and regulations that will be subject to audit test work
 - 1.7.8. Approach to be taken in drawing audit samples for purposes of tests of compliance
 - 1.7.9. Approach and frequency to be taken regarding regular communications with the Chief Financial Officer regarding the engagement status.
 - 1.7.10. 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 the City.
- 1.8. **(TAB 7) Timeline** – Respondent shall provide a detailed schedule of the complete project as per the specifications contained herein. See Part III paragraph 13.
- 1.9. **SEPARATE SEALED ENVELOPE** marked as follows: "SEALED DOLLAR COST BID"
- 1.9.1. Respondent shall include the cost proposal within "Attachment A" to provide services as described herein. The sealed dollar cost proposal must contain all pricing information relative to performing the audit engagement as described in this request for proposals. The total all-inclusive maximum price to be proposed is to contain all direct and indirect costs including all out-of-pocket expenses.
 - 1.9.2. A total all-inclusive maximum price for the Fiscal years 2019, 2020, 2021, 2022, 2023 must be included.
 - 1.9.3. Separate pricing must be provided in the provided attachment for the overall financial statement and single audit, and the Local Government Corporation Hunters Crossing Public Improvement District audit.
 - 1.9.4. No dollar units or total costs should be included in the response submittal. outside of the sealed envelope titled: "Sealed Dollar Cost Bid".

-END

ATTACHMENT A (page 1 of 5)
RESPONDENT ESTIMATED HOURS AND FEES FOR SERVICES
AUDITING RFQ FISCAL YEAR 2019 –Year 1

PLEASE COMPLETE AND RETURN ATTACHMENT A (ALL 5 PAGES) IN A SEPARATE SEALED ENVELOPE

RESPONDENT’S NAME: _____ **DATE:** _____

<u>TITLE</u>	<u>ESTIMATED HOURS</u>	<u>HOURLY RATE</u>	<u>TOTAL (HOURSXRATE)</u>
PARTNERS	_____	_____	_____
MANAGERS	_____	_____	_____
SUPERVISORY STAFF	_____	_____	_____
STAFF	_____	_____	_____
OTHER(specify):	_____	_____	_____
_____			_____
_____			_____
OUT OF POCKET EXPENSES (specify):			
Meals and lodging			_____
Transportation			_____
_____			_____
TOTAL COST FOR CITY AUDIT - (annual all-inclusive not to exceed fee)			_____
SEPARATE COST FOR LOCAL GOVERNMENT CORPORATION HUNTERS CROSSING PUBLIC IMPROVEMENT DISTRICT AUDIT			_____
TOTAL FOR BOTH AUDITS FOR THE FISCAL YEAR 2019- (annual all-inclusive not to exceed fee)			_____
SEPARATE COST FOR SINGLE AUDIT (if required)			_____
TOTAL FOR FISCAL YEAR 2019 with SINGLE AUDIT- (annual all-inclusive not to exceed fee)			_____

FAILURE TO PROVIDE THE REQUIRED INFORMATION WITH THE SOLICITATION RESPONSE MAY AUTOMATICALLY DISQUALIFY THE RESPONSE FROM CONSIDERATION FOR AWARD.

ATTACHMENT A (page 2 of 5)
RESPONDENT ESTIMATED HOURS AND FEES FOR SERVICES
AUDITING RFQ FISCAL YEAR 2020 –Year 2

PLEASE COMPLETE AND RETURN ATTACHMENT A (ALL 5 PAGES) IN A SEPARATE SEALED ENVELOPE

RESPONDENT’S NAME: _____ **DATE:** _____

<u>TITLE</u>	<u>ESTIMATED HOURS</u>	<u>HOURLY RATE</u>	<u>TOTAL (HOURSXRATE)</u>
PARTNERS	_____	_____	_____
MANAGERS	_____	_____	_____
SUPERVISORY STAFF	_____	_____	_____
STAFF	_____	_____	_____
OTHER(specify):	_____	_____	_____
_____			_____
_____			_____
OUT OF POCKET EXPENSES (specify):			
Meals and lodging			_____
Transportation			_____
_____			_____
TOTAL COST FOR CITY AUDIT - (annual all-inclusive not to exceed fee)			_____
SEPARATE COST FOR LOCAL GOVERNMENT CORPORATION HUNTERS CROSSING PUBLIC IMPROVEMENT DISTRICT AUDIT			_____
TOTAL FOR BOTH AUDITS FOR THE FISCAL YEAR 2020- (annual all-inclusive not to exceed fee)			_____
SEPARATE COST FOR SINGLE AUDIT (if required)			_____
TOTAL FOR FISCAL YEAR 2020 with SINGLE AUDIT- (annual all-inclusive not to exceed fee)			_____

FAILURE TO PROVIDE THE REQUIRED INFORMATION WITH THE SOLICITATION RESPONSE MAY AUTOMATICALLY DISQUALIFY THE RESPONSE FROM CONSIDERATION FOR AWARD.

ATTACHMENT A (page 3 of 5)
RESPONDENT ESTIMATED HOURS AND FEES FOR SERVICES
AUDITING RFQ FISCAL YEAR 2021 –Year 3

PLEASE COMPLETE AND RETURN ATTACHMENT A (ALL 5 PAGES) IN A SEPARATE SEALED ENVELOPE

RESPONDENT’S NAME: _____ **DATE:** _____

<u>TITLE</u>	<u>ESTIMATED HOURS</u>	<u>HOURLY RATE</u>	<u>TOTAL (HOURSXRATE)</u>
PARTNERS	_____	_____	_____
MANAGERS	_____	_____	_____
SUPERVISORY STAFF	_____	_____	_____
STAFF	_____	_____	_____
OTHER(specify):	_____	_____	_____
_____			_____
_____			_____
OUT OF POCKET EXPENSES (specify):			
Meals and lodging			_____
Transportation			_____
_____			_____
TOTAL COST FOR CITY AUDIT - (annual all-inclusive not to exceed fee)			_____
SEPARATE COST FOR LOCAL GOVERNMENT CORPORATION HUNTERS CROSSING PUBLIC IMPROVEMENT DISTRICT AUDIT			_____
TOTAL FOR BOTH AUDITS FOR THE FISCAL YEAR 2021- (annual all-inclusive not to exceed fee)			_____
SEPARATE COST FOR SINGLE AUDIT (if required)			_____
TOTAL FOR FISCAL YEAR 2021 with SINGLE AUDIT- (annual all-inclusive not to exceed fee)			_____

FAILURE TO PROVIDE THE REQUIRED INFORMATION WITH THE SOLICITATION RESPONSE MAY AUTOMATICALLY DISQUALIFY THE RESPONSE FROM CONSIDERATION FOR AWARD.

ATTACHMENT A (page 4 of 5)
RESPONDENT ESTIMATED HOURS AND FEES FOR SERVICES
AUDITING RFQ FISCAL YEAR 2022 –Year 4

PLEASE COMPLETE AND RETURN ATTACHMENT A (ALL 5 PAGES) IN A SEPARATE SEALED ENVELOPE

RESPONDENT’S NAME: _____ **DATE:** _____

<u>TITLE</u>	<u>ESTIMATED HOURS</u>	<u>HOURLY RATE</u>	<u>TOTAL (HOURSXRATE)</u>
PARTNERS	_____	_____	_____
MANAGERS	_____	_____	_____
SUPERVISORY STAFF	_____	_____	_____
STAFF	_____	_____	_____
OTHER(specify):	_____	_____	_____
_____			_____
_____			_____
OUT OF POCKET EXPENSES (specify):			
Meals and lodging			_____
Transportation			_____
_____			_____
TOTAL COST FOR CITY AUDIT - (annual all-inclusive not to exceed fee)			_____
SEPARATE COST FOR LOCAL GOVERNMENT CORPORATION HUNTERS CROSSING PUBLIC IMPROVEMENT DISTRICT AUDIT			_____
TOTAL FOR BOTH AUDITS FOR THE FISCAL YEAR 2022- (annual all-inclusive not to exceed fee)			_____
SEPARATE COST FOR SINGLE AUDIT (if required)			_____
TOTAL FOR FISCAL YEAR 2022 with SINGLE AUDIT- (annual all-inclusive not to exceed fee)			_____

FAILURE TO PROVIDE THE REQUIRED INFORMATION WITH THE SOLICITATION RESPONSE MAY AUTOMATICALLY DISQUALIFY THE RESPONSE FROM CONSIDERATION FOR AWARD.

ATTACHMENT A (page 5 of 5)
RESPONDENT ESTIMATED HOURS AND FEES FOR SERVICES
AUDITING RFQ FISCAL YEAR 2023 –Year 5

PLEASE COMPLETE AND RETURN ATTACHMENT A (ALL 5 PAGES) IN A SEPARATE SEALED ENVELOPE

RESPONDENT’S NAME: _____ **DATE:** _____

<u>TITLE</u>	<u>ESTIMATED HOURS</u>	<u>HOURLY RATE</u>	<u>TOTAL (HOURSXRATE)</u>
PARTNERS	_____	_____	_____
MANAGERS	_____	_____	_____
SUPERVISORY STAFF	_____	_____	_____
STAFF	_____	_____	_____
OTHER(specify):	_____	_____	_____
_____			_____
_____			_____
OUT OF POCKET EXPENSES (specify):			
Meals and lodging			_____
Transportation			_____
_____			_____
TOTAL COST FOR CITY AUDIT - (annual all-inclusive not to exceed fee)			_____
SEPARATE COST FOR LOCAL GOVERNMENT CORPORATION HUNTERS CROSSING PUBLIC IMPROVEMENT DISTRICT AUDIT			_____
TOTAL FOR BOTH AUDITS FOR THE FISCAL YEAR 2023- (annual all-inclusive not to exceed fee)			_____
SEPARATE COST FOR SINGLE AUDIT (if required)			_____
TOTAL FOR FISCAL YEAR 2023 with SINGLE AUDIT- (annual all-inclusive not to exceed fee)			_____

FAILURE TO PROVIDE THE REQUIRED INFORMATION WITH THE SOLICITATION RESPONSE MAY AUTOMATICALLY DISQUALIFY THE RESPONSE FROM CONSIDERATION FOR AWARD.

ATTACHMENT B

TITLE PAGE

The undersigned hereby certifies that he/she understands the Request for Qualifications (RFQ) has read the document in its entirety and understands the provisions set forth in this document. The following information must be filled out in its entirety for the response to be considered.

Solicitation Title: _____

Name of Firm: _____

Address: _____

Office Phone: _____ Cell Phone: _____

Email Address: _____

Authorized Representative: _____

Signature

Date

PLEASE INCLUDE THIS COMPLETED PAGE AS THE FIRST PAGE OF YOUR SUBMITTAL.