

**CITY OF MERCEDES
SOLICITATION, OFFER AND AWARD FORM**

**SOLICITATION INFORMATION
REQUEST FOR PROPOSALS (RFP)**

1. PROPOSAL NO.: 17-003-09-13
2. ISSUE DATE: August 23, 2017
3. FOR INFORMATION CONTACT: (No collect calls)
NAME: Nereida Perez, Finance Director
TELEPHONE: (956) 565-3114 **FAX:** (956) 565-2209
E-MAIL: nperez@cityofmercedes.com

4. BRIEF DESCRIPTION:

Auditing Services

5. PRE-PROPOSAL CONFERENCE:
(Strongly Recommended)
****** There WILL be a conference. ******
LOCATION: City of Mercedes
 400 S Ohio
 Mercedes, TX 78570
DATE: August 30, 2017
TIME: 11:00 AM CST

6. ADVERTISING DATES:
 1st Week of Advertisement Date: __08__/_23__/_17__
 2nd Week of Advertisement Date: __08__/_30__/_17__

7. SUBMIT OFFER TO:
Mailing/Hand/Commercial Courier Delivery

City of Mercedes
Finance Department
 400 S. Ohio
 Mercedes, TX 78570
 Proposal # 17-003-09-13

8. OFFER SUBMISSION DUE DATE AND TIME:
DATE: September 13, 2017
TIME: 2:00 PM CST

9. No Facsimiles or late arrivals will be accepted. Any proposals received after offer submission due date and time will not be opened and will be returned. City of Mercedes Finance Department time stamp clock will be the governing time for acceptability of bids. Overnight mail must also be properly labeled on the outside of the express envelope or package in reference to RFP.

10. SUBMIT WITH OFFER: Original offer and 7 photocopies including documents and attachments so indicated on Page 2 of this form.

11. Offers submitted in response to an RFB will be opened publicly by The City of Mercedes Finance Department, immediately after the submission due date and time. Offers submitted in response to an RFP will NOT be publicly opened.

12. FIRM OFFER PERIOD: Offers submitted shall remain firm for a period of 60 calendar days from the final due date for proposals.

13. NOTE: For Invitation for Bids, "offer" and "offeror" mean "bid" and "bidder".

OFFER
(To be completed by Offeror)

14. In compliance with the above, the undersigned agrees, if this offer is accepted within the period specified in Block 12, above, to furnish any or all items, or provide the service(s), upon which prices are offered in the Schedule at the price set opposite each item or service, and to deliver the item(s) and or perform the service(s) at the designated location(s) within the time specified.

15. PROPOSERS NAME, ADDRESS: (Type or Print)

TELEPHONE: **E-MAIL:**
CELL PHONE: **FAX:**

16. NAME AND TITLE OF PERSON AUTHORIZED TO SIGN THE OFFER: (Type or Print)

17. PROPOSERS SIGNATURE & DATE:

AWARD
(To be completed by City of Mercedes)

18. TOTAL AMOUNT OF AWARD:

19. PURCHASING DIRECTOR SIGNATURE & DATE OF AWARD:

Name: _____ Signature: _____ Date: ____/____/____

SOLICITATION INDEX

20. CONTENTS: (DOCUMENTS WITH A YES ARE TO BE SUBMITTED WITH OFFER)

	NAME	FORM DESCRIPTION	SUBMIT WITH OFFER?		
●	Cover Sheet	Solicitation, Offer and Award Form (Complete in its entirety to include Sign and Date)	YES		
●	Instructions to Bidders	General Terms & Conditions	YES		
		Technical Proposal (Included in the 30 pg Max)	YES		
		Price Proposal	NO		
		Insurance Certificate	NO		
●	Scope of Service	Description of Audit Services	YES		
●	Non-Collusive Bidding Certificate	Vendor Acknowledgement Form	YES		
●	Price Schedule	Fees for Services	NO		
●	Addenda Checklist	Confirmation Receipt of Addendum(s)	YES		
●	CIQ Questionnaire	Conflict of Interest Questionnaire	YES		
21. ACKNOWLEDGMENT OF ADDENDUMS:		ADDENDUMS #	DATE	ADDENDUMS #	DATE
Offeror acknowledges receipt of the following addendum(s) to the solicitation:					
(Identify addendum number and date of each.)					

*****Firm name and authorized signature must appear on each page that calls for this information. Failure to do so may disqualify your proposal *****

City of Mercedes
Instructions to Proposer – General Terms & Conditions
Proposal Name/No.: Auditing Services/ 17-003-09-13

Please read your scope of service thoroughly and be sure that the proposal complies with all requirements. If you are the successful Proposer, it will be required that **“Auditing Services”** be provided as specified and/or agreed upon by the City. City of Mercedes is seeking competitive proposals from qualified firms to provide annual audits. The firms must be licensed to practice public accountancy in the State of Texas.

- (1) Sealed Proposals will be received for **“Auditing Services”** in accordance with the scope or service attached hereto.
- (2) **One (1) original and seven (7) copies** of RFP **must** be submitted in a sealed package **with vendor’s name and return address clearly typed/printed on upper left hand corner and proper notation clearly type/printed on the lower left hand corner “Request for Proposals” – “Auditing Services- Proposal”** and delivered to City of Mercedes Finance Department, **400 S. Ohio Mercedes, TX on or before 2:00 p.m., Wednesday, September 13, 2017.**
 - a) **No Facsimiles or late arrivals will be accepted. Any RFP received after that time will not be opened and will be returned. Overnight mail must also be properly labeled on the outside of express envelope or package in reference to RFP.**
 - b) The technical proposal package shall be labeled **“Technical Proposal – Auditing Services”**

(3) **Pre-proposal Conference**

A Pre-proposal Conference shall be held at the date and time and place as indicated above. All prospective proposers are encouraged to attend.

(4) **Authorized Signature and Firm Period**

- a) Proposals must give full firm name and address of offeror, and be manually signed. Failure to do so will disqualify your Proposal. Person signing Proposal must show title or **CITY TO BIND HIS FIRM IN A CONTRACT.** *Firm name and authorized signature must appear on each page that calls for this information.*
- b) Proposals shall remain firm for a period of sixty (60) calendar days from the date of submission. If a Best and Final Offer has been requested of the Offeror/Proposer, the Proposal shall remain valid for a period of up to sixty (60) additional days from the date of submission of the Best and Final Offer.

(5) **Cost Incurred in Responding**

All costs directly or indirectly related to preparation of a response to the RFP or any oral presentation required to supplement and/or clarify a Proposals which may be required by the City shall be the sole responsibility of and shall be borne by the participating Proposers.

(6) **Proprietary Information**

- a) If a Proposer does not desire proprietary information in the Proposal to be disclosed, it is required to identify all proprietary information in the Proposal. This identification will be done by individually marking each page with the words "Proprietary Information" on which such proprietary information is found. If the Proposer fails to identify proprietary information, it agrees that by submission of its Proposal that those sections shall be deemed non-proprietary and made available upon public request.
- b) Proposer’s are advised that the City, to the extent permitted by law, will protect the confidentiality of their Proposals. Proposer shall consider the implications of the Texas Public Information Act, particularly after the RFP process has ceased and the Contract has been awarded. While there are provisions in the Texas Public Information Act to protect proprietary information, where the Proposer can meet certain evidentiary standards, please be advised that a determination on whether those standards have been met will not be decided by the City of Mercedes, but by the Office of the Attorney General of the State of Texas. In the event a request for public information is made, the City will notify

the Proposer, who may then request an opinion from the Attorney General pursuant to 552.305, Texas Government Code.

(7) Interest of Public Officials

The offeror represents and warrants that no employee, official, or member of the Council (Executive Committee) of the City is or will be pecuniarily interested in or benefited directly or indirectly as a result of this contract.

(8) Covenant Against Gratuities

The offeror represents as part of its offer that neither it nor any of its employees, representatives or agents have offered or given gratuities (in the form of entertainment, gifts or otherwise) to any director, officer or employee of the City with the view toward securing favorable treatment in the awarding, amending, or the making of any determination with respect to the performing of the contract.

(9) Unauthorized Communication

After release of this solicitation, Respondents' contact regarding this RFP with members of the RFP evaluation, interview or selection panels, employees of the City or officials of the City other than the Finance Director, or as otherwise indicated is prohibited and may result in disqualification from this procurement process. **No officer, employee, agent or representative of the Respondent shall have any contact or discussion, verbal or written, with any members of the City Council, members of the RFP evaluation, interview, or selection panels, City staff or City's Contractors, or directly or indirectly through others, seek to influence any City Council member, City staff, or City's Contractors regarding any matters pertaining to this solicitation, except as herein provided.** If a representative of any Respondent violates the foregoing prohibition by contacting any of the above listed parties with who contact is not authorized, such contact may result in the Respondent being disqualified from the procurement process. Any oral communications are considered unofficial and non-binding with regard to this RFP.

(10) Award of Contract

- a) It is understood that the City reserves the right to accept or reject any and all Proposals and to re-solicit for Proposals, as it shall deem to be in the best interests of the City of Mercedes. Receipt and consideration of any Proposals shall under no circumstances obligate the City of Mercedes to accept any Proposals. If an award of contract is made, it shall be made to the responsible Proposer whose Proposal is determined to be the best evaluated offer taking into consideration the relative importance of the evaluation factors set forth in the RFP.
- b) One contract award is anticipated under this solicitation. Multiple contract awards shall not be made.

(11) Request for Clarification and/or Modifications

- a) The Request for Proposal documents (which will ultimately form the Contract) can only be modified via an addendum. The deadline to submit requests for clarifications and/or questions is by the tenth (10) calendar day before the due date for proposals. Any explanation, clarification, or interpretation desired by a Proposer regarding any part of this RFP must be requested from Nereida Perez, Finance Director via fax number (956)565-3114 or email nperez@cityofmercedes.com. Any explanation desired by a proposer regarding the meaning or interpretation of the solicitation, drawings, specifications, etc., must be requested in writing from the City's authorized representative. Emails and Faxes must clearly identify the RFP Number and Title. City of Mercedes assumes no responsibility for delayed or lost responses. Proposers should contact the Director if they believe a response is missing or lost.
- b) If the City, in its sole discretion, determines that a clarification is required, such clarification shall be issued in writing. Interpretations, corrections or changes to the RFP made in any other manner other than writing are not binding upon the City, and Proposers shall not rely upon such interpretations, corrections or changes. Oral explanations or instructions given before the award of the Contract are not binding.

- c) Any interpretations, corrections or changes to this RFP will be made by addendum. Sole issuing authority of addenda shall be vested in the City of Mercedes Finance Department. Proposers shall acknowledge receipt of all addendums within the responses.
- d) Oral explanations or instructions given before the award of any contract, at any pre-Proposal conferences or otherwise, will not be binding on the City. Any information given to a Proposer concerning an interpretation of the solicitation will be furnished to all Proposer as an addendum to the solicitation, if such information is necessary to Proposer in submitting Proposals on the solicitation or if the lack of such information would be prejudicial to uninformed Proposer.

(12) Acknowledgment of Addendums to Request for Proposals

- (a) If this solicitation is amended, then all terms and conditions which are not modified remain unchanged.
- (b) Proposer shall acknowledge receipt of any addendums to this solicitation: (1) by signing and returning the addendums; or (2) by identifying the addendums number and date in the space provided for this purpose on the Proposal form; or (3) by letter. The City must receive the acknowledgment by the time and at the place specified for receipt of Proposals.

(13) Preparation of Proposals

(a) Proposer are expected to examine the Pricing Schedule, General Terms & Conditions, all drawings, specifications, the statement of work, and all other provisions of, and attachments to, the solicitation, whether incorporated by reference or otherwise, prior to the submission of Proposals. Failure to do so will be at the Proposer's risk.

(b) Each Proposer shall furnish the information required by the solicitation. Proposals shall be submitted on the Proposal form contained in the solicitation. Proposer shall sign and print or type their name on the Proposal form and each continuation sheet on which they make an entry. Erasures or other changes must be initialed by the person signing the Proposal. Proposals signed by an agent of the Proposer (other than an officer or a partner of the Proposer) are to be accompanied by evidence of the agent's City (unless such evidence has been previously furnished to the City).

(c) All blanks on the Proposal form shall be filled in by typewriter or printed in ink with a firm fixed unit price for items Proposal. Unit prices shall include packing unless otherwise specified. In case of any discrepancy between a unit price and any extended or total price required by the Proposal form, the unit price will be presumed to be correct, subject, however, to correction to the same extent and in the same manner as any other mistake.

(d) Proposals for property or services other than those specified in the Schedule will not be considered unless specifically authorized in the solicitation. Any condition, qualification, or limitation of the Proposal may be a basis for rejection of the Proposal as nonresponsive.

(e) The Proposer must state a definite time for delivery of property or for performance of services unless otherwise specified in the solicitation. All measurements shall be in the system of weights and measures in common usage in the United States, and pricing shall be in U.S. dollars.

(14) Completion of Responses

- a) Information presented in the Proposals will be used to evaluate the qualifications of the Proposer(s) and to determine the Proposer(s) which will be selected to provide fleet services to the City.
- b) Responses shall be completed in accordance with the requirements of this RFP. Statements made by a Proposer shall be without ambiguity, and with adequate elaboration, where necessary, for clear understanding
- c) Proposals shall be limited to a maximum of thirty (30) 8-1/2" X 11" pages (one side only and including cover letter) using a font size no smaller than 11 point and one inch margins. Maximum number of pages excludes the required documents, as per solicitation index.

(15) Withdrawal of Proposals

A representative of the company may withdraw a Proposal at any time **prior to** the RFP submission deadline, upon presentation of acceptable identification as a representative of such company.

(16) Evaluation and Selection of Proposals:

General:

- a) **Package.** Proposers are required to respond to this RFP with only a technical proposal. City of Mercedes Evaluation Committee will evaluate the technical proposals and determine the highest ranked.
- b) **Responsiveness.** In order for a Proposer to be eligible to be awarded the Contract, the Proposal must be responsive to the Request for Proposal, and City of Mercedes must be able to determine that the proposer is responsible to perform the Contract satisfactorily. Responsive Proposals are those complying in all material aspects of the solicitation. Proposals which do not comply with all the terms and conditions of this solicitation may be rejected as nonresponsive. A Proposer may, at any time after the submission of the Proposal, be requested to submit further written evidence verifying that the firm(s) meets the criteria necessary to be determined a responsible Proposer. Refusal to provide requested information may result in the Proposer being declared nonresponsive, and the Proposal may be rejected.
- c) **Organization of Technical Proposal Materials.** To enhance the comparability and facilitate evaluation, all proposals must be organized addressing each of the evaluation criteria as set forth in the section entitled "Technical Evaluation Criteria." **The Evaluation Committee may reject proposals if found to be in an unorganized manner.** City of Mercedes shall appoint an Evaluation Committee to evaluate all proposals submitted for this project.

(17) Technical Evaluation. Statutory Professional Services

- (a) This procurement will be conducted in accordance with the Texas Professional Services Procurement Act (V.T.C.A., Government Code Section 2254.001). Proposals received will be referred to a selection committee appointed by the City for review and evaluation.
- (b) Selection Committee Procedure:
 - (1) A selection committee will be appointed to evaluate proposals submitted in response to this solicitation.
 - (2) The proposals will be evaluated and ranked in accordance with the evaluation criteria outlined in "Technical Evaluation Criteria" provision. Based upon this evaluation alone, the selection committee may recommend to the Finance Director that price negotiations be entered with the highest technically ranked proposal. Therefore, the offeror's initial Technical Proposal submission document should contain the offeror's best terms from a technical standpoint.
 - (3) Offerors may be requested to appear before the committee to make an oral presentation of their proposal and/or to respond to specific questions the committee may have about their proposal. The offerors may also be requested to respond to specific questions in writing to the Finance Director. At such time as these discussions have been completed, the evaluation committee will again evaluate the proposals in accordance with the evaluation criteria, taking into consideration the offeror's original proposal, any clarifications made to their proposals and any revised proposal and rank them accordingly. The committee will then recommend to the Finance Director that negotiations be conducted with the highest technically ranked offeror.
 - (4) **A price proposal will only be requested from the highest ranked Offeror. Upon receiving the request for the above mentioned price proposal, the offeror shall submit the proposal within 7 calendar days and in accordance with the guidelines.**
 - (5) If the City is unable to negotiate a mutually satisfactory contract with the highest ranked offeror, negotiations shall be formally ended with that Offeror and begun with the next highest offeror. Negotiations shall be undertaken in this manner until a mutually satisfactory contract has been negotiated or the solicitation is canceled.

(6) The objective of the discussions and negotiations shall be to arrive at complete agreement on all requirements. Questions will not be left for later agreement.

(7) The City reserves the right to investigate the qualifications of all offerors under consideration and to confirm any part of the information furnished by an Offeror, and/or to require other evidence of managerial, financial or technical capabilities which are considered necessary for the successful performance of the work.

(18) Technical Evaluation Criteria (120 Point Total) Proposals will present the technical elements of the proposal and must consist of the following sections:

<u>Criteria</u>	<u>Possible Points</u>
Introduction of the Offeror (0-10)	
Discuss primary business experience, the firm(s) overall mission statement, length of time in business, ownership, the location of offices, pertinent telephone numbers, and other matters offerors might deem pertinent and introductory in nature.	0-10
Prior auditing experience (0-25)	
The offeror's history and experience relevant to the City's needs should be discussed, including a description of the offeror's direct experience on projects of similar size, scope and complexity. Include dates, locations, project/audit managers, and names, addresses, contact persons and telephone numbers of clients.	
a. Does the proposal have appropriate, specific references of current government clients?	0-5
b. Does the proposal indicate the extent of the firm's experience in municipal auditing?	0-5
c. Has the firm indicated experience in grant auditing or accounting?	0-5
d. Does the firm have experience in Performing Financial audits as described in the Scope of Service?	0-10
Availability (0-10)	
a. Is the firm available for year-round questions and consultation?	0-10
Qualifications of staff to be assigned to the audit (0-25)	
This section shall contain the offeror's staffing plan, which shall identify the audit manager(s) and any other key personnel who will be assigned to the project, and shall discuss the direct qualifications and experience of each key individual. Offeror's shall include a letter from their chief executive officer guaranteeing the key personnel named in the staffing plan will be assigned to the project, unless their employment is terminated. If substitutes or "backup" personnel are planned on a contingency basis, such personnel shall also be reflected in the aforementioned staffing plan.	
a. What are the municipal auditing qualifications of the staff to be assigned to the audit? Has specific experience been indicated?	0-10
b. Does the firm provide its staff with continuing education in the governmental sector?	0-5
c. Does the proposal comment on continuity of staff	

to be assigned to the City on future engagements? **0-5**

- d. Size of the firm or office – indicates flexibility. An organization chart, complete with a listing of all job classifications and the number of full and part time employees in each job classification, to be utilized in the performance of the work. Offerors shall identify which job classifications relate to subcontractor personnel. **0-5**

Commitment to governmental accounting and auditing (0-30)

- a. Is the firm involved in governmental organizations and agencies such as the GFOA and GFOAT? Does the firm have any professional accounting certifications? **0-10**
- b. Did the firm demonstrate a knowledge of and commitment to generally accepted accounting principles as promulgated by the AICPA, GASB, GFOA and the NCGA **0-10**
- c. Does the firm take part in seminars and training programs as instructors? **0-5**
- d. Did the proposal indicate an appreciation for knowledge of the City's needs? **0-5**

Audit approach (0-20)

This section shall contain a description of how the offeror would organize the audit approach and perform the work to meet the scope of service.

- a. Is the audit approach specific and tailored to the City? **0-10**
- b. What is the firm's plan to utilize City assistance during the audit? **0-5**

Points for minority and/or local firm participation (0-5) **0-5**

Total points possible 120

(19) Interviews, Discussions, and Negotiations:

- a) **Interviews:** The committee will determine whether acceptance of the most favorable initial proposal without discussion is appropriate, or whether interviews and/or discussions should be conducted with Proposers that fall within the competitive range.
- b) **Negotiations.** The committee or designated members of the committee may negotiate directly with the highest ranked proposer or with each proposer whose proposal falls within the overall competitive range. Each Proposer remaining within the overall competitive range at the close of negotiations may be allowed to submit a final supplement called a "best and final offer." The City reserves the right to negotiate all elements that comprise the successful Contractor's response to ensure that the best possible consideration be afforded to all concerned.

(20) Best and Final Offer: The best and final offer will contain all information and documents necessary to state the Proposer's entire proposal without reference to the original proposal or to any supplements that may have been submitted during negotiations. All Proposers that submit best and final offers will be evaluated by the committee, or designated committee members, based upon those best and final offers.

- (21) **Amended Proposal:** Proposals **cannot** be altered or amended after opening time. Alterations made before opening time must be initiated by Proposer guaranteeing authenticity. No Proposal may be withdrawn after opening time without acceptable reason in writing and only after approval by the City of Mercedes.
- (22) **STATE SALES TAX MUST NOT BE INCLUDED IN PROPOSAL.**
- (23) **Acceptable Standards**
- a) Any parts not specifically mentioned which are necessary for the work to be complete and for use or which are normally furnished as standard equipment shall be furnished by the successful Proposer and shall confirm in strength, quality, and workmanship to the accepted standard of the industry.
 - b) Unless otherwise specified, any catalog or manufacturer's reference or brand name used in describing an item is merely descriptive, and not restrictive, and is used only to indicate type, style or quality of material desired. If a Proposer quotes on an article other than the one specified, which he/she considers comparable, the name and grade of said article must be specified in the Proposal and sufficient specifications and descriptive data must accompany same to permit thorough evaluation. In the absence of these qualifications, he/she will be expected to furnish the article called for.
- (24) **Indemnity:** The Proposer agrees to indemnify and save harmless the City, the Finance Director and any assistants from all suits and actions of every nature and descriptive brought against them or any of them, for or on account of the use of patented appliances, products or processes, and he/she shall pay all royalties and charges which are legal and equitable. Evidence of such payment or satisfaction shall be submitted upon request of the Finance Director, as a necessary requirement in connection with the final estimate for payment in which such patented appliance, products or processes are used.
- (25) **Independent Contractor:** It is expressly understood and agreed that Contractor shall operate as an independent contractor as to all rights and privileges granted herein, and not as agent, representative or employee of the City. Subject to and in accordance with the conditions and provisions of this Agreement, Contractor shall have the exclusive right to control the details of its operations and activities and be solely responsible for the acts and omissions of its officers, agents, servants, employees, contractors and subcontractors. Contractor acknowledges that the doctrine of *respondent superior* shall not apply as between the City, its officers, agents, servants and employees, and Contractor, its officers, agents, employees, servants, contractors and subcontractors. Contractor further agrees that nothing herein shall be construed as the creation of a partnership or joint enterprise between City and Contractor.
- (26) **Discrepancies: Proposer shall carefully examine the Proposal forms, general terms and conditions, and specifications.** Should the Proposer find discrepancies in, or omissions from Proposal forms, general terms and conditions, specifications, or other documents, or should he/she be in doubt as to their meaning, he/she should at once notify the Finance Director and obtain clarification by addendum prior to submitting any Proposal.
- (27) **BILLING AND PAYMENT INSTRUCTIONS:**
- Invoices must include:
- a. Name and address of successful vendor
 - b. Name and address of receiving department or official
 - c. Purchase Order Number (if any)
 - d. Notation - **"Auditing Services"**
 - e. Descriptive information as to the items or services delivered, including product code, item number, quantity etc.
 - f. Invoices are to be submitted on a monthly basis for billing and payment.
- (28) **Funding**
- a) Funds for this procurement have been provided through Local Funding for this fiscal year only. The award of a Proposal or contract hereunder will not be construed to create a debt for the City which is payable out of local funds beyond the current fiscal year.

- (29) The City of Mercedes reserves the right to waive or take exception to any part of the scope of service when in the best interest of the City of Mercedes.
- (30) Proposer must comply with all applicable federal, state and local laws, rules, regulations and ordinances and statutes relating to purchasing in the State of Texas in addition to the requirements of this form.
- (31) Proposer are advised that they must be in compliance with the below mentioned law:

CHAPTER 176 OF THE TEXAS LOCAL GOVERNMENT CODE

Effective January 1, 2006, Chapter 176 of the Texas Local Government Code requires that any vendor or person considering doing business with a local government entity disclose in the Questionnaire Form CIQ, the vendor or person's affiliation or business relationship that might cause a conflict of interest with a local government entity. By law, this questionnaire must be filed with the records administrator of the City of Mercedes not later than the 7th business day after the date the person becomes aware of facts that require the statement be filed. See Section 176.006, Local Government Code. A person commits an offense if the person violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor.

For more information or to obtain Questionnaire CIQ go to the Texas Ethics Commission web page at www.ethics.state.tx.us/forms/CIQ.pdf.

IF YOU HAVE ANY QUESTIONS ABOUT COMPLIANCE, PLEASE CONSULT YOUR OWN LEGAL COUNSEL. COMPLIANCE IS THE INDIVIDUAL RESPONSIBILITY OF EACH PERSON OR AGENT OF A PERSON WHO IS SUBJECT TO THE FILING REQUIREMENT. AN OFFENSE UNDER CHAPTER 176 IS A CLASS "C" MISDEMEANOR.

(32) Termination for Convenience:

- a) City of Mercedes may terminate this contract, in whole or in part, at any time without cause and solely for the convenience of City of Mercedes by giving 30 days written notice to the Contractor. The Contractor shall be paid fees and expenses for work performed up to the time of termination. The Contractor shall promptly submit its termination claim. If the Contractor has any property in its possession belonging to City of Mercedes, the Contractor will account for the same and dispose of it in the manner City of Mercedes directs.
- b) Non-appropriation of Funds: In the event no funds or insufficient funds are appropriated by the City in any fiscal period for any payments due hereunder, City will notify Contractor of such occurrence and this Agreement shall terminate on the last day of the fiscal period for which appropriations were received without penalty or expense to the City of any kind whatsoever, except as to the portions of the payments herein agreed upon for which funds shall have been appropriated.

(33) Termination For Default:

Default: In the event that the Contractor breaches the terms or violates the conditions of the Contract, and does not within ten (10) days of written notice from City of Mercedes cure such breach or violation. City of Mercedes may immediately terminate the Contract, and shall pay the Contractor only its allowable cost to date of termination.

Notice: Termination shall be effected by serving a notice of termination on the Contractor setting forth the manner in which the Contractor is in default.

City of Mercedes Options: In case of default on the part of the Contractor, the Contract may be terminated and in such event:

- a. City of Mercedes may complete such contract without further liability to the Contractor for compensation for any labor, supplies or materials furnished by the Contractor under the contract, or
- b. City of Mercedes may direct the Contractor to remove any equipment delivered and/or installed by the Contractor and to refund to City of Mercedes any amounts

paid by City of Mercedes to the Contractor, and City of Mercedes shall have no further liability to the Contractor.

- c. City of Mercedes may contract to acquire supplies or services similar to those terminated.

(34) NONAPPROPRIATION PROVISION

The City may cancel the contract should the present or any future City Council not appropriate funds in any fiscal year for the payments required by this agreement. No penalty shall be assessed against City in the event of any such nonappropriation. In the event of nonappropriation, the City shall give the successful Proposer advance written notice before cancellation of the contract, and the City shall not be obligated to make any payments beyond the end of the fiscal year.

(35) Disclosure of Interested Parties

Contractor is to comply with Government Code Section 2252.908 enacted by H.B. 1295, which prohibits a government entity or state agency from entering into certain contracts with a business entity unless the business entity submits a disclosure of interested parties. For more information go to the Texas Ethics Commission web page at: https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm

(36) Insurance Requirements for Supply/Services and/or Construction

- (a) Required Coverage. The Contractor shall, at all times during the term of this contract and extended terms thereof, provide and maintain the following types of insurance protecting the interests of the City of Mercedes and the Contractor with limits of liability not less than those specified below.

Commercial General Liability insurance or its equivalent, **listing City of Mercedes as an additional insured**, providing limits of not less than \$500,000 for bodily injury and property damage per occurrence, consistent with potential exposure to City under the Texas Tort Claims Act. Coverage should include injury to or death of persons and property damage claims arising out of the services, construction, etc. provided with a general aggregate of \$1,000,000, and a products and completed operations aggregate of \$1,000,000. Coverage should include: Damaged to rented premises at a minimum of \$100,000 per occurrence. There shall not be any policy exclusions or limitations for the following as well:

- Contractual Liability covering Contractor's obligations herein
- Personal Injury Advertising Liability
- Medical Payments
- Fire Damage Legal Liability
- Broad Form Property Damage
- Liability for Independent Contractors

- (c) Uninsured/Underinsured motorist coverage in an amount equal to the bodily injury limits set forth immediately above;

- (d) A Five Hundred Thousand Dollar (\$500,000.00) Comprehensive General Liability insurance policy providing additional coverage to all underlying liabilities of City consistent with potential exposure of City under the Texas Tort Claims Act;

- (e) Workers' Compensation and Employers' Liability- insurance is equivalent to State of Texas Workers' Compensation Statutory Limits, providing limits of not less than \$1,000,000 for each accident, each disease per employee \$1,000,000, and policy limit of no less than \$1,000,000. There shall not be any policy exclusions or limitations.

- (f) Certificates of Insurance. Before commencing execution of this contract, and within 7 calendar days from date of award of contract, the Contractor shall furnish Original proof of insurance via Certificates of Insurance satisfactory to the City of Mercedes at the following addresses,

City of Mercedes
Nereida Perez, Finance Director

evidencing that insurance as required by paragraph (a) above is in force, stating policy number dates of expiration and limits of liability thereunder. All copies of policies and Certificates of Insurance submitted to the City shall be in a form and content acceptable to the City.

(g) Approval of Forms and Companies. All coverage described in this contract shall be in a form and content satisfactory to the Finance Director. No party subject to the provisions of this contract shall violate or knowingly permit to be violated any of the provisions of the policies of insurance described herein. All insurance should be provided by insurance companies with a Best's rating of A- or better. Please include proof of such rating with your coverage documents.

(h) Additional Insured Endorsement. The policy or policies providing Commercial General Liability, and as otherwise required above, shall be endorsed to name City of Mercedes, their directors, officers, representatives, agents, and employees as Additional Insurers with respects to operations performed by or on behalf of the Contractor in the performance of this contract via ISO endorsements CG 2037 or its equivalent. The policy shall also be endorsed to name other interests as directed by City of Mercedes.

(i) Notice of Cancellation or Material Changes. Policies and/or Certificates shall **specifically** provide that a thirty (30) day notice of cancellation, non-renewal, or material change be sent to the City.

(j) Multiple Policies. The limits of liability as required above may be provided by a single policy of insurance or a combination of primary, excess, or umbrella liability policies. But in no event shall the total limit of liability of any one occurrence or accident be less than the amount shown above.

(k) Deductibles. Companies issuing the insurance policies and the Contractor shall have no recourse against the City for payment of any premiums or assessments for any deductibles, as all such premiums and deductibles are the sole responsibility and risk of the Contractor.

(l) Subcontractors. If any part of the work is sublet, the Contractor shall require any and all subcontractors performing work under this contract to carry General Liability and Products, and Construction Liability Insurance, with limits of liability that Contractor shall deem appropriate and adequate to protect the interests of the City. In the event a subcontractor is unable to furnish insurance in accordance to section (a) above, the Contractor shall endorse the subcontractor as an Additional Insured. Insurance certificates for subcontractors shall be furnished to the City of Mercedes upon request.

(m) No Release. The carrying of the above-described coverage shall in no way be interpreted as relieving the Contractor of any other responsibility or liability under this agreement, or any applicable law, statute, regulation, or order.

CITY OF MERCEDES
Scope of Service
Solicitation Name: **“AUDITING SERVICES”**

INTRODUCTION

The City of Mercedes is soliciting proposals for the City’s annual audit requirements for fiscal years ending September 30, 2017, 2018, and 2019. After the three year base term, the City reserves the exclusive right to cancel the contract as well as to extend the contract for two (2) additional one year renewal terms, provided that for each extension term a budget for such term has been mutually agreed upon by both parties after 2019. Submission of a proposal constitutes an offer to perform the work specified and to be bound by the terms contained or referenced herein. Upon acceptance of the offer, and upon award of the Contract to the successful offeror (if any), this procurement solicitation document (entitled "Request for Proposal") together with the completed and executed forms required herein, and all attachments hereto, together with the documents listed below (incorporated into this Contract by reference) shall collectively constitute the Contract.

PROPOSAL REQUIREMENTS

Elements to be included are:

1. Table of Contents – Include a clear identification of the material by section and by page number.
2. Scope Section – Clearly describe the scope of the required services to be provided defined in terms of the examination of the general purpose external financial statements, compliance examination pursuant to the Single Audit Act, and preparation/review of the Comprehensive Annual Financial Report (CAFR). Proposed Engagement Letters must accompany proposal.
3. Audit Staff – Identify the responsible partner(s) and appropriate supervisors who will work on the audit, including staff from other than the local office. Resumes for each should be included, showing compliance with continuing professional education standards listed in the U.S. General Accounting Office’s (GAO) Governmental Auditing Standards and specific governmental experience should be indicated. The depth of the staff available should be included.
4. Audit Approach – Clearly describe your firm’s approach to conducting the examination. Include in this description your proposed utilization of City staff available, methodology for accomplishing the varied audit requirements in a timely and efficient manner and any special techniques you may employ to facilitate the first year engagement
5. Proposals shall contain a provision to the effect that in the event disclosures in the audit indicate extraordinary circumstances, which warrant more intensive detailed services, the firm shall provide all pertinent facts relative to the extraordinary circumstances together with the firm’s estimate of the cost of additional services to the City. General consulting throughout the year and any extended procedures will be at standard hourly rates and will apply to such work as extended procedures in the event of fraud, assistance to be provided to the City of Mercedes that cannot be done (for example, due to illness of key City of Mercedes staff), major compliance violations, etc. No extended services will be performed unless they are authorized in the contractual agreement or in an amendment to the agreement.
6. Profile of the Firm – State whether your firm is local, national or international. Give the location of the office from which the work is to be done and the number of partners, managers, supervisors, seniors and other professional staff employed at that office and your proposed billing rates for each.
7. Municipal Experience – Describe recent municipal auditing experiences similar to the type requested and emphasize any local office engagements. Provide as references the names and telephone numbers of client officials responsible for those audits.

8. Additional Data – Give any additional information considered essential to this proposal, including involvement in state and local government organizations, seminars, etc. Indicate any planned participation by minority and/or local firms.
9. Audit Fees – The fixed fee for the base three year fiscal term will be requested from the highest ranked proposer for the following:
 - A. Financial Audit of the City
 - B. **ALTERNATE (Optional):** Audit of the Mercedes Economic Development Corporation

AUDIT REQUIREMENTS

The following services are required, as per attached time schedule:

1. The City Council is required by the City Charter to have an independent audit of the books of accounts, records and transactions of all the administrative departments of the City at least yearly. The City maintains numerous individual funds to record these transactions. Below is a list of the funds to be audited, which comprise the City's Financial Statements and the present number of funds maintained by each type. The auditor's opinion is to be rendered on the basic financial statements of the City, although you, of course, are required to be "associated with" the required supplementary information.
2. An examination for compliance of procedures as established by the standards set for financial audits in the U.S. General Accounting Office's (GAO) Government Auditing Standards, the provisions of the Federal Single Audit Act of 1984 and U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments and Non-Profit Organizations.
3. A management letter setting forth any weaknesses or opportunities for improvement in the City's operation and procedures should be provided as a result of the auditor's study and evaluation of the City's system of internal accounting controls, legality of actions, other instances of non-compliance with laws and regulations, and any other material matters.
4. Firm is to coordinate Mercedes Economic Development Corporation audit with MEDC Director.

REPORTS REQUIREMENTS

1. Audit reports should be addressed and contain information as follows:
 - A. Report on the City's general purpose external financial statements should be addressed to the Honorable Mayor and Members of the City Council. The report must state the scope of the examination and that the audit was performed in accordance with generally accepted auditing standards and must include an opinion as to whether the statements conform to generally accepted accounting principles and that the individual fund information is fairly presented in all material respects in relation to the general purpose external financial statements.
 - B. The Report of Compliance should be addressed to the Honorable Mayor, and Members of the City Council. The report must include a statement that the examination was conducted in accordance with applicable auditing standards. The report must state whether the examination disclosed instances of significant non-compliance with laws and regulations. Findings of ineligible expenditures must be presented.
 - C. A report on internal accounting controls should be addressed to the Honorable Mayor and Members of the City Council. The report must state the scope of the study and evaluation of the City's system of internal accounting control and also state that it was performed in accordance with generally accepted auditing standards, the Single Audit Act of 1984, and the standards for financial and compliance audits contained in the U.S. General Accounting Office's Standards for Audits of Governmental Organizations, Programs, Activities and Functions. The report must also state an opinion on the system of internal accounting control.

2. A management letter, addressed to the Honorable Mayor and Members of the City Council is required. This letter should include a statement of audit findings and recommendations affecting the financial statements, internal accounting control, management information systems, legality of actions, other instances of non-compliance with laws and regulations of any other materials matters. This letter will first be discussed with appropriate City staff to allow an opportunity to determine the validity of such findings and to allow an opportunity to prepare appropriate corrections to such findings.

AUDIT PERIODS

The periods to be audited shall be the City's fiscal years ending September 30, 2017, 2018 and 2019. The fee including any travel and/or out-of-pocket expenses, if applicable, for each fiscal year will be as stated in the firm's proposal. All fees are subject to City Council approval.

BUDGET

The City budget represents departmental appropriations as authorized by the appropriation ordinance and as revised by the City Council during the fiscal year. Appropriations, estimated revenues, and encumbrances are recorded in the accounting records.

ACCOUNTING SYSTEM

The City's financial management system was developed by Tyler Technologies (INCODE), Inc. It includes the following accounting modules:

1. General Accounting: General Ledger Accounting with budgetary integration and encumbrance accounting, Accounts Payable, Accounts Receivable, and Budgeting
2. Cash Receipts and Miscellaneous
3. Utility System
4. Municipal Court
5. Building Permits
6. Payroll

Fixed Assets are accounted for in a separate system and it does not interface with INCODE.

ASSISTANCE AVAILABLE TO AUDITORS

1. City staff, in its relationship with previous auditors, provided several supporting schedules, a listing of which will be made available during the interview. Upon selection of new auditors, these items will be addressed in a meeting between City staff and the successful firm. Changes will be addressed prior to commencement of fieldwork.
2. Personnel will be available to the auditors for the purpose of providing invoices, directing auditors to the proper files, or for explaining procedures on a time available basis.
3. Some Prepared by Clients (PBC's) entries can be provided; however, these should be coordinated with the Chief Accountant. City staff prepare all adjusting entries. City does not anticipate any growth or funding issues.
4. Auditor work areas are available, although all auditors may not be able to work in one specific area due to shortage of space.
5. Copies of Governance Letters for FYE September 30, 2016 are attached.

6. The City of Mercedes anticipates approximately 2 Federal, 1 State and 1 private program for FYE 2017.

TIMING OF AUDITOR REPORTS

1. City of Mercedes’s financial audits –auditor’s work should be scheduled so that the audit is completed no later than 150 days after year end and presented to Council at the first council meeting in March 31st.
2. Management Letter – the letter should be submitted before February, of each year of the engagement.

EQUAL EMPLOYMENT OPPORTUNITY

The Proposer agrees that during the performance of its contract it will:

1. Treat all applicants and employees without discrimination as to race, color, religion, gender, national origin, marital status, age, or handicap.
2. Identify itself as an “Equal Opportunity Employer” in all help wanted advertising or request.

The Proposer shall be advised of any complaints filed with the City alleging that Proposer is not an Equal Opportunity Employer.

OTHER

The successful respondent agrees to hold the City of Mercedes, its officers and employees free and harmless from any and all claims of whatever kind and nature for damage to property or personal injury made by anyone whomsoever, which may arise from operations carried out under this contract to the extent such claims are caused by the negligence or misconduct of the successful respondent. The successful respondent further agrees to indemnify and hold harmless the City of Mercedes, its agents and employees, against and from any and all of the foregoing liabilities, and any and all costs and expenses incurred by the City of Mercedes on account of any claim arising by the reason of the work done or by any act or omission of the contractor.

TIME SCHEDULE

No later than – October 1st, 20**	Commence Interim Audit Work
No later than – October 30, 20**	Complete Interim Audit Work
No later than November 20, 20**	Begin Field Work
No later than January 15, 20**	Complete Field Work
No later than February 28, 20**	Final draft/review_of City Comprehensive Annual Financial Report completed and submitted to Finance Director by Auditors
No later than February 28, 20**	Management Letter Provided to City
1 st or 2 nd Council Meeting In March, 20** to the City Council	Present Audit Opinion Letter and Audit Report

Audit schedule for Mercedes Economic Development Corporation will be agreed upon at a later time if awarded.

FUND TYPE AND ACCOUNT GROUPS

NOTE: Comprehensive Annual Financial Report FYE Sept 30, 2017 is available in the Finance Department, 400 S. Ohio Mercedes, TX.

<u>Fund Type</u>	<u>Number of Individual Funds</u>
<u>Governmental:</u>	
General Fund	1
Special Revenue Funds (subject to increase)	8
Debt Service	1
Capital Projects	4
<u>Proprietary:</u>	
Enterprise:	
Utility System (Water Sewer)	1
<u>Component Units:</u>	
Mercedes Economic Development Corporation	1
MEDC RBEG Grant Fund	1
<u>Blended Component Unit:</u>	
MEDC IRP	1
Mercedes Industrial Foundation	1

Schedule A-1
 SUMMARY
 OF
 REPORTING REQUIREMENTS

	<u>DUE</u> <u>NO LATER THAN</u>	<u>NO. OF</u> <u>COPIES</u>
City of Mercedes:		
Comprehensive Annual Report Final Draft (Auditors' Opinion)	2/28/**	10
Mercedes Economic Development Corporation Financial Statements and Independent Audit	2/28/**	10
Mercedes Economic Development Corporation Management Letter	2/28/**	10
City of Mercedes Management Letter	2/28/**	10

The City of Mercedes and Mercedes Economic Development Corporation reserve the right to change the schedule at a later time.

**For each fiscal year for which agreement will be in effect.

*******End of Scope of Service*******

City Of Mercedes
Price Schedule

Proposal Name/No.: "Auditing Services"/ 17-003-09-13

CITY OF MERCEDES
PROPOSAL FORM FOR
ANNUAL COMPLIANCE AUDIT
AND FINANCIAL REPORTS

Hourly rates to be charged for staff services:

Partner	_____	per hour
Supervisor	_____	per hour
Senior Staff Ass't	_____	per hour
Staff Assistant	_____	per hour
Others:	_____	per hour
_____	_____	per hour
_____	_____	per hour
_____	_____	per hour

	<u>Cost</u>	<u>Hours</u>
City of Mercedes Comprehensive Annual Financial Report	\$ _____	_____
Financial Report		

ALTERNATE:

Mercedes Economic Development Corporation Financial Statements and Independent Audit Report	\$ _____	_____
--	----------	-------

Travel and out-of-pocket, if applicable	\$ _____	_____
---	----------	-------

Total Estimated Cost of Services and Time	\$ _____	_____
---	----------	-------

Required to Perform Services	\$ _____	_____
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Total General Consulting Services (Per Hour)	\$ _____	
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Renewal Terms: The City of Mercedes shall reserve the option to renew the contract for an additional two one (1) year renewals at the end of the three year base term. A firm may offer a fixed maximum percentage of escalation for the additional year. The term of this contract shall be three (3) consecutive years from contract award date. The amount of escalation will be taken into consideration during negotiations of final contract award. State maximum percentage of escalation as follows:

** _____ % 1st year renewal term for all line items

** _____ % 2nd year renewal term for all line items

Respectfully submitted this _____ day of _____, 2017.

Signature: _____

Title: _____

Firm: _____

Address: _____

Telephone: _____

City Of Mercedes
Vendor Acknowledgment Form - Non-Collusive Proposal Certification
Proposal Name/No.: "Auditing Services"/ 17-003-09-13

I/We have read instructions to Proposer and specifications. My/Our Proposal conforms to all Proposal specifications, conditions, and instructions as outlined by *CITY OF MERCEDES*.

Signing the Acknowledgment Form confirms that our company will enter into a binding contract with CITY OF MERCEDES for item(s) awarded to our company. I/We have read instructions to Proposer and specifications.

The undersigned Proposer, by signing and executing this Proposal, certifies and represents to the CITY OF MERCEDES that Proposer has not been offered, conferred or agreed to confer any pecuniary benefit, as defined by §1.07(a)(6) of the Texas Penal Code, or any other thing of value as consideration for the receipt of information or any special treatment or advantage relating to this Proposal; the Proposer also certifies and represents that Proposer has not offered, conferred or agreed to confer any pecuniary benefit or other things of value as consideration for the recipient's decision, opinion, recommendation, vote or other exercise of discretion concerning this Proposal; the Proposer certifies and represents that Proposer has neither coerced nor attempted to influence the exercise of discretion by any officer, trustee, agent of employee of the CITY OF MERCEDES concerning this Proposal on the basis of any consideration not authorized by law; the Proposer also certifies and represents that Proposer has not received any information not available to other Proposer so as to give the undersigned a preferential advantage with respect to this Proposal; the Proposer further certifies and represents that Proposer has not violated any state, federal or local law, regulation or ordinance relating to bribery, improper influence, collusion or the like and that Proposer will not in the future offer, confer, or agree to confer any pecuniary benefit or other thing of value to any officer, trustee, agent or member of the CITY OF MERCEDES in return for the person having exercised the person's official discretion, power or duty with respect to this Proposal; the Proposer certifies and represents that it has not now and will not in the future offer, confer, or agree to confer a pecuniary benefit or other thing of value to any officer, trustee, agent or member of CITY OF MERCEDES in connection with information regarding this Proposal, the submission of this Proposal, the award of this Proposal or the performance, delivery or sale pursuant to this Proposal.

Date: _____
Company Name: _____
Signature: _____
Title: _____

Note: This form, along with the Execution of Offer, must be filled in and submitted with the sealed Proposal.

**CITY OF MERCEDES
ADDENDA CHECKLIST
PROPOSAL NAME/NO: Auditing Services/ 17-003-09-13**

Proposal of: _____
(Proposer Company Name)

To: City of Mercedes

Ref.: "Auditing Services":17-003-09-13

Ladies and Gentlemen:

The undersigned Proposer hereby acknowledges receipt of the following Addenda to the captioned RFP (initial if applicable).

No. 1 _____ No. 2 _____ No. 3 _____ No. 4 _____ No. 5 _____

Respectfully submitted,

Proposer: _____

By: _____

(Authorized Signature for Proposer)

Name: _____

Title: _____

Date: _____

CONFLICT OF INTEREST QUESTIONNAIRE

FORM CIQ

For vendor or other person doing business with local governmental entity

This questionnaire reflects changes made to the law by H.B. 1491, 80th Leg., Regular Session.

This questionnaire is being filed in accordance with Chapter 176, Local Government Code by a person who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the person meets requirements under Section 176.006(a).

By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the person becomes aware of facts that require the statement to be filed. See Section 176.006, Local Government Code.

A person commits an offense if the person knowingly violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor.

OFFICE USE ONLY

Date Received

1 Name of person who has a business relationship with local governmental entity.

2 Check this box if you are filing an update to a previously filed questionnaire.

(The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date the originally filed questionnaire becomes incomplete or inaccurate.)

3 Name of local government officer with whom filer has employment or business relationship.

Name of Officer

This section (item 3 including subparts A, B, C & D) must be completed for each officer with whom the filer has an employment or other business relationship as defined by Section 176.001(1-a), Local Government Code. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer named in this section receiving or likely to receive taxable income, other than investment income, from the filer of the questionnaire?

Yes No

B. Is the filer of the questionnaire receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer named in this section AND the taxable income is not received from the local governmental entity?

Yes No

C. Is the filer of this questionnaire employed by a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership of 10 percent or more?

Yes No

D. Describe each employment or business relationship with the local government officer named in this section.

4

Signature of person doing business with the governmental entity

Date