



CITY OF EDINBURG
REQUEST FOR PROPOSALS
FOR
AUDITING SERVICES
RFP 2019-22

REQUEST FOR PROPOSALS

The City of Edinburg is soliciting sealed Request for PROPOSALS; hereinafter referred to as RFP, to be received by the City Secretary's Office located at 415 W. University Drive, Edinburg, Texas 78541. City of Edinburg normal business days are Monday through Friday between the hours of 8:00 a.m. to 5:00 p.m. and shall be closed on recognized holidays.

RFP'S will be received until **3:00 p.m. Central Time**, on **Monday, July 22, 2019**, shortly thereafter all submitted RFP'S will be gathered and taken to the Edinburg City Hall Community Room, 1st Floor, to be publicly opened and read aloud. Any RFP received after the closing time will not be accepted and will be returned to the submitter unopened. It is the responsibility of the submitter to see that any RFP submitted shall have sufficient time to be received by the City Secretary's Office prior to the RFP opening date and time. The receiving time in the City Secretary's Office will be the governing time for acceptability of the RFP's. RFP's will not be accepted by telephone or facsimile machine. All RFP'S must bear original signatures and figures. The RFP shall be for:

RFP #2019-22 AUDITING SERVICES

Respondents receiving a "NOTICE TO RESPONDENTS" and/or "REQUEST FOR PROPOSALS" notice in the mail or reading same in the newspaper are advised that the solicitation documents can be downloaded from the City of Edinburg web page address: www.cityofedinburg.com, or may obtain copies of same by contacting the office of: LORENA FUENTES, PURCHASING AGENT, LOCATED AT 415 W. UNIVERSITY DRIVE, EDINBURG, TX 78541 by calling (956) 388-1895 Ext. 8972 or by e-mailing your request to the following e-mail address: lfuentes@cityofedinburg.com

If you have any questions or require additional information regarding this RFP, please contact **Mr. Dagoberto Soto Jr., Director of Finance**, at (956) 388-1895.

Hand Delivered RFP'S: 415 W. University Drive
C/o City Secretary Department
(1st Floor)

If using Land Courier (i.e. FedEx, UPS): City of Edinburg
C/o City Secretary
415 W. University Drive
Edinburg, Texas 78541

If Mailing PROPOSALS: City of Edinburg
C/o City Secretary
P.O. Box 1079
Edinburg, Texas 78540-1079

The City of Edinburg reserves the right to refuse and reject any or all RFP's and to waive any or all formalities or technicalities and to accept the RFP deemed most advantageous to the City, and hold the RFP's for a period of **90** days without taking action.

RFP's must be submitted in an envelope sealed with tape and prominently marked on the lower left hand corner of the envelope with corresponding RFP number and title.

Please read your requirements thoroughly and be sure that the RFP offered complies with all requirements/specifications noted. Any variation from the solicitation requirements/specifications must be clearly indicated by letter, on a point by point basis, attached to and made a part of your RFP. If no exceptions are noted, and you are the successful respondent, it will be required that the service(s) be provided as specified.

PURPOSE

The purpose of these solicitation documents is to execute a Professional Services Contract for:

RFP #2019-22 AUDITING SERVICES

INTENT

The services to be provided under this RFP shall be in accordance with and shall meet all specifications and/or requirements as shown in this solicitation for RFP. There is no intention to disqualify any respondent who can meet the requirements.

SUBMITTAL OF RFP

RFPs shall be submitted in sealed envelopes as called referenced on the attached solicitation. Four (4) complete sets of the response One (1) original marked "**ORIGINAL**," and Three (3) copies marked. RFPs submitted by facsimile (fax) or electronically shall **NOT** be accepted. Submittal of an RFP in response to this solicitation constitutes an offer by the respondent. Once submitted, RFP's become the property of the City of Edinburg and as such the City reserves the right to use any ideas contained in any RFP regardless of whether that respondent/firm is selected. Edinburg of a RFP in response to this solicitation, by any respondent, shall indicate that the respondent(s) has/have accepted the conditions contained in the RFP, unless clearly and specifically noted in the RFP submitted and confirmed in the contract between the City and the successful respondent otherwise. RFPs which do not comply with these requirements may be rejected at the option of the City. RFPs must be filed with the City of Edinburg before the deadline day and hour. No late RFPs will be accepted. They will be returned to respondent unopened (if properly identified). Failure to meet RFP requirements may be grounds for disqualification.

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TIME ALLOWED FOR ACTION TAKEN

The City of Edinburg may hold RFP/s 90 days after deadline without taking action. Respondents are required to hold their RFP/s firm for same period of time.

RIGHT TO REJECT/AWARD

The City of Edinburg reserves the right to reject any or all RFPs, to waive any or all formalities or technicalities, and to make such awards of contract as may be deemed to be the best and most advantageous to the City of Edinburg.

ASSIGNMENT

Respondents are advised that the City of Edinburg shall not allow the successful respondent to sell, assign, transfer, or convey any part of any contract resulting from this RFP in whole or in part, to a third party without the written approval of the City of Edinburg.

AWARD

Respondents are advised that the City of Edinburg is soliciting RFPs and award shall be made to the respondent that in the opinion of the City of Edinburg is the best qualified.

NUMBER OF CONTRACTS

THE CITY reserves the right to award one, more than one, or no contract(s) in response to this RFP.

STATUTORY REQUIREMENTS

It shall be the responsibility of the successful respondent to comply with all applicable State & Federal laws, Executive Orders and Municipal Ordinances, and the Rules and Regulations of all authorities having jurisdiction over the work to be performed hereunder and such shall apply to the contract throughout, and that they will be deemed to be included in the contract as though written out in full in the contract documents.

ALTERATIONS/AMENDMENTS TO RFP

RFP **CANNOT** be altered or amended after opening time. Alterations made before opening time must be initialed by respondent guaranteeing authenticity. No RFP may be withdrawn after opening time without acceptable reason in writing and only after approval by the City of Edinburg.

NO RESPONSE TO RFP

If unable to submit a RFP, respondent should return inquiry giving reasons.

LIST OF EXCEPTIONS

The respondent shall attach to his/her RFP a list of any exceptions to the specifications/ requirements.

PAYMENT

The City of Edinburg will execute payment by mail in accordance with the State of Texas Pay Law after SERVICES have been completed, introduced to the City, and found to meet City of Edinburg specifications/requirements. No other method of payment will be considered.

SYNONYM

Where in this solicitation package SERVICES is used, its meaning shall refer to the request for PROPOSALS **AUDITING SERVICES** as specified.

RESPONDENT'S EMPLOYEES

Neither the Respondent nor his/her employees engaged in fulfilling the terms and conditions of this Service Contract shall be considered employees of the City. The method and manner of performance of such undertakings shall be under the exclusive control of the vendor on contract. The City shall have the right of inspection of said undertakings at any time.

INDEMNIFICATION CLAUSE

The Respondent agrees to indemnify and save harmless the City, from all suits and actions of every nature and description brought against them or any of them, for or on account of the use of patented appliances, products or processes, and he shall pay all royalties and charges which are legal and equitable. Evidence of such payment or satisfaction shall be submitted upon request of the Purchasing Agent, as a necessary requirement in connection with

the final estimate for payment in which such patented appliance, products or processes are used

INTERPRETATIONS

Any questions concerning the project and/or specifications/requirements with regards to this solicitation for statement(s) of PROPOSALS shall be directed to the designated individuals as outlined in the RFP. Such interpretations, which may affect the eventual outcome of this request for statements of PROPOSALS, shall be furnished in writing to all prospective Respondents via Addendum. No interpretation shall be considered binding unless provided in writing by the City of Edinburg in accordance with paragraph entitled "**Addenda and Modifications**".

VERBAL THREATS

Any threats made to any employee of the City, be it verbal or written, to discontinue the providing of item/material/services for whatever reason and/or reasons shall be considered a breach of contract and the City will immediately sever the contract with the Respondent/Consultant on contract.

CONFIDENTIAL INFORMATION

Any information deemed to be confidential by the respondent should be clearly noted on the pages where confidential information is contained; however, the City cannot guarantee that it will not be compelled to disclose all or part of any public record under Texas Public Information Act, since information deemed to be confidential by the respondent may not be considered confidential under Texas Law, or pursuant to a Court order.

PAST PERFORMANCE

Respondents' past performance shall be taken into consideration in the evaluation of RFP submittal.

JURISDICTION

Contract(s) executed as part of this solicitation shall be subject to and governed under the laws of the State of Texas. Any and all obligations and payments are due and performable and payable in Hidalgo County, Texas.

RIGHT TO AUDIT

The City of Edinburg reserves the right to audit the vendor's books and records relating to the performance of this contract. The City of Edinburg, at its own expense, shall have the right at all reasonable times during normal business hours and upon at least twenty-four (24) hours' advance notice, to audit, to examine, and to make copies of or extracts from the books of account and records maintained by the vendor(s) with respect to the Supply/Service and/or Purchase Contract. If such audit shall disclose overpayment by City to vendor, written notice of such overpayment shall be provided to the vendor and the amount of overpayment shall be promptly reimbursed by vendor to the City. In the event any such overpayment is not paid within ten (10) business days after receipt of such notice, the unpaid amount of such overpayment shall bear interest at the rate of one percent (1%) per month from the date of such notice until paid.

VENUE

The parties agree that venue for purposes of any and all lawsuits, cause of action, arbitration, and/or any other dispute(s) shall be in Hidalgo County, Texas.

CONFLICT OF INTEREST

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 Edinburg 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 visit the Texas Ethics Commission web page at www.ethics.state.tx.us/forms/CIQ.pdf.

CERTIFICATE OF INTERESTED PARTIES (Form 1295)

In 2015, the Texas Legislature adopted [House Bill 1295](#), which added section 2252.908 of the Government Code. The law states that a governmental entity or state agency may not enter into certain contracts with a business entity unless the business entity submits a disclosure of interested parties to the governmental entity or state agency at the time the business entity submits the signed contract to the governmental entity or state agency. The law applies only to a contract of a governmental entity or state agency that either (1) requires an action or vote by the governing body of the entity or agency before the contract may be signed or (2) has a value of at least \$1 million. The disclosure requirement applies to a contract entered into on or after January 1, 2016. For more information 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.

CONFIDENTIALITY OF INFORMATION AND SECURITY

Should the successful respondent become the holder of and have access to confidential information in the process of fulfilling its responsibilities in connection with an awarded contract the successful respondent agrees that it shall keep such information confidential and will comply fully with the laws and regulations of the State of Texas, ordinances and regulations of the City, and any applicable federal laws and regulations relating to confidentiality.

TERMINATION OF CONTRACT

The City of Edinburg reserves the right to terminate the contract if, in the opinion of the City of Edinburg, the successful vendor's performance is not acceptable, no funds are available, or if the City wishes, without cause, to discontinue this contract. Termination will be in written form allowing a 30-day notice.

RESPONSE DEADLINE

Responses to the RFP must be addressed to City Secretary, City of Edinburg, 415 W. University Drive by **July 22, 2019 until 3:00 p.m.** for consideration. An original and Three (3) complete sets of the response must be submitted no later than this date and time in a **sealed envelope** indicating that its contents are in response to the RFP for "**RFP #2019-22 AUDITING SERVICES**". **Respondents are advised that all confidential records must be submitted in a separate sealed envelope and marked accordingly.**

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ADDENDA AND MODIFICATIONS

Any changes, additions, or clarifications to the RFP are made by amendments (addenda). Any respondent in doubt as to the true meaning of any part of the RFP or other documents may request an interpretation from the Purchasing Division. At the request of the respondent, or in the event the Purchasing Division deems the interpretation to be substantive, the interpretation will be made by written addendum. Said Addenda shall be mailed, e-mailed, hand delivered and/or faxed, to all prospective respondents. All Addenda issued in respect to this RFP shall be considered official changes to the original documents. Verbal statements in response to inquiries and/or requests for explanations shall not be authoritative or binding. It shall be the respondent's responsibility to ensure that they have received all Addenda in respect to this project. Furthermore, respondents are advised that they must recognize, comply with, and attach a signed copy of each Addendum which shall be made part of their RFP Submittal. Respondent(s) signature on Addenda shall be interpreted as the respondent's "recognition and compliance to" official changes as outlined by the City of Edinburg and as such are made part of the original solicitation documents. Failure of any respondent to receive any such addendum or interpretation shall not relieve such respondent from its terms and requirements. Addendums are available online at www.cityofedinburg.com.

RFP PREPARATION COSTS

The City of Edinburg shall not be held liable for any costs incurred by any respondent for work performed in the preparation of and production of a RFP or for any work performed prior to execution of contract.

EQUAL EMPLOYMENT OPPORTUNITY

Respondent agrees that they will not discriminate in hiring, promotion, treatment, or other terms and conditions of employment based on race, sex, national origin, age, disability, or in any way violate Title VII of 1964 Civil Rights Act and amendments, except as permitted by said laws.

HISTORICALLY UNDERUTILIZED BUSINESS

Firm(s)/Sub Firm(s) will be required to comply with the President's Executive Order No. 11236 and Order No. 11375 which prohibits discrimination in employment regarding race, creed, color, sex, or national origin. Firm(s)/Sub Firm(s) must comply with the Title VI of the Civil Rights Act of 1964, Minority and Women Owned Business Enterprise standards and affirmative action requirements.

AUTHORIZATION TO BIND RESPONDENT TO RFP

RFPs MUST give full firm name and address of respondent, and be manually signed. Failure to do so will disqualify your RFP. Person signing bid must show title or AUTHORITY TO BIND HIS/HER FIRM IN A CONTRACT. Firm name and authorized signature must appear on each page that calls for this information. The legal status of the Respondent whether corporation, partnership, or individual, shall also be stated in the RFP. A corporation shall execute the RFP by its duly authorized officers in accordance with its corporate by-laws and shall also list the state in which it is incorporated. A partnership Respondent shall give full names and addresses of all partners. All partners shall execute the RFP. Partnership and Individual Respondent shall state in the PROPOSALS the names and addresses of all persons with a vested interest therein. The place of residence of each Respondent, or the office address in the case of a firm or company, with county and state and telephone number, shall be given after the signature.

Confidential Information Respondents are advised that all confidential records must be submitted in a separate sealed envelope and marked accordingly.

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CITY OF EDINBURG REQUEST FOR PROPOSALS

I. INTRODUCTION

A. GENERAL INFORMATION

The City of Edinburg desires to contract with a qualified professional certified public accounting firm to provide stipulated government agency auditing services for the City of Edinburg.

The vendor will perform the services listed in the Specifications Section in cooperation with the Director of Finance or designated accounting/financial personnel from the City of Edinburg. The scope of the work services may encompass other related but undefined work associated with this project. These audits are to be performed in accordance with generally accepted auditing standards, the standards set forth for financial audits in the U.S Government Accountability Office's (GAO) *Government Auditing Standards* (1994), 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*.

The City of Edinburg, Texas, is soliciting requests for proposals (RFP) from qualified firms of certified public accountants to audit its financial statements. The term of the audit contract will be for one (1) year, with an optional renewal of two (2) additional one (1) one year terms, not to exceed a maximum contract period of three (3) years. The selection of auditors will consist of an evaluation and comparison of each firm's past performance, appropriate references, prior experience in other Municipalities and expertise related to the City's requirements.

The City of Edinburg has two (2) discretely presented component unit, the Edinburg Economic Development Corporation (EEDC) and the Boys & Girls Club of Edinburg, RGV. Please indicate audit fees for the EEDC as a separate item. The City has blended component units, the City of Edinburg Local Government Finance Corporation Fund, and three Tax Increment Reinvestment Zones.

Description of the Municipality

The City is a home rule City using a modified accrual basis of accounting. More detailed information about the City and its finances can be found in prior CAFR's and budgets as listed on our website at www.cityofedinburg.com.

Fund Structure

As of July 2019, the City's fund structure is as follows:

Fund Type/Account Group	Number of Individual Funds
General fund	1
Special revenue funds	7
Debt service funds	1
Capital project funds	1
Enterprise funds	5
Internal service funds	1
Agency funds	1
General fixed asset account group	1
General long-term debt account group	1

Additional information:

During the evaluation process, the City of Edinburg reserves the right, where it may serve the City's best interest, to request additional information or clarifications from proposers, or to allow corrections of errors or omissions.

The City of Edinburg reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City of Edinburg and the firm selected.

It is anticipated the selection of a firm will be completed by, July 26th 2019. Following the notification of the selected firm it is expected a contract will be executed between both parties by August 9, 2019.

Subcontracting

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

SPECIFICATIONS OF THE REQUEST FOR PROPOSAL (RFP)

The primary specifications of this RFP shall be as follows:

II. NATURE OF SERVICES REQUIRED

A. General

The City of Edinburg is soliciting the services of qualified firms of certified public accountants to audit the following:

- Financial statements for the fiscal year ending September 30, 2019 with the option to audit the City of Edinburg's financial statements . The audit is to be performed in accordance with the provisions contained in this request for proposals (City Audit).
- All applicable major programs in accordance with the U.S. Office of Management and Budget (OMB) Circular A-133 Audits of States, Local Governments, and Non-Profit Organizations (Single Audit).
- Coverage Ratio Certification for enterprise funds.

B. Scope of Work to be performed

The City of Edinburg desires the auditor to express an opinion on the fair presentation of its governmental activities, its business-type activities, its aggregate discretely presented component units, each of its major funds, and its aggregate remaining fund information in conformity with generally accepted accounting principles.

The City of Edinburg also desires the auditor to express an opinion on compliance and internal control over financial reporting and applicable to each major program.

C. Auditing Standards To Be Followed

To meet the requirements of this request for proposals, the audit shall be performed in accordance with: generally accepting auditing standards as set forth by the American Institute of Certified Public Accountants, the standards for financial audits set forth in the U.S. Government Accountability Office's *Government Auditing Standards* (1994), the provisions of the Single Audit Act of 1984 (as amended in 1996) and the provisions of U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, Audits of State and Local Governments.

D. Reports to be Issued

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

1. A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles, including an opinion on the fair presentation of the supplementary schedule of expenditures of federal awards in relation to the audited financial statements.
2. A report on compliance and internal control over financial reporting based on an audit of the financial statements
3. A report on compliance and internal control over compliance applicable to each major federal program.

Reporting to the City Council. Auditors shall assure themselves that the City of Edinburg's Council is informed of each of the following:

1. The auditor's responsibility under generally accepted auditing standards
2. Significant accounting policies
3. Management judgments and accounting estimates
4. Significant audit adjustments
5. Auditor's judgments about the quality of the entity's accounting principles
6. Other information in documents containing audited financial statements
7. Disagreements with management

8. Management consultation with other accountants
9. Major issues discussed with management prior to retention
10. Difficulties encountered in performing the audit

E. Special Considerations

The City of Edinburg 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 of Edinburg to meet the requirements of that program.

F. Working Paper Retention and Access to Working Papers

All working papers and reports must be retained, at the auditor's expense, for a minimum of five (5) years, unless the firm is notified in writing by the City of Edinburg of the need to extend the retention period.

The auditor will be required to make working papers available, upon request, to the parties designated by the federal or state governments or by the City of Edinburg as part of an audit quality review process.

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

III TIME REQUIREMENTS

A. Proposal Calendar

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

Request for proposal issued	Wednesday, July 3, 2019
Due date for proposals	3 p.m. Monday, July 22, 2019

B. Notification and Contract Dates

Selected firm notified	Wednesday, August 6, 2019
Contract date	Friday, August 9, 2019

C. Date Audit May Commence

The City of Edinburg will have all records ready for audit and all management personnel available to meet with the firm's personnel by the third Friday of November.

Schedule for the 2019 Fiscal Year Audit (A similar time schedule will be developed for audits of future fiscal years if the City of Edinburg exercises its option for additional audits).

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

1. Interim Work:
The auditor shall perform interim work no earlier than forty-five days (45) before the end of fiscal year.
2. Detailed Audit Plan:
The auditor shall provide City of Edinburg by the 1st Friday in September both a detailed audit plan and a list of all schedules to be prepared by the City of Edinburg.
3. Fieldwork:
The auditor shall complete all fieldwork by the 3rd Friday of December.
4. Draft Reports:
The auditor shall have drafts of the audit report[s] and recommendations to management available for review by the Director of Finance and City Council by the 1st Friday of January.

D. Entrance Conferences, Progress Reporting and Exit Conferences (A similar time schedule will be developed for audits of future fiscal years if the City of Edinburg exercises its option for additional audits).

At a minimum, the following conferences should be held by the dates indicated on the following schedule:

Entrance conference with the Director of Finance and staff	No later than 3 rd Friday of August
Progress conference with the Director of Finance and staff	No later than the 1 st Friday for each month of October, November, December, and January.
Exit conference with the Director of Finance and staff.	The Monday prior to Audit submission to City Council

E. Date Final Report is Due

The Director of Finance shall prepare draft financial statements, notes and all required supplementary schedules by the end of December. The auditor shall provide all recommendations, revisions and suggestions for improvement to the Director of Finance by the 1st Friday of January.

F. Report Preparation

The audit report for the year ending September 30, 2018 was performed by Carr, Riggs & Ingram, of Harlingen, Texas and is available for review on the City's website: www.cityofedinburg.com.

The City's Finance Director or her designee will address questions pertaining to accounting and internal control procedures. The City's assistance shall be limited to "pulling" of records-receipts, checks, and invoices for audit sampling. There must be at least thirty-six (36) hours' notice provided to staff to compile these records before the audit firm will need them. A separate workspace for three to five people will be made available for the audit staff in close proximity to the accounting records and staff.

a) Finance Department and Clerical Assistance

The finance department staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation and explanations. The preparation of confirmations will be the responsibility of City of Edinburg.

b) Report Preparation

Report preparation, editing and printing shall be the responsibility of the City of Edinburg.

The Director of Finance and the Finance Staff will complete their review of the draft report as expeditiously as possible. It is not expected that this process should exceed one week. During that period, the auditor should be available for any meetings that may be necessary to discuss the audit reports. Once all issued for discussion are resolved, the final signed report shall be delivered to the Finance Director within seven working days. It is anticipated that this process will be completed and the final report delivered by the week prior to submission to City Council for approval.

The final report and signed copies should be delivered to the Director of Finance at P.O. Box 1079, 415 W. University Drive. Edinburg, Texas 78540-1079.

IV. PROPOSAL REQUIREMENTS

A. General Requirements

1. Submission of Proposals

The following material is required to be received by 3 p.m., Monday, July 22, 2019 for a proposing firm to be considered:

- a. A master copy (so marked) of a Detail Proposal and three copies to include the following:

- i. Title Page
Title page showing the request for proposals subject; the firm's name; the name, address and telephone number of the contact person; and the date of the proposal.
- ii. Table of Contents
- iii. Transmittal Letter
A signed letter of transmittal briefly stating the proposer's understanding of the work to be done, the commitment to perform the work within the time period, a statement why the firm believes itself to be best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for September 30, 2019.
- iv. Detailed Proposal
The detailed proposal should follow the order set forth in this request for proposals.
- v. Appendices Attached.

- b. The proposer shall submit an original and three copies of a dollar cost bid in a separate sealed envelope marked as follows:

**SEALED DOLLAR COST PROPOSAL
FOR
CITY OF EDINBURG
FOR
RFP 2019-22 AUDITING SERVICES**

- c. Proposers should send the completed proposal to the following address:

City Secretary, City of Edinburg, 415 W. University Drive, Edinburg, Texas 78539

B. Detailed Proposal

1. General Requirements
The purpose of the Detail Proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit of the City of Edinburg in conformity with the requirements of this request for proposals. As such, the substance of proposals will carry more weight than their form or manner of presentation. The Detail Proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the request for proposals requirements.

The Detail Proposal should address all the points outlined in the request for proposals (excluding any cost information which should only be included in the sealed dollar cost bid).

The Proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the request for proposals. While additional data may be presented, the following subjects, items Nos. 2 through 9, must be included. They represent the criteria against which the proposal will be evaluated.

2. Independence

The firm should provide an affirmative statement that is independent of the City of Edinburg as defined by [generally accepted auditing standards/the U.S. Government Accountability Office's *Government Auditing Standards* (1994)]

3. License to Practice in Texas

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

4. Firm Qualifications and Experience

The proposer should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the 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.

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

5. Partner, Supervisory and Staff Qualifications and Experience

Identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement.

Indicate whether each such person is registered or licensed to practice as a certified public accountant in Texas. Provide information on the government auditing experience of each person, including information on relevant continuing education for the past three (3) years and membership in organizations relevant to the performance of this audit. Provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing education, of the specific staff to be assigned to this engagement.

6. Prior Engagements with the City of Edinburg

List separately all engagements within the last five years, ranked on the basis of total staff hours, for the City of Edinburg by type of engagement (i.e., audit, management

advisory services, other). Indicate the name and telephone number of the principal client contact.

7. Similar Engagements with Other Government Entities

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

8. Specific Audit Approach

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section II of this request for proposal.

9. Liability Insurance

List if the firm has a liability insurance coverage, expiration, amount and name of insurer.

V. EVALUATION PROCEDURES

The City of Edinburg reserves the right to retain all proposals submitted and use any idea in a proposal regardless of whether that proposal is selected.

A. Review of Proposals

Proposals will be evaluated by the Finance Director using three sets of criteria. Firms meeting the mandatory criteria will have their proposals evaluated for both technical qualifications and price. The following represent the principal selection criteria which will be considered during the evaluation process.

1. Mandatory Elements

- a. The audit firm is independent and licensed to practice in Texas.
- b. The firm has no conflict of interest with regard to any other work performed by the firm for the City of Edinburg.
- c. The firm adheres to the instructions in this request for proposal on preparing and submitting the proposal
- d. The firm submits a copy of its last external quality control review report and the firm has a record of quality audit work.
- e. The firm has adequate liability insurance

f. Comparable audits performed

2. The audit firm submits a list of:

a. Expertise and Experience

(1) The firm's past experience and performance on comparable government engagements

(2) The quality of the firm's personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation (please provide a resume or work biography for all staff that will have a significant responsibility with our audit).

3. Price

COST WILL NOT BE THE PRIMARY FACTOR IN THE SELECTION OF AN AUDIT FIRM

a. Audit Approach

(1) Adequacy of proposed staffing plan for various segments of the engagement

(2) Adequacy of sampling techniques

(3) Adequacy of analytical procedures

(4) Adequacy of compliance procedures

B. Final Selection

The City of Edinburg Council will select a firm based upon the recommendation of the Finance Director.

It is anticipated that a firm will be selected by August 6, 2019. Following notification of the firm selected, it is expected a contract will be executed between both parties by Friday, August 9, 2019.

C. Right to Reject Proposals

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

The City of Edinburg reserves the right without prejudice to reject any or all proposals.