



**REQUEST FOR QUALIFICATONS
PROFESSIONAL AUDIT SERVICES**

**CITY OF CONROE
P.O. BOX 3066
CONROE, TEXAS 77305**

RESPONSES DUE JUNE 2, 2015

CITY OF CONROE FINANCE DEPARTMENT

MAY 2015

CITY OF CONROE

RFQ # 2014-15 - AUDIT SERVICES

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CITY OF CONROE

RFQ # 2014-15 AUDIT SERVICES

1.0 General Information

1.1 Purpose

The City of Conroe, Texas (hereinafter referred to as the City) seeks proposals in response to this Request for Qualifications (RFQ) from qualified and experienced public accounting firms whose principal officers are independent certified public accountants (hereinafter referred to as "proposers" or "the proposer," with related pronoun reference "he" or "his" to be interpreted without regard to gender). The objectives of this RFQ are: (1) to obtain audit services for performance of the City's annual financial audit and single audit of state and federal grants for the three fiscal years beginning October 1, 2014 and ending September 30, 2017 (with an option to renew for two years), and (2) to obtain other related services as stated herein.

1.2 Inquiries from Proposers

Questions related to this RFQ must be submitted verbally at the pre-proposal conference (Section 1.3) or in writing no later than May 26, 2015. Written questions should be directed as follows:

City of Conroe
Finance Department
Attn.: Sherrie Fravor, Senior Accountant
300 West Davis, Suite 210
Conroe, TX 77301
sfravor@cityofconroe.org

Proposals should be received on or before 2:00 PM, Tuesday, June 2, 2015. It is the proposer's responsibility to ensure that he has received any and all addenda related to the proposal. It shall be the sole responsibility of the respondent to insure that their proposal is received by the City Secretary within the time limit indicated. Late proposals will not be considered.

1.3 Pre-proposal Conference

A pre-proposal conference will be held on May 26, 2015 at 10:00 AM in the City's Council Chambers, at 300 West Davis, Conroe, Texas 77301. Attendance is not mandatory; however, the deadline for questions regarding this RFQ is the close of the pre-proposal conference.

1.4 Costs Incurred in Responding

All costs directly or indirectly related to preparation of a response to this RFQ, any oral presentations required to supplement and/or clarify a proposal, and/or reasonable demonstrations which may be, at its discretion, required by the City shall be the sole responsibility of and shall be borne completely by the proposer.

1.5 Response Instructions

Ten copies of your proposal should be returned in a sealed envelope bearing the name and address of the respondent and the Request for Qualifications Number. The cost proposal form should be submitted in a separate envelope attached to the proposal and bearing the RFQ number. Your proposal may be mailed or hand delivered as follows:

City of Conroe
Administration-City Secretary's Office
Attention: Marla Porter
300 West Davis, 3rd Floor
Conroe, Texas 77301

Late proposals will not be considered. Deadline for submission is 2:00 PM June 2, 2015.

1.6 Proposal Acceptance Period

All proposals must include a statement that they are valid for a minimum period of 90 days subsequent to the RFQ closing date.

1.7 Competitive Selection/Evaluation Factors

This procurement will comply with applicable City of Conroe Policy. The successful proposer will be selected on a rational basis, with both qualifications and demonstrated competence considered in the selection process. Evaluation factors outlined below shall be applied to all eligible, responsive proposers in comparing proposals and selecting the successful proposer. Award of a contract may be made without discussion with proposer after proposals are received. Proposals should therefore be submitted on the most favorable terms.

Each proposal will be rated on a weighted 1-5 point scale. Proposal evaluation factors, with the maximum weighted percentage points awardable shown in parentheses, are as follows:

1. Qualifications will be based on depth of staff which will include partner/total hour ratio, number of staff and years of experience. (30%)
2. Governmental Experience will be based on client lists including government size and number of governmental clients. (25%)
3. Audit Quality will be based on peer review and report. (15%)
4. Adequate size will be based on the firm's ancillary knowledge base and ability to pool resources. (15%)
5. Time Estimates will be based on the timeline presented in the RFQ. (5%)
6. Presentation will be based on current client reports and RFQ. This is subjective based on style, RFQ presentation and formatting. (10%)

Oral interviews may be arranged at the discretion of the evaluation team to assist in making the final selection.

1.8 Review Committee/Evaluation Process

The proposals will be reviewed and evaluated based on the factors described above by an Audit Committee which consists of City Finance staff and two City Council Members.

Based on these reviews and evaluations, the Audit Committee will present their recommendation to the City Council, who will then make the final selection.

1.9 Additional Information

The City reserves the right to require additional technical and contractual information during the evaluation period. Each proposal must designate person(s) who will be responsible for answering technical and contractual questions.

1.10 Negotiations

The City reserves the right to negotiate all elements of a proposal to ensure that the best possible consideration be afforded to all concerned. The City reserves the right to reject any or all proposals and to re-solicit for services.

1.11 Release of Information

Submission of information by the proposer shall not be released by the City during the proposal evaluation process or prior to contract award.

1.12 Contract Incorporation

Proposers should be aware that the contents of the successful proposal will become a part of any subsequent contractual document that may arise from this RFQ. Failure of a proposer to accept this obligation may result in the cancellation of any award.

1.13 Rights and Remedies

The rights and remedies of the City provided herein shall not be exclusive and are in addition to any other rights and remedies provided by law or under any subsequent contract.

1.14 Contract Payment/Compliance Statement

The contract shall be prepared under the direction of the City and shall incorporate all applicable provisions. Payment for all services other than those described as "special projects" will be made based on an all-inclusive, not-to-exceed fee proposal, with progress payments as mutually determined to be appropriate. These payments shall be based upon completion of phases of the work. A sample contract should be submitted with the proposal.

1.15 Progress Reports

The successful proposer shall submit progress reports to or hold periodic meetings with the City as agreed upon by the City and the proposer. The information provided in these reports should be sufficiently detailed to provide assurance that the audit is on schedule.

1.16 Publicity

Any publicity, news releases, and/or advertising pertaining to this RFQ and/or the awarding of any contract relating to the RFQ may not be made without prior written approval of the City.

2.0 Proposal Format

2.1 Required Sections

Proposals must be submitted containing the following sections in the order indicated:

Cover letter
Executive Summary
Table of Contents
Firm Background, Principal Officers, and Prior Experience
Scope and Audit Approach
Proposed Schedule
Other References
Additional Data and Other Information
Concluding Remarks
Cost Proposal Form (submitted in separate and sealed envelope)

2.2 Cover Letter

This section should contain the name of the proposing firm, the address of the proposing office, and contact persons authorized to answer technical, price, and/or contract questions together with their telephone number and mailing address. The cover letter must also be signed by a partner authorized to bind the company.

2.3 Executive Summary

Prefacing the proposal, an executive summary of five pages or less should be provided which gives in brief, concise terms a summation of your proposal. Identify the points that make your firm uniquely qualified for this engagement.

2.4 Table of Contents

The Table of Contents shall include an index of the proposal contents and attachments.

2.5 Firm Background, Principal Officers and Prior Experience

Firm Qualifications and Experience. This section should state:

- a. the size of the firm,
- b. the size of the firm's governmental audit staff,
- c. the location of the office from which the work on this engagement is to be performed,
- d. the number and nature of the professional staff to be employed in this engagement on a full-time basis, and

- e. the number and nature of the staff to be so employed on a part-time basis.
- f. the number and percentage of clients who have achieved the GFOA Certificate of Achievement for Excellence in Financial Reporting in 2013.

If the proposer is a joint venture or consortium, the qualifications of each firm comprising the joint venture or consortium should be separately identified. In addition, joint ventures or consortiums must identify a firm to serve as the principal auditor, and the principal auditor must accept responsibility for resolving all operational and contractual issues with the City.

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

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

Partner, Supervisory and Staff Qualifications and Experience. The firm should identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who will be assigned to the engagement and indicate whether each such person is licensed to practice as a certified public accountant in Texas. The firm also should provide information on the governmental auditing experience of each person, including information on relevant continuing professional education for the past three years and membership in professional organizations relevant to the performance of this audit.

The firm should provide as much information as possible regarding the number, qualifications, and experience and training (including relevant continuing professional education) of the staff to be assigned specifically to this engagement. The firm also should indicate how the quality of staff over the term of the agreement will be assured.

Engagement partners, managers, other supervisory staff, and specialists assigned to the City's account in a proposal may be removed from the City's account if those persons leave the firm, are promoted, or are assigned to another office. These persons may also be changed for other reasons but only with the express prior written permission of the City of Conroe. However, in either case, the City retains the right to approve or reject replacements.

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

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 of 5) performed in the last five years that are similar to the engagement described in this request for proposals. These engagements should be ranked on the basis of relativity to the current proposal. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

Other. Additional information should be included to describe the office's capabilities to audit computerized systems.

2.6 Scope and 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 Sections 4.1 and 4.2 of this RFQ. In developing the work plan, reference should be made to such sources of information as the City's budget and related materials, organizational charts, manuals, and programs, and financial and other management information systems.

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

- a. Proposed segmentation of the engagement.
- b. Level of staff and number of hours to be assigned to each proposed segment of the engagement.
- c. Sample sizes and the extent to which statistical sampling is to be used in the engagement.
- d. Extent of use of Electronic Data Processing software in the engagement.
- e. Type and extent of analytical procedures to be used in the engagement.
- f. Approach to be taken to gain and document an understanding of the City's internal control structure.
- g. Approach to be taken in determining laws and regulations that will be subject to audit test work.
- h. Approach to be taken in drawing audit samples for purposes of tests of compliance.

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

The work plan submitted should include separate time estimates for the financial audit and single audit work.

A separate statement of the firm's approach to and understanding of the provision of technical assistance and advice concerning accounting and auditing issues that may arise during the course of the audit should be included. In addition, a discussion of

the firm's approach to the level and amount of the Finance staff support necessary to complete the work as outlined in the proposal should be included.

2.7 Proposed Schedule

Comment on the firm's ability to meet the timelines indicated in the RFQ. The proposer should provide any recommended changes to the schedule that might be required to enhance the timelines and quality of the engagement.

2.8 Other References

Describe recent local and regional office auditing experience similar to the type of audit requested and give the name and telephone numbers of client officials responsible for three of the audits listed. These references would be in addition to those listed in Section 2.5 under paragraph titled - *Similar Engagements*.

2.9 Additional Data and Other Information

Since data not specifically requested must not be included in the foregoing proposal sections, give any additional information considered essential to the proposal in this section. If there is no additional information to present, state in this section, "There is no additional information we wish to present."

2.10 Concluding Remarks

This section shall contain any final remarks or elaboration which the proposer believes is important for a clear understanding of the proposed services and/or the proposer's capabilities.

2.11 Cost Proposal

Payment for all services other than those described as "special projects" will be made based on an all-inclusive, not-to-exceed fee proposal, with progress payments as mutually determined to be appropriate. The contract will be a three-year contract with the option to renew for a fourth and fifth year.

The compensation proposal should be documented by including a cost proposal form and submitting it to the City. As provided for by the State Board of Public Accountancy rules, the contract award will not necessarily be made to the firm that provides the lowest cost proposal but rather to the firm that submits the most responsive proposal meeting the City's requirements.

On the cost proposal form the firm should include for each of the three years and the possible fourth and fifth year the following information:

- a. Total estimated hours and all-inclusive, not-to-exceed cost estimate for the financial and single audit (combined); break down total estimated hours by staff level (e.g. partner, manager, senior, etc.) and show billing rates for each level;
- b. In addition, the firm should include proposed billing rates by staff level for any special projects that the proposer may be requested to perform during the initial year of the contract. The special project billing rates may be adjusted annually for inflation using the Consumer Price Index of the current fiscal year.

2.12 Manner of Payment

Progress payments will be made on the basis of hour of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the firm's dollar cost fee estimate. Interim billings shall cover a period of not less than a calendar quarter. Final billing should be presented no later than 30 days following council approval of the CAFR.

3.0 Description of the Entity

3.1 General

The City of Conroe is located in Montgomery County, one of the fastest growing counties in Texas. Conroe, population 71,592, is located approximately 40 miles north of downtown Houston. It surrounds Interstate Highway 45 (IH-45) that connects Dallas and Houston. IH-45 serves as Conroe main north to south corridor. Texas Highway 105 bi-sects the city east to west and connects the city to Lake Conroe to the west. Loop 336 serves to connect the remaining parts of the city. The city limits extend to the west side of Lake Conroe. The city limits of Conroe have a land area of approximately 69.3 square miles. The City operates under a council-city administrator form of government, with the City Council comprised of six members including the Mayor. The City Council is responsible for adopting ordinances and regulations governing the City, adopting the budget, determining policies, and appointing the City Administrator, the City Attorney, and the City Secretary, as well as members of various boards and commissions. As chief administrative officer, the City Administrator is responsible to the Council for appointing and supervising employees of the City (except for those appointed by the Council), and for preparing and administering the annual budget and capital improvement program.

The reporting entity for the City as defined by Governmental Accounting Standards Board (GASB) Statement 14, includes all funds and account groups reported in the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2014, as shown in the CAFR - Table of Contents found on the City's website at <http://cityofconroe.org/departments/finance-administration/finance-home-page/financial-reports> . The accounts of the City include each type of account group

and all fund types. The City is not included in any other governmental "reporting entity", as defined by Statement 14.

Services provided by the City under general government functions include police and fire protection, street maintenance, building inspection and code enforcement services, planning and zoning, recreation, operation and maintenance of parks, and operation of a transit system (partially grant funded). The City operates its own water distribution system and sewer collection and treatment system. A contract has been granted to a privately owned firm for solid waste collection and disposal services.

The City's 2014 CAFR and Compliance Report can be found on the City's website at <http://cityofconroe.org/departments/finance-administration/finance-home-page/financial-reports> . These pages should give the reader additional information on the City's reporting entity, fund structure, accounting and budgeting policies, and federal and state financial assistance, etc.

3.2 Organization of the City's Finance Department

The City's accounting function falls within the City's Finance Department. The Assistant City Administrator/Chief Financial Officer, who reports directly to the City Administrator, is responsible for all financial accounting and reporting activities of the City. The Accounting Manager has overall responsibility for the following functions: Utility Accounting, General Fund Accounting, Payroll, Accounts Payable, Accounts Receivable, Capital Assets, Grant Reporting and Bank Depository Services.

3.3 Organization of the Accounting Function

The accounting records of the City are maintained by the Finance Department, with offices located at 300 West Davis, Suite 210, Conroe, Texas 77301. Although maintenance of the accounting records is centralized within the Finance Department, the City's accounting function is partially decentralized. Each City department has the authority to initiate and submit all input documents (e.g. reports of cash receipts and authorization and requests for cash disbursements) for processing by the Finance Department. In addition, a number of departments perform some of their data input for purchasing and payment transactions.

3.4 Audit Assistance

The Finance staff will prepare all workpapers necessary to prepare the financial statements for the individual funds. These workpapers will include trial balances, journal entries with back-up documentation, capital assets and depreciation schedules, etc. Personnel will be available to the auditors for the purpose of pulling invoices, directing auditors to the proper files, or for explaining procedures. Prepared by Client's (PBC's) can be provided; however, these should be coordinated

with the Accounting Manager. The Auditor should provide the Accounting Manager an advance listing of the required forms.

4.0 Nature of Services Required

4.1 General

The City is requesting proposals from qualified public accounting firms to audit its financial statements for the fiscal years ending September 30, 2015, 2016, and 2017 with the option to audit the City's financial statements for each of the two subsequent fiscal years. These audits are to be performed in accordance with the provisions contained in this request for qualifications.

4.2 Scope of Work to Be Performed

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

The auditor is required to audit the general purpose financial statements, consisting of the combined statements for all fund types and account groups. However, the auditor is to provide an "in-relation-to" statement on the combining and individual fund financial statements and supplementary schedules based on the auditing procedures applied during the audit of the general purpose financial statements. The auditor is not required to audit the statistical section of the report; this section will remain unaudited but should be reviewed.

The auditor shall also be responsible for performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards.

The auditor is required to audit the information contained in the schedule of federal financial assistance. This information should be subjected to the auditing procedures applied in the audit of the general purpose financial statements and in accordance to Governmental Auditing Standards, the Single Audit Act as amended in 1996, and (OMB) Circular A-133. The auditor is to provide an opinion of the fair presentation of this schedule in relation to the general purpose financial statements taken as a whole.

The scope of the City's annual audit, or of any other work for which the proposer is engaged, can only be broadened with the express written consent of the City. The City will have the right to negotiate fees for work related to broadening the scope of any work for which the proposer is engaged.

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

4.3 Auditing Standards to Be Followed

To meet the requirements of this RFQ, the audit shall be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants and the Governmental Accounting Standards Board, the standards for financial audits set forth in the U.S. General Accounting Office's Government Auditing Standards, the provisions of the Single Audit Act of 1996, and the provisions of U.S. Office of Management and Budget (OMB) Circular A-133, Audits of State and Local Government, and any other requirements from like regulatory agencies.

4.4 Reports to Be Issued

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue all reports currently required by State and Federal grantors and by organizations such as the American Institute of Certified Public Accountants, the Governmental Accounting Standards Board, the Government Finance Officers Association of the United States and Canada, and any other regulatory agencies. The auditor shall likewise issue any other reports subsequently required by these or similar entities following completion of the financial or single audit.

The schedule of federal financial assistance and related auditor's reports, as well as the reports on the internal control structure and compliance are not to be included in the CAFR, but are to be issued separately.

In the required reports on internal controls, the auditor shall communicate any reportable conditions found during the audit to the City Administrator. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions that are also material weaknesses shall be identified as such in the report.

Non-reportable conditions discovered by the auditors shall be reported in a separate letter to management, which shall be referred to in the reports on internal controls. The report on compliance shall include all instances of noncompliance.

Auditors shall be required to make an immediate, written report of all irregularities and illegal acts or indications of which they become aware to the City Administrator.

Auditors shall assure themselves that the City's Mayor and Council is informed of each of the following and any other item as required by the regulatory agencies as noted above:

1. The auditor's responsibility under generally accepted auditing standards and government auditing standards.
2. Significant accounting policies.
3. Management judgments and accounting estimates.
4. Significant audit adjustments.
5. Other information in documents containing audited financial statements.
6. Disagreements with management.
7. Management consultation with other accountants.
8. Major issues discussed with management prior to retention.
9. Difficulties encountered in performing the audit.

4.5 Preparation of CAFR

The City of Conroe will prepare its own CAFR.

Proposer shall prepare the following:

- An opinion on the examination of the general purpose statements of the City as a whole.
- A report on the internal accounting controls of the City based solely on a study and evaluation made as a part of the audit of the general purpose statements.
- A report on compliance with the laws and regulations that may have a material effect on the financial statements.
- A report on the supplementary schedule of federal financial assistance programs reference OMB Circular No. A-133 and the Single Audit Act of 1984.

4.6 Special Considerations

The City of Conroe 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 may be required to provide special assistance to the City of Conroe to meet the requirements of that program.

4.7 Regulation Updates and CPE Provisions

The Auditor shall provide the City Administrator with information relating to regulation changes that would affect the City and its operation, and advise and assist in the implementation of any new pronouncements. Examples would be timely notification of changes proposed or initiated by GASB, OMB, or GAO. Some of the updates should provide the client with CPE credit opportunities. This training can be in either the current issues or simply general training. It should provide the client

with opportunities to remain current or increase knowledge in governmental auditing/accounting or related areas.

5.0 Other Information and Requirements

5.1 Prior Audit

Subsequent to the contract award, arrangements shall be made, if possible, for a review of prior year workpapers by the firm awarded the contract. Proposers may have access to prior years' audit reports if they wish, which can be found on our website <http://cityofconroe.org/departments/finance-administration/finance-home-page/financial-reports> or by contacting Kathleen Richey, Accounting Manager, at (936) 522-3034.

5.2 Work Area

A separate workspace in close proximity to the accounting records will be provided, as well as photocopy machines, phone, and a fax machine will be made available (Although, long distance charges will be billed back to the Auditor).

5.3 Audit Work Timing

Preliminary work prior to closing accounts must occur and be concluded prior to September 1 of each year. Post-closing work may commence on or about November 15. Completion of fieldwork should be accomplished no later than December 4. Fieldwork will be considered complete when all adjustments have been made by the auditor.

Date for report presentation shall be no later than February 26 of the respective year after the end of fieldwork. At that same time a draft management letter should be delivered.

5.4 Contractual Agreements

The contract to be awarded shall be for the provision of services as requested herein at the fees submitted in the proposal for the first three and, if extended, the fourth and fifth years of the contract. This is considered an all-inclusive, not-to-exceed fee proposal. The City shall agree to make interim payments of the annual fee based on percentage of work performed, or an agreed upon schedule.

5.5 Working Papers

The firm selected shall maintain all working papers for a period of at least five years after the fiscal year end. The auditor shall make available all original working

papers for examination by authorized representatives of Federal and State agencies, the City's Finance staff, and any other entity to which access has been granted in writing by the City's Assistant City Administrator/Chief Financial Officer. 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 financial significance.

5.6 Non-appropriation Provision

The City may cancel the contract should the present or any future City Council not appropriate funds in any fiscal year for the payment of this agreement. No penalty shall attach in the event of any such non-appropriation. In the event of non-appropriation, 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 (related to a subsequent fiscal year).

5.7 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, sex, national origin, marital status, age, or handicap.
2. Identify itself as an "Equal Opportunity Employer" in all help wanted advertising or requests.

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

In determining whether to terminate any portion of this contract, the City reserves the right to consider reports from its Human Resource Director in response to discrimination complaints. However, the Proposer is specifically advised that no Equal Opportunity Employment complaint will be the basis for cancellation of this contract.

5.8 Conflict of Interest

The Proposer agrees to comply with the conflict of interest provisions of the City Charter and Code of Ordinances.

5.9 Outstanding Taxes/Liabilities

Pursuant to Section 2-381 of the City of Conroe Code of Ordinances, the City shall not award contracts to any person, firm, or corporation indebted or in arrears in payment of taxes or other liabilities to the City. Proposers must certify that their firm is not indebted or in arrears in payment of taxes or other liabilities to the City.

6.0 Listing of Timelines and Critical Dates

<u>Date or Timeframe</u>	<u>Activity or Deadline</u>
May 7	RFQ mailed out.
May 26	Pre-Proposal conference held.
June 2	Deadline for submission of proposals.
June 2 – 29	Evaluation of proposals.
July 2	Interviews with top firms, if necessary and selection of firm.
July 23	City Council awards Audit Services contract.
September	Preliminary planning meetings and audit plan development.
September	Preparation for year end close.
September 30	Fiscal year end.
November 16	Year-end system-generated reports available. Staff prepares trial balances and schedules.
November 23	Auditors begin year-end work.
December 4	All fieldwork should be virtually complete.
December 7	Import data to CAFR software.
December 14	Fund level statements complete.
December 16	Preparation of GASB 34 entries.
December 21	Review of GASB 34 entries.
December 28 – January 15	CAFR preparation.
January 25	CAFR draft available for review prior to printing.
February 1	CAFR copies produced & bound for inclusion in Council packets.
February 26	Audit reports presented to Council.

7.0 Terms and Conditions (as applicable)

EQUAL OPPORTUNITY:

The City of Conroe will ensure that a qualified consultant is obtained through an equitable selection process and the prescribed work is properly accomplished in a timely manner at a reasonable cost. We are an Equal Opportunity Employer and reserve the right to reject any and all proposals, extend the RFQ deadline, and/or to waive formalities in our selection

WITHDRAWAL OR DECLINE SUBMISSION: After careful consideration has been given to this request, should your firm find it necessary to decline submission, it is requested that such a denial be forwarded to the aforementioned address.

RESERVATIONS: The City, through its duly authorized officials, reserves the right to reject any part of, or all statements without the imposition of any form of liability. Nothing herein is intended to exclude any responsible firm or in any way restrain or restrict competition. The City reserves the right to award this RFQ to the most qualified proposer that offers the best combination of qualifications and value to the City taking into consideration the selection criteria contained herein

COMMUNICATION: The City shall not be responsible for any verbal communication between any representative of the City and any potential firm. All modifications to this solicitation must be made in writing. A proposer's failure to examine relevant documents or specifications will not relieve offer or from any obligation with regard to their response to this invitation.

CONDITIONS OF CONDUCT: At all times any agent, officer, or employee of Proposer shall be present upon property owned by the City, the terms and conditions of the Drug and Alcohol Policy currently adopted by the City of Conroe, shall be deemed applicable to such persons. Violations of terms and conditions while present on the premises owned by the City shall be grounds for termination of any agreement between the City and Proposer. A copy of this policy is available for public inspection in the office of the City Secretary and copies may be obtained at a nominal charge.

ETHICAL STANDARD: No City of Conroe official or employee shall have interest in any agreement resulting from this "RFQ". Individuals with a possible conflict will enact a public disclosure record by completing a "Statement of Financial Interest" form.

REIMBURSEMENTS: There is no expressed or implied obligation for the City to reimburse responding firms for any expenses incurred in preparing proposals in response to this request and the City will not reimburse responding firms for these expenses, nor will the City pay any subsequent costs associated with the provision of

any additional information or presentation, or to procure an agreement for these services.

DISCLOSURE: There will be no disclosure of the contents to competing firms until the agreement is awarded. All proposals will be kept confidential during the negotiation process. Once the agreement has been awarded, all proposals will be open for public inspection, except for trade secrets and confidential information, which the firm identifies as proprietary.

DEFAULT: The City reserves the right to terminate this professional services agreement immediately for failure to meet delivery or completion schedules, or otherwise perform in accordance with the requirements of this proposal.

INDEMNIFICATION: The Proposer shall, defend, indemnify, and hold harmless the City, their officers, and agents from and against any and all claims, demands, causes of action, orders, decrees, or judgments for injury, death, damage to person or property, loss, damage, or liability of any kind (including without limitation liability under any federal, state, or local environmental law, Compensation and Liability Act; fees and costs (including all costs or settlements and reasonable attorney's fees incurred in defending any claim, demand, or cause of action) occasioned by, growing out of, or arising from (a) the performance of any product or service to be supplied by the Proposer, or (b) by any act, error or omission on the part of the Proposer, its agents, employees, or subcontractors, and or (c) any failure to fully comply with all applicable laws and regulations by the Proposer, its agents, employees, or subcontractors.

CONDITIONS OF WORK: Proposers are expected to be fully informed of buildings, locations and working conditions under which your services will be performed, and to have thoroughly reviewed this RFQ. Failure to do so will not relieve the successful proposer of any obligations to furnish the services as specified herein.

INSURANCE REQUIREMENTS: The Proposer shall procure and maintain, at its expense, during the term of this proposal, at least the following insurance, covering work performed.

COVERAGE	LIMITS
A. Professional Liability Insurance	- \$2,000,000 each occurrence
B. Worker's Compensation	- As required by Texas Law
C. Employer's Liability	- \$ 500,000 each occurrence
D. Public Liability (Bodily injury)	- \$1,000,000 combined single limit
E. Public Liability (Property damage)	- \$1,000,000 combined single limit
F. Automobile Liability (Bodily injury)	- \$ 200,000 each person
G. Automobile Liability (Property damage)	- \$ 50,000 each occurrence

The Proposer agrees to furnish insurance certificates, showing the Proposer's compliance with this section.

INDEPENDENT AGREEMENT OR RELATIONSHIP: The Proposer is and shall perform these services as an independent contractor, and as such, shall have and maintain complete control over all of its employees, agents, and operations. Neither the Proposer nor anyone employed by it shall represent, act, purport to act or be deemed to be the agent, representative, employee or servant of the City of Conroe.

The Proposer selected by this Request for Qualifications will be working as an independent contractor and will be required to take out and keep in force all permits, licenses, certifications, other approvals, and or insurance that may be required by the City, any local or regional governmental agency, the State of Texas, or the federal government. Failure to comply with any of these items would be grounds for immediate cancellation of the agreement.

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.

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Signature of person doing business with the governmental entity

Date