



Request for Proposals

Annual Financial Audit Services

(RFP #14-026)

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SPRING INDEPENDENT SCHOOL DISTRICT

SUPPLY CHAIN SERVICES DEPARTMENT
15330 Kuykendahl Rd.
Houston, TX 77090

1. SOLICITATION NOTICE

Notice is hereby given that the Spring Independent School District (“**Spring ISD**”, “**SISD**” or “**District**”) is soliciting competitive sealed proposals (“**Proposals**”) from qualified public accounting firms (“**Vendor**”, “**Contractor**”, or “**Provider**”) to provide **Annual Financial Audit Services** (the “**Required Services**”) to the District, for the fiscal year ending June 30, 2015, in accordance with the terms, conditions, and specifications established within this Request for Proposals (the “**Solicitation**”).

Proposals shall be submitted electronically through the District’s e-Sourcing system (the “**System**”). To participate, interested firms must first register online to receive a login username and password. The District’s System may be accessed by clicking on the following link:

<https://springisd.ionwave.net/Login.aspx>.

For assistance with the online registration process, please contact Supply Chain Services at 281-891-6465.

Any additions, deletions, modifications, or changes made to this Solicitation shall be processed through an Addendum, which will be posted and distributed to all participating Proposers through the District’s e-Sourcing system. It shall be the sole responsibility of each Proposer to ensure review of all Addenda issued in connection to this Solicitation prior to submitting a proposal.

1.1. POINT OF CONTACT: Unless otherwise indicated, any communication regarding this Solicitation, including requests for clarification, must be directed via **e-mail only** to:

Paul Young
Director – Purchasing/Contracts
Spring Independent School District
15330 Kuykendahl Rd.
Houston, TX 77090
pyoung@springisd.org
281-891-6471

1.2. DEADLINE FOR ELECTRONIC SUBMISSION OF PROPOSALS (“BID OPENING**”):** Proposals shall be submitted electronically **via the District’s e-Sourcing system prior to 2:00 p.m. (CST) on Wednesday, January 21, 2015.**

1.3. LATE PROPOSALS: No proposal, under any circumstances, shall be acceptable after the date and time set forth in this Solicitation or any related addendum.

2. TIMELINE FOR SOLICITATION PROCESS

The timeline for the solicitation process is outlined below. Spring Independent School District reserves the right to make any changes as may be required and will notify all participants accordingly.

January 6, 2015 (Tuesday) by 9:00 am CST	RFP posted on Spring ISD's e-Sourcing system and accessible to Providers.
January 12, 2014 (Monday) by 12:00 pm CST	Deadline for questions from Providers (Email questions to: Paul Young, contracts@springisd.org) NOTE: Reference "RFP 14-026 Questions" in the Subject line of your email.
January 14, 2015 (Wednesday) by end-of-day	<ul style="list-style-type: none"> • Questions & Answers posted within Spring ISD's e-Sourcing system as an Addendum to the RFP for all participating Providers to download/review.
January 19, 2015 (Monday)	<ul style="list-style-type: none"> • Martin Luther King Jr. Holiday (District Closed)
January 21, 2015 (Wednesday) by 2:00 pm CST	<ul style="list-style-type: none"> • Deadline for submission of RFP responses NOTE: Providers to submit proposals electronically through Spring ISD's e-Sourcing system.
January 30, 2015 (Friday) by end-of-day	<ul style="list-style-type: none"> • Providers Short List announced. Shortlisted Providers invited to Phase 2 of RFP evaluation process (on-site vendor interviews) NOTE: This event will occur only if deemed necessary by Spring ISD, in which case Spring ISD will notify the selected Providers through an email invitation.
February 5 – 6, 2015 (Thur. – Fri.)	<ul style="list-style-type: none"> • Provider(s) on-site interviews (if requested by District and via invitation only) <u>Location:</u> Spring ISD (Houston, TX) – Venue to be referenced in vendor invitation notice.
March 10, 2015 (Tuesday)	<ul style="list-style-type: none"> • Board of Trustees Meeting (Approve/Reject Recommendation for Contract Award)
March 11, 2015 (Wednesday)	<ul style="list-style-type: none"> • Award notice issued to selected vendor by end-of-day

March 13, 2015 (Friday)	<ul style="list-style-type: none"> • Award notice signed and returned by Provider to Supply Chain Services dept.
March 16 – 20, 2015 (Mon. – Fri.)	<ul style="list-style-type: none"> • Spring Break (District Closed)
March 23 – 31, 2015	<ul style="list-style-type: none"> • Awarded Provider submits Engagement Letter to Spring ISD.
May-Sept 2015	<ul style="list-style-type: none"> • 1st annual financial audit performed by awarded Provider.

3. OVERVIEW OF SPRING ISD

Auditing requirements for Texas' public school districts are contained in the *Texas Education Agency Financial Accountability System Resource Guide*, which is the authoritative document, adopted by reference as a rule of the State Board of Education, though Title 19, Texas Administrative Code, Section 109.41.

Spring Independent School district ("the District) consists of twenty-five elementary schools, six traditional middle schools, a school-of-choice middle school, 3 traditional high schools, a school-of-choice high school, a virtual school and an early college academy. The district has approximately 37,000 students and 5,000 staff. The 2014-15 budgeted expenditures for the General, Child Nutrition, and Debt Service Funds is \$361,416,965. The school district receives federal assistance for programs including but not limited to the School Breakfast Program, the National School Lunch Program, ESEA Title 1, Part A, Improving Basic Programs, IDEA-B, Formula and Preschool, ESEA Title II, Part A, Teacher & Principal Training & Recruiting, and Title III, Part A, LEP. The District prepares a Comprehensive Annual Financial Report (CAFR).

4. SCOPE OF WORK

4.1. PURPOSE:

Spring ISD seeks Proposals from public accounting firms ("Proposers") to perform the annual audit for the fiscal year ending June 30, 2015.

The purpose of the Request for Proposal is to obtain the services of a public accounting firm for the annual audit for fiscal year 2014-2015. The organization-wide audit will encompass the financial statements as required by GASB Statement No. 34 and the *Texas Education Agency Financial Accountability System Resource Guide* for the District for the fiscal year ending June 30, 2015. The audit is to be performed in accordance with generally accepted auditing standards and generally accepted government auditing standards contained in the *Texas Education Agency Financial Accountability System Resource Guide*.

The financial statement audit is to determine whether (1) the financial statements present fairly the financial position, results of operations, and cash flows or changes in financial position in accordance with generally accepted accounting principles, and (2) whether the District has complied with laws and regulations for those transactions and events that may have a material effect on the financial statements. The financial

related audit will also include determining whether (1) financial reports and related items are fairly presented, (2) financial information is presented in accordance with established or stated criteria, and (3) the school district has adhered to specific financial compliance requirements.

As a part of the audit of the general purpose financial statements, the annual audit will also include obtaining an understanding of the school district's internal control and reporting any significant deficiencies or material weaknesses relating to the internal control systems coming to the attention of the auditors.

To comply with Office of Management and Budget Circular A-133, a study and evaluation of internal control will include internal accounting and administrative controls for major federal financial assistance programs, in accordance with standards for risk assessment for major federal financial assistance.

Any material weakness noted during the study and evaluation of internal accounting and administrative controls and other kinds of noncompliance and questioned costs will be reported in compliance with the Single Audit Act.

As part of the audit of the financial statements, transactions and records pertaining to federal programs will be tested for material compliance with federal laws, rules, and regulations; and all instances of noncompliance will be reported to the school district.

The audit will include the performance of certain audit procedures for the purpose of reviewing the accuracy of fiscal information provided by the district through the Public Education Information Management System (PEIMS), as required by Section 44.008(b) of the Texas Education Code. The audit will include procedures applicable to compensatory education funds as required by Module 9 of the Financial Accountability System Resource Guide, if required.

Upon the District's determination of the most qualified Proposers, a recommendation for contract award will be made to the Spring ISD Board of Trustees (the "Board") at the Board meeting scheduled for Tuesday, March 10, 2015.

4.2. OTHER REQUIREMENTS:

- 4.2.1.** The accounting firm should provide an annual audit report in a form acceptable to the Texas Education Agency and within the time frame stipulated in TEC 21.256 (d) of 150 days subsequent to the close of the fiscal year for which the audit was made.
- 4.2.2** The District intends to sell bonds from time to time, which may require the audited financial statements and Auditors opinion to be printed in total or as a part of the section of or addendum to the Official Statement for bond issues. Also, certification may be required for Interest and Sinking Fund Reserve Balances at a point in time other than year end.
- 4.2.3** It is requested that the interested accounting firm include a detailed description of each step in the audit approach that will be taken in the audit engagement including estimated hours for each.

- 4.2.4 The firm upon being awarded this engagement will be expected to review the detailed audit work plan and schedule with the Assistant Superintendent of Financial Services prior to commencing the audit assignment each year.
- 4.2.5 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 District of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to auditors from the Texas Education Agency, The General Accounting Office, or other applicable governmental agencies; they are not otherwise considered to be records open to the general public.

5. PROPOSAL EVALUATIONS

- 5.1.1 The review of Proposals will determine the Provider most capable of delivering the "**best overall value**" to the District, consistent with the requirements herein and as evidenced by the respondent's experience in providing the type and scope of services required within this Solicitation.
- 5.1.2 Proposals will be evaluated by the Chief Financial Officer or designee on the basis of the information provided within the Proposals. Proposers whose offering is determined to offer the best overall value to the District may be interviewed by a committee designated by the Chief Financial Officer or designee for the purpose of obtaining additional clarification, supplementary information, or further discussing the scope of services proposed, as deemed necessary by the District. Notwithstanding the foregoing, the District reserves the right to award without any interviews.
- 5.1.3 Based upon this evaluation and review, the Chief Financial Officer or designee will recommend a proposed contract with the highest qualified Proposers. The District reserves the right to contact references provided within the Proposals.
- 5.1.4 The District reserves the right to negotiate, or to not negotiate at all, with any Proposer the scope of services proposed and any fees associated with the services referenced in this Solicitation.
- 5.1.5 The District, at its own discretion, reserves the right to not award a contract to any Proposer and re-bid or not re-bid, or to award a contract to a single Proposer whose offer provides the best value to the District.

6. EVALUATION CRITERIA AND WEIGHTS

The following table contains a list of the criteria to be considered during the evaluation process for the purpose of identifying the Proposers to be considered for contract award.

In the event that oral interviews are necessary to break a tie or for making final clarification in the evaluation process, additional points may be awarded. It should be understood that while the total score is a significant factor, the requester of the services reserves the right to consider other factors in making a final selection.

PROFESSIONAL QUALIFICATIONS

The evaluation of professional qualifications of the proposers will be based on the following criteria:

I. Mandatory Criteria

Proposals will not be considered for further evaluation unless there is compliance with all of the following criteria. The proposer:

- A.** Must submit a proposal meeting all of the requirements of the Request for Proposal on or before the deadline referenced within this solicitation. Late proposals will not be considered.
- B.** Must be an independent auditor properly licensed for public practice.
- C.** Must meet the independence standards of Government Auditing Standards, United States General Accounting Office (GAO).
- D.** Must not have a record of substandard work to be verified via references submitted.

Proposals which have met each of the criteria in Section I above will be evaluated on the following criteria:

Evaluation Criteria	Maximum Points Attainable
<u>Technical Criteria</u>	
Technical Experience of the firm: <ul style="list-style-type: none"> • Auditing experience in Texas public schools (0-5 points) • Auditing experience in Texas public schools with enrollment of 32,000 or greater (0-10 points) • Auditing experience in government entities (0-5 points) • Firm level of participation in and communication with such organizations as the Texas Education Agency, Texas Association of School Business Officials, and ASBO International (0-10 points) 	30
Characteristics of the staff, including consultants, to be assigned to the audit: <ul style="list-style-type: none"> • Size and structure of the firm, including staff positions (0-5 points) • Qualifications of supervisory personnel, consultants, and the field audit team (0-20 points) <ul style="list-style-type: none"> • Education, including continuing education courses taken during the past two years • Years and types of experience • General direction and supervision to be exercised over the audit team by the firm's management personnel (0-15 points) 	40
Clear understanding of the work to be performed: <ul style="list-style-type: none"> • Comprehensiveness of the audit work plan (0-5 points) • Realistic time estimates of each major segment of the work plan, and the estimated number of hours for each staff level including consultants assigned (0-10 points) 	15
<u>Prior Experience</u>	
Prior experience conducting Spring ISD's Annual Audit	10
<u>Cost Criteria</u>	
Estimated cost of audit and associated fees	5

<u>Oral Interviews (If necessary) – Additional Points to be Awarded</u>	
Interview Points	15

7. STANDARD TERMS AND CONDITIONS

7.1.1. Proposers or authorized representatives are expected to inform themselves as to all terms and conditions, requirements, and specifications contained within this solicitation and associated documents prior to submitting a proposal. Failure to do so will be at the proposer’s own risk.

7.1.2. Any Vendor submitting a proposal in response to this solicitation shall thoroughly review the District’s **Competitive Offers Standard Terms & Conditions** (“Standard Terms & Conditions”) document referenced within the “Attachments” section within the District’s e-Sourcing system. These Standard Terms & Conditions shall be binding of the Proposers involved in the solicitation process.

8. SPECIAL TERMS AND CONDITIONS

In addition to the Standard Terms & Conditions referenced above, the following special terms and conditions (“Special Terms & Conditions”) shall apply to this solicitation. In the event of any conflict between provisions in the Standard Terms & Conditions and Special Terms & Conditions, the provisions referenced in the Special Terms & Conditions shall prevail.

8.1. CONTRACT TERM: Unless otherwise agreed to by the District, the initial contract term shall be for the fiscal year ending June 30, 2015. Thereafter, unless otherwise terminated in accordance with the termination provisions referenced in this Solicitation, the District, at its own option, may renew the Agreement for successive one (1) year terms (the “Renewal Term”) for a maximum of four (4) renewal periods. A renewal will be effective if evidenced by a written Amendment to this Agreement, which shall be executed by both parties hereto.

8.2. CONTRACT TERMINATION: The Board of Trustees expressly reserves the right to reject all bids and to review the relationship on an annual basis and to formally approve each year’s extension. The Spring Independent School District reserves the right to cancel any contract resulting from this Request for Proposal at any time, for any reason (or for no reason) with a thirty (30) day written notice to the firm. The firm may cancel any resulting contract, at any time for any reason, or for no reason with a sixty (60) day written notice. Any notice required or permitted to be delivered to the firm shall be deemed to be delivered when mailed by registered or certified mail, return receipt requested, postage prepaid, and addressed to the bidder’s address. Any compensation due the firm will be limited to items received and/or services performed and accepted by the District. It is possible that the Board could terminate the relationship at any time. However, the Board of Trustees does not desire or expect that to be the case and assumes that a long and satisfactory relationship will be the experience.

8.3. FEDERAL, STATE, AND LOCAL LAWS: Provider must conform to all Federal, State and Local Laws, ordinances, codes, rules and regulations of health, public or other authorities controlling or limiting the methods, the material to be used, or actions of those employed in work of this kind. All work labor or material necessary to comply with these laws, codes, ordinances, rules and regulations shall be performed and furnished by Provider.

8.4. ADHERENCE TO DISTRICT RULES AND REGULATIONS: Provider must conform to all applicable SISD rules and regulations as interpreted by SISD when on District facilities, including but not limited to compliance with employee codes of conduct, dress and grooming codes, prohibitions against tobacco products and weapons, and criminal history check requirements. A copy of the District's Staff Handbook may be provided upon request.

8.5. APPROPRIATION AND ALLOTMENT OF FUNDS: The obligations of SISD to make payments under this Contract constitute a commitment of revenues for the current fiscal year only and do not create an impermissible debt. In the event that the SISD's Board of Trustees fails to obtain and appropriate funds for any fiscal year during the Term, despite its best efforts, then an event of non-appropriation ("Non-Appropriation") shall be deemed to have occurred. If a Non-Appropriation occurs, then: (i) SISD will provide immediate notice of such Non-Appropriation and provide written notice of such failure by its governing body at least 45 days prior to the end of the then current fiscal year or if Non-Appropriation has not occurred by such date, immediately upon Non-Appropriation; and (ii) this Agreement shall terminate on the last day of the fiscal year for which funds were appropriated without penalty or expense to SISD and SISD shall not be obligated to pay any beyond such fiscal year.

8.6. PRICING: The hourly rates by position offered by Provider in response to this Solicitation shall remain firm for the life of the initial term of the resulting Contract, except for price decreases, which may occur at any time over the term of the Contract. Price increases may only be considered at the renewal points, at which time such price increase requests shall be followed by proper justification. The District reserves the right to negotiate any price increase requests, but shall not be obligated to accept any price increases. Unless specific market conditions exist which may have a significant impact on the Provider's costs associated with providing the products and/or services under the Contract, any price increases shall be no greater than the maximum per unit increase over the previous year of 3% or Consumer Price Index (CPI), whichever the greater. Any differing rate increase will be considered on a case-by-case basis.

8.7. BEST VALUE INCENTIVES: Special consideration may be given to the Provider who proposes Best Value Incentives ("Incentives") at no additional cost to Spring ISD. Incentives are considered to be services offered beyond the norm and not the standard level of service offered to most other clients of the Provider.

8.8. MOST FAVORED CUSTOMER STATUS: Vendor warrants that the pricing, product/service warranties offered in their proposal to this solicitation are equal to or better than those offered to the Provider's most favored customer of similar size and scope of products/services as those requested by the District in this Solicitation.

8.9. INSURANCE REQUIREMENTS: The successful Proposer, at his/her own expense, shall provide and maintain insurance with fiscally sound firms (at least an AM Best rating of "A") authorized to do business in Texas as follows. Successful Proposer will be required to provide a copy of insurance coverage to District. Insurance certificates may contain a provision, or Proposer's digital signature on this solicitation certifies, that coverage afforded under the policies will not be cancelled or non-renewed until at least thirty (30) days prior written notice has been given to District. Insurance coverage must remain in effect for the duration of this contract. Spring ISD shall be named as an additional insured on the Proposer's insurance certificate.

Insurance Coverage Requirements:

TYPE OF INSURANCE COVERAGE	LIMITS OF LIABILITY
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a. Worker's Compensation	Statutory limits as required by the state of Texas Labor Code 406.096
b. Commercial General Liability	<ul style="list-style-type: none"> • \$1,000,000 combined single limit per occurrence • \$1,000,000 general aggregate • Damage to rented premises: \$100,000 • Medical expenses: \$5,000 • Personal & Advertising Injury: \$1,000,000 • Sexual Abuse & Molestation: \$1,000,000
c. Professional Errors & Omissions Liability	Minimum limit of \$1,000,000.
d. Business Auto Liability	<p>\$1,000,000 combined single limit each Occurrence</p> <p>NOTE: Insurance shall apply to all owned, non-owned, and hired automobiles used by Provider in performance of the work, if applicable.</p>

8.11. PROPOSALS TO BE HELD FIRM FOR 90 DAYS: All proposals submitted in response to this Solicitation are considered an offer. All offers, including pricing, terms, and conditions must be held firm for a minimum of ninety (90) days from the date of Bid Opening.

8.12. RESPONDENTS FULLY RESPONSIBLE FOR COST OF PROPOSALS: The District accepts no financial responsibility for any costs incurred by the vendor in the course of responding to this solicitation.

8.13. LIMITATIONS: This Solicitation is not an offer by the District to contract with any party responding to this Solicitation. This Solicitation does not commit the District to award a contract or to reimburse any applicant for costs incurred in submitting a proposal. The District, in its sole discretion, reserves the right to reject any or all proposals received, to negotiate all elements of a proposal and/or proposed contract with any respondent, to waive any technicalities and formalities, to extend the deadline to submit a proposal, or to amend or cancel in part or in its entirety this Solicitation.

8.14. GOVERNING LAW & VENUE: This solicitation and any resulting contract will be governed by and construed in accordance with the Constitution and laws of the State of Texas, without regard to its conflict of laws rules. The exclusive venue of any dispute or legal proceeding relating to this Solicitation or any related contract will be Harris County, Texas.

8.15. The independent auditor will provide the written audit report that meets the requirements of *Texas Education Agency (TEA) Financial Accountability System Resource Guide*, separately issued Single Audit Report including the Schedule of Expenditures of Federal Awards, and will review the District prepared CAFR.

8.16. The District will prepare financial statements on the modified accrual basis, financial statements and notes to the financial statements prepared in accordance with GASB Statement No. 34 (GASB 34); input financial statements in CAFR format; prepare other CAFR requirements such as letter of transmittal,

Management's Discussion and Analysis (MD&A), combining and individual fund statements and schedules, statistical section; copy and assemble the final version of Annual Financial Report/CAFR; provide PDF copy to TEA; and input audit information on the TEA website.

8.17. The District will provide the trial balance and audit schedules (PBC's) for auditor review at the close of the fiscal year.

8.18. Satisfactory delivery of the services specified by the Request for Proposal and the engagement letter shall be accomplished no later than October 23, 2015, in order to meet the deadline for the financial audit presentation and the CAFR presentation at the November Board of Trustee work session, held on the first Thursday of November (November 5, 2015).

8.19. The independent auditor will be required to present the audit report to the Board of Trustees at the November work session.

8.20. If applicable, the independent auditor will be required to provide a management letter containing comments oriented toward constructive improvements. Copies of selected audit working papers will be provided as requested by the District and as provided for in the engagement letter. If a management letter is issued, the auditor will provide the District one (1) electronic copy in .PDF format.

8.21. Proposal must address each of the audit requirements as stated in this Request for Proposal;

8.22. The District reserves the right to reject any and all proposals, and to negotiate portions thereof. Proposals that address only part of the requirements contained in this Request for Proposal will not be considered;

8.23. The District reserves the right to select any proposal, considering the quoted estimated fee and other factors;

8.24. The interested accounting firm shall furnish such additional information that the District may reasonably require;

8.25. The District may ask interested accounting firms to send a representative for an oral interview prior to Board of Trustee approval of a proposal. The District will not be liable for the costs incurred by the interested accounting firm in connection with such interview.

8.26. The District and interested accounting firms may enter into discussions and revisions of proposal, as necessary. Discussions/negotiations may be conducted with interested accounting firms who are deemed to be within the final competitive range; however, the District reserves the right to award a contract without discussions/negotiations. The best and final proposal may be required as early as 24 hours after completion of negotiations or discussions.

8.27. Proposal must be submitted by an individual authorized to contractually bind their firm when submitting the Proposal.

8.28. By submitting a proposal, the interested accounting firm affirms that its company, corporation, firm, partnership or individual has not prepared this proposal in collusion with any other bidder and that the contents of this proposal as to prices, terms, or conditions have not been communicated by the

undersigned or by any employee or agent to any other person or firm engaged in this type of business prior to the official opening of this proposal.

8.39. Upon notification of potential selections for award, the person or entity submitting this proposal must give notice to the district if the person or an owner or operator of the business entity has been convicted of a felony. The notice must include a general description of the conduct resulting in this conviction of a felony (this requirement does not apply to a publicly held corporation)

8.30. In the event that anyone or more of the provisions contained in this Request for Proposal (or resulting purchase order) shall be held by a court of competent jurisdiction to be invalid, illegal or unenforceable, such provisions shall not affect any other provision hereof, and this Request for Proposal (or any resulting purchase order) shall be construed as if the invalid, illegal or unenforceable provision(s) had never been contained herein.

9. PROPOSAL GUIDELINES

Proposers must submit a Proposal outlining the qualifications, experience, and Audit services being proposed. **All Proposals must include, at minimum, the following information and must be arranged in the same order and with the same headings.**

9.1. COVER LETTER

Proposal must include a cover letter clearly stating the name of the firm and the name, address, and telephone number of the interested accounting firm's representative.

9.2. Technical Component

To describe clearly the public accounting firm's understanding of the work to be done, the interested accounting firm will:

9.2.1 Provide a definition of the term "generally accepted government auditing standards" with clear distinctions between these standards and generally accepted auditing standards for nongovernmental engagements;

9.2.2 Explain the interested accounting firm's approaches to performing an annual audit, including the methodology nature, timing and extent of audit procedures to be performed;

9.2.3 Describe how the approach to performing the audit would be affected if this were a multiyear contract; and

9.2.4 Make a statement concerning the independence of the interested accounting firm, including direct and indirect financial interest, and the relationship of the proposed audit team to employees of the district and any of the board members.

9.3. Management Component

The interested accounting firm will furnish satisfactory evidence of capability to provide in a professional and timely manner their services stated in the Request for Proposal. To meet this requirement:

9.3.1 Provide the name of the external quality control review organization of which the interested accounting firm is a member and the interested accounting firm's length of membership. Also, state the review organization's planned frequency of peer reviews;

9.3.2 State whether the firm has received a peer review and whether in the most recent reviews an unqualified report was issued;

9.3.3 State whether the interested accounting firm is a national, regional or local public accounting firm;

9.3.4 Provide evidence that the interested accounting firm has experience in performing school district/government audits. List current and past audit clients along with the names and telephone numbers of contact persons and number of years audit services were provided. State the average daily attendance of the public schools on the list;

9.3.5 State whether the interested accounting firm is currently under the terms of a public or private reprimand by the Texas State Board of Public Accountancy and licensing boards of other states;

9.3.6 Describe the interested accounting firm's level of participation in and communication with such organizations as the Texas Education Agency, Texas Association of School Business Officials, and ASBO International.

9.3.7 Describe the proposed audit team, in terms of job positions in the firm.

9.3.8 List names of staff member(s) who will direct the overall audit throughout the duration of the engagement as well as those staff members who will be responsible for planning, directing, and conducting substantial portions of the fieldwork or reporting on this audit engagement. Include the educational background of all staff members named, years of experience, and professional licenses held;

9.3.9 Describe continuing professional education in governmental accounting and auditing received by the proposed audit team during the last two years;

9.3.10 Provide the names and qualifications of any needed outside specialists and consultants that will assist the interested accounting firm's staff members;

9.3.11 Describe staff rotation plans for audit team members if this is to be a multiyear contract;

9.3.12 Describe the level of assistance that will be expected from District personnel;

9.3.13 Provide evidence of the ability to comply with the Special Terms and Conditions in Section 8.

9.4. Task/Activity Plan

The interested accounting firm shall specify budgeted hours, time lines and sequence for audit procedures, and names of staff to be assigned.

9.5. APPENDIX A – Fixed Hourly Rates, Estimated Annual Audit Fees, and Rates for Additional Professional Services

Proposers shall complete Appendix A* (Hourly Fixed Rates and Overall Audit Estimated Fees) to disclose the following fees:

- **Fixed Hourly Rates by Position:** Reference all professional hourly fees and expenses presented in the format provided in the attachment (Appendix A) that supports the total all-inclusive estimated fees. The proposed hourly rates shall remain firm for the duration of the initial term of the contract.
- **Estimated Annual Audit Fees:** Estimated fees for the annual audit for the fiscal year ending June 30, 2015. Estimated hours and fees for the subsequent four (4) years, under current conditions, if the Spring Independent School District were to request an extension of the contract. The District will pay audit fees as agreed upon in the engagement letter.
- **Rates for Additional Professional Services:** If it should become necessary for the auditor to render any additional services to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth

in an addendum to the contract between the Provider and the District. Any such additional work agreed to between the Provider and the District shall be performed at the rates disclosed in Appendix A.

***NOTE: Appendix A is provided as a Word document within the 'Attachments' Tab within the online bidding system. Proposers must download a copy of this attachment, complete it, and include it with the proposal response as an attachment under the 'Response Attachments' Tab.**

10. PROPOSAL SUBMISSION INSTRUCTIONS AND REQUIRED DOCUMENTS

Proposer responses ("Proposals") shall be submitted electronically through the District's web-based e-Sourcing system (the "System"). If you require assistance either with the online registration process or technical assistance with the System, please contact Supply Chain Services at 281-891-6465.

All Vendors submitting a proposal shall review and abide by the instructions referenced herein:

10.1. DEADLINE FOR ELECTRONIC SUBMISSION OF PROPOSALS ("BID OPENING"): Proposals shall be submitted electronically via the District's System **prior to 2:00 p.m. (CST) on Wednesday, January 21, 2015**. After such time, the System "locks" and does not allow the submission of any responses. Respondents are encouraged to submit their electronic responses with plenty of time in advance of the deadline indicated to ensure a timely response. The District will not be responsible for lateness of receipt due to Internet delays or unavoidable circumstances.

10.2 WITHDRAWING ('RETRACTING') PROPOSALS: Proposals may be withdrawn for any reason prior to the submission deadline indicated above. To do so, vendors must click on the 'Retract' option available within the system. Respondents who retract a response may then perform any corrections and resubmit the response, if desired, prior to the submission deadline. After the submission deadline, no proposal may be withdrawn without prior approval by the District's Supply Chain Services office. Any proposal authorized by the District to be withdrawn after the submission deadline will be null and void and may no longer be considered for award.

10.3. NOTICE OF NO PROPOSAL: Should you opt not to participate, please indicate "No Bid" within the System and provide a brief explanation as to your decision not to participate.

10.4. REVIEW/RESPOND TO ITEMS WITHIN THE E-SOURCING SYSTEM: Within the e-Sourcing system, proposing Vendors shall review all information provided and respond to all required information (if applicable) that may be listed under the following sections of the e-Sourcing system:

- i. **Attachments tab:** This section of the e-Sourcing system may contain documents in electronic format (i.e. Word, Excel, PDF, etc.) that require the Vendor's review and/or completion.
- ii. **Attributes tab:** This section of the e-Sourcing system may contain important Vendor instructions and/or requests from the District for miscellaneous Vendor information. Vendors must review and/or respond to (if applicable) all Attributes associated with this Solicitation.
- iii. **Line Items tab:** This section of the e-Sourcing system may require you to disclose specific pricing items associated with the products and/or services requested within this Solicitation.

10.5. PROVIDE REQUIRED DOCUMENTS ('RESPONSE ATTACHMENTS'), AS INSTRUCTED HEREIN: This Solicitation requires Proposers to complete the documents listed below and upload them back into the District's e-Sourcing system as electronic documents under the 'Response Attachments' Tab. Unless specified otherwise within this Solicitation, the documents should be uploaded in PDF file format (either as separate attachments or combined into a single PDF file). Any required documents

not provided by the proposing Vendor may be grounds for disqualification from participation in this Solicitation.

10.5.1. Deviations/ Exceptions – Any Proposers needing to disclose any exceptions or deviations to any of the requirements, terms, or conditions specified within this Solicitation must do so by completing the Deviation/Compliance Form provided.

10.5.2. Vendor Proposal (Per the 'Proposal Guidelines' referenced in Section 9 of this Solicitation).

10.5.3. Appendix A: Fixed Hourly Rates, Estimated Annual Audit Fees, and Rates for Additional Professional Services (Per instructions in Section 9.5 of this Solicitation)

10.5.4. Certificate of Residency

10.5.5. Felony Conviction Notice

10.5.6. Conflict of Interest Questionnaire (Form CIQ) – If no conflict exists, indicate so by marking the appropriate box within the form.

10.5.7. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion (Lower Tier Covered Transactions)

10.5.8. Form W-9

-- End of Solicitation document --

Spring Independent School District
Supply Chain Services
15330 Kuykendahl Rd
Houston, TX 77090

FELONY CONVICTION NOTICE

Statutory citation covering notification of criminal history of contractor is found in the Texas Education Code §44.034. Following is an example of a felony conviction notice:

FELONY CONVICTION NOTIFICATION

State of Texas Legislative Senate Bill No. 1, Section §44.034, Notification of Criminal History, Subsection (a), states "a person or business entity that enters into a contract with a school district must give advance notice to the district if the person or an owner or operator of the business entity has been convicted of a felony. The notice must include a general description of the conduct resulting in the conviction of a felony."

Subsection (b) states "a school district may terminate a contract with a person or business entity if the district determines that the person or business entity failed to give notice as required by Subsection (a) or misrepresented the conduct resulting in the conviction. The district must compensate the person or business entity for services performed before the termination of the contract."

THIS NOTICE IS NOT REQUIRED OF A PUBLICLY-HELD CORPORATION

I, the undersigned agent for the firm named below, certify that the information concerning notification of felony convictions has been reviewed by me and the following information furnished is true to the best of my knowledge.

VENDOR'S NAME: _____

AUTHORIZED COMPANY OFFICIAL'S NAME (PRINTED): _____

A. My firm is a publicly-held corporation; therefore, this reporting requirement is not applicable.

Signature of Company Official: _____

B. My firm is not owned nor operated by anyone who has been convicted of a felony:

Signature of Company Official: _____

C. My firm is owned or operated by the following individual(s) who has/have been convicted of a felony:

Name of Felon(s): _____

Details of Conviction(s): _____

Signature of Company Official: _____

THIS PAGE MUST BE RETURNED WITH THE RFP

CONFLICT OF INTEREST QUESTIONNAIRE

For vendor or other person seeking to do business with local governmental entity

**FORM
CIQ**

Name of Person Completing Form:

(Required Field)

Name of Company Completing Form:

(Required Field)

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 filling 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:

(List Name of Officer in space provided above)

If naming government officer above, completion of A, B, C & D below is required. If no conflict, check box at line 4 below.

This section (item 3 including subparts A, B, C & D) must be completed for each officer with whom the filer has affiliation or 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 Check here if you are reporting **No Conflict** with any government officer of Spring ISD

5

Signature (Required)

Date

THIS PAGE MUST BE COMPLETED, SIGNED AND RETURNED WITH YOUR RESPONSE

Notice to Vendors

Conflict of Interest Disclosure Statements Texas Local Government Code, Chapter 176

Vendors are required to file a Conflict of Interest Questionnaire with the District if a relationship exists between the vendor's company and an officer of the District. Vendors are encouraged to review and become familiar with all disclosure requirements of Texas Local Government Code, Chapter 176.

Conflicts of interest exist if:

1. the person has employment or other business relationship with the local government officer or a family member resulting in the officer or family member receiving taxable income; or
2. the person has given the local government officer or family member one or more gifts (excluding food, lodging, transportation, and entertainment) that have an aggregate value of more than \$250 in the twelve month period preceding the date the officer becomes aware of an executed contract or consideration of the person for a contract to do business with the District.

Disclosure is required from vendors regarding each affiliation or business relationship between the vendor and:

1. an officer of the District;
2. an officer of the District that results in the *officer or family member* receiving taxable income;
3. an officer of the District that results in the *vendor* receiving taxable income that does not come from the District;
4. a corporation or other business entity in which an officer of the District serves as an officer or director, or holds an ownership interest of 10% or more;
5. an employee or contractor of the District who makes recommendations to an officer of the District regarding the expenditure of money;
6. an officer of the District who appoints or employs an officer of the District that is the subject of the questionnaire; and
7. any person or entity that might cause a conflict of interest with the District.

Forms must be filed:

1. No later than the seventh business day after the date that the person begins contract discussions or negotiations with the government entity, *or* submits to the entity an application, response to a request for proposal or bid, correspondence, or other writing related to a potential agreement with the entity.
2. The Vendor also shall file an updated questionnaire:
 - a. not later than September 1 of each year in which a covered transaction is pending, and
 - b. the seventh business day after the date of an event that would make a statement in the questionnaire incomplete or inaccurate.
3. A vendor is not required to file an updated questionnaire if the person had filed an updated statement on or after June 1, but before September 1 of the year.

Officers of the Spring Independent School District are:

- Rhonda L. Faust, Board President (Position 4)
- Jana Gonzales, Assistant Secretary (Position 7)
- Dr. Deborah Jensen (Position 1)
- Chris A. Bell (Position 2)
- Justine Durant, Vice President (Position 3)
- Rhonda Newhouse (Position 5)
- Ron Crier, Secretary (Position 6)

If you are required to file, send the completed form to Spring Independent School District, Supply Chain Services Department, 15330 Kuykendahl Rd., Houston, TX 77090; Attention: Purchasing Director.

NOTICE TO BIDDER: This document must be signed in order to be deemed eligible for award. Please submit this document with your bid submittal. Offeror's signature affirms compliance with the following:

I. DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION

- (a) In accordance with the provisions of Appendix A to 49 CFR (Code of Federal Regulations), Part 29, the offeror certifies to the best of the offeror's knowledge and belief, that it and its principals:
 - (1) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal, State or Local Government department or agency;
 - (2) have not within a three (3) year period preceding this offer been convicted of or had a civil judgment rendered against them for the commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes, or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - (3) are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local with commission of any of the offenses enumerated in (a)(2) above; and
 - (4) have not within a three (3) year period preceding this offer had one or more public transactions (Federal, State, or local) terminated for cause or default.
- (b) Where the offeror is unable to certify to any of the statements above, the offeror shall attach a full explanation to this offer.
- (c) For any subcontract at any tier expected to equal or exceed \$25,000:
 - (1) In accordance with the provisions of Appendix B to 49 CFR, Part 29, the prospective lower tier subcontractor certifies, by submission of this offer, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
 - (2) Where the prospective lower tier participant is unable to certify to the statement, above, an explanation shall be attached to the offer.
 - (3) This certification (specified in paragraphs (c)(1) and (c) (2), above, shall be included in all applicable subcontracts and a copy kept on file by the prime contractor. The prime contractor shall be required to furnish copies of the certifications to the Authority upon request.

II. FELONY CONVICTION NOTIFICATION AND CRIMINAL BACKGROUND CHECK

- (a) Offeror must give advance notice to the Owner if the person or an owner or operator of the business entity has been convicted of a felony. The notice must include a general description of the conduct resulting in the conviction of a felony. The District may terminate any Agreement or if the Owner determines that the person or business entity failed to give notice as required by this paragraph or misrepresented the conduct resulting in the conviction. This paragraph requiring advance notice does not apply to a publicly held corporation. :

- (b) Offeror will obtain criminal history record information that relates to an employee, applicant for employment, or agent of the Offeror if the employee, applicant, or agent has or will have continuing duties related to the contracted services; and the duties are or will be performed on school property or at another location where students are regularly present. The Offeror certifies to the Owner before beginning work and at no less than an annual basis thereafter that criminal history record information has been obtained. Offeror shall assume all expenses associated with the background checks, and shall immediately remove any employee or agent who was convicted of a felony, or misdemeanor involving moral turpitude, as defined by Texas law, from Owner property or other location where students are regularly present. District shall be the final decider of what constitutes a "location where students are regularly present." Offeror's violation of this section shall constitute a substantial failure.

- (c) If the Offeror is the person or owner or operator of the business entity, that individual may not self-certify regarding the criminal history record information and its review, and must submit original evidence acceptable to the District with this Agreement showing compliance.

Signature below acknowledges compliance with Section I. DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION and Section II. FELONY CONVICTION NOTIFICATION.

SIGNATURE OF OFFEROR: _____ DATE: _____

PRINTED/TYPED NAME OF OFFEROR: _____

COMPANY NAME: _____ TEL#: _____

THIS PAGE MUST BE RETURNED WITH THE RFP

Request for Taxpayer Identification Number and Certification

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

Print or type See Specific Instructions on page 2.	Name (as shown on your income tax return)	
	Business name/disregarded entity name, if different from above	
	Check appropriate box for federal tax classification: <input type="checkbox"/> Individual/sole proprietor <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____ <input type="checkbox"/> Other (see instructions) ▶ _____	Exemptions (see instructions): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____
	Address (number, street, and apt. or suite no.)	Requester's name and address (optional)
	City, state, and ZIP code	
List account number(s) here (optional)		

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Social security number									

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Employer identification number									

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below), and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

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

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

Future developments. The IRS has created a page on IRS.gov for information about Form W-9, at www.irs.gov/w9. Information about any future developments affecting Form W-9 (such as legislation enacted after we release it) will be posted on that page.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, payments made to you in settlement of payment card and third party network transactions, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the

withholding tax on foreign partners' share of effectively connected income, and

4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct.

Note. If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States:

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity,
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust, and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS a percentage of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),
3. The IRS tells the requester that you furnished an incorrect TIN,
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code* on page 3 and the separate Instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships* on page 1.

What is FATCA reporting? The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code* on page 3 and the Instructions for the Requester of Form W-9 for more information.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account, for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

Sole proprietor. Enter your individual name as shown on your income tax return on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name/disregarded entity name" line.

Partnership, C Corporation, or S Corporation. Enter the entity's name on the "Name" line and any business, trade, or "doing business as (DBA) name" on the "Business name/disregarded entity name" line.

Disregarded entity. For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a "disregarded entity." See Regulation section 301.7701-2(c)(2)(iii). Enter the owner's name on the "Name" line. The name of the entity entered on the "Name" line should never be a disregarded entity. The name on the "Name" line must be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on the "Name" line. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on the "Business name/disregarded entity name" line. If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

Note. Check the appropriate box for the U.S. federal tax classification of the person whose name is entered on the "Name" line (Individual/sole proprietor, Partnership, C Corporation, S Corporation, Trust/estate).

Limited Liability Company (LLC). If the person identified on the "Name" line is an LLC, check the "Limited liability company" box only and enter the appropriate code for the U.S. federal tax classification in the space provided. If you are an LLC that is treated as a partnership for U.S. federal tax purposes, enter "P" for partnership. If you are an LLC that has filed a Form 8832 or a Form 2553 to be taxed as a corporation, enter "C" for C corporation or "S" for S corporation, as appropriate. If you are an LLC that is disregarded as an entity separate from its owner under Regulation section 301.7701-3 (except for employment and excise tax), do not check the LLC box unless the owner of the LLC (required to be identified on the "Name" line) is another LLC that is not disregarded for U.S. federal tax purposes. If the LLC is disregarded as an entity separate from its owner, enter the appropriate tax classification of the owner identified on the "Name" line.

Other entities. Enter your business name as shown on required U.S. federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name/disregarded entity name" line.

Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the *Exemptions* box, any code(s) that may apply to you. See *Exempt payee code* and *Exemption from FATCA reporting code* on page 3.

Exempt payee code. Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends. Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.

Note. If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

The following codes identify payees that are exempt from backup withholding:

- 1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)
- 2—The United States or any of its agencies or instrumentalities
- 3—A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities
- 4—A foreign government or any of its political subdivisions, agencies, or instrumentalities
- 5—A corporation
- 6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States
- 7—A futures commission merchant registered with the Commodity Futures Trading Commission
- 8—A real estate investment trust
- 9—An entity registered at all times during the tax year under the Investment Company Act of 1940
- 10—A common trust fund operated by a bank under section 584(a)
- 11—A financial institution
- 12—A middleman known in the investment community as a nominee or custodian
- 13—A trust exempt from tax under section 664 or described in section 4947

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 7
Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 4
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt payees 1 through 5 ²
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney, and payments for services paid by a federal executive agency.

Exemption from FATCA reporting code. The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements.

- A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)
- B—The United States or any of its agencies or instrumentalities
- C—A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities
- D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Reg. section 1.1472-1(c)(1)(i)
- E—A corporation that is a member of the same expanded affiliated group as a corporation described in Reg. section 1.1472-1(c)(1)(i)
- F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state

- G—A real estate investment trust
- H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940
- I—A common trust fund as defined in section 584(a)
- J—A bank as defined in section 581
- K—A broker
- L—A trust exempt from tax under section 664 or described in section 4947(a)(1)
- M—A tax exempt trust under a section 403(b) plan or section 457(g) plan

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited Liability Company (LLC)* on page 2), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note. See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at www.ssa.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/businesses and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting IRS.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, or 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on the "Name" line must sign. Exempt payees, see *Exempt payee code* earlier.

Signature requirements. Complete the certification as indicated in items 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor ²
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee ¹
b. So-called trust account that is not a legal or valid trust under state law	The actual owner ¹
5. Sole proprietorship or disregarded entity owned by an individual	The owner ³
6. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulation section 1.671-4(b)(2)(i)(A))	The grantor*
For this type of account:	Give name and EIN of:
7. Disregarded entity not owned by an individual	The owner
8. A valid trust, estate, or pension trust	Legal entity ⁴
9. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
10. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
11. Partnership or multi-member LLC	The partnership
12. A broker or registered nominee	The broker or nominee
13. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
14. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulation section 1.671-4(b)(2)(i)(B))	The trust

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or "DBA" name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 1.

***Note.** Grantor also must provide a Form W-9 to trustee of trust.

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, social security number (SSN), or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Publication 4535, Identity Theft Prevention and Victim Assistance.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes. Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: spam@uce.gov or contact them at www.ftc.gov/idtheft or 1-877-IDTHEFT (1-877-438-4338).

Visit IRS.gov to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.