CITY OF BAYTOWN

Purchasing
P. O. BOX 424

(281) 420-6524
Baytown, Texas 77522-0424

APRIL 2016

REQUEST FOR PROPOSAL

INDEPENDENT AUDIT SERVICES

PROPOSAL NUMBER: 1604-02

All **sealed proposals** shall be sent in to the Purchasing Department of the City of Baytown by:

2:00 P.M. THURSDAY, MAY 26, 2016

Bidders shall include with this Request for Proposal the Specification Sheets appropriately filled out according to instructions in the Terms and Conditions.

The City of Baytown reserves the rights to accept or reject any and/or all proposals and to waive informalities or defects as the City shall deem to be in its best interest.

The contract, if any, will be awarded to the Proposer who provides the most responsive proposal meeting the City's requirements for services utilizing the evaluation criteria contained in the proposal specifications.

Pre-Proposal conference will be held on Tuesday, April 26, 2016 at 2:30 P.M. in the City's Council Chambers, at 2401 Market Street, Baytown, Texas 77520. Attendance is not mandatory.

DREW POTTS
PURCHASING MANAGER
PHONE: (281)420-6525
drew.potts@baytown.org

NOTE:
PROPOSALS ARE TO BE TURNED IN TO PURCHASING AT THE MUNICIPAL SERVICE CENTER LOCATED AT 2123 MARKET STREET, BAYTOWN, TEXAS 77520. LATE BIDS WILL NOT BE CONSIDERED.

PUBLISHED: 4-5-16
4-12-16

REQUEST FOR PROPOSAL

P.O. Box 424

Baytown, Texas 77522-0424

PROPOSAL TITLE:
INDEPENDENT AUDIT SERVICES

PROPOSAL NUMBER: 1604-02

PROPOSAL OPENING DATE:

THURSDAY, MAY 26, 2016 @ 2:00 P.M.

Proposer Must Fill In AND Sign

Name of Firm/Company

Agent's Name

Agent's Title

Mailing Address

City State Zip Code

Telephone Number:

Fax Number:

E-mail address:

AUTHORIZED SIGNATURE

Person signing proposal:

Addendum No. 1	Dated:	Received:	
Addendum No. 2	Dated:	Received:	
Addendum No. 3	Dated:	Received:	

BIDDER AGREES TO COMPLY WITH ALL CONDITIONS BELOW, ATTACHED SPECIFICATIONS, AND NOTES. BIDDER HAS READ AND AGREES TO COMPLY WITH ALL TERMS AND CONDITIONS. PURCHASES MADE FOR CITY USE ARE EXEMPT FROM THE STATE SALES TAX AND FEDERAL EXCISE TAX. DO NOT INCLUDE TAXES IN YOUR BID. BIDDER GUARANTEES PRODUCT OFFERED SHALL MEET OR EXCEED MINIMUM SPECIFICATION IDENTIFIED IN THIS INVITATION FOR BID.

LOCATION:	**CITY OF BAYTOWN FINANCE DEPARTMENT** 2401 MARKET STREET, BAYTOWN, TX 77520

"By the signature hereon affixed, the bidder hereby certifies that neither the bidder nor the firm, corporation, partnership, or institution represented by the bidder, or anyone acting for such firm, corporation, or institution has violated the antitrust laws of the State, codified in Section 15.01, et seq., Texas Business and Commerce Code, or the Federal antitrust laws, nor communicated directly or indirectly the bid made to any competitor or any other person engaged in such line of business."

TERMS AND CONDITIONS

1. The City of Baytown will accept **sealed proposals** Monday through Friday, 8:00 a.m. – 12:00 p.m. and 1:00 p.m. – 5:00 p.m. Purchasing Department is **closed** from 12:00 p.m. to 1:00 p.m. Proposals must be received by the PURCHASING DEPARTMENT and in the PURCHASING DEPARTMENT before the specified hour and date of the opening. At that time the proposals will be publicly opened and read aloud.
2. Sealed Proposal is to be properly identified with proposal number, time and date of opening. Proposer shall submit one (1) original and seven (7) copies as specified in proposal requirements.
3. Late proposals will be UNOPENED. Late proposals will not be considered under any circumstances.
4. No proposal may be withdrawn after opening without approval, and based on a written acceptable reason.
5. The City of Baytown reserves the right to revise or amend the specifications prior to date set for opening proposals. Such revisions or amendments, if any, will be announced by amendments or addendum to these specifications. Copies of such amendments or addendum so issued will be furnished to all prospective Proposers. If Proposer demonstrates just reason for a change, the City of Baytown must have at **least** five working days' notice prior to proposal opening date.
6. **Should Proposer find discrepancies in or omissions from the specifications or other documents or be in doubt as to their meaning, Proposer should at once notify the Purchasing Department and obtain clarification prior to submitting a proposal.**
7. **QUOTE F.O.B. destination.** Price should include all costs including shipping, handling, and other related costs. Proposal unit price on quantity specified – extend and show total. In case of errors in extension, **UNIT prices shall govern**. Proposals subject to unlimited price increases will not be considered.
8. Proposal offered shall be valid for ninety (90) days from opening date.
9. The City of Baytown is exempt from taxes. DO NOT INCLUDE TAX IN PROPOSAL.
10. The City of Baytown reserves the right to terminate this contract for any reason by notifying the Contractor/Supplier in writing thirty (30) days prior to the termination of this agreement.
11. Proposer MUST give full firm name and address. Person signing proposal should show TITLE or AUTHORITY TO BIND HIS FIRM IN A CONTRACT.
12. Any catalog, brand name or manufacturer's reference used in proposal invitation is descriptive – NOT restrictive – it is to indicate type and quality desired. Proposals on brands of like nature and quality will be considered. If proposing on other than reference specifications, Proposer must show manufacturer, brand or trade name, lot number, etc., of article offered. If other than brand(s) specified is offered, illustrations and complete description should be made part of the proposal. If Proposer takes no exceptions to specifications or reference data, he will be required to furnish brand names, numbers, etc., as specified. All items proposed shall be new, in first class condition and manufacturer's latest model and design including containers suitable for shipment and storage, unless otherwise indicated in the request for proposals. Verbal agreements to the contrary will not be recognized. Deviations from specifications and alternate proposals must be clearly shown on the Exceptions to Proposal form with complete information attached to form. They may or may not be considered. If no exceptions or deviations are listed, it will be assumed that the proposal meets or exceeds the minimum requirements.
13. NO substitutions or cancellations shall be permitted without written approval of the City of Baytown.
14. All Proposers **must meet or exceed the minimum specifications** to be considered as a valid proposal. The City of Baytown reserves the right to accept or reject all or any part of any proposal, waive minor technicalities and award the proposal to best serve the interests of the City of Baytown.
15. Consistent and continued tie proposing could cause rejection of proposals by the City of Baytown and/or investigation for Anti-Trust violations.
16. ***If a proposal contains proprietary information, the Proposer must declare such information as proprietary if Proposer does not want information to become public. Any proprietary information must be indicated in the index and clearly identified in the proposal.***
17. The Contractor/Supplier agrees to protect the City of Baytown from claims involving infringement of patents or copyrights.
18. Purchase order number should be on original invoice and invoice sent to the City of Baytown, PO Box 424, Baytown, TX 77522-0424; Attn: Accounts Payable.
19. The City of Baytown shall pay for the product/service within thirty (30) days of receipt and acceptance or within thirty (30) days after receipt of an invoice for the same, whichever is later. Acceptance by the City of Baytown shall constitute all items proposed being received and in good working order to the City of Baytown's satisfaction.
20. **Bidder must sign, date and complete CONFLICT OF INTEREST QUESTIONNAIRE and return with proposal.**
21. Bidder must complete and execute the Affidavit of Ownership or Control included in the bid package and required by Chapter 2 "Administration," Article V "Finance," Division 4 "City Contracts: Indebtedness to City" of the Code of Ordinances, Baytown, Texas. Such affidavit must be included in the sealed envelope with the Bid at the time the bid is submitted to the Purchasing Manager.
22. A vendor that is awarded a contract or purchase that is greater than $50,000 is required to electronically create a Form 1295 through the Texas Ethics Commission website (https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm) and submit a signed and notarized copy of the form to the City.

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I. INTRODUCTION

A. General Information

The City of Baytown, Texas, (City) seeks proposals from qualified and experienced public accounting firms whose principal officers are independent certified public accountants (Proposers) to obtain independent audit services for performance of the City's annual financial audit for the three fiscal years ending September 30, 2016, 2017, and 2018, with the City's option of renewing for each of the three (3) subsequent fiscal years based on satisfactory performance. These audits are to be performed in accordance with generally accepted auditing standards. Priced separately, the City is seeking proposals for:

- City of Baytown Annual Financial Audit For Fiscal Years Ending 9/30/2016, 2017, and 2018;
- Single Audit For Fiscal Years Ending 9/30/2016, 2017, and 2018;
- Baytown Area Water Authority Annual Financial Audit For Fiscal Years Ending 9/30/2016, 2017, and 2018;
- Baytown Redevelopment Authority/Baytown Tax Increment Reinvestment Zone #1 Financial Audit For Fiscal Year Ending 9/30/2016

B. Proposal Information

Pre-Proposal conference will be held on Tuesday, April 26, 2016 at 2:30 P.M. in the City's Council Chambers, at 2401 Market Street, Baytown, Texas 77520. Attendance is not mandatory.

Inquiries concerning this Request for Proposal (RFP) must be submitted by e-mail to Wade Nickerson, Director of Finance, at wade.nickerson@baytown.org. Please submit all inquiries by Monday, May 16, 2016. The City reserves the right to respond to inquiries as it deems necessary.

Proposal Opening Date: Thursday, May 26, 2016 @ 2:00 P.M.

Submit Proposals to:

City of Baytown
Purchasing Division
2123 Market Street
Baytown, Texas 77520

One (1) original and seven (7) copies of the Proposal should be returned in a sealed envelope clearly bearing the name and address of the Proposer, the RFP number, time and date of proposal opening.

Acceptance - All proposals must include a statement that they are valid for a minimum period of 60 days subsequent to the RFP opening date.

Late Proposals will not be considered. Each Proposer shall be solely responsible for ensuring that the Purchasing Division receives the proposal within the time limit indicated.

Non-appropriation - 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 written notice of cancellation and the City shall not be obligated to make any payments beyond the end of the fiscal year for which funds were appropriated (related to a subsequent fiscal year).

Costs related to preparation of a response shall be the responsibility of the Proposer.

II. DESCRIPTION OF THE ENTITY

A. The Reporting Entity

The reporting entity for the City of Baytown, as defined by Governmental Accounting Standards Board (GASB) Statement 14, includes all funds and account groups reported in the Basic Financial Statements for the fiscal year ended September 30, 2015 (Exhibit A). This Statement provides additional information on the City's fund structure, accounting and budgeting policies. 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/EMS protection, municipal court, street and drainage maintenance, building inspection, code enforcement, planning and zoning, library services, recreation, and operation & maintenance of parks and City-owned facilities. The City operates its own water distribution, billing, sewer collection and treatment systems. A contract has been granted to an outside firm for solid waste collection and disposal services.

The City is located in both Harris and Chambers Counties, with a corporate boundary comprising approximately 38 square miles. The City of Baytown is a home rule city incorporated in 1948. The City operates under a council-manager form of government, with the City Council comprised of seven 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 manager. As chief administrative officer, the city manager is responsible to the Council for appointing and supervising employees of the City. The City's 2010 census population was 71,802.

B. Baytown Area Water Authority (BAWA)

BAWA was created by House Bill No. 967 of the Texas Legislature on June 15, 1973. The Authority was created to purchase and distribute surface and/or underground water supplies to persons, corporations, municipal corporations, political subdivisions and others. The boundaries of the Authority include all of Baytown, Texas and most of Baytown’s extra-territorial jurisdiction in East Harris County, Texas. Administration of the Authority is vested in the Board of Directors, which held its first meeting on September 20, 1973. The City appoints the Board of Directors and has approval authority over its contracts.

Baytown Redevelopment Authority/Tax Increment Reinvestment Zone #1 (BRA/TIRZ #1)

The BRA/TIRZ #1 was created on August 9, 2001 by Ordinance 9197 to enhance the value of taxable property in the zone. At this time the City plans to provide for a separate audit of BRA/TIRZ #1 no more often than once every five years, the first of which will be for the year ending September 30, 2016.

C. Magnitude of Finance Operations

The Director of Finance is the City's chief financial officer responsible for all financial accounting and reporting activities of the City. The Director of Finance has overall responsibility for the following functions: Revenue Collections, Debt Administration, Investments, General Accounting, Payroll, Accounts Payable, Accounts Receivable, Fixed Assets, and Grant Reporting. The Finance Department maintains the City's accounting records at 2401 Market St., Baytown, Texas.

D. Name of Contact Person

The Auditor's principal contact with the City will be Wade Nickerson, Director of Finance, or a designated representative, who will coordinate the assistance to be provided by the City to the Auditor.

Inquiries concerning this Request for Proposal (RFP) must be submitted by e-mail to Wade Nickerson, Director of Finance, at wade.nickerson@baytown.org. Please submit all inquiries by Monday, May 16, 2016. COB reserves the right to respond to inquiries as it deems necessary.

E. Fund Structure

The City of Baytown utilizes fund accounting in its fiscal operations. The fund types used by the City include Governmental, Proprietary, Debt Service, Special Revenue, and Capital Projects Funds, as well as the General Fixed Asset and General Long-Term Debt account groups.

F. Budgetary Basis of Accounting

The City of Baytown prepares its budgets on a basis consistent with generally accepted accounting principles. Budgets are adopted for all Governmental and Proprietary Funds. Capital Projects are adopted on a total project basis. Special Revenue Fund budgets are based on the availability of the grants. The City's operating budget for general, debt service and proprietary funds is as follows:

	2016 BUDGET
General Fund	$82,341,247
Debt Service Fund	14,454,064
Hotel/Motel Tax Fund	1,267,832
Aquatics Fund	3,351,350
Water & Sewer Fund	42,063,118
Water & Sewer Debt Service	11,368,647
Sanitation Fund	5,282,871
Storm Water Utility Fund	1,786,551
Garage Fund	2,390,839
Warehouse Operations Fund	265,571
Baytown Area Water Authority	14,705,038
Baytown Redevelopment Authority/TIRZ#1	1,427,141
Total	$179,304,128

G. Federal and State Financial Assistance

The City of Baytown periodically receives funding from Federal and State Financial Assistance programs. Areas where funding has been received include Emergency Management, Community Development, Library, Police, and Parks and Recreation.

H. Pension Plans

The City of Baytown's employees participate in the Texas Municipal Retirement System (TMRS). There is a 2 to 1 match made by the City for contributions to TMRS. The employees can also voluntarily participate in the City's ICMA 457 Deferred Compensation Plan. The City does not make any contributions to this plan.

I. Component Units

The City exercises significant influence over the operations of BAWA and as a result, the Authority is a component unit of the City. The Authority's financial statements are included as a discretely presented component unit in the basic financial statements of the City. The Authority has no component units and is presented on a stand-alone basis.

The Baytown Municipal Development District (MDD), authorized by voters on May 5, 2001, imposes a sales and use tax at the rate of one-half of one percent for purposes of financing economic development and parks projects that provide economic benefit, diversify the economic base of the community and improve quality of life for the community. MDD is presented as a discrete component unit in City financial statements. MDD has no component units and is presented on a stand-alone basis.

Baytown's Crime Control and Prevention District (CCPD) and Fire Control, Prevention and Emergency Medical Services District (FCPEMSD) each impose sales and use tax at the rate of one-eighth of one percent to further their respective missions and are presented in the City's financial statements as blended component units.

The Baytown Redevelopment Authority/Tax Increment Reinvestment Zone #1 (BRA/TIRZ#1) is presented as a blended component unit in the City's financial statements.

J. Computer Systems

The City's financial records are stored on a Lenovo Flex System x240 M5 compute node, IBM Storwize v7000 storage system, utilizing Sungard FinancePlus v5 application software.

K. Availability of Prior Audit Reports and Working Papers

Interested Proposers who wish to review prior years' audit reports and work papers should contact Stephanie Harris, CPA, Belt Harris Pechacek, LLLP, 3210 Bingle Rd., Ste. 300 Houston, TX 77055 or telephone at (713) 263-1123. The opinions have been unqualified. The City of Baytown will use its best efforts to make prior audit reports and supporting working papers available to proposers to aid their response to this request for proposals.

III. SERVICES REQUIRED

A. Scope of Work to Be Performed

The City requires the selected Proposer (Auditor) to express an opinion on the fair presentation of its basic financial statements in conformity with generally accepted accounting principles.

Auditor must audit the basic financial statements, consisting of the combined statements for all fund types and account groups. The Auditor is not required to audit the statistical section of the report; this section will remain unaudited but should be reviewed.

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.

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

B. Broadened Engagements

Proposers may be requested to provide other types of services, collectively referred to as "special projects." Examples of such services include additional audits or reviews, cost studies, and consulting services. The scope of the City's annual audit and other special projects, for which the Auditor may be engaged, can only be broadened with the express written consent of the City. The City retains the right to negotiate fees for work related to any broadened engagement.

C. Auditing Standards to Be Followed

The audit shall be made in accordance with generally accepted auditing standards, as adopted by the membership of 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 Federal Single Audit Act of 1996 and the provisions of U.S. Office of Management and Budget Circular A-133, Audits of State and Local Governments as well as the following additional requirements: examination for compliance with procedures established by City Charter, City Ordinance or, where applicable, State and Federal Laws or regulations.

D. Reports to Be Issued

1. The primary purpose of the audit shall be to express an opinion on the basic financial statements taken as a whole. The combining and individual funds, account groups, statements and schedules will be subject to the same auditing procedures as the audit of the basic financial statements.

2. 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, American Institute of Certified Public Accountants, Governmental Accounting Standards Board, 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.

3. Auditors shall be required to make an immediate, written report of all irregularities and illegal acts of which they become aware to the City Manager and Director of Finance.

4. Auditors shall assure themselves that the City of Baytown's Mayor and Council are informed of all items required by the regulatory agencies including:

    a. Auditor's responsibility under generally accepted & government auditing standards.
    b. Significant accounting policies.
    c. Management judgments and accounting estimates.
    d. Significant audit adjustments.
    e. Other information in documents containing audited financial statements.
    f. Disagreements with management.
    g. Management consultation with other accountants.
    h. Major issues discussed with management prior to retention.
    i. Difficulties encountered in performing the audit.

8. Auditors shall agree to provide the City with information relating to regulation changes that would affect the City and its operation such as timely notification of changes proposed or initiated by GASB, FASB, or GAO.

E. Comprehensive Annual Financial Report (CAFR)

Finance Department staff prepares all information included in the City of Baytown CAFR and BAWA Annual Financial Report (AFR). The Auditor reviews this information, then prints and assembles the reports for distribution. 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.

F. Audit Work Timing

1. Preliminary work prior to closing accounts must occur and be concluded prior to September 30th of each year. Post-closing work may commence on or about the third week in November. Completion of fieldwork shall be accomplished no later than the third week in December. A draft of the management letter shall be delivered and reports shall be released for printing no later than the second week of February. The audit shall be complete and presented to the Council at the second Council meeting in February. The Partner and/or Manager shall be present at the City Council meeting when the CAFR is presented to the Council.

2. The BAWA fiscal year ends September 30th. The City shall be ready for the Auditors to begin work on BAWA the third week in November. A draft of the management letter shall be delivered and reports shall be available for printing the second week in January. A final report is filed with the BAWA board and TCEQ within 120 days after fiscal year end. The Partner and/or Manager shall be present at the BAWA Board meeting when the report is presented to the Board.

G. Special Considerations

The City has received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association since 1992. The City of Baytown will send its comprehensive annual financial report to the Government Finance Officers Association of the United States and Canada for review in their Certificate of Achievement for Excellence in Financial Reporting program. It is anticipated that the Auditor will be required to provide assistance to the City of Baytown to meet the requirements of that program.

The City may from time to time require the Auditor’s assistance to comply with new reporting requirements.

The schedule of federal and state financial assistance and related auditor's report, 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.

The City shall require thirty (30) copies each of the CAFR, AFR, Single Audit report and management letter.

H. Working Paper Retention and Access to Working Papers

At the City's request, copies of any or all of the working papers prepared in conjunction with the audit engagement will be provided, on a timely basis, at no cost to the City.

All working papers and reports must be retained, at the Auditors' expense, for a minimum of three (3) years, unless the firm is notified in writing by the City of Baytown, Texas of the need to extend the retention period. The Auditor will be required to make working papers available, upon request, to the following parties:

City of Baytown

Federal Grant Agencies and Other Federal Agencies

State of Texas Grant Agencies and Other State of Texas Agencies

Auditors of entities of which the City is a sub-recipient of grant funds

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

IV. TIME REQUIREMENTS

A. Proposal Calendar

Date	Activity
April 5 and 12, 2016	Advertise Request for Proposals in newspaper
April 26, 2016	Pre-Proposal conference held
May 26, 2016	Deadline for submission of proposals
June 9, 2016	Evaluations and selection
June 23, 2016	City Council awards contract

B. Tentative schedule of major audit events

August through September	Preliminary audit plan development, interim audit fieldwork and preparation for year-end close.
September 30, 2016	Fiscal year ends. Preliminary audit work completed.
November 21, 2016	Auditors begin year-end field work.
December 23, 2016	All field work should be complete.
January 18, 2017	BAWA financial report submitted to Board.
February 23, 2017	City financial report submitted to Council.

V. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION

A. Finance Department Assistance

The Finance Department staff will prepare supporting schedules and working trial balances for all funds prior to Auditors arriving on-site for fieldwork. Finance Department personnel will be available to the Auditors for the purpose of pulling invoices, directing Auditors to the proper files, or for explaining procedures.

B. Electronic Data Processing Assistance

Basic data processing support and staff assistance will be available to the Auditor.

C. Work Area, Telephone, Photocopying and FAX machines

The City will provide the Auditor with a work area, telephone, and access to photocopy and fax machines.

D. Report Preparation

Audit reports are to be addressed to the Honorable Mayor, City Council and Finance Committee Members, City of Baytown, Texas. The Auditor shall provide assistance as needed in the submission of the CAFR to the Government Finance Officers Association for the Certificate of Excellence in Financial Reporting Award.

VI. PROPOSAL REQUIREMENTS

A. Title Page

B. Table of Contents - table should include an index of the proposal contents and attachments with page numbers.

C. Transmittal Letter - should contain the responding firm's name, office address and contact persons authorized to answer technical, price, and/or contract questions. A partner authorized to bind the company must sign the cover letter.

Briefly state the proposing firm's understanding of the work to be done and make a positive commitment to perform the work within the time period. It should also be stated that the firm is licensed to practice in the State of Texas and that the proposal is a firm and irrevocable offer for 60 days.

The firm must provide an affirmative statement that it is independent of the City of Baytown and any component units as defined by the U.S. General Accounting Office's *Government Auditing Standards* (1994).

D. Executive Summary - an executive summary of three pages or less should be provided which provides a summation of your proposal. Identify the points that make your firm uniquely qualified for this engagement.

E. Qualifications and Experience of the Firm. State both the size of the firm and the firm's governmental audit staff. Note the location of the office from which the work on this engagement will be performed. Include the number and nature of the professional staff to be employed in this engagement on both a full-time and part-time basis.

F. Submit a copy of the report on firm's most recent peer review, with a statement whether that quality control review included a review of specific government engagements.

Provide information on the results of any federal or state desk reviews or field reviews of firm's audits during the past three years. 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.

G. Qualifications and Experience of Partner and Auditing Staff. 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. 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.

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. 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.

H. Similar Engagements with Other Government Entities. For the office that will be assigned responsibility for the audit, list the five (5) most significant engagements completed in the last three years that are similar to the engagement described in this RFP. These engagements should be ranked on the basis of relevancy 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. Include a recent general purpose financial statement as a work sample.

I. Scope and Audit Approach. Set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required. Proposers shall provide the following information on their audit approach:

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

J. The firm should also list and describe the firm's (or proposed subcontractors') professional relationships involving the City or any of its component units for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

K. Identify any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from the City of Baytown. The work plan submitted should include separate time estimates for the financial audit, single audit work, BAWA and BRA/TIRZ#1.

A separate statement of the Proposer'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. Proposer's evaluation of the level and amount of City staff support necessary to complete the work as outlined in the proposal should be included.

L. Proposed Schedule. Comment on the firm's ability to meet the timelines indicated in the RFP and present a detailed schedule of when information to be provided by the City should be available. The Proposer should provide any recommended changes to the schedule that might be required to enhance the timelines and quality of the engagement.

M. Other Information & Concluding Remarks. Provide any additional information considered essential to the proposal. Include a description of the firm's capabilities to audit computerized systems. Also discuss previous experience with the Certificate of Achievement Program of the Government Financial Officers' Association. Add any remarks Proposer believes important for a clear understanding of the proposed services and/or Proposer's capabilities.

N. Cost of Services Schedule. For each year, include the following information:
(Exhibit A provides the format for reporting this information.)

Total All-Inclusive Maximum price for each of the three years of the initial contract and the three-year option period, separating the cost of audit services for the City's financial audit, BAWA, BRA/TIRZ#1 and single audit.

O. Rates by Partner, Manager, Specialist, Supervisory and Staff Level plus hours anticipated for each listed. For each audit team member expected to work on the City's audit, provide their title, estimated number of hours to be spent on the audit, and the average price of each hour worked. (Exhibit B provides format.)

P. An estimate of the total out-of-pocket expenses included in the maximum price. Examples of such expense categories should be provided.

Q. Separately, provide the expected rates for any additional services for which the City might desire to utilize the expertise of the Auditor on additional projects outside the scope of this financial audit engagement.

R. References - Please include references with this proposal. The reference list shall include client's name, address, telephone number, and name of contact person.

S. Progress payments will be made on the basis of hours of work completed during the course of the engagement in accordance with the firm's dollar cost bid proposal. Interim billings shall cover a period of not less than a calendar month.

VII. EVALUATION PROCEDURES

A. Review of Proposals

1. The City will evaluate all eligible proposals. Proposals should be submitted on the most favorable terms as award of a contract may be made without discussion with Proposers after proposals are received. The 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. The review of the proposals will be conducted by members of the City's Finance Committee consisting of: the City's Director of Finance, the City Manager, and three members of the City Council.

2. During the evaluation process, the Finance Committee and the City reserve the right, where it may serve the City's best interest, to request additional information or clarification from Proposer, or to allow corrections of errors or omissions. At the discretion of the City or the Finance Committee, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

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

B. Evaluation Criteria

The following represent the principal selection criteria, which will be considered during the evaluation process of proposals.

1. Mandatory Elements

    a. The audit firm is independent and licensed to practice in Texas.
    b. The audit firm's professional personnel have received adequate continuing professional education within the preceding three years.
    c. The firm has no conflict of interest with regard to any other work performed by the firm for the City of Baytown.
    d. The firm submits a copy of its most recent external quality control review report and the firm has a record of quality audit work.
    e. The firm adheres to the instructions in this Request for Proposal on preparing and submitting the proposal.
    f. The firm shall submit one copy of at least two *Comprehensive* Annual Financial Reports issued by Texas municipalities in which their opinion is contained. *At least one of these reports shall have been awarded the GFOA Certificate of Achievement for Excellence in Financial Reporting within the past five years.*

2. Technical Qualifications

    a. Expertise and Experience
        1. The firm's past experience and performance on comparable government engagements.

2. The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation.
3. Experience with the preparation of federal and state financial assistance and related reports.
4. *Experience in providing assistance to meet the requirements of the Certificate of Achievement for Excellence in Financial Reporting program.*

b. Audit Approach
   1. Service Delivery Plan: Describe how the firm intends to conduct the audit in the first year versus subsequent years. Describe the service delivery system including what will be done, by whom, how and where. Provide detail on staffing requirements. Describe how the services will be coordinated and monitored and how access to them will be ensured through entrance conferences, progress reporting, and exit conferences.
   2. Price -Cost will not be the primary factor in the selection of an audit firm.

c. Oral Presentations
   During the evaluation process, the Selection Committee may, at its discretion, request any or all firms to make oral presentations. Such presentations will provide firms with an opportunity to answer any questions the Selection Committee may have on a firm's proposal. Not all firms may be asked to make such oral presentations.

C. Final Selection

The City will select a firm based upon the recommendation of the Finance Committee and approval of the Baytown City Council. The City reserves the right to conduct pre-contract negotiations with the most successful proposer.

It is anticipated that the firm selected shall be presented to City Council for its consideration of approval by August 1, 2016. Following notification of the firm selected it is expected a contract will be executed between both parties by August 9, 2016.

D. Right to Reject Proposals

The City reserves the right to reject any and all proposals. **Contact with personnel of the City other than the Director of Finance or designated representative regarding this Request for Proposal may be grounds for elimination from the selection process.**

VIII. ADDITIONAL INFORMATION

The City will not be liable for any cost incurred in the preparation of proposals.

The submission of a proposal shall be prima facie evidence that the Proposer has full knowledge of the scope, nature, quantity and quality of work to be performed; the detailed requirements of the specifications; and the conditions under which the work is to be performed.

The Proposer shall furnish the City such additional information as the City may reasonably require.

The City reserves the right to conduct personal interviews of any or all proposer's prior to selection. The City will not be liable for any cost incurred by the Proposer in connection with such interview (i.e. travel, accommodations, etc.).

The City reserves the right to reject any and all proposals, and the right, in its sole discretion, to accept the proposal it considers most favorable to the City's interest. The City further reserves the right to reject all proposals and seek new proposals when such procedure is reasonable in the best interest of the City.

CERTIFICATE OF INTERESTED PARTIES: In 2015, the Texas Legislature adopted House Bill 1295, which added section 2252.908 of the Government Code and, as it applies to contracts entered into on or after January 1, 2016. The law states that a governmental entity may not enter into certain contracts with a business entity unless the business entity submits a disclosure of interested parties to the governmental entity at the time the business entity submits the signed contract to the governmental entity. The law applies to all contracts/purchases of a governmental entity that require an action or vote by the governing body of the entity.

With regards to City of Baytown purchases, a vendor that is awarded a contract or purchase that is greater than $50,000 is required to electronically create a Form 1295 through the Texas Ethics Commission website (https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm) and submit a signed and notarized copy of the form to the City. The City will not enter into a contract or make a purchase in excess of $50,000 unless the City receives a properly completed Form 1295.

INDEBTEDNESS: IF BIDDER, AT ANY TIME DURING THE TERM OF THIS AGREEMENT, INCURS A DEBT, AS THE WORD IS DEFINED IN SECTION 2-662 OF THE CODE OF ORDINANCES OF THE CITY OF BAYTOWN, IT SHALL IMMEDIATELY NOTIFY THE CITY'S DIRECTOR OF FINANCE IN WRITING. IF THE CITY'S DIRECTOR OF FINANCE BECOMES AWARE THAT THE BIDDER HAS INCURRED A DEBT, THE CITY'S DIRECTOR OF FINANCE SHALL IMMEDIATELY NOTIFY THE BIDDER IN WRITING. IF THE BIDDER DOES NOT PAY THE DEBT WITHIN 30 DAYS OF EITHER SUCH NOTIFICATION, THE CITY'S DIRECTOR OF FINANCE MAY DEDUCT FUNDS IN AN AMOUNT EQUAL TO THE DEBT FROM ANY PAYMENTS OWED TO THE BIDDER UNDER THIS AGREEMENT, AND THE BIDDER WAIVES ANY RECOURSE THEREFOR.

INDEMNITY AGREEMENT: THE COMPANY AGREES TO AND SHALL INDEMNIFY, HOLD HARMLESS AND DEFEND THE CITY, ITS OFFICERS, AGENTS AND EMPLOYEES FROM AND AGAINST ANY AND ALL CLAIMS, LOSSES, DAMAGES, CAUSES OF ACTION, SUITS, AND LIABILITY OF EVERY KIND, INCLUDING ALL EXPENSES OF LITIGATION, COURT COSTS, AND ATTORNEYS' FEES, FOR DAMAGE TO ANY PROPERTY, LOSS OF REVENUE, OR ANY

OTHER INJURIES OR DAMAGES ARISING OUT OF OR IN CONNECTION WITH THE SERVICES PERFORMED BY THE COMPANY PURSUANT TO THIS MEMORANDUM, THE CONDUCT OR MANAGEMENT OF THE COMPANY'S ACTIVITIES, OR FROM ANY ACT OR OMISSION BY THE COMPANY, ITS AGENTS, EMPLOYEES, OR SUBCONTRACTORS, WHERE SUCH DAMAGES, LOSSES OR INJURIES ARE CAUSED BY (I) THE JOINT NEGLIGENCE OF THE CITY AND ANY OTHER PERSON OR ENTITY OR (II) THE JOINT OR SOLE NEGLIGENCE OF THE COMPANY. IT IS THE EXPRESSED INTENTION OF THE PARTIES HERETO, BOTH THE COMPANY AND THE CITY, THAT THE INDEMNITY PROVIDED FOR IN THIS PARAGRAPH IS INDEMNITY BY THE COMPANY TO INDEMNIFY AND PROTECT THE CITY FROM (I) THE CONSEQUENCES OF THE CITY'S OWN NEGLIGENCE, WHERE THAT NEGLIGENCE IS A CONCURRING CAUSE OF THE RESULTING INJURY, DEATH OR DAMAGE AND/OR (II) THE CONSEQUENCES OF THE COMPANY'S SOLE OR JOINT NEGLIGENCE. FURTHERMORE, THE INDEMNITY PROVIDED FOR IN THIS PARAGRAPH SHALL HAVE NO APPLICATION TO THE CITY FOR ANY CLAIM, LOSS, DAMAGE, CAUSE OF ACTION, SUIT AND LIABILITY WHERE THE INJURY, LOSS OR DAMAGE RESULTS FROM THE SOLE NEGLIGENCE OF THE CITY, UNMIXED WITH THE FAULT OF ANY OTHER PERSON OR ENTITY.

In the event that any action or proceeding is brought against the City by reason of any matter from which the City is indemnified herein, the Company further agrees and covenants to defend the action or proceeding by legal counsel acceptable to the City. This article shall survive the expiration or termination of the agreement.

_____
Signature of Official Representative of Audit Firm

_____
Name of Official Representative (typed)

_____
Title

_____
Firm Name

_____
Date

<u>INSURANCE REQUIREMENTS: BIDDER SHALL INCLUDE CERTIFICATE OF INSURANCE PRIOR TO AWARD OF BID. BIDDER OR BIDDER'S INSURANCE AGENT SHALL INCLUDE BID NUMBER AND DESCRIPTION OF BID ON THE CERTIFICATE OF INSURANCE</u>. THE COMPANIES AFFORDING COVERAGE OF THE CERTIFICATE OF INSURANCE SHALL BE

LICENSED WITH THE STATE BOARD OF INSURANCE TO DO BUSINESS IN THE STATE OF TEXAS.

Bidder shall procure and maintain at its sole cost and expense for the duration of the Agreement, insurance against claims for injures to person or damages to property which may arise from or in connection with the performance of the Work hereunder by Bidder, its agents, representatives, volunteers, employees or subconsultants.

a. Bidder's insurance coverage shall be primary insurance with respect to the City, its officials, employees and agents. Any insurance or self-insurance maintained by the City, its officials, employees or agents shall be considered in excess of Bidder's insurance and shall not contribute to it. Further, Bidder shall include all subconsultants, agents and assigns as additional insureds under its policy or shall furnish separate certificates and endorsements for each such person or entity. All coverages for subcontractors, subconsultants and assigns shall be subject to all of the requirements stated herein.

The following is a list of standard insurance policies along with their respective minimum coverage amounts required in this Agreement:

1. Commercial General Liability
   - General Aggregate: $2,000,000
   - Products & Completed Operations Aggregate: $1,000,000
   - Personal & Advertising Injury: $1,000,000
   - Per Occurrence: $1,000,000
   - Fire Damage: $50,000
   - Coverage shall be at least as broad as ISO CG 00 01 04 13
   - No coverage shall be deleted from standard policy without notification of individual exclusions being attached for review and acceptance.

2. Business Automobile Policy
   - Combined Single Limits: $1,000,000
   - Coverage for "Any Auto"

3. Errors and Omissions, if applicable
   - Limit: $1,000,000 for this project.
   - For all architects, engineers, and/or design companies
   - Claims-made form is acceptable

4. Workers' Compensation
   - Statutory Limits
   - Employer's Liability: $1,000,000
   - Waiver of Subrogation required.

b. The following shall be applicable to all policies of insurance required herein.

   1. Insurance carrier must have an A.M. Best Rating of A-:VII or better.

2. Only insurance carriers licensed and admitted to do business in the State of Texas will be accepted.

3. Liability policies must be on occurrence form. Errors and Omissions can be on claims-made form, if applicable.

4. Each insurance policy shall be endorsed to state that coverage shall not be suspended, voided, canceled or reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City.

5. The City, its officers, agents and employees are to be added as Additional Insureds to all liability policies, with the exception of the Errors and Omissions Policy required herein.

6. Upon request and without cost to the City, certified copies of all insurance polices and/or certificates of insurance shall be furnished to the City.

7. Upon request and without cost to the City, loss runs (claims listing) of any and/or all insurance coverages shall be furnished to the City.

8. All insurance required herein shall be secured and maintained in a company or companies satisfactory to the City, and shall be carried in the name of Bidder. Bidder shall provide copies of insurance certificates required hereunder to the City on or before the effective date of this Agreement.

Please include on Certificate of Insurance under Description of Operations the following verbiage:

"The City of Baytown, its officers, agents and employees are included as Additional Insured on the General Liability policy including Completed Operations as per endorsement #CGL084, edition 10/13, and on the Auto Liability policy as per endorsement #CAU071, edition 01/13. Waiver of subrogation applies to certificate holder as respects to the General Liability policy as per endorsement #CGL115, edition 01/13, the Auto Liability policy as per endorsement #CAU071, edition 01/13, and the Workers Compensation policy as per endorsement #WC000313, edition 04/84. The insurance provided in the General Liability and Auto Liability policies is primary and any other insurance shall be excess only, and not contributing as per GL endorsement #CGL084, edition 10/13, Auto endorsement #CAU071, edition 01/13. 30 day notice of cancellation applies when required per written contract."

INVOICE: Purchase Order number shall be included on all corresponding invoices. Invoices shall be sent to:

CITY OF BAYTOWN
P. O. BOX 424
BAYTOWN, TX 77522-0424
ATTN: ACCOUNTS PAYABLE

PAYMENT: The City of Baytown shall pay for services within thirty (30) days of receipt and acceptance. Acceptance by the City of Baytown shall constitute all services being received to the City's satisfaction.

PROPOSAL DELIVERY: The City of Baytown Purchasing Department shall accept **sealed** proposals Monday through Friday, 8:00 a.m. - 12:00 p.m. and 1:00 p.m. - 5:00 p.m. The Purchasing Department is closed from 12:00 p.m. - 1:00 p.m. Proposals must be received by the Purchasing Department before the specified hour and date of the opening. Each proposal **must be sealed** and should be placed in a properly identified envelope with proposal number, time and date of proposal opening.

Submit to:

CITY OF BAYTOWN
PURCHASING DEPARTMENT
2123 MARKET STREET
BAYTOWN, TX 77520

EXHIBIT A

CITY OF BAYTOWN

SCHEDULE OF PROFESSIONAL FEES, EXPENSES
FOR PROFESSIONAL AUDITING SERVICES
SUMMARY

PART 1 – Summarize the Annual Not To Exceed Fee proposal of the completion of the services requested, as outlined and described in Section III and Section VI, N.

Item		**Quantity**	**Total**
1.			
	a. 9/30/2016 Financial Audit	1 each	$
	b. 9/30/2016 Single Audit	1 each	$
	c. 9/30/2016 Baytown Area Water Authority Financial Audit	1 each	$
	d. 9/30/2016 Baytown Redevelopment Authority/TIRZ #1 Financial Audit	1 each	$
	Total Item #1		$
2.			
	a. 9/30/2017 Financial Audit	1 each	$
	b. 9/30/2017 Single Audit	1 each	$
	c. 9/30/2017 Baytown Area Water Authority Financial Audit	1 each	$
	Total Item #2		$
3.			
	a. 9/30/2018 Financial Audit	1 each	$
	b. 9/30/2018 Single Audit	1 each	$
	c. 9/30/2018 Baytown Area Water Authority Financial Audit	1 each	$
	Total Item #3		$
	Grand Total		$

EXHIBIT B

CITY OF BAYTOWN

SCHEDULE OF PROFESSIONAL FEES, EXPENSES
FOR PROFESSIONAL AUDITING SERVICES

FOR FISCAL YEARS ENDING SEPTEMBER 30, 2016, 2017 and 2018

PART 2 – Annual Not To Exceed Fee for the completion of the City's financial audit, as outlined and described in Section III and Section VI, O.

	Hours	**Hourly Rates**	**Total**
PARTNERS			
MANAGERS			
SUPERVISORY STAFF			
STAFF			
OTHER (specify)			
Out-of-Pocket expenses:			
Meals and lodging			
Transportation			
Other (specify):			
Other (specify):			
Other (specify):			
Total for **Part 2** – (annual all-inclusive Not To Exceed Fee)			

EXHIBIT B

CITY OF BAYTOWN

SCHEDULE OF PROFESSIONAL FEES, EXPENSES
FOR PROFESSIONAL AUDITING SERVICES

FOR FISCAL YEARS ENDING SEPTEMBER 30, 2016, 2017 and 2018

PART 3 – Annual Not To Exceed Fee for the completion of the City's single audit, as outlined and described in Section III and Section VI, O.

	Hours	**Hourly Rates**	**Total**
PARTNERS			
MANAGERS			
SUPERVISORY STAFF			
STAFF			
OTHER (specify)			
Out-of-Pocket expenses:			
Meals and lodging			
Transportation			
Other (specify):			
Other (specify):			
Other (specify):			
Total for **Part 3** – (annual all-inclusive Not To Exceed Fee)			

EXHIBIT B

CITY OF BAYTOWN

SCHEDULE OF PROFESSIONAL FEES, EXPENSES
FOR PROFESSIONAL AUDITING SERVICES

FOR FISCAL YEARS ENDING SEPTEMBER 30, 2016, 2017 and 2018

PART 4 – Annual Not To Exceed Fee for the completion of the Baytown Area Water Authority financial audit, as outlined and described in Section III and Section VI, O.

	Hours	**Hourly Rates**	**Total**
PARTNERS			
MANAGERS			
SUPERVISORY STAFF			
STAFF			
OTHER (specify)			
Out-of-Pocket expenses:			
Meals and lodging			
Transportation			
Other (specify):			
Other (specify):			
Other (specify):			
Total for **Part 4** – (annual all-inclusive Not To Exceed Fee)			

EXHIBIT B

CITY OF BAYTOWN

SCHEDULE OF PROFESSIONAL FEES, EXPENSES
FOR PROFESSIONAL AUDITING SERVICES

FOR FISCAL YEAR ENDING September 30, 2016

PART 5 – Annual Not To Exceed Fee for the completion of Baytown Redevelopment Authority / Tax Increment Reinvestment Zone #1 Financial Audit as outlined and described in Section III, and Section VI, O.

	Hours	**Hourly Rates**	**Total**
PARTNERS			
MANAGERS			
SUPERVISORY STAFF			
STAFF			
OTHER (specify)			
Out-of-Pocket expenses:			
Meals and lodging			
Transportation			
Other (specify):			
Other (specify):			
Other (specify):			
Total for **Part 5** – (annual all-inclusive Not To Exceed Fee)			

BIDDER'S CERTIFICATION

Section 2252.002 of the Texas Government Code provides as follows:

> A governmental entity may not award a governmental contract to a nonresident bidder unless the nonresident underbids the lowest bid submitted by a responsible resident bidder by an amount that is not less than the amount by which a resident bidder would be required to underbid the nonresident bidder to obtain a comparable contract in the state in which the nonresident's principal place of business is located.

In providing the certification below, please make note of the following definitions:

> "Governmental contract" means a contract awarded by a governmental entity for general construction, an improvement, a service, or a public works project or for a purchase of supplies, materials, or equipment.
>
> "Nonresident bidder" refers to a person who is not a resident.
>
> "Resident bidder" refers to a person whose principal place of business is in this state, including a Bidder whose ultimate parent company or majority owner has its principal place of business in this state.

I certify that _____ is a resident bidder as defined hereinabove.
(Company Name)

Signature: _____

Print Name: _____

I certify that _____ is a nonresident bidder as
(Company Name)
defined hereinabove and our principal place of business is _____

Signature: _____

Print Name: _____

COMPANY INFORMATION FORM

COMPANY'S FULL BUSINESS NAME:	
PHYSICAL ADDRESS:	
MAIN PHONE #:	
MAIN FAX #:	
PROPOSAL CONTACT PERSON:	
CONTACT PHONE #:	
REMITTANCE ADDRESS:	
ACCOUNTING/FINANCE PHONE #:	
ACCOUNTING/FINANCE FAX #:	
ACCOUNTING/FINANCE CONTACT:	
CONTACT PHONE #:	
PAYMENT TERMS DISCOUNT:	
COMPANY TAX ID#:	
COMPANY DUNS #:	
COMPANY SAM* EXPIRATION DATE:	
***Federal Government System for Award Management (SAM)**	*SAM Registration is free at www.SAM.gov

EXCEPTIONS TO SPECIFICATIONS

If any item, material or equipment submitted as a part of this request for proposal does not fully meet or exceed the minimum specifications as published, the exception(s) MUST be listed on this sheet and attached to the response to this proposal.

Section	Item/Material/Equipment Bid	Reason

If no exceptions are listed, it will be assumed that the proposal meets or exceeds the minimum specifications and any purchase contract as a result of this proposal will be contingent on that condition.

Company: _____

Agent: _____

CONFLICT OF INTEREST QUESTIONNAIRE

FORM CIQ

For vendor doing business with local governmental entity

This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.

This questionnaire is being filed in accordance with Chapter 176, Local Government Code, by a vendor who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the vendor 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 vendor becomes aware of facts that require the statement to be filed. *See* Section 176.006(a-1), Local Government Code.

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

OFFICE USE ONLY

Date Received

1 **Name of vendor 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 on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)

3 **Name of local government officer about whom the information is being disclosed.**

Name of Officer

4 **Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relationship with the local government officer. Complete subparts A and B for each employment or business relationship described. Attach additional pages to this Form CIQ as necessary.**

A. Is the local government officer or a family member of the officer receiving or likely to receive taxable income, other than investment income, from the vendor?

☐ Yes ☐ No

B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer or a family member of the officer AND the taxable income is not received from the local governmental entity?

☐ Yes ☐ No

5 **Describe each employment or business relationship that the vendor named in Section 1 maintains with a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership interest of one percent or more.**

6 ☐ Check this box if the vendor has given the local government officer or a family member of the officer one or more gifts as described in Section 176.003(a)(2)(B), excluding gifts described in Section 176.003(a-1).

7

Signature of vendor doing business with the governmental entity

Date

CONFLICT OF INTEREST QUESTIONNAIRE
For vendor doing business with local governmental entity

A complete copy of Chapter 176 of the Local Government Code may be found at http://www.statutes.legis.state.tx.us/Docs/LG/htm/LG.176.htm. For easy reference, below are some of the sections cited on this form.

Local Government Code § 176.001(1-a): "Business relationship" means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on:

(A) a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity;

(B) a transaction conducted at a price and subject to terms available to the public; or

(C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency.

Local Government Code § 176.003(a)(2)(A) and (B):

(a) A local government officer shall file a conflicts disclosure statement with respect to a vendor if:

***

(2) the vendor:

(A) has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income, other than investment income, that exceeds $2,500 during the 12-month period preceding the date that the officer becomes aware that

(i) a contract between the local governmental entity and vendor has been executed; or

(ii) the local governmental entity is considering entering into a contract with the vendor;

(B) has given to the local government officer or a family member of the officer one or more gifts that have an aggregate value of more than $100 in the 12-month period preceding the date the officer becomes aware that:

(i) a contract between the local governmental entity and vendor has been executed; or

(ii) the local governmental entity is considering entering into a contract with the vendor.

Local Government Code § 176.006(a) and (a-1)

(a) A vendor shall file a completed conflict of interest questionnaire if the vendor has a business relationship with a local governmental entity and:

(1) has an employment or other business relationship with a local government officer of that local governmental entity, or a family member of the officer, described by Section 176.003(a)(2)(A);

(2) has given a local government officer of that local governmental entity, or a family member of the officer, one or more gifts with the aggregate value specified by Section 176.003(a)(2)(B), excluding any gift described by Section 176.003(a-1); or

(3) has a family relationship with a local government officer of that local governmental entity.

(a-1) The completed conflict of interest questionnaire must be filed with the appropriate records administrator not later than the seventh business day after the later of:

(1) the date that the vendor:

(A) begins discussions or negotiations to enter into a contract with the local governmental entity; or

(B) submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential contract with the local governmental entity; or

(2) the date the vendor becomes aware:

(A) of an employment or other business relationship with a local government officer, or a family member of the officer, described by Subsection (a);

(B) that the vendor has given one or more gifts described by Subsection (a); or

(C) of a family relationship with a local government officer.

AFFIDAVIT OF OWNERSHIP OR CONTROL

INSTRUCTION: ENTITIES USING AN ASSUMED NAME SHOULD DISCLOSE SUCH FACT TO AVOID REJECTION OF THE AFFIDAVIT. THE FOLLOWING FORMAT IS RECOMMENDED: CORPORATE/LEGAL NAME DBA ASSUMED NAME.

STATE OF _____ §
§ **AFFIDAVIT OF OWNERSHIP OR CONTROL**
COUNTY OF _____ §

BEFORE ME, the undersigned authority, on this day personally appeared _____ [**FULL NAME**] (hereinafter "Affiant"), _____ [**STATE TITLE/CAPACITY WITH CONTRACTING ENTITY**] of _____ [**CONTRACTING ENTITY'S CORPORATE/LEGAL NAME**] ("Contracting Entity"), who being by me duly sworn on oath stated as follows:

1. Affiant is authorized to give this affidavit and has personal knowledge of the facts and matters herein stated.

2. Contracting Entity seeks to do business with the City in connection with _____ [**DESCRIBE PROJECT OR MATTER**] which is expected to be in an amount that exceeds $50,000.

3. The following information is submitted in connection with the proposal, submission or bid of Contracting Entity in connection with the above described project or matter.

4. Contracting Entity is organized as a business entity as noted below (check box as applicable).

FOR PROFIT ENTITY:	NON-PROFIT ENTITY
[ ] SOLE PROPRIETORSHIP	[ ] NON-PROFIT CORPORATION
[ ] CORPORATION	[ ] UNINCORPORATED ASSN.
[ ] PARTNERSHIP	
[ ] LIMITED PARTNERSHIP	
[ ] JOINT VENTURE	
[ ] LIMITED LIABILITY COMPANY	
[ ] OTHER (Specify type in space below)	

_____
_____
_____

5. The information shown below is true and correct for the Contracting Entity and all owners of 5% or more of the Contracting Entity and, where the Contracting Entity is a non-profit entity, the required information has been shown for each officer. [NOTE: IN ALL CASES, USE FULL NAMES, LOCAL BUSINESS AND RESIDENCE ADDRESSES AND TELEPHONE NUMBERS. DO NOT USE POST OFFICE BOXES FOR ANY ADDRESS. INCLUSION OF E-MAIL ADDRESSES IS OPTIONAL, BUT RECOMMENDED. ATTACH ADDITIONAL SHEETS AS NEEDED.]

Contracting Entity

Name: _____

Business Address: _____
[**NO./STREET**]

_____
[**CITY/STATE/ZIP CODE**]

Telephone Number: (_____) _____

E-mail Address [**OPTIONAL]** _____

Residence Address: _____
[**NO./STREET**]

_____
[**CITY/STATE/ZIP CODE**]

Telephone Number: (_____) _____

E-mail Address [**OPTIONAL]** _____

5% or More Owner(s)/Officers of Non-Profit Corporation

(IF NONE, STATE "NONE.")

Name: _____

Business Address: _____
[**NO./STREET**]

_____
[**CITY/STATE/ZIP CODE**]

Telephone Number: (_____) _____

E-mail Address [**OPTIONAL]** _____

Residence Address: _____
[**NO./STREET**]

_____
[**CITY/STATE/ZIP CODE**]

Telephone Number: (_____) _____

E-mail Address [**OPTIONAL]** _____

6. Optional Information

Contracting Entity and/or _____ [**NAME OF OWNER OR NON-PROFIT OFFICER**] is actively protesting, challenging or appealing the accuracy and/or amount of taxes levied against _____ [**CONTRACTING ENTITY, OWNER OR NON-PROFIT OFFICER]** as follows:

Name of Debtor: _____

Type of Debt: _____

Account Numbers: _____

Case or File Numbers: _____

Attorney/Agent Name: _____

Attorney/Agent Phone No.: _____

Delinquent Years/Months: _____

Status of Appeal [Please describe below.]

_____

_____

_____

Affiant certifies that he or she is duly authorized to submit the above information on behalf of the Contracting Entity, that Affiant is associated with the Contracting Entity in the capacity noted above and has personal knowledge of the accuracy of the information provided herein, and that the information provided herein is true and correct to the best of Affiant's knowledge and belief.

_____
Affiant

SWORN TO AND SUBSCRIBED before me this _____ day of _____, 20 ___ .

(Seal) _____

Notary Public in and for the State of _____

NOTE: This affidavit constitutes a government record as defined by Section 37.01 of the Texas Penal Code. Submission of a false government record is punishable as provided in Section 37.10 of the Texas Penal Code.

Attach additional pages if needed to supply the required names and addresses.

REFERENCES

Each Proposer is to provide a minimum of three (3) verifiable references from municipal agencies in which the Proposer has sold, maintained or provided, deployed, integrated and/or used the system being proposed. (Reference page 5; Scope of Work: Task 1)

Municipal Agency Name: _____

Address: _____
City State Zip Code

Contact Person: _____
Name Title

Telephone Number: ( ) _____ E-mail: _____

Contract/Project Value: _____

Brief Description of Product/Service Provided: _____
_____

Municipal Agency Name: _____

Address: _____
City State Zip Code

Contact Person: _____
Name Title

Telephone Number: ( ) _____ E-mail: _____

Contract/Project Value: _____

Brief Description of Product/Service Provided: _____
_____

Municipal Agency Name: _____

Address: _____
City State Zip Code

Contact Person: _____

C I T Y O F B A Y T O W N

P U R C H A S I N G D E P A R T M E N T

NO BID NOTIFICATION

BID TITLE: _____

BID NUMBER: _____

BIDDER NAME:_____

ADDRESS: _____

_____

AGENT'S NAME: _____ TELEPHONE: _____

The CITY OF BAYTOWN is interested in receiving competitive pricing on all items bid. We also desire to keep your firm as a Bidder and a supplier of materials and equipment. Therefore, it is important for us to determine why you are not bidding on this item. We will analyze your input carefully and try to determine if future changes are needed in our specifications and procedures.

I did not bid for the following reasons: (PLEASE CHECK ONE OF THE LISTED REASONS)

_____ Do not supply the requested product.

_____ Quantities offered are too small or too large to be supplied by your company. (Please circle one of the underlined.)

_____ Specifications are "too tight" or written around a particular product. (Please elaborate on this item.)

_____ Cannot bid against manufacturer or jobber on this item. (Please circle one of the underlined).

_____ Time frame for bidding was too short for my organization.

_____ Not awarded a previous contract by the City when you felt you were low Bidder.

_____ Other _____

If you wish to remain on the City's bid list for this item, please indicate:

_____ I wish to remain. _____ I do not wish to remain.