



## City Secretary Department Request for Qualifications

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<b>RFQ No:</b>	<b>2017-01-A</b>
<b>RFQ Title:</b>	<b>Multi-Step RFQ for Financial Audit Services</b>
<b>Questions Deadline:</b>	<b>08/4/2017 @ 2:00 P.M.</b>
<b>Submittals Due:</b>	<b>08/18/2017 @ 3:00 P.M.</b>

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Proposals for the services specified will be received by the City of Melissa until the date and time as indicated above. Please submit one (1) unbound original RFQ and three (3) bound copies of the RFQ in hard copy only.

**Delivery Address (in person, or if sent by UPS, FedEx or other express mail):**

**City of Melissa  
Attn: Gail Dansby  
3411 Barker Avenue  
Melissa, Texas 75454**

**Mailing Address (if sent by US Mail):**

**City of Melissa  
Attn: Gail Dansby  
3411 Barker Avenue  
Melissa, Texas 75454**

Late submissions will not be considered. Proposals must be submitted with the RFQ number and the Proposer's name and address clearly indicated on the front of the envelope. Additional instructions for preparing a proposal are provided within.

**PROPOSERS ARE STRONGLY ENCOURAGED TO CAREFULLY READ THE ENTIRE DOCUMENT PRIOR TO SUBMITTING A RESPONSE.**

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For questions regarding this RFQ contact:

**Gail Dansby  
Finance Director  
Email: [gdansby@cityofmelissa.com](mailto:gdansby@cityofmelissa.com)**

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The City of Melissa appreciates your time and effort in preparing a Proposal. **Please note that all submissions must be received at the designated location by the deadline shown.** Proposals received after the deadline will not be considered for the award of the agreement, and will be returned unopened.

CITY OF MELISSA  
STANDARD TERMS & CONDITIONS FOR PROCUREMENTS

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1. **APPLICABILITY**: These standard terms and conditions apply to all goods or services procured by the City of Melissa ("City"), unless otherwise stated in the specifications. The instructions contained herein shall be incorporated into the contract as well as any subsequent purchase order(s) issued for goods or services, and shall be included as part of the specifications issued herewith.
2. **NOTIFICATION**: The City of Melissa advertises formal procurement opportunities through [www.cityofmelissa.com](http://www.cityofmelissa.com), *Dallas Morning News* and *The Anna-Melissa Tribune*. The City shall not be responsible for information distributed by sources other than those listed.
3. **ADDENDA**: Any revisions to the information contained herein will be issued in the form of one or more addenda. The sole issuing authority shall be vested in the City of Melissa Finance Office. If addenda containing material changes to the specifications or pricing form are issued, the Proposer shall acknowledge receipt of such addenda in the designated section on the website. It is the responsibility of the Bidder/Proposer to obtain and acknowledge any and all addenda. Failure to acknowledge receipt of any addenda may be cause to deem such submission non-responsive.
4. **SILENCE OF SPECIFICATION**: The apparent silence of these specifications as to any detail or the apparent omission from these specifications of a detailed description concerning any point, shall be regarded as meaning that only the best commercial practices are to prevail. All interpretations of these specifications shall be made on the basis of this statement.
5. **MINOR DEFECT**: The City of Melissa reserves the right to waive any minor defect, irregularity, or informality in any bid/proposal. Minor defects, irregularities or informalities will not affect the end product/performance intended by the specifications. The City also reserves the right to reject any or all bids/proposals with or without cause prior to award.
6. **PAPER SUBMISSIONS**: Paper submissions shall be submitted on the forms provided by the City of Melissa and must be signed and dated by a duly designated representative or agent of the company submitting the bid/proposal. Proposers shall clearly and concisely provide all requested information as stated in the bid/proposal document. Failure to provide the requested information may be reason to deem such submission non-responsive.
7. **PRESENTATION OF BIDS/PROPOSALS**: Paper submissions shall be presented to The City of Melissa City Secretary's Office, 3411 Barker Avenue, Melissa, Texas 75454, prior to the stated deadline. Paper submissions shall be presented in a sealed envelope with Proposer's name and the bid/proposal number clearly identified on the outside of the envelope.
8. **LATE SUBMISSIONS**: The date/time stamp located in the City of Melissa City Secretary Office serves as the official time clock. Submissions received in the City Secretary Office after the stated deadline shall be refused and returned unopened. The City of Melissa is not responsible for issues encountered with methods of delivery.
9. **WITHDRAWAL OF OFFER**: Proposer agrees that an offer may not be withdrawn or cancelled for a period of one hundred twenty (120) days following the date and time designated for the receipt of the bid/proposal without written approval of the City Secretary Agent.
10. **TAXES**: The City of Melissa is exempt from paying federal excise and transportation taxes and Texas State or local sales and use taxes. A Tax Exempt Form will be provided by the City of Melissa upon request. A request for a Tax Exempt Form can be submitted in writing to [gdansby@cityofmelissa.com](mailto:gdansby@cityofmelissa.com) or by contacting the City Secretary Office at 972.838.2520.
11. **ANTI-COLLUSION**: In submitting an offer, Proposer certifies that they have not participated in nor have they been party to any collusion, price fixing or any other illegal or unethical agreements with any company, firm or person concerning the pricing offered.
12. **PREPARATION COST**: All costs associated with the preparation of an offer shall be borne by the Proposer. The City of Melissa will not be liable for any costs associated with the preparation, transmittal, or presentation of submissions, or with any materials submitted in response to the same.
13. **BID/PROPOSAL OPENINGS**: The City of Melissa will make a determination regarding the responsiveness of offers submitted based upon compliance with all applicable laws and the City of Melissa's City Secretary guidelines and project documents including, but not necessarily limited to, the bid/proposal specifications and contract documents.
14. **NO PROHIBITED INTEREST**: Proposer acknowledges awareness of the laws, City Charter, and City Code of Ethics regarding conflicts of interest. No officer, employee or agent of the City of Melissa shall participate in the negotiation,

selection, discussion, award or administration of a contract or procurement supported by public funds if: 1) that individual has a substantial interest in a person or entity, as defined by Section 14.08 of the City's Charter and/or Chapter 171 of the Texas Local Government Code, that is the subject of the contract or procurement; or 2) a conflict of interest, either real or apparent, would be involved, as defined therein.

15. **NON-RESIDENT BIDDERS:** Texas Government Code, Chapter 2252: Non-Resident Bidders. Texas law prohibits city and governmental units from awarding contracts to a non-resident Bidder/Proposer unless the amount of such bid is lower than the lowest bid by a Texas resident by the amount a Texas resident would be required to underbid the non-resident Bidder/Proposer on a bid/proposal for goods and services in the non-resident bidder's state.
16. **DELINQUENT TAXES:** Any person, firm, or corporation that is in arrears to the City of Melissa for delinquent taxes or otherwise, will not be recommended for award of any bid/proposal until the arrearage has been cleared in writing. If a contractor or vendor becomes delinquent while a contract is in force, payment for goods or services provided to the City under said contract or purchase order may be withheld until the arrearage has been cleared in writing.
17. **MINIMUM STANDARDS FOR RESPONSIBILITY:** A prospective vendor must affirmatively demonstrate responsibility. The City of Melissa may request representation and other information sufficient to determine Proposer's ability to meet the minimum standards including but not limited to:
  - A. Have adequate financial resources, or the ability to obtain such resources as required;
  - B. Ability to comply with the required or proposed delivery schedule;
  - C. Have a satisfactory record of performance;
  - D. Have a satisfactory record of integrity and ethics; and
  - E. Be otherwise qualified and eligible to receive an award.
18. **AWARD OF CONTRACT:** The City of Melissa reserves the right to award single or multiple contracts for the goods or services as stated herein. Furthermore, the City reserves the right to take administration costs into consideration when awarding to multiple vendors.
19. **ACCEPTANCE:** Proposer agrees that acceptance of any or all items by the City of Melissa, Texas, within a reasonable period of time, not to exceed one hundred twenty (120) days following the date and time designated for the receipt of the bid/proposal, shall be binding upon Proposer. Proposer shall thereafter execute all documents necessary to enter into a contract in a form acceptable to and properly executed by the City to provide such goods and services.
20. **CONTRACT PERIOD:** Unless otherwise stated in the specifications contained herein, the contract period for this bid/proposal will be for one (1) year upon City approval, with four (4) optional one-year renewal periods if agreeable to both parties. Renewal periods will be subject to the City's availability of funds.
21. **FUNDING:** The City of Melissa is a home-rule municipal corporation operated and funded on a fiscal year basis from October 1 to September 30. Accordingly, the City reserves the right to terminate at any time, without liability to the City, any contract for which funding is not available in a subsequent fiscal year.
22. **ASSIGNMENT:** The successful vendor shall not sell, assign, transfer or convey any contract, in whole or in part, to any other person or party without the prior written consent of the City obtained through the City's Finance office.
23. **INTERLOCAL AGREEMENT:** The successful vendor agrees to extend prices for goods and services under the same terms and conditions of this bid/proposal to all governmental entities that have entered into, or may hereafter enter into, interlocal cooperative City Secretary agreements with the City of Melissa.
24. **CHANGE ORDER:** The City of Melissa reserves the right to modify or change plans and specifications as deemed necessary after the performance of the contract has commenced, to decrease or increase the quantity of work to be performed, materials, equipment or supplies to be furnished, or address other provisions of the contract as approved by the City Manager or City Council, and as appropriate under state law. No oral statement of any person shall modify or otherwise change, or affect the terms, conditions or specifications stated in the contract. All change orders or modifications to the contract shall be documented in written form by the City of Melissa and acknowledged by the contracted vendor. **All change orders and modifications to the contract shall be processed through the City's Finance Office only.**
25. **INVOICES:** Invoices shall be submitted to the attention of Accounts Payable Department, 3411 Barker Avenue, Melissa, Texas 75454, or electronically to [mmccabe@cityofmelissa.com](mailto:mmccabe@cityofmelissa.com).
26. **PAYMENT TERMS:** Payment terms are net 30 days, unless otherwise specified by the City in the bid/proposal document.

27. **AUDIT:** The City of Melissa shall have access to, and the right to examine, monitor and audit all records, documents, conditions and activities related to contracts awarded by the City. It shall be the responsibility of the vendor to maintain records associated with this procurement for a period of three (3) years after completion of the contract, or in the event of litigation, a claim or audit, the records shall be retained until the resolution of such litigation, claim or audit.
28. **INSURANCE:** The City of Melissa requires vendor(s) to carry the minimum insurance as required by the greater of the requirements contained in state laws or the insurance requirements contained in the contract documents.
29. **PRICE ESCALATION:** Unless otherwise stated in the specifications herein, prices must remain firm for the initial term of the contract. The contracted vendor may request an adjustment at the time of contract renewal by submitting a request in written form to the City Secretary Agent. Basis for price escalation should be based on the Consumer Price Index for the most recent twelve-month period reported for the Dallas-Fort Worth area. The contracted vendor shall provide the City with copies of the appropriate indices for verification purposes. The City of Melissa reserves the right to approve or reject any and all requests for price escalations.
30. **PRICE REDUCTION:** If during the life of the contract, the contracted vendor's net prices to other customers for the same goods or services are lower than the City of Melissa's contracted prices, an equitable adjustment shall be made in the contract price in favor of the City.
31. **INDEMNITY:** The bidder shall defend, indemnify and hold the City of Melissa, its officers, agents and employees harmless from any and all costs, expenses, suits, demands, claims, liabilities, liens, encumbrances or damages, including attorneys' fees and costs of suit, of any character, name and description, incurred or resulting from any injuries or damages received or sustained by any person, persons or property on account of any intentional wrongful conduct or negligent act, omission, or fault of the successful bidder, or of any agent, employee, subcontractor or supplier for which the successful bidder is responsible in the execution of, or performance under, any contract which may result from bid award and the bidder so agrees upon the submission of the bid. The bidder shall deliver, if so requested by the City of Melissa, a written release of all liens or other proper evidence of same, to the satisfaction of the City prior to the issuance of final payment by the City.
32. **PATENT RIGHTS:** The Bidder/Proposer agrees to indemnify and hold harmless the City of Melissa from any claim involving patent right infringement or copyright infringement on goods or services supplied to the City pursuant to the contract documents.
33. **PROTESTS:** All protests regarding the solicitation process must be submitted in written form to the City Secretary Agent within five (5) working days following the opening of bids/proposals. This includes all protests relating to legal advertisements, deadlines, bid/proposal openings, and all other related procedures under the Local Government Code, as well as any protests relating to alleged improprieties or ambiguities in the specifications contained herein or in the contract documents.
- Post-award protests must be submitted in written form to the Finance Agent within five (5) working days after award.
- The protest must include, at a minimum, the name of the protester, bid/proposal number or description of goods or services, and a statement of the grounds for the protest. The Finance Agent, having authority to make the final determination, will respond within ten (10) working days to each substantive issue raised in the protest. Allowances for reconsiderations shall be made only if data becomes available that was not previously known, or if there has been an error of law or regulation.
34. **TERMINATION FOR DEFAULT:** The City of Melissa reserves the right to enforce the performance of the contract in any manner prescribed by law and deemed to be in the best interest of the City in the event of breach or default of the contract. The City reserves the right to terminate the contract immediately in the event the contracted vendor fails to meet delivery schedules, or otherwise perform in accordance with the specifications contained herein or in the contract documents. Breach of contract or default authorizes the City to award the contract to another vendor, or purchase from an alternate source, and charge the full increase in cost plus any additional administrative costs incurred by the City to the defaulting contracted vendor.
35. **REMEDIES:** The successful vendor and the City of Melissa agree that each party may have rights, duties, and remedies available as stated in the Uniform Commercial Code and any other available remedy, whether in law or equity.
36. **VENUE:** The validity of the contract and of any of its terms or provisions, as well as the rights and duties hereunder or the contract documents, shall be governed by and construed in accordance with the laws of the State of Texas. Exclusive venue for any legal action shall lie in Collin County, Texas.

**CITY OF MELISSA**  
**RFQ NO. 2017-01-A**  
**MULTI-STEP RFQ FOR FINANCIAL AUDIT SERVICES**

**I. Introduction**

The City of Melissa, Texas (“City”) is soliciting proposals from qualified and experienced public accounting firms, whose principal officers are independent certified public accountants (“Proposer”) to provide the following services for the fiscal year beginning October 1, 2017 and ending September 30, 2018, with an option to renew for four (4) additional one (1) year periods:

- Audit services for performance of the City's annual financial audit and single audit of State and Federal grants;
- Audit the financial statements of the governmental activities and each major fund of the Melissa Economic Development Corporation, Melissa Community Development Corporation; and
- Perform other related services as stated herein.

There is no expressed or implied obligation for the City to reimburse responding Proposers for any expenses incurred in preparing proposals in response to this request. All costs directly or indirectly related to preparation of a response to this request for qualifications (RFQ), any oral presentation required to supplement and/or clarify a proposal, and/or reasonable demonstrations which may be, at its discretion, required by the City shall be the sole responsibility of, and shall be borne completely by the Proposer.

To be considered, one (1) original proposal and three (3) copies of proposal must be received by the City Secretary Office, 3411 Barker Avenue, Melissa, TX 75474, by **3:00 P.M. on August 18, 2017.** The City reserves the right to reject any or all proposals submitted. Proposals submitted will be reviewed by City staff. It is the responsibility of the Proposer to ensure the receipt of any and all addenda related to the proposal. It shall be the sole responsibility of the Proposer to insure that their proposal is received by the City Secretary Office within the time limit indicated. Late proposals will not be considered.

During the evaluation process, the City reserves the right, where it may serve the City’s best interest, to request additional information or clarifications from Proposers, or to allow corrections of errors or omissions. At the discretion of the City, Proposers submitting proposals may be requested to make oral presentations as part of the evaluation process.

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 Proposer of the conditions contained in this RFQ, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City and the Proposer selected. All proposals must include a statement that they are valid for a minimum period of 120 days subsequent to the RFQ closing date.

## **II. General Information**

The City of Melissa is located within Collin County of North Central Texas, just seven (7) miles northeast of McKinney off State Highway 75. The City is a political subdivision and a home rule municipality under the laws of the state. A Home Rule Charter was approved by the voters of the City at an election held November 8, 2011. The City operates as a Council-Manager form of government with the City Council comprised of the Mayor and six Council members. The term of office is three years. The City Manager is the chief executive officer of the City.

The reporting entity for the City, as defined by GASB Statement 14, includes all funds reported in the CAFR for the fiscal year ended September 30, 2016. The accounts of the City include all fund types except fiduciary funds.

Services the City provides include: public safety (police, fire protection, and dispatch), and municipal court, public streets, water and wastewater utilities, parks, library, public improvements, engineering, planning and zoning, building inspections and code compliance, information technology, and general administrative services. Some services such as legal and solid waste/recycling are outsourced in full or in part to the private sector. The Melissa Economic Development Corporation (4A) and Melissa Community Development Corporation (4B) are sales tax corporations that invests on behalf of Melissa, but acts independently from the City. However, the Finance Department provides accounting services to both entities.

The City's 2016 CAFR can be viewed within the Financial Transparency page of the Finance Department's page on the website at [www.cityofmelissa.com](http://www.cityofmelissa.com). This document should give the reader additional information on the City's reporting entity, fund structure, accounting and budgeting policies.

### **A. Organization of the City's Financial Services Department**

The City's accounting function falls within the City's Finance Department. The Finance Director, who reports directly to the City Manager, is responsible for all financial accounting and reporting activities of the City. The Finance Director has overall responsibility for the following functions: General Fund Accounting, Payroll, Accounts Payable, Accounts Receivable, Budgeting, Tax Assessment and Collection, and Municipal Court.

### **B. Organization of the Accounting Function**

The accounting records of the City are maintained by the Finance Department, with offices located at 3411 Barker Avenue, Melissa, Texas. Although maintenance of the accounting records is centralized within accounting, the City's accounting function is partially decentralized. Each City department has the authority to initiate and submit all input documents (e.g. reports of cash receipts, authorization and requests for cash disbursements, journal entries) for processing by Accounting Services. In addition, a number of departments perform some of their data input for cash collections.

### **C. Audit Assistance**

The Finance Department's staff will prepare all work papers necessary to prepare the financial statements for the individual funds. These work papers will include trial balances and any PBC's list. Auditors will assist with year-end journal entries, fixed assets, and depreciation schedules, etc. Personnel will be available to the auditors for

the purpose of pulling invoices, directing auditors to the proper files, or for explaining procedures. Prepared by Clients (PBC's) can be provided; however, these should be coordinated with the Finance Director. The Auditor should provide the Finance Director an advance listing of the required forms.

### **III. Nature of Services**

#### **A. Scope of Work**

The City desires the auditor to express an opinion on the fair presentation of its basic financial statements, as well as the combining and individual fund financial statements in conformity with generally accepted accounting principles.

The auditor is required to audit the basic financial statements, and the combining and individual fund financial statements. The auditor is to provide an "in-relation-to" opinion on all contents of the financial section of the CAFR other than required supplementary information. However, the auditor is responsible for performing certain limited procedures involving required supplementary information that have been established by generally accepted auditing standards. The auditor is not required to audit the introductory and statistical sections of the report, but is expected to read the introductory and statistical sections of the CAFR to ensure that they do not contain information that is inconsistent with the audited financial statements.

The auditor is required to audit the information contained in the Supplementary Schedule of Expenditures of Federal and State Awards when appropriate. 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 U.S. Office of Management and Budget (OMB) Circular A-133. The auditor is to provide an opinion of the fair presentation of this schedule in relation to the basic financial statements taken as a whole.

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

#### **B. Auditing Standards to Be Followed**

To meet the requirements of this RFQ, the audit shall be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants and the GASB, the standards for financial audits set forth in the U.S. General Accounting Office's Government Auditing Standards, the provisions of the Single Audit Act of 1984 (as amended in 1996), and the provisions of OMB Circular A-133, Audits of State and Local Government, and any other requirements from like regulatory agencies.

#### **C. Reports to Be Issued**

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue all reports currently required by State and Federal grantors, such as the

American Institute of Certified Public Accountants, the Governmental Accounting Standards Board, the Government Finance Officers Association of the United States and Canada, and any other regulatory agencies. The auditor shall likewise issue any other reports subsequently required by these or similar entities following completion of the financial or single audit.

The schedule of federal financial assistance and related auditor's reports, as well as the reports on the internal control structure and compliance, are to be issued separately.

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

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

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

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

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

#### **D. Preparation of CAFR**

The Auditor will assist the Finance Department's staff in preparing all information included in the CAFR. The Finance Department reviews this information and approves it prior to printing. Because the CAFR must be released within six months after the fiscal year end (March 31) to be eligible for the GFOA Certificate of Achievement for Excellence in Financial Reporting, coordination of schedules will be required between the auditor and the Finance Director during January and February of each year. A listing of critical dates and the year-end close schedule has been provided in *Appendix A* of this RFQ.



**E. Special Considerations**

1. The City will send its CAFR to the GFOA of the United States and Canada for review in their Certificate of Achievement for Excellence in Financial Reporting program. The auditor will be required to provide assistance to the City to meet the requirements of this program.
2. The City currently anticipates it will prepare one or more official statements in connection with issuance of debt that will contain the general-purpose financial statements, and the auditor's report thereon. The auditor shall be required, if requested by the City, the fiscal advisor and/or the underwriter, to issue a "consent and citation of expertise" as the auditor, and any necessary "comfort letters."
3. The City will require the auditor's assistance to comply with reporting requirements as the result of new GASB pronouncements.

**F. Special Projects**

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 cost to perform any "special projects" will be negotiated, and in addition to the standard annual fee.

**G. Regulation Updates**

The auditor shall provide the City's Finance Department staff with information relating to regulation changes that would affect the City and its operation. Examples would be timely notification of changes proposed or initiated by GASB, Financial Accounting Standards Board (FASB), or General Accounting Office (GAO).

**H. Other Requirements**

Prior Audit: Subsequent to the contract award, arrangements shall be made, if possible, for a review of prior year work papers by the Proposer awarded the contract. Proposers may have access to prior years' audit reports if they wish, by contacting Gail Dansby, Finance Director at (972) 838-2031.

**I. Work Area**

A separate workspace in close proximity to the accounting records will be provided, as well as photocopy machines, phone, and a fax machine.

**J. Contractual Agreements**

The contract to be awarded shall be for the provision of services as requested herein, at the negotiated fee, for the first and, if extended, each subsequent year of the contract. This is considered an all-inclusive, not-to-exceed fee. The City shall agree to make interim payments of the annual fee, based upon a percentage of work performed.

**K. Working Papers**

The Proposer selected shall maintain all working papers for a period of at least five years after the auditor's report date. The auditor shall make available all original working

papers for examination by authorized representatives of federal and state agencies, the City's Finance Director, and any other entity to which access has been granted in writing by the City's Finance Director. In addition, the Proposer shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

#### **L. Progress Reports**

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

#### **M. Staffing**

1. Engagement partners, managers, other supervisory staff, and specialists assigned to the City's account at time of contract award may be removed from the City's account if those persons leave the Proposer, 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. However, in either case, the City retains the right to approve or reject replacements.
2. Other audit personnel may be changed at the discretion of the successful Proposer, provided that replacements have substantially the same or better qualifications or experience.

#### **IV. Insurance**

**ALL PROPOSERS:** Must submit, with the proposal, proof of insurance coverage as indicated in *Appendix B*. Proof shall be by submission of copies of current policies or current Certificates of Insurance, including the effective dates of coverage.

**SUCCESSFUL PROPOSER:** Prior to the execution of this contract, the City of Melissa Finance Office shall be supplied with an original certificate of insurance evidencing the stated requirements. This insurance shall be effective for the contract duration and renewal certificates shall also be supplied upon expiration.

#### **V. Questions Deadline**

The City of Melissa requires that all questions relating to this RFQ be directed via email to Gail Dansby, Finance Director, at [gdansby@cityofmelissa.com](mailto:gdansby@cityofmelissa.com) by **2:00 P.M. on Friday, August 4, 2017**. **No questions will be answered over the phone.** Questions in regards to the nature of services will only be accepted until the stated deadline.

#### **VI. Submittals**

Submit **one (1) original and three copies** of your response to the RFQ. You may include other documentation or information beyond what is requested, but the use of this information during the evaluation is at the sole discretion of the City of Melissa. In order for your RFQ to be considered responsive, the following information should be submitted in the following order:

**A. Cover Letter**

This section should contain the name of the proposing Proposer, the address of the proposing office, and contact persons authorized to answer technical, price, and/or contract questions, together with their telephone number and mailing address. A partner or officer authorized to bind the company must also sign the cover letter.

**B. Executive Summary**

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

**C. Table of Contents**

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

**D. Proposer and Staff Information**

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

1. Proposer Information

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

2. Staff Information

- a. The Proposer should identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who will be assigned to the engagement and indicate whether each person is licensed to practice as a certified public accountant in Texas. Resumes of each of these individuals should be included in this section. The Proposer should also 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.
- b. The Proposer should provide as much information as possible regarding the number, qualifications, and experience and training (including relevant continuing professional education) of the staff to be assigned

specifically to this engagement. The Proposer should also indicate how the quality of staff, over the term of the agreement, will be assured.

3. Additional Information

- a. Submit a copy of the report of the most recent external quality control review, with a statement whether that quality control review included a review of specific government engagements.
- b. Provide information on the results of any Federal or State desk reviews or field reviews of audits during the past three years. In addition, provide information on the circumstances and status of any disciplinary action taken or pending against the Proposer during the past three years with State regulatory bodies or professional organizations.

**E. Experience**

1. For the Proposer's office that will be assigned responsibility for the audit, list the most significant engagements (maximum of 5) performed in the last five years that are similar to the engagement described in this RFQ. These engagements should be ranked on the basis of relativity to the current proposal. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.
2. Additional information should be included to describe the office's capabilities to audit computerized systems. This section should also include a discussion of your previous experience with the Certificate of Achievement Program of the Government Finance Officers' Association (GFOA).
3. Additionally, this section should include discussion of specific assistance to be provided in complying with new GASB statements.

**F. Scope and Audit Approach**

The Proposer should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in this RFQ. In developing the work plan, reference should be made to such sources of information as the City's budget and related materials, organizational charts, manuals, and programs, financial and other management information systems.

Provide the following information on the proposed audit approach:

1. Approach to be taken in determining laws and regulations that will be subject to audit test work.
2. Approach to be taken in drawing audit samples for purposes of tests of compliance.
3. Approach to be taken to gain and document an understanding of the City's internal control structure.
4. Level of staff and number of hours to be assigned to each proposed segment of the engagement.
5. Proposed segmentation of the engagement.
6. Sample sizes and the extent to which statistical sampling is to be used in the engagement.
7. Type and extent of analytical procedures to be used in the engagement.

8. The proposal should also identify, in this section, any anticipated potential audit problems, the Proposer's approach to resolving these problems and any special assistance that will be requested from the City.
9. The work plan submitted should include separate time estimates for the financial audit and single audit work.
10. 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. In addition, a discussion of the Proposer's approach to the level and amount of the Accounting division's staff support, necessary to complete the work as outlined in the proposal, should be included.

**G. Detailed Review of Comprehensive Annual Financial Report for Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting**

The City will send its Comprehensive Annual Financial Report (CAFR) to the GFOA of the United States and Canada for review in their Certificate of Achievement for Excellence in Financial Reporting Program. The auditor will be required to provide assistance to the City, in the form of a detailed review of its CAFR, to assure accuracy and adherence to the requirements of the program. The proposal should contain a detailed account of the steps the auditor will take to ensure the award of the Certificate.

**H. Proposed Schedule**

Comment on the Proposer's ability to meet the timelines indicated in the RFQ and present a schedule of when information provided by the City should be available. Provide any recommended changes that you think are required to enhance the timelines and quality of the engagement.

**I. Other References**

Describe recent local and regional office auditing experience similar to the type of audit requested and give the name and telephone numbers of client officials responsible for three of the audits listed. These references would be in addition to those listed in Section E. Experience.

**J. Additional Data and Other Information**

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

**K. Concluding Remarks**

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

## **L. Other Documents**

1. Insurance Certificate
2. Proposal Certification Form
3. Conflict of Interest Questionnaire (if applicable)

## **VII. Review of Proposals**

The City will use a weighted system during the review process to score proposals. Each Evaluation Committee member will first score each technical proposal by each of the criteria described in Section VIII. below. City staff will then convene to review and discuss these evaluations and to combine the individual scores to arrive at a composite technical score for each Proposer. At this point, Proposers with an unacceptable low technical score will be eliminated from further consideration. The City reserves the right to interview any or all Proposers in order to obtain clarification or ask questions about the services proposed.

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

## **VIII. Evaluation Criteria**

A review committee will judge the merit of proposals received in accordance with the requirements defined herein. Failure of Proposer to provide in their proposal any information requested in this RFQ may result in disqualification of the proposal. The sole objective of the review committee will be to select the proposal that is most qualified in regards to the City of Melissa's needs. It is the intent of the City of Melissa to select one Proposer to provide financial audit services a result of this proposal process. The decision made by the City of Melissa will be final.

The contract will be awarded based on the following evaluation criteria:

- A. Qualifications as evidenced in Section VI. D. (20%)
- B. Experience with similar engagements as evidenced in Section VI. E. (20%)
- C. Scope and audit approach as evidenced in Section VI. F. (20%)
- D. Level of assistance with all Governmental Accounting Standards Board (GASB) statements (20%)
- E. The Proposer's overall ability to meet or exceed the City's objectives, as evidenced in all Submittal documents in Section VI. (20%)

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

**FORM CIQ**

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

**City of Melissa**  
**Request for Proposal No. 2017-01-A**  
**Certification Form**

**Company Information**

The following information must be provided in its entirety for your submission to be considered:

Company Name: \_\_\_\_\_

Principal Place of Business Address: \_\_\_\_\_

Principal Place of Business City, State, Zip: \_\_\_\_\_

Principal Place of Business Phone Number: \_\_\_\_\_

Principal Place of Business Fax Number: \_\_\_\_\_

Remittance Address (if different from above): \_\_\_\_\_

Remittance City, State, Zip: \_\_\_\_\_

Tax Identification No: \_\_\_\_\_

**Addendums**

If an addendum to this RFQ is issued, acknowledge addendum by initialing beside the addendum number:

Add. No. 1 \_\_\_\_\_ Add. No. 2 \_\_\_\_\_ Add. No. 3 \_\_\_\_\_ Add. No. 4 \_\_\_\_\_ Add. No. 5 \_\_\_\_\_

**Certification**

The undersigned hereby certifies that he/she understands the scope of work, has read the document in its entirety and that the information submitted has been carefully reviewed and is submitted as correct and final. If selected, Proposer further certifies and agrees to furnish any or all services in accordance with the terms and conditions contained herein; to willfully enter into negotiations; and to faithfully execute an agreement with the City of Melissa upon successful negotiations.

The individual signing this RFQ certifies that he/she is a legal agent of the Proposer, authorized to submit on behalf of the Proposer, and is legally responsible for the decisions as to the supporting documentation provided.

Authorized Representative: \_\_\_\_\_  
Signature \_\_\_\_\_ Date \_\_\_\_\_

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Email Address



## APPENDIX A

### TIMELINES AND CRITICAL DATES (BASED ON 2017 YEAR-END)

<u>Date or Timeframe</u>	<u>Activity or Deadline</u>
July 20-23, 2017	RFQ advertised/released
August 4, 2017	2:00 pm deadline for submission of clarification/questions
August 11, 2017	Question Addendum will be distributed
August 18, 2017	3:00 pm Deadline for submission of proposals
August 21-31, 2017	Evaluation of proposals; interviews with top Proposers, if necessary
Late-August 2017	Selection of Proposer and contract negotiations
September 12, 2017	Council for award of contract
September 2017	Preliminary planning meetings and audit plan development
September 30, 2017	Fiscal year-end
September–November 2017	Year-end system-generated reports available; staff prepares trial balances and schedules
November 27-30, 2017	Auditors begin year-end field work
January/February 2018	2017 CAFR preparation
Early February 2018	CAFR returned to Finance Director with any corrections noted; draft management letter and single audit reports due
February 28, 2018	CAFR completed
February/March 2018	Audit reports presented to Council

## APPENDIX B

### INSURANCE REQUIREMENTS PROFESSIONAL SERVICES

Services performed by consultants or other professionals, including but not limited to: Accountants, Attorneys, Architects, Engineers, Surveyors, Veterinarians, Real Estate Appraisal, Optometry, Landscape Architects, Medical Doctors, and Materials Testing.

Service Provider shall procure and maintain for the duration of the contract, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the vendor, his agents, representatives, employees or subcontractors. The cost of such insurance shall be borne by the Service Provider. A certificate of insurance meeting all requirements and provisions outlined herein shall be provided to the City prior to any services being performed or rendered. Renewal certificates shall also be supplied upon expiration.

#### A. MINIMUM SCOPE OF INSURANCE

Coverage shall be at least as broad as:

1. ISO Form Number GL 00 01 (or similar form) covering Commercial General Liability. "Occurrence" form only, "claims made" forms are unacceptable, except for professional liability.
2. Workers Compensation insurance as required by the Labor Code of the State of Texas, including Employers' Liability Insurance.
3. Automobile Liability as required by the State of Texas, covering all owned, hired, or non-owned vehicles. Automobile Liability is only required if vehicle(s) will be used under this contract.
4. Professional Liability, also known as Errors and Omissions coverage.

#### B. MINIMUM LIMITS OF INSURANCE

Service Provider shall maintain throughout contract limits not less than:

1. Commercial General Liability: \$500,000 per occurrence /\$1,000,000 in the aggregate for third party bodily injury, personal injury and property damage. Policy will include coverage for:
  - a. Premises / Operations
  - b. Broad Form Contractual Liability
  - c. Products and Completed Operations
  - d. Personal Injury
  - e. Broad Form Property Damage
2. Workers Compensation and Employer's Liability: Workers Compensation limits as required by the Labor Code of the State of Texas and Statutory Employer's Liability minimum limits of \$100,000 each accident, \$300,000 Disease- Policy Limit, and \$100,000 Disease- Each Employee.
3. Automobile Liability: \$500,000 Combined Single Limit. Limits can only be reduced if approved by the City. Automobile liability shall apply to all owned, hired, and non-owned autos.
4. Professional Liability aka Errors and Omissions: \$500,000 per occurrence and in the aggregate.

**C. DEDUCTIBLES AND SELF-INSURED RETENTIONS**

Any deductible or self-insured retentions in excess of \$10,000 must be declared to and approved by the City.

**D. OTHER INSURANCE PROVISIONS**

The policies are to contain, or be endorsed to contain the following provisions:

1. General Liability and Automobile Liability Coverages

- a. The City, its officers, officials, employees, boards and commissions and volunteers are to be added as “Additional Insured’s” relative to liability arising out of activities performed by or on behalf of the provider, products and completed operations of the provider, premises owned, occupied or used by the provider. The coverage shall contain no special limitations on the scope of protection afforded to the City, its officers, officials, employees or volunteers.
- b. The Provider’s insurance coverage shall be primary insurance in respects to the City, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees or volunteers shall be in excess of the Provider’s insurance and shall not contribute with it.
- c. Any failure to comply with reporting provisions of the policy shall not affect coverage provided to the City, its officers, officials, employees, boards and commissions or volunteers.
- d. The Provider’s insurance shall apply separately to each insured against whom the claim is made or suit is brought, except to the insured’s limits of liability.

2. Workers Compensation and Employer’s Liability Coverage:

The insurer shall agree to waive all rights of subrogation against the City, its officers, officials, employees and volunteers for losses arising from work performed by the provider for the City.

3. All Coverages:

Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled or non-renewed by either party, reduced in coverage or in limits except after 30 days written notice to the City for all occurrences, except 10 days written notice to the City for non-payment.

4. Professional Liability and / or Errors and Omissions:

“Claims made” policy is acceptable coverage which must be maintained during the course of the project, and up to two (2) years after completion and acceptance of the project by the City.

**E. ACCEPTABILITY OF INSURERS**

The City prefers that Insurance be placed with insurers with an A.M. Best’s rating of no less than **A- VI**, or better.

**F. VERIFICATION OF COVERAGE**

Service Provider shall provide the City with certificates of insurance indicating the coverages required. The certificates are to be signed by a person authorized by that insurer to bind coverage on its behalf. Certificates of insurance similar to the ACORD Form are acceptable. City will not accept Memorandums of Insurance or Binders as proof of insurance. The City reserves the right to require complete, certified copies of all required insurance policies at any time.