

**REQUEST FOR QUALIFICATIONS
CITY OF DRIPPING SPRINGS, TEXAS**

“AUDIT SERVICES”

The City of Dripping Springs is seeking Statement of Qualifications from qualified public accounting persons or firms to provide professional audit services for the City for the fiscal years ending September 30, 2022, September 30, 2023, and September 30, 2024 with an option to extend the term of the services by an additional two (2) years. The public accountants, hereinafter referred to as “Applicant,” which have Certified staff and more than three (3) years of experience in audit services as outlined in the SCOPE OF SERVICES section of this request will be eligible for consideration. The Applicant awarded the contract is referred to herein as “the Consultant.”

Sealed Statements of Qualifications marked “AUDIT SERVICES” must be submitted in one (1) original, five (5) copies, or one (1) electronic copy (in PDF format) on flash drive and shall be delivered to:

**Shawn Cox, Finance Director
City of Dripping Springs
P.O. Box 384/511 Mercer St.
Dripping Springs, Texas 78620**

The sealed STATEMENTS must be in a standard statement of qualifications format, and each statement must include a response to each item in the RFQ in the order given.

Statement of Qualifications are due on **October 11, 2022 at 2 p.m.** SOQs will be opened by City Staff at that time. Proposals will become public, as required by the Public Information Act, after the contract is awarded. The selected consultant must be able to **commence services on or after November 1, 2022.** This Request for Qualifications includes the proposed contract terms/conditions, and a detailed scope-of-work.

If additional information is requested, please email questions to scox@cityofdrippingsprings.com. Statement information may be picked up at the above address or viewed online at the city website at <http://www.cityofdrippingsprings.com/>.

**THE DEADLINE FOR SUBMITTING STATEMENTS OF QUALIFICATIONS
IS OCTOBER 11, 2022.**

All Statement of Qualifications must be submitted to the City on or before 2:00 p.m. on October 11, 2022.

Please clearly mark the outside of your sealed envelope as “Statement of Qualifications for Audit Services.” STATEMENTS OF QUALIFICATIONS MAY NOT BE FAXED OR E-MAILED. Statement of Qualifications received after the submission deadline shall be returned unopened and will be considered void and unacceptable. Dripping Springs is not responsible for delayed mail, carrier, etc. and the time/date stamp clock used upon receipt of any submittal in the City Hall shall be the official time of receipt.

The Statements of Qualifications filed with the City shall be opened at the time stated in the advertisement, or any subsequently issued addendum, and publicly read aloud; and shall thereafter remain on file with the City.

Schedule of Events:

The following Schedule of Events represents the estimate of the timetable that will be followed in connection with this solicitation:

EVENTS	DATE AND/OR TIME
Release Requests for Qualifications	9/15/2022
Last Day for Applicants to Submit Written Questions	9/23/2022 5 P.M.
Answers provided*	9/30/2022
Proposal Due Date	10/11/2022 2 P.M.
Evaluations	Between 10/11 to 10/14/2022
Contract Negotiations Begin	Following evaluations, on or after 10/14/22
Contract Award Date	Week of 10/18/2022 (if awarded)

The City reserves the right, at its sole discretion, to adjust this Schedule of Events as it deems necessary. If necessary, the City will communicate adjustments to any event in the Schedule of Events in the form of an amendment. **Amendments (answers/addenda) to this solicitation will be sent by email to interested parties who have contacted the City Administrator and requested a copy of this RFQ.**

Contract Period:

The term of this contract shall begin on or after November 1, 2022 and shall continue for a period of three (3) years with the City’s option to extend the contract for additional one-year (1) periods for a period of up to five (5) years total, with a renewal happening each one-year (1) period.

REQUEST FOR QUALIFICATIONS-AUDIT SERVICES

The City of Dripping Springs (“City”) intends to enter into **one** (1) contract with qualified and experienced public accounting firms/individuals whose principal officers are independent certified public accountants, herein “Applicant”, to audit its financial statement for the fiscal years ending September 30, 2022, September 30, 2023, and September 30, 2024, and, if renewed, for each of the two (2) subsequent fiscal years, ending at the latest on or about September 30, 2026.

These audits shall be performed in accordance with the following requirements:

- Generally accepted auditing standards;
- Standards set forth for financial audits in the most recent General Accounting Office's (GAO) Government Auditing Standards;
- Provisions of the Federal Single Audit Act of 1984, as amended by the Single Audit Act Amendments of 1996;
- Office of Management and Budget (OMB) Circular A-133, Audits of State and Local Governments; and
- Standards set forth in the Government Finance Officers Association’s (GFOA) Governmental Accounting, Auditing and Financial Reporting, Using the Governmental Accounting Standards Board, GASB 34 Model and standards for the GFOA’s Certificate for Achievement for Excellence in Financial Reporting program.

Applicants shall rely exclusively upon their own investigation and other data which are necessary for full and complete information upon which the submitted Statement of Qualifications may be based. Any Applicant, by its submittal, represents and warrants: that it has prepared its Statement of Qualifications in accordance with the RFQ, with full knowledge and understanding of the terms and provisions thereof; that the Applicant has reviewed, studied, and examined the proposal prior to the signing and submission of same; and that he was cognizant of the terms of his submittal, verified his calculations and found them to be correct, and agrees to be bound thereby.

Scope and Tasks of Services

1. **SCOPE OF WORK:** Applicant shall provide the following auditing services to be conducted in accordance with auditing standards generally accepted in the United States of America:

Express an opinion on the fair presentation of the City's basic financial statements in conformity with generally accepted accounting principles.

2. **REQUIRED ITEMS. SCHEDULES AND IMPACT TO CITY STAFF:** The City’s

Finance Director will be available during the audit to assist the successful Applicant by providing information, documentation, and explanations. The preparation of confirmations will be the responsibility of the City and the Applicant.

The specific services to be provided will be determined through a negotiation and mutual agreement between the City and the Consultant. The City expressly reserves the right to perform any part of the project itself or to use outside services as necessary.

3. Reporting to city management. Although the following is not required to be in written format, auditors shall assure themselves that the City Administrator and Finance Director are informed of each of the following:

- The auditor's responsibility under generally accepted auditing standards
- Significant accounting policies
- Management judgments and accounting estimates
- Significant audit adjustments
- Other information in documents containing audited financial statements
- Disagreements with management
- Management consultation with other accountants
- Major issues discussed with management prior to retention
- Difficulties encountered in performing the audit

Final Deliverables

The City will expect deliverables as follows:

A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles.

A report on compliance with applicable laws and regulations.

Attend a regular City Council meeting in Dripping Springs, (normally scheduled for 6:30 p.m. on the second and third Tuesdays of the month) and make a presentation to the City Council regarding the findings of the audit.

Additional deliverables may be required, depending upon the nature of the work and progress of the Project. All deliverables should be designed in accordance with Federal, State, and Local requirements.

The successful Applicant shall prepare the substantially complete draft financial statements, notes and all necessary supplementary schedules or information no later than January 31, 2023 and on January 31st of any subsequent year.

Selection Criteria

The Applicant must demonstrate that a professional accountant registered in the State of Texas will sign and seal the work to be performed under this contract and demonstrate that the prime provider will perform a minimum of 50% (fifty percent) of the actual contract work. The City will verify all Applicants' eligibility under state and local law and ensure no Applicant is considered that has been suspended or debarred from engaging in projects. The City may also choose, at its option, to meet and interview Applicants to aid in its selection.

The City will select the "best qualified" public accounting individual/firm to provide the type of services needed by the City. The firm selected must have previous experience in performing audits. The evaluation criteria will include assessment of the following factors:

Years of experience of the persons whose resumes have been submitted.

Qualifications of personnel who will work on the audit (not otherwise included in the resume).

Knowledge of the reporting requirements as well as the basic concepts and conventions underlying local government accounting and financial reporting principles, or a statement as to how such knowledge will be obtained prior to beginning work on the audit.

The overall satisfaction of other clients with the firm's services.

The selection will be based on the evaluation of the Statement of Qualifications submitted. The City will follow state law including Chapters 171 and 176 of the Texas Local Government Code and Article 2.02 of the City of Dripping Springs Code of Ordinances.

Each Qualification will be evaluated using the following criteria:

- Experience: municipal auditing services (30%)
- Work Performance: past performance based on reference (40%)
- Capacity to Perform (30%)

Total: 100%

Qualification Requirements

All Statement of Qualifications shall contain the following:

1. Your Statement of Qualifications, no longer than ten (10) pages, that includes experience, name and resumes of all persons who will or may be assigned to provide auditing assistance to the City.
2. Proof that the person(s) who will or may be assigned are licensed and qualified certified professional accountant(s) in the State of Texas.
3. Experience with a range of state and funding sources, including TxDOT Grants, Tax Increment Reinvestment Zones, Texas Water Development Board Loans, Public Improvement Districts, state and federal transportation project funding sources, etc.
4. Those forms attached to this proposal in Section F on which you are required to furnish other information, or which call for a signature.

Applicants must supply with their submittal, the name of at least three (3) and no more than five (5) local government clients, similar in size as the City or with a scope similar to the City's work, for whom the firm has performed similar auditing services. Include name of the municipality, address, telephone number, and name of representative with whom the City may speak.

5. The Applicant shall submit an hourly rate schedule for the principals and any audit staff who will or may be assigned to provide audit services to the City and any overhead rate or fees that would be charged for outside services.
6. Any other information requested.
7. Section 176.006 of the Texas Local Government Code requires a bidder/vendor to file a conflict of interest questionnaire if the vendor has a business relationship with the City and has:
 - a) an employment or other business relationship with an officer or an officer's family member that results in that person receiving taxable income that is more than \$2,500 (Twenty-Five-Hundred Dollars and Zero Cents) in the preceding twelve (12) months; or
 - b) has given an officer or an officer's family member one or more gifts totaling more than \$250 (Two-Hundred-Fifty Dollars and Zero Cents) in the preceding twelve (12) months.

A vendor/bidder is required to file a questionnaire not later than the seventh (7th) business day after the later of the following:

- the date the vendor begins discussions or negotiations to enter into a contract with the City or submits an application or response to a proposal; or
- the date the vendor becomes aware of a relationship or gives a gift to an officer or officer's family member.

State law requires that a vendor file an updated questionnaire with the City Clerk's office annually, before September 1st, and not later than the seventh (7th) business day after the date the originally filed questionnaire becomes incomplete or inaccurate. Compliance with this law is the responsibility of each bidder/vendor.

Note—only Form CIQ, adopted 11/30/2015 or as may be further amended, may be used.

Basis of Payment

The basis of payment will be Lump Sum.

General Requirements:

A. Independent Consultant

The selected Consultant shall not be an employee or officer of the City. The Consultant will act as an independent contractor and acquire no rights or benefits offered to employees of the City, its departments, or agencies.

B. General Liability Insurance/Professional Liability – See attached “City of Dripping Springs Contractor Insurance Requirements.”

Statement of Qualifications Submission Deadline:

A. Statements of Qualifications must be addressed to Shawn Cox, Finance Director and received at the City offices at 511 Mercer St, Dripping Springs TX 78620, Dripping Springs, TX, 78676 at or before: October 11, 2022 at 2 p.m.

STATEMENTS OF QUALIFICATIONS RECEIVED AFTER 2:00 PM WILL BE PLACED IN THE FILE UNOPENED AND WILL NOT BE CONSIDERED. NO EXCEPTIONS. NEITHER FAXED STATEMENTS OF QUALIFICATIONS NOR EMAILED STATEMENTS OF QUALIFICATIONS WILL BE ACCEPTED.

B. Statements of qualifications must be submitted in a sealed envelope clearly bearing the name of the Applicant and address and bearing the words: “STATEMENT OF QUALIFICATIONS FOR AUDIT SERVICES.”

- C. One (1) Original and five (5) copies or one (1) electronic copy (in PDF format) on flash drive, of the Statement of Qualifications are required.
- D. Applicants are encouraged to verify that the City of Dripping Springs agency contact, the Finance Director, has received Qualifications. Any Qualifications received after the deadline will not be accepted.

Award:

The City reserves the right to reject any or all Applicants.

After evaluations are complete, the City will rank the Applicants by total score, with the highest total score reflecting the best and most qualified Applicant. The City will enter into negotiations for compensation and other relevant issues with the Applicant deemed the best and most qualified.

In the event the City is unable to negotiate a mutually acceptable contract with the selected Applicant, it reserves the right to terminate negotiations with the first choice and enter into negotiations with the following choice, and so on until the City enters into a Contract with a qualified firm.

Written Agreement:

The chosen Consultant will be required to negotiate a written agreement with the City.

Omissions:

Should this solicitation fail to contain sufficient information in order for interested Applicants to obtain a clear understanding of the services required by the City, or should it appear that the instructions outlined in the solicitation are not clear or are contradictory, any interested Applicant may in writing request clarification from the Finance Director no later than five (5) days prior to the required time and date for statement of qualification submission. The interested Applicant shall email a copy of the written clarification request to the Finance Director, Shawn Cox, at scox@cityofdrippingsprings.com. Written requests from interested Applicants and written responses by the City will be provided to all Applicants.

Additional Information:

Contact with persons other than the Finance Director as provided above, may result in the disqualification of the Applicant's submittal. In fairness to all Applicants, the City will not communicate with anyone representing a potential provider of services during the RFQ process, except one (1) as contemplated under Omissions hereinabove, two (2) meetings and communications required to conduct business not related to the RFQ, and three (3) possible

personal presentations by Applicants after written submittals have been received and evaluated, if deemed necessary by City.

In addition, the City reserves the right to contact any Applicant for purposes of obtaining clarification of a submission, as deemed necessary after responses have been opened and also as contemplated above.

Cost of Developing Statements of Qualifications:

All costs related to the preparation of the statement of qualifications and any related activities are the sole responsibility of the Applicants. The City assumes no liability for any costs incurred by the Applicants throughout the entire selection process.

Document Ownerships

All submittals, including attachments and supplementary materials shall become, upon submission, property of the City of Dripping Springs and will not be returned to the submitting Applicant.

Attachments:

- Attachment “A”: City of Dripping Springs Contractor Insurance Requirements
- Attachment “B”: Response Form

CITY OF DRIPPING SPRINGS INSURANCE REQUIREMENTS

Consultant providing goods, materials, and services for the City of Dripping Springs shall, during the term of the contract with the City of Dripping Springs or any renewal or extension thereof, provide and maintain the types and amounts of insurance set forth herein. All insurance and certificate(s) of insurance shall contain the following provisions:

1. Name the City of Dripping Springs as additional named insured as to all applicable coverage.
2. Provide for at least ten (10) days prior written notice to the City of Dripping Springs for cancellation, non-renewal, or material change of the insurance.
3. Provide for a waiver of subrogation against the City of Dripping Springs for injuries, including death, property damage, or any other loss to the extent the same is covered by the proceeds of insurance.

Insurance Company Qualification: All insurance companies providing the required insurance shall be authorized to transact business in Texas and rated at least “A” by AM Best or other equivalent rating service.

Certificate of Insurance: Certificates of insurance evidencing all of the required insurance coverages shall be submitted with the Consultant’s submission. Copies of any modifications, amendments, renewals, or terminations of any coverage shall be promptly submitted to the City. If the contract is renewed or extended by the City of Dripping Springs, certificates of insurance evidencing all of the required insurance coverages shall also be provided to the City of Dripping Springs prior to the date the contract is renewed or extended.

Type of Contract Type and Amount of Insurance

- Statutory Workers Compensation insurance as required by state law.
- Commercial General Liability minimum limits of \$500,000 (Five-Hundred-Thousand Dollars and Zero Cents) per occurrence for bodily injury, personal injury, and property damage.
- Automobile Liability with a minimum of \$500,000 (Five-Hundred-Thousand-Dollars and Zero Cents) combined single limit.
- Professional Services Professional Liability Insurance with a minimum of \$1 Million Dollars and Zero Cents (\$1,000,000.00) per occurrence and \$1 Million Dollars and Zero Cents (\$1,000,000.00) aggregate.

RESPONSE FORM

RESPONDER:

Date:

Company:

Signature:

Printed Name:

Title:

Address:

Federal EIN #/SSN #

Authorized Signature _____ Date _____ Signature
indicates bidder accepts the specifications, terms, and conditions of this solicitation and that bidder is not delinquent on any payment due the City nor involved in any lawsuit against the City.

Print
Name _____ Title _____

REFERENCES:

Each Responder is to provide a minimum of three (3) verifiable business references for which the Responder has performed work. Up to two (2) additional references may be attached to this Statement of Qualifications.

Company Name:

Address:

Contact Person:

Telephone:

Brief description of project:

Company Name:

Address:

Contact Person:

Telephone:

Brief description of project:

Company Name:

Address:

Contact Person:

Telephone:

Brief description of project:

Please provide the following information for contract development. Is your firm:

Sole Proprietorship	YES	NO
Partnership	YES	NO
Corporation	YES	NO

If company is a sole proprietorship, list the owner's full legal name:

If company is a partnership, list the partner(s) full legal name(s):

If company is a corporation, list the full legal name as listed on the corporate charter: