

Hidalgo County is presently accepting statements of qualifications from interested Certified Public Accountants (CPAs) for the provision of Independent Financial Audit Services for the fiscal/calendar years ending December 31, 2007 and 2008. The County of Hidalgo intends to enter into a two-year audit engagement contract, with the County's option to renew for fiscal/calendar years 2009 and 2010, with a state-registered (Texas) CPA firm. The Hidalgo County Purchasing Department will receive sealed envelopes containing Statements of Qualifications for the provision of "**Independent Financial Audit Services-Hidalgo County-Request for Qualifications**" as specified herein. Statements of qualifications must be accepted until **9:30 A.M., Wednesday, _____**. **ANY RFQ RECEIVED AFTER THAT DATE AND TIME WILL NOT BE ACCEPTED AND WILL BE RETURNED UNOPENED.**

Deliver Submittal to:

RFQ No:07-261-00-00

Martha L. Salazar, CPPB, Purchasing Agent
Hidalgo County Purchasing Department
Administration Building
100 E. Cano, 4th Floor
Edinburg, Texas 78539

The Submittal Envelope Must Show the RFQ Number, Name and Acceptance Date.

The following outlines the Request For Qualifications:

SECTION I GENERAL TERMS AND CONDITIONS

ADDITIONAL INFORMATION: Hidalgo County is requesting that statements of qualifications be routed to Martha L. Salazar, CPPB, Purchasing Agent, at 100 E. Cano, 4th Floor, Edinburg, Texas 78539. **WRITTEN QUESTIONS WILL BE ACCEPTED VIA FACSIMILE BY NO LATER THAN Wednesday, _____, at 5:00 P.M. at (956) 318-2629.** Responses will be sent to all applicants via facsimile by Friday, _____. **TELEPHONE INQUIRIES WILL NOT BE ACCEPTED.**

DISCLOSURE OF CONFLICT OF INTEREST: Effective January 1, 2006, Chapter 176 of the Texas Local Government Code requires that any vendor, person, consultant or contractor considering doing business with Hidalgo County ("the County") to disclose in the Conflict of Interest Questionnaire (the "CIQ") attached as **Exhibit D**, the vendor, person consultant or contractor's affiliation or business relationship that might cause a conflict of interest with the County. By law, the CIQ must be filed with the Hidalgo County Clerk's Office no later than the seventh business day after the date the person becomes aware of facts that require that statement to be filed. The disclosure requirement applies to a person or business who contract or seeks to contract with Hidalgo County for the sale or purchase of property, goods or service. Any purchase order or contract resulting from this process shall be considered null and void if the successful bidder fails to comply with Texas Local Government Code Chapter 176. Vendors, consultants, contractors and others who desire to conduct business with Hidalgo County are

encouraged to refer to Texas Local Government Code Chapter 176 for the details of this law. An offense under Texas Local Government Code Chapter 176 is a Class C Misdemeanor.

Please submit complete CIQ forms to the Hidalgo County Clerk's Office located at 100 No. Closner, Edinburg, Texas 78539-Hidalgo County Courthouse **COMPLETION AND SUBMISSION OF FORM CIQ IS THE SOLE RESPONSIBILITY OF THE PROSPECTIVE BIDDER.**

PROPOSER'S AFFIDAVIT: Prior Contract award, respondents to this RFQ must submit a signed Proposer's Affidavit (attached herein in **Exhibit E**) certifying that the submission is (1) not the result of Collusion as described in the Proposer's Affidavit, (2) that the Respondent does not have a Conflict of Interest as described in the Proposer's affidavit or that the Respondent has not and will not attempt to lobby directly or indirectly as described in the Proposer's Affidavit.

NON-COLLUSION: Submitters, by submitting the signed Proposer's Affidavit, certify that the accompanying submission is not the result of, or affected by, any unlawful act of collusion with any other person or company engaged in the same line of business or commerce, or any other fraudulent act punishable under Texas or United States law.

NON-DISCRIMINATION: Submitters, during the performance of this contract, will not discriminate against any employee or applicant for employment because of race, religion, sex, national origin or disability except where religion, sex, national origin or disability is a bona fide occupational qualification reasonably necessary to the normal operation of the contractor.

CONFLICT OF INTEREST: Submitters must have a "non-conflict of interest" affidavit on file prior to contract award.

NON-COLLUSION: Submitters, by submitting a signed submission, certify that the accompanying submission is not the result of, or affected by, any unlawful act of collusion with any other person or company engaged in the same line of business or commerce, or any other fraudulent act punishable under Texas or United States law.

NON-DISCRIMINATION: Submitters, during the performance of this contract, will not discriminate against any employee or applicant for employment because of race, religion, sex, national origin or disability except where religion, sex, national origin or disability is a bona fide occupational qualification reasonably necessary to the normal operation of the contractor.

PROCESSING TIME FOR PAYMENT: Submitters are advised that a minimum of thirty (30) days is required to process invoices for payment.

ELECTRONIC TRANSMISSION OF BIDS: Hidalgo County's Purchasing Department will not accept telegraphic or electronically transmitted submissions.

PROOF OF FINANCIAL AND BUSINESS CAPABILITY: Submitters must, upon request, furnish satisfactory evidence of their ability to furnish products or services in accordance with the terms and conditions of these requirements as further detailed in Section II herein. Hidalgo County will make the final determination as to the submitter's ability.

SUBMITTER DEFAULT: Hidalgo County reserves the right, in case of submitter default, to

engage the services by negotiating the next ranked submitter from other sources and hold the defaulting submitter responsible for any excess costs occasioned thereby.

RESTRICTIVE OR AMBIGUOUS QUALIFICATIONS OR REQUIREMENTS: It is the responsibility of the submitter to review the Request for Qualifications (RFQ) packet and to notify the Purchasing Department if the requirements are formulated in a manner that would unnecessarily restrict participation. Any such protest or question regarding the qualifications, requirements or procedures must be received in the Purchasing Department not less than seventy-two hours prior to the time set for the acceptance of SOQ's. These criteria also apply to requirements that are ambiguous.

RFQ DELIVERY: Hidalgo County requires submitters, when hand delivering statement of qualifications, to have a Purchasing Department representative time/date stamp and initial the envelope when dropping RFQ off.

SIGNING OF QUALIFICATIONS: In order to be considered all submittals **must** be signed. **Please sign the original in blue ink.**

WAIVING OF INFORMALITIES: Hidalgo County reserves the right to waive minor informalities or technicalities when it is in the best interest of Hidalgo County.

SUBCONTRACTING: The successful submitter may not subcontract the award without the written consent of the Commissioners' Court of Hidalgo County.

SECTION II

RFQ REQUIREMENTS

Request For Qualifications: The required contents and limitations for the preparation of the RFQ are described in this section. Failure to provide the requested information or adhere to any County limitations will result in disqualification of the submitted RFQ. A total of **one (1) original and seven (7) copies** of the RFQ shall be submitted to the address on the cover letter.

Contents: The required contents for the RFQ are presented below in the order they should be incorporated into the submitted document.

Understanding of the Project: This section should demonstrate the submitter's understanding of the project needs, the services required, and any local issues or concerns. This description should be concise, candid, and limited to 3 pages in length.

OVERVIEW: The Independent Financial Audit Services for Hidalgo County consists of auditing the financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information for the County's fiscal/calendar years ending December 31, 2007 and 2008.

The scope of the audit of the County's basic financial statements will encompass an audit including, but not limited to the following:

- County of Hidalgo (Primary Government)

- Urban County Program (Related Agency)
- Head Start Program (Related Agency)
- Community Service Agency (Related Agency)

Firm Qualifications: The County of Hidalgo is requesting Statement of Qualifications from interested parties for the provision of Independent Financial Audit Services.

- **The Auditor must be a Certified Public Accountant (CPA) with a current license from the Texas State Board of Public Accountancy. An accounting firm other than a sole practitioner must be licensed by the Texas State Board of Public Accountancy.**
- **The Auditor or Audit Firm must submit along with the Statement of Qualifications, a copy of the current CPA License and a copy of the firms current "Peer Review".**

Additionally, this section should include a description of the firm's project personnel and their most recent similar projects. A list of clients to show experience in auditing governmental entities and in performing audits in accordance with the Single Audit Act Amendments of 1996. For each project, a current contact name and phone number should be included for reference purposes. Additionally, the names of the personnel proposed for this project who participated in the listed projects should be provided. This project list is limited to 5 pages.

Personnel and Staffing: The firm should provide an organizational chart for the project and a summary paragraph of the project work to be performed by each proposed staff member. Biographic summaries that highlight the experience relevant to the specific project responsibilities should be provided for all proposed personnel. There is a one (1) page limitation for each biographic summary provided.

Required Certifications and Submittals: This section will contain any licenses and certifications as required by the State of Texas, Hidalgo County and the Texas State Board of Public Accountancy. All interested parties are required to furnish a certification or acknowledgment stating that the auditor/accountant is/are free from suspension or debarment pursuant to federal regulation 45CRF76. Certification form is included in this packet and must be completed and submitted as part of the response on the RFQ/P. The participants should add copies of their current license from the Texas State Board of Public Accountancy.

SCOPE OF SERVICES: The services required by the Hidalgo County Independent Financial Audit Services/Certified Public Accountants, including but not limited to are as follows:

- The audit shall follow guidelines in accordance with the Single Audit Act Amendments of 1996, with Generally Accepted Accounting Principles (GAAP), Government Auditing Standards as promulgated by the United States General Accounting Office's (yellow book) and any other applicable auditing standards including GASB Statement No. 34.
- The Auditor's engagement letter shall state, among other things, that:
 - a. the audit will be performed in accordance with generally accepted auditing standards, Single Audit Act Amendments of 1996, Government Auditing Standards, and Government Accounting Standards Board (GASB)

Statement No. 34;

- b. the audit will be completed in final form as soon as possible, but in no event later than June 30, 2007 and June 30, 2008 as applicable; and
- c. audit testing can start in the later part of 2007 and 2008 to expedite the completion of the audit.
- d. one hundred and fifty copies of the audit report and management letter will be printed, bound and distributed, by the Independent Auditor as instructed by Hidalgo County.
 - A narrative concerning considerations that will be taken regarding fraud waste and abuse.
 - The number of auditors that will be assigned to the audit.
 - A list of clients to show experience in auditing governmental entities and in performing audits in accordance with the Single Audit Act Amendments of 1996.

Insurance: All other applicable insurances as required by Hidalgo County and as detailed in Exhibit "C" contained herein.

Term of Engagement/Contract: An initial letter of engagement to render an opinion on the County's Financial Statements for fiscal/calendar years ending December 31, 2007 and 2008, with the County's option to renew an additional two fiscal/calendar years ending December 31, 2009 and 2010 under the same rates, fees, terms and conditions.

OTHER INFORMATION: Information concerning the Audit requirements and the conditions of financial records can be obtained by contacting Ray Eufrazio, Hidalgo County Auditor; 100 East Cano, 3rd Floor; Edinburg, Texas. The Audited Annual Financial Report ending December 31, 2007 is available for review by interested parties at the Purchasing Department, 100 E. Cano, 4th Floor, Edinburg, Texas. This Report is also available online at www.hidalgocountyauditor.org

PROPOSERS ARE NOT TO PROVIDE A FEE SCHEDULE WITH THIS SUBMITTAL: The fee will be negotiated in accordance with the Professional Services Procurement Act, Tex. Govt. Code Ann. 2254.001), et seq., the Uniform Grant and the Contract Management Act of 1981. **Once selected for negotiations, proposer is to provide a fee proposal for the following scope of services/work, including the estimated number of hours and the audit cost proposal. A breakdown of the estimated hours and billing rates shall be submitted for all auditors, partners, support staff and owners involved in the audit.**

The County reserves the right to negotiate with any and all audit firms that submit Statements of Qualifications as per the Texas Professional Service Procurement Act and the Uniform Grant and Contract Management Act of 1981. The County of Hidalgo is an Affirmative Action/Equal Opportunity Employer.

NUMBER OF COPIES TO BE SUBMITTED: Hidalgo County requires one (1) original submittal and seven (7) copies of the Statement of Qualifications (SOQ's).

SECTION III

SELECTION AND SCHEDULES:

EVALUATION SYSTEM: The evaluation consists of a 100-point scoring system. However, after the 100-point evaluation, Hidalgo County Commissioner's Court may elect to narrow the participating firms and request a presentation from a representative from firms that have scored at least 80 points in order to finalize ranking. Such presentation will increment the total scoring points with up to 10 additional points for a maximum of 110 total scoring points.

Categories under the 100-point scoring system include the following listed criteria:

- 1) Professional Qualifications of Team (20 points).
- 2) Experience of Project Team/Availability to Commit Resources (25 points).
- 3) Experience/Availability of Project Manager (20points).
- 4) Understanding of Project (25 points).
- 5) Familiarity with Applicable Rules and Regulations (10)

Total = 100 points.

Categories are further detailed in the Selection Criteria (Exhibit B) section of this RFQ.

SELECTION PROCEDURES: The RFQ shall be submitted according to the schedule below. The respondent should be able to submit a Cost Proposal on short notice at a later time.

RFQ Submission: An original and seven (7) copies of RFQ's shall be submitted to:

Martha L. Salazar, Purchasing Agent
Hidalgo County Purchasing Department
Administration Building: 100 E. Cano, 4th Floor
Edinburg ,Texas 78539

RFQ/Scoring and Ranking:

- (A) Hidalgo County Commissioner's Court and/or an Evaluation Committee (selected and/or designated by County Commissioner's Court) will review, score and evaluate the written Statements of Qualifications (SOQ's) received in response to this Hidalgo County Request for Qualifications.
- (B) After the SOQ's have been reviewed, scored and evaluated, a grid will be presented to Commissioner's Court for the purposes of ranking. However, as detailed in the Selection Criteria (Exhibit B item 6), at the sole discretion of Commissioner's Court, a presentation may be requested from the participating firms that have scored at least 80 points in order to complete and finalize the ranking of the firms.

Negotiation Process: After ranking has been finalized, a fee proposal will be requested from the top-ranked firm. The County Commissioner's Court will then enter into negotiations process with the top ranked firm for the purpose of reaching an agreement. After an agreement is reached

and negotiation efforts are successful, a contract in an approved County format will be drafted and executed with the firm for the required services. If negotiations prove unsuccessful, Commissioner's Court will terminate negotiations with the firm and will contact the next highest ranked firm to open negotiations. This process will continue until negotiation efforts are successful. The County of Hidalgo reserves the right to reject any and all RFQs.

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