



**Hidalgo County Purchasing Department  
New Administration Building  
2812 S. Business Highway 281  
Edinburg, Texas 78539  
(956) 318-2626/ Fax: (956) 318-2629**

November 16, 2015

Re: **HIDALGO COUNTY**  
Request For Qualifications -**"Professional Auditing Services"**  
**RFQ No.: 2015-328-12-02-YZV**

Dear Respondents:

Enclosed please find a Request for Qualifications (RFQ) packet for you review and consideration.

Hidalgo County Purchasing Department welcomes and appreciates your participation in the RFQ process.

If any further assistance is required, please do not hesitate to call the Purchasing Department at (956) 318-2626.

Sincerely,

Martha L. Salazar, CPPB  
Hidalgo County Purchasing Agent

MLS/yzv

Enclosures



Hidalgo County Purchasing Department  
2812 S. Business Highway 281  
Edinburg, Texas 78539  
(956) 318-2626/ Fax: (956) 318-2629

Request for Qualifications (RFQ) Checklist  
Hidalgo County  
*"Professional Auditing Services"*  
RFQ No.: 2015-328-12-02-YZV

- 1) Request for Qualifications Letter, consists of  1  page.
- 2) Request for Qualifications, Legal Notice, consisting of  8  pages.
- 3) Exhibit "A" -Requirements with attachments, consisting of  21  pages.
- 4) Exhibit "B"- Evaluation Criteria & form consisting of  2  pages.
- 5) Exhibit "C"- Insurance Requirements, consisting of  4  pages.
- 6) Exhibit "D"- Conflict of Interest Questionnaire (CIQ), , consisting of  1  page.
- 7) Exhibit E, Proposer's/Participant's Affidavit, consisting of  1  page.
- 8) Vendor Application and Request for Taxpayers Identifications Number (W-9) form, consisting of  6  pages.
- 9) Certification Regarding Debarment, consisting of  1  page.

The above mentioned items shall be found in the Request for Qualifications (RFQ) packet that is attached herewith. Should you find that any of the items are not attached in its entirety please contact Purchasing by calling (956) 318-2626, advise of missing documentation, and Purchasing will forward information either through facsimile or by U.S. Mail.

Thank you.

---

Martha L. Salazar, CPPB, Purchasing Agent

November 16, 2015  
Date

RFQ NO. 2015-328-12-02

BUYER III: Yolanda Z. Velasquez

TEL: 956-318-2626

## REQUEST FOR QUALIFICATIONS

**Hidalgo County**  
Edinburg, Texas

**Hidalgo County**  
*“Professional Auditing Services”*

**ACCEPTANCE DATE:**  
**December 02, 2015**

Contact Person:

Martha L. Salazar, CPPB, Purchasing Agent  
Hidalgo County Purchasing Department  
2812 S. Hwy. 281  
Hidalgo County New Administration Building  
Edinburg, Texas 78539

(956) 318-2626



Form HCPD-04

1. **Scaled Statement of Qualifications** will be received for "**Hidalgo County- Professional Auditing Services**" in accordance with the requirements attached hereto as Exhibit "A." RFQ's should address all requirements set forth. Respondent's may suggest substitutions of features which they feel would be in the best interest of Hidalgo County ("County"). Strong rationale must be presented for any deviation from the requirements. Hidalgo County reserves the right to reject the deviation and its effect on the overall RFQ.
2. One (1) original and seven (7) copies of all RFQ's are required, with the respondent's name and address clearly typed/printed on upper left hand corner and the proper notation clearly typed/printed on the lower left hand corner of the envelope and/or package, **REQUEST FOR QUALIFICATION -RFQ NO. 2051-328-12-02-YZV-"HIDALGO COUNTY-PROFESSIONAL AUDITING SERVICES"** and in County's Purchasing Department, 2812 S. Hwy. 281, Hidalgo County New Administration Building, Edinburg, Texas, **on or before 9:30 a.m., Wednesday December 02, 2015.**

NO FACSIMILES OR LATE ARRIVALS WILL BE ACCEPTED. ANY RFQ RECEIVED AFTER THAT TIME WILL NOT BE OPENED AND WILL BE RETURNED. OVERNIGHT MAIL MUST ALSO BE PROPERLY LABELED ON THE OUTSIDE OF EXPRESS ENVELOPE OR PACKAGE WITH THE FOLLOWING REFERENCE: **RFQ NO.2015-328-12-02-YZV "Hidalgo County-Professional Auditing Services"**.

Hidalgo County reserves the right to refuse and reject any/all RFQs and to waive any/all formalities or technicalities, or to accept the RFQ considered the best and most advantageous to Hidalgo County.

**WRITTEN QUESTIONS WILL BE ACCEPTED NO LATER THAN Tuesday, December 20, 2011 at 5:00 p.m.** Responses will be sent to all applicants via facsimile by **Thursday, December 22, 2011 at 5:00 p.m.** **TELEPHONE INQUIRIES WILL NOT BE ACCEPTED.**

3. Hidalgo County reserves the right to separate and accept, or eliminate any item(s) listed under this qualification that it deems necessary to accommodate budgetary and/or operational requirements. Hidalgo County also reserves the right to reject any or all qualifications submitted and further reserves the right to design the evaluation criteria to be used in selecting the lowest and best statement of qualifications for approval. Receipt of any qualification shall under no circumstances obligate County to accept the lowest dollar statement of qualification. The award of this contract shall be made to the responsible offeror whose qualification is determined to be the best evaluated offer resulting from negotiation, taking into consideration the relative importance of price and other evaluation factors as herein set forth.
4. Failure of the delivered item to perform as specified or failure to meet the stated delivery schedule shall release Hidalgo County from all obligations to the contracting party with regard to the item(s) in question. In such event, County may elect to award the contract to the next-lowest responsible respondent, or to reject all RFQs and re-advertise.

5. For work to be performed at a County-owned or operated location, each vendor shall, in its sole discretion, visit the job site before preparing the RFQ and thoroughly familiarize himself/herself with existing conditions. Respondent should take field dimensions and note all circumstances which affect the RFQ.
6. No RFQ may be withdrawn within ninety (90) days from the scheduled time to accept RFQs.
7. Any interpretations, amendments, corrections or changes to this RFQ document must be in a written addendum and signed by the County Judge or his designee. Addenda will be mailed to all who are known to have received a copy of the Request for Qualification. Respondents shall acknowledge receipt of all addenda as a part of their RFQ.
8. County reserves the right to accept or reject any or all RFQs.
9. Costs are to be net F.O.B. destination, County Prepaid.
10. County is exempt from Federal Excise Tax, State Tax and Local Tax. Tax exemption certificates will be furnished upon request.
11. Funds for this procurement have been provided through the County budget for this fiscal year only. County, on an annual basis, has the right to reconsider a contract during the budget process for ensuing years if financial resources of County are insufficient to meet the liabilities of said contract. The award of a qualification or contract hereunder will not be construed to create a debt of the County which is payable out of funds beyond the current fiscal year.
12. Upon award and prior to execution of a contract, Sole Proprietorships are required to submit a copy of their social security card to the Hidalgo County Auditor's Office in order to establish an account with the County. All awarded vendors must submit a completed W-9 and a copy of their Federal ID Number Certificate.
13. **DELIVERY INSTRUCTIONS** (for applicable goods and/or services):
  - No deliveries accepted after 3:00 P.M., Monday-Friday.
  - At least seventy two (72) hours prior notice of delivery must be given to Martha L. Salazar, CPPB, Purchasing Agent, before delivery will be accepted.
  - If you need additional information call the office listed below:

Hidalgo County Purchasing Department  
Martha L. Salazar, CPPB, Purchasing Agent  
(956) 318-2626

14. **BILLING AND PAYMENT INSTRUCTIONS:**

- Invoices must include:
  - a) Name and address of successful vendor
  - b) Name and address of receiving department or official
  - c) Purchase Order Number (if any)
  - d) Notation - **"Hidalgo County -Professional Auditing Services"**
  - e) Descriptive information as to the items or services delivered, including product code, item number, quantity, etc.
  - f) Contract number must be indicated on all invoices
- Discount payments will be considered when offered.
- Contact person for Billing and Payment questions:

Ray Eufrazio, Auditor  
 Hidalgo County Auditor's Office  
 2808 South Business Hwy 281  
 Edinburg, Texas 78539  
 ATTN.: Accounts Payable  
 (956) 318-2511

15. **SCHEDULE OF EVENTS**

|                                   |                          |
|-----------------------------------|--------------------------|
| <b>RFQ Acceptance, 9:30 A.M.</b>  | <u>December 02, 2015</u> |
| Award of Contract                 | _____, 2015              |
| Commence Work or Deliver Products | _____, 2015              |

16. ~~Bid OR PERFORMANCE BOND AND~~ **DEBARMENT CERTIFICATION;**  
**PAYMENT UNDER CONTRACT:**

- ~~If the contract proposed is for the construction of public works or is for a contract for goods and services exceeding \$100,000, all bidders shall furnish a good and sufficient bid bond in the amount of five percent of the total contract price. A bid bond must be executed with a surety company authorized to do business in Texas. All participants are also required to furnish a certification or acknowledgment stating that the contractor or vendor is free from suspension or debarment pursuant to federal regulation 45CFR76.~~
- ~~Together with the signing of a contract or issuance of a purchase order following the acceptance of a proposal, and prior to commencement of the actual work, the respondent shall furnish a performance bond to the County for the full amount of the contract, if that contract exceeds \$50,000.~~
- ~~If the contract is for \$50,000 or less, no money will be paid to the contractor until completion and acceptance of the work or the fulfillment of the purchase obligation to~~

~~the County, and, if applicable, the receipt by County of satisfactory evidence that all subcontractors and materialmen have been paid.~~

- ~~• If a contract is for the construction, alteration or repair of public buildings or public works, the contractor *shall* provide a payment bond for a contract in excess of Twenty Five Thousand Dollars (\$25,000.00), as required by Tex. Govt. Code Ch. 2253.~~
- ~~• For requirements contracts, bond requirements are determined by applying the proposed unit price to the estimated quantities included in the specifications.~~

17. **ETHICAL STANDARDS:**

- It shall be a breach of ethics to offer, give or agree to give any elected official, department head or employee, or former elected official, department head or employee, of the County, or for any elected official, department head or employee or former elected official, department head or employee of the County, to solicit, demand, accept or agree to accept from another person, entity or organization, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparation or any part of a program requirement or purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy, or other particular matter pertaining to any program requirement or a contract or subcontract, or to any solicitation or qualification therefore pending before any department or agency of the County.
- It shall be a breach of ethics for any payment, gratuity or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor for any contract for the County, or any person associated therewith, as an inducement for the award of a subcontract or order.
- No public official shall have an interest in a contract awarded hereunder except in accordance with Tex. Loc. Govt. Code Chapter 171.

18. **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 contracts 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 completed forms to the Hidalgo County Clerk's Office located at 100 N. Closner, Edinburg, Texas 78539-Hidalgo County Courthouse**

**COMPLETION AND SUBMISSION OF FORM CIQ IS THE SOLE RESPONSIBILITY OF THE PROSPECTIVE BIDDER.**

19. If, during the life of any contract or awarded, the successful respondent's net prices generally available to other customers for items awarded herein are reduced below the contracted price, it is understood and agreed that the benefits of such reduction shall be extended to County.
20. Statement of Qualifications, and all goods and services provided thereunder, shall comply with all federal, state and local laws concerning this type(s) of goods and/or services.
21. Minimum Standards For Responsible Prospective Respondents: A prospective respondent must affirmatively demonstrate respondents responsibility. A prospective respondent, by submitting a statement of qualificaion, represents to County that it meets the following requirements:
  - Possess or is able to obtain adequate financial resources as required to perform under the proposal;
  - Be able to comply with the required or proposed delivery schedule;
  - Have a satisfactory record of performance;
  - Have a satisfactory record of integrity and ethics;
  - Be otherwise qualified and eligible to receive an award.
22. Successful respondent will pay or cause to be paid, without cost or expenses to County, all FICA, FUTA/SUTA and Federal Income Withholding Taxes of all employees, and all wages and benefits as required by Federal or State law. Successful respondent's officers, agents and/or employees will not be entitled to any benefits of an employee or elected official of County, including, but not limited to, benefits associated with County's civil service system.
23. Any contract award to a successful respondent will be in effect until (a) the contract expires, (b) delivery and acceptance of products, and/or performance of services ordered, or (c) terminated by County with thirty (30) day's written notice prior to cancellation.
24. County reserves the right to enforce performance of any contract awarded hereunder in any manner prescribed by law or deemed to be in the best interest of the County in the event of breach or default by successful respondent; County reserves the right to

terminate any contract immediately in the event a successful respondent fails to:

- A. Meet schedules;
  - B. Pay any required fees or taxes; or
  - C. Otherwise perform in accordance with the requirements.
25. Successful respondent shall defend, indemnify and save harmless County and all its elected officials, officers, agents and employees from all suits, actions, or other claims of any character, name and description brought for or on account of any injuries or damages received or sustained by any person, persons, or property on account of any negligent act or fault of the successful respondent, or of any agent, employee, subcontractor or supplier in the execution of, or performance under, any contract which may result from proposal award. Successful respondent indemnifies and will indemnify and save harmless County from liability, claim or demand on their part, agents, servants, customers, and/or employees whether such liability, claim or demand arise from event or casualty happening or within the occupied premises themselves or happening upon or in any of the halls, elevators, entrances, stairways or approaches of or to the facilities within which the occupied premises are located. Successful respondent shall pay any judgment with costs which may be obtained against County growing out of such injury or damages, and shall, upon request, provide a defense to County by counsel reasonably acceptable to County. Successful respondent's indemnity hereunder shall include, but is not limited to, claims relating to patent, copyright or trademark infringement, and the like, arising out of the goods or services provided by successful respondent.
26. Successful respondent shall warrant that all items/services shall conform with the specifications and/or all warranties provided under the Uniform Commercial Code and be free from all defects in material, workmanship and the like. Items supplied under a contract pursuant to this Request for Qualification shall be subject to County's approval. Items found to be defective or not meeting specifications shall be replaced by successful respondent within two business days at no expense to County. Items not picked up within one (1) week after notification shall be deemed a donation to County and may be used or disposed of at County's discretion and without waiver of any other rights of County as to the item's nonconformity.
27. This document and any disputes arising hereunder shall be governed and construed according to the laws of the State of Texas, and will be performable exclusively in Hidalgo County, Texas.
28. The successful respondent shall not assign, sell, transfer or convey its rights under any awarded contract, in whole or in part, without the prior written consent of County.
29. Respondents shall provide with the RFQ's response, a list of at least three (3) references where like services have been supplied by their firm. Include the name of the business or government, address, telephone number and name of representative or contact person.
30. Respondents must provide **all** documentation requested with this Proposal in their response. Failure to provide this information may result in rejection of the proposal as non-conforming.

**Request for Qualifications**  
for  
**Hidalgo County**  
**Professional Auditing Services**

To: Martha L. Salazar, CPPB, Purchasing Agent  
Hidalgo County Purchasing Department  
2812 S. Hwy. 281  
Hidalgo County New Administration Building  
Edinburg, Texas 78539

In accordance with the Requirements, and subject to all laws and regulations of the United States and state and local laws, the undersigned respondent proposes and commits to furnish all labor, equipment, material, software and services as set forth in the documents hereinbefore mentioned. The undersigned bidder further agrees, upon acceptance of its qualification, to execute a contract and/or Purchase Order issued by Hidalgo County for performing and completing the work described in the Requirements within the time stated and for the prices proposed in the documents attached hereto and made a part hereof.

Respondent acknowledges receipt of all of the pages of the documents referenced in the Request For Qualifications Checklist presented in connection with this procurement. Respondent understands that Hidalgo County reserves the right to reject any or all RFQs and further reserves the right to design the evaluation criteria to be used in selecting the lowest and best qualification.

Respondent agrees that this qualification shall be good and may not be withdrawn for a period of ninety (90) calendar days after the scheduled closing time for accepting RFQs, as contained in the Requirements.

Respectfully submitted,

Bidder:

Address:

By:

Printed Name:

Title:

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**EXHIBIT "A"**

COUNTY OF HIDALGO, TEXAS

HIDALGO COUNTY PURCHASING DEPARTMENT

REQUEST FOR QUALIFICATIONS

FOR

*"Professional Auditing Services"*

ADMINISTRATION BUILDING  
2802 S. BUSINESS HWY 281  
EDINBURG, TEXAS 78539

COUNTY OF HIDALGO, TEXAS  
REQUEST FOR QUALIFICATIONS  
**TABLE OF CONTENTS**

- I. INTRODUCTION
  - A. General Information
  - B. Term of Engagement
  - C. Subcontracting
  
- II. NATURE OF SERVICES REQUIRED
  - A. General
  - B. Scope of Work to be Performed
  - C. Auditing Standards to be Followed
  - D. Reports to be Issued
  - E. Special Considerations
  - F. Working Paper Retention and Access to Working Papers
  
- III. DESCRIPTION OF THE GOVERNMENT
  - A. Name and Telephone Number of Contact Persons/ Organizational Chart/ Location of Offices
  - B. Background Information
  - C. Fund Structure
  - D. Budgetary Basis of Accounting
  - E. Federal and State Financial Assistance
  - F. Pension Plans
  - G. Component Units
  - H. Magnitude of Finance Operations
  - I. Computer Systems
  - J. Internal Audit Function
  - K. Availability of Prior Reports and Working Papers
  
- IV. TIME REQUIREMENTS
  - A. Schedule for the 2015 Fiscal Year Audit
    - 1. Interim Work
    - 2. Detail Audit Plan and Programs
    - 3. Fieldwork
    - 4. Draft Reports
  - B. Entrance Conferences, Progress Reporting and Exit Conferences
  - C. Date Final Report is Due
  
- V. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION
  - A. Finance Department and Clerical Assistance
  - B. Statements and Schedules to be Prepared by the Staff of the County
  - C. Work Area, Telephones, Photocopying and FAX Machines
  - D. Report Preparation

## VI. QUALIFICATIONS REQUIREMENTS

### A. General Requirements

1. Inquiries
2. Submission of Qualifications

### B. Qualifications Format

1. General Requirements
2. Independence
3. License to Practice in Texas
4. Firm Qualifications and Experience
5. Partner, Supervisory and Staff Qualifications and Experience
6. Prior Engagements with the County
7. Similar Engagements with Other Government Entities
8. Specific Audit Approach
9. Identification of Anticipated Potential Audit Problems
10. No Fee Schedule

## VII. EVALUATION PROCEDURES

### A. Audit Committee

### B. Review of Qualifications

### C. Required compliance elements and evaluation criteria

1. **Step 1: Required Compliance Elements:**
2. **Step 2: evaluation criteria:**

### D. Negotiation process- evaluation criteria

### E. Right to Reject Qualifications

## APPENDICES

### A. Organizational Chart

### B. List of Principal Officials

### C. Format for Schedule of Professional Fees and Expenses

COUNTY OF HIDALGO, TEXAS  
REQUEST FOR QUALIFICATIONS

**I. INTRODUCTION**

**A. General Information**

The County of Hidalgo, Texas (the County) is requesting Statements of Qualifications from qualified firms of certified public accountants to audit its financial statements for fiscal years 2015 and 2016, with the option of auditing its financial statements for fiscal years 2017 and 2018. These audits are to be performed in accordance with generally accepted auditing standards, the standards set forth for financial audits in the U.S. Government Accountability Office's (GAO) *Government Auditing Standards* (1994), the provisions of the federal Single Audit Act of 1984 (as amended in 1996), and U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

Any inquiries concerning the Request for Qualifications should be submitted in writing via facsimile to (956) 318-2629 or Email to  yolanda.velasquez@co.hidalgo.tx.us  by no later than 5:00 pm., Monday, November 23, 2015. Responses to inquiries submitted will be provided to all participants by Wednesday, November 25, 2015 by 5:00 p.m..

To be considered, one (1) original and seven (7) copies of statements of qualifications must be received and time stamped in the Hidalgo County Purchasing Department by 9:30 a.m. on Wednesday, November 25, 2015.

All Statements of Qualifications must be submitted in a sealed envelope with the participants name and address on the upper left hand corner and the RFQ number, opening date and time on the lower right hand corner clearly marked on the outside of the envelope. If an overnight delivery service is used, the above notations must be clearly marked on the outside of the delivery service envelope.

Sealed Statements of Qualifications may be hand-delivered or mailed to:

| <b>Physical Address:</b>   | <b>Mailing Address:</b>  |
|--|--|
| Ms. Martha L. Salazar, CPPB,<br>Hidalgo County Purchasing Agent<br>2802 S. Business Hwy 281<br>Edinburg, Texas 78539 | Ms. Martha L. Salazar, CPPB,<br>Hidalgo County Purchasing Agent<br>2812 S. Business Hwy 281<br>Edinburg, Texas 78539 |

Facsimile and electronic mail transmittals will not be accepted.

Any Statements of Qualifications received after the submission deadline will not be opened and will be returned. The County is not responsible for lateness of mail, courier service, etc.

The County reserves the right to reject any or all Statements of Qualifications submitted. Submission of a Statement of Qualifications indicates acceptance by the firm of the conditions contained in this Request for Qualifications unless clearly and specifically noted in the Statement of Qualifications submitted and confirmed in the contract between the County and the firm selected.

**B. Term of Engagement**

A two-year contract is contemplated with the option of two (2) additional one-year renewals subject to the satisfactory negotiation of terms (including a price acceptable

to both the County and the selected firm), the concurrence of the Commissioners Court, and the annual availability of an appropriation.

### C. Subcontracting

Subcontracting will not be allowed without the express prior written consent of the Commissioners Court.

## II. NATURE OF SERVICES REQUIRED

### A. General

The County of Hidalgo, Texas (the County) is soliciting the services of qualified firms of certified public accountants to audit its financial statements for fiscal years 2015 and 2016, with the option to audit the County's financial statements for fiscal years 2017 and 2018. These audits are to be performed in accordance with the provisions contained in this Request for Qualifications.

### B. Scope of Work to be Performed

The County desires the auditor to express an opinion on the fair presentation of its governmental activities, its business-type activities, its component unit, each of its major funds, and its aggregate remaining fund information in conformity with generally accepted accounting principles.

The County also desires the auditor to express an opinion on the fair presentation of its combining and individual fund financial statements and schedules in conformity with generally accepted accounting principles. The auditor is not required to audit the supporting schedules contained in the comprehensive annual financial report. However, the auditor is to provide an "in-relation-to" opinion on the supporting schedules based on the auditing procedures applied during the audit of the basic financial statements and the combining and individual fund financial statements and schedules. The auditor is not required to audit the introductory section of the report or the statistical section of the report.

The auditor shall also be responsible for performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards.

The auditor is not required to audit the schedule of expenditures of federal and state awards. However, the auditor is to provide an "in-relation-to" report on that schedule based on the auditing procedures applied during the audit of the financial statements.

### C. Auditing Standards to be Followed

To meet the requirements of this Request for Qualifications, the audit shall be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, the standards for financial audits set forth in the U.S. Government Accountability Office's *Government Auditing Standards* (1994), the provisions of the Single Audit Act of 1984 (as amended in 1996), the provisions of U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the Texas Government Code Section 2256.005(m)

#### D. Reports to be Issued

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue:

1. A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles, including an opinion on the fair presentation of the supplementary schedule of expenditures of federal awards in relation to the audited financial statements.
2. A report on compliance and internal control over financial reporting based on an audit of the financial statements.
3. A report on compliance and internal control over compliance applicable to each major federal program.
4. A report on compliance and internal control over compliance applicable to each major state program.

In the required reports on compliance and internal controls, the auditor shall communicate any significant deficiency or material weakness found during the audit. A *significant deficiency* shall be defined as a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected. A *material weakness* shall be defined as a significant deficiency or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected. Significant deficiencies that are also material weaknesses shall be identified as such in the report.

Control deficiencies discovered by the auditors that are neither significant deficiencies nor material weaknesses shall be reported in a separate letter to management, which shall be referred to in the reports on compliance and internal controls. A *control deficiency* shall be deemed to have occurred whenever the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

The reports on compliance and internal controls shall include all instances of noncompliance.

Irregularities and illegal acts. Auditors shall be required to make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the following parties:

- Commissioners Court Executive Officer
- County Auditor

Auditors shall assure themselves that the County is informed of each of the following:

1. The auditor's responsibility under generally accepted auditing standards
2. Significant accounting policies
3. Management judgments and accounting estimates
4. Significant audit adjustments

5. Other information in documents containing audited financial statements
6. Disagreements with management
7. Management consultation with other accountants
8. Major issues discussed with management prior to retention
9. Difficulties encountered in performing the audit

#### E. Special Considerations

1. The financial statements of the Hidalgo County Drainage District No. 1 (the District) are included as a component unit of the financial statements of the County of Hidalgo, Texas.
2. The County will send its comprehensive annual financial report to the Government Finance Officers Association of the United States and Canada for review in their Certificate of Achievement for Excellence in Financial Reporting program. It is anticipated that the auditor will not be required to provide special assistance to the County to meet the requirements of that program.
3. The County currently anticipates it will prepare one or more official statements in connection with the sale of debt securities which will contain the general purpose financial statements and the auditor's report thereon. The auditor shall be required, if requested by the fiscal advisor and/or the underwriter, to issue a "consent and citation of expertise" as the auditor and any necessary "comfort letters."
4. The County has determined that the United States Department of Health and Human Services will function as the cognizant agency in accordance with the provisions of the Single Audit Act of 1984 (as amended in 1996) and U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.
5. The Schedule of Expenditures of Federal and State Awards and related auditor's report, as well as the reports on compliance and internal controls are to be issued as part of the comprehensive annual financial report.

#### F. Working Paper Retention and Access to Working Papers

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

- County of Hidalgo, Texas
- U.S. Department of Health & Human Services
- U.S. Government Accountability Office (GAO)
- Parties designated by the federal or state governments or by the County as part of an audit quality review process
- Auditors of entities of which the County is a sub-recipient of grant funds

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

### III. DESCRIPTION OF THE GOVERNMENT

#### A. Name and Telephone Number of Contact Persons/Organizational Chart/Location of Offices

The auditor's principal contact with the County will be Mr. Raymundo Eufracio, County Auditor, or a designated representative, who will coordinate the assistance to be provided by the County to the auditor.

The auditor's principal contact with the Hidalgo County Head Start Program will be Ms. Teresa Flores, Director, or a designated representative, who will coordinate the assistance to be provided by the Head Start Program to the auditor.

The auditor's principal contact with the Hidalgo County Urban County Program will be Ms. Diana Serna, Director, or a designated representative, who will coordinate the assistance to be provided by the Urban County Program to the auditor.

The auditor's principal contact with the Hidalgo County Community Service Agency will be Mr. Jaime Longoria, Director, or a designated representative, who will coordinate the assistance to be provided by the Community Service Agency to the auditor.

An organizational chart (Appendix A) and a list of principal officials (Appendix B) are attached.

#### B. Background Information

The County of Hidalgo, Texas serves an area of 1,570 square miles with an estimated population of 831,073 in 2014. The County's fiscal year begins on January 1 and ends on December 31.

The County provides the following services to its citizens:

- Administration of justice
- Public safety
- Health and welfare services
- Construction and maintenance of roads and other infrastructure
- Sanitation services
- Recreational and cultural activities

The County has a total payroll of \$109,815,085 covering 2997 employees.

The County is organized into 67 departments and agencies. The accounting and financial reporting functions of the County are decentralized. The County's Head Start Program, Urban County Program, and Community Service Agency each maintain their own separate financial accounting systems.

More detailed information on the government and its finances can be found in the County's Comprehensive Annual Financial Report (CAFR), Single Audit, and Annual Operating Budget. These documents can be found on the County's website located at <http://www.co.hidalgo.tx.us/>. The County's CAFR and Single Audit may also be obtained by contacting the County Auditor's Office at 2808 S. Business Hwy 281, Edinburg, Texas 78539. The County's Annual Operating Budget may also be

obtained by contacting the Department of Budget and Management at 2818 S. Business Hwy 281, Edinburg, Texas 78539.

C. Fund Structure

The County uses the following fund types and account groups in its financial reporting:

| Fund Type   | Number of Individual Funds | Number With Legally Adopted Annual Budgets |
|---|----------------------------|--|
| General fund                                      | 1                          | 1  |
| Special revenue funds                             | 51                         | 32   |
| Debt service funds                                | 14                         | 14   |
| Capital projects funds                            | 18                         | 0  |
| Enterprise funds                                  | 2                          | 0  |
| Internal service funds                            | 2                          | 0  |
| Private-purpose trust funds                       | 8                          | 0  |
| Pension (and other employee benefits) trust funds | 1                          | 0  |
| Agency funds                                      | 12                         | 0  |

D. Budgetary Basis of Accounting

The County prepares its budgets on a basis consistent with generally accepted accounting principles.

E. Federal and State Financial Assistance

During fiscal year 2014; the County expended \$101,088,332 in federal and state awards. Please refer to the County' fiscal year 2014 Single Audit at <http://www.co.hidalgo.tx.us/index.aspx?NID=448> for a complete list of all federal and state awards.

F. Pension Plans

The County participates in the following pension plans:

| Plan  | Type   | Actuary                                  |
|---|--|--|
| Texas County and District Retirement System           | Multiple-employer defined benefit contribution | Lewis & Ellis, Inc.                      |
| Hidalgo County Affiliated Departments Retirement Plan | Tax-deferred money purchase pension plan       | The Pension Company Consulting Actuaries |

G. Component Units

The reporting entity is defined, for financial reporting purposes, in conformity with the Governmental Accounting Standards Board's Statement No. 14, *The Financial Reporting Entity*. Using these criteria, the management of the County identified the following component unit for inclusion in the County's financial statements:

Hidalgo County Drainage District No. 1

The auditors of the District are contractually obligated to provide information needed for the audit of the County.

H. Magnitude of Finance Operations

The County's finance department is headed by Mr. Raymundo Eufrazio, County Auditor, and consists of 46 employees. The principal functions performed and the numbers of employees assigned to each are as follows:

| Function             | Number of Employees |
|----------------------|---------------------|
| Accounts Payable     | 15                  |
| Internal Audit       | 11                  |
| Financial Accounting | 7                   |
| Grants Accounting    | 7                   |

The Hidalgo County Head Start Program's finance department is headed by Ms. Teresa Flores, Director, and consists of 5 of employees.

The Hidalgo County Urban County Program's finance department is headed by Ms. Diana Serna, Director, and consists of 6 of employees.

The Hidalgo County Community Service Agency's finance department is headed by Mr. Jaime Longoria, Director, and consists of 6 of employees.

I. Computer Systems

| Primary Government                      | Financial Accounting System    | Vendor                      |
|---|--------------------------------|-----------------------------|
| Hidalgo County                          | alio                           | Weidenhammer Systems, Corp. |
| Hidalgo County Head Start Program       | MIP Fund Accounting            | Abila                       |
| Hidalgo County Urban County Program     | Financial Edge                 | Blackbaud                   |
| Hidalgo County Community Service Agency | IBM AS-400 Accounting Software | Internally developed.       |

J. Internal Audit Function

The County maintains an internal audit function that reports to the County Auditor and is staffed by 11 employees. All 10 members of the internal audit staff have a BBA degree and 2 members have a master's degree.

K. Availability of Prior Audit Reports and Working Papers

Interested participants who wish to review prior years' audit reports and management letters should contact the County Auditor's Office at 2808 S. Business Hwy 281, Edinburg Texas 78539 (956) 318-2511. The County Auditor's Office will use its best efforts to make prior audit reports and management letters available to participants to aid their response to this request for qualifications.

**IV. TIME REQUIREMENTS**

- A. Schedule for the 2015 Fiscal Year Audit (A similar time schedule will be developed for audits of future fiscal years).

Each of the following should be completed by the auditor no later than the dates indicated.

1. Detailed Audit Plan

The auditor shall provide the County on a later date to be determined both a detailed audit plan and a list of all schedules to be prepared by the County.

2. Fieldwork

The auditor shall complete all fieldwork by April 30.

3. Draft reports

The auditor shall have drafts of the audit reports and recommendations to management available for review by the County Auditor by May 20.

B. Entrance Conferences, Progress Reporting and Exit Conferences (A similar time schedule will be developed for audits of future fiscal years).

At a minimum, the following conferences should be held:

|  |  |
|--|--|
| Entrance conference with County Auditor and department heads of key offices or programs    | The purpose of this meeting will be to discuss prior audit problems and to establish overall liaison for the audit and to make arrangements for work space and other needs of the auditor. |
| Progress conference(s) with County Auditor and department heads of key offices or programs | The purpose of this meeting(s) will be to discuss the status of the audit and preliminary findings related to key internal controls or other matters tested.                               |
| Exit conference with County Auditor and department heads of key offices or programs        | The purpose of this meeting will be to summarize the results of the field work and to review significant findings  |

C. Date Final Report is Due

The County Auditor's Office shall prepare draft financial statements, notes, all required supplementary schedules, and statistical data by May 31. The auditor shall provide all recommendations, revisions and suggestions for improvement to the County Auditor by June 10.

The County Auditor's Office will complete their review of the draft report as expeditiously as possible. It is not expected that this process should exceed one week. During that period, the auditor should be available for any meetings that may be necessary to discuss the audit reports. Once all issues for discussion are resolved, the final signed reports shall be delivered to the Commissions Court by June 28.

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

A. Finance Department and Clerical Assistance

The finance department staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation and explanations. The preparation of confirmations will be the responsibility of the County.

B. Statements and Schedules to be prepared by the Staff of the County.

The staff of County will prepare all statements and schedules for the auditor by May 31.

### C. Work Area, Telephones, Photocopying and FAX Machines

The County will provide the auditor with reasonable work space, desks and chairs. The auditor will also be provided with access to telephone lines, photocopying facilities and FAX machines.

### D. Report Preparation

Report preparation, editing and printing shall be coordinated by the County Auditor's Office. The auditor will be responsible for providing the paper stock necessary for printing 100 reports.

## VI. QUALIFICATION REQUIREMENTS

### A. General Requirements

#### 1. Inquiries

Inquiries concerning the Statement of Qualifications and the subject of the Request for Qualifications must be made in writing to:

Martha L. Salazar, CPPB, Hidalgo County Purchasing Agent  
2802 S. Business Hwy 281  
Edinburg, Texas 78539  
FAX: (956) 318-2629

CONTACT WITH PERSONNEL OF THE COUNTY OTHER THAN MARTHA L. SALAZAR, HIDALGO COUNTY PURCHASING AGENT, REGARDING THIS REQUEST FOR QUALIFICATIONS MAY BE GROUNDS FOR ELIMINATION FROM THE SELECTION PROCESS.

#### 2. Submission of Statement of Qualifications

The following material is required to be received by no later than **9:30 a.m., DECEMBER 02, 2015** for a Statement of Qualifications to be considered:

a. An original and seven (7) copies to include the following:

##### i. Title Page

Title page showing the Request for Qualifications subject; the firm's name; the name, address and telephone number of the contact person; and the date of the Statement of Qualifications.

##### ii. Table of Contents

##### iii. Transmittal Letter

A signed letter of transmittal briefly states the participants understanding of the work to be done, the commitment to perform the work within the time period, a statement why the firm believes itself to be best qualified to perform the engagement and no Statement of Qualification may be withdrawn within ninety (90) days from the scheduled time accept the RFQs.

The Statement of Qualifications must be signed by a person entitled to represent the firm, empowered to submit the Statement of Qualifications, and authorized to sign a contract with the County. In order to be considered all submittals must be

signed. Please sign the original in **BLUE INK**.

iv. Detailed Statement of Qualifications

The detailed Statement of Qualifications should follow the order set forth in Section VI B of this request for qualifications.

v. Copy of current external quality control review.

vi. Executed copies of ... (e.g., Proposer's Affidavit, CIQ, Vendors applications, W-9 form, Debarment, etc.)

vii. Certificate(s) of Insurance (e.g., Project and Insurance Requirements Acknowledgement etc.)

b. Participants should send the completed Statement of Qualifications in a sealed envelope to the following address:

Martha L. Salazar, CPPB,  
Hidalgo County Purchasing Agent  
2802 S. Business Hwy 281  
Edinburg, Texas 78539

The sealed envelope should include on its face the following information: the RFQ number, the name of the firm, and opening date.

## B. Qualifications Format

### 1. General Requirements

The purpose of the Request for Qualifications is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit of the County of Hidalgo, Texas in conformity with the requirements of this Request for Qualifications. As such, the substance of Statement of Qualifications will carry more weight than their form or manner of presentation.

The Statement of Qualifications should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the request for qualifications requirements.

The Statement of Qualifications should address all the points outlined in the Request for Qualifications. The Statement of Qualifications should be prepared simply and economically, providing a straightforward, concise description of the participant's capabilities to satisfy the requirements of the Request for Qualifications. While additional data may be presented, the following subjects, items no. 2 through 10, must be included. They represent the criteria against which the Statement of Qualifications will be evaluated.

### 2. Independence

The firm should provide an affirmative statement that it is independent of the County as defined by generally accepted auditing standards/the U.S. Government Accountability Office's *Government Auditing Standards* (1994).

The firm also should provide an affirmative statement that it is independent of the component unit of the County as defined by those same standards.

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

In addition, the firm shall give the County written notice of any professional relationships entered into during the period of this agreement.

3. License to Practice in Texas

An affirmative statement should be included that the firm and all assigned key professional staff are properly registered/licensed to practice in Texas.

4. Firm Qualifications and Experience

The participant should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis.

The firm is also required to submit a copy of the report on its most recent external quality control review, with a statement whether that quality control review included a review of specific government engagements.

The firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations.

5. Partner, Supervisory and Staff Qualifications and Experience

Identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement. Indicate whether each such person is registered or licensed to practice as a certified public accountant in Texas. Provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit.

Provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. Indicate how the quality of staff over the term of the agreement will be assured.

Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of the County. However, in either case, the County retains the right to approve or reject replacements.

Consultants and firm specialists mentioned in response to this Request for Qualifications can only be changed with the express prior written permission of the County, which retains the right to approve or reject replacements.

Other audit personnel may be changed at the discretion of the participant provided that replacements have substantially the same or better qualifications or experience.

6. Prior Engagements with the County

List separately all engagements within the last five years, ranked on the basis of total staff hours, for the County by type of engagement (i.e., audit, management advisory services, other). Indicate the scope of work, date, engagement partners, total hours, the location of the firm's office from which the engagement was performed, and the name and telephone number of the principal client contact.

7. Similar Engagements With Other Government Entities

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum - 5) performed in the last five years that are similar to the engagement described in this Request for Qualifications. These engagements should be ranked on the basis of total staff hours. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

8. Specific Audit Approach

The statement of qualifications should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section II of this request for Request for Qualifications. In developing the work plan, reference should be made to such sources of information as County's budget and related materials, organizational charts, manuals and programs, and financial and other management information systems.

Participant will be required to provide the following information on their audit approach:

- a. Proposed segmentation of the engagement
- b. Level of staff and number of hours to be assigned to each proposed segment of the engagement
- c. Sample size and the extent to which statistical sampling is to be used in the engagement
- d. Extent of use of EDP software in the engagement
- e. Type and extent of analytical procedures to be used in the engagement
- f. Approach to be taken to gain and document an understanding of the County's internal control structure
- g. Approach to be taken in determining laws and regulations that will be subject to audit test work
- h. Approach to be taken in drawing audit samples for purposes of tests of compliance

9. Identification of Anticipated Potential Audit Problems

The Statement of Qualifications should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from the County.

10. **FIRMS 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), et seq., the Uniform Grant and the Contract Management Act of 1981. Once selected for negotiations, participant is to provide a fee schedule (see appendix C) for the following scope of services/work, including the estimated number of hours. 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 Statement 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.

All costs and expenses associated with the preparation and submission of (bids, proposals SOQ's and/ or Quotes) shall be the responsibility of the bidder and no reimbursement for such charges or expenses shall be passed onto Hidalgo County.

## VII. EVALUATION PROCEDURES

The evaluation consists of a 100-point scoring system based on the Evaluation Criteria - Exhibit B. However, after the 100-point evaluation, Hidalgo County's Commissioners Court may elect to narrow the participating firms and request a presentation.

- A. The Hidalgo County Commissioners' Court will review, score and evaluate the 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 tabulated and the average scores will be presented to Hidalgo County Commissioner's Court for the purposes of ranking.

C. Required compliance elements and evaluation criteria:

Statement of Qualifications (SOQ's) will be considered/evaluated using two steps.

- **STEP 1: Required Compliance Elements:**

Firms **must** meet and submit all the mandatory elements detailed herein (a thru d) for consideration in order to qualify to proceed to Step 2.

- 1. Prerequisite/Mandatory Elements

- a. The audit firm is independent and licensed to practice in Texas;
- b. The firm has no conflict of interest with regard to any other work performed by the firm for the County;
- c. The firm adheres and complies to the instructions in preparing the response (SOQ) to this request for qualifications by submitting a complete Statement of Qualifications; and
- d. The firm submits a copy of its last external quality control review report and the firm has a record of quality audit work.

- **STEP 2: Evaluation Criteria:**

Statement of Qualifications evaluated and scored for technical qualifications. The following represent the principal selection criteria which will be considered during the evaluation process.

- 2. Technical Quality: **(Maximum Points - 100)**

- a. Expertise and Experience (Maximum Points - 70)
  - 1) The firm's past experience and performance on comparable government engagements (Maximum Points - 40)
  - 2) The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation (Maximum Points - 30)
- b. Audit Approach **(Maximum Points - 30)**
  - 1) Adequacy of proposed staffing plan for various segments of the engagement (Maximum Points - 10)
  - 2) Adequacy of sampling techniques (Maximum Points - 10)
  - 3) Adequacy of analytical procedures (Maximum Points - 10)

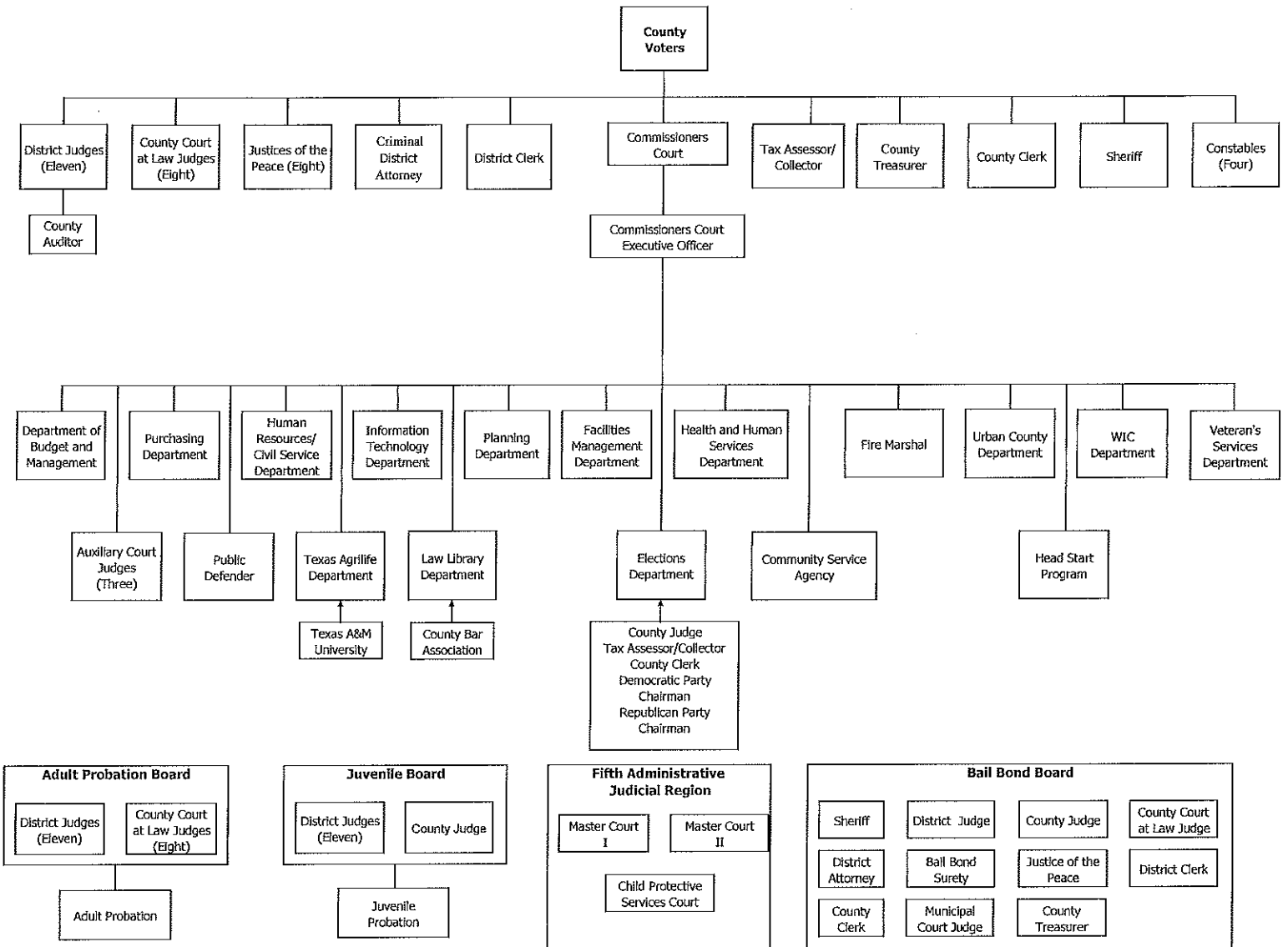
D. Negotiation process- evaluation criteria

The number one ranked firm will be contacted to submit a letter of engagement/contract for negotiation based on the Evaluation Criteria Exhibit B. If negotiations prove unsuccessful, the next highest ranked firm/company will be contacted.

E. Right to Reject the Request for Qualifications

Submission of a Statement of Qualifications indicates acceptance by the firm of the conditions contained in this Request for Qualifications unless clearly and specifically noted in the Statement of Qualifications submitted and confirmed in the contract between the County and the firm selected. Hidalgo County also reserves the right to reject any or all SOQ's submitted and further reserves the right to design the evaluation criteria to be used in selecting the lowest and best proposal for approval.

APPENDIX A  
**County of Hidalgo, Texas**  
 Organizational Chart



## APPENDIX B

### **LIST OF PRINCIPAL OFFICIALS As of August 31, 2015**

#### Commissioners Court (The Governing Body)

Ramon Garcia, County Judge  
A. C. Cuellar Jr., County Commissioner, Precinct No. 1  
Eduardo "Eddie" Cantu, County Commissioner, Precinct No. 2  
Jose M. Flores, County Commissioner, Precinct No. 3  
Joseph Palacios, County Commissioner, Precinct No. 4

#### Judges

Luis Singleterry, District Judge, 92<sup>nd</sup> Judicial District  
Rodolfo Delgado, District Judge, 93<sup>rd</sup> Judicial District  
J.R. "Bobby" Flores, District Judge, 139<sup>th</sup> Judicial District  
Rose G. Reyna, District Judge, 206<sup>th</sup> Judicial District  
Juan R. Partida, District Judge, 275<sup>th</sup> Judicial District  
Mario E. Ramirez, Jr., District Judge, 332<sup>nd</sup> Judicial District  
Noe Gonzalez, District Judge, 370<sup>th</sup> Judicial District  
Leticia Lopez, District Judge, 389<sup>th</sup> Judicial District  
Aida Salinas Flores, District Judge, 398<sup>th</sup> Judicial District  
Israel Ramon, District Judge, 430<sup>th</sup> Judicial District  
Jesse Contreras, District Judge, 449<sup>th</sup> Judicial District  
Rodolfo Gonzalez, Judge, County Court at Law No. 1  
Jaime J. Palacios, Judge, County Court at Law No. 2  
Homero Garza, Judge, Probate Court  
Fred S. Garza, Judge, County Court at Law No. 4  
Arnoldo Cantu Jr., Judge, County Court at Law No. 5  
Albert Garcia, Judge, County Court at Law No. 6  
Sergio Valdez, Judge, County Court at Law No. 7  
Omar Maldonado, Judge, County Court at Law No. 8

#### Other Principal Officials

Raymundo Eufrazio, County Auditor  
Arturo Guajardo, Jr., County Clerk  
J.E. "Eddie" Guerra, County Sheriff  
Norma G. Garcia, County Treasurer  
Ricardo R. Rodriguez, District Attorney  
Laura Hinojosa, District Clerk  
Pablo "Paul" Villarreal Jr., Tax Assessor-Collector  
Martha L. Salazar, County Purchasing Agent

Phone numbers and addresses may  
be retrieved from the County's website located at <http://www.co.hidalgo.tx.us/>

## APPENDIX C

### SCHEDULE OF PROFESSIONAL FEES AND EXPENSES FOR THE AUDIT OF THE FISCAL YEAR \_\_\_\_\_ FINANCIAL STATEMENTS

|   | Hours | Standard<br>Hourly Rates | Quoted<br>Hourly<br>Rates | Total     |
|---|-------|--------------------------|---------------------------|-----------|
| <b>Partners</b>   |       | \$                       | \$                        | \$        |
| <b>Managers</b>   |       |                          |                           |           |
| <b>Supervisory<br/>staff</b>  |       |                          |                           |           |
| <b>Staff</b>  |       |                          |                           |           |
| <b>Other (specify):</b>   |       |                          |                           |           |
| Subtotal  |       |                          |                           | \$        |
| Total for services described in Section II E of the RFQ<br>(Detail on subsequent pages) |       |                          |                           | \$        |
| Out-of-pocket expenses:   |       |                          |                           |           |
| Meal and lodging  |       |                          |                           |           |
| Transportation  |       |                          |                           |           |
| Other (specify):  |       |                          |                           |           |
| <b>TOTAL all-inclusive maximum price for Fiscal Year 2015 audit</b>                     |       |                          |                           | <b>\$</b> |

Note: The rate quoted should not be presented as a general percentage of the standard hourly rate or as a gross deduction from the total all-inclusive maximum price.

# EXHIBIT "C"

## Insurance Requirements

The Bidder awarded the contract shall furnish proof of insurance, which will also include any subcontractor that is subcontracted by the bidder in at least the following limits, to be in place prior to providing any services under this Contract and to continue at all times in force in effect during the term of this Contract:

1. A Five Hundred Thousand Dollar (\$500,000.00) Comprehensive General Liability insurance policy providing additional coverage to all underlying liabilities of County.
2. Automobile liability insurance policy with limits of at least Three Hundred Thousand Dollars (\$300,000.00) per person and Five Hundred Thousand Dollars (\$500,000.00) per occurrence. Coverage should include injury to or death of persons and property damage claims with limits up to Five Hundred Thousand (\$500,000.00) arising out of the services provided to County hereunder.
3. Uninsured/Underinsured motorist coverage in an amount equal to the bodily injury limits set forth immediately above;
4. Workers compensation insurance in amounts established by Texas law, unless the Bidder is specifically exempted from the Texas Workers Compensation Act, Texas Labor Code Chapter 401, et. seq.

**Hidalgo County will only accept certificates of insurance on an Acord form (as attached hereto).** Certificates of insurance shall name Hidalgo County as additional insured and must be submitted to County for approval prior to any services being performed by Contractor. Each policy of insurance required hereunder shall extend for a period equivalent to, or longer than the term of the Contract, and any insurer hereunder shall be required to give at least thirty (30) days written notice to the County prior to the cancellation of any such coverage on the termination date, or otherwise. This Contract shall be automatically suspended upon the cancellation, or other termination, of any required policy of insurance hereunder, and such suspension shall continue until evidence adequate replacement coverage is provided to County. If replacement coverage is not provided within thirty (30) days following suspension of the Contract, this Contract shall automatically terminate.

Revised 10/01/08

|              |  |   |                 |
|--------------|--|---|-----------------|
| <b>ACORD</b> |  | <b>CERTIFICATE OF INSURANCE</b>   | DATE (MM/DD/YY) |
| PRODUCER     |  | THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. |                 |
| INSURED      |  | <b>INSURERS AFFORDING COVERAGE</b>  |                 |
|              |  | INSURER A:  |                 |
|              |  | INSURER B:  |                 |
|              |  | INSURER C:  |                 |
|              |  | INSURER D:  |                 |
|              |  | INSURER E:  |                 |

**COVERAGES**

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THEIR TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| INSR LTR   | TYPE OF INSURANCE  | POLICY NUMBER                       | POLICY EFFECTIVE DATE (MM/DD/YY) | POLICY EXPIRATION DATE (MM/DD/YY)   | LIMITS   |
|--|--|-------------------------------------|----------------------------------|---|--|
| A  | <b>GENERAL LIABILITY</b>   |                                     |                                  |   | EACH OCCURRENCE \$                                   |
|  | <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY  |                                     |                                  |   | FIRE DAMAGE (Any one fire) \$                        |
|  | <input type="checkbox"/> CLAIMS MADE OCCUR   |                                     |                                  |   | MEDICAL (Any one person) \$                          |
|  | <input type="checkbox"/> OWNER'S & CONT. PROT  |                                     |                                  |   | PERSONAL & ADV INJURY \$                             |
|  | <input type="checkbox"/> OWNER'S PROTECTIVE LIABILITY  |                                     |                                  |   | GENERAL AGGREGATE \$                                 |
|  | <input type="checkbox"/> GEN'L AGGREGATE LIMIT APPLIES PER:<br>POLICY PROJECT <input type="checkbox"/> LOC |                                     |                                  |   | PRODUCTS - COMP/OP AGG \$                            |
|  |  |                                     |                                  |   |  |
| B  | <b>AUTOMOBILE LIABILITY</b>  |                                     |                                  |   | COMBINED SINGLE LIMIT (Ea accident) \$               |
|  | <input type="checkbox"/> ANY AUTO  |                                     |                                  |   | BODILY INJURY (Per person) \$                        |
|  | <input type="checkbox"/> ALL OWNED AUTOS   |                                     |                                  |   | BODILY INJURY (Per accident) \$                      |
|  | <input type="checkbox"/> SCHEDULED AUTOS   |                                     |                                  |   | PROPERTY DAMAGE (Per accident) \$                    |
|  | <b>GARAGE LIABILITY</b>  |                                     |                                  |   | AUTO ONLY-EA ACCIDENT \$                             |
|  | <input type="checkbox"/> ANY AUTO  |                                     |                                  |   | OTHER THAN EA ACC \$                                 |
|  |  |                                     |                                  |   | AUTO ONLY AGG \$                                     |
| C  | <b>EXCESS LIABILITY</b>  |                                     |                                  |   | EACH OCCURRENCE \$                                   |
|  | <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE  |                                     |                                  |   | AGGREGATE \$   |
|  | <input type="checkbox"/> DEDUCTIBLE \$   |                                     |                                  |   | \$   |
|  | <input type="checkbox"/> RETENTION \$  |                                     |                                  |   | \$   |
| D  | <b>WORKERS COMPENSATION AND EMPLOYER'S LIABILITY</b>   |                                     |                                  |   | WC STATU- <input type="checkbox"/> OTHER TORY LIMITS |
|  |  |                                     |                                  |   | E.L. EACH ACCIDENT \$                                |
|  |  |                                     |                                  |   | E.L. DISEASE-EA EMPLOYEE \$                          |
|  | <b>OTHER</b>   |                                     |                                  |   | E.L. DISEASE-POLICY LIMIT \$                         |
| DESCRIPTION OF OPERATIONS / LOCATION / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS |  |                                     |                                  |   |  |
| County of Hidalgo shall be named as additional insured on all Commercial General Liability policies.   |  |                                     |                                  |   |  |
| CERTIFICATE HOLDER   |  | ADDITIONAL INSURED; INSURER LETTER: |                                  | CANCELLATION  |  |
| Hidalgo County<br>Attn: Purchasing Department<br>2812 S Highway Bus. 281<br>Edinburg, Texas 78539      |  |                                     |                                  | SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL <b>30</b> DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.<br>AUTHORIZED REPRESENTATIVE |  |

# Insurance Requirement Acknowledgment

I, \_\_\_\_\_, authorized representative for \_\_\_\_\_  
Company/Vendor

hereby acknowledge receipt of the County's required insurance limits. Said requirements:

- will be acquired within 10 working days after notification from Purchasing Department of bid awarded by the Hidalgo County Commissioners= Court;
- will acquire additional amounts required to meet the County's requirements within 10 working days after notification from Purchasing Department of bid award by the Hidalgo County Commissioners= Court; currently carry the following:

Automobile Liability: \$ \_\_\_\_\_ General Liability: \$ \_\_\_\_\_

- have already been met, see attached copy of insurance certificate.

\_\_\_\_\_  
Authorized Representative

\_\_\_\_\_  
Date

**Notice to Bidder:**

A certificate of insurance for the required insurance limits shall be provided to the Purchasing Department's Contract Managers in order to qualify for award of bid and to execute a contract between your Company and the County

Failure to provide Certificates of Insurance to the Purchasing Department's Contract Managers will cause the bid award to be rescinded and re-awarded to next lowest bidder. Certificates of Insurance will be monitored and verified on a **quarterly basis** to ensure coverage policy is in place. It is the Company's obligation to maintain the appropriate insurance coverage throughout the term of the contract.

**THIS FORM MUST ACCOMPANY BID PACKET**

## PROJECT REQUIREMENTS ACKNOWLEDGMENT

This is to certify that I, \_\_\_\_\_, possess all of the APPLICABLE:

1. Licenses: \_\_\_\_\_
2. Bonds: \_\_\_\_\_
3. Certificates: \_\_\_\_\_
4. Permits: \_\_\_\_\_
5. Other: \_\_\_\_\_

necessary to carry out the required project. Furthermore, I am providing copies of the required documentation so that, if my company is awarded this bid, I may be eligible to enter into a contract with Hidalgo County and proceed to complete the project in a timely manner.

\* Any licenses, bonds, certificates, permits, etc. which are required must be presented as part of the bid packet in order to expedite the bid evaluation process. Failure to provide said documentation will result in the disqualification of your bid.

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Company

\_\_\_\_\_  
Address

\_\_\_\_\_  
City, State, Zip

# EXHIBIT "D"

## CONFLICT OF INTEREST QUESTIONNAIRE

FORM CIQ

For vendor or other person doing business with local governmental entity

This questionnaire reflects changes made to the law by H.B. 1491, 80th Leg., Regular Session.

This questionnaire is being filed in accordance with Chapter 176, Local Government Code by a person who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the person meets requirements under Section 176.006(a).

By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the person becomes aware of facts that require the statement to be filed. See Section 176.006, Local Government Code.

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

OFFICE USE ONLY

Date Received

1 Name of person who has a business relationship with local governmental entity.

2  Check this box if you are 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 the originally filed questionnaire becomes incomplete or inaccurate.)

3 Name of local government officer with whom filer has employment or business relationship.

\_\_\_\_\_  
Name of Officer

This section (item 3 including subparts A, B, C & D) must be completed for each officer with whom the filer has an employment or other business relationship as defined by Section 176.001(1-a), Local Government Code. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer named in this section receiving or likely to receive taxable income, other than investment income, from the filer of the questionnaire?

Yes  No

B. Is the filer of the questionnaire receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer named in this section AND the taxable income is not received from the local governmental entity?

Yes  No

C. Is the filer of this questionnaire employed by a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership of 10 percent or more?

Yes  No

D. Describe each employment or business relationship with the local government officer named in this section.

4

\_\_\_\_\_  
Signature of person doing business with the governmental entity

\_\_\_\_\_  
Date

**PROPOSER'S AFFIDAVIT**  
**Exhibit "E"**

|  |
|--|
| <b>PROPOSER'S AFFIDAVIT OF NON-COLLUSION<br/>NON-CONFLICT OF INTEREST, AND ANTI-LOBBYING</b> |
|--|

STATE OF TEXAS  
COUNTY OF HIDALGO

Affiant, \_\_\_\_\_, being first duly sworn, deposes that:

(1) Affiant does hereby state neither the Proposer nor any of the Proposer's officers, partners, owners, agents, representatives, employees, or parties in interest, has in any way colluded, conspired, agreed, directly or indirectly with any person, firm, corporation, or other proposer, or potential proposer, to provide any money or other valuable consideration for assistance in procuring or attempting to procure a contract or fix the prices in the attached proposed or the proposal of any other proposer, and further states that no such money or other reward will be hereinafter paid.

(2) Affiant further states they have neither recommended or suggested to Hidalgo County or any of its officials or employees, any of the terms or provisions set forth in their Request for Proposal and subsequent agreement, except at a meeting open to all interested proposers, of which proper notice was given.

(3) Affiant, further states their officers, employees, or agents have not, and will not attempt to lobby, directly or indirectly, the Hidalgo County Commissioner's Court between proposal submission date and award by the Hidalgo County County Commissioner's Court.

(4) Affiant further states no officer, or stockholder of the Proposer is a member of the staff, or related to any employee of the Hidalgo County except as noted herein below:

---

Signature/Title: \_\_\_\_\_

---

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_, 20\_\_\_\_.



**HISTORICALLY UNDERUTILIZED BUSINESS (HUB) DECLARATION**

The primary objective of the Hidalgo County HUB Program is to ensure Historically Underutilized Businesses receive a fair and equal opportunity for participation in the County's procurement process. This fact holds true for Services (Professional & Non-Professional), Commodities, and Construction contracts and any subcontracts thereto. The program strongly encourages Prime Contractors to provide subcontracting opportunities to Certified Hub Contractors/Vendors. Our goal for HUB contractor/vendor participation, as well as HUB subcontractor participation is 30%. To be considered as a "Certified HUB Contractor/Vendor" the contractor/vendor must have been certified by, and hold a current and valid certification with any of the three agencies listed below.

Have you been Certified as a HUB or an MBE/WBE source?:  Yes  No

If yes, by whom?:  Texas Building & Procurement Commission  Other \_\_\_\_\_

Indicate Certification No(s): \_\_\_\_\_ or Are Certificate(s) Attached?:  Yes  No

**LIST OF CERTIFIED HUB SUBCONTRACTORS**

(Attach additional pages if necessary)

---

What percentage of the Bid, RFP, or RFQ is to be subcontracted with Certified HUB sources?: \_\_\_\_\_ %  
(List HUB Subcontractor information below).

HUB Subcontractor Name: \_\_\_\_\_ HUB Status: \_\_\_\_\_  
Certifying Agency (Check all applicable):  Texas Building & Procurement Commission  other  
Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
Contact Person: \_\_\_\_\_ Title: \_\_\_\_\_ Phone No.: ( ) \_\_\_\_\_  
Subcontract Amount: \$ \_\_\_\_\_ Description of Work to be Performed: \_\_\_\_\_

---

HUB Subcontractor Name: \_\_\_\_\_ HUB Status: \_\_\_\_\_  
Certifying Agency (Check all applicable):  Texas Building & Procurement Commission  other  
Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
Contact Person: \_\_\_\_\_ Title: \_\_\_\_\_ Phone No.: ( ) \_\_\_\_\_  
Subcontract Amount: \$ \_\_\_\_\_ Description of Work to be Performed: \_\_\_\_\_

---

HUB Subcontractor Name: \_\_\_\_\_ HUB Status: \_\_\_\_\_  
Certifying Agency (Check all applicable):  Texas Building & Procurement Commission  other  
Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
Contact Person: \_\_\_\_\_ Title: \_\_\_\_\_ Phone No.: ( ) \_\_\_\_\_  
Subcontract Amount: \$ \_\_\_\_\_ Description of Work to be Performed: \_\_\_\_\_

---

## Request for Taxpayer Identification Number and Certification

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

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

### Part I Taxpayer Identification Number (TIN)

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

| Social security number |  |  |  |  |  |  |  |  |
|------------------------|--|--|--|--|--|--|--|--|
|                        |  |  |  |  |  |  |  |  |

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

| Employer identification number |  |  |  |  |  |  |  |  |
|--------------------------------|--|--|--|--|--|--|--|--|
|                                |  |  |  |  |  |  |  |  |

### Part II Certification

Under penalties of perjury, I certify that:

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

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 4.

|                  |                            |        |
|------------------|----------------------------|--------|
| <b>Sign Here</b> | Signature of U.S. person ▶ | Date ▶ |
|------------------|----------------------------|--------|

### General Instructions

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

#### Purpose of Form

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

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

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

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

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

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

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

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

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

**Foreign person.** If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (see Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*).

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

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

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

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

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8.

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

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

#### Payments you receive will be subject to backup withholding if:

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

Certain payees and payments are exempt from backup withholding. See the instructions below and the separate instructions for the Requester of Form W-9.

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

#### Updating Your Information

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

#### Penalties

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

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

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

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

#### Specific Instructions

##### Name

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

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

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

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

**Disregarded entity.** Enter the owner's name on the "Name" line. The name of the entity entered on the "Name" line should never be a disregarded entity. The name on the "Name" line must be the name shown on the income tax return on which the income will be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a domestic owner, the domestic owner's name is required to be provided on the "Name" line. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on the "Business name/disregarded entity name" line. If the owner of the disregarded entity is a foreign person, you must complete an appropriate Form W-8.

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

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

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

## Exempt Payee

If you are exempt from backup withholding, enter your name as described above and check the appropriate box for your status, then check the "Exempt payee" box in the line following the "Business name/disregarded entity name," sign and date the form.

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

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

The following payees are exempt from backup withholding:

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

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 15.

| IF the payment is for . . .  | THEN the payment is exempt for . . .                              |
|--|---|
| Interest and dividend payments   | All exempt payees except for 9                                    |
| Broker transactions  | Exempt payees 1 through 5 and 7 through 13. Also, C corporations. |
| Barter exchange transactions and patronage dividends                                   | Exempt payees 1 through 5   |
| Payments over \$600 required to be reported and direct sales over \$5,000 <sup>1</sup> | Generally, exempt payees 1 through 7 <sup>2</sup>                 |

<sup>1</sup> See Form 1099-MISC, Miscellaneous Income, and its instructions.

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

## Part I. Taxpayer Identification Number (TIN)

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

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

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

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

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

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

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

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

## Part II. Certification

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

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on the "Name" line must sign. Exempt payees, see *Exempt Payee* on page 3.

**Signature requirements.** Complete the certification as indicated in items 1 through 3, below, and items 4 and 5 on page 4.

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

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

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

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

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

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

**Secure Your Tax Records from Identity Theft**

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

To reduce your risk:

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

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

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

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

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

**Protect yourself from suspicious emails or phishing schemes.**

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

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

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

Visit [IRS.gov](http://IRS.gov) to learn more about identity theft and how to reduce your risk.

**What Name and Number To Give the Requester**

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

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

<sup>2</sup> Circle the minor's name and furnish the minor's SSN.

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

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

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

**Privacy Act Notice**

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