

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

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A. General Requirements

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3. Proposer's Affidavit:

Respondents to this RFP must submit a signed Proposer's Affidavit (attached herein in Exhibit "E" certifying that the submission is (1) not the result of Collusion as described in the Proposer's Affidavit; (2) that the Respondent does not have a Conflict of Interest as described in the Proposer's Affidavit; or (3) that the Respondent has not and will not attempt to lobby directly or indirectly as described in the Proposer's Affidavit.

NonDiscrimination:

Submitters, during the performance of this contract, will not discriminate against any employee or applicant for employment because of race, religion, color, national origin, sex, age, disability or any other protected class under law (except as allowed in the case of bona fide occupational qualifications). By submitting a response to this Request, Submitter certifies that it will conform to the provisions of the federal Civil Rights Act of 1964, as amended and related state and federal law.

Processing Time for Payment:

Submitters are advised that a minimum of thirty (30) days is required to process invoices for payment and invoices will be submitted in accordance with the Texas Prompt Payment Act Govt. Code. Ch. 2251.

Proof of Financial and Business Capability:

Submitters must, upon request, furnish satisfactory evidence of their ability to furnish products or services in accordance with the terms and conditions of these requirements. Hidalgo County will make the final determination as to the submitter's ability.

Submitter Default:

Hidalgo County reserves the right, in case of submitter default, to procure the articles or services from other sources.

Restrictive or Ambiguous Requirements:

It is the responsibility of the submitter to review the Request for Qualification' (RFQ) packet and to notify the Purchasing Department if the requirements are formulated in a manner that would unnecessarily restrict competition or if the requirements are ambiguous. Any such protest or question regarding the requirements or procedures must be received in the Purchasing Department not less than seventy two hours prior to the time set for the opening.

HandDeliveredProposals: Hidalgo County requires submitters, when hand delivering proposals, to make sure that it is stamped with date and time by the County Purchasing Staff.

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

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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 2019 and 2020, with the option of auditing its financial statements for fiscal years 2021 and 2022. These audits are to be performed in accordance with (1) generally accepted auditing standards as set forth by the American Institute of Public Accountants, (2) the standards set forth for financial audits in the U.S. Government Accountability Office's (GAO) Government Auditing Standards (2011 or 2018, as applicable), (3) the provisions of the Federal Single Audit Act of 1984 (as amended in 1996), (4) the provisions of U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, (5) State of Texas Single Audit Circular, and (6) Texas Government Code § 2256.005 (m) and § 2256.023 (d).

Any inquiries concerning the Request for Qualifications should be submitted in writing via Email to alexandra.vela@co.hidalgo.tx.us by no later than 5:00 pm., Tuesday, December 3, 2019. Responses to inquiries submitted will be provided to all participants by Thursday, December 5, 2019 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 Monday, December 09, 2019.

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:

Physical Address:	Mailing Address:
Ms. Martha L. Salazar, CPPB, Hidalgo County Purchasing Agent 2802 S. Business Hwy 281 Edinburg, Texas 78539	Ms. Martha L. Salazar, CPPB, Hidalgo County Purchasing Agent 2812 S. Business Hwy 281 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

1. 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. Hidalgo County reserves the right to continue this RFQ for an additional ninety (90) day "Grace Period" at the end of the contract term for unforeseen delay in award of new RFQ for next contract term.

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 2019 and 2020, with the option to audit the County's financial statements for fiscal years 2021 and 2022. 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 financial 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 Mrs. Maria Arcilia Duran, 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 865,939 in 2018. 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	49	38
Debt service funds	17	17
Capital projects funds	14	0
Enterprise funds	2	0
Internal service funds	2	0
Private-purpose trust funds	8	0
Pension (and other employee benefits) trust funds	3	0
Agency funds	9	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 2018; the County expended \$103,403,236 in federal and state awards. Please refer to the County's fiscal year 2018 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
Milliman, Inc.	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 Ms. Maria Arcilia Duran, County Auditor, and consists of 50 employees. The principal functions performed and the number of employees assigned to each are as follows:

Function	Number of Employees
Accounts Payable	15
Internal Audit	12
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	CSA	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 12 employees. All 12 members of the internal audit staff have a BBA degree and 3 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 2019 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.
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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 09, 2019** 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

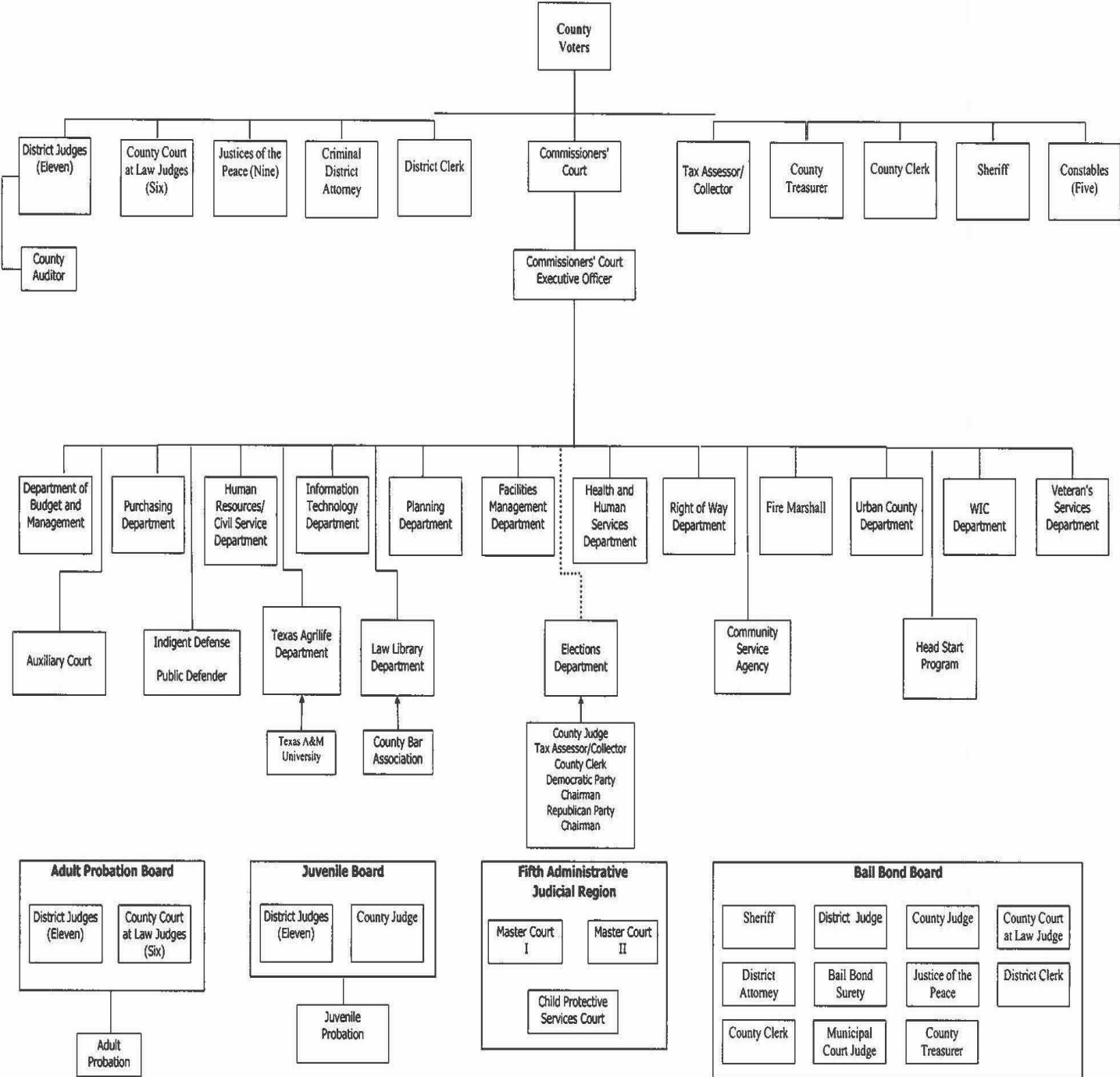
The number one ranked firm will be contacted to submit a letter of engagement/contract for negotiation based on the Evaluation Criteria Exhibit B. If negotiations prove unsuccessful, the next highest ranked firm/company will be contacted.

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)

Richard F. Cortez, County Judge
David L. Fuentes, County Commissioner, Precinct No. 1
Eduardo "Eddie" Cantu, County Commissioner, Precinct No. 2
Jose M. Flores, County Commissioner, Precinct No. 3
Ellie Torres, County Commissioner, Precinct No. 4
Valde Guerra, Commissioners Court Executive Officer

Judges

Luis Singleterry, District Judge, 92nd Judicial District
Fernando Mancias, District Judge, 93rd Judicial District
J.R. "Bobby" Flores, District Judge, 139th Judicial District
Rose G. Reyna, District Judge, 206th Judicial District
Maria Cuellar, District Judge, 275th Judicial District
Mario E. Ramirez, Jr., District Judge, 332nd Judicial District
Noe Gonzalez, District Judge, 370th Judicial District
Leticia Lopez, District Judge, 389th Judicial District
Keno Vasquez, District Judge, 398th Judicial District
Israel Ramon, District Judge, 430th Judicial District
Renee Rodriguez-Betancourt, District Judge, 449th Judicial District
Jaime E. Tijerina, 464th District Court
Rodolfo Gonzalez, Judge, County Court at Law No. 1
Jaime J. Palacios, Judge, County Court at Law No. 2
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
JoAnne Garcia, Judge, Probate Court

Other Principal Officials

Maria Arcilia Duran, County Auditor
Arturo Guajardo, Jr., County Clerk
J.E. "Eddie" Guerra, County Sheriff
Lita Leo, 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 Hourly Rates	Quoted Hourly Rates	Total
Partners		\$	\$	\$
Managers				
Supervisory staff				
Staff				
Other (specify):				
Subtotal				\$
Total for services described in Section II E of the RFQ (Detail on subsequent pages)				\$
Out-of-pocket expenses:				
Meal and lodging				
Transportation				
Other (specify):				
TOTAL all-inclusive maximum price for Fiscal Year 2019 audit				\$

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.