

Elia Garcia
Mayor

Rene Rodriguez
At Large

Cesar Nevarez
District 1



Ralph Duran
District 2

Victor Perez
District 3/Mayor Pro-Tem

Yvonne Colon-Villalobos
District 4

Adriana Rodarte
City Manager

REQUEST FOR QUALIFICATIONS FOR PROFESSIONAL AUDITING SERVICES

The City of Socorro, Texas is requesting qualifications from qualified firms of certified public accountants to audit its financial statements for the fiscal year ending September 30, 2018, with the option of auditing its financial statements for each of the four subsequent fiscal years. These audits are to be performed in accordance with generally accepted auditing standards, the standards set forth for financial audits in the General Accounting Office's (GAO) Government Auditing Standards.

There is no expressed or implied obligation for the City of Socorro, Texas to reimburse responding firms for any expenses incurred in preparing Request for Qualifications in response to this request.

- To be considered, one original and six copies must be received by the City Clerk at the Administration Building located at 124 S. Horizon Blvd. Socorro, Texas 79927, no later than Friday October 5, 2018 at 11:00 a.m.

SCOPE OF WORK TO BE PERFORMED:

1. The City of Socorro, Texas desires the auditor to express an opinion on the fair presentation of its general purpose financial statements in conformity with generally accepted accounting principles.
2. The auditor is required to audit the combining and individual fund financial statements and supporting schedules contained in the comprehensive annual financial report.
3. The City of Socorro, Texas desires the auditor to assist in the preparation of the notes to all the financial statements mentioned above.
4. The City of Socorro, Texas desires the audit to be performed in accordance with generally accepted auditing standards.
5. Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue reports as specified in and compliance with OMB Circular A133.

DESCRIPTION OF THE GOVERNMENT:

- The City of Socorro, Texas is a Home Rule City operating with a City Manager form of government as set forth in the City's Charter adopted in 2001 as amended in May 2011.
- The City of Socorro Texas' fiscal year begins on October 01 and ends on September 30.
- The City of Socorro, Texas serves an area of 18.2 square miles with a population of approximately 32,000.
- The City of Socorro, Texas' annual budget for Fiscal Year 2018 was \$14,771,726 excluding Debt Service Requirements.
- The City of Socorro, Texas utilizes MIP Fund Accounting software.
- We currently operate with 13 departments, and 100 employees.
- The City of Socorro uses six funds to consist of General Fund, Special Revenue Fund, Debt Service Fund, General Fixed Assets, Capital Projects, and General Long Term Debt.

REOUEST FOR OUALIFICATIONS CALENDAR:

Due date for Request for Qualifications: **October 5, 2018 at 11:00 a.m.**

Review of Request for Qualifications: **Request for Qualifications will be opened at City Hall Administration Building at 124 S. Horizon, Socorro, Texas 79927 on October 5, 2018 at 11:00 a.m.**

SUBMISSION REOUEST FOR OUALIFICATIONS:

The following material is required to be received with the Request for Qualifications response due October 5, 2018 for a proposing firm to be considered.

1. One original and six copies to include the following;
 - a. Title page
 - b. Table of Contents
 - c. Transmittal Letter
 - d. Detailed Statement of Qualifications
 - e. Executed copies of Proposer Guarantees and Proposer Warranties, attached to this request for Request for Qualifications.
 - f. Conflict of Interest Form

2. If your firm desires to submit a Request for Qualifications, please submit it in a sealed envelope clearly labeled "*A Sealed Request for Qualifications for Audit Services*" to:

City Clerk's Office
Olivia Navarro/City Clerk
124 S. Horizon Blvd.
Socorro, Texas 79927

QUALIFICATIONS OF AUDIT FIRM:

The proposing audit firms shall submit a statement of its qualifications with its Request for Qualifications. The statement shall include the following:

- State whether the proposer is a national, regional or local accounting firm. Indicate whether it is licensed to practice public accounting in the state of Texas. State the names of persons authorized to make firm representations and bind the firm. State the location of the office(s) from which the work is to be performed.
- Provide a statement concerning the independence of the firm, including direct and indirect financial interest and the relationship of the proposed audit team to employees of the City and any of the members of the City Council.
- State whether the firm or any member of the audit team has been the object of any disciplinary action of the Texas State Board of Public Accountancy and/or licensing boards of other states during the past three years.
- List Texas cities that the firm audits or has audited including the number of years the firm has provided audit services to those entities; and the names and telephone numbers of contact persons.
- Describe the firm's capabilities for and commitment to providing management services in the field of municipal government. Identify any capabilities that are unique in this field. Discuss the firm's policy on access to the audit partner by management of the City for informal financial management conversations during the fiscal year at no cost.
- Identify the level of effort and professional qualifications of the principal. Other key personnel and the engagement team who would be assigned to each segment of the audit. Identify if any person to be assigned is from an office other than the local office. Provide resumes for each. Prior supervisory audit experience in municipal government should be highlighted.
- Provide the names and qualifications of outside specialists and consultants that assist the firm's staff members.
- Describe and provide documents where applicable on the firm's participation in, results of, and its external quality control review program. State whether the firm has received a "fail" or "pass with deficiencies" peer review rating. Include the name of

the external quality control review organization of which the firm is a member and the length of membership.

- Provide a brief discussion of the firm's basic approach to the audits and the auditor-client relationship, including the flexibility to provide report formats to meet client needs. Please describe how you would handle the introduction of your working team to the auditee and also what kind of contact you would have with the auditee at the close of an audit.
- Affirm compliance with applicable Affirmative Action and Equal Employment Opportunity regulations.
- Provide an executive summary, not to exceed two pages, indicating why the firm should be selected.

SELECTION CRITERIA:

The City will select the "best qualified" firm of Certified Public Accountants. The firm selected shall have performed audits of municipal governments. The evaluation criteria will include assessments of the following factors:

- Experience of the firm and the engagement team in performing financial and compliance audits for municipal governments. Proposers should list cities in which they have had recent engagements, including briefly the scope of examination in each case.
- Qualifications of personnel to be assigned as engagement partner, manager, and other members of the audit team. Where specific assignments cannot be made, proposers should include qualifications of partners and employees who could be assigned. Involvement of key audit team personnel in the audits at the City will be an important consideration.
- Knowledge of governmental audits and grants given to cities. Proposers should document how they acquired or plan to acquire knowledge needed to be able to attest to conformity with the auditing and reporting requirements.
- Knowledge of computerized accounting systems and their successful history of engagements of evaluating such systems.

FINAL SELECTION:

The City Council will award the contract.

It is anticipated that a firm will be selected October 2018.

RIGHT TO REJECT REQUEST FOR QUALIFICATIONS

Submission of a Request for Qualifications indicates acceptance by the firm of the conditions contained in this Request for Qualifications unless clearly and specifically noted in the Request for Qualifications submitted and confirmed in the contract between the City of Socorro, Texas and the firm selected.

The City of Socorro, Texas reserves the right without prejudice to reject any or all Request for Qualifications.

Questions about this RFQ should be directed to Charles Casiano at (915) 858-2915, financedirector@ci.socorro.tx.us.