



JEFFERSON COUNTY PURCHASING DEPARTMENT
Deborah L. Clark, Purchasing Agent

1149 Pearl Street, Beaumont, TX 77701 409-835-8593 Fax 409-835-8456

April 25, 2011

Request for Proposal

Dear Offerors:

You are invited to submit bids in accordance with the attached specifications packet, Request for Proposal (RFP) 11-016/AW, Auditing Services for Jefferson County. All proposals must be submitted with an original and five (5) copies to the Jefferson County Purchasing Agent, 1149 Pearl Street, First Floor, Beaumont, Texas 77701, no later than 11:00 AM, June 7, 2011. Proposals will be opened at that time.

Any questions relating to these requirements shall be directed to Alyce Williams, Senior Buyer/Contract Specialist, at 409-835-8593.

There will be a pre-proposal conference on May 12, 2011, at 10:00 am in the Commissioners' Courtroom, 1149 Pearl Street, Fourth Floor, Beaumont, Texas 77701. All interested firms are encouraged to attend.

All Proposals shall be submitted to the Jefferson County Purchasing Agent in a sealed envelope marked:

PROPOSAL NAME:	Auditing Services for Jefferson County
PROPOSAL NO:	11-016/AW
DUE DATE/TIME:	11:00 AM, June 7, 2011
MAIL OR DELIVER TO:	Jefferson County Purchasing Department 1149 Pearl Street, 1st Floor Beaumont, Texas 77701

Your consideration of this RFP request is appreciated.

Sincerely,

Deborah L. Clark
Purchasing Agent

Attachments

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Attachment 1

**Schedule of Expenditures of Federal Awards and
Reports of Independent Accountants Prepared in Accordance with
Government Auditing Standards and the Single Audit Act
Amendments of 1996 and OMB Circular A-133**

Attachment 2

Jefferson County Organizational Chart

1. RFP SUBMITTAL CHECKLIST

Items checked below represent components comprising this RFP package. If the item **IS NOT** checked, it is **NOT APPLICABLE** to this RFP. Offerors are asked to review the package to be sure that all applicable parts are included. If any portion of the package is missing, notify the Purchasing Department immediately.

It is the Offeror's responsibility to be thoroughly familiar with all Requirements and Specifications. Be sure you understand the following before you return your RFP packet.

- 1. **Cover Sheet – Legal Notice**
- 2. **Table of Contents**
This page is the Table of Contents
- 3. **General Requirements**
You should be familiar with all of the General Requirements.
- 4. **Special Requirements/Instructions**
This section provides information you must know in order to make an offer properly.
- 5. **Specifications**
This section contains the detailed description of the product/service sought by the County.
- 6. **Pricing/Delivery Information**
This form is used to solicit exact pricing of goods/services and delivery costs.
- 7. **Attachments**
 - a. **Bid Guaranty & Performance Bond Information & Requirements**
This form applies only to certain bids/proposals. Please read carefully and fill out completely.
 - b. **RFP Check Return Authorization Form**
This form applies only to certain forms. Please read carefully and fill out completely.
 - c. **Vehicle Delivery Instructions**
Included only when purchasing vehicles.
 - d. **Minimum Insurance Requirements**
Included when applicable (does not supersede "Hold Harmless" section of General Requirements).
 - e. **Workers' Compensation Insurance Coverage Rule 110.110**
This requirement is applicable for a building or construction contract.
 - f. **Financial Statement**
When this information is required, you must use this form.
 - g. **Reference Sheet**
 - h. **Other**
From time to time other attachments may be included.

2. INSTRUCTIONS TO OFFERORS

2.1. Proposal Submission

2.1.1. Proposals must be submitted in complete original form by mail or messenger to the following address:

Jefferson County Purchasing Department
1149 Pearl Street, First Floor
Beaumont, TX 77701

2.1.2 Proposals will be accepted at the above address until the time and date specified herein, and immediately after will be publicly opened and read aloud.

2.1.3 All proposals shall be tightly sealed in an opaque envelope and plainly marked with the RFP number, due date, and the Offeror's name and address.

2.1.4 Late proposals will not be accepted and will be returned to the Offeror.

2.1.5 All proposals submitted in response to this RFP shall become the property of Jefferson County and will be a matter of public record available for review.

2.2 Preparation of Proposals

2.2.1 The proposal shall be legibly printed in ink or typed.

2.2.2 If a unit price or extension already entered is to be altered, it shall be crossed out and initialed in ink by the Offeror.

2.2.3 The proposal shall be legally signed and shall include the complete address of the Offeror.

2.2.4 Jefferson County is exempt from Federal and State Sales Taxes, and such taxes shall not be included in prices.

2.3 Signatures

All proposals, notifications, claims, and statements must be signed by an individual authorized to bind the Offeror. The individual signing certifies, under penalty of perjury, that he or she has the legal authorization to bind the Offeror.

2.4 Rejection or Withdrawal

Submission of additional terms, conditions or agreements with the RFP document are grounds for deeming a proposal non-responsive and may result in rejection. Jefferson County reserves the right to reject any and all proposals and to waive any informalities and minor irregularities or defects in proposals. Proposals may be withdrawn in person by an Offeror or authorized representative, provided their identity is made known and a receipt is signed for the proposal, but only if the withdrawal is made prior to the time set for receipt of proposals. Proposals are an irrevocable offer and may not be withdrawn within 90 days after opening date.

2.5 Award

The contract will be awarded to the responsible, responsive Offeror(s) whose proposal, conforming to the solicitation, will be most advantageous to Jefferson County – price and other factors considered. Unless otherwise specified in this RFP, Jefferson County reserves the right to accept a proposal in whole or in part, and to award by item or by group, whichever is deemed to be in the best interest of Jefferson County. Any Offeror

who is in default to Jefferson County at the time of submittal of the proposal shall have that proposal rejected. Jefferson County reserves the right to clarify any contractual terms with the concurrence of the Contractor; however, any substantial nonconformity in the offer, as determined by Jefferson County, shall be deemed non-responsive and the offer rejected.

In evaluating proposals, Jefferson County shall consider the qualifications of the Offerors, and, where applicable, operating costs, delivery time, maintenance requirements, performance data, and guarantees of materials and equipment. In addition, Jefferson County may conduct such investigation as it deems necessary to assist in the evaluation of proposals and to establish the responsibility, qualifications, and financial ability of the Offerors to fulfill the contract.

2.6 Changes and Addenda to RFP Documents

Each change or addendum issued in relation to this RFP document will be on file in the Office of the Purchasing Agent, and will additionally be posted on the web site. It shall be the Offeror's responsibility to make inquiry as to change or addenda issued. All such changes or addenda shall become part of the contract and all Offerors shall be bound by such addenda.

2.7 Specifications

Unless otherwise stated by the Offeror, the RFP will be considered as being in accordance with Jefferson County's applicable standard specifications, and any special specifications outlined in the RFP document. References to a particular trade name, manufacturer's catalogue, or model number are made for descriptive purposes to guide the Offeror in interpreting the requirements of Jefferson County, and should not be construed as excluding bids on other types of materials, equipment, and supplies. However, the Offeror, if awarded a contract, will be required to furnish the particular item referred to in the specifications or description unless departure or substitution is clearly noted and described in the proposal. Jefferson County reserves the right to determine if equipment/product being offered is an acceptable alternate. All goods shall be new unless otherwise so stated in the RFP. Any unsolicited alternate proposal, or any changes, insertions, or omissions to the terms and conditions, specifications, or any other requirements of the RFP, may be considered non-responsive.

2.8 Delivery

Proposals shall include all charges for delivery, packing, crating, containers, etc. Unless otherwise stated by the Offeror, prices will be considered as being based on F.O.B. delivered, freight included.

2.9 Interpretation of RFP and/or Contract Documents

All inquiries shall be made within a reasonable time prior to the date and time fixed for the opening, in order that a written response in the form of an addendum, if required, can be processed before the proposals are opened. Inquiries received that are not made in a timely fashion may or may not be considered.

2.10 Currency

Prices calculated by the Offeror shall be stated in U.S. dollars.

2.11 Pricing

Prices shall be stated in units of quantity specified in the RFP documents. In case of discrepancy in computing the amount of the offer, the unit price shall govern.

2.12 Notice to Proceed/Purchase Order

The successful Offeror may not commence work under this contract until authorized to do so by the Purchasing Agent.

2.13 Certification

By signing the offer section of the Offer and Acceptance page, Offeror certifies:

2.13.1 The submission of the offer did not involve collusion or other anti-competitive practices.

2.13.2 The Offeror has not given, offered to give, nor intends to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the submitted offer.

2.13.3 The Offeror hereby certifies that the individual signing the proposal is an authorized agent for the Offeror and has the authority to bind the Offeror to the contract.

2.14 Definitions

“County” – Jefferson County, Texas.

“Contractor” – The Offeror whose proposal is accepted by Jefferson County.

3. GENERAL TERMS AND CONDITIONS AND TERMS OF CONTRACT

By execution of this document, the vendor accepts all general and special conditions of the contract as outlined below and in the specifications and plans.

3.1 Proposals

- 3.1.1 Proposals. All proposals must be submitted In the form furnished in this package.
- 3.1.2 Authorized Signatures. The offer must be executed personally by the vendor, duly authorized partner of the partnership, or duly authorized officer of the corporation. If executed by an agent, a power of attorney or other evidence of authority to act on behalf of the vendor shall accompany the offer to become a valid offer.
- 3.1.3 Late Proposals. Proposals must be in the office of the Jefferson County Purchasing Agent before or at the specified time and date. Proposals received after the submission deadline shall be rejected as non-responsive.
- 3.1.4 Withdrawal of Proposals Prior to Opening. A proposal may be withdrawn before the opening date by submitting a written request to the Purchasing Agent. If time allows the Offeror may submit a new proposal. Offeror assumes full responsibility for submitting a new proposal before or at the specified time and date. Jefferson County reserves the right to withdraw an RFP before the opening date.
- 3.1.5 Withdrawal of Proposals After Opening. Offeror agrees that its offer may not be withdrawn or cancelled by the vendor for a period of ninety (90) days following the date and time designated for the receipt of proposals unless otherwise stated in the RFP and/or specifications.
- 3.1.6 Amounts. Proposals shall show net prices, extensions where applicable, and net total. In case of conflict between unit price and extension, the unit price will govern. Any ambiguity in the RFP as a result of omission, error, unintelligible or illegible wording shall be interpreted in the favor of Jefferson County.
- 3.1.7 Exceptions and/or Substitutions. All proposals meeting the intent of the specifications and plans will be considered for award. Vendors taking exception to the specifications and plans, or offering substitutions, shall state these exceptions in the section provided. If proposal is made on an article other than the one specified, which an Offeror considers comparable, the name and grade of said article must be specified in the proposal and sufficient specifications and descriptive data must accompany same to permit thorough evaluation. The absence of stated exceptions and/or substitutions shall indicate that the Offeror has not taken any exceptions to the specifications and shall be responsible to perform in strict accordance with the specifications. **As a matter of practice, Jefferson County rejects exception(s) and/or substitutions as non-responsive but reserves the right to accept any and/or all of the exception(s) and/or substitution(s) deemed to be in the best interest of Jefferson County.**

- 3.1.8 Alternates. The RFP and/or specifications may expressly allow Offeror to submit an alternate offer. Presence of such an offer shall not be considered an indication of non-responsiveness.
- 3.1.9 Descriptions. Unless otherwise specified, any reference to make, manufacturer and/or model used in the specifications is merely descriptive and not restrictive, and is used only to indicate type, style, or quality of material desired.
- 3.1.10 Alterations. Proposals cannot be altered or amended after submission deadline. Any interlineations, alterations, or erasures made before opening time must be initialed by the signer of the offer, guaranteeing authenticity.
- 3.1.11 Tax Exempt Status. Jefferson County is exempt from federal excise tax and state sales tax. Unless the specifications specifically indicate otherwise, the price must be net, exclusive of above-mentioned taxes and will be so construed. Therefore, the price shall not include taxes.
- 3.1.12 Quantities. Quantities indicated are estimated quantities only and are not a commitment to buy. Approximate usage does not constitute an order, but only implies the probable quantity that will be used. Commodities will be ordered on an as-needed basis. Offeror is responsible for accurate final counts.
- 3.1.13 Award. Award of contract shall be made to the most responsible, responsive Offeror, whose offer is determined to be the best value, taking into consideration the relative importance of price. Jefferson County reserves the right to be the sole judge as to whether items will serve the purpose intended. Jefferson County reserves the right to accept or reject in part or in whole any proposal submitted, and to waive any technicalities or informalities for the best interest of the County. Jefferson County reserves the right to award based upon individual line items, sections or total offer.
- 3.1.14 Silence of Specifications for Complete Units. All materials, equipment and/or parts that will become a portion of the completed work, including items not specifically stated herein but, necessary to render the service(s) complete and operational per the specifications, are to be included in the bid price. Offeror may be required to furnish evidence that the service, as offered, will meet or exceed these requirements.
- 3.1.15 Addenda. Any interpretations, corrections or changes to the specifications and plans will be made by addenda no later than forty-eight (48) hours prior to the opening. Addenda will be posted on the web site; Offerors are responsible for monitoring the web site. Offerors shall acknowledge receipt of all addenda with submission of proposal.
- 3.1.16 General Bid Bond/Surety Requirements. Failure to furnish bid bond/surety, if requested, will result in offer being declared non-responsive. Non-responsive proposals will not be considered for award.
- 3.1.17 General Insurance Requirements. Failure to furnish Affidavit of Insurance, if required in these specifications, will result in proposal being declared non-responsive. Non-responsive proposals will not be considered for award.
- 3.1.18 Responsiveness. A responsive proposal shall substantially conform to the requirements of this RFP and/or specifications contained herein. Offerors who substitute any other terms, conditions, specifications and/or requirements or who qualify their proposals in such a manner as to nullify or limit their liability to

the contracting entity shall have their proposals deemed non-responsive. Also, proposals containing any clause that would limit contracting authority shall be considered non-responsive. Examples of non-responsive proposals include but shall not be limited to: a) proposals that fail to conform to required delivery schedules as set forth in the bid request; b) proposals with prices qualified in such a manner that the price cannot be determined, such as with vague wording that may include "price in effect at the time of delivery," and c) proposals made contingent upon award of other bids currently under consideration.

- 3.1.19 Responsible Standing of Offeror. To be considered for award, Offeror must at least: have the ability to obtain adequate financial resources, be able to comply with required or proposed delivery/completion schedule, have a satisfactory record of performance; have a satisfactory record of integrity and ethics, and be otherwise qualified and eligible to receive award.
- 3.1.20 Proprietary Data. Offeror may, by written request, indicate as confidential any portion(s) of a proposal that contain(s) proprietary information, including manufacturing and/or design processes exclusive to the Offeror. Jefferson County will protect from public disclosure such portions of a proposal, unless directed otherwise by legal authority, including existing Open Records Acts.
- 3.1.21 Public Opening. Offerors are invited to be present at the opening of proposals. After the official opening, a period of not less than one week is necessary to evaluate proposals. The amount of time necessary for evaluation may vary and is determined solely by the County. Following the evaluation, all proposals submitted are available for public review.

3.2 Performance

- 3.2.1 Design, Strength, and Quality. Design, strength, and quality of materials and workmanship must conform to the highest standards of manufacturing and engineering practices. The apparent silence of specifications and/or plans as to any detailed description concerning any point shall be regarded as meaning that only the best commercial practices are to prevail. All interpretations of these specifications and/or plans shall be made on the basis of this statement.
- 3.2.2 Age and Manufacture. All tangible goods being bid must be new and unused, unless otherwise specified, in first-class condition, of current manufacture, and furnished ready to use. All items not specifically mentioned that are required for a complete unit shall be furnished.
- 3.2.3 Delivery Location. All deliveries will be made to the address(es) specified on the purchase order during normal working hours of 8:00 a.m. to 4:00 p.m., Monday through Friday, unless otherwise authorized by the Purchasing Agent or designee.
- 3.2.4 Delivery Schedule. Delivery time may be an important consideration in the evaluation of best value. The maximum number of days necessary for delivery ARO shall be stated in the space, if provided, on the price form.
- 3.2.5 Delivery Charges. All delivery and freight charges, F.O.B. destination shown on Jefferson County purchase order, as necessary to perform contract, are to be included in the bid price.

- 3.2.6 Installation Charges. All charges for assembly, installation and set-up shall be included in the price. Unless otherwise stated, assembly, installation and set-up will be required.
- 3.2.7 Operating Instructions and Training. Clear and concise operating instructions and descriptive literature will be provided in English, if requested. On-site detailed training in the safe and efficient use and general maintenance of item(s) purchased shall be provided as needed at the request of Jefferson County. Instructions and training shall be at no additional cost to the County.
- 3.2.8 Storage. Offeror agrees to provide storage of custom ordered materials, if requested, for up to thirty (30) calendar days.
- 3.2.9 Compliance with Federal, State, County, and Local Laws. Proposals must comply with all federal, state, county and local laws, including, but not limited to, all applicable standard safety, emission, and noise control requirements. Any vehicles or equipment shall contain all standard safety, emission, and noise control requirements required for the types and sizes of equipment at the time of their manufacture. The contractor agrees, during the performance of work or service, to comply with all applicable codes and ordinances of Jefferson County or the State of Texas as they may apply, as these laws may now read, or as they may hereafter be changed or amended.
- 3.2.10 Patents and Copyrights. The successful Offeror agrees to protect the County from claims involving infringements of patents and/or copyrights.
- 3.2.11 Samples, Demonstrations and Testing. At Jefferson County's request and direction, Offeror shall provide product samples and/or testing of items bid to ensure compliance with specifications. Samples, demonstrations and/or testing may be requested at any point prior to or following award. All samples (including return thereof), demonstrations, and/or testing shall be at the expense of the Offeror.
- 3.3.12 Acceptability. All articles enumerated in the proposal shall be subject to inspection by an officer designated for that purpose by Jefferson County. If found inferior to the quality called for, or not equal in value to the specifications, deficient in workmanship or otherwise, this fact shall be certified to the Purchasing Agent, who shall have the right to reject the whole or any part of the same. Items and/or work determined to be contrary to specifications must be replaced at the vendor's expense. Inferior items not retrieved by the vendor within thirty (30) calendar days, or an otherwise agreed upon time, shall become the property of the County. If disposal of such items warrants an expense, an amount equal to the disposal expense will be deducted from amounts payable to the vendor.

3.3 Purchase Orders and Payment

- 3.3.1 Purchase Orders. A purchase order(s) shall be generated by the Jefferson County Purchasing Agent to the successful vendor. The purchase order number must appear on all itemized invoices and packing slips. The County will not be held responsible for any work orders placed and/or performed without a valid current purchase order number. Payment will be made for all services rendered and accepted by the Jefferson County Auditor for which a valid invoice has been received.

- 3.3.2 Invoices. All invoices shall reference the Purchase Order number. Invoices shall reference the bid item number or a detailed description for each item invoiced. If an item purchased and itemized on the invoice does not correspond to an item in any of the categories awarded to the vendor, invoice shall reference the item as "N/C" to indicate that it is a non-contract item. This requirement is to assist the County in verifying contract pricing on all invoices. Payment will be made under terms of net thirty (30) days unless otherwise agreed upon by seller and the purchasing department.
- 3.3.3 Funding. Jefferson County is operated and funded on an October 1 to September 30 basis; accordingly, the County reserves the right to terminate, without liability to the County, any contract for which funding is not available.

3.4 Contract

- 3.4.1 Contract Agreement. Once a contract is awarded, the unit prices offered by the successful Offeror shall remain firm for the term of the contract. Contract shall commence on date of award and continue for up to a three (3) year period.
- 3.4.2 Change Order. No different or additional terms will become part of this contract with the exception of a change order. No oral statement of any person shall modify or otherwise change, or affect the terms, conditions or specifications stated in the resulting contract. All change orders to the contract will be made in writing and at the discretion and approval of Jefferson County. No change order will be binding unless signed by an authorized representative of the County and the vendor.
- 3.4.3 Price Redetermination. A price redetermination may be considered by Jefferson County only at the twelve (12) month and twenty-four (24) month anniversary dates of the contract. All requests for price redetermination shall be in written form. Cause for such request, i.e., manufacturer's direct cost, postage rates, Railroad Commission rates, Federal/State minimum wage law, Federal/State unemployment taxes, F.I.C.A, Insurance Coverage Rates, etc., shall be substantiated in writing by the source of the cost increase. The Offeror's past experience of honoring contracts at the offered price will be an important consideration in the evaluation of the lowest and best proposal. Jefferson County reserves the right to accept or reject any/all requests for price redetermination as it deems to be in the best interest of the County.
- 3.4.4 Termination for Default. Jefferson County reserves the right to enforce the performance of this contract in any manner prescribed by law or deemed to be in the best interest of the County in the event of breach or default of this contract. Jefferson County reserves the right to terminate the contract immediately in the event the vendor fails to perform to the terms of specifications or fails to comply with the terms of this contract. Breach of contract or default authorizes the County to award to another vendor, purchase elsewhere, and charge the full increase in cost and handling to the defaulting party.
- 3.4.5 Invalid, Illegal, or Unenforceable Provisions. In case any one or more of the provisions contained in the Contract shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not effect any other provision thereof and this contract shall be considered as if such invalid, illegal, or unenforceable provision had never been contained herein.

- 3.4.6 Injuries or Damages Resulting from Negligence. Successful vendor shall defend, indemnify and save harmless Jefferson County and all its 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 vendor, or of any agent, employee, sub-contractor or supplier in the execution of, or performance under, any contract which may result from bid award. Successful vendor shall pay any judgment with cost which may be obtained against Jefferson County growing out of such injury or damages.
- 3.4.7 Interest by Public Officials. No public official shall have interest in this contract, in accordance with Texas local government code.
- 3.4.8 Warranty. The successful vendor shall warrant that all materials utilized in the performance of this contract shall conform to the proposed specifications and/or all warranties as stated in the Uniform Commercial Code and be free from all defects in material, workmanship and title.
- 3.4.9 Uniform Commercial Code. The successful vendor and Jefferson County agree that both parties have all rights, duties, and remedies available as stated in the Uniform Commercial Code.
- 3.4.10 Venue. This agreement will be governed and construed according to the laws of the State of Texas. This agreement is performable in the County of Jefferson, Texas.
- 3.4.11 Sale, Assignment, or Transfer of Contract. The successful vendor shall not sell, assign, transfer or convey this contract, in whole or in part, without the prior written consent of Jefferson County.
- 3.4.12 Silence of Specifications. The apparent silence of these specifications as to any detailed description concerning any point shall be regarded as meaning that only the best commercial practices are to prevail. All interpretations of these specifications shall be made on the basis of this statement.
- 3.4.13 Sample Contract. A sample contract is attached as Exhibit E. The Contractor shall be required to execute the contract upon selection of the successful Offeror and final negotiation of contract terms.

Minimum hold harmless, insurance, and indemnification requirements for the contract are included in the contract. The Contractor shall be required to maintain, and submit proof of, the levels of insurance indicated.

4. SPECIAL REQUIREMENTS/INSTRUCTIONS

The following requirements and instructions supersede General Requirements where applicable.

4.1 Bid Requirement

Each Offeror should submit as a proposal this entire RFP, completed where necessary, for example, the RFP cover sheet, the price sheets, etc. Use the envelope provided with the RFP, or a comparable one, clearly indicating on the outside the Job Number, Job Description, and marked "SEALED PROPOSAL". Jefferson County shall not be responsible for any effort or cost expended in the preparation of a response to this RFP. All protests should be coordinated through the Purchasing Office prior to award recommendation to Commissioners' Court.

4.2 Delivery

If delivery is required, all items must be packaged so as to be protected from damage during shipping and handling. Any item(s) damaged in shipping must be replaced in kind, or repaired, by the contractor, at the discretion of, and at no additional charge to, Jefferson County.

4.3 Payment

4.3.1 Jefferson County will pay original invoices that clearly itemize the goods and/or services provided as to quantity, part number, description, price, applicable discount (if any), labor charges showing time differential, if applicable and if previously agreed to, and delivery, installation, and set-up costs, if applicable and if previously agreed to. Only charges as stated on the Price/Delivery Information Sheet(s) submitted as a part of the bid will be considered.

4.3.2 Invoices must indicate Jefferson County as applicable, the address to which the product(s) and/or service(s) were delivered, and the applicable purchase order number. Invoices will be matched to delivery tickets prior to payment; therefore, all delivery tickets should have an accurate description of the product(s) and/or service(s).

4.4 Usage Reports

Jefferson County reserves the right to request, and receive at no additional cost, up to two (2) times during the contract period, a usage report detailing the products and/or services furnished to date under a contract resulting from this IFB. The reports must be furnished no later than five (5) working days after written request and must itemize all purchases to date by Jefferson County department, description of each item purchased, including manufacturer, quantity of each item purchased, per unit and extended price of each item purchased, and total amount and price of all items purchased.

4.5 Minimum Insurance Requirements

4.5.1 The contractor shall, at all times during the term of this contract, maintain insurance coverage with not less than the type and requirements shown below. Such insurance is to be provided at the sole cost of the contractor. These requirements do not establish limits of the contractor's liability.

4.5.2 All policies of insurance shall waive all rights of subrogation against the County, its officers, employees and agents.

- 4.5.3 Upon request, certified copies of original insurance policies shall be furnished to Jefferson County.
- 4.5.4 The County reserves the right to require additional insurance should it deem necessary.
- 4.5.5 Workers' Compensation (with Waiver of subrogation to Jefferson County) Employer's Liability, including all states, and other endorsements, if applicable to the Project.
Statutory, and Bodily Injury by Accident: \$100,000 each employee. Bodily Injury by Disease: \$500,000 policy limit \$100,000 each employee. Jefferson County shall be named as "additional insured" on workers' compensation policy.
- 4.5.6 Commercial General Liability Occurrence Form including, but not limited to, Premises and Operations, Products Liability Broad Form Property Damage, Contractual Liability, Personal and Advertising Injury Liability and where the exposure exists, coverage for watercraft, blasting collapse, and explosions, blowout, cratering and underground damage.
\$300,000 each occurrence Limit Bodily Injury and Property Damage Combined \$300,000 Products-Completed Operations Aggregate Limit \$500,000 Per Job Aggregate \$300,000 Personal and Advertising Injury Limit. Jefferson County shall be named as "additional insured" on commercial general liability policy.
- 4.5.7 Automobile Liability Coverage: \$300,000 Combined Liability Limits. Bodily Injury and Property Damage Combined. Jefferson County shall be named as "additional insured" on automobile policy.

5. INTRODUCTION

5.1 General Information

- 5.1.1. Jefferson County is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal year ending September 30, 2011, with the option of auditing its financial statements for each of the two (2) subsequent 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*, the provisions of the federal Single Audit Act (1996), and U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of State, Local Governments, and Not for Profit Organizations*.
- 5.1.2. There is no expressed or implied obligation for Jefferson County to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.
- 5.1.3. A pre-proposal conference for all interested firms will be held at 10:00 AM on May 12, 2011 at 1149 Pearl Street, Fourth Floor, Commissioners' Courtroom, Beaumont, Texas to answer questions about the engagement.
- 5.1.4. Proposals submitted will be evaluated by an Audit Committee selected by Commissioners' Court.
- 5.1.5. During the evaluation process, the Audit Committee and Jefferson County reserve the right, where it may serve Jefferson County's best interest, to request additional information or clarification from Offerors, or to allow corrections of errors or omissions. At the discretion of Jefferson County or the Audit Committee, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.
- 5.1.6. Jefferson County reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance of the firm of the conditions contained in this RFP, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between Jefferson County and the firm selected.

5.2 Terms of Contract

A three (3) year contract is contemplated, subject to the annual review and recommendations of the Audit Committee, the satisfactory negotiation of terms (including a price acceptable to both Jefferson County and the selected firm), the concurrence of Commissioners' Court, and the annual availability of an appropriation.

5.3 Subcontracting

Firms submitting proposals are encouraged to consider subcontracting portions of the engagement to small audit firms or audit firms owned and controlled by socially and economically disadvantaged individuals. If this is to be done, that fact, and the name of the proposed subcontracting firms, must be clearly identified in the proposal. Following the award of the audit engagement, no additional subcontracting will be allowed without the express prior written consent of Jefferson County.

6. NATURE OF SERVICES REQUIRED

6.1 General

Jefferson County is soliciting the services of qualified firms of certified public accountants to audit its financial statements for the fiscal year ending September 30, 2011, with the option of auditing its financial statements for each of the two (2) subsequent years. These audits are to be performed in accordance with the provisions contained in this RFP.

6.2 Scope of Work

- 6.2.1 Jefferson County desires the Contractor* to express an opinion of the fair presentation of its general purpose financial statements in conformity with generally accepted accounting principles.
- 6.2.2 Jefferson County also desires the Contractor to provide an "in-relation-to" opinion on the combined and individual fund financial statements based on the auditing procedures applied during the audit of the general purpose financial statements. The Contractor is not required to audit the statistical section of the report.
- 6.2.3 The Contractor shall also be responsible for performing certain limited procedures involving supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards.
- 6.2.4 The Contractor is not required to audit the Schedule of Expenditures of Federal Awards. However, the Contractor is to provide an "in-relation-to" report on that schedule, based on the auditing procedures applied during the audit of the financial statements.

6.3 Auditing Standards

To meet the requirements of this RFP, the audit shall be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accounts, the standards for financial audits set forth in the U.S. General Accounting Office's *Government Auditing Standards*, the provisions of the Single Audit Act of 1996, and the provision of U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Not for Profit Organizations*.

6.4 Reports

- 6.4.1 Following completion of the audit of the fiscal year's financial statement, the Contractor shall issue the following:
 - A report on the fair presentation of the general purpose financial statements in conformity with generally accepted accounting principles.
 - A report on compliance and on internal controls over financial reporting based on an audit of financial statements performed in accordance with Government Auditing Standards.
 - A report on compliance requirements applicable to each major program and internal controls over compliance in accordance with OMB Circular A-133, *Audits of States, Local Governments, and Not for Profit Organizations*.
 - An "in-relation-to" report on the schedule of expenditures of federal awards.

* "Contractor" refers to the Offeror whose proposal is selected for award.

- 6.4.2 In the required report(s) on internal controls, the Contractor shall communicate any reportable conditions found during the audit to the Jefferson County Audit Committee, which shall convene at periodic intervals during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structures that could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.
- 6.4.3 Reportable conditions that are also material weaknesses shall be identified as such in the report.
- 6.4.4 Nonreportable conditions discovered by the Contractor shall be reported in a separate letter to management, which shall be referred to in the report(s) on internal controls.
- 6.4.5 The reports on compliance shall include **all** instances of noncompliance.
- 6.4.6 The Contractor 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 Audit Committee.
- 6.4.7 The Contractor shall assure itself that the Audit Committee is informed of each of the following:
- The Contractor's responsibility under generally accepted auditing standards,
 - Significant accounting policies,
 - Management judgments and accounting estimates,
 - Significant audit adjustments,
 - Other information in documents containing audited financial statements,
 - Disagreements with management,
 - Management consultation with other accountants,
 - Major issues discussed with management prior to retention, and
 - Difficulties encountered in performing the audit.

6.5 Special Considerations

- 6.5.1 Jefferson County will send its comprehensive annual financial report to the Government Finance Officers Association of the United States and Canada for review in the Certificate of Achievement for Excellence in Financial Reporting program. It is anticipated that the Contractor will be required to provide special assistance to Jefferson County to meet the requirements of that program.
- 6.5.2 Jefferson County currently anticipates it will prepare one or more official statements in connection with the sale of debt securities containing the general purpose financial statements and the auditor's report thereon. The Contractor 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."
- 6.5.3 Jefferson County has determined that the United States Department of Homeland Security/Federal Emergency Management Agency will function as the cognizant agency in accordance with the provisions of the Single Audit Act of 1996 and U.S.

Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Not for Profit Organizations*.

- 6.5.4 The schedule of expenditures of federal awards and related auditor's report, as well as the reports on the internal controls and compliance are to be issued separately from the comprehensive annual financial report.

6.6 Working Paper Retention and Access to Working Papers

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

- Jefferson County,
- United States Department of Homeland Security/Federal Emergency Management Agency,
- U.S. General Accounting Office (GAO),
- Parties designated by the federal or state government or Jefferson County as part of an audit quality review process,
- Auditors of entities of which Jefferson County is a subrecipient of grant funds.

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

7. DESCRIPTION OF THE GOVERNMENT

7.1 Contact

The Contractor's principal contact with Jefferson County will be Patrick Swain, County Auditor (409-835-8500) or a designated representative, who will coordinate the assistance to be provided by Jefferson County to the Contractor.

An organizational chart is provided at Attachment 2.

7.2 Background Information

- 7.2.1 Jefferson County serves an area of 904 square miles, with a population of 252,051. Jefferson County's fiscal year begins on October 1 and ends on September 30.
- 7.2.2 Jefferson County provides services to the citizens, including, but not limited to, the maintenance and construction of roads and bridges, judicial and law enforcement services, and health and welfare services.
- 7.2.3 Jefferson County has a total payroll of approximately \$51,964,736, covering 1227 employees.
- 7.2.4 Jefferson County is organized into 100 departments and agencies. The accounting and financial reporting functions are centralized.
- 7.2.5 More detailed information can be found in the Annual Financial Statements and Annual Budget, which are available for interested parties at the County Auditor's Office, 1149 Pearl Street – Seventh Floor, Beaumont, Texas 77701, Telephone 409-835-8500, or at the Jefferson County website (www.co.jefferson.tx.us, select the link for the Auditor's Office).

7.3 Fund Structure

Jefferson County uses the following fund types and accounting groups in its financial reporting:

Fund Type/Account Group	Number of Individual Funds
General Fund	1
Special revenue funds	78
Debt service funds	7
Capital projects funds	8
Enterprise funds	2
Internal service funds	3
Expendable trust funds	-
Nonexpendable trust funds	-
Pension trust funds	-
Agency funds	12

7.4 Budgetary Basis of Accounting

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

7.5 Federal and State Financial Assistance

During the prior fiscal year, Jefferson County received \$9,115,705 in federal financial assistance.

7.6 Pension Plans

Jefferson County participates in the following pensions plans:

- Texas County and District Retirement System
- Employee IRC Section 457 Plan/Deferred Compensation Fund

7.7 Component Units

7.7.1 As required by generally accepted accounting principles, the financial statements of the reporting entity includes those of Jefferson County (the primary government).

7.7.2 The following are excluded from the reporting entity:

- Jefferson County Navigation District, Drainage District #3, Drainage District #6, and Drainage District #7. These potential component units have separate governing boards and provide services to the residents of Jefferson County. They have been excluded from the reporting entity because Jefferson County does not have the ability to exercise influence over their daily operations, approve budgets, or provide funding. In addition, the Drainage Districts were created under the provisions of Chapter 7 of Title 128, Article 16, Section 59a, of the State Constitution, Vernon’s Annotated Statutes, thus establishing them as political subdivisions of the state.
- The Foreign Trade Zone, which was established by the voters of Jefferson County. The board is jointly appointed by the boards of the three area ports and Commissioners’ Court. The County does not have the ability to influence the daily operations, select management, or hold title to any or the Foreign Trade Zone’s assets. Funding is provided equally by the three area ports and the County.
- Jefferson County Health Facilities Development Corporation, Jefferson County Housing Finance Corporation, and Jefferson County Industrial Development Corporation. These nonprofit independent corporations have a board appointed by the County Commissioners. The County does not have the ability to significantly influence the operation of, provide funding to, or have any obligation to pay off the bonds issued by these corporation.
- Pleasure Island Park Board.

7.8 Magnitude of Financial Operations

The County Auditor’s Department is headed by Patrick Swain, County Auditor, and consists of 16 employees.

7.9 Computer Systems

7.9.1 Hardware

Type of Equipment	Number
IBM	AS400

7.9.2 Software

Make	Vendor	Major Applications
Sunguard Public Sector		Government Management & Budgetary Accounting – General Ledger, Accounts Payable, Budgeting, Project/ Grant Accounting, Investment Tracking, Payroll, Cash Receipts

7.10 Internal Audit Function

Jefferson County maintains an internal audit function, which reports to Patrick Swain, County Auditor.

7.11 Availability of Prior Audit Reports and Working Papers

Interested Offerors who wish to review prior years' audit reports and management letters should contact Patrick Swain, County Auditor, at 1149 Pearl Street – Seventh Floor, Beaumont, Texas 77701, Telephone 409-835-8500 or at the Jefferson County website (www.co.jefferson.tx.us, select the link for the Auditor's Office). Jefferson County will use its best efforts to make prior audit reports and supporting working papers available to Offerors to aid their response to this RFP.

8. IMPORTANT DATES

8.1 RFP and Proposal Dates

Request for proposal issued	April 25, 2011
Pre-proposal conference	May 12, 2011, 10:00 AM
Due date/time for proposals	June 7, 2011 11:00 AM

8.2 Estimated Notification and Contract Dates

Selected firm notified	June 20, 2011
Contract date	June 27, 2011

8.3 Date Audit May Commence

Jefferson County will have all records ready for final audit fieldwork and all management personnel available to meet with the Contractor's personnel as of January 15, 2012. Interim work may be performed during August and September of each audit year.

8.4 Schedule for the 2011 Fiscal Year Audit*

Jefferson County will have all records ready for final audit fieldwork and all management personnel available to meet with the Contractor's personnel as of January 15, 2012. Interim work may be performed during August and September of each audit year.

Each of the following should be completed by the Contractor no later than the dates indicated:

- The auditor shall complete all field work by February 29, 2012.
- The auditor shall have drafts of the audit report(s) and recommendations to management available for review by the Audit Committee and the County Auditor by March 19, 2012.

* A similar time schedule will be developed for audits of future fiscal years if Jefferson County exercises its option for additional audits.

9. REPORTS

9.1 Entrance Conferences, Progress Reporting, and Exit Conferences*

At a minimum, the following conferences should be held by the dates indicated:

Conference	Purpose	Week of
Entrance conference with Patrick Swain, County Auditor	To establish overall liaison for the audit and to make arrangements for work space and other needs of the auditor related to the beginning of field work	Aug 4, 2011
Exit conference with Patrick Swain, County Auditor, and Audit Committee	To summarize the results of field work and to review significant findings	March 12, 2012
Progress Report	As needed	As requested

9.2 Final Report

- 9.2.1 The County Auditor shall prepare draft financial statements, notes, and all required supplementary schedules by February 28, 2012. The auditor shall provide all recommendations, revisions, and suggestions for improvement to the County Auditor by March 12, 2012.
- 9.2.2 The County Auditor and the Audit Committee will complete their review of the draft report as expeditiously as possible. It is not expected that their process shall exceed one week. During that period, the Contractor shall be available for any meetings that may be necessary to discuss the audit reports. Once all issues for discussion are resolved, the final signed report shall be delivered to Jefferson County Commissioners' Court.
- 9.2.3 The final audit report shall be delivered to Jefferson County Commissioners' Court, 1149 Pearl Street – Fourth Floor, Beaumont, Texas 77701 by March 31, 2012.

10. ASSISTANCE TO BE PROVIDED AND REPORT PRESENTATION

10.1 County Auditor's Office and Clerical Assistance

The County Auditor's staff and responsible management personnel will be available during the audit to assist the Contractor by providing information, documentation, and explanations. The preparation of confirmations will be the responsibility of the Contractor.

10.2 Statements and Schedules to be Prepared by Jefferson County

The staff of Jefferson County will assist with the preparation of various schedules. A list shall be developed and presented to the County Auditor prior to the beginning of field work.

10.3 Work Area, Telephones, Photocopying, and Fax Machines

Jefferson County will provide the Contractor with reasonable work space, desks, and chairs. The Contractor will also be provided with access to a telephone line, photocopying facilities, fax machines, and inquiry-only on the AS400.

10.4 Report Preparation

Report preparation, editing, and printing shall be the responsibility of Jefferson County.

11. PROPOSAL REQUIREMENTS

11.1 General Requirements

11.1.1 Pre-proposal Conference and On-site Inspections

A conference for firms interested in submitting proposals will be held at 10:00 am, May 12, 2011, in the Commissioners' Courtroom, 1149 Pearl Street – Fourth Floor, Beaumont, Texas 77701. Both verbal and written questions will be accepted during this conference.

During the week of May 16, 2011, representatives of the various departments within Jefferson County will be available to discuss their operations and conduct on-site inspections for interested Offerors.

11.1.2 Inquiries

Inquiries concerning the RFP must be made to the Purchasing Agent, 1149 Pearl Street – First Floor, Beaumont, Texas 77701, Telephone 409-835-8593.

11.1.3 Submission of Proposals

The following material must be received by June 7, 2011 in order for an Offeror to be considered:

11.1.3.1 An original of the Technical Proposal and five (5) copies, including the following:

- Title page: showing the RFP Number and Title, the Offeror's name (including name, address and telephone number of point of contact), and the date of the proposal.
- Table of Contents.
- A signed transmittal letter briefing stating the Offeror's understanding of the work to be done, the commitment to perform the work within the time period given, a statement of why the firm believes itself to be best qualified to perform the work, and a statement that the proposal is a firm and irrevocable offer for thirty (30) days.
- A detailed proposal following the order set for in Section 11.2 of this RFP.
- Executed copies of the **Proposer Warranties**, attached to this report at Exhibit B.

11.1.3.2 The Offeror shall submit an original and five (5) copies of a dollar cost bid in a separate, sealed envelope marked as follows:

**Sealed Dollar Cost Request for Proposal
Auditing Services for
Jefferson County
June 7, 2011**

11.2 Technical Proposal

11.2.1 General Requirements

The purpose of the Technical Proposal is to demonstrate the qualifications, competence, and capacity of Offerors seeking to undertake an independent audit of Jefferson County in conformity with the requirements of this RFP. As such, the substance of proposals will carry more weight than their form or manner of presentation. The Technical Proposal shall demonstrate the qualifications of the Offeror and of the particular staff to be assigned to this contract. It shall also specify an audit approach that meets the RFP requirements.

There shall be no dollar units or total costs included in the technical proposal document.

The Technical Proposal shall address all the points outlined in the RFP (excluding any cost information, which shall only be included in the sealed dollar cost bid). The proposal shall be prepared simply and economically, providing a straightforward, concise description of the Offeror's capabilities to satisfy the requirements of the RFP. While additional data may be presented, the following subjects, items 11.2.2 through 11.2.9, must be included. They represent the criteria against which the proposal will be evaluated.

11.2.2 Independence

The Offeror shall provide an affirmative statement that it is independent of Jefferson County as defined by generally accepted auditing standards and *Government Auditing Standards*.

The Offeror shall also provide an affirmative statement that it is independent of all component units of Jefferson County as defined by those same standards/

The Offeror shall also list and describe the firm's (or proposed subcontractors') professional relationships involving Jefferson County 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.

11.2.3 License to Practice in Texas

An affirmative statement shall be included that the Offeror and all assigned key professional staff are properly licensed to practice in Texas.

11.2.4 Firm Qualifications and Experience

The Offeror shall 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 the contract is to be performed, the number and nature of the professional staff to be employed on this contract on a full-time basis, and the number and nature of the staff to be so employed on a part-time basis.

If the Offeror is a joint venture or consortium, the qualifications of each firm comprising the joint venture or consortium shall be separately identified. The firm that is to serve as the principal auditor shall be noted, if applicable.

The Offeror 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 Offeror 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 Offeror shall provide information on the circumstances and status of any disciplinary action taken or pending against the Offeror during the past three (3) years with state regulatory bodies or professional organizations.

11.2.5 Partner, Supervisory, and Staff Qualifications and Experience

Identify the principal supervisory and management staff, including contract partners, managers, other supervisors, and specialists who would be assigned to the contract. 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 contract. Indicate how the quality of staff over the term of the contract will be assured.

Contract 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 Jefferson County. However, in either case, Jefferson County retains the right to approve or reject replacements.

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

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

11.2.6 Prior Contracts with Jefferson County

List separately all contracts within the last five (5) years, ranked on the basis of total staff hours, for Jefferson County. by type of engagement (i.e., audit, management advisory services, other). Indicate the scope of work, date, contract partners, total hours, the location of the firm's office from which the contract was performed, and the name and telephone number of the principal client contact.

11.2.7 Similar Contracts with Other Government Entities

For the Offeror's office that will be assigned responsibility for the audit, list the most significant contracts (maximum – five (5)) performed in the last five (5) years that are similar to the contract described in this RFP. These contract shall be ranked on the basis of total staff hours. Indicate the scope of work, date, contract partners, total hours, and the name and telephone number of the principal client contact.

11.2.8 Specific Audit Approach

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

- Level of staff and number of hours to be assigned to each proposed segment of the contract.

No dollar amounts shall be included in the technical proposal.

- Sample size and the extent to which statistical sampling is to be used in the contract.
- Extent of use of EDP software in the contract.
- Type and extent of analytical procedures to be used in the contract.
- Approach to be taken to gain and document an understanding of Jefferson County's internal control structure.
- Approach to be taken in determining laws and regulations that will be subject to audit test work.
- Approach to be taken in drawing audit samples for purposes of tests of compliance.

11.2.9 Identification of Anticipated Potential Audit Problems

The proposal shall identify and describe any anticipated potential audit problems, the Offeror's approach to resolving these problems, and any special assistance that will be requested from Jefferson County.

No dollar amounts shall be included in the technical proposal.

11.3 Sealed Dollar Cost Bid

11.3.1 Total, All-Inclusive, Maximum Price

11.3.1.1 The sealed dollar cost bid shall contain all pricing information relative to performing the audit engagement as described in this RFP. The total, all-inclusive, maximum price to be bid is to contain all direct and indirect costs, including all out-of-pocket expenses.

11.3.1.2 Jefferson County will not be responsible for expenses incurred in preparing and submitting the technical proposal or the seal dollar cost bid. Such costs shall not be included in the proposal.

11.3.1.3 The first page of the sealed dollar cost bid shall include the following information:

- Name of firm.
- Certification that the person signing the proposal is entitled to represent the firm, empowered to submit the bid, and authorized to sign a contract with Jefferson County.
- A total, all-inclusive, maximum price for the 2011 engagement.

11.3.2 Rates by Partner, Specialist, Supervisory, and Staff Level Times Hours Anticipated for Each

The second page of the sealed dollar cost bid shall include a schedule of professional fees and expenses, presented in the format provided in Exhibit D, that supports the total, all-inclusive, maximum price.

11.3.3 Out-of-Pocket Expenses Included in the Total, All-Inclusive, Maximum Price and Reimbursement Rates

11.3.3.1 Out-of-pocket expenses for firm personnel (e.g., travel, lodging, and subsistence) will be reimbursed at the rates used by Jefferson County for its employees. All estimated out-of-pocket expenses to be reimbursed shall be presented on the second page of the sealed dollar cost bid in the format provided in Exhibit D. All expense reimbursements will be charged against the total, all-inclusive, maximum price submitted by the Offeror.

11.3.3.2 In addition, a statement must be included in the sealed dollar cost bid stating the firm will accept reimbursement for travel, lodging, and subsistence at the prevailing Jefferson County rates for its employees.

11.3.4 Rates for Additional Professional Services

If it shall become necessary for Jefferson County to request the auditor to render any additional services to either supplement the services requested in this RFP or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between Jefferson County and the Contractor. Any such additional work agreed to between Jefferson County and the Contractor shall be performed at the same rates set forth in the schedule of fees and expenses included in the sealed dollar cost bid.

11.3.5 Manner of Payment

Progress payments shall be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the Contractor's dollar cost bid proposal. Interim billing shall cover a period of not less than one (1) calendar month.

12. EVALUATION PROCEDURES

12.1 Audit Committee

Proposals submitted will be evaluated by an Audit Committee selected by Commissioners' Court.

12.2 Review of Proposals

12.2.1 The Audit Committee will use a point formula during the review process to score proposals. The full Audit Committee will score each technical proposal by each of the criteria described in Sections 12.3.2 through 12.3.4 below. Offerors with an unacceptably low score will be eliminated from further consideration.

12.2.2 After the technical score for each Offeror has been established, the sealed dollar cost bid will be opened and additional points will be added to the technical score based on the price bid. The maximum score for price will be assigned to the Offeror offering the lowest total, all-inclusive, maximum price. Appropriate fractional scores will be assigned to other Offerors.

12.2.3 Jefferson County reserves the right to retain all proposals submitted and use any idea in a proposal regardless of whether that proposal is selected.

12.3 Evaluation Criteria

12.3.1 Proposals will be evaluated using three sets of criteria. Firms meeting the mandatory criteria will have their proposals evaluated and scored for both technical qualifications and price. Section 12.3.2 through 12.3.4 represent the principal selection criteria to be considered during the evaluation process.

12.3.2 Mandatory Elements (Maximum Points: 10)

- The Offeror is independent and licensed to practice in Texas.
- The Offeror has no conflict of interest with regard to any other work performed by the Offeror for Jefferson County.
- The Offeror adhered to the instructions in this RFP on preparing and submitting the proposal.
- The Offeror submitted a copy of its last external quality control review report, which shows that the firm has a record of quality audit work.

12.3.3 Technical Qualifications (Maximum Points: 70)

- Expertise and Experience
 - The Offeror's past experience and performance on comparable government contracts.
 - The quality of the Offeror's professional personnel to be assigned to the contract and the quality of the Offeror's management support personnel to be available for technical consultation.
- Audit Approach
 - Adequacy of proposed staffing plan for various segments of the engagement.
 - Adequacy of sampling techniques.

- Adequacy of analytical procedures.

12.3.3 Price (Maximum Points: 20)

Cost will not be the primary factor in the selection of an audit firm.

12.4 Oral Presentation

During the evaluation process, the Audit Committee may, at its discretion, request any one or all Offerors to make oral presentations. Such presentations will provide Offerors with an opportunity to answer any questions the Audit Committee may have on a Offeror's proposal. Not all Offerors may be asked to make such oral presentations.

12.4 Final Selection

12.4.1 Jefferson County Commissioners' Court will select a Contractor based upon the recommendation of the Audit Committee.

12.4.2 It is anticipated that a Contractor will be selected by June 20, 2011. Following notification of the firm selected, it is expected that a contract will be executed between both parties by June 27, 2011.

12.5 Right to Reject Proposals

12.5.1 Submission of a proposal indicates acceptance by the Offeror of the conditions contained in this RFP unless clearly and specifically noted in the proposal submitted and confirmed in the contract between Jefferson County and the Contractor selected.

12.5.2 Jefferson County Commissioners' Court reserves the right without prejudice to reject any or all proposals.

13. VENDOR REFERENCES

Please list at least three (3) companies or governmental agencies (preferably a municipality) where the same or similar products and/or services as contained in this specification package were recently provided.

THIS FORM MUST BE RETURNED WITH YOUR BID.

REFERENCE ONE

Government/Company Name: _____

Address: _____

Contact Person and Title: _____

Phone: _____ Fax: _____

Contract Period: _____ Scope of Work: _____

REFERENCE TWO

Government/Company Name: _____

Address: _____

Contact Person and Title: _____

Phone: _____ Fax: _____

Contract Period: _____ Scope of Work: _____

REFERENCE THREE

Government/Company Name: _____

Address: _____

Contact Person and Title: _____

Phone: _____ Fax: _____

Contract Period: _____ Scope of Work: _____

EXHIBIT A
SCOPE OF SERVICES

(Provide Scope of Services)

EXHIBIT B
PROPOSER WARRANTIES

- 1. Proposer warrants that it is willing and able to comply with State of Texas laws.
- 2. Proposer warrants that it is willing and able to obtain an errors and omissions insurance policy providing a prudent amount of coverage for the willful or negligent acts, or omissions of any officers, employees, or agents thereof.
- 3. Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the prior written permission of Jefferson County.
- 4. Proposer warrants that all information provided by it in connection with this proposal is true and correct.

Signature of Official: _____

Name (typed): _____

Title: _____

Firm: _____

Date: _____

EXHIBIT C
FACILITIES, EQUIPMENT, AND OTHER
MATERIALS, AND OBLIGATIONS OF COUNTY

(Specify all equipment and facilities to be provided or made available by County,
and other County obligations.)

EXHIBIT D: FORMAT FOR SCHEDULE FOR PROFESSIONAL FEES AND EXPENSES TO SUPPORT THE TOTAL, ALL-INCLUSIVE, MAXIMUM PRICE

**Schedule of Professional Fees and Expenses
for the Audit of the FY 2011 Financial Statements**

	Hours	Standard Hourly Rate	Quoted Hourly Rate	Total
Partners	\$	\$	\$	\$
Managers	\$	\$	\$	\$
Supervisory Staff	\$	\$	\$	\$
Staff	\$	\$	\$	\$
Other (specify)	\$	\$	\$	\$
Subtotal				\$
Total for services described in Section 6 of the RFP (detail on subsequent pages)				\$
Out-of-pocket expenses				\$
Meals and lodging				\$
Transportation				\$
Other (specify)				\$
Total, all-inclusive, maximum price for FY 2011 Audit			\$	

EXHIBIT E: SAMPLE CONTRACT CONTRACTOR SERVICES AGREEMENT

THIS AGREEMENT is made at Beaumont, Texas, as of _____, 2011, by and between the County of Jefferson, ("County"), and _____. ("Contractor"), who agree as follows:

1. Services

Subject to the terms and conditions set forth in this Agreement, Contractor shall provide the services described in Exhibit E and RFP No. 11-016/AW, and Contractor's response to said document. Contractor shall provide said services at the time, place, and in the manner specified in RFP No. 11-016/AW.

2. Payment

County shall pay Contractor for services rendered pursuant to this Agreement at the time and in the amount set forth in Exhibit E and RFP No. 11-016/AW, and Contractor's response to said document. The payment specified in RFP No. 11-016/AW, and Contractor's response to said document shall be the only payment made to Contractor for services rendered pursuant to this Agreement. Contractor shall submit all billings for said services to County in the manner specified in RFP No. 11-016/AW.

3. Facilities, Equipment and Other Materials, and Obligations of County

Contractor shall, at its sole cost and expense, furnish all facilities, equipment, and other materials which may be required for furnishing services pursuant to this Agreement.

4. Exhibits

All exhibits referred to herein will be attached hereto and by this reference incorporated herein.

5. Time for Performance

Time is of the essence. Failure of Contractor to perform any services within the time limits set forth in Exhibit A shall constitute material breach of this contract.

6. Independent Contractor

At all times during the term of this Agreement, Contractor shall be an independent Contractor and shall not be an employee of the County. County shall have the right to control Contractor only insofar as the results of Contractor's services rendered pursuant to this Agreement. County shall not have the right to control the means by which Contractor accomplishes services rendered pursuant to this Agreement.

7. Licenses, Permits, Etc

Contractor represents and warrants to County that it has all licenses, permits, qualifications, and approvals of whatsoever nature, which are legally required for Contractor to practice its profession. Contractor represents and warrants to County that Contractor shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement, any licenses, permits, and approvals which are legally required for Contractor to practice its profession at the time the services are performed.

8. Time

Contractor shall devote such time to the performance of services pursuant to this Agreement as may be reasonably necessary for the satisfactory performance of Contractor's obligations pursuant to this Agreement. Neither party shall be considered in default of this Agreement to the extent performance is prevented or delayed by any cause, present or future, which is beyond the reasonable control of the party.

9. Insurance

Contractor shall file with County a Certificate of Insurance, with companies acceptable to County, with a Best's Rating of no less than A:VII showing the following coverage:

A. Workers' Compensation and Employers' Liability Insurance

1. Workers' Compensation Insurance shall be provided, as required, by any applicable law or regulation. Employers' liability insurance shall be provided in amounts not less than five hundred thousand dollars (\$500,000) each accident for bodily injury by accident, five hundred thousand dollars (\$500,000) policy limit for bodily injury by disease, and five hundred thousand dollars (\$500,000) each employee for bodily injury by disease.
2. If there is an exposure of injury to Contractor's employees under the U.S. Longshoremen and Harbor Workers' Compensation Act, the Jones Act, or under laws, regulations or statutes applicable to maritime employees, coverage shall be included for such injuries or claims.
3. Each Worker's Compensation policy shall be endorsed with the following specific language:
Cancellation Notice: "This policy shall not be canceled or materially changed without first giving thirty (30) days' prior written notice to the County."
4. Contractor shall require all sub-Contractors to maintain adequate Workers' Compensation Insurance. Certificates of Workers' Compensation shall be filed forthwith with the County upon demand.

B. General Liability Insurance

1. Comprehensive General Liability or Commercial General Liability insurance shall be provided covering all operations by, or on behalf of Contractor, covering bodily injury liability and property damage liability for the limits of liability indicated below and including coverage for contractual liability insuring the obligations assumed by Contractor in this Agreement.
2. One of the following forms is required:
 - a. Comprehensive General Liability;
 - b. Commercial General Liability (Occurrence); or
 - c. Commercial General Liability (Claims Made).
3. If Contractor carries a Comprehensive General Liability policy, the limits of liability shall not be less than a Combined Single Limit for bodily injury, property damage, and Personal Injury Liability of:
 - a. One million dollars (\$1,000,000) each occurrence;
 - b. One million dollars (\$1,000,000) aggregate.

4. If Contractor carries a Commercial General Liability (Occurrence) policy:
 - a. The limits of liability shall not be less than:
 - i. One million dollars (\$1,000,000) each occurrence (combined single limit for bodily injury and property damage);
 - ii. One million dollars (\$1,000,000) for Products-Completed Operations;
 - iii. One million dollars (\$1,000,000) General Aggregate.
 - b. If the policy does not have an endorsement providing that the General Aggregate Limit applies separately to this contract, or if defense costs are included in the aggregate limits, then the required aggregate limits shall be two million dollars (\$2,000,000).

5. Special Claims Made Policy Form Provisions:

Contractor shall not provide a Commercial General Liability (Claims Made) policy without the express prior written consent of County, which consent, if given, shall be subject to the following conditions:

- a. The limits of liability shall not be less than:
 - i. One million dollars (\$1,000,000) each occurrence (combined single limit for bodily injury and property damage);
 - ii. One million dollars (\$1,000,000) aggregate for Products-Completed Operations;
 - iii. One million dollars (\$1,000,000) General Aggregate.
- b. The insurance coverage provided by Contractor shall contain language providing coverage up to six (6) months following the completion of the contract in order to provide insurance coverage for the hold harmless provisions herein if the policy is a claims made policy.

C. Endorsements:

Each Comprehensive or Commercial General Liability policy shall be endorsed with the following specific language:

1. "The County, its officers, agents, employees and volunteers, and the County of Placer, its officers, agents, employees and volunteers, are to be covered as insureds for all liability arising out of operations, or on behalf of, the named insured in the performance of this Agreement."
2. "The insurance provided by the Contractor, including any excess liability or umbrella form coverage, is primary coverage to the County with respect to any insurance or self-insurance programs maintained by County, and no insurance held or owned by County shall be called upon to contribute to a loss."
3. "This policy shall not be canceled or materially changed without first giving thirty (30) days' prior written notice to County."

D. Automobile Liability Insurance

1. Automobile Liability insurance shall be provided covering bodily injury and property damage in an amount no less than one million dollars (\$1,000,000) combined single limit for each occurrence.

2. Covered vehicles should include owned, non-owned, and hired automobiles/trucks.

E. Professional Liability Insurance (Errors and Omissions)

1. Professional Liability Insurance for Errors and Omissions coverage shall be provided in the amount of not less than _____ dollars (\$_____) in aggregate. (This coverage is not required unless an amount is indicated.)
2. The insurance coverage provided by Consultant shall contain language providing coverage up to six (6) months following the completion of the contract in order to provide insurance coverage for the hold harmless provisions herein if the policy is a claims made policy.

10. Indemnity

Contractor hereby agrees to protect, defend, indemnify, and hold the County free and harmless from any and all losses, claims, liens, demands, and causes of action of every kind and character including, but not limited to, the amounts of judgments, penalties, interest, court costs, legal fees, and all other expenses incurred by the County arising in favor of any party, including claims, liens, debts, personal injuries, death, or damages to property (including employees or property of the County) and without limitation by enumeration, all other claims or demands of every character occurring or in any way incident to, in connection with or arising directly or indirectly out of this contract or agreement. Contractor agrees to investigate, handle, respond to, provide defense for, and defend any such claims, demand, or suit at the sole expense of the Contractor. Contractor also agrees to bear all other costs and expenses related thereto, even if the claim or claims alleged are groundless, false, or fraudulent. This provision is not intended to create any cause of action in favor of any third party against Contractor or the County or to enlarge, in any way, the Contractor's liability but is intended solely to provide for indemnification of the County from liability for damages or injuries to third persons or property arising from Contractor's performance pursuant to this contract or agreement.

As used above, the term "County" means Jefferson County or its officers, agents, employees and volunteers.

11. Contractor Not Agent

Except as County may specify in writing Contractor shall have no authority, express or implied, to act on behalf of County in any capacity whatsoever as an agent. Contractor shall have no authority, express or implied pursuant to this Agreement to Bind County to any obligation whatsoever.

12. Assignment Prohibited

Contractor may assign its rights and obligations under this Agreement only upon the prior written approval of County, said approval to be in the sole discretion of County.

13. Personnel

- A. Contractor shall assign only competent personnel to perform services pursuant to this Agreement. In the event that County, in its sole discretion, at any time during the term of this Agreement, desires the removal of any person or persons assigned by Contractor to perform services pursuant to this Agreement, including those members of the Project Team as explained below, Contractor shall remove any such person immediately upon receiving notice from County of the desire of County for removal of such person or persons.

- B. Notwithstanding the foregoing, if specific persons are designated as the "Project Team" in Exhibit A, Contractor agrees to perform the work under this agreement with those individuals identified. Reassignment or substitution of individuals or subcontractors named in the Project Team by Contractor without the prior written consent of County shall be grounds for cancellation of the agreement by County, and payment shall be made pursuant to Section 15 (Termination) of this Agreement only for that work performed by Project Team members.

14. Standard of Performance

Contractor shall perform all services required pursuant to this Agreement in the manner and according to the standards observed by a competent practitioner of the profession in which Contractor is engaged in the geographical area in which Contractor practices its profession.

All products of whatsoever nature which Contractor delivers to County pursuant to this Agreement shall be prepared in a substantial first class and workmanlike manner and conform to the standards or quality normally observed by a person practicing in Contractor's profession.

15. Termination

- A. County shall have the right to terminate this Agreement at any time by giving notice in writing of such termination to Contractor. In the event County shall give notice of termination, Contractor shall immediately cease rendering service upon receipt of such written notice, pursuant to this Agreement. In the event County shall terminate this Agreement:
 - 1. Contractor shall deliver copies of all writings prepared by it pursuant to this Agreement. The term "writings" shall be construed to mean and include: handwriting, typewriting, printing, Photostatting, photographing, and every other means of recording upon any tangible thing any form of communication or representation, including letters, words, pictures, sounds, or symbols, or combinations thereof.
 - 2. County shall have full ownership and control of all such writings delivered by Contractor pursuant to this Agreement.
 - 3. County shall pay Contractor the reasonable value of services rendered by Contractor to the date of termination pursuant to this Agreement not to exceed the amount documented by Contractor and approved by County as work accomplished to date; provided, however, that in no event shall any payment hereunder exceed the amount of the agreement specified in Exhibit B, and further provided, however, County shall not in any manner be liable for lost profits which might have been made by Contractor had Contractor completed the services required by this Agreement. In this regard, Contractor shall furnish to County such financial information as in the judgment of the County is necessary to determine the reasonable value of the services rendered by Contractor. The foregoing is cumulative and does not affect any right or remedy, which County may have in law or equity.
- B. Contractor may terminate its services under this Agreement upon thirty- (30) working days' advance written notice to the County.

16. Records

Contractor shall maintain, at all times, complete detailed records with regard to work performed under this agreement in a form acceptable to County, and County shall have the right to inspect such records at any reasonable time. Notwithstanding any other terms of this agreement, no payments shall be made to Contractor until County is satisfied that work of such value has been rendered pursuant to this agreement. However, County shall not unreasonably withhold payment and, if a dispute exists, the withheld payment shall be proportional only to the item in dispute.

17. Ownership of Information

All professional and technical information developed under this Agreement and all work sheets, reports, and related data shall become the property of County, and Contractor agrees to deliver reproducible copies of such documents to County on completion of the services hereunder. The County agrees to indemnify and hold Contractor harmless from any claim arising out of reuse of the information for other than this project.

18. Waiver

One or more waivers by one party of any major or minor breach or default of any provision, term, condition, or covenant of this Agreement shall not operate as a waiver of any subsequent breach or default by the other party.

19. Conflict of Interest

Contractor certifies that no official or employee of the County, nor any business entity in which an official of the County has an interest, has been employed or retained to solicit or aid in the procuring of this agreement. In addition, Contractor agrees that no such person will be employed in the performance of this agreement.

20. Entirety of Agreement

This Agreement contains the entire agreement of County and Contractor with respect to the subject matter hereof, and no other agreement, statement, or promise made by any party, or to any employee, officer or agent of any party, which is not contained in this Agreement, shall be binding or valid.

21. Alteration

No waiver, alteration, modification, or termination of this Agreement shall be valid unless made in writing and signed by all parties, except as expressly provided in Section 15, Termination.

22. Governing Law

The laws of the State of Texas shall govern the rights, obligations, and remedies of the parties under this agreement.

23. Notification

Any notice or demand desired or required to be given hereunder shall be in writing and deemed given when personally delivered or deposited in the mail, postage prepaid, and addressed to the parties as follows:

COUNTY OF JEFFERSON:

Jefferson County Auditor's Office

Attn:

Any notice so delivered personally shall be deemed to be received on the date of delivery, and any notice mailed shall be deemed to be received five (5) days after the date on which it was mailed.

EXECUTION BY JEFFERSON COUNTY, TEXAS

ATTEST

JEFFERSON COUNTY, TEXAS

Carolyn Guidry, County Clerk

Jeff R. Branick, County Judge

Approved as to Form by:

CONTRACTOR

Tom Rugg, First Assistant
Civil Division

(Name/Title)