



JEFFERSON COUNTY PURCHASING DEPARTMENT

Deborah L. Clark, Purchasing Agent

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

LEGAL NOTICE Advertisement for Request for Proposal

June 9, 2014

Notice is hereby given that sealed proposals will be accepted by the Jefferson County Purchasing Department for RFP 14-019/JW, Auditing Services for Jefferson County. **Specifications for this project may be obtained from the Jefferson County website, <http://www.co.jefferson.tx.us>, or by calling 409-835-8593.**

Proposals are to be addressed to the Purchasing Agent with the proposal number and name marked on the outside of the envelope. Offerors shall forward an original and five (5) copies of their proposal to the address shown below. Late proposals will be rejected as non-responsive. Proposals will be publicly opened and only the firm name will be read aloud in the Jefferson County Commissioners' Courtroom at the time and date below. Proposals shall be opened in a manner that avoids disclosure of the contents to competing offerors and maintains the confidentiality of the proposals during negotiations. Proposals will be open for public inspection after the award of the contract, except for trade secrets and confidential information. Offerors are invited to attend the sealed proposal opening.

A Pre-proposal Conference will be held on June 17, 2014 at 2:00 pm in the Commissioners' Courtroom, 1149 Pearl Street, Fourth Floor, Beaumont, Texas 77701. All interested firms are encouraged to attend.

PROPOSAL NAME: Auditing Services for Jefferson County
PROPOSAL NO: RFP 14-019/JW
DUE DATE/TIME: 11:00 AM CST, Tuesday, July 15, 2014
MAIL OR DELIVER TO: Jefferson County Purchasing Department
1149 Pearl Street, 1st Floor
Beaumont, Texas 77701

Any questions relating to these requirements should be directed to Jamey West, Contract Specialist, at 409-835-8593.

All interested firms are invited to submit a proposal in accordance with the terms and conditions stated in this proposal.

RESPONDENTS ARE STRONGLY ENCOURAGED TO CAREFULLY READ THE ENTIRE INVITATION.

Deborah L. Clark
Purchasing Agent
Jefferson County, Texas

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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. Proposal Submittal Checklist

The Offeror's attention is especially called to the items listed below, which must be submitted in full as part of the proposal.

Failure to submit any of the documents listed below as a part of your proposal, or failure to acknowledge any addendum in writing with your proposal, or submitting a proposal on any condition, limitation, or provision not officially invited in this Request for Proposal (RFP) may cause for rejection of the proposal.

Offeror shall check each box indicating compliance.

THIS CHECKLIST MUST BE SUBMITTED AS PART OF YOUR PACKAGE

- Cover sheet identifying the contract/project being proposed, the name and address of the Offeror, the date of the proposal, and the telephone and facsimile numbers of Offeror.
- An acknowledgment and/or response to each section of the proposal.
Form of business (e.g., corporation, sole proprietorship, partnership); if corporation the date and state of incorporation.
- Identification of three (3) entities for which the Offeror is providing or has provided Auditing Services of the type requested, including the name, position, and telephone number of a contact person at each entity.
- Identification of all legal claims, demands, contracts terminated or lawsuits filed, threatened, or pending against the Offeror and/or its principal/officers for the last three (3) years, as well as identification of any administrative actions or warnings taken or issued by any federal, state, or local governmental agency to Offeror and/or its principals/officers with regard to the provision of the same or similar service as covered by this RFP, or the payment of moneys under the terms of any agreement(s) relating to such services.
- One (1) original and five (5) copies of the proposal should be mailed or delivered no later than **11:00 AM CST, TUESDAY, JULY 15, 2014**, to the Jefferson County Purchasing Department, 1149 Pearl Street, First Floor, Beaumont, TX 77701.

PLEASE READ THE "PROPOSAL SUBMITTAL CHECKLIST" INCLUDED IN THIS PACKAGE.

Company

Telephone Number

Address

Fax Number

Authorized Representative (Please print)

Title

Authorized Signature

Date

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, subcontractor 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 The Contractor shall be required to execute an engagement letter upon selection of the successful Offeror and final negotiation of contract terms.

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 Acknowledgment of Insurance Requirements

By signing its proposal, Offeror acknowledges that it has read and understands the insurance requirements for this proposal. Offeror also understands that evidence of required insurance must be submitted within fifteen (15) working days following notification of acceptance of its offer; otherwise, Jefferson County may rescind its acceptance of the Offeror's proposal. The insurance requirements are part of this package.

4.6 Insurance Requirements

The contractor (including any and all subcontractors as defined in Section 4.7.1.3 below) shall, at all times during the term of this contract, maintain insurance coverages 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.

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

Contractor shall furnish Jefferson County with Certificate of Insurance naming Jefferson County as additional insured.

All insurance must be written by an insurer licensed to conduct business in the State of Texas.

Minimum Insurance Requirements

Public Liability	\$1,000,000.00
Excess Liability	\$1,000,000.00
Property Insurance	Improvements & Betterments
Workers' Compensation	Statutory Coverage (see attached)

4.7 Worker's Compensation Insurance

4.7.1 Definitions:

4.7.1.1 **Certificate of coverage ("Certificate")** – A copy of a certificate of insurance, a certificate of authority to self-insure issued by the commission, or a coverage agreement, DWC-81, DWC-82, DWC-83, or DWC-84 showing statutory workers' compensation insurance coverage for the person's or entity's employees providing services on a project, for the duration of the project.

4.7.1.2 **Duration of the project** – Includes the time from the beginning of the work on the project until the contractor's/person's work on the project has been completed and accepted by the governmental entity.

4.7.1.3 **Persons providing services on the project ("subcontractor") in article 406.096** – Includes all persons or entities performing all or part of the services under the contractor has undertaken to perform on the project, regardless of whether that person contracted directly with the contractor and regardless of whether that person has employees. This includes, without limitation, independent contractors, subcontractor, leasing companies, motor carriers, owner-operators, employees of any such entity, or employees of any entity which furnishes persons to provide services on the project. "Services" includes, without limitation, providing, hauling or delivering equipment or materials, or providing labor, transportation, or other service related to a project. "Services" does not include activities unrelated to the project, such as food/beverage vendors, office supply deliveries, and delivery of portable toilets.

4.7.2 The Contractor shall provide coverage, based on proper reporting of classification code and payroll amounts and filing any coverage agreements, which meets the statutory requirements of Texas Labor Code, Section 401.011(44) for all employees of the contractor providing services on the project, for the duration of the project.

4.7.3 The Contractor must provide a certificate of coverage to the governmental entity prior to being awarded the contract – refer to Section 1.30 above.

4.7.4 If the coverage period shown on the Contractor's current certificate of coverage ends during the duration of the project, the Contractor must, prior to the end of the coverage period, file a new certificate of coverage with the governmental entity showing that coverage has been extended.

4.7.5 The Contractor shall obtain from each person providing services on a project, and provide to the governmental entity:

4.7.5.1 A certificate of coverage, prior to that person beginning work on the project, so the governmental entity will have on file certificates of coverage showing coverage for all persons providing services on the project; and

- 4.7.5.2 No later than seven (7) days after receipt by the Contractor, a new certificate of coverage showing extension of coverage, if the coverage period shown on the current certificate ends during the duration of the project.
- 4.7.6 The Contractor shall retain all required certificates of coverage for the duration of the project and for one (1) year thereafter.
- 4.7.7 The Contractor shall notify the governmental entity in writing by certified mail or personal delivery, within ten (10) days after the contractor knew or should have known, of any change that materially affects the provision of coverage of any person providing services on the project.
- 4.7.8 The Contractor shall post on each project site a notice, in the text, form and manner prescribed by the Texas Department of Workers' Compensation, informing all persons providing services on the project that they are required to be covered, and stating how a person may verify coverage and report lack of coverage.
- 4.7.9 The Contractor shall contractually require each person with whom it contracts to provide services on a project to:
 - 4.7.9.1 Provide coverage, based on reporting of classification codes and payroll amounts and filing of any coverage agreements, which meets the statutory requirements of Texas Labor Code, Section 401.011(44) for all its employees providing services on the project, for the duration of the project.
 - 4.7.9.2 Provide to the Contractor, prior to that person beginning work on the project a certificate of coverage showing that coverage is being provided for all employees of the person providing services on the project, for the duration of the project.
 - 4.7.9.3 Provide the Contractor, prior to the end of coverage period, a new certificate of coverage showing extension of coverage, if the coverage period shown on the current certificate of coverage ends during the duration of the project.
 - 4.7.9.4 Obtain from each person with whom it contracts, and provide to the Contractor:
 - 4.7.9.4.1 A certificate of coverage, prior to the other person beginning work on the project; and
 - 4.7.9.4.2 the coverage period, if the coverage period shown on the current certificate of a new certificate of coverage showing extension of coverage, prior to the end of coverage ends during the duration of the project.
 - 4.7.9.5 Retain all required certificates of coverage on file for the duration of the project and for one (1) year thereafter.
 - 4.7.9.6 Notify the governmental entity in writing by certified mail or personal delivery, within ten (10) days after the person knew or should have known, of any change that materially affects the provision of coverage of any person providing services on the project; and
 - 4.7.9.7 Contractually require each person with whom it contracts to perform as required by paragraphs 4.7.9.1. – 4.7.9.7., with the certificates of coverage to be provided to the person for whom they are providing services.
- 4.7.10 By signing this contract or providing or causing to be provided a certificate of coverage, the Contractor is representing to the governmental entity that all employees of the contractor who will provide services of the project will be covered by workers' compensation coverage for the duration of the project, that the coverage will be based on proper reporting of classification codes and payroll amounts, and that all coverage agreements will be filed with the appropriate insurance carrier or, in the case of a self-insured, with the commission's Division of Self-Insurance Regulation. Providing false or misleading information may subject the contractor to administrative penalties, criminal penalties, civil penalties, or other civil actions.
- 4.7.11 The Contractor's failure to comply with any of these provisions is a breach of contract by the Contractor which entitles the governmental entity to declare the contract void if the Contractor does not remedy the breach within ten (10) days after receipt of notice of breach from the governmental entity.

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, 2014, 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 2:00 pm on June 17, 2014 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, 2014, 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.

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,

* "Contractor" refers to the Offeror whose proposal is selected for award.
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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 Non-reportable 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 sub recipient 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 251,813. 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 \$62,180,294.00, covering 1,207 employees.

7.2.4 Jefferson County is organized into approximately 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	72
Debt service funds	3
Capital projects funds	8
Enterprise funds	2
Internal service funds	3
Expendable trust funds	-
Nonexpendable trust funds	-
Pension trust funds	-
Agency funds	11

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's total expenditures of federal awards was \$15,362, 206.00

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 corporations.
- Pleasure Island Park Board
- Local Emergency Planning Committee (LEPC)

7.8 Magnitude of Financial Operations

The County Auditor's Department is headed by Patrick Swain, County Auditor, and consists of 15 employees.

7.9 Computer Systems

7.9.1 Hardware

<u>Type of Equipment</u>	<u>Number</u>
IBM	AS400

7.9.2 Software

<u>Make</u>	<u>Vendor</u>	<u>Major Applications</u>
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	June 9, 2014
Pre-proposal conference	June 17, 2014, 2:00 pm
Due date/time for proposals	July 15, 2014, 11:00 am

8.2 Estimated Notification and Contract Dates

Selected firm notified	July 21, 2014
Contract date	July 28, 2014

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, 2015. Interim work may be performed during August and September of each audit year.

8.4 Schedule for the 2014 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, 2015. 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 28, 2015.
- The auditor shall have drafts of the audit report(s) and recommendations to management (including the final review of the financial statements) available for review by the Audit Committee and the County Auditor by March 20, 2015.

* 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 3, 2014
Exit conference with Patrick Swain, County Auditor, and Audit Committee	To summarize the results of field work and to review significant findings	March 16, 2015
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, 2015. The auditor shall provide all recommendations, revisions, and suggestions for improvement to the County Auditor by March 20, 2015.
- 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 30, 2015.

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 2:00 pm, June 17, 2014, 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 June 16, 2014, 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 Jamey West, Contract Specialist, with the Jefferson County Purchasing Department via email: jwest@co.jefferson.tx.us or telephone: 409-835-8593.

11.1.3 Submission of Proposals

The following material must be received by July 15, 2014 (bid due date) 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
(RFP 14-019/JW), Auditing Services for Jefferson County
July 15, 2014**

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 contracts 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 2014 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, which 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 11.3.2 through 11.3.4 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.

12.5 Final Selection

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

11.4.2 It is anticipated that a Contractor will be selected by July 21, 2014. Following notification of the firm selected, it is expected that a contract will be executed between both parties by July 28, 2014.

12.5 Right to Reject Proposals

11.5.1 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.

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

Non-Disclosure Agreement

In consideration of Jefferson County retaining the services of a consultant and because of the sensitivity of certain information which may come under the care and control of Consultant, both parties agree that all information regarding the County or any selected County agency subject to this Contract; or gathered, produced, or derived from this project (Confidential Information) must remain confidential subject to release only by permission of the County, and more specifically agree as follows:

Media releases pertaining to this RFP and/or any resulting contract, or the services to which they relate, will not be made without the prior written consent of the County, and then only in accordance with explicit written instructions from the County. The disclosure of the contents of proposals prior to the award of a contract under this RFP, or any other violation of this section, may result in disqualification.

1. The Information may be used by Consultant only to assist Consultant in connection with its engagement with the County.
2. Consultant will not, at any time, use the Information in any fashion, form, or manner except in its capacity as independent consultant to the County.
3. Consultant agrees to maintain the confidentiality of any and all deliverables resulting from this Contract in the same manner that it protects the confidentiality of its own proprietary products of like kind.
4. The Information may not be copied or reproduced without the County's written consent.
5. All materials made available to Consultant, including copies thereof, must be returned to County upon the first to occur of; (a) completion of the project, or (b) request by the County.
6. The foregoing must not prohibit or limit Consultant use of the information (including, but not limited to, ideas, concepts, know-how, techniques and methodologies) (a) previously known to it, (b) independently developed by it, (c) acquired by it from a third party, or (d) which is or becomes part of the public domain through no breach to Consultant of this agreement.
7. This agreement shall become effective as of the date Information is first made available to Consultant and must survive the contract and be a continuing requirement.
8. The breach of this Nondisclosure Agreement by Consultant shall entitle the County to immediately terminate the Agreement upon written notice to Contractor for such breach. The parties acknowledge that the measure of damages in the event of a breach of this Nondisclosure Agreement may be difficult or impossible to calculate, depending on the nature of the breach. Regardless of whether the County elects to terminate the Agreement upon the breach hereof, the County may require Consultant to pay to the County the sum of \$1,000 for each breach as liquidated damages. This amount is not intended to be in the nature of a penalty, but is intended to be a reasonable estimate of the amount of damages to the County in the event of a breach hereof by Consultant. Comptroller does not waive any right to seek additional relief, either equitable or otherwise, concerning any breach of this Agreement.

[Printed Name of Consultant]

By: _____

Title: _____

Date: _____

Vendor References

Please list at least three (3) companies or governmental agencies 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: _____

Bidder Must Return This Page With Offer

Signature Page

As permitted under Article 4413 (32c) V.A.C.S., other governmental entities may wish to participate under the same terms and conditions contained in this contract (i.e., piggyback). In the event any other entity participates, all purchase orders will be issued directly from and shipped directly to the entity requiring supplies/services. Jefferson County shall not be held responsible for any orders placed, deliveries made or payment for supplies/services ordered by another entity. Each entity reserves the right to determine their participation in this contract.

Would bidder be willing to allow other governmental entities to piggyback off this contract, if awarded, under the same terms and conditions?..... **Yes** **No**

This bid shall remain in effect for ninety (90) days from bid opening and shall be exclusive of federal excise and state and local sales tax (exempt).

The undersigned agrees, if this bid is accepted, to furnish any and all items upon which prices are offered, at the price and upon the terms and conditions contained in the Invitation for Bid, Conditions of Bidding, Terms of Contract, and Specifications and all other items made a part of the accepted contract.

The undersigned affirms that they are duly authorized to execute the contract, that this company, corporation, firm, partnership or individual has not prepared this bid in collusion with any other bidder, and that the contents of this bid as to prices, terms or conditions of said bid have not been communicated by the undersigned nor by any employee or agent to any other bidder or to any other person(s) engaged in this type of business prior to the official opening of this bid. And further, that neither the bidder nor their employees nor agents have been for the past six (6) months directly nor indirectly concerned in any pool or agreement or combination to control the price of goods or services on, nor to influence any person to bid or not to bid thereon.

Bidder (Entity Name)	Signature
Street & Mailing Address	Print Name
City, State & Zip	Date Signed
Telephone Number	Fax Number
E-mail Address	

Bidder Must Return This Page With Offer

Conflict of Interest Questionnaire

For vendor or other person doing business with local government entity	
<p>This questionnaire is being filed in accordance with chapter 176 of the Local Government Code by a person doing business with the governmental entity.</p> <p>By law this questionnaire must be filed with the records administrator of the local government not later than the 7th business day after the date the person becomes aware of facts that require the statement to be filed. See Section 176.006 Local Government Code.</p> <p>A person commits an offense if the person violates Section 176.0006, Local Government Code. An offense under this section is a Class C misdemeanor.</p>	OFFICE USE ONLY
1. Name of person doing business with local governmental entity.	
<p>2. <input type="checkbox"/> Check this box if you are filing an update to a previously filed questionnaire.</p> <p style="margin-left: 40px;">(The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than September 1 of the year for which an activity described in Section 176.006(a), Local Government Code, is pending and not later than the 7th business day after the date the originally filed questionnaire becomes incomplete or inaccurate.)</p>	
3. Describe each affiliation or business relationship with an employee or contractor of the local government entity who makes recommendations to a local government officer of the local governmental entity with respect to expenditure of money.	
4. Describe each affiliation or business relationship with a person who is a local government officer and who appoints or employs a local government officer of the local governmental entity that is the subject of this questionnaire.	

Bidder Must Return This Page With Offer

CONFLICT OF INTEREST QUESTIONNAIRE

FORM CIQ
Page 2

For vendor or other person doing business with local government entity

5. Name of local government officer with whom filer has affiliation or business relationship. (Complete this section only if the answer to A, B, or C is YES.)

This section, item 5 including subparts A, B, C & D, must be completed for each officer with whom the filer has affiliation or business relationship. Attach additional pages to this Form CIQ as necessary.

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

Yes No

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

Yes No

C. Is the filer of the questionnaire affiliated with a corporation or other business entity that the local government officer serves as an officer or director, or holds an ownership of 10 percent or more?

Yes No

D. Describe each affiliation or business relationship:

6. Describe any other affiliation or business relationship that might cause a conflict of interest.

7.

Signature of person doing business with the governmental entity

Date

Bidder Must Return This Page With Offer

Good Faith Effort (GFE)

DETERMINATION CHECKLIST

This information must be submitted with your bid.

Instructions: In order to determine if a “Good Faith Effort” was made in soliciting HUBs for subcontracting opportunities, the following checklist and supporting documentation shall be completed by the Prime Contractor/Consultant, and returned with the Prime Contractor/ Consultant’s bid. This list contains the **minimum** efforts that should be put forth by the Prime Contractor/Consultant when attempting to achieve or exceed the goals of HUB Subcontractor participation. The Prime Contractor/Consultant may extend his/her efforts in soliciting HUB Subcontractor participation beyond what is listed below.

Did the Prime Contractor/Consultant . . .

- Yes No 1. To the extent practical, and consistent with standard and prudent industry standards, divide the contract work into the smallest feasible portions, to allow for maximum HUB Subcontractor participation?
- Yes No 2. **Notify** in writing a reasonable number of HUBs, allowing sufficient time for effective participation of the planned work to be subcontracted?
- Yes No 3. **Provide** HUBs that were genuinely interested in bidding on a subcontractor, adequate information regarding the project (i.e., plans, specifications, scope of work, bonding and insurance requirements, and a point of contact within the Prime Contractor/Consultant’s organization)?
- Yes No 4. **Negotiate** in good faith with interested HUBs, and not reject bids from HUBs that qualify as lowest and responsive bidders?
- Yes No 5. **Document** reasons HUBs were rejected? Was a written rejection notice, including the reason for rejection, provided to the rejected HUBs?
- Yes No 6. If Prime Contractor/Consultant has zero (0) HUB participation, **please explain the reasons why.**

If “No” was selected, please explain and include any pertinent documentation with your bid. If necessary, please use a separate sheet to answer the above questions.

Printed Name of Authorized
Representative

Signature

Title

Date

Bidder Must Return This Page With Offer

Notice of Intent (NOI) to Subcontract with Historically Underutilized Business (HUB)

This information must be submitted with your bid.

Bidder intends to utilize subcontractors/subconsultants in the fulfillment of this contract (if awarded).

Yes No

Instructions for Prime Contractor/Consultant: Bidder shall submit this form with the bid; however, the information below may be submitted after contract award, but prior to beginning performance on the contract. Please submit one form for each HUB Subcontractor/ Subconsultant with proper signatures, per the terms and conditions of your contract.

Contractor Name: _____ HUB: Yes No

Address: _____
Street City State Zip

Phone (with area code): _____ Fax (with area code): _____

Project Title & No.: _____

Prime Contract Amount: \$ _____

HUB Subcontractor Name: _____

HUB Status (Gender & Ethnicity): _____

Certifying Agency: Tx. Bldg & Procurement Comm. Jefferson County Tx Unified Certification Prog.

Address: _____
Street City State Zip

Phone (with area code): _____ Fax (with area code): _____

Proposed Subcontract Amount: \$ _____ Percentage of Prime Contract: _____ %

Description of Subcontract Work to be Performed: _____

Printed Name of Contractor Representative Signature of Representative Date

Printed Name of HUB Signature of Representative Date

NOTE: NOTHING ON THIS NOTICE OF INTENT FORM IS INTENDED TO CONFER ANY RIGHTS, EXPRESSED OR IMPLIED, TO ANY THIRD PARTIES.

Pre-Approval for Subcontractor Substitutions must be obtained from the Jefferson County Purchasing Agent's Representative. The "HUB Subcontractor/Subconsultant Change Form" must be completed and faxed to 409-835-8456.

Bidder Shall Return Completed Form with Offer.

Historically Underutilized Business (HUB) Subcontracting Participation Declaration Form

PAGE 1 OF 4

This information must be submitted with your bid.

Bidder intends to utilize subcontractors/subconsultants in the fulfillment of this contract (if awarded).

Yes No

Prime Contractor: _____ HUB: Yes No

HUB Status (Gender & Ethnicity): _____

Address: _____
Street City State Zip

Phone (with area code): _____ Fax (with area code): _____

Project Title & No.: _____ IFB/RFP No.: _____

Total Contract: \$ _____ Total HUB Subcontract(s): \$ _____

Construction HUB Goals: 12.8% MBE:: _____ % 12.6% WBE: _____ %

Sub-goals: 1.7 African-American, 9.7% Hispanic, 0.7% Native American, 0.8% Asian American.
Use these goals as a guide to diversify.

FOR HUB OFFICE USE ONLY:

Verification date HUB Program Office reviewed and verified HUB Sub information Date: _____ Initials: _____

PART I. HUB SUBCONTRACTOR DISCLOSURE

HUB Subcontractor Name: _____

HUB Status (Gender & Ethnicity): _____

Certifying Agency: Texas Bldg & Procurement Comm. Texas Unified Certification Prog.

Address: _____
Street City State Zip

Contact person: _____ Title: _____

Phone (with area code): _____ Fax (with area code): _____

Proposed Subcontract Amount: \$ _____ Percentage of Prime Contract: _____ %

Description of Subcontract Work to be Performed: _____

Bidder Shall Return Completed Form with Offer.

Historically Underutilized Business (HUB) Subcontracting Participation Declaration Form

PAGE 2 OF 4

HUB SUBCONTRACTOR DISCLOSURE

PART I: Continuation Sheet

(Duplicate as Needed)

HUB Subcontractor Name: _____

HUB Status (Gender & Ethnicity): _____

Certifying Agency: Tx. Bldg & Procurement Comm. Jefferson County Tx Unified Certification Prog.

Address: _____
Street City State Zip

Contact person: _____ Title: _____

Phone (with area code): _____ Fax (with area code): _____

Proposed Subcontract Amount: \$ _____ Percentage of Prime Contract: _____ %

Description of Subcontract Work to be Performed: _____

HUB Subcontractor Name: _____

HUB Status (Gender & Ethnicity): _____

Certifying Agency: Tx. Bldg & Procurement Comm. Jefferson County Tx Unified Certification Prog.

Address: _____
Street City State Zip

Contact person: _____ Title: _____

Phone (with area code): _____ Fax (with area code): _____

Proposed Subcontract Amount: \$ _____ Percentage of Prime Contract: _____ %

Description of Subcontract Work to be Performed: _____

**All HUB Subcontractor Participation may be verified with the
HUB Subcontractor(s) listed on Part I.**

Bidder Shall Return Completed Form with Offer.

Historically Underutilized Business (HUB) Subcontracting Participation Declaration Form

PAGE 3 OF 4

PART II: STATEMENT OF NON-COMPLIANCE FOR NOT MEETING HUB SUBCONTRACTING GOALS

Please complete Good Faith Effort (GFE) Checklist and attach any supporting documentation.

Our firm was unable to meet the HUB goals for this project for the following reasons:

- All subcontractors to be utilized are "Non-HUBs." (Complete Part III)
- HUBs were solicited but did not respond.
- HUBs solicited were not competitive.
- HUBs were unavailable for the following trade(s):
- Other: _____

Was the Jefferson County HUB Office contacted for assistance in locating HUBs? Yes No

PART III: DISCLOSURE OF OTHER "NON-HUB" SUBCONTRACTS

The bidder shall use this area to provide a listing of all "Non-HUB" Subcontractors, including suppliers, that will perform under this project. A list of those "Non-HUB" Subcontractors the bidder selects, after bid submission, shall be provided to the Purchasing Office not later than five (5) calendar days after being notified that bidder is the apparent low bidder. A list of those "Non-HUB" Subcontractors that are selected after contract award must be provided **immediately** after their selection.

Subcontractor Name: _____

Address: _____
Street City State Zip

Contact person: _____ Title: _____

Phone (with area code): _____ Fax (with area code): _____

Proposed Subcontract Amount: \$ _____ Percentage of Prime Contract: _____ %

Description of Subcontract Work to be Performed: _____

Subcontractor Name: _____

Address: _____
Street City State Zip

Contact person: _____ Title: _____

Phone (with area code): _____ Fax (with area code): _____

Proposed Subcontract Amount: \$ _____ Percentage of Prime Contract: _____ %

Description of Subcontract Work to be Performed: _____

Bidder Shall Return Completed Form with Offer.

Historically Underutilized Business (HUB) Subcontracting Participation Declaration Form

PAGE 4 OF 4

Subcontractor Name: _____

Address: _____
Street City State Zip

Contact person: _____ Title: _____

Phone (with area code): _____ Fax (with area code): _____

Proposed Subcontract Amount: \$ _____ Percentage of Prime Contract: _____ %

Description of Subcontract Work to be Performed: _____

Subcontractor Name: _____

Address: _____
Street City State Zip

Contact person: _____ Title: _____

Phone (with area code): _____ Fax (with area code): _____

Proposed Subcontract Amount: \$ _____ Percentage of Prime Contract: _____ %

Description of Subcontract Work to be Performed: _____

I hereby certify that I have read the *HUB Program Instructions and Information*, truthfully completed all applicable parts of this form, and **attached any necessary support documentation as required**. I fully understand that intentionally falsifying information on this document may result in my not receiving a contract award or termination of any resulting contract.

Name (print or type): _____

Title: _____

Signature: _____

Date: _____

E-mail address: _____

Contact person that will be in charge of invoicing for this project:

Name (print or type): _____

Title: _____

Date: _____

E-mail address: _____

Bidder Shall Return Completed Form with Offer.

Residence Certification/Tax Form

Pursuant to Texas Government Code §2252.001 *et seq.*, as amended, Jefferson County requests Resident Certification. §2252.001 *et seq.* of the Government Code provides some restrictions on the awarding of governmental contracts; pertinent provisions of §2252.001 are stated below:

- (3) "Nonresident bidder" refers to a person who is not a resident.
- (4) "Resident bidder" refers to a person whose principal place of business is in this state, including a contractor whose ultimate parent company or majority owner has its principal place of business in this state.

I certify that _____ [company name] is a Resident Bidder of Texas as defined in Government Code §2252.001.

I certify that _____ [company name] is a Nonresident Bidder as defined in Government Code §2252.001 and our principal place of business is _____ (city and state).

Taxpayer Identification Number (T.I.N.):	
Company Name submitting bid/proposal:	
Mailing address:	
If you are an individual, list the names and addresses of any partnership of which you are a general partner:	

Property: List all taxable property owned by you or above partnerships in Jefferson County.

Jefferson County Tax Acct. No.*	Property address or location**

* This is the property amount identification number assigned by the Jefferson County Appraisal District.

** For real property, specify the property address or legal description. For business property, specify the address where the property is located. For example, office equipment will normally be at your office, but inventory may be stored as a warehouse or other location.

Bidder Shall Return Completed Form with Offer.

Bid Affidavit

The undersigned certifies that the bid prices contained in this bid have been carefully reviewed and are submitted as correct and final. Bidder further certifies and agrees to furnish any and/or all commodities upon which prices are extended at the price offered, and upon the conditions contained in the specifications and the Notice to Bidders.

STATE OF _____ COUNTY OF _____

BEFORE ME, the undersigned authority, a Notary Public in and for the State of _____,

on this day personally appeared _____, who
(name)

after being by me duly sworn, did depose and say:

"I, _____ am a duly authorized officer of/agent
(name)

for _____ and have been duly authorized to execute the
(name of firm)

foregoing on behalf of the said _____.
(name of firm)

I hereby certify that the foregoing bid has not been prepared in collusion with any other bidder or other person or persons engaged in the same line of business prior to the official opening of this bid. Further, I certify that the bidder is not now, nor has been for the past six (6) months, directly or indirectly concerned in any pool or agreement or combination, to control the price of services/commodities bid on, or to influence any person or persons to bid or not to bid thereon."

Name and address of bidder: _____

Fax: _____ Telephone# _____

by: _____ Title: _____
(print name)

Signature: _____

SUBSCRIBED AND SWORN to before me by the above-named _____ on

this the _____ day of _____, 2014.

Notary Public in and for
the State of _____

Bidder Must Return This Page With Offer

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 2014 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 2014 Audit			\$	

ATTACHMENT 1: Single Audit Report (Fiscal Year 2013)

JEFFERSON COUNTY, TEXAS

SINGLE AUDIT REPORT

**For Fiscal Year
September 30, 2013**

JEFFERSON COUNTY, TEXAS

SINGLE AUDIT REPORT

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PATTILLO, BROWN & HILL, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable County Judge
and Commissioners Court
Jefferson County, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Jefferson County, Texas ("the County"), as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 31, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
March 31, 2014



PATTILLO, BROWN & HILL, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

To the Honorable County Judge
and Commissioners' Court
Jefferson County, Texas

Report on Compliance for Each Major Federal Program

We have audited Jefferson County, Texas' ("the County") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended September 30, 2013. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs for the year ended September 30, 2013.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated March 31, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures,

including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
March 31, 2014

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JEFFERSON COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 30, 2013

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Grantor's ID Number	Federal Expenditures
<u>U. S. Department of Agriculture</u>			
Passed through the Texas Department of Agriculture			
Summer Food Service Program	10.559	123-1007	<u>2,640</u>
Total Passed through the Texas Department of Agriculture			<u>2,640</u>
Total U. S. Department of Agriculture			<u>2,640</u>
<u>U. S. Department of Housing and Urban Development</u>			
Passed through the Texas General Land Office			
Community Development Block Grants/States Program - Ike	14.228	DRS-010219	2,720,277
Cheek Step Sewer Improvement	14.228	GLO-711281	<u>35,500</u>
Total Passed through the Texas General Land Office			<u>2,755,777</u>
Total U. S. Department of Housing and Urban Development			<u>2,755,777</u>
<u>U. S. Department of the Interior</u>			
Passed through Bureau of Ocean Energy Management, Regulation and Enforcement			
Coastal Impact Assistance Program - Admin	15.426	M11AF00076	<u>1,920</u>
Total Passed through Bureau of Ocean Energy Management, Regulation and Enforcement			<u>1,920</u>
Passed through U.S. Fish and Wildlife Service			
Coastal Impact Assistance	15.668	F12AF70144	1,081,296
Coastal Impact Assistance	15.668	F12AF01207	<u>88,302</u>
Total Passed through U.S. Fish and Wildlife Service			<u>1,169,598</u>
Total U. S. Department of the Interior			<u>1,171,518</u>
<u>U. S. Department of Justice</u>			
Passed through the City of Beaumont			
Edward Byrne Memorial Formula Grant Program	16.579	2010DJBX0139	1,092
Edward Byrne Memorial Formula Grant Program	16.579	2011DJBX3245	20,090
Edward Byrne Memorial Formula Grant Program	16.579	2012DJBX0253	<u>15,388</u>
Total Passed through the City of Beaumont			<u>36,570</u>

JEFFERSON COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 30, 2013

<u>Federal Grantor/Pass-through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Grantor's ID Number</u>	<u>Federal Expenditures</u>
<u>U. S. Department of Justice</u>			
Passed through the Office of Attorney General			
Project Safe Neighborhoods	16.609	2011-GPBX-0051	19,045
Total Passed through the Office of Attorney General			<u>19,045</u>
Passed through the Office of the Governor, Criminal Justice Division			
Violence Against Women Formula Grants	16.588	13466-15	71,711
Violence Against Women Formula Grants	16.588	13466-16	8,625
Total Program 16.588			<u>80,336</u>
Crime Victim Assistance - Crime Victim's Clearinghouse	16.575	21032-04	45,838
Crime Victim Assistance - Crime Victim's Clearinghouse	16.575	21032-05	4,162
Total Program 16.575			<u>50,000</u>
Juvenile Accountability Block Grants	16.523	17327-08	19,201
Juvenile Accountability Block Grants	16.523	17327-09	1,051
Total Program 16.523			<u>20,252</u>
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	18129-03	24,351
Total Passed through the Office of the Governor, Criminal Justice Division			<u>174,939</u>
Direct Program			
State Criminal Alien Assistance Program (SCAAP)	16.606	2010APBX0304	6,057
State Criminal Alien Assistance Program (SCAAP)	16.606	2011APBX0305	15,751
Total Program 16.606			<u>21,808</u>
Total U. S. Department of Justice			<u>252,362</u>

JEFFERSON COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 30, 2013

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Grantor's ID Number	Federal Expenditures
<u>U. S. Department of Transportation</u>			
Passed through Federal Aviation Administration			
Rehabilitation of the North General Aviation Apron, Wildlife Hazard Assessment, Airfield Approach/Geometry Study, Acquisition of Airfield Sweeper, and Environmental Assessment for West Ditch	20.106	3-48-0018-027-2010	2,865
Design Only of Runway Safety Area Improvements, New Electrical Vault, Taxiway D Replacement, Airport Operating Area Security Improvements, and Update Airport Layout	20.106	3-48-0018-029-2012	<u>993,308</u>
Total Passed through Federal Aviation Administration			<u>996,173</u>
Passed through Texas Department of Transportation			
Click it or Ticket	20.601	2013-JeffersonCoSO-S-CIOT-26	5,464
Violent Offender Task Force	20.601	2013-JLEOTFS4-25302-TFO	11,954
Selective Traffic Enforcement Program - Impaired Driver Mobilization	20.601	2014-Jefferson-S-IYG-0073	<u>369</u>
Total Passed through Texas Department of Transportation			<u>17,787</u>
Total U. S. Department of Transportation			<u>1,013,960</u>
<u>U. S. Election Commission</u>			
Passed through Texas Secretary of State			
Help America Vote Act Requirements Payments - General HAVA Compliance/Voting System Replacement	90.401	N/A	<u>75,325</u>
Total Passed through the Texas Secretary of State			<u>75,325</u>
Total U. S. Election Commission			<u>75,325</u>
<u>U. S. Department of Health and Human Services</u>			
Passed through Texas Department of Family & Protective Services			
Children's Justice Grants to State - Family Group Conferencing	93.643	23362284	-
Foster Care - Title IV-E Child Welfare Services	93.658	23939002	48,817
Foster Care - Title IV-E Legal Services	93.658	23939003	<u>47,683</u>
Total Passed through Texas Department of Family & Protective Services			<u>96,500</u>

JEFFERSON COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 30, 2013

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Grantor's ID Number	Federal Expenditures
<u>U. S. Department of Health and Human Services</u>			
Passed through Texas Juvenile Probation Commission			
Foster Care - Title IV-E - Reimbursement Program	93.658	TJPC-E-2012-123	<u>8,789</u>
Total Passed through Texas Juvenile Probation Commission			<u>8,789</u>
Passed through Texas Department of State Health Services			
Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems	93.988	DIAB/CDSP 2012-040780-001	<u>23,246</u>
Total Passed through Texas Department of State Health Services			<u>23,246</u>
Total U. S. Department of Health and Human Services			<u>128,535</u>
<u>Office of National Drug Control Policy</u>			
Direct Program			
High Intensity Drug Trafficking Area	95.001	G12HN0010A - DHE	<u>34,813</u>
Total Office of National Drug Control Policy			<u>34,813</u>
<u>U. S. Department of Homeland Security</u>			
Passed through the Texas Division of Emergency Management			
Homeland Security Grant Program - 2011 SHSP	97.073	EMW-2011-SS-00019	17,127
Homeland Security Grant Program - 2011 SHSP LEAP	97.073	EMW-2011-SS-00019	9,956
Homeland Security Grant Program - 2012 SHSP	97.073	EMW-2012-SS-00018-S01	<u>25,141</u>
Total Program 97.073			<u>52,224</u>
<u>U. S. Department of Homeland Security</u>			
Passed through the Texas Division of Emergency Management			
Hazard Mitigation Grant DR 1791-001/004	97.039	FEMA-1791-DR-001/004	1,630
Emergency Management Performance Grant	97.042	12TX-EMPG-0389	<u>29,481</u>
Total Passed through the Texas Division of Emergency Management			<u>83,335</u>

JEFFERSON COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 30, 2013

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Grantor's ID Number	Federal Expenditures
<u>U. S. Department of Homeland Security</u>			
Direct Programs			
ARRA Port Security Grant	97.116	2009PUR10410	984,375
2008 Port Security Grant	97.056	2008-GB-T8-K007	1,366,257
2009 Port Security Grant	97.056	2009-PU-T9-K002	2,945,042
2010 Port Security Grant	97.056	2010-PU-T0-K040	2,927,008
2011 Port Security Grant	97.056	EMW2011PUK00134	1,537,383
2012 Port Security Grant	97.056	EMW2012PU00156	<u>83,876</u>
Total Direct Programs			<u>9,843,941</u>
Total U. S. Department of Homeland Security			<u>9,927,276</u>
Total Expenditures of Federal Awards			<u>15,362,206</u>

JEFFERSON COUNTY, TEXAS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

SEPTEMBER 30, 2013

1. The County utilizes the fund types specified in the Resource Guide.

Special Revenue Funds are used to account for resources restricted to, or designated for, specific purposes by a grantor. Capital Projects Funds are used to account for all resources used for the acquisition or construction of capital facilities. Federal and state financial assistance generally is accounted for in a Special Revenue Fund. GASB Statement No. 54 allows grants used for the construction or acquisition of capital assets to be accounted for in the Capital Projects Funds. Generally, used balances are returned to the grantor at the close of specified project periods.

2. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental fund types and private purpose trust fund types are accounted for using a current financial resources measurement focus. All federal grant funds were accounted for in the Special Revenue Fund, a component of the governmental fund type, with the exception of the Office of Rural Affairs grants, which are recorded in Capital Projects Funds, due to the implementation of GASB Statement 54. Capital Projects Funds also are a component of the government fund type. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for the governmental funds, the private purpose trust funds, and agency funds. This basis of accounting recognizes revenue in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as deferred revenues until earned.

3. The period of availability for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period, extended 30 days beyond the federal project period ending date, in accordance with provisions in Section H. Period of Availability of Federal Funds, Part 3, OMB Circular A-133 Compliance Supplement updated as of June 2013.

JEFFERSON COUNTY, TEXAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2013

Summary of Auditors' Results

Financial Statements:

Type of auditors' report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified? None

Significant deficiency(ies) identified? None reported

Noncompliance material to financial statements noted? None

Federal Awards:

Internal control over major programs:

Material weakness(es) identified? None

Significant deficiency(ies) identified? None

Type of auditors' report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? None

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster:</u>
15.426, 15.668	Coastal Impact Assistance
14.228	Community Development Block Grant
97.116 ARRA, 97.056	Port Security Grant

Dollar threshold used to distinguish between type A and type B programs \$460,866

Auditee qualified as low-risk auditee? No

Findings Relating to the Financial Statements Which Are Required to be Reported in Accordance With Generally Accepted Government Auditing Standards

None

Findings and Questioned Costs for Federal Awards

None

JEFFERSON COUNTY, TEXAS
SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

Findings and Questioned Costs for Federal Awards

<u>Item 2012 – 1:</u>	Port Security Program – Sub-recipient Monitoring
<u>Condition:</u>	The County did not properly perform sub-recipient monitoring of the Sub- recipient’s administration of Davis-Bacon Act for the Port Security Program.
<u>Criteria:</u>	The County receives grant funds for the Federal Port Security Grant. The County in turn sends that money to sub-recipient’s to administer the program. The grant agreement states that the County is required to monitor the sub-recipient’s administration of Davis-Bacon Act for the Port Security Grant Program.
<u>Effect:</u>	The County is not certain that the Port Security Program plan was administered properly by the sub-recipients.
<u>Cause:</u>	The County did not properly monitor the Port Security Grant Program for sub-recipient compliance with the Davis-Bacon Act.
<u>Current Status:</u>	This matter has been resolved.

JEFFERSON COUNTY, TEXAS

SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED SEPTEMBER 30, 2013

Item 2012 – 2:

Port Security Program – FFATA

Condition:

The County did not comply with the FFATA reporting requirements for the Port Security Program. The county did not report such awards subject to FFATA and lacks controls to determine when the FFATA report requirements are applicable.

Criteria:

The Federal Funding Accountability and Transparency Act (FFATA) requires the Office of Management and Budget (OMB) to maintain a single, searchable website that contains information on all Federal spending awards. FFATA prescribes specific pieces of information to be reported. For grants and cooperative agreements, the effective date is October 1, 2010 for all discretionary and mandatory awards equal to or exceeding \$25,000 made with a new Federal Assistance Identification Number (FAIN) on or after that date.

Once the requirement applies, the recipient must report, for any subaward under the award with a value of \$25,000 or more, each obligating action of \$25,000 or more in Federal Funds. Recipients are not required to report on subawards made on or after October 1, 2010 that use funds awarded prior to that date.

For contracts, implementation was phased in based on their total dollar value. Based on the FAR interim final rule, FFATA reporting is required for:

- Starting March 1, 2011, any newly awarded subcontract of \$25,000 or more must be reported if the value of the Federal prime contract award under which that subcontract was awarded was \$25,000 or more.

Grant and cooperative agreement recipients and contractors are required to register in the Federal Funding Accountability and Transparency Subaward Reporting System (FSRS) and report subaward data through FSRS. To do so, they are first required to register in Central Contractor Registration (CCR) and actively maintain the registration.

Grant and cooperative agreement recipients and contractors must report information related to a subaward by the end of the month following the month in which the subaward or obligation of \$25,000 or greater was made, and for contracts, the month in which the modification was issued that changed previously reported information.

JEFFERSON COUNTY, TEXAS

SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED SEPTEMBER 30, 2013

Item 2012 – 2:

Port Security Program – FFATA

Effect:

The County was not aware of the reporting requirements for FFATA, as applicable to the Port Security Program, resulting in noncompliance with those reporting requirements.

Cause:

The County was not aware that for audits of fiscal years ending on or after June 30, 2011 reporting requirements of the FFATA are applicable to the Port Security program. The county did not note the program requirement and did not take action to be in compliance with the reporting requirements.

Current Status:

This matter has been resolved.

ATTACHMENT 2: Organization Chart of Jefferson County

ORGANIZATION CHART OF JEFFERSON COUNTY As of May 31, 2014

