

**LOWER RIO GRANDE VALLEY DEVELOPMENT COUNCIL**  
**301 West Railroad**  
**Weslaco, Texas 78596**

**STATEMENT OF QUALIFICATIONS**

***Audit Services***

*For the Periods of*  
*January 01 2016 through December 31, 2020*

**GENERAL INFORMATION**

The Lower Rio Grande Valley Development Council (LRGVDC) is a regional planning commission and political subdivision of the State of Texas organized and operating under the Texas Regional Planning Act of 1965, as amended, Chapter 391 of the Local Government Code and is requesting proposals from interested parties for professional, financial and compliance audit services of Federal and State funds as required in compliance with Title 2 U.S. Code of Federal Regulations (CFR) part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and Texas State Single Audit Circular .

**SCHEDULE**

SOQ Issued:	October 23,2016
Deadline for Questions:	November 11, 2016
Responses to Questions Posted:	No later than November 18, 2016
<b><u>SOQ Due:</u></b>	<b>Wednesday November23, 2016 at 12:00 Noon (CST)</b>
Evaluation of Proposals/Interviews:	December 5, 2016
Contractor Selection (recommendation to Executive Committee):	Anticipated on or before January 25, 2017

**NOTICE:** Prospective proposers who have received this document from a source other than the LRGVDC Procurement Department should immediately contact the LRGVDC Procurement Department and provide their name, company, and email address in order that addendum to the SOQ or other communication can be sent to them. Any prospective proposers who fail to provide the division with this information assume complete responsibility in the event they do not receive communications from the division after the SOQ issue date.

## PROPOSAL CHECKLIST

Content and format required for this proposal are found on page 6.

_____	Cover letter
_____	Full Contact Information
_____	Relevant Experience
_____	Work Plan
_____	Key Personnel
_____	References
_____	Conflict of Interest Questionnaire

## BACKGROUND

The Lower Rio Grande valley Development Council (LRGVDC) is requesting proposals from interested parties for professional, financial and compliance audit services of Federal and State funds in compliance with Title 2 U.S. Code of Federal Regulations (CFR) part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and Texas State Single Audit Circular.

Such services include an annual audit of approximately \$33,000,000, which shall be performed in accordance with state policy and Federal regulations including the Single Audit Act 1996 and the State of Texas Uniform Grant Management Standards as adopted June, 2004, to include the State Single Audit attachment. The LRGVDC was organized under state law for the purpose of orderly planning and development of the Lower Rio Grande Valley that serves a 3-county area including Cameron, Hidalgo, Willacy plus some programs areas of Starr and Zapata Counties.

The table below lists the funding sources and grants for programs that LRGVDC typically administers:

### **Texas Department on Aging and Disability Services**

State General Revenue (SGR)	State
Prevention of Elder Abuse, Neglect and Exploitation Title VII - EAP	Federal
Long Term Care Ombudsman Services for Older Individual Title VII - OAG	Federal
Grants for Supportive Services and Senior Centers Title III-B	Federal
Nutrition Services Title III-C1 and Title III-C2	Federal
National Family Caregiver Support Program Title III – E	Federal
Nutrition Services Incentive Program (NSIP)	Federal
Disease Prevention and Health Promotion Services Title III – D	Federal
CMS Basic	Federal

### **Texas Department of Rural Affairs**

Community Economic Development Assistance	Federal
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<b>U.S. Department of Commerce, EDA</b>	
B-HIT Program	Federal
Area wide Economic Development	Federal
<b>Federal Transit Administration</b> Section 5307	Federal
<b>Criminal Justice Division</b>	
<b>Office of the Governor</b>	
Regional Peace Officer Training	State
State Criminal Justice Planning Fund	State
<b>Texas Department of Public Safety</b>	
<b>Division of Emergency Management</b>	
State Homeland Security Program	Federal
Interoperable Emergency Communications Grant	Federal
Metropolitan Medical Response System	Federal
<b>Texas Commission on Environmental Quality</b>	
Regional Solid Waste Management	State
Water Quality Management	Federal
<b>Commission on State Emergency Communications</b>	
9-1-1 Regional Planning	State
<b>Texas Department of Transportation</b>	
Public Transportation for Non Urbanized Areas	Federal
Section 5311 Grants	State
Section 5307 Grants	State

## **METHOD OF PAYMENT**

Payment shall be made for services rendered and billed by the Contractor and received by LRGVDC.

Contract Period: January 1 through December 31 2017. The term may be extended up to five years contingent of performance and delivery of reports in a timely manner to the LRGVDC Board.

## **PROJECT DESCRIPTION**

The LRGVDC is seeking qualified financial professionals to perform an audit in compliance with Title 2 U.S. Code of Federal Regulations (CFR) part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and Texas State Single Audit Circular. The organization's budget for 2016 is approximately 33 million dollars, with a working staff of approximately 120 full-time employees. The organization maintains a modified accrual based accounting system. Fund accounting is utilized for all grants.

Conduct of the audit will require thorough knowledge of:

1. The Single Audit Act of 1996;
2. American Institute of Certified Public Accountants (AICPA) Industry Audit Guide, Audits of State and Local Government Units;
3. Government Auditing Standards, Comptroller General of the United States;
4. Applicable Pronouncements of the Financial Accounting Standards Board (FASB) and the Government Accounting Standards Board (GASB;)
5. OMB Circulars A-50, A-87, A-102, in compliance with Title 2 U.S. Code of Federal Regulations (CFR) part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and Texas State Single Audit Circular;
6. OMB's Compliance Supplement for Single Audits of state and local governments;
7. Financial/Programmatic Monitoring Reports. Incident Reports, Investigative Reports of the Office of Inspector General, which may have potential audit implications;
8. Grant/Program specific Acts, Regulations, or Audit guides provided by state or federal agencies in the administration of said programs; and
9. Texas Uniform Grant Management Standards to include the State of Texas Single Audit Circular.

Audit Period: January 1, 2016 through December 31, 2016 and for up to five fiscal years or December 31, 2021.

The audit must be conducted and completed within 7 months of the close of LRGVDC's fiscal year, which is January 1 through December 31. This makes the completion date of the audit no later than July 31, 2017.

#### Scope of Work

1. Perform audit in compliance with Single Audit Act in compliance with Title 2 U.S. Code of Federal Regulations (CFR) part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and Texas State Single Audit Circular.
2. Work papers and work to be performed by client are to be identified in the proposal.
3. Preliminary work is to be completed by June 15, 2017.
4. Report review timing and number of copies:
  - a. Draft is to be presented to LRGVDC Executive Director and Finance Director on or before 15<sup>th</sup> day of June each year.

- b. Final report is to be submitted to LRGVDC Executive Director on or before July 31, 2017 with no less than 75 additional copies for LRGVDC distribution.
- c. Instances of fraud, waste, and illegal acts or indications of such, including all questioned cost must be covered.
- d. Management Report, if required, to be submitted as a separate report.
- e. Workpapers are to be retained for a minimum of five (5) years from the date of audit.
- f. Workpapers will be made available for examination if requested by authorized representative of LRGVDC, grantor agencies, or the State Auditor's office.

## SUBMISSION OF PROPOSALS

Six (6) copies of your proposal must be received in the Lower Rio Grande Valley development Council office **no later than 12:00 Noon (Central Standard [Daylight] Time), Wednesday, November 23, 2016**. Proposals may either be mailed or hand-delivered. **Faxed proposals will not be accepted. Proposals or related documents submitted after the deadline will not be accepted.**

The mailing address for all proposals is:  
 Lower Rio Grande Valley Development Council  
 Attention: Victor Morales / SOQ for Audit Services  
 301 West Railroad  
 Weslaco, Texas 78596

The delivery address is:  
 Lower Rio Grande Valley Development Council  
 Attention: Victor Morales / SOQ for Audit Services  
 301 West Railroad  
 Weslaco, Texas 78596

### Hand-delivered Proposals

If proposals are hand-delivered, all copies must be received at the Lower Rio Grande Valley Development Council **by 12:00 Noon (Central Standard [Daylight] Time), Wednesday, November 23, 2016**. All overnight mail will be considered to be hand-delivered and must be received at the designated place by the specified date and time. Hand-delivered proposals not received at the designated place by the specified date and time will not be accepted.

The LRGVDC is not liable for any costs incurred by a proposer in preparing and submitting a proposal.

## UPDATES AND ADDITIONAL INFORMATION

Updates and additional information related to this SOQ may be obtained from the LRGVDC website, [www.lrgvdc.org](http://www.lrgvdc.org), in the "Procurement Section." Any requests for additional

information regarding this SOQ may be faxed to Victor Morales at (956) 969-5822 by 12:00 Noon on Friday, November 11, 2016, or emailed to [vmorales@lrgvdc.org](mailto:vmorales@lrgvdc.org) by the same deadline. We will post answers to any questions received on the website no later than Friday, November 18, 2016.

## **PROPOSAL FORMAT AND CONTENT**

This Statement of Qualifications may result, assuming a contractor is selected and an award made, in a fixed price (to be submitted at a later date), negotiated agreement.

Respondents shall submit Ten (10) copies of their proposal. Pages should be numbered and contain an organized, paginated table of contents corresponding to the sections and pages of the SOQ. SOQ information can be found in the "Procurement Section" section of the LRGVDC website [www.lrgvdc.org](http://www.lrgvdc.org).

### Selection Process

Individual proposals will be evaluated by a Selection Committee of the officers of the LRGVDC governing board, supported by the staff Finance Director and Procurement Director. The Selection Committee will evaluate proposals according to the following:

- RESPONSIVENESS TO THE STATEMENT OF QUALIFICATIONS (20 pts)
- RELEVANT EXPERIENCE (25 pts)
- AVAILABILITY OF STAFF WITH PROFESSIONAL QUALIFICATIONS AND TECHNICAL ABILITIES (25 pts)
- RESULTS OF EXTERNAL QUALITY CONTROL REVIEWS (15 pts)
- REFERENCES (15 pts)

A total score of 100 points is possible for each proposal. LRGVDC's Executive Committee will review the Committee's selection and, if accepted, authorize the award of a contract.

### Proposal Format

Below is a summary of required information and proposals should be organized accordingly.

#### **A. COVER LETTER**

Include a brief cover letter, summarizing the key points of the proposal and a general description of the approach to accomplishing the work. Name and address of the firm, as well as a contact person who submitted the proposal, should be included.

#### **B. ORGANIZATIONAL/PROFESSIONAL PROFILE**

Describe your organization or the individual professional in terms of its history, primary business, and former and current customers. Please include:

1. Ownership information
2. Physical and Mailing addresses
3. Primary Contact

4. Telephone number, fax number and e-mail address of company's primary contact
5. Names of principals of the firm

C. RELEVANT EXPERIENCE (25 pts)

Demonstrate the company's or Individual's relevant experience for the type of work solicited in the SOQ. Demonstrate that the respondent has successfully been in business of providing, or the principals have had ownership/executive management in a previous company with comparable type experience, for the services solicited. Describe your technical approach and work plan to complete the tasks described in the SOQ's Scope of Work. Provide a schedule describing how the work would be accomplished. Include a discussion of previous experience in similar work, and the result of that experience.

D. AVAILABILITY OF STAFF WITH PROFESSIONAL QUALIFICATIONS AND TECHNICAL ABILITIES (25 pts)

Include resumes or work history of individuals proposed to accomplish the work. Describe the role of key staff in the project including the identification of the audit manager. Provide detail on the proportion of time each staff member will allocate to each part of the project.

E. RESULTS OF EXTERNAL QUALITY CONTROL REVIEWS (15 pts)

Provide copies of external quality control reviews (peer reviews)

F. REFERENCES (15 pts)

Please provide at least three references for audit services comparable to those solicited.

G. ATTACHMENTS

As needed.

**Additional Information**

The LRGVDC may request in writing additional information from a proposer relating to the proposal and the proposer agrees to furnish it within a reasonable time.

**Use of Copyrighted Material in Proposal**

The LRGVDC reserves an irrevocable, nonexclusive, and royalty-free right to use, reproduce, and copy, for a governmental purpose, all copyrighted material included in the proposal.

**AMENDMENT OR WITHDRAWAL OF PROPOSAL**

A proposer may not amend its proposal after its receipt by LRGVDC. However, the LRGVDC may waive an error in or omission from a proposal if the error or omission is not material.

Except as provided in the next paragraph, a proposer may not withdraw or cancel the proposal, without the written permission of the LRGVDC, for a period of 120 calendar days following the due date for proposals.

A proposer may withdraw the proposal if there is a material mistake in the proposal and resubmit the proposal with the mistake corrected before the due date for proposals.

### **AWARD OF CONTRACT**

The LRGVDC will award the contract to the responsible proposer whose proposal is the most advantageous to LRGVDC considering the proposer's total score calculated by evaluating the selection criteria above.

The LRGVDC reserves the right to reject any or all proposals. If the LRGVDC rejects all proposals, it may solicit new proposals if a new solicitation is in LRGVDC's best interest.

Once the contract is awarded, the LRGVDC reserves the right to negotiate its terms with the successful proposer.

A proposer selected as a result of this solicitation may be subject to a criminal background check as a condition to entering into a contract.

### **RESOLUTION OF PROTESTED SOLICITATION OR CONTRACT AWARD**

An unsuccessful proposer who wants to protest the solicitation process or contract award must do so within seven business days of the date the basis of the protest to the solicitation process became known to the protester or the date on which the contract was awarded, whichever is earlier. The protest must be submitted in writing and identify the protester, the solicitation or contract award being protested and specifically describe the basis for the protest, providing all pertinent information regarding the solicitation, contract award and allegedly improper actions of the LRGVDC. Failure to receive a procurement contract award from LRGVDC, in and of itself, does not constitute a valid protest. The LRGVDC agrees to hold a protest hearing at the written request of the protester if the LRGVDC receives the hearing request within 10 business days after it receives the protest.

A protest shall be submitted to the LRGVDC to the attention of Victor Morales, Procurement Director, fax (956) 969-5822, or email [vmorales@lrgvdc.org](mailto:vmorales@lrgvdc.org).

The LRGVDC agrees to furnish the protester a written decision on a timely submitted and properly completed protest within 15 business days from the date it receives the protest or the date the protest hearing ends, whichever is later.

## **OTHER CONTRACTUAL REQUIREMENTS**

### **Section 1.113 LRGVDC Procurement Policies: Public Access to Procurement Information**

1. All procurement information in LRGVDC's possession is public information, and is subject to disclosure to third parties upon request, unless except from disclosure by the Texas Public Information Act.
2. If a bidder/offeror believes that information in the bid or proposal is proprietary and is not disclosable to a third party, the bidder/offeror must clearly mark the information as proprietary and inform the LRGVDC in writing that the bidder/offeror will contest disclosure of the information if disclosure is requested under the Texas Public Information Act.
3. If the allegedly proprietary information is clearly marked as such and LRGVDC was informed of the bidder/offeror's desire to keep the information confidential, the LRGVDC agrees to use the information only to evaluate the bid or proposal and to take reasonable precautions to protect the information from unauthorized disclosure to third parties. The LRGVDC agrees to refuse to disclose the information, if requested to do so under the Texas Public Information Act, and instead to request an Attorney General's opinion on whether the information may be disclosed. The LRGVDC agrees to inform the bidder/offeror of any request for disclosure of the information under the Texas Public Information Act.
4. LRGVDC's sole obligation to protect allegedly proprietary information contained in bids or proposals is described in this Section 1-113.
5. A copy of this Section 1-113 shall be included in each solicitation for bids by the LRGVDC.

### **Equal Opportunity/Non-Discrimination**

All contracts awarded by the LRGVDC are subject to the provisions listed below.

- A. The Contractor will not discriminate against any employee or applicant for employment because of race, color, sex, religion, national origin, age or disability. The Contractor will take action to ensure that employees or applicants for employment are treated fairly during employment or the application process, regardless of race, color, sex, religion, national origin, age, or disability. The Contractor agrees to post in conspicuous places available to employees and applicants for employment notices (provided by an appropriate agency) of federal government nondiscrimination provisions.
- B. The Contractor will state, in all solicitations or advertisements for employment (by or on behalf of the Contractor), that all qualified applicants will receive consideration for employment regardless of race, color, sex, religion, national origin, age, or disability.

## **Small, Disadvantaged, Minority, Women-Owned and Historically Underutilized Businesses: Federal Assistance or Contract Procurement Requirements**

### **PART A: POLICIES**

#### **6-101 Policy Statement:**

It shall be the policy of the LRGVDC to assist small, DBE, MBE, women-owned businesses and HUBs in learning how to do business with the LRGVDC. It shall be the further policy of the LRGVDC that these sources shall have the maximum feasible opportunity to compete.

#### **6-102 Bidder/Offeror Statement:**

1. Every solicitation for procurement must require that each bidder or offeror include a statement that the bidder or offeror will comply with this policy.

#### **6-103 To ensure that LRGVDC's policy to assure that small, MBEs, DBEs, women-owned businesses, and HUBs are utilized, the LRGVDC and its contractors and subcontractors should take the following affirmative steps:**

1. Include qualified small, MBEs, DBEs, women-owned businesses, and HUBs on the Bidders' List. State lists may be utilized to locate such businesses by contacting the Texas Building and Procurement Commission;
2. Assure that small, MBEs, DBEs, women-owned businesses, and HUBs are solicited whenever they may be potential sources. In this regard, the Purchasing Director should investigate new sources and advertise when feasible in minority publications;
3. When economically feasible, and where not in contravention of competitive bidding requirements, the Purchasing Director should divide the total requirements into smaller tasks or quantities so as to permit maximum small, MBE, DBE, women-owned businesses and HUB participation;
4. Use the services and assistance of the Small Business Administration, the Office of Minority Business Enterprise of the Department of Commerce, the Minority Business Development Agency in the Department of Labor, the Texas Building and Procurement Commission and other similar agencies for locating such businesses;
5. Require that prime contractors take affirmative and meaningful steps towards retaining small, MBE, DBE, women-owned businesses and HUB subcontractors;
6. Procure goods and services from labor surplus areas;
7. If feasible, establish delivery schedules that encourage small, MBEs, DBEs, women-owned businesses, and HUBs to participate; and,

8. Advertise, at least annually, in a newspaper of general circulation for small, MBEs, DBEs, women-owned businesses and HUBs to be added to the Bidders' List.
- 6-104 For such affirmative steps to be meaningful, the Purchasing Director should review all solicitations, offers and bids to confirm that such affirmative action steps have been taken. In addition, steps should be taken to ensure that once a contract is awarded to a small, MBE, DBE, women-owned business, and/or HUB, or that the award is given to a contractor with such a subcontractor, that such business is retained during the entire performance of the contract.
- 6-105 Failure of a contractor to take meaningful affirmative steps at soliciting and retaining small, MBEs, DBEs, women-owned businesses and HUBs may be considered as a factor in evaluating future bids under non-compliance with public policies; however, this factor may not be a consideration in procurements involving purely state or local funds as Texas law requires awards to be made to the lowest responsible bidder.
- 6-106 For procurements costing more than \$3,000 but less than \$25,000, the Purchasing Director shall contact at least two HUBs on a rotating basis.

### **Conflict of Interest Questionnaire**

Chapter 176 of the Texas Local Government Code requires a current or prospective vendor or contractor of the Lower Rio Grande Valley Development Council (LRGVDC) to complete and file a *Conflict of Interest Questionnaire* to disclose whether the vendor or contractor has an affiliation or business relationship with a member of the LRGVDC's Board of Directors, its Executive Director, Finance Director, or any Department Director. The completed *Questionnaire* must be delivered to the LRGVDC's Procurement Director, who serves as its Records Administrator, not later than the seventh business day after the vendor or contractor becomes aware of facts that require filing the *Questionnaire*. The *Questionnaire* form, which describes the filing requirements of chapter 176, is available on the website of the Texas Ethics Commission, [www.ethics.state.tx.us](http://www.ethics.state.tx.us), and the names of the members of the LRGVDC's Executive Committee, its Executive Director, Finance Director, and Department Directors are available on the LRGVDC's website, [www.lrgvdc.org](http://www.lrgvdc.org).

The Texas Ethics Commission's legal department will answer questions about chapter 176 and the *Questionnaire* at 512-463-5800 or toll-free at 800-325-8506. Please do not contact an LRGVDC employee with a question because he or she is not authorized to answer it.