

**CITY OF MISSION
SOLICITATION, OFFER AND AWARD FORM**

**SOLICITATION INFORMATION
REQUEST FOR QUALIFICATIONS (RFQ)**

1. PROPOSAL NO.: 19-247-07-26
2. ISSUE DATE: July 05, 2019
3. FOR INFORMATION CONTACT: (No collect calls)
NAME: Crissy Cantu, Purchasing Buyer
TELEPHONE: (956) 580-8667 **FAX:** (956) 580-8798
E-MAIL: ccantu@missiontexas.us

4. BRIEF DESCRIPTION:

Financial Auditing Services

5. PRE-PROPOSAL CONFERENCE MEETING:
(Highly Recommended)
****** There WILL be a conference. ******
LOCATION: City of Mission City Hall
 1201 E. 8th Street
 Mission, TX 78572
DATE: 07/12/2019
TIME: 10:00 AM CST

6. ADVERTISING DATES:
 1st Week of Advertisement Date: __07__/_05__/_19__
 2nd Week of Advertisement Date: _07__/_12__/_19__

7. SUBMIT PROPOSAL TO:
Mailing/Hand/Commercial Courier Delivery

**City of Mission
 Purchasing Department**
 1201 E. 8th Street R101
 Mission, TX 78572
 Proposal # 19-247-07-26

8. OFFER SUBMISSION DUE DATE AND TIME:

DATE: July 26, 2019

TIME: 2:00 PM CST

9. No Facsimiles or late arrivals will be accepted. Any proposal received after offer submission due date and time will not be opened and will be returned. City of Mission Purchasing Department time stamp clock will be the governing time for acceptability of bids. Overnight mail must also be properly labeled on the outside of the express envelope or package in reference to RFQ.

10. SUBMIT WITH OFFER: Original offer and 5 photocopies including documents and attachments so indicated on Page 7 of this form.

11. Offers submitted in response to an RFB will be opened publicly by The City of Mission Purchasing Department, immediately after the submission due date and time. Offers submitted in response to an RFP/RFQ will NOT be publicly opened.

12. FIRM OFFER PERIOD: Offers submitted shall remain firm for a period of 60 calendar days from the final due date for proposals.

13. NOTE: For Invitation for Bids, "offer" and "offeror" mean "bid" and "bidder".

OFFER
(To be completed by Offeror)

14. In compliance with the above, the undersigned agrees, if this offer is accepted within the period specified in Block 12, above, to furnish any or all items, or provide the service(s), upon which prices are negotiated and agreed for service, and to deliver the item(s) and or perform the service(s) at the designated location(s) within the time specified.

15. FIRM NAME, ADDRESS: (Type or Print)

TELEPHONE: **E-MAIL:**
CELL PHONE: **FAX:**

16. NAME AND TITLE OF PERSON AUTHORIZED TO SIGN THE OFFER: (Type or Print)

17. OFFEROR SIGNATURE & DATE:

AWARD
(To be completed by City of Mission)

18. TOTAL AMOUNT OF AWARD:

19. PURCHASING DIRECTOR SIGNATURE & DATE OF AWARD:

Name: _____ Signature: _____ Date: ___/___/___

SOLICITATION INDEX

20. CONTENTS: (DOCUMENTS WITH A YES ARE TO BE SUBMITTED WITH OFFER)

	NAME	FORM DESCRIPTION	SUBMIT WITH OFFER?
●	Cover Sheet	Solicitation, Offer and Award Form (Complete in its entirety to include Sign and Date)	YES
●	Instructions to Bidders	General Terms & Conditions	YES
		Firms Proposal	YES
		Insurance Certificate	NO
●	Non-Collusive Bidding Certificate	Vendor Acknowledgement Form (Signed and Executed)	YES
●	Firm Fixed Rates	Signed and Completed (Upon Request)	NO
●	Addenda Checklist & Addendums	Confirmation Receipt of Addendum(s) (Signed and Executed)	YES
●	Disclosure of Interested Parties	Certificate (Signed and Executed)	NO
●	Additional Responsibility Criteria & Bidder's General Questionnaire	General Questions (Supporting Documentation) (Signed and Executed)	YES
●	CIQ Questionnaire	Conflict of Interest Questionnaire (Signed and Executed)	YES
●			

21. ACKNOWLEDGMENT OF ADDENDUMS:	ADDENDUMS #	DATE	ADDENDUMS #	DATE
Offeror acknowledges receipt of the following addendum(s) to the solicitation:				
(Identify addendum number and date of each.)				

*****Firm name and authorized signature must appear on each page that calls For this information. Failure to do so may disqualify your Proposal *****

City of Mission
Instructions to Proposer – General Terms & Conditions
RFQ Name/No.: Auditing Services/ 19-247-07-26

The City of Mission is soliciting statements of qualifications (“Qualifications”) from professional firms (“Respondents”) for selection of **Auditing Services** in accordance with the terms, conditions, and requirements set forth in this Request for Qualifications. This Request for Qualifications (“RFQ”) provides Respondents with the information necessary to prepare and submit Qualifications Statements for consideration by the City.

(1) Introduction and Purpose of Solicitation

The City of Mission, Texas is seeking qualifications from experienced firms to provide Auditing Services, as specified by the City of Mission.

In accordance with Section 2254.003 of the Government Code of the State of Texas, the City shall make the selection and award on the basis of: (1) demonstrated competence and qualifications to perform the services; and (2) for a fair and reasonable price. The services shall be provided for a fair and reasonable price and not to exceed any maximum established by law. Negotiations will be initiated with the provider(s) determined to be the most qualified to attempt to arrive at a fair and reasonable price.

(2) Type of Business

(a) The Proposer represents as part of its offer that it operates as (Mark one with an "X"):

- | | |
|--|--|
| <input type="checkbox"/> an individual | <input type="checkbox"/> a sole proprietorship |
| <input type="checkbox"/> a partnership | <input type="checkbox"/> a corporation |
| <input type="checkbox"/> another entity _____. | |

(3) Interest of Public Officials

The offeror represents and warrants that no employee, official, or member of the Council (Executive Committee) of the City is or will be pecuniarily interested in or benefited directly or indirectly as a result of this contract.

(4) Covenant Against Gratuities

The offeror represents as part of its offer that neither it nor any of its employees, representatives or agents have offered or given gratuities (in the form of entertainment, gifts or otherwise) to any director, officer or employee of the City with the view toward securing favorable treatment in the awarding, amending, or the making of any determination with respect to the performing of the contract.

(5) Submission of Proposals

(a) Proposals and modifications thereof shall be enclosed in sealed envelopes or sealed cartons and submitted to the Purchasing Director of the City of Mission at the address specified in the solicitation. The proposer shall show the hour and date specified in the solicitation for receipt of Proposals, the solicitation number, and the proposer's name, address, and telephone number on the face of the envelope or carton.

(b) Telegraphic Proposals will not be considered unless authorized by the solicitation; however, Proposals may be modified or withdrawn by written or telegraphic notice, provided such notice is received prior to the hour and date specified for receipt of Proposals.

(c) Samples of items, when required, must be submitted within the time specified and, unless otherwise specified in the solicitation, at no expense to the City. If not destroyed by testing, samples will be returned at the proposer's request and expense, unless otherwise specified in the solicitation.

(d) Each copy of the proposal shall include the legal name of the proposer and a statement whether the proposer is a sole proprietorship, a corporation, or any other legal entity. A proposal from a corporation shall further give the state of incorporation and have the corporate seal affixed to it.

(6) Acknowledgement by Signature

Proposals must give full firm name and address of proposer, and be manually signed. Failure to do so will disqualify your proposal. **Person signing proposal must show title or CITY TO BIND HIS FIRM IN A CONTRACT. Firm name and authorized signature must appear on each page that calls for this information.**

(7) Pre-Proposal Conference and Questions Concerning the Solicitation

(a) A pre-proposal conference is scheduled for all interested parties to discuss the Request for Qualifications (RFQ) requirements, if so indicated on the Solicitation, Offer and Award Form. Details concerning the conference date, time and location are also provided.

(b) Questions and requests for clarification relating to this solicitation, shall be submitted in writing, to the contact person identified in the Solicitation, Offer and Award Form by mail, facsimile or commercial courier, at least three (3) working days in advance of the scheduled conference to allow sufficient time for responses to be considered and prepared by the City.

(c) Questions concerning the solicitation that are not addressed at the conference, if one is held, shall be submitted in writing no later than five (5) working days in advance of the offer submission due date and time, which is the minimum time required for the City's reply to reach offerors before the offer submission due date and time, as required by the "Acknowledgement of Amendments to the Invitations for Proposals" clause. Questions received less than five (5) working days in advance of the offer submission due date and time will be responded only if the City determines that the question and its response would have a material and substantive impact on the solicitation.

(8) Explanation to Proposers

Any explanation desired by a proposer regarding the meaning or interpretation of the solicitation, drawings, specifications, etc., must be requested in writing from the City's authorized representative and with sufficient time allowed for a reply to reach Proposers before the submission of Proposals. Oral explanations or instructions given before the award of any contract, at any pre-proposal conferences or otherwise, will not be binding on the City. Any information given to a proposer concerning an interpretation of the solicitation will be furnished to all Proposers as an amendment to the solicitation, if such information is necessary to Proposers in submitting Proposals on the solicitation or if the lack of such information would be prejudicial to uninformed Proposers.

(9) Acknowledgment of Addendums to Request for Qualifications

(a) If this solicitation is amended, then all terms and conditions which are not modified remain unchanged.

(b) Proposers shall acknowledge receipt of any addendums to this solicitation: (1) by signing and returning the addendums; or (2) by identifying the addendums number and date in the space provided for this purpose on the RFQ form; or (3) by letter or telegram. The City must receive the acknowledgment by the time and at the place specified for receipt of Proposals.

(10) Alter or Amend

Proposals **cannot** be altered or amended after opening time. Alterations made before opening time must be initialed by proposer guaranteeing authenticity. No proposal may be withdrawn after opening time without acceptable reason in writing and only after approval by the City of Mission.

(11) Non-collusion

Respondents, by submitting a signed qualifications statement, certify that the accompanying submission is not the result of, or affected by, any unlawful act of collusion with any other person or company engaged in the same line of business or commerce, or any other fraudulent act punishable under Texas or United States law.

(12) Non-discrimination

Respondents, during the performance of this contract, will not discriminate against any employee or applicant for employment because of race, religion, sex, national origin or disability except where religion, sex, national origin or disability is a bona fide occupational qualification reasonably necessary to the normal operation of the firm.

(13) Respondent Default

City reserves the right, in case of submitter defaults, to procure the articles or services from other sources and hold the defaulting respondent responsible for any excess costs occasioned thereby.

(14) Communication with Evaluation Team Members

Firms submitting qualifications shall not discuss this RFQ with employees of City of Mission or City Council Members. The only discussions allowed will be at the scheduled interview, if held, if your firm is selected for an interview. Failure to abide by this requirement may result in disqualification.

(15) Respondents Are Not To Provide a Fee Proposal with This Submittal

The fee will be negotiated in accordance with the Professional Services Procurement Act, (Tex. Govt. Code Ann. 2254.001), et seq.

(16) Responsibilities of Firm

Firm agrees to and shall perform and complete the professional services and specific tasks required by City in strict accordance with the Scope of Service.

Firm shall perform its services consistent with the professional skill and care ordinarily provided by professional firms practicing in the same or similar locality under the same or similar circumstances. The firm shall perform its services as expeditiously as is consistent with such professional skill and care and to ensure the orderly progress of the services.

Firm shall identify a representative authorized to act on behalf of and bind the firm with respect to the service.

Except with City's knowledge and consent, firm shall not engage in any activity, or accept any employment, interest or contribution that would reasonably appear to compromise firm's professional judgment with respect to the City service.

The firm shall obtain, maintain, and pay for all licenses, permits, and certificates including all professional licenses required by any statute, ordinance, rule, or regulation. The firm shall immediately notify the City of Mission of any suspension, revocation, or other detrimental action against any such license.

The firm shall maintain the insurance and endorsements required in this Section in full force and effect at all times during the term of this Agreement and any extensions thereto.

(17) Evaluation and Selection of Proposals:

General:

- (a) Proposer(s) are required to respond to this RFQ with a qualification's proposal. City of Mission's Evaluation Committee will evaluate proposals found to be responsive and responsible.
- (b) In order for a Proposer to be eligible to be awarded the Contract, the Proposal must be responsive to the Request for Qualification, and the City of Mission must be able to determine that the proposer is responsible to perform the Contract satisfactorily. Responsive Proposals are those complying in all material aspects of the solicitation. Proposals which do not comply with all the terms and conditions of this solicitation may be rejected as nonresponsive. A Proposer may, at any time after the submission of the Proposal, be requested to submit further written evidence verifying that the firm(s) meets the criteria necessary to be determined a responsible Proposer.

Refusal to provide requested information may result in the Proposer being declared nonresponsive, and the Proposal may be rejected.

- (c) To enhance the comparability and facilitate evaluation, all proposals must be organized addressing each of the evaluation criteria as set forth in the section entitled "Evaluation Criteria". **The Evaluation Committee may reject proposals if found to be in an unorganized manner.** An Evaluation Committee will evaluate all proposals submitted for this project.

(18) Adjective Scoring Ratings

Each criterion will be rated using the Adjectival **Scoring Method** as follows:

Definition of Adjective Rankings:

- Outstanding:** Satisfies all of the agency's requirements, with extensive detail indication a feasible approach & a thorough understanding of the project. The proposal has numerous significant strengths that are not offset by weaknesses. Meets or exceeds specified performance or capability evaluation standards required under the technical provisions in a beneficial way to the City of Mission. **The proposal has an overall low degree of risk.**
- Good:** Satisfies all of the City's requirements, with adequate detail of feasible approach & an understanding of the project. The proposal has some significant strengths or numerous minor strengths that are not offset by weaknesses. **The proposal has an overall low to moderate degree of risk.**
- Acceptable:** Proposal satisfies all of the City's requirements, with minimal detail indicating a feasible approach and a minimal understanding of the project. **The proposal has an overall moderate to high degree of risk.**
- Marginal:** Proposal satisfies all of the City's requirements, with a minimal detail indicating a feasible approach and a minimal understanding of the project. **The proposal has an overall high degree of risk.**
- Unacceptable:** Proposal contains at least one major error, omission, or deficiency that indicates a lack of understanding of the project. The approach cannot be expected to meet requirements or involves a very high risk. None of these conditions can be corrected without a major rewrite or proposal revision. Fails to meet an acceptable evaluation standard and the deficiency is uncorrectable. Firm lacks essential information to support a proposal.

A rating of – Acceptable is required to be eligible for award consideration. Offeror is cautioned to be aware of this standard when preparing your Proposal.

(19) Definitions for Technical Evaluation:

- Clarifications:** Communications with an offeror for the sole purpose of eliminating minor irregularities, informalities, or apparent clerical mistakes in the proposal. Unlike discussions, clarifications do not give the offeror an opportunity to revise or modify its proposal, except to the extent that correction of apparent clerical mistake results in revisions.
- Discussions:** Oral or written communications including negotiations between the Authority and an offeror (other than clarifications) that; involves information essential for determining the acceptability of the proposal or to cure identified defects in the proposal.
- Deficiencies:** Defects in the proposal which preclude acceptance. Involves any part of the Offeror's proposal which would not satisfy the City's minimum requirements established in the solicitation. Included failures to meet specifications, submit information, or questionable technical or management approaches. Items disclosed during discussions, evaluated in two categories: material-basis for rejection because further discussions would be meaningless; curable –may be corrected by clarifications or discussions and brought into the competitive range.

Weakness: Includes ambiguities, lack of complete descriptions, errors in interpretation, omissions of essential information, inadequate information, all of which are considered curable in discussions. An excessive number of clarifications may in itself constitute a weakness.

Strengths: Elements of the proposal that meet or exceed the minimum requirements of the solicitation and provide an identified benefit to the City.

(20) Contents of Proposal

The following will be required for the evaluation process. The City will require **five (5) copies** of the proposals from all interested firms. Each proposal must address, but may not be limited to, the following elements:

1. Firm name, including the addresses of all firm offices identifying in which office the work will be performed. Names position, phone, fax numbers of contact person(s) and Qualifications of Team projected to be involved with the service; years firm has been in business.
2. Include appropriate state registrations.
3. Include a portfolio of past work such as a list of relevant projects and clients (include contact person and phone numbers) that may be contacted for references and verification of background. A listing of at least three related work orders or projects to contain dates, complexity of service, and the names, addresses and phone numbers of representatives of the entity.
4. Names of principals in the firm
5. Names and disciplines of sub consultants (if any) proposed for the service.
6. Listing of all pending litigation against or involving the firm or its agents or employees with respect to any work performed.
7. Amount of professional liability insurance coverage carried by your firm.
8. Name and phone number of person to contact at the banking institution where you're firm does business.
9. Responsiveness of Submissions: The City wants to receive competitive submissions, but will declare "non-responsive" submissions that fail to meet significant requirements outlined in the proposal requirements.

(21) Evaluation of Qualifications:

The City of Mission **representatives** will review and evaluate Qualifications using the **Adjectival Scoring Method**. The evaluation of Qualifications shall be based on criteria described below. All Qualifications will be evaluated as a whole, and the City of Mission may invite one or more of the most highly qualified Respondents to attend a formal interview, if necessary. The interview will allow the invited Respondents to further discuss their qualifications with the City, and to respond to questions from the City. It is the intent of the City of Mission via this Request for Qualifications (RFQ) to identify the most qualified firm through open and honest dialogue with Top Proposer(s) giving proposer(s) the opportunity to adapt their initial offering and/or giving the City the opportunity to modify its initial requirements in order to reach a mutually beneficial partnership. The Evaluation Committee will present the evaluation results to City Council for contract award consideration and execution based on the evaluation criteria and the outcome of the negotiations.

(22) Evaluation Criteria

The following criteria will generally be used to evaluate proposals:

- a) **General Quality and Adequacy of Response:** Completeness and thoroughness of proposal. Clear understanding of the services required and City's structure.
- b) **Organization, Personnel, and Experience:** Qualifications and experience of individuals who will perform and supervise the work requested by the City. Technical capabilities of the firm. Experience with similar services. Experience in providing Auditing Services. Qualifications/accreditation as an auditor. Performance regarding the success and capabilities of the firm's/person's past services will be assessed. Performance may include completing work order activities on schedule, completing work within budget, meeting deadlines and quality of work similar to that proposed.
- c) **Capacity to Perform:** Capacity will be evaluated in the numbers and type of staff to be assigned tasks, staff experience, and staff time availability. Current workload and ability to commence upon request from the City. Ability

to work closely with City staff. Proposals should reflect the prospective firm's understanding of the services involved and the approach for implementation and the successful completion of services. Demonstrated commitment to maintaining staff continuity for the contract.

- d) **Technology & Document Management:** Firms approach to using technology to communicate effectively and efficiently. Ability to maintain adequate document management and provide to city staff well organized and accurate reports, documents, plans, etc...

(23) Interviews, Discussions, and Negotiations:

- a) **Interviews:** Staff will determine whether acceptance of the most favorable initial proposal(s) without discussion is appropriate, or whether interviews and/or discussions should be conducted with Proposers.
- b) **Negotiations:** The committee or designated members of the committee will negotiate with the Proposer(s) whose proposal is found to offer the Best Value. Firm(s) engaged in negotiations may be allowed to submit a final supplement called a "best and final offer." The City reserves the right to negotiate all elements that comprise the successful Contractor's response to ensure that the best possible consideration be afforded through open an honest dialogue.

(24) Proposed Fees

Compensation will not be higher than the recommended practices and fees published by the applicable professional associations. The City of Mission reserves the right to request a detailed breakdown of any lump-sum amounts or hours for each service rendered to the City of Mission.

(25) Contract Document

Firms are to provide a Fee Schedule upon request to be utilized by the City of Mission to negotiate for fair and reasonable price and execute a contract for Professional Services. Contract documents will be reviewed by Purchasing Director and City Attorney for final approval and modifications to the contract may be negotiated provided it is in the best interest of the City. Awarded firm must be able to negotiate a fee, provide insurance as requested and provide a signed contract within twenty-one (21) calendar days of notice of selection by City of Mission.

(26) Evaluation and Basis for Award

- (a) One Award

One contract award is anticipated under this solicitation. Multiple contract awards shall not be made. A written award (or acceptance of proposal) which is mailed, telegraphed, or otherwise furnished to the successful proposer within the time for acceptance specified in the solicitation shall be deemed to result in a binding contract without further action by either party.

- (b) If the competitive sealed bidding requirement applies to the contract for goods or services, the contract must be awarded to the lowest responsible bidder or to the bidder who provides goods or services at the best value for the municipality.
- (c) In determining the best value for the municipality, the municipality may consider:
 - 1) the purchase price;
 - 2) the reputation of the bidder and of the bidder's goods or services;
 - 3) the quality of the bidder's goods or services;
 - 4) the extent to which the goods or services meet the municipality's needs;
 - 5) the bidder's past relationship with the municipality;
 - 6) the impact on the ability of the municipality to comply with laws and rules relating to contracting with historically underutilized businesses and nonprofit organizations employing persons with disabilities;
 - 7) the total long-term cost to the municipality to acquire the bidder's goods or services; and
 - 8) any relevant criteria specifically listed in the request for bids or proposals

(27) Affirmative Action – Equal Opportunity

Disadvantaged Business Enterprise - It is a policy to award a fair share of contracts to small business concerns and businesses owned or controlled by socially and economically disadvantaged individuals. Affirmative steps will be taken to assure that these businesses are utilized when possible as sources of suppliers, equipment, and professional services. The City of Mission is an Affirmative Action/Equal Opportunity Employer.

The City of Mission will ensure that a qualified consultant is obtained through an equitable selection process and the prescribed work is properly accomplished in a timely manner at a reasonable cost. We are an Affirmative Action/Equal Opportunity Employer and reserve the right to reject any and all proposals, extend the RFQ deadline, and/or waive formalities in our selection.

(28) Audited Financial Report

The successful respondent(s) may be required to submit an audited financial report prior to being offered a contract. Failure to submit the report may result in the disqualification of the successful respondent. Do not submit one unless requested.

(29) Independent Firm

The Firm at all times shall be an independent firm. The Firm shall be fully responsible for all acts and omissions of its employees, subfirms, and their suppliers, and shall be specifically responsible for sufficient supervision and inspection to ensure compliance in every respect with the contract requirements. There shall be no contractual relationship between any subfirm or supplier of the Firm and the City by virtue of this contract. No provision of this contract shall be for the benefit of any party other than the City and the Firm.

(30) Confidential Data

Each proposer may clearly mark each page of the proposal that contains trade secrets or other confidential commercial or financial information which the proposer believes should not be disclosed outside the City. Disclosure of requested information will be determined in accordance with the Texas Open Records Act.

(31) Cancellation of Solicitation

This solicitation may be cancelled by the City before or after receipt of Proposals (as applicable).

(32) Removal of Contract Personnel

- (a) The Firm and any subfirm acknowledge that any person assigned to work under this Contract must perform their duties so as to not unduly impair contract performance. By assigning a person to work under this Contract, the Firm agrees to be responsible for the behavior of that person during contract performance.
- (b) The Firm acknowledges that the City has the right to require the removal of any Firm or subfirm employee that the Engineer, Project Manager, or Purchasing Director determine, at their sole discretion, to be negatively effecting performance of work under the contract. Examples of such behavior include: (1) conduct which poses a threat to the safety of anyone working under the contract; (2) conduct which is disruptive to contract performance; (3) careless work performance; and (4) other behavior determined by one of the three (3) officials to be objectionable or unduly hindering contract performance.
- (c) Upon receipt of written notice from the Purchasing Director that a person's behavior is unduly impairing contract performance, the Firm agrees to remove that person from doing any further work on the contract, and to cause that person to be removed from the worksite. The Firm agrees that it is not entitled to any additional costs it may incur as a result of the removal of the person named by the Purchasing Director.

(33) Discrepancies or Omissions

Proposer shall carefully examine the proposal forms, general terms and conditions, and scope of service. Should the proposer find discrepancies in, or omissions from proposal forms, general terms and conditions, specifications, or other documents, or should he/she be in doubt as to their meaning, he/she should at once notify the Purchasing Department (Mission City Hall, (956) 580-8667) and Engineer and obtain clarification by addendum prior to submitting any bid.

(34) Compliance with Federal, State and Local

Proposers must comply with all applicable federal, state and local laws, rules, regulations and ordinances and statutes relating to purchasing in the State of Texas in addition to the requirements of this form.

(35) Indemnification

The proposer agrees to indemnify and save harmless the City, the Purchasing Director and any assistants from all suits and actions of every nature and descriptive brought against them or any of them, for or on account of the use of patented appliances, products or processes, and he/she shall pay all royalties and charges which are legal and equitable. Evidence of such payment or satisfaction shall be submitted upon request of the Purchasing Director, as a necessary requirement in connection with the final estimate for payment in which such patented appliance, products or processes are used.

(36) BILLING AND PAYMENT INSTRUCTIONS:

The City of Mission will execute payment by mail within thirty (30) working days after each percentage of work has been completed and found to meet specifications for **“Auditing Services”** as indicated below.

(a) Invoices may be submitted once per month to and shall conform to policies or regulations adopted from time to time by the City. Invoices shall be legible and shall contain, as a minimum, the following information: (1) the contract and purchase order number (if any); (2) a complete itemization of all costs including quantities ordered and delivery order numbers (if any); (3) any discounts offered to the City under the terms of the contract; (4) evidence of the acceptance of the supplies or services by the City; (5) unique traceable invoice number(s); and (6) any other information necessary to demonstrate entitlement to payment under the terms of the contract. Failure to provide the above critical information may result in the rejection and return of the invoice for resubmission with complete data.

(b) Subject to the withholding provisions of the contract, payment shall be made within 30 days after the City's receipt of a properly prepared invoice.

(37) Duty to Inform

If, at any time during the performance of the contract the Firm becomes aware of an actual or potential problem, fault, or defect in the project or any non-conformance with any contract document, federal, state or local law, rule, or regulation, the Firm shall give immediate written notice thereof to the Engineer. If the Firm is aware of any such problem, fault, defect or non-conformance, or should be aware through proper diligence of any such problem, fault, defect or non-conformance, and the Firm fails to give the required notice, the Firm shall assume full responsibility therefore and shall bear all costs attributed thereto.

(38) Insurance Requirements for Supply/Services and/or Construction

(a) Required Coverage. Awarded firm shall, at all times during the term of this contract and extended terms thereof, provide and maintain the following types of insurance protecting the interests of the City of Mission and the firm with limits of liability not less than those specified below.

Commercial General Liability insurance or its equivalent, **listing City of Mission as an additional insured**, providing limits of not less than \$1,000,000 for bodily injury and property damage per occurrence, consistent with potential exposure to City under the Texas Tort Claims Act. Coverage should include injury to or death of persons and property damage claims arising out of the services, construction, etc. provided with a general aggregate of \$500,000, and a product and completed operations aggregate of \$1,000,000. Coverage should include: Damaged to

rented premises at a minimum of \$100,000 per occurrence. There shall not be any policy exclusions or limitations for the following as well:

Contractual Liability covering Firm's obligations herein
Personal Injury Advertising Liability
Medical Payments
Fire Damage Legal Liability
Broad Form Property Damage
Liability for Independent Firms

(b) Automobile liability insurance policy with combined single limit of at least Five Hundred Thousand Dollars (\$500,000.00) per occurrence, consistent with potential exposure to City under the Texas Tort Claims Act.

(c) Uninsured/Underinsured motorist coverage in an amount equal to the bodily injury limits set forth immediately above;

(d) A Five Hundred Thousand Dollar (\$500,000.00) Comprehensive General Liability insurance policy providing additional coverage to all underlying liabilities of City consistent with potential exposure of City under the Texas Tort Claims Act;

(e) Workers' Compensation and Employers' Liability- insurance is equivalent to State of Texas Workers' Compensation Statutory Limits, providing limits of not less than \$1,000,000 for each accident, each disease per employee \$1,000,000, and policy limit of no less than \$1,000,000. There shall not be any policy exclusions or limitations.

(f) Certificates of Insurance. Before commencing execution of this contract, and within 7 calendar days from date of award of contract, the Firm shall furnish Original proof of insurance via Certificates of Insurance satisfactory to the City of Mission at the following addresses,

City of Mission
Eduardo Belmarez, Purchasing Director
1201 E. 8th Street
Mission, TX 78572
RFQ # 19-247-07-26

evidencing that insurance as required by paragraph (a) above is in force, stating policy number dates of expiration and limits of liability thereunder. All copies of policies and Certificates of Insurance submitted to the City shall be in a form and content acceptable to the City.

(g) Approval of Forms and Companies. All coverage described in this contract shall be in a form and content satisfactory to the Purchasing Director. No party subject to the provisions of this contract shall violate or knowingly permit to be violated any of the provisions of the policies of insurance described herein. All insurance should be provided by insurance companies with a Best's rating of A- or better. Please include proof of such rating with your coverage documents.

(h) Additional Insured Endorsement. The policy or policies providing Commercial General Liability, and as otherwise required above, shall be endorsed to name City of Mission, their directors, officers, representatives, agents, and employees as Additional Insurers with respects to operations performed by or on behalf of the Firm in the performance of this contract via ISO endorsements CG 2037 or its equivalent. The policy shall also be endorsed to name other interests as directed by City of Mission.

(i) Notice of Cancellation or Material Changes. Policies and/or Certificates shall **specifically** provide that a thirty (30) day notice of cancellation, non-renewal, or material change be sent to the City.

(j) Multiple Policies. The limits of liability as required above may be provided by a single policy of insurance or a combination of primary, excess, or umbrella liability policies. But in no event shall the total limit of liability of any one occurrence or accident be less that the amount shown above.

(k) Deductibles. Companies issuing the insurance policies and the Firm shall have no recourse against the City for payment of any premiums or assessments for any deductibles, as all such premiums and deductibles are the sole responsibility and risk of the Firm.

(l) Subfirms. If any part of the work is sublet, the Firm shall require any and all subfirms performing work under this contract to carry General Liability and Products, and Construction Liability Insurance, with limits of liability that Firm shall deem appropriate and adequate to protect the interests of the City. In the event a subfirm is unable to furnish insurance in accordance to section (a) above, the Firm shall endorse the subfirm as an Additional Insured. Insurance certificates for subfirms shall be furnished to the City of Mission upon request.

(m) No Release. The carrying of the above-described coverage shall in no way be interpreted as relieving the Firm of any other responsibility or liability under this agreement, or any applicable law, statute, regulation, or order.

(39) Municipality's Right to Carry Out the Work

If the firm fails or refuses to carry out all or any part of the work in accordance with the contract requirements or within the contract schedule and fails or refuses to correct such deficiency within seven (7) days of receipt of written notice thereof from the City of Mission, the City, in its sole discretion and without waiving any other rights it may have, may elect to correct such deficiencies and charge the firm the cost of such corrections. Nothing in this clause shall relieve the firm of its obligation to perform the remainder of the work in accordance with the contract.

(40) Governing Law

The rights, obligations, and remedies of the parties shall be governed by the laws of the State of Texas. Whenever there is no applicable state statute or decisional precedent governing the interpretation of, or disputes arising under or related to, this contract, then federal common law, including the law developed by federal boards of contract appeals, the United States Claims Court (formerly the Court of Claims), and the Comptroller General of the United States, shall govern. Venue for any action shall lie exclusively in Hidalgo County, Texas. This is the complete agreement between the parties. If any provision of the contract is found to be invalid or unenforceable, the remaining provisions shall not be impaired.

(41) Title to Submittals

All information, drawings, or other submittals required to be furnished by the firm to the City under this contract shall become the property of the City.

(42) Disclosure of Interested Parties

Contractor is to comply with Government Code Section 2252.908 enacted by H.B. 1295, which prohibits a government entity or state agency from entering into certain contracts with a business entity unless the business entity submits a disclosure of interested parties. For more information go to the Texas Ethics Commission web page at: https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm

(43) Default

(a) If the firm refuses or fails (i) to commence the work within the time required by this contract, (ii) to prosecute the work or any separable part with the diligence that will ensure its completion within the time specified in this contract, including any extension, (iii) to provide sufficient and properly skilled workmen or proper materials or equipment to complete the work in an acceptable manner and without delay, (iv) to promptly pay its subfirms, laborers, and materialmen, (v) to perform any of its other obligations under this contract, or (vi) to complete the work within the time specified in this contract ("events of default"), the City may, by written notice to the Firm, terminate the right to proceed with the work (or the separable part of the work). In this event, the City may take over the work and complete it by contract or otherwise, and may take possession of and use any materials, appliances, and plant on the work site necessary for completing the work. The Firm and its sureties shall be liable for any damage to the City resulting from events of default, whether or not the Firm's right to proceed with the work is terminated. This liability includes any increased costs incurred by the City in completing the work.

(b) The Firm's right to proceed shall not be terminated because of delays nor the Firm charged with damages under this clause, if --

- (1) the delay in completing the work arises from unforeseeable causes beyond the control and without the fault or negligence of the Firm (examples of such causes include (i) acts of God or of the public enemy, (ii) acts of the City in either its public or contractual capacity, (iii) acts of another Firm in the performance of a contract with the City, (iv) fires, (v) floods, (vi) epidemics, (vii) quarantine restrictions, (viii) strikes, (ix) freight embargoes, (x) unusually severe weather, or (xi) delays of subfirms or suppliers at any tier arising from unforeseeable causes beyond the control and without the fault or negligence of both the Firm and the subfirms or suppliers); and
- (2) the Firm, within 10 days from the beginning of any delay (unless extended by the Purchasing Director), notifies the City Engineer or Purchasing Director in writing of the causes of delay. The Purchasing Director shall ascertain the facts and the extent of the delay. If, in the judgment of the City staff, the findings of fact warrant such action, the time for completing the work shall be extended. The findings of the Purchasing Director shall be final and conclusive on the parties but subject to appeal.

(c) If, after termination of the firm's right to proceed, it is determined that the Firm was not in default, or that the delay was excusable, the rights and obligations of the parties will be the same as if the termination had been issued for the convenience of the City.

(d) The rights and remedies of the City in this clause are in addition to any other rights and remedies provided by law or under this contract. Time is of the essence for all delivery, performance, submittal, and completion dates in this contract.

(44) Termination for Convenience

The Purchasing Director may, whenever the interests of the City so require, terminate this contract, in whole or in part, for the convenience of the City. The Purchasing Director shall give written notice of the termination to the Firm specifying the part of the contract terminated and when termination becomes effective.

(a) The Firm shall incur no further obligations in connection with the terminated work, and, on the date set in the notice of termination, the Firm will stop work to the extent specified. The Firm shall also terminate outstanding orders and subcontracts as they relate to the terminated work. The Firm shall settle the liabilities and claims arising out of the termination of subcontracts and orders connected with the terminated work. The Purchasing Director may direct the Firm to assign the Firm's right, title, and interest under terminated orders or subcontracts to the City. The Firm must still complete the work not terminated by the notice of termination and may incur obligations as are necessary to do so.

(b) The Purchasing Director may require the Firm to transfer title and deliver to the City in the manner and to the extent directed by the Purchasing Director: (i) the fabricated or unfabricated parts, work in process, completed work, supplies, and other material produced or acquired for the work terminated; and (ii) the completed or partially completed plans, drawings, information, and other property that, if the contract had been completed, would be required to be furnished to the City. The Firm shall, upon direction of the Purchasing Director, protect and preserve property in the possession of the Firm in which the City has an interest. If the Purchasing Director does not exercise this right, the Firm shall use its best efforts to sell such supplies and manufacturing materials.

(c) The City shall pay the Firm the following amounts:

(1) For contract work performed before the effective date of termination, the total (without duplication of any items) of --

(i) the cost of this work;

(ii) a sum, as profit on (i), above, determined by the Purchasing Director to be fair and reasonable; however, if it appears that the Firm would have sustained a loss on the entire contract had it been completed, the Purchasing Director shall allow no profit under this subparagraph

(iii) and shall reduce the settlement to reflect the indicated rate of loss.

- (2) The reasonable costs of settlement of the work terminated, including --
 - (i) accounting, legal, clerical, and other expenses reasonably necessary for the preparation of termination settlement proposals and supporting data;
 - (ii) the termination and settlement of subcontracts (excluding the amounts of such settlements); and
 - (iii) storage, transportation, and other costs incurred, reasonably necessary for the preservation, protection, or disposition of the termination inventory.
- (3) The total sum to be paid the Firm under this subparagraph shall not exceed the total contract price plus the reasonable settlement costs of the Firm reduced by the amount of payments otherwise made, the proceeds of any sales of construction, supplies, and construction materials under this subparagraph, and the contract price of work not terminated.

(45) Termination for Default

- (a) The City may, subject to the provisions of paragraph (c) below, by written notice of default to the Firm, terminate the whole or any part of this contract in either one of the following circumstances:
 - (1) if the Firm fails to make delivery of the supplies or to perform the service within the time specified herein or any extension thereof; or
 - (2) if the Firm fails to perform any of the other provisions of this contract, or so fails to make progress as to endanger performance of this contract in accordance with its terms, and in either of these two circumstances does not cure such failure within a period of 10 days (or such longer period as the Purchasing Director may authorize in writing) after receipt of notice from the Purchasing Director specifying such failure.
- (b) In the event the City terminates this contract in whole or in part as provided in paragraph (a) of this clause, the City may procure, upon such terms and in such manner as the Purchasing Director may deem appropriate, supplies or services similar to those so terminated, and the Firm shall be liable to the City for any excess costs for such similar supplies or services; provided, that the Firm shall continue the performance of this contract to the extent, if any, it has not been terminated under the provisions of this clause.
- (c) Except with respect to defaults of subfirms, the Firm shall not be liable for any excess costs if the failure to perform the contract arises out of causes beyond the control and without the fault or negligence of the Firm. Such causes may include, but are not restricted to, the following: acts of God or of the public enemy, acts of the City, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; provided, however, in every case the failure to perform must be beyond the control and without the fault or negligence of the Firm. If the failure to perform is caused by the default of a subfirm and if such default arises out of causes beyond the control of both the Firm and subfirm and without the fault or negligence of either of them, the Firm shall not be liable for any excess costs for failure to perform, unless the supplies or services to be furnished by the subfirm were obtainable from other sources in sufficient time to permit the Firm to meet the required delivery schedule.
- (d) If this contract is terminated as provided in paragraph (a) of this clause, the City, in addition to any other rights provided in this clause, may require the Firm to transfer title and deliver to the City in the manner and to the extent directed by the Purchasing Director (i) any completed supplies and (ii) such partially completed supplies and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights (hereinafter called "manufacturing materials") as the Firm has specifically produced or specifically acquired for the performance of such part of this contract as has been terminated; and the Firm shall, upon direction of the Purchasing Director, protect and preserve property in possession of the Firm in which the City has an interest. Payment for completed supplies delivered to and accepted by the City shall be at the contract price. Payment for manufacturing materials delivered to and accepted by the City and for the protection and preservation of property shall be in an amount agreed upon by the Firm and Purchasing Director. Failure to agree to such amount shall be a dispute concerning a question of fact within the meaning of the Disputes Clause of this contract. The City may withhold from amounts otherwise due the Firm for such completed supplies or manufacturing materials such sum as the Purchasing Director determines to be necessary to protect the City against loss because of outstanding liens or claims of former lien holders.

- (e) If, after notice of termination of this contract under the provisions of this clause, it is determined for any reason that the Firm was not in default or that the default was excusable under the provisions of this clause, the rights and obligations of the parties shall be those provided in the Termination for the Convenience of the City Clause hereof. Failure to agree to any such adjustment shall be a dispute concerning a question of fact within the meaning of the Disputes Clause of this contract.
- (f) The rights and remedies of the City provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract. Time is of the essence for all delivery, performance, submittal, and completion dates in this contract.
- (g) As used in paragraph (c) of this clause, the terms "subfirm" and "subfirms" mean subfirm(s) at any tier.

(47) Appeal Process

An appeal may be brought by the lowest bidder deemed to have been non-responsive and/or not responsible. Appeals are limited to the following:

- 1. Matters of bias, discrimination, or conflict of interest
- 2. Computing errors and alleged improprieties or ambiguities in bid specifications; and
- 3. Non-compliance with procedures described in solicitation or City Policy.

The appeal must be in writing and shall be filed with the Purchasing Director at:

Eduardo Belmarez, Purchasing Director
 City of Mission
 1201 E. 8th Street, Room R-101
 Mission, Texas 78572

Appeals must include the following information:

- a. Name, address, email, telephone and fax number of appellant;
- b. Bid identification number;
- c. A detailed description of the legal and factual basis of the appeal (include any and all relevant documents, diagrams, photos, etc.);
- d. The desired outcome/solution;
- e. Signed and dated

All appeals must be filed within three (3) working days from the date of award by City Council. Untimely appeals will not be considered. Upon receipt of the appeal, the Purchasing Director will have three (3) working days to attempt to clarify or resolve any issues addressed in the request for appeal.

If the appeal is not resolved with the Purchasing Director, then it shall be considered at a public hearing at the next City Council meeting. All determinations made by the City Council are final.

(48) Conflict of Interest Certification

By submission of this offer, I certify that:

- (a) I have read and understand the General Provisions clause entitled "Interest of Public Officials" that will be incorporated into any contract resulting from this solicitation. I further understand that the pecuniary interest in that clause includes employment relationships.
- (b) I understand the City has an internal conflict of interest policy for its employees that includes as an actual or possible conflict of interest whether or not a member of the employee's immediate family works for a firm doing, or seeking to do, business with the City.
- (c) Mark one with an "X":

To the best of my knowledge and belief, no employee of my firm is related to a City employee; or

- An employee of my firm is related to an City employee and a letter to the Purchasing Director explaining that relationship is attached.
- (d) The requirements of this certification have been passed through to all first-tier subfirms or subconsultants anticipated to be used at the time of the submission of my offer.

**SIGNATURE BLOCK FOR ALL
 REPRESENTATIONS & CERTIFICATIONS**

NAME OF OFFEROR & ADDRESS (INCLUDE ZIP &PHONE)

SIGNATURE:

TYPE NAME:

DATE:

OFFERORS MUST SET FORTH FULL, ACCURATE AND COMPLETE INFORMATION AS REQUIRED BY THIS SOLICITATION (INCLUDING THIS ATTACHMENT). FAILURE TO DO SO MAY RENDER THE OFFER NONRESPONSIVE OR UNACCEPTABLE.

A FALSE STATEMENT IN ANY OFFER SUBMITTED TO THE CITY MAY BE A CRIMINAL OFFENSE IN VIOLATION OF SECTION 37.10 OF THE TEXAS PENAL CODE.

CITY OF MISSION
Scope of Service
Solicitation Name: **“AUDITING SERVICES”**

INTRODUCTION

The City of Mission is soliciting proposals for the City’s annual audit requirements for fiscal years ending September 30, 2019, 2020, and 2021. After the three-year base term, the City reserves the exclusive right to cancel the contract as well as to extend the contract for two (2) additional one-year renewal terms, provided that for each extension term a budget for such term has been mutually agreed upon by both parties after 2021. Submission of a proposal constitutes an offer to perform the work specified and to be bound by the terms contained or referenced herein. Upon acceptance of the offer, and upon award of the Contract to the successful offeror (if any), this procurement solicitation document (entitled "Request for Proposal") together with the completed and executed forms required herein, and all attachments hereto, together with the documents listed below (incorporated into this Contract by reference) shall collectively constitute the Contract.

PROPOSAL REQUIREMENTS

Elements to be included are:

1. Table of Contents – Include a clear identification of the material by section and by page number.
2. Scope Section – Clearly describe the scope of the required services to be provided defined in terms of the examination of the general purpose external financial statements, compliance examination pursuant to the Single Audit Act, and preparation/review of the Comprehensive Annual Financial Report (CAFR). Proposed Engagement Letters must accompany proposal.
3. Audit Staff – Identify the responsible partner(s) and appropriate supervisors who will work on the audit, including staff from other than the local office. Resumes for each should be included, showing compliance with continuing professional education standards listed in the U.S. General Accounting Office’s (GAO) Governmental Auditing Standards and specific governmental experience should be indicated. The depth of the staff available should be included.
4. Audit Approach – Clearly describe your firm’s approach to conducting the examination. Include in this description your proposed utilization of City staff available, methodology for accomplishing the varied audit requirements in a timely and efficient manner and any special techniques you may employ to facilitate the first year engagement
5. Proposals shall contain a provision to the effect that in the event disclosures in the audit indicate extraordinary circumstances, which warrant more intensive detailed services, the firm shall provide all pertinent facts relative to the extraordinary circumstances together with the firm’s estimate of the cost of additional services to the City. General consulting throughout the year and any extended procedures will be at standard hourly rates and will apply to such work as extended procedures in the event of fraud, assistance to be provided to the City of Mission that cannot be done (for example, due to illness of key City of Mission staff), major compliance violations, etc. No extended services will be performed unless they are authorized in the contractual agreement or in an amendment to the agreement.
6. Profile of the Firm – State whether your firm is local, national or international. Give the location of the office from which the work is to be done and the number of partners, managers, supervisors, seniors and other professional staff employed at that office and your proposed billing rates for each.
7. Municipal Experience – Describe recent municipal auditing experiences similar to the type requested and emphasize any local office engagements. Provide as references the names and telephone numbers of client officials responsible for those audits.
8. Additional Data – Give any additional information considered essential to this proposal, including involvement in state and local government organizations, seminars, etc. Indicate any planned participation by minority and/or local firms.

9. Audit Fees – The fixed fee for the base three year fiscal term will be requested from the highest ranked proposer for the following:
 - A. Financial Audit of the City
 - B. Audit of the Mission Economic Development Corporation

AUDIT REQUIREMENTS

The following services are required, as per attached time schedule:

1. The City Council is required by the City Charter to have an independent audit of the books of accounts, records and transactions of all the administrative departments of the City at least yearly. The City maintains numerous individual funds to record these transactions. Below is a list of the funds to be audited, which comprise the City's Comprehensive Annual Financial Report and the present number of funds maintained by each type. The auditor's opinion is to be rendered on the basic financial statements of the City, although you, of course, are required to be "associated with" the required supplementary information.
2. An examination and completion of any necessary reports for compliance of procedures as established by the standards set for financial audits in the U.S. General Accounting Office's (GAO) Government Auditing Standards, the provisions of the Federal Single Audit Act of 1984 and U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments and Non-Profit Organizations.
3. A management letter setting forth any weaknesses or opportunities for improvement in the City's operation and procedures should be provided as a result of the auditor's study and evaluation of the City's system of internal accounting controls, legality of actions, other instances of non-compliance with laws and regulations, and any other material matters.
4. Audit of the Mission Economic Development Corporation (MEDC) and preparation of MEDC's Comprehensive Annual Financial Report is to be done in collaboration with the Finance Department since records are maintained by this department.

REPORTS REQUIREMENTS

1. Audit reports should be addressed and contain information as follows:
 - A. Report on the City's general purpose external financial statements should be addressed to the Honorable Mayor and Members of the City Council. The report must state the scope of the examination and that the audit was performed in accordance with generally accepted auditing standards and must include an opinion as to whether the statements conform to generally accepted accounting principles and that the individual fund information is fairly presented in all material respects in relation to the general purpose external financial statements.
 - B. The Report of Compliance should be addressed to the Honorable Mayor, and Members of the City Council. The report must include a statement that the examination was conducted in accordance with applicable auditing standards. The report must state whether the examination disclosed instances of significant non-compliance with laws and regulations. Findings of ineligible expenditures must be presented.
 - C. A report on internal accounting controls should be addressed to the Honorable Mayor and Members of the City Council. The report must state the scope of the study and evaluation of the City's system of internal accounting control and also state that it was performed in accordance with generally accepted auditing standards, the Single Audit Act of 1984, and the standards for financial and compliance audits contained in the U.S. General Accounting Office's Standards for Audits of Governmental Organizations, Programs, Activities and Functions. The report must also state an opinion on the system of internal accounting control.
 - D. The audit report of the Mission Economic Development Corporation Fund should be addressed to the Chairman and Members of the Board. The report must state the scope of the examination and that the

audit was performed in accordance with generally accepted auditing standards and must include an opinion as to whether the statements conform to generally accepted accounting principles.

2. A management letter, addressed to the Honorable Mayor and Members of the City Council is required. This letter should include a statement of audit findings and recommendations affecting the financial statements, internal accounting control, management information systems, legality of actions, other instances of non-compliance with laws and regulations of any other materials matters. This letter will first be discussed with appropriate City staff to allow an opportunity to determine the validity of such findings and to allow an opportunity to prepare appropriate corrections to such findings.
3. A Comprehensive Annual Financial Report (CAFR), prepared by City staff, shall be reviewed in accordance with requirements of the Government Finance Officers Association (GFOA). Prior year GFOA review comments shall be addressed and incorporated into the current year report. GFOA comments relating to the current year CAFR shall be addressed and resolved to the satisfaction of the GFOA.

AUDIT PERIODS

The periods to be audited shall be the City's fiscal years ending September 30, 2019, 2020 and 2021. The fee including any travel and/or out-of-pocket expenses, if applicable, for each fiscal year will be as stated in the firm's proposal. All fees are subject to City Council approval. A copy of the annual audit report for FYE September 30, 2018 for both entities can be downloaded from the City's Website www.missiontexas.us under the Fiscal Transparency Tab.

BUDGET

The City budget represents departmental appropriations as authorized by the appropriation ordinance and as revised by the City Council during the fiscal year. Appropriations, estimated revenues, and encumbrances are recorded in the accounting records.

ACCOUNTING SYSTEM

The City's financial management system was developed by Tyler Technologies (INCODE), Inc. and was installed in December 1996. It includes the following accounting modules:

1. General Accounting: General Ledger Accounting with budgetary integration and encumbrance accounting, Accounts Payable, Accounts Receivable, and Budgeting
2. Cash Receipts and Miscellaneous
3. Utility System
4. Municipal Court
5. Building Permits
6. Payroll
7. Human Resources

Fixed Assets are accounted for in a separate system and it does not interface with INCODE.

ASSISTANCE AVAILABLE TO AUDITORS

1. City staff, in its relationship with previous auditors, provided several supporting schedules, a listing of which will be made available during the interview. Upon selection of new auditors, these items will be addressed in a meeting between City staff and the successful firm. Changes will be addressed prior to commencement of fieldwork.
2. Personnel will be available to the auditors for the purpose of providing invoices, directing auditors to the proper files, or for explaining procedures on a time available basis.

3. Some Prepared by Clients (PBC's) entries will be required for Pension & Other Post-Employment Benefits: however, these should be coordinated with the Assistant Finance Director or the Finance Director. City staff will prepare all other adjusting entries. City does not anticipate any growth or funding issues. City staff prepares all financial statements for the City's report; and auditors prepare all note disclosures, cash flow statement and any Single Audit report (if necessary) for the City. For Mission Economic Development Corporation auditors prepare entire report.
4. Auditor work areas are available, although all auditors may not be able to work in one specific area due to shortage of space. (City Hall does not have wifi capabilities)
5. Copies of Governance Letters for FYE September 30, 2018 are attached.
6. Total audit fees (including single audit and MEDC audit) for FY2016-2017 and FY2017-2018 audit were \$75,000 & \$25,000, respectively.
7. We currently have a budget of \$25,000 for any preliminary work. Audit Work for October-January is normally budgeted in the FY2019-2020 budget.
8. The City of Mission anticipates approximately 20-30 Federal or State programs for FYE 2019.

TIMING OF AUDITOR REPORTS

1. City of Mission's financial and compliance audits –auditor's work should be scheduled so that the audit is completed no later than 120 days after year end and presented to Council in the month of February. This time frame will also allow the Comprehensive Annual Financial Report for each fiscal year to be submitted to the Government Finance Officers Association, on or before February 28th, of each year of the engagement.
2. The Mission Economic Development Corporation Financial Statements and Independent Auditor's Report must be issued no later than December 31st, of each year.
3. Management Letter – the letter should be submitted before January 28th, of each year of the engagement.

EQUAL EMPLOYMENT OPPORTUNITY

The Proposer agrees that during the performance of its contract it will:

1. Treat all applicants and employees without discrimination as to race, color, religion, gender, national origin, marital status, age, or handicap.
2. Identify itself as an "Equal Opportunity Employer" in all help wanted advertising or request.

The Proposer shall be advised of any complaints filed with the City alleging that Proposer is not an Equal Opportunity Employer.

OTHER

The successful respondent agrees to hold the City of Mission, its officers and employees free and harmless from any and all claims of whatever kind and nature for damage to property or personal injury made by anyone whomsoever, which may arise from operations carried out under this contract to the extent such claims are caused by the negligence or misconduct of the successful respondent. The successful respondent further agrees to indemnify and hold harmless the City of Mission, its agents and employees, against and from any and all of the foregoing liabilities, and any and all costs and expenses incurred by the City of Mission on account of any claim arising by the reason of the work done or by any act or omission of the contractor.

TIME SCHEDULE

No later than – August 1, 20**	Commence Interim Audit Work
No later than – August 30, 20**	Complete Interim Audit Work
No later than October 20, 20**	Begin Field Work
No later than December 15, 20**	Complete Field Work
No later than December 31, 20**	Submission of Mission Economic Development Corporation Audit
No later than January 28, 20**	Final draft/review_of City Comprehensive Annual Financial Report completed and submitted to Finance Director by Auditors
No later than February 1, 20**	Present Mission Economic Development Corporation Audit to MEDC Board
No later than January 28, 20**	Management Letter Provided to City
Council Meeting In February, 20**	Present Audit Opinion Letter and Audit Report to the City Council

**For each fiscal year for which agreement will be in effect

FUND TYPE AND ACCOUNT GROUPS

NOTE: Comprehensive Annual Financial Report FYE Sept 30, 2018 is available in the Finance Department, 1201 E 8th St. Mission, as well as on the City’s website: www.missiontexas.us

<u>Fund Type</u>	<u>Number of Individual Funds</u>
<u>Governmental:</u>	
General Fund	1
Special Revenue Funds (subject to increase)	18
Debt Service	1
Capital Projects	4
<u>Proprietary:</u>	
Enterprise:	
Utility System	1
Shary Golf Course	1
Solid Waste Fund	1
Internal Service:	
Employee Benefits Fund Life and Health Ins. Fund	1
<u>Fiduciary:</u>	
Trust Fund:	
Speer Library Memorial Fund	1
Agency Funds:	
Payroll Clearing Fund	1
Disbursement Clearing Fund	1
<u>Component Units:</u>	
Mission Economic Development Corporation	1
Mission Redevelopment Authority (has separate audit firm)	1
<u>Blended Component Unit:</u>	
Mission Economic Development Authority	1

Schedule A-1
 SUMMARY
 OF
 REPORTING REQUIREMENTS

	<u>DUE NO LATER THAN</u>	<u>NO. OF COPIES</u>
City of Mission:		
Comprehensive Annual Report Final Draft (Auditors' Opinion)	1/28/**	1
Mission Economic Development Corporation Financial Statements and Independent Audit	12/31/**	1
Mission Economic Development Corporation Management Letter	12/31/**	10
City of Mission Management Letter	1/28/**	15

**For each fiscal year for which agreement will be in effect.

*******End of Scope of Service*******

City Of Mission
Vendor Acknowledgment Form - Non-Collusive Bidding Certification
Bid Name/No.: "Auditing Servcies"/ 19-247-07-26

I/We have read instructions to proposer and specifications. My/Our proposal conforms to all proposal scope of service, conditions, and instructions as outlined by *CITY OF MISSION*.

Signing the Acknowledgment Form confirms that our company will enter into a binding contract with CITY OF MISSION for item(s) awarded to our company. I/We have read instructions to proposer and specifications.

The undersigned Proposer, by signing and executing this proposal, certifies and represents to the CITY OF MISSION that Proposer has not been offered, conferred or agreed to confer any pecuniary benefit, as defined by §1.07(a)(6) of the Texas Penal Code, or any other thing of value as consideration for the receipt of information or any special treatment or advantage relating to this proposal; the Proposer also certifies and represents that Proposer has not offered, conferred or agreed to confer any pecuniary benefit or other things of value as consideration for the recipient's decision, opinion, recommendation, vote or other exercise of discretion concerning this bid; the Proposer certifies and represents that Proposer has neither coerced nor attempted to influence the exercise of discretion by any officer, trustee, agent or employee of the CITY OF MISSION concerning this proposal on the basis of any consideration not authorized by law; the Proposer also certifies and represents that Proposer has not received any information not available to other Proposers so as to give the undersigned a preferential advantage with respect to this proposal; the Proposer further certifies and represents that Proposer has not violated any state, federal or local law, regulation or ordinance relating to bribery, improper influence, collusion or the like and that Proposer will not in the future offer, confer, or agree to confer any pecuniary benefit or other thing of value to any officer, trustee, agent or member of the CITY OF MISSION in return for the person having exercised the person's official discretion, power or duty with respect to this proposal; the Proposer certifies and represents that it has not now and will not in the future offer, confer, or agree to confer a pecuniary benefit or other thing of value to any officer, trustee, agent or member of CITY OF MISSION in connection with information regarding this proposal, the submission of this proposal, the award of this contract or the performance, delivery or sale pursuant to this proposal.

Date: _____
Company Name: _____
Signature: _____
Title: _____

Note: This form, along with the Execution of Offer, must be filled in and submitted with the sealed proposal.

**CITY OF MISSION
ADDENDA CHECKLIST
PROPOSAL NAME/NO: Auditing Services/ 19-247-07-26**

Bid of: _____
(Bidder Company Name)

To: City of Mission
Ref.: “Auditing Servcies”:19-247-07-26

Ladies and Gentlemen:

The undersigned Bidder hereby acknowledges receipt of the following Addenda to the captioned RFQ (initial if applicable).

No. 1 _____ No. 2 _____ No. 3 _____ No. 4 _____ No. 5 _____

Respectfully submitted,

Bidder: _____

By: _____

(Authorized Signature for Bidder)

Name: _____

Title: _____

Date: _____

GENERAL BUSINESS QUESTIONNAIRE
(SUPPLIES, SERVICES AND CONSTRUCTION)

This questionnaire, the requested list of references and the authorization to release financial information are used in part to assist in determining a potential contractor's responsibility. Offerors shall submit the General Business Questionnaire information within two (2) work days from the date of notification by the City, or with the offer, if so indicated in the Table of Contents page 2 of the Solicitation, Offer and Award Form. All information must be current and traceable. Each venturer of a joint venture must submit a separate signed form.

City of Mission reserves the right to make additional inquiries based on information submitted, or the lack thereof. Questions concerning this questionnaire or the authorization form should be directed to the contact person identified on the Solicitation, Offer and Award Form. In cases where a question does not apply or if unable to respond, offeror should refer to the item number, repeat the question, and indicate N/A (Not Applicable) or N/R (No Response), as appropriate. Offeror will explain the reason when responding N/A or N/R.

1. Name of Offeror ("Business"): _____

2. List name(s) and business address of officers and directors for corporations, partners for partnerships, and venturers for joint ventures (attach additional pages as necessary).

3. Number of years in business under present business name: _____

4. If applicable, list all other names under which the Business identified above operated in the last 5 years.

5. Annual Gross Revenue (Past year): (M represents millions, K represents thousands)
\$100K or less \$100K-\$500K \$500K-\$1M \$1M-\$5M \$5M-\$10M
\$10M-\$16M \$16M or Over

6. Will bidder/proposer provide a copy of its financial statements for the past two (2) years, if requested by City of Mission? Yes No

7. Number of current employees: _____

8. Has the Business, or any officer or partner thereof, failed to complete a contract? Yes No

9. Is any litigation pending against the Business? Yes No

10. Is offeror currently for sale or involved in any transaction to expand or to become acquired by another business entity? If yes, offeror needs to explain the expected impact, both in organizational and directional terms. Yes No

11. Has the Business ever been declared "not responsible" for the purpose of any governmental agency contract award? Yes No
12. Has the Business been debarred, suspended, proposed for debarment, declared ineligible, voluntarily excluded, or otherwise disqualified from bidding, proposing, or contracting? Yes No
13. Are there any proceedings pending relating to the Business' responsibility, debarment, suspension, voluntary exclusion, or qualification to receive a public contract? Yes No
14. Has the government or other public entity requested or required enforcement of any of its rights under a surety agreement on the basis of a default or in lieu of declaring the Business in default? Yes No
15. Is the Business in arrears on any contract or debt? Yes No
16. Has the Business been a defaulter, as a principal, surety, or otherwise? Yes No
17. Have liquidated damages or penalty provisions been assessed against the Business for failure to complete work on time or for any other reason? Yes No
18. Does offeror have a contingency plan or disaster recovery plan in the event of a disaster? If so, then Bidder will provide a copy of the plan. Yes No
19. Does offeror have quality assurance program? If yes, offeror will describe its quality assurance program, its quality requirements, and how they are measured. Yes No
20. If a "yes" response is given under questions 9 through 19, please provide a detailed explanation including dates, reference to contract information, contacts, etc. (attach additional pages as necessary).

I, individually and on behalf of the business named in this Business Questionnaire, do by my signature below, certify that the information provided in this questionnaire is true and correct. I understand that any false statements or misrepresentations regarding the Business named above may result in: 1) termination of any or all contracts which City of Mission has or may have with the Business; 2) disqualification of the Business from consideration for contracts; 3) removal of the Business from City of Mission's vendors' list; or/and 4) legal action(s) applicable under federal, state, or local law.

Name: _____ Title: _____
 Signature: _____ Date: _____
 (Owner, CEO, President, Majority Stockholder or Designated Representative)

LIST OF REFERENCES FOR SIMILAR PROJECTS

Use additional pages as necessary.

1. Project:
Date of Completion (if applicable):
Contact Person:
Company Name:
Address:
Telephone Number:
Fax Number:
E-mail Address:

2. Project:
Date of Completion (if applicable):
Contact Person:
Company Name:
Address:
Telephone Number:
Fax Number:
E-mail Address:

3. Project:
Date of Completion (if applicable):
Contact Person:
Company Name:
Address:
Telephone Number:
Fax Number:
E-mail Address:

4. Project:
Date of Completion (if applicable):
Contact Person:
Company Name:
Address:
Telephone Number:
Fax Number:
E-mail Address:

CONFLICT OF INTEREST QUESTIONNAIRE

For vendor doing business with local governmental entity

FORM CIQ

This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.

This questionnaire is being filed in accordance with Chapter 176, Local Government Code, by a vendor who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the vendor meets requirements under Section 176.006(a).

By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the vendor becomes aware of facts that require the statement to be filed. See Section 176.006(a-1), Local Government Code.

A vendor commits an offense if the vendor knowingly violates Section 176.006, Local Government Code. An offense under this section is a misdemeanor.

OFFICE USE ONLY

Date Received

1 Name of vendor who has a business relationship with local governmental entity.

2 Check this box if you are filing an update to a previously filed questionnaire. (The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)

3 Name of local government officer about whom the information is being disclosed.

Name of Officer

4 Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relationship with the local government officer. Complete subparts A and B for each employment or business relationship described. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer or a family member of the officer receiving or likely to receive taxable income, other than investment income, from the vendor?

Yes No

B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer or a family member of the officer AND the taxable income is not received from the local governmental entity?

Yes No

5 Describe each employment or business relationship that the vendor named in Section 1 maintains with a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership interest of one percent or more.

6 Check this box if the vendor has given the local government officer or a family member of the officer one or more gifts as described in Section 176.003(a)(2)(B), excluding gifts described in Section 176.003(a-1).

7

Signature of vendor doing business with the governmental entity

Date

CONFLICT OF INTEREST QUESTIONNAIRE

For vendor doing business with local governmental entity

A complete copy of Chapter 176 of the Local Government Code may be found at <http://www.statutes.legis.state.tx.us/Docs/LG/htm/LG.176.htm>. For easy reference, below are some of the sections cited on this form.

Local Government Code § 176.001(1-a): "Business relationship" means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on:

- (A) a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity;
- (B) a transaction conducted at a price and subject to terms available to the public; or
- (C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency.

Local Government Code § 176.003(a)(2)(A) and (B):

(a) A local government officer shall file a conflicts disclosure statement with respect to a vendor if:

(2) the vendor:

(A) has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income, other than investment income, that exceeds \$2,500 during the 12-month period preceding the date that the officer becomes aware that

- (i) a contract between the local governmental entity and vendor has been executed;
- or
- (ii) the local governmental entity is considering entering into a contract with the vendor;

(B) has given to the local government officer or a family member of the officer one or more gifts that have an aggregate value of more than \$100 in the 12-month period preceding the date the officer becomes aware that:

- (i) a contract between the local governmental entity and vendor has been executed; or
- (ii) the local governmental entity is considering entering into a contract with the vendor.

Local Government Code § 176.006(a) and (a-1)

(a) A vendor shall file a completed conflict of interest questionnaire if the vendor has a business relationship with a local governmental entity and:

- (1) has an employment or other business relationship with a local government officer of that local governmental entity, or a family member of the officer, described by Section 176.003(a)(2)(A);
- (2) has given a local government officer of that local governmental entity, or a family member of the officer, one or more gifts with the aggregate value specified by Section 176.003(a)(2)(B), excluding any gift described by Section 176.003(a-1); or
- (3) has a family relationship with a local government officer of that local governmental entity.

(a-1) The completed conflict of interest questionnaire must be filed with the appropriate records administrator not later than the seventh business day after the later of:

(1) the date that the vendor:

- (A) begins discussions or negotiations to enter into a contract with the local governmental entity; or
- (B) submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential contract with the local governmental entity; or

(2) the date the vendor becomes aware:

- (A) of an employment or other business relationship with a local government officer, or a family member of the officer, described by Subsection (a);
- (B) that the vendor has given one or more gifts described by Subsection (a); or
- (C) of a family relationship with a local government officer.

The Right Choice.

BML

Burton
McCumber
& Longoria, LLP
CPAs & Advisors

McAllen • Brownsville

May 1, 2019

To the Honorable Mayor
And the Members of the City Council
City of Mission, Texas

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units (except for the Mission Redevelopment Authority), each major fund, and the aggregate remaining fund information of City of Mission, Texas (City) for the year ended September 30, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the *Uniform Guidance*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 8, 2016. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. As described in Note 1-U and Note 33 to the financial statements, the City implemented Government Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City's financial statements were:

1. Management's estimate of the allowance for uncollectible taxes is based on historical tax revenues and historical loss levels.
2. Management's estimate of the net pension liability for the Texas Municipal Retirement System (TMRS) was actuarially determined and in compliance with GASB Statement No. 68 based on the actuarial valuation as of December 31, 2017, the basis for determining the contribution rate for the 2018 calendar year.
3. Management's estimate of the total OPEB liability for the post employment health benefits and supplemental death benefits were actuarially determined. In compliance with GASB Statement No. 75, these estimates were based on the actuarial valuations performed as of September 30, 2018 for the post employment health benefit plan and as of December 31, 2017 for the supplemental death benefits.
4. The estimated useful lives of capital assets and related depreciation.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was: the disclosure related to the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* in Note 1-U and Note 33 to the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

A meeting was held with management of the finance department on October 1, 2018 for purposes of planning for the audit for the fiscal year ended September 30, 2018. Management indicated the City would be ready for us to begin the audit by November 15, 2018. Subsequently, we met with management on December 18, 2018 and January 7, 2019 to discuss the status of the submission of pending items. The firm utilizes an internal tracking mechanism to document the dates upon which audit request items are submitted to us. Our records indicate the trial balances for the City were not provided to us until January 6, 2019. This delay created a significant challenge in meeting the City's required deadline.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. A total of 30 adjustments were posted. These adjustments were provided by the City as part of their normal year-end reconciliation process. After these adjustments were recorded, there were no misstatements detected as a result of audit procedures and corrected by management which were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 11, 2019.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

We believe the following items below are of particular importance and therefore have outlined them below.

- The unassigned general fund balance decreased from \$986,387 in 2017 to (\$255,341) during the year ended September 30, 2018. As a result, the City has not met the requirements of its fund balance policy for the second consecutive year.

- Subsequent to year end, the Texas Water Development Board (TWDB) notified the City it was not in compliance with Texas Water Code, Chapter 16, Section 16.356 related to Economically Distressed Areas Programs (EDAP). This section states that a political subdivision may not use any revenue received from fees collected from a water supply or sewer service constructed in whole or in part from EDAP funds for purposes other than utility purposes. The City has been in communication with the TWDB and is currently working on a compliance plan.

Other Matters

We applied certain limited procedures to the management's discussion and analysis, budgetary comparison schedule information, and required supplementary information schedules as listed in the table of content, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the other supplementary information section, the capital assets used in the operation of governmental funds section, and the supplemental schedules section, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory and statistical sections, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the information and use of the Honorable Mayor and members of the City Council and management of the City and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Benton McComb & Leary, L.L.P.

The Right Choice.

BML

McAllen • Brownsville

Burton
McCumber
& Longoria, LLP
CPAs & Advisors

March 19, 2019

Chairman and Members of the Board
Mission Economic Development Corporation
Mission, Texas

We have audited the financial statements of the governmental activities and each major fund of Mission Economic Development Corporation for the year ended September 30, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 8, 2016. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Mission Economic Development Corporation are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended September 30, 2018. We noted no transactions entered into by Mission Economic Development Corporation during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the Mission Economic Development Corporation's financial statements were the estimated useful lives of fixed assets and related depreciation.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. A total of 10 adjustments were posted. These adjustments were provided by management as part of their normal year-end reconciliation process. After these adjustments were recorded, there were no misstatements detected as a result of audit procedures and corrected by management which were material, either individually or in the aggregate to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 11, 2019.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Mission Economic Development Corporation's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Mission Economic Development Corporation's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's, discussion and analysis and budgetary comparison information, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were not engaged to report on other supplementary information including Debt Service and Capital Projects Fund Budgetary Comparison Schedules, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the information and use of Mission Economic Development Corporation and management of Mission Economic Development Corporation and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Benton McCallister & Langley, LLP