

**REQUEST FOR QUALIFICATIONS
AUDIT SERVICES FOR THE LUBBOCK REESE REDEVELOPMENT AUTHORITY**

INTRODUCTION

The Lubbock Reese Redevelopment Authority (Authority) d/b/a Reese Technology Center is soliciting a Request for Qualifications (RFQ) from respondents who are experienced with Audit Services for a special district, political subdivision of the state of Texas. The terms of the audit contract will be for three (3) years, with optional renewals for one (1) year each, subject to satisfactory performance, the satisfactory negotiation of terms (including a price acceptable to both the Authority and the selected firm), and approval of the Board of Directors.

It is anticipated that the selection of a firm will be completed by August 22, 2018.

Brief History of the Lubbock Reese Redevelopment Authority:

In June 1997, the Texas State Legislature enacted Public Law Chapter 703, establishing the Authority as a political subdivision of the State of Texas. The Authority was entrusted with investigating the acquisition, development, and management of the properties within the geographical boundaries of the former Reese Air Force Base in Lubbock, Texas which closed September 30, 1997. The Authority is the successor in interest to the Lubbock Reese Redevelopment Authority Corporation, a nonprofit corporation organized under the Texas Non-Profit Corporation Act and succeeds to all rights and liabilities of the Corporation.

The Authority's seven member board is comprised of five members appointed by the governing body of the City of Lubbock, one member appointed by the governing body of the County of Lubbock, and the executive director of the South Plains Association of Governments.

The Authority's current enabling legislation can be found in Chapter 3501 of the Special District Local Laws Code. For more information on the Authority, visit www.ReeseCenter.com.

GENERAL INFORMATION

- a) The Authority is seeking the services of a qualified certified public accountant firm to perform the following services for the fiscal years ending September 30, 2018 through 2020.
 - i) Lubbock Reese Redevelopment Authority Audit
 - ii) Federal and State Single Audit – if needed
- b) The Authority's fiscal year begins on October 1 and ends on September 30.
- c) The Authority leases property to its customers/tenants and provides property management services which includes water, sewer, and roads and grounds maintenance.
- d) The Authority participates in the Texas County and District Retirement System.
- e) More detailed information can be found in the Basic Financial Statements at www.ReeseCenter.com/RFQauditservices.
- f) Upon acceptance by the Board of Directors, the contract will be valid for the fiscal years ending 2018 through 2020.

DUE DATE AND DELIVERY LOCATION

Three copies of your response containing all items and information required by this RFQ must be submitted in a sealed envelope clearly marked with **Request for Qualifications for Audit Services for the Lubbock Reese Redevelopment Authority** on the outside of the envelope or box and must be received in the Executive Director's office at the following address **no later than Friday, May 18, 2018 at 3:00 pm** to be considered:

Reese Technology Center
Muvat Musa, Executive Director
9801 Reese Blvd., Suite 200
Lubbock, Texas 79416

You may also email your response to mmusa@ReeseCenter.com.

GENERAL CONDITIONS

- a) During the evaluation process, the Authority treats all responses with the highest level of confidentiality. However, once the evaluation process has been completed and a contract is awarded, the entire procurement becomes public information. If you consider any portion of your response to be confidential and/or proprietary and that disclosure of its contents to competitors would cause you substantial competitive harm, then you must clearly identify those portions of your response by placing the term **CONFIDENTIAL OR PROPRIETARY** in bold letters on the applicable page(s). The Authority will attempt to protect the identified portions from disclosure to the extent possible under the law.
- b) All questions and requests for clarification must be submitted to the Executive Director in writing and will be answered by the Executive Director in writing. No questions will be accepted or answered verbally.
- c) **All questions must be submitted at least ten (10) days prior to the proposal due date.** All questions will be answered at least seven (7) days prior to the proposal due date. If the questions cannot be fully answered by that time, the opening date of the bid will be extended by addendum to allow sufficient time for all questions to be answered and those answers to be provided to all registered respondents. Submit your questions to:

Reese Technology Center
Muvat Musa, Executive Director
9801 Reese Blvd., Suite 200
Lubbock, TX 79416

Email questions to: mmusa@ReeseCenter.com.

- d) If the answers provided by the Executive Director do not change the information published in the original documents, then only a clarification will be issued. Clarifications do not require acknowledgement. However, if the answers do materially change the information published in the original documents, then an Addendum will be issued. **Addendums require that you sign an acknowledgement of receipt of the addendum and submit it with your response to the RFQ. It is your responsibility to verify if an addendum(s) or clarification(s) have been issued and that you have received same. Contact the Executive Director at 806-885-6592 to verify.**

- e) The Authority reserves the right to accept or reject any or all responses or parts of responses, to waive any formalities and technicalities, and to accept the best evaluated response.
- f) The RFQ may be cancelled (in part or in its entirety) at any time with written notice by the Authority.
- g) There is no express or implied obligation for the Authority to reimburse respondents for any expenses incurred in preparing responses to this Request for Qualifications. The Authority will not reimburse respondents for these expenses, nor will the Authority pay any subsequent costs associated with the provision of any additional information or presentation, or to procure a contract for these services.
- h) In case of default by the successful responder, the Authority may procure the services from other sources.

CONDITIONS FOR PROPOSAL SUBMITTAL

- a) All responses to this RFQ become the property of the Authority. The Authority will not return responses or other information supplied to the Authority.
- b) All respondents shall comply with all conditions, requirements, and specifications contained herein. Any departure will constitute sufficient cause for rejection of the response.
- c) Responses to this RFQ are to be signed by an officer of the company authorized to bind the company in a contract submitted and to its provisions submitted in the RFQ. Failure to sign the response will disqualify the respondent.
- d) Responses are to contain a statement indicating the period during which the response will remain valid. A period of not less than ninety (90) days is required.
- e) This RFQ is based on the Scope of Work and information included in this document. Prior to submission of any response, each respondent should be thoroughly familiar with the scope, information, and the general terms and conditions in this package. The failure or omission of any respondent to examine any form, instrument or document shall in no way relieve any respondent from any obligation in respect to his/her response.
- f) This RFQ will require specific performance on all criteria as stated in your response. All specifications are as written unless specifically taken exception to by you. Any exception accepted by the Authority will be strictly adhered to. Responders must submit written requests for exceptions to any specifications/conditions with their response. Exceptions made without submission of a written request may result in disqualification.

SCOPE OF WORK

The following Scope of Work is to be provided by the successful auditor:

- a) The Authority's general purpose financial statements will be audited in accordance with generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States, and all federal and state single audit requirements. The auditor will express an opinion concerning whether the general purpose financial statements present fairly, in all material respects, the financial position of the Lubbock Reese Redevelopment Authority and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

- b) In accordance with *Government Auditing Standards*, the auditor will consider the Authority's internal control structure over financial reporting and assess control risk. It is recognized that the management of the Authority is responsible for establishing and maintaining an internal control structure.
- c) Reports to be Issued
Following the completion of the audit of the fiscal year's financial statements, the auditor shall present to the Board of Directors within 120 days after the last day of the Authority's fiscal year:
- A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles. (Audit Report)
 - A report on the internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*. (Internal Control Report)
 - A report on compliance for each major program and on internal control over compliance in accordance with *Uniform Grants Management Standards* and the *State of Texas Single Audit Circular* and on the *Schedule of Expenditures of Federal and State Awards*. (Single Audit) if needed.
 - Required Communication to those in charge of governance (Required Communication)
 - All other required reports
- d) Special Considerations
- The Authority may require the auditor's assistance to comply with new reporting requirements mandated by the *Government Accounting Standards Board (GASB)*.
 - The Authority may periodically amend the contract for a special engagement. An example of this would be a franchise fee audit.

RFQ RESPONSE ELEMENTS AND FORMAT

The Authority requires comprehensive responses to every section within this RFQ. To facilitate the review of the responses, you must follow the described response format. The intent of the response format requirements is to expedite review and evaluation. It is not the intent to constrain Respondents with regard to content, but to assure that the specific requirements set forth in this RFQ are addressed in a uniform manner amenable to review and evaluation. A response that does not provide all the information requested below may be deemed non-responsive. Your response must concisely contain sufficient information to assure the Authority of its accuracy and any additional information necessary to summarize the overall benefit of the response to the Authority. **Responses must include the following information in the order listed:**

A. Qualifications and Experience

1. Complete the Respondent's Information and Signature Page (Attachment A).
2. The auditor's past experience and performance on comparable government engagements; include all government engagements within the last five years.
3. The quality of the auditor's professional personnel to be assigned to the engagement and the quality of the auditor's management support personnel to be available for technical consultation.
4. Provide brief resumes of the personnel assigned to the engagement including the partner in charge of the audit team, the manager in charge of the onsite field work, and the senior in charge of the onsite field work.

5. The Authority currently uses Abila MIP Fund Accounting software. Describe your computer expertise with same or compatible software.

B. Mandatory Elements

1. The auditor is an independent auditor licensed to practice in Texas.
2. The auditor has no conflict of interest with regard to any other work performed by the firm for the Authority.
3. The auditor must have the ability to conduct the audit in the timeframe required.
4. The auditor must have a continuing professional education program in state and local government accounting, auditing, and financial reporting.

C. Audit Approach

Set forth a work plan including an explanation of the audit methodology to be followed to perform the services required in this Request for Qualifications. Auditors are required to provide the following information on their audit approach:

1. Proposed segmentation of the engagement.
2. Level of staff and number of hours to be assigned to each proposed segment of the engagement.
3. Sample sizes and the extent to which statistical sampling is to be used in the engagement.
4. Extent of use of audit software in the engagement and approach to be taken in drawing audit samples for purposes of test compliance.
5. Type and extent of analytical procedures to be used in the engagement.
6. Approach to be taken in determining laws and regulations that will be subject to audit test work.
7. Approach to the implementation of new GASB pronouncements.
8. Approach to internal control structure understanding.

D. Your References

Provide references for similarly successful projects including the name of the agency, address, contact name, current telephone number, email address and a brief description of services provided.

E. Your Addendum Acknowledgement

You must acknowledge receipt of addendum(s) (if any are issued) by signing and returning the signature page of the addendum as required in the General Conditions.

EVALUATION OF PROPOSALS

After the responses are opened, they will be reviewed for responsiveness by the Executive Director and Manager of Accounting. In order for a response to be considered responsive to this RFQ, it must conform to all the substantial material terms and conditions required herein. A response that does not so conform will be declared non-responsive and will not be further evaluated.

The proposal will be awarded to the best evaluated proposer. The following scoring will be used to evaluate each proposer’s response to the RFQ. Responses will be evaluated and scored for qualifications.

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|-----------|--------------------------------------|-------------------------------|------------|
| A. | Qualifications and Experience | | 40 |
| B. | Mandatory Elements | | 25 |
| C. | Audit Approach | | 25 |
| D. | References | | 10 |
| | | Maximum Possible Score | 100 |

Respondents reasonably susceptible of being selected based on criteria set forth in this RFQ may be given an opportunity to make a presentation and/or interview with the Executive Director and Manager of Accounting. However, the Authority reserves the right, within its sole discretion, to award a contract without presentations or interviews, based solely on information supplied in the RFQ responses.

If the Authority is unable to negotiate a satisfactory contract with the highest ranked auditor, the Authority shall formally end negotiations with the auditor and begin negotiations with the second most highly ranked auditor.

Negotiations shall be undertaken in this sequence until a contract is made. The Executive Director and Manager of Accounting then make a recommendation to the Board of Directors.

The contract will be subject to approval by the Board of Directors.

AWARD OF CONTRACT

The contract shall become effective from the date of acceptance and approval by the Authority. It will remain in full force and effect for an agreed term. The term will begin with the 2018 fiscal year audit and remain through the 2020 year end.

After the proposal has been awarded by the Authority, the Executive Director will send the awarded respondent a Notice of Award which will include a contract and a listing of other documentation required prior to fully executing the contract. Upon receipt of this notice, the vendor will have ten (10) calendar days to provide the Authority with the signed contracts and any other documentation that is required by the terms and conditions of the proposal. If there is failure to demonstrate good faith effort in providing the necessary documentation, then the respondent will be considered to have abandoned his proposal. The proposal will then be considered as non-responsive and may be promptly re-awarded to the next best evaluated proposal.

If necessary, an entity should comply with the provisions of Chapter 176 of the Texas Local Government Code and file a Form CIQ, if so required: and comply with the provisions of Section 2252.908 of the Texas Government Code and file a Form 1295, if so required. [Note: a publicly traded company is not required to file a Form 1295.]