

**PUBLIC NOTICE
REQUESTS FOR QUALIFICATIONS
FOR FINANCIAL AUDIT SERVICES**

Notice is hereby given that Webb County is seeking Requests for Qualification from “disinterested, qualified and experienced” public accounting firms whose principal officers are independent certified public accountants to obtain financial audit services for the performance of Webb County, Texas, Texas Juvenile Probation Commission (TJPC) grants and Texas Community Justice Assistance Division (TJCD) grants. The financial statement audit will be in accordance with Generally Accepted Auditing Standards and with granting agencies' reporting requirements.

Proposal specifications may be obtained from the Webb County Purchasing Agent located at the Webb County Administration Building, 1110 Washington Street, Suite 101, Laredo, Texas 78040 or visit our web-site for a copy of RFQ under Purchasing Department at www.webbcountytx.gov.

RFQ-2016-003

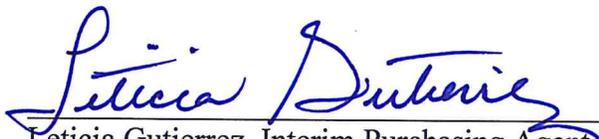
RFQ's must be submitted in two (2) originals and nine (9) electronic CD or USB drive copies of their proposal. All proposals must be bound and furnished in a sealed package and be clearly marked with RFQ solicitation number and title.

RFQ's will be either hand delivered or mailed to the following location:

Webb County Clerk
Webb County Justice Center
1110 Victoria Street, Suite 201
Laredo, Texas 78040-0029

Requests for qualifications must be delivered **NO LATER THAN FRIDAY JULY 15, 2016 AT 2:00 P.M. (CT)** at which time all RFQ's received will be opened and read to the public.

For information, interested parties can contact County Auditor Leo Flores or Chief Deputy Auditor Rafael Pérez at 1110 Washington Street, Suite 201, Laredo, Texas 78040 or call 956-523-4016. All questions should be in writing and sent to Leticia Gutierrez, Interim Purchasing Agent, lgutierrez@webbcountytx.gov.


Leticia Gutierrez, Interim Purchasing Agent
Webb County Purchasing Department

Publication Dates – Laredo Morning Times:

Sunday May 29, 2016

Wednesday June 01, 2016

Sunday June 05, 2016

RFQ Number: 2016-003

Request for Qualifications for

Financial Audit Services

PRE-BID CONFERENCE:

Friday, June 24, 2016 @ 10:00AM (CT)

Webb County – Conference Room

Administration Building – First Floor – 1110 Washington St., Laredo, TX 78040

QUESTIONS DUE:

Tuesday, June 28, 2016 @ 10:00AM (CT)

ANSWERS POSTED:

Tuesday, July 5, 2016 @ 4:30PM (CT)

PROPOSAL DUE DATE:

Friday, July 15, 2016 @ 2:00PM (CT)

RESPONSE MUST BE DELIVERED TO:

Webb County Clerk

Webb County Justice Center

1110 Victoria St. Suite 201

Laredo, Texas 78040

NOTICE TO ALL PROPSERS:	3
ACRONYMS (ABBREVIATIONS)	4
1.0 Introduction	5
2.0 Contract Period	6
3.0 Proposal Submission Deadline	6
4.0 Administrative Information	6
5.0 Stipulations	11
6.0 Payments	11
7.0 Objective of Work	12
8.0 Scope of Work	13
9.0 Complimentary County Staff Training	13
10.0 Proposal Requirements	13
11.0 Evaluation and Selection Criteria	14
12.0 COMPANY STATE FILING	16
REFERENCE FORM	17
SUBMISSION CHECKLIST	18
VOLUNTARY MORATORIUM ON CAMPAIGN CONTRIBUTIONS	19
INSURANCE REQUIREMENT AFFIDAVIT	20
WAIVER OF WORKER'S COMPENSATION INSURANCE AFFIDAVIT	21

NOTICE TO ALL PROPOSERS:

Upon release of the proposal and during the proposal process, firms and their employees of related companies as well as paid or unpaid personnel acting on their behalf shall not contact or participate in any type of contact with County employees, department heads and/or elected officials. Such contact may result in the vendor being disqualified. All contact must be coordinated through Leticia Gutierrez, Interim Purchasing Agent, Purchasing Department, for the procurement of these services.

All questions regarding this RFQ or Solicitation are to be submitted in writing to Leticia Gutierrez, Interim Purchasing Agent, with the Webb County Purchasing Department via e-mail lgutierrez@webbcountytexas.gov, or by fax 956-523-5010, or via mail to Webb County Purchasing, 1110 Washington St. Ste. 101, Laredo, Texas 78040. Please reference the RFQ/Solicitation number on all correspondence to Webb County.

All questions, comments and requests for clarification must reference the RFQ/ Solicitation number on all correspondence to Webb County. Any oral communications shall be considered unofficial and non-binding.

Only written responses to written communication shall be considered official and binding upon the County. The County reserves the right, at its sole discretion, to determine appropriate and adequate responses to the written comments, questions, and requests for clarification.

*NOTE: All addendums and/or any other correspondence (general information, question and responses) to this RFQ will be made available exclusively through the Webb County website for retrieval. Proposers are solely responsible for frequently checking this website for updates to this RFQ. Addendums to this RFQ can be located at the following web address:

<http://www.webbcountytexas.gov/PurchasingAgent/PublicNoticeRFP/> (go to the appropriate RFQ #, click on the appropriate hyperlink for viewing and/or downloading).

ACRONYMS (ABBREVIATIONS)

AICPA	American Institute of Certified Public Accountants
CAFR	Comprehensive Annual Financial Report
CFDA	Catalog of Federal Domestic Assistance
CSCD	Community Supervision and Corrections Department
FASS	Financial Assessment Subsystem
GAAP	Generally Accepted Accounting Principles
GAAS	Generally Accepted Auditing Standards
IT	Information Technology
ITGC	Information Technology General Controls
LGC	Local Government Code
OPEB	Other Postemployment Benefits
PFIA	Public Funds Investment Act
REAC	Real Estate Assessment Center
RFQ	Request for Qualifications
SA	Single Audit
SSARS	Statements on Standards for Accounting and Review Services
TEA	Texas Education Agency
TJJD	Texas Juvenile Justice Department
UAAL	Unfunded Actuarial Accrued Liability
UGMS	Uniform Grant Management Standards
WC	Webb County
WCJPD	Webb County Juvenile Probation Department

READ THIS ENTIRE DOCUMENT. FOLLOW ALL INSTRUCTIONS.

YOU ARE RESPONSIBLE FOR FULFILLING ALL REQUIREMENTS AND SPECIFICATIONS.

1.0 Introduction

1.1. *The purpose of this RFQ is to obtain the services of a public accounting firm, whose principal officers are independent certified public accountants and licensed by the State of Texas.*

1.2. The County of Webb was incorporated in 1846 as a public corporation and political subdivision of the State of Texas. Webb County has a current population of approximately 288,968. The County's FY2016 budget totaled \$134 million, of which \$96 million is approved for the General Fund. As of September 30, 2015, Webb County had approximately \$69 million in outstanding general obligation bonds and certificates. For the year ended September 30, 2015 the grand total of federal and state expenditures was \$28 million. Webb County operates two enterprise funds and three internal services funds.

1.3. Webb County maintains the bond rating available to public entities, AA from Standard and Poor's Rating Services and Aa3 from Moody's Investors Service.

1.4. Webb County's accounts are organized on the basis of funds, each of which is considered a separate entity. The County actuarially determines workers compensation reserves and OPEB cost but does not fund the UAAL. Webb County issues payroll bi-weekly to approximately 1,600 employees.

1.5. The administration of justice is the primary function of Webb County. Other functions include the construction and maintenance of roads and bridges, juvenile corrections, health, welfare and education involving the care and correction of dependent and delinquent children, administration of public health services, assistance to indigents, and County libraries. Webb County also provides some services in cooperation with local governmental units and other services not ordinarily provided by any entity of government. Section 115.031(a) of the Texas Local Government Code requires an annual audit by a "disinterested, competent, experienced public accountant or certified public accountant." Webb County report for the year ended September 30, 2015, as prepared by Garza/Gonzalez & Associates is available for review.

1.6. Texas law requires County Commissioners' Court to engage an outside accounting firm to review the financial systems and internal controls of county government.

1.7. The purpose of the external financial audit is to examine and report on the various funds of Webb County, and Community Supervision and Corrections Department as required by the Local Government Code, Section 115.031(a) and other applicable statutes. The ultimate objective of the audit will be to render opinions / auditors' reports on Webb County, Juvenile Board, and Community Supervision and Corrections Department financial statements. Separate audit reports will be prepared for Webb County-- Comprehensive Annual Financial Report, Single Audit, Texas Juvenile Justice Department (TJJJ), and Community Supervision and Corrections Department (CSCD). As part of the audit, compliance of management controls on investments and adherence to policies will be performed per Government Code, Chapter 2256, Public Funds Investment, § 005 and management controls for Organization, Information Technology General Controls, System Controls.

1.8. The County is a public corporation and political subdivision of the State. Government-wide and fund financial statements are presented in accordance with GAAP except for County fiduciary funds. The County's Debt Service Fund is declining due to 'pay-as-you-go' policies. The County's large receivable base (primarily tax and court costs), are maintained on diverse non-integrated systems. The County's financial system is New World System, Logos 15.

1.9. The audit should be made in accordance with generally accepted auditing standards as prescribed by the American Institute of Certified Public Accountants and governmental auditing standards, as applicable. Further, the audit will take into consideration the federal and state regulations and governmental auditing standards, as applicable under which the County operates, and determine if the County is in compliance with those regulations.

1.10. It is anticipated that the firm selected will be engaged for the next three years for purposes of continuity; although annual contracts/agreements will be utilized to allow for annual flexibility with an option to extend for two additional year period. All proposals should include a brief outline of the methodology that will be used to accomplish the overall goals and objectives of the financial audit

program.

1.11. Copies of the Comprehensive Annual Financial Report of Webb County and the Budget of Webb County are available through the County's web site at www.webbcountytx.org.

2.0 Contract Period

Selected offeror(s) will be awarded a thirty-six (36) month contract. Webb County, at its option and upon mutual consent of all parties involved, may choose to extend this contract for two (2) additional twelve (12) month periods based on existing terms, conditions and prices set forth in the original RFQ. **All prices negotiated under this contract must remain firm for the duration of the contract and any extensions.** Services provided will be paid for from the appropriate fiscal year funds provided by Webb County Commissioners Courts, Texas Juvenile Justice Department, Community Supervision and Corrections Department (CSCD), and/or various grant programs. Contracts are subject to availability of funds from Webb County Commissioners Court. All representations made by any departments are subject to the fiscal year funding and/or appropriations and do not represent an obligation on the part of the Webb County, and State of Texas.

3.0 Proposal Submission Deadline

Proposals shall be submitted no later than the Proposal Deadline time and date. Offerors shall respond to the written RFQ and any exhibits, attachments, or amendments. An Offeror's failure to submit a proposal as required before the deadline shall cause their proposal to be disqualified and returned to the bidder upon request. Webb County will not be held responsible for unmarked proposals, improperly marked proposals or proposals delivered to the wrong location. Offerors mailing proposals should allow sufficient mail delivery period to insure timely receipt of their proposals by the Webb County Purchasing Department. Proposals may not be delivered orally, by facsimile transmission or e-mail, or other telecommunication means. All proposals must be delivered in sealed packages or containers.

3.1 Pre-Proposal Conference

The County will hold one Pre-Proposal Conference, **Friday, June 24, 2016 @ 10:00AM (CT)** Webb County – Purchasing Conference Room, Administration Building – First Floor – 1110 Washington St Suite 101, Laredo, Texas 78040

Attendance at the Pre-Proposal Conference is voluntary and not a prerequisite to submitting a Proposal; however, it is strongly encouraged that all potential Proposers attend.

4.0 Administrative Information

4.1 Incorporation of Proposal into the contract:

The contents of this proposal and the selected offerors response and any negotiated changes are to be incorporated, in its entirety, into the Contract.

4.2 RFQ Coordinator: The main point of contact for this RFQ shall be:

Leticia Gutierrez, Interim Purchasing Agent
Webb County Purchasing Department,
1110 Washington St Suite 101
Webb, Texas 78040
956-523-4125 lgutierrez@webbcountytx.gov

The main point of contact shall hereinafter be referred to as the RFQ Coordinator.

4.3 Communications Regarding the RFQ:

4.3.1 Communications Paragraph / Restrictive

During the proposal process, firms shall not contact County staff. Additionally, firms and their employees of related companies as well as paid or unpaid personnel acting on their behalf shall not contact or participate in any type of contact outside the County offices with County

employees, including elected officials. Such contact may result in the vendor being disqualified. All contact must be coordinated through Leticia Gutierrez, Interim Purchasing Agent, for this procurement.

4.3.2 Upon release of this RFQ, all offeror communications concerning this procurement must be directed to the RFQ Coordinator.

4.3.3 All communication should be in writing to the RFQ Coordinator. Any oral communications shall be considered unofficial and non-binding. Written comments, including questions and requests for clarification, must reference the RFQ number and should be submitted no later than **Tuesday, June 28, 2016 @ 10:00AM (CT)**.

4.3.4 The County shall respond in writing to written communications. Such response shall constitute an addendum to the RFQ. Only written responses to written communication shall be considered official and binding upon the County. The County reserves the right, at its sole discretion, to determine appropriate and adequate responses to the written comments, questions, and requests for clarification.

4.4 Proposal Submittal:

4.4.1 Offerors are to provide two (2) originals, clearly labeled, and nine (9) electronic CD or USB drive copies of their proposal. All proposals must be bound and furnished in a sealed package and be clearly marked with RFQ solicitation number and title.

Proposal must be signed by an individual with authority to bind the firm in a contract with Webb County.

4.4.2 All proposals must be submitted to:

Webb County Clerk
Webb County Justice Center
1110 Victoria St Suite 201
Laredo, Texas 78040

PROPOSAL DUE DATE: **Friday, July 15, 2016 @ 2:00PM (CT)**

NOTE: All Addendums and any additional applicable correspondence (questions/responses) to this RFQ will be made available "exclusively" through the Webb County website for viewing/retrieval. Vendors are solely responsible for frequently checking the website for updates to the solicitation. Addendums to this solicitation can be located at the following website: <http://www.webbcountytx.gov/PurchasingAgent/PublicNoticeRFP/> or go to the applicable Bid # and click on the associated addendum or general information hyperlink.

4.5 Proposal Preparation Costs:

Webb County shall not be responsible or liable for any costs associated with the preparation, submittal, presentation, or other costs incurred by participating in this procurement process.

4.6 Proposal Withdrawal:

A proposing Firm may withdraw their Proposal by submitting a written request for its withdrawal, such request having the signature of an authorized company representative, to the County Procurement Coordinator at any time prior to the submission deadline. The Firm may thereafter submit a new Proposal prior to the deadline. Modifications offered after the deadline and before the BAFO (if applicable) process will not be considered.

4.7 Proposal Amendment:

The County shall not accept any amendments, revisions, or alterations to proposals after the deadline for submittal unless such is formally requested in writing.

4.8 Ambiguity, Conflict or Errors in RFQ:

Due care and diligence has been used in the preparation of this information, and it is believed to be substantially correct. However, the responsibility for determining the full extent of the exposure and the verification of all information presented herein shall rest solely with the offeror.

If a firm discovers any ambiguity, conflict, discrepancy, omission or other error in the RFQ, he shall immediately notify the County of such error in writing and request modification or clarification of the document. Any modification made to this RFQ will be issued as an addendum. Written notice will be given to all parties who have been furnished with the RFQ without divulging the source of the request.

If a firm fails to notify the County prior to the date and time fixed for submission of offers of an error or ambiguity in the RFQ known to him, or an error or ambiguity that reasonably should have been known to him, he shall not be entitled to additional time by reason of the error/ambiguity or its late resolution.

The County may also modify the RFQ prior to the date and time fixed for submission of offers by issuance/posting of an addendum. All addenda will be numbered consecutively beginning with 1.

4.9 Proposal Acceptance Period:

Each proposal shall be valid for a period of ninety (90) days after the RFQ submission deadline date to allow time for evaluation, selection, and any unforeseen delays. The ninety (90) days may be extended by mutual agreement of the parties.

4.10 Right to Rejection:

4.10.1 Webb County reserves the right, at its sole discretion, to reject any and all proposals or to cancel this RFQ entirely if determined to be in the best interest of Webb County. Any firm who is currently involved, either directly or indirectly with any litigation against or involving the County, which, as determined by the Commissioners Court, may not be in the best interest of the County may be disqualified and/or not considered for an award

4.10.2 Any proposal received which does not meet the requirements of this RFQ may be considered to be non-responsive, and the proposal may be rejected. Offerors must comply with all of the terms of this RFQ and all applicable federal, state and local laws and regulations. Webb County may reject any proposal that does not comply with all of the terms, conditions, and performance requirements of this RFQ. **Note: Do not modify or redline this RFQ document. Webb County will not accept "exceptions" to this RFQ language.**

4.10.3 Webb County reserves the right, at its sole discretion, to waive any technicality in proposals provided such action is in the best interest of Webb County. Where Webb County waives minor technicalities in proposal, such waiver does not modify the RFQ requirements or excuse the offeror from full compliance with the RFQ. Notwithstanding any minor technicalities, Webb County may hold any offeror to strict compliance with the RFQ.

4.11 Disclosure of Proposal Contents:

All submitted Proposals become the property of the Webb County, and shall be subject to any applicable open records statutes. The content of all RFQ's submitted shall remain in effect for a minimum period of 180 days.

Information requested in the RFQ deemed by the responding firm to be privileged and confidential must be marked "Privileged and Confidential Information." The County will endeavor to protect such information from disclosure to competitors to the extent allowable by law. Responding firms are advised that responses are subject to the Texas Public Information Act (Texas Open Records Act), Chapter 552, Texas Government Code.

All proposal information shall be held in confidence until a contract is formally executed and/or the RFQ is cancelled. Upon award, the proposals and associated materials shall be open for review by the public in accordance with The Texas Open Records Act. By submitting a proposal, the proposing firm acknowledges and accepts that the full contents of the proposal and associated documents shall become

open to public inspection. The County will uphold the confidentiality of vendor trade secrets to the extent allotted by law. *All confidential information and trade secrets must be clearly identified and separated by the firm prior to submission of the offer.*

4.12 Implied Requirements:

Products and services not specifically mentioned in this RFQ, but which are necessary to provide the service described by this RFQ, shall be included in the proposal. It is intended that this RFQ describe the requirements and response format in sufficient detail to secure comparable proposals.

4.13 Proposal of Additional Services:

If an offeror indicates an offer of services in addition to those required by and described in this RFQ, these additional services may be added to the original contract at the sole discretion of Webb County.

4.14 **Indemnification:**

Offeror agrees that it will protect, defend, indemnify, and save whole and harmless Webb County and all of its officers, agents, and employees from and against all claims, demands, causes of action, damages, judgments, loss and expenses, including attorney's fees, of whatsoever nature, character, or description that any person or entity has or may have arising from or on account of any injuries or damages (including but not restricted to death) received or sustained by any person, persons, or property, on account of, arising out of, or in connection with the performance of the work, including property, on account of, arising out of, or in connection with the performance of the work, including without limiting the generality of the foregoing, any negligent act or omission of the contractor or any agent, servant, employee or sub-contractor of the contractor in the execution or performance of this agent, servant, employee or sub-contractor of the contractor in the execution or performance of this Contract. Offeror further agrees to protect, indemnify and hold Webb County harmless against and from any and all claims and against and from any and all loss, cost, damage, judgments or expense, including attorney's fees arising out the breach of any of the requirements and provisions of this contract of any failure of contractor, its employees, officers, agents, contractors, invitees, or assigns in any respect to comply with and perform all the requirements and provisions hereof.

4.15 Liability and Other Insurance Coverage:

Any vendor that conducts business with Webb County, whether it is for goods and/or services, must maintain lawful worker's compensation/self-insured employee coverage requirements and adequate liability limitations.

The contractor, at its own expense, shall purchase and maintain the herein stipulated minimum insurance with companies duly licensed to do business in the State of Texas, possessing a current A.M. Best, Inc. Rating of "A" or better.

The policies may provide coverage, which contain deductible or self-insured retention. Such deductible and/or self-insured retention shall not be applicable with respect to the coverage provided to Webb County under such policies. The contractor shall be solely responsible for all deductibles and/or self-insured retention.

Within ten (10) days after contract award and prior to the commencement of any work or delivery, the Purchasing Agent requires the successful vendor(s) to submit verification of the following coverage. The insurance coverages, except Workers Compensation and Professional Liability, required by this Contract, shall name Webb County and its officers, employees and elected officials as additional insured(s) (as the interest of each insured may appear).

4.15.1 All insurance required herein shall be maintained in full force and effect throughout the term of this contract, including all extensions.

- (a) Automobile Liability: Contractor shall maintain Commercial/Business Automobile Liability insurance with a combined single limit of bodily injury and property damage not less than \$100,000/300,000/100,000 or combined single limit of \$400,000.00 each occurrence with respect to the contractor's any owned, hired, and non-owned vehicles assigned to or used in performance of this contract;
- (b) Commercial General Liability: Contractor shall maintain Commercial General Liability Insurance with a limit not less than \$1,000,000.00 for each occurrence with a \$2,000,000 Products/Completed Operations Aggregate and a \$2,000,000 General Aggregate Limit. The policy

shall include coverage for bodily injury, broad form property damage, personal injury, products and completed operations and blanket contractual coverage;

(c) Professional Liability: Contractor shall maintain Professional Liability Insurance with a limit not less than \$1,000,000.00 covering all individuals performing under the contract; and

(d) Workers Compensation or self-insured employee coverage meeting the acceptable requirements as established by the Texas Workers Compensation Act, Title 5, Subtitle A, Texas Labor Code.

4.15.2 Contractor agrees that, with respect to the above referenced insurance, all insurance contracts will contain the following required provisions:

(a) Except Workers Compensation and Professional Liability, name Webb County and its officers, employees and elected officials as additional insured(s) (as the interest of each insured may appear) as to all applicable coverage;

(b) Provide for thirty (30) days' notice to the County for cancellation, non-renewal or material change;

(c) Provide for endorsement that the "other insurance" clause shall not apply to Webb County where County is the additional insured on the policy;

(d) Provide for notice to Webb County of any changes to policy;

(e) Contractor agrees to waive subrogation against Webb County, its officers and employees for injuries, including death, property damage or any other loss;

(f) Default/Cumulative Rights/ Mitigation. It is not a waiver of default if the non-defaulting party fails to immediately declare a default or delays in taking any action. The rights and remedies provided by this contract are cumulative, and either party's use of any right or remedy will not preclude or waive its right to use any other remedy. These rights and remedies are in addition to any other rights the parties may have by law, statute, ordinance or otherwise. Contractor has a duty to mitigate damages;

(g) Approval and acceptance of contractor's services by County shall not constitute nor be deemed a release of the responsibility and liability of contractor for the accuracy and competency of contractor's services; nor shall such approval and acceptance be deemed to be an assumption of such responsibility by the County for any defect, error or omission in the services performed by contractor in this regard; and

(h) Contractor shall provide that all provisions of this contract concerning liability, duty and standard of care, shall be underwritten by contractual liability coverage sufficient to include obligation within applicable policies.

Vendors and/or their freight contractors must be prepared to show coverage verification prior to entering upon Webb County premises.

Failure to comply with lawful requirements or adequate liability requirements may result in delay of payments, subject to the orders of the Commissioners Court, not to exceed a period of up to two years from the termination of the contract, or cancellation of the contract or both.

4.15.3 All certificates of insurance shall be identified with the RFQ number.

4.15.4 Offerors compliance with the above insurance requirements shall not relieve offeror from any liability.

4.16 Other insurance and endorsements:

4.16.1 Subject to contractor's right to maintain reasonable deductibles in such amounts as are approved by the County, not to exceed ten percent (10%) of the face amount of coverage, contractor shall obtain hereof, insurance coverage written by company's authorized to conduct business in the State of Texas and acceptable to the County, in the following type(s) and amount(s). All cost or expense of insurance and any and all deductibles shall be paid by contractor without any liability to or reimbursement from County.

4.16.2 Prior to approval of any contract / engagement letter by the County Commissioners Court, contractor shall furnish an Insurance Certificate(s) to the County, which shall evidence that insurance policies in the amounts set forth below are then in effect. County shall have no duty to pay or perform under the contract until such certificate(s) have been delivered to County, and no officer or employee of the County shall have the authority to waive this requirement.

4.16.3 The County reserves the right to review the insurance requirements of this section during the effective period of the contract or any purchase order / work order and to adjust insurance coverage and their limits when deemed necessary and prudent based upon changes

in statutory law, court decisions, current evaluation of risk, or the claims history of the industry as well as the contractor. If, after selection and furnishing of insurance as required herein, the County requires an extension of coverage or increase in the minimum coverage limits, any increase in the premium cost of insurance caused by such increase will be paid by contractor without cost to County.

4.16.4 REQUIRED MINIMUM COVERAGE:

Type	Amount
Workers Compensation and Texas Labor Code Statutory Employer's Liability:	amount = \$500,000.00
Commercial General (public) Liability to Combined single limit for bodily injury and property damage of Premises operations to include sidewalk	\$5,000,000.00
Independent Contractors	
Products /completed operations	
Personal injury	
Contractual liability	
Fire legal liability	
Medical Payments	

Note: Declaration Pages must accompany all insurance certificates.

4.16.5 Additional Policy Endorsements. The County shall be entitled, upon request and without expense to receive certified copies of each and all insurance Policies and all endorsements thereto and may make any reasonable requests for deletion or revision or modification of particular Policy terms, conditions, limitations or exclusions. (Except where Policy provisions are established by law or regulation binding upon either of the parties hereto or the underwriter on any of such Policies). Upon such request by the County, the Contractor shall exercise reasonable efforts to accomplish such changes in Policy coverage, and shall pay the cost thereof.

4.16.6 AICPA Professional Standards. The AICPA Professional Standards state:

Ethics Interpretation 501-3-Failure to follow standards and/or procedures or other requirements in governmental audits.

Engagements for audits of government grants, government units or other recipients of government monies typically require that such audits be in compliance with government auditing standards, guides procedures, statues, rules and regulations, in addition to generally accepted auditing standards. If a member has accepted such an engagement, and undertakes an obligation to follow specified government auditing standards, Office of Management and Budget Guidance for Grants and Agreements (Super Circular guides), procedures, statutes, rules and regulations, in addition to generally accepted auditing standards, she / he are obligated to follow such requirements.

Failure to do so is an act discreditable to the profession in violation of Rule 501, unless the member discloses in his report the fact that such requirements were not followed and the reasons therefore.

5.0 STIPULATIONS

Note that this is not an offer, but is rather a solicitation on the part of Webb County, which reserves the right to refuse any and all proposals. The awarding of the contract for this financial audit, as defined in this Request for Qualifications, does not, in any way, obligate Webb County to utilize the same firm for any subsequent contract of a similar nature. In addition, the audit reports submitted to Webb County shall become the property of Webb County.

6.0 PAYMENTS

It is agreed that at the end of each month, the Independent Certified Public Accountants shall render bills for services performed and expenses incurred during such period and that the County will make payments of such bills in accordance with Texas Government Code,

Chapter 2251.

7.0 OBJECTIVES OF WORK

7.1 Objectives of the financial audit include, but are not limited to the following:

7.1.1 Examine year-end financial statements and issue formal opinions as to their fairness, accuracy and comprehensiveness within the framework of the accounting and legal requirements for Webb County and CSCD.

7.1.2 Render an opinion on the County's CAFR, Single Audit, TJJD, and CSCD's annual financial reports in accordance with promulgated filing requirements.

7.1.3 For the County, Juvenile Board and CSCD, the performance of an organization-wide single audit in accordance with the requirements of the Single Audit Act of 1984 and Single Audit Act Amendments of 1996, and the provisions of the Office of Management and Budget's Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" regarding uniform audit requirements for non-federal entities and / or uniform guidance that administer federal awards, consistent with those procedures prescribed by the Uniform Grant Management Standards and in accordance with the audit requirements of the Texas Department of Health and Human Services, the designated State cognizant agent for the County of Webb or the most recent requirements and/or updates.

7.1.4 An audit of the schedules of grant receipts, disbursements, and changes in fund balance for those funds provided by the Texas Juvenile Justice Department (TJJD) to the Webb County Juvenile Probation Department for the year ended at August 31, 2016 and subsequent years, consistent with procedures prescribed in contracts with TJJD and Texas Education Agency guidelines, with reports issued to the Webb County Juvenile Board and the Commissioners Court.

7.1.5 Develop separate comprehensive engagement letters that identify the objectives of the audit, the nature and scope of the services to be provided and the related fee arrangements for Webb County, the Juvenile Board and CSCD.

7.1.6 Development of separate comprehensive management letters that identify opportunities to increase control and efficiency within the organization and systems of Webb County, and CSCD.

7.1.7 Make a separate presentation of the results to designated County, CSCD and Juvenile Board officials and staff.

7.1.8 Report results of compliance with Public Funds Investment Act.

7.1.9 Report results in conjunction with financial audit, IT system and general controls, and organization.

7.2 IT review delineated as part of the audit.

7.2.1 Information Technology General Controls (ITGC) as part of the audit of Webb County's IT system and organization. The details of this review should be delineated as part of the audit. The major objectives of this review are:

7.2.1.1 Evaluate the controls: Evaluate the adequacy of and the County's compliance with the information technology (IT) general, system and internal controls.

7.2.1.2 Obtain an understanding of the control environment: Obtain a sufficient understanding of the County's IT system internal controls to plan related contract audit effort. This requires that the auditor assess the adequacy of the County's IT policies and procedures, whether they have been implemented, and if they are working and being monitored effectively.

7.2.1.3 Document the understanding of the IT system general internal control in working papers and permanent files.

7.2.1.4 Assess control risk: Assess the control risk as a basis to identify factors relevant to the design of substantive tests.

7.2.1.5 Report the understanding and assessment: Report on the understanding of the IT system general internal controls and assessment of control risk and the adequacy of the system to perform as expected.

7.2.1.6 For the County, IT environment perform as part of the audit procedure to test security of the environment and data in accordance with standardized audit reviews.

7.2.2 An application control review of Webb County's core financial accounting system, New World System, Logos I5, including an assessment of transactional and support applications.

8.0 SCOPE OF WORK

The scope of this work should include, but not be limited to:

8.1 Financial statement audit for Webb County including CAFR and management letters (including compliance related to the Public Funds Investment Act). The financial statement audit will be in accordance with Generally Accepted Auditing Standards and Governmental Auditing Standards. The services will be completed and the report issued not later than March 17, 2017.

8.2 Financial statement audit for Webb County funds administered by the Webb County Juvenile Probation Department (TJPC), in accordance with Generally Accepted Auditing Standards, Governmental Auditing Standards, and TJPC audit requirements. The services will be completed and the report issued not later than February 28, 2017.

8.3 Financial statement audit for Criminal Justice Department funds administered by the Community Supervision and Corrections Department (CSCD), in accordance with Generally Accepted Auditing Standards, Governmental Auditing Standards, and Community Justice Assistance Division audit requirements. The services will be completed and the report issued not later than February 28, 2017.

8.4 Single audit for Webb County federal and state financial assistance. In compliance with Government Auditing Standards, Office of Management and Budget, and Uniform Grant Management Standards. The services will be completed and the report issued not later than March 17, 2017.

8.5 Any additional audit procedures/work is to be approved in advance by the County Auditor.

8.6 Separate audit reports and management letters for each entity as specified.

8.7 Weaknesses identified either due to absence of controls or to non-compliance should be brought to the attention of the business process owner and responsible management. Where weaknesses identified are considered to be significant or material, they should be reported in the management letter.

8.8 A separate Information Technology General Controls (ITGC) review of Webb County's IT system and organization. The details of this review should be delineated separately.

8.9 An application control review of Webb County's core financial accounting system, New World System, Logos I5, including an assessment of transactional and support applications.

9.0 COMPLIMENTARY COUNTY STAFF TRAINING

Independent Auditors will provide 16 hours of complimentary training for the County staff, which training will be targeted to governmental accounting, auditing or reporting.

10.0 PROPOSAL REQUIREMENTS

It is the County's intent to retain a firm with a reputation for work in the governmental accounting and reporting sector.

All proposals shall meet the above criteria and stated work effort requirements and include the following:

- a) Transmittal letter summarizing the proposal in executive form.
- b) A statement of experience and qualifications of the firm for each entity conducting the audit.
- c) Identification of the firm's principal staff committed to this project, the proportion of their time committed to this project, and a resume of such principals and all other key individuals committed to this project.
- d) A proposed time schedule for completion of the engagement for each entity audited.
 - 1) List separately for each entity. County reserves right to exclude certain audits if annual audit is not required. Financial audit for Webb County including CAFR and management letters for Webb County.
 - 2) Financial audit for Webb County funds administered by the Webb County Juvenile Probation Department.
 - 3) Compliance related to the Public Funds Investment Act (may be included with financials and internal control)
 - 4) Financial audit for Criminal Justice Department funds administered by the Community Supervision and Corrections Department (CSCD)
 - 5) Single audit for Webb County federal and state financial assistance
 - 6) As part of the audit Webb County's IT system and organization's Information Technology General Controls (ITGC) review.

It is contemplated that this contract will be awarded to a single firm; however, the County and the Juvenile Board reserve the right to make separate awards if it is deemed to be in the best interest of the entities to do so.

11.0 EVALUATION AND SELECTION CRITERIA

Proposals will be evaluated by an Evaluation Committee, composed with representatives from various County departments, using an objective analysis of the information presented.

The Evaluation Committee will consider many evaluation factors (of which the financial stability of the firm is only one factor), and will receive proposals from all responsible applicants. Each category shall be weighted as follows, and one hundred (100) points are the maximum total number of points that can be award to a proposal.

The evaluation will be based upon the following elements of the proposals:

11.1 Proposal Evaluation Categories and Weights:

Organizational Experience and Program Design 0-45 Points

- Delineation of approach or methodology employed for accomplishing the various audits; audit implementation.
- Prior experience auditing counties and governments.
- Experience auditing programs funded by State or Federal agencies/government.
- Organizational size and structure. (Size in relation to the audits being performed.)
- Staff qualifications; partners, managers and staff reports. Audit team makeup; experience, position with the firm, and type of experience.
- Understanding of work to be performed. Adequate audit coverage, projected milestones or benchmarks for completing the audit within the total time allowed.
- **Adequacy of Information System Control Review. (Mandatory)**
- **Adequacy of application control review of core financial accounting system. (Mandatory)**
- **Adequacy of information general controls and IT system and organization. (Mandatory)**

Audit Approach / Project Timeline 0-30 Points

- Adequacy of proposed staffing plan for various segments of the engagement.
- Adequacy of analytical procedures.
- Adequacy of approach to internal control, structural understanding.
- Adequacy of sampling techniques.
- Methodology used to provide the required services.
- Ability to conduct the audit in the timeframe outlined.
- Proposed segmentation of the engagement.

Financial Stability 0-10 Points

All documents in this category will be in a separate sealed packed apart from the proposal.

- Financial Stability of firm; provide an "AICPA Peer Review". **(Sealed and separate from the proposal documents.)**
- Pending lawsuits or pending litigation.

References and Certifications 0-10 Points

- Minimum of four (4) written references outlining the completeness of similar audits executed within the last eighteen (18) months.
- Firms certifications and staff certifications.
- Continuing education and certification courses.
- State licenses; i.e. State of Texas.

Quality and Completeness of Proposal 0-5 Points

TOTAL POINTS 100 Points

11.2 Proposal Evaluation Process:

11.2.1 The evaluation process is designed to award the procurement to the highest rated firm.

11.2.2 The RFQ Coordinator shall manage the proposal evaluation process and maintain proposal evaluation records. An Evaluation Committee will independently evaluate each proposal and selection will be made according to the highest score based on the criteria listed above.

11.2.3 All proposals shall be reviewed by the RFQ Coordinator to determine compliance with basic proposal requirements as specified in this RFQ.

11.2.4 Webb County reserves the right, at its sole discretion, to request clarifications or conduct discussions for the purpose of clarification with any or all offerors. The purpose of any such discussions shall be to ensure full understanding of the proposal. If clarifications are made as result of such discussion, the offeror shall put such clarifications in writing. All communication (written or oral) with the Evaluation Committee will be coordinated by the RFQ Coordinator. Offerors are prohibited from contacting the Evaluation Committee members directly.

11.3 Contract Award Process:

11.3.1 The RFQ Coordinator shall forward results from the proposal evaluation process and award recommendation to the Webb County Commissioners Court for their approval.

11.3.2 Webb County reserves the right to make an award without further discussion of any proposal submitted. There shall be no best and final offer procedure. Therefore, each proposal should be initially submitted on the most favorable terms the vendor can offer.

11.3.3 The apparent highest ranked offeror shall be prepared to enter into a contract with Webb County and other departments as deemed necessary. During the contract negotiation phase, Webb County will make a good faith effort to negotiate the best contract possible. In the event Webb County and the apparent highest ranked offeror cannot reach an agreement; the County may formally end negotiations by written notification to the offeror. At the County's discretion, the County can then choose to enter into negotiations with the

next apparent highest ranked offeror and attempt to negotiate a contract with that offeror. The process will continue until the County has successfully negotiated a contract or rejected all proposals for award.

11.3.4 Contract award shall be subject to the contract approval of all appropriate officials in accordance with applicable State laws and regulations.

12.0 COMPANY STATE FILING

Pursuant to Sec. 9.001 of the Texas Business Organization Code, but not limited to corporations, limited partnerships, and limited liability companies must have an application for registration filed with the Texas Secretary of State and shall provide to Webb County a Certificate of Status issued by the Texas Secretary of State that serves as official evidence of the entity's existence or authority to transact business in Texas.

To transact business with Webb County, all entities must be in legal compliance pursuant to applicable laws, and shall provide to Webb County evidence of said compliance.

REFERENCES

Please list government agencies and private firms with whom you have done business with during the last three (3) years.

Your Company Name: _____
Address: _____
City, State Zip: _____
Phone: _____
Fax: _____
Email: _____

Your Company Name: _____
Address: _____
City, State Zip: _____
Phone: _____
Fax: _____
Email: _____

Your Company Name: _____
Address: _____
City, State Zip: _____
Phone: _____
Fax: _____
Email: _____

Your Company Name: _____
Address: _____
City, State Zip: _____
Phone: _____
Fax: _____
Email: _____

Your Company Name: _____
Address: _____
City, State Zip: _____
Phone: _____
Fax: _____
Email: _____

NOTE: IN ADDITION TO LISTING YOUR REFERENCES ABOVE, PLEASE BE SURE TO SUBMIT A MINIMUM OF FOUR (4) WRITTEN REFERENCE LETTERS.

SUBMISSION CHECKLIST

COMPANY NAME: (Please Print): _____

Phone: _____ Fax: _____

BEFORE SUBMITTING YOUR PROPOSAL, MAKE SURE YOU...

- 1. Carefully read and understand the entire proposal document.
- 2. Provide a Proposal Response as required under Section 4.4 Proposal Submittal & Proposal Requirements / Content as outlined under Section 10.0 of the document.
- 3. Copies of any and all required professional licenses for your firm and key personnel.
- 4. Fill out the Reference form. **Include four (4) written letters of recommendation for work performed within the last eighteen (18) months.**
- 5. Include proof of insurance. This includes the Certificate of Insurance and the Policy Declaration Pages.
- 6. Include copy of the company AICPA Peer Review. This should be in a separate sealed packet. If you are a "PRIVATELY" held company, then mark your financial statements confidential. **"DO NOT" include your AICPA Peer Review as a part of the electronic copies that you submit.** Webb County reserves the right to request additional proof of financial stability after proposals have been received.
- 7. Provide any additional documentation requested within the proposal document.
- 8. Submit TWO (2) Originals and NINE (9) individual copies on flash drives or CD's as requested in the proposal instructions. Clearly mark the sealed documents with the RFQ number and proposal name on the outside of the package. Please make sure all the appropriate information for your proposal has successfully uploaded to all of the electronic copies.

Make sure your Proposal is submitted **PRIOR** to the deadline.

Late Proposals will **NOT** be accepted.

Failure to provide the requested attachments may result in your proposal being deemed **NON-RESPONSIVE**.

THIS SHOULD BE THE FIRST PAGE OF YOUR PROPOSAL.

VOLUNTARY MORATORIUM ON CAMPAIGN CONTRIBUTIONS

Parties interested in responding to this RFP/RFQ are encouraged to sign this statement indicating your willingness to temporarily refrain from making any donation to any Webb County elected official or candidate for office whose office (or potential office) has any involvement in the selection process for the associated contract during the pendency of the RFP/RFQ through thirty (30) days after the contract is awarded.

We hereby agree as stated;

Firm Name: _____

Signature and Title of Individual Authorized to Bind Company:

_____ Title: _____

Print Name: _____

Date: _____

WEBB COUNTY

INSURANCE REQUIREMENT AFFIDAVIT

THIS FORM IS NOT A SUBSTITUTE FOR THE REQUIRED POLICY AND/OR STATE APPROVED CERTIFICATE OF INSURANCE FORM

I, the undersigned Agent/Broker, reviewed the insurance requirement contained in this bid document. If the Bidder shown below is awarded this contract by Webb County, I will be able to, within ten (10) days after contract award and prior to commencement of services, meet all of the insurance requirements in this bid.

Insurance Coverage Reviewed: _____

Agent's Name: _____

Agency Name: _____

Address: _____

City/State/Zip: _____

Telephone No: (____) _____

Fax No: (____) _____

Bidder's Name and Company: _____

Project/Bid No. and Title: _____

If the above ten day requirement is not met, Webb County reserves the right to cancel the contract for non-performance. If you have any questions concerning these requirements, please contact the Webb County Administrative Services / Risk Manager at 956-523-4143.

Insurance Agent/Broker Signature: _____

Date: _____

Bidder's Signature: _____

Date: _____

WAIVER OF WORKERS' COMPENSATION INSURANCE AFFIDAVIT

STATE OF TEXAS §
§
COUNTY OF WEBB §

BEFORE ME, the undersigned authority personally appeared _____, individually and doing business as _____, who after being by me first duly sworn, deposed and stated as follows:

1. "My name is _____ appearing herein individually and as president and sole owner of _____. I am over 21 years of age, of sound mind, authorized and fully competent to make this affidavit. I have never been convicted of a felony or misdemeanor involving moral turpitude. I have personal knowledge of the facts and representations stated for the reasons stated herein, and such facts and representations are true and correct.

2. "My name is _____. I am president and sole owner of _____ located at _____ Webb County issued Solicitation No. _____ (hereinafter "Bid/RFP"). Bid/RFP provisions required the successful contractor to maintain Workers' Compensation Insurance Coverage meeting the requirements and coverage amounts as established by the Texas Workers' Compensation Act, Title 5, Subtitle A, Texas Labor Code. I do not maintain Workers' Compensation Insurance as required by the proposed bid. I am ineligible for purchasing Workers' Compensation Insurance as required by the proposed bid in that I do not meet the minimum requirements to purchase such insurance for the following reasons: _____.

Further affiant sayeth not."

Name Company

SWORN TO AND SUBSCRIBED TO BEFORE ME, on this ____ day of _____, 20____.

Notary Public in and for the State of Texas

Commission Expires

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.

Note. If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien;
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;
- An estate (other than a foreign estate); or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States:

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity;
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust; and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.–China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.–China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

Backup Withholding

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),

3. The IRS tells the requester that you furnished an incorrect TIN,

4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code* on page 3 and the separate Instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships* above.

What is FATCA reporting?

The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code* on page 3 and the Instructions for the Requester of Form W-9 for more information.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account; for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Line 1

You must enter one of the following on this line; **do not** leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account, list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9.

a. **Individual.** Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

Note. ITIN applicant: Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040/1040A/1040EZ you filed with your application.

b. **Sole proprietor or single-member LLC.** Enter your individual name as shown on your 1040/1040A/1040EZ on line 1. You may enter your business, trade, or "doing business as" (DBA) name on line 2.

c. **Partnership, LLC that is not a single-member LLC, C Corporation, or S Corporation.** Enter the entity's name as shown on the entity's tax return on line 1 and any business, trade, or DBA name on line 2.

d. **Other entities.** Enter your name as shown on required U.S. federal tax documents on line 1. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on line 2.

e. **Disregarded entity.** For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a "disregarded entity." See Regulations section 301.7701-2(c)(2)(iii). Enter the owner's name on line 1. The name of the entity entered on line 1 should never be a disregarded entity. The name on line 1 should be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on line 1. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on line 2, "Business name/disregarded entity name." If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

Line 2

If you have a business name, trade name, DBA name, or disregarded entity name, you may enter it on line 2.

Line 3

Check the appropriate box in line 3 for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box in line 3.

Limited Liability Company (LLC). If the name on line 1 is an LLC treated as a partnership for U.S. federal tax purposes, check the "Limited Liability Company" box and enter "P" in the space provided. If the LLC has filed Form 8832 or 2553 to be taxed as a corporation, check the "Limited Liability Company" box and in the space provided enter "C" for C corporation or "S" for S corporation. If it is a single-member LLC that is a disregarded entity, do not check the "Limited Liability Company" box; instead check the first box in line 3 "Individual/sole proprietor or single-member LLC."

Line 4, Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space in line 4 any code(s) that may apply to you.

Exempt payee code.

- Generally, individuals (including sole proprietors) are not exempt from backup withholding.
- Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.
- Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.
- Corporations are not exempt from backup withholding with respect to attorneys' fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space in line 4.

- 1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)
- 2—The United States or any of its agencies or instrumentalities
- 3—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities
- 4—A foreign government or any of its political subdivisions, agencies, or instrumentalities
- 5—A corporation
- 6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a U.S. commonwealth or possession
- 7—A futures commission merchant registered with the Commodity Futures Trading Commission
- 8—A real estate investment trust
- 9—An entity registered at all times during the tax year under the Investment Company Act of 1940
- 10—A common trust fund operated by a bank under section 584(a)
- 11—A financial institution
- 12—A middleman known in the investment community as a nominee or custodian
- 13—A trust exempt from tax under section 664 or described in section 4947

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 7
Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 4
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt payees 1 through 5 ²
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney reportable under section 6045(f), and payments for services paid by a federal executive agency.

Exemption from FATCA reporting code. The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements. A requester may indicate that a code is not required by providing you with a Form W-9 with "Not Applicable" (or any similar indication) written or printed on the line for a FATCA exemption code.

- A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)
- B—The United States or any of its agencies or instrumentalities
- C—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities
- D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Regulations section 1.1472-1(c)(1)(i)
- E—A corporation that is a member of the same expanded affiliated group as a corporation described in Regulations section 1.1472-1(c)(1)(i)
- F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state
- G—A real estate investment trust
- H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940
- I—A common trust fund as defined in section 584(a)
- J—A bank as defined in section 581
- K—A broker
- L—A trust exempt from tax under section 664 or described in section 4947(a)(1)
- M—A tax exempt trust under a section 403(b) plan or section 457(g) plan

Note. You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

Line 5

Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns.

Line 6

Enter your city, state, and ZIP code.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited Liability Company (LLC)* on this page), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note. See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at www.ssa.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/businesses and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting IRS.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, or 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on line 1 must sign. Exempt payees, see *Exempt payee code* earlier.

Signature requirements. Complete the certification as indicated in items 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor ²
4. a. The usual revocable savings trust (grantor is also trustee) b. So-called trust account that is not a legal or valid trust under state law	The grantor-trustee ¹ The actual owner ¹
5. Sole proprietorship or disregarded entity owned by an individual	The owner ³
6. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulations section 1.671-4(b)(2)(i)(A))	The grantor*
For this type of account:	Give name and EIN of:
7. Disregarded entity not owned by an individual	The owner
8. A valid trust, estate, or pension trust	Legal entity ¹
9. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
10. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
11. Partnership or multi-member LLC	The partnership
12. A broker or registered nominee	The broker or nominee
13. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
14. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulations section 1.671-4(b)(2)(i)(B))	The trust

³ You must show your individual name and you may also enter your business or DBA name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 2.

*Note. Grantor also must provide a Form W-9 to trustee of trust.

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, SSN, or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Publication 4535, Identity Theft Prevention and Victim Assistance.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes. Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: spam@uce.gov or contact them at www.ftc.gov/idtheft or 1-877-IDTHEFT (1-877-438-4338).

Visit IRS.gov to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.