



Amendment No. 5  
to  
Contract No. PA140000053  
for  
Auditing Services  
between  
RSM US, LLP  
and the  
City of Austin

- 1.0 The City hereby exercises this extension option for the subject contract. This extension option will be September 3, 2018 through September 2, 2019. No options will remain.
- 2.0 The total contract amount is increased by \$60,000.00 by this extension period. The total contract authorization is recapped below:

Action	Action Amount	Total Contract Amount
Initial Term: 09/03/2014 – 09/02/2015	\$60,000.00	\$60,000.00
Amendment No. 1: Option 1 – Extension 09/03/2015 – 09/02/2016	\$60,000.00	\$120,000.00
Amendment No. 2: Option 2 – Extension 09/03/2016 – 09/02/2017	\$60,000.00	\$180,000.00
Amendment No. 3: Vendor Change 10/17/2016	\$0.00	\$180,000.00
Amendment No. 4: Option 3 – Extension 09/03/2017 – 09/02/2018	\$60,000.00	\$240,000.00
Amendment No. 5: Option 4 – Extension 09/03/2018 – 09/02/2019 Corrective Action: Adding Vendor Change that was not recorded on previous amendment	\$60,000.00	\$300,000.00

- 3.0 MBE/WBE goals do not apply to this contract.
- 4.0 By signing this Amendment the Contractor certifies that the vendor and its principals are not currently suspended or debarred from doing business with the Federal Government, as indicated by the GSA List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Austin.
- 5.0 All other terms and conditions remain the same.

BY THE SIGNATURES affixed below, this amendment is hereby incorporated into and made a part of the above-referenced contract.

Sign/Date:

*Mike O'Brien 6/27/18*

Printed Name: Michael W. O'Brien  
Authorized Representative

RSM US, LLP  
811 Barton Springs Road, 5<sup>th</sup> Floor  
Austin, Texas 78704  
(512) 476-0717  
[mike.obrien@rsmus.com](mailto:mike.obrien@rsmus.com)

Sign/Date:

*Cyrenthia Ellis*

Cyrenthia Ellis  
Procurement Manager  
City of Austin  
Purchasing Office  
124 W. 8<sup>th</sup> Street, Ste. 310  
Austin, Texas 78701



Amendment No. ~~3~~  
of  
Contract No. PA140000053  
for  
Auditing Services  
between  
RSM US LLP.  
and the  
City of Austin

This should have been Amd No. 4. Amd No. 3 was a Vendor Name Change. See Amd No. 5 for proper order.

- 1.0 The City hereby exercises the first extension option for the above-referenced contract. Effective September 03, 2017, to September 02, 2018. One option remain .
- 2.0 The total contract amount is increased by \$60,000.00 for the extension option period. The total contract authorization is recapped below:

Term	Action Amount	Total Contract Amount
Basic Term: 09/03/14 – 09/02/15	\$60,000.00	\$60,000.00
Amendment No. 1: Option 09/03/15 – 09/02/16	\$60,000.00	\$120,000.00
Amendment No. 2: Option 2 09/03/16 – 09/02/17	\$60,000.00	\$180,000.00
Amendment No. 3: Option 3 09/03/17 – 09/02/18	\$60,000.00	\$240,000.00

- 3.0 MBE/WBE goals do not apply to this contract.
- 4.0 By signing this Amendment the Contractor certifies that the Contractor and its principals are not currently suspended or debarred from doing business with the Federal Government, as indicated by the General Services Administration (GSA) List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Austin.
- 5.0 All other terms and conditions remain the same.

BY THE SIGNATURES affixed below, this amendment is hereby incorporated into and made a part of the above-referenced contract.

Signature & Date: Michael W. O'Brien 8/14/2017  
Printed Name: Michael W. O'Brien  
Authorized Representative

Signature Date: Beatrice Washington 8-18-17  
Beatrice Washington, Contract Management Specialist III  
City of Austin  
Purchasing Office

RSM US LLP.  
811 Barton Springs Rd, 5<sup>th</sup> Floor  
Austin, TX 78704



Amendment No.3  
of  
Contract No. PA140000053  
for  
Auditing Services  
between  
RSM US LLP.  
and the  
City of Austin

- 1.0 The City hereby exercises the first extension option for the above-referenced contract. Effective September 03, 2017, to September 02, 2018. One option remain .
- 2.0 The total contract amount is increased by \$60,000.00 for the extension option period. The total contract authorization is recapped below:

Term	Action Amount	Total Contract Amount
Basic Term: 09/03/14 – 09/02/15	\$60,000.00	\$60,000.00
Amendment No. 1: Option 09/03/15 – 09/02/16	\$60,000.00	\$120,000.00
Amendment No. 2: Option 2 09/03/16 – 09/02/17	\$60,000.00	\$180,000.00
Amendment No. 3: Option 3 09/03/17 – 09/02/18	\$60,000.00	\$240,000.00

- 3.0 MBE/WBE goals do not apply to this contract.
- 4.0 By signing this Amendment the Contractor certifies that the Contractor and its principals are not currently suspended or debarred from doing business with the Federal Government, as indicated by the General Services Administration (GSA) List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Austin.
- 5.0 All other terms and conditions remain the same.

BY THE SIGNATURES affixed below, this amendment is hereby incorporated into and made a part of the above-referenced contract.

Signature & Date: Michael W. O'Brien 8/14/2017  
Printed Name: Michael W. O'Brien  
Authorized Representative

Signature Date: Beatrice Washington 8-18-17  
Beatrice Washington, Contract Management Specialist III  
City of Austin  
Purchasing Office

RSM US LLP.  
811 Barton Springs Rd, 5<sup>th</sup> Floor  
Austin, TX 78704



Amendment No. 3  
to  
Contract No. PA140000053  
for  
Chapter 380 Ordinance Third Party Review  
Between  
Padgett, Stratemann & Company, LLP  
and the  
City of Austin

1.0 The Contract is hereby amended as follows: Change the vendor information as requested and documented by the vendor.

	From	To
Vendor Name	Padgett, Stratemann & Company, LLP	RSM US, LLP
Vendor Code	VS0000014054	V00000940629
FEIN	[REDACTED]	[REDACTED]

2.0 All other terms and conditions of the Contract remain unchanged and in full force and effect.

**BY THE SIGNATURE** affixed below, this Amendment No. 3 is hereby incorporated into and made a part of the Contract.

A handwritten signature in cursive script that reads "Linell Goodin-Brown".

Linell Goodin-Brown  
Contract Compliance Supervisor  
City of Austin, Purchasing Office

10-17-16

Date





Amendment No.2  
of  
Contract No. PA140000053  
for  
Auditing Services  
between  
Padgett Stratemann & Co., LLC.  
and the  
City of Austin

- 1.0 The City hereby exercises the first extension option for the above-referenced contract. Effective September 03, 2016, the term for the extension option will be September 03, 2016 through September 02, 2017 There are two remaining options.
- 2.0 The total contract amount is increased by \$60,000.00 for the extension option period. The total contract authorization is recapped below:

Term	Action Amount	Total Contract Amount
Basic Term: 09/03/14 – 09/02/15	\$60,000.00	\$60,000.00
Amendment No. 1: Option 09/03/15 – 09/02/16	\$60,000.00	\$120,000.00
Amendment No. 2: Option 2 09/03/16 – 09/02/17	\$60,000.00	\$180,000.00

- 3.0 MBE/WBE goals do not apply to this contract.
- 4.0 By signing this Amendment the Contractor certifies that the Contractor and its principals are not currently suspended or debarred from doing business with the Federal Government, as indicated by the General Services Administration (GSA) List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Austin.
- 5.0 All other terms and conditions remain the same.

BY THE SIGNATURES affixed below, this amendment is hereby incorporated into and made a part of the above-referenced contract.

*Mike O'Brien 8/12/16*

Signature & Date:

Printed Name: *Mike O'Brien*  
Authorized Representative

Signature Date: *Beatrice Washington 8-23-16*

Beatrice Washington, Contract Compliance Specialist Senior  
City of Austin  
Purchasing Office

Padgett Stratemann & Co., LLC.  
811 Barton Springs Rd, Ste 550  
Austin, TX 78704



Amendment No. 1  
of  
Contract No. PA140000053  
for  
Auditing Services  
between  
Padgett Stratemann & Co., LLC.  
and the  
City of Austin

- 1.0 The City hereby exercises the first extension option for the above-referenced contract. Effective September 03, 2015, the term for the extension option will be September 03, 2015 through September 02, 2016. There are three remaining options.
- 2.0 The total contract amount is increased by \$60,000.00 for the extension option period. The total contract authorization is recapped below:

Term	Action Amount	Total Contract Amount
Basic Term: 09/03/14 – 09/02/15	\$60,000.00	\$60,000.00
Amendment No. 1: Option 1 09/03/15 – 09/02/16	\$60,000.00	\$120,000.00

- 3.0 MBE/WBE goals do not apply to this contract.
- 4.0 By signing this Amendment the Contractor certifies that the Contractor and its principals are not currently suspended or debarred from doing business with the Federal Government, as indicated by the General Services Administration (GSA) List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Austin.
- 5.0 All other terms and conditions remain the same.

BY THE SIGNATURES affixed below, this amendment is hereby incorporated into and made a part of the above-referenced contract.

Signature & Date:

*Mike O'Brien*

Signature Date:

*June 12, 2015 Beatrice Washington*

Printed Name: *Mike O'Brien, Partner*

*Beatrice Washington, Contract Compliance Specialist SR.*

Authorized Representative

*Padgett Stratemann & Co., LLC*

City of Austin

Purchasing Office

Padgett Stratemann & Co., LLC.  
811 Barton Springs Rd, Ste 550  
Austin, TX 78704



**Financial and Administrative Service Department**  
**Purchasing Office**  
PO Box 1088, Austin, Texas, 78767

September 3, 2014

Padgett, Stratemann & Co., LLP  
Attn: Mike O'Brien  
811 Barton Springs Rd Ste 550  
Austin, Texas 78704

Dear Mr. O'Brien:

The City of Austin has approved the award and execution of a contract with your company for Auditing Services.

Responsible Department:	Austin Convention Center Department
Department Contact Person:	Michele Gizelbach
Department Contact Email:	<a href="mailto:michele.gizelbach@austintexas.gov">michele.gizelbach@austintexas.gov</a>
Department Contact Telephone:	(512) 404-4054
Project Name:	Auditing Services
Contractor Name:	Padgett, Stratemann & Co., LLP
Contract Number:	PA140000053
Contract Amount:	\$60,000/\$60,000 per option
Contract Period:	09/03/14-09/02/15
Extension Options:	Four 12-month options
Requisition Number:	8200 14041500309
Solicitation Number:	TLG500
Agenda Item Number:	68
Council Approval Date:	08/28/14

A copy of the contract has been attached.

Thank you for your interest in doing business with the City of Austin. If you have any questions regarding this contract, please contact the person referenced under Department Contact Person above.

Sincerely,

Terra Green, Buyer II  
Purchasing Office

**CONTRACT BETWEEN THE CITY OF AUSTIN ("City")  
AND  
Padgett Stratemann & Co., L.L.C. ("Contractor")  
for  
Auditing Services**

The City accepts the Contractor's Offer (as referenced in Section 1.1.3 below) for the above requirement and enters into the following Contract.

This Contract is between Padgett Stratemann & Co., L.L.C., having offices at 811 Barton Springs Road, Suite 550, Austin, Texas 78704, and the City, a home-rule municipality incorporated by the State of Texas, and is effective as of the date executed by the City ("Effective Date").

Capitalized terms used but not defined herein have the meanings given them in Solicitation Number RFQS TLG0500.

**1.1 This Contract is composed of the following documents:**

- 1.1.1 This Contract
- 1.1.2 The City's Solicitation, Request for Qualifications, TLG0500, including all documents incorporated by reference
- 1.1.3 Padgett Stratemann & Co., L.L.C.'s Offer, dated June 10, 2014, including subsequent clarifications

**1.2 Order of Precedence.** Any inconsistency or conflict in the Contract documents shall be resolved by giving precedence in the following order:

- 1.2.1 This Contract
- 1.2.2 The City's Solicitation as referenced in Section 1.1.2, including all documents incorporated by reference
- 1.2.3 The Contractor's Offer as referenced in Section 1.1.3, including subsequent clarifications.

**1.3 Term of Contract.** The Contract will be in effect for an initial term of twelve (12) months and may be extended thereafter for up to four (4) additional twelve-month extension options, subject to the approval of the Contractor and the City Purchasing Officer or designee.

**1.4 Compensation.** The Contractor shall be paid a total Not-to-Exceed amount of \$60,000 for the initial Contract term and \$60,000 for each extension option. Payment shall be made upon successful completion of services or delivery of goods as outlined in each individual Delivery Order.

**1.5 Quantity of Work.** There is no guaranteed quantity of work for the period of the Contract, and there are no minimum order quantities. Work will be on an as needed basis as specified by the City for each Delivery Order

**1.6 Clarifications and Additional Agreements.** The following are incorporated into the Contract.

- 1.6.1 Hourly rates shall be in accordance with the Fee Schedule below. Year 1 refers to the initial twelve month term of the Contract, and subsequent years begin on the yearly anniversary date of the Contract. Applicable hourly rates shall be those in effect at the time Engagement Letter is agreed upon by both parties.

**Fee Schedule**

<b>Staff Classification</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Partner	\$312	\$317	\$322	\$326	\$330
Audit Senior Manager	\$280	\$285	\$290	\$295	\$300
Audit Manager	\$245	\$250	\$255	\$260	\$265
Supervisory Associate	\$168	\$173	\$178	\$183	\$188
Supervising Senior Associate	\$148	\$153	\$158	\$163	\$168
Senior Associate	\$138	\$143	\$148	\$153	\$158
Staff Associate	\$128	\$133	\$138	\$143	\$148
Administrative Staff Associate	\$88	\$93	\$98	\$103	\$108

- 1.6.2 Section 7 of the Solicitation's Supplemental Purchase Provisions is deleted and replaced with:

**Price Adjustments:** In recognition of the potential for changes in auditing standards causing a material impact, the Contractor may request a price adjustment with its submission of an Engagement Letter (refer to 4.2.1 of the Solicitation's Scope of Work).

Price adjustments shall be subject to the City's written approval. Total price adjustment, inclusive of both year over year hourly rate increases and City-approved increases resulting from changes in auditing standards, shall not exceed five percent (5%) of fees outlined in the prior year's Engagement Letters.

- 1.6.3 Exhibit A, Sample Project Budgets, attached hereto, provides an estimate of project costs. Rates for auditing engagements will be finalized through the City's written approval of Engagement Letters.

This Contract (including any Exhibits) constitutes the entire agreement of the parties regarding the subject matter of this Contract and supersedes all prior and contemporaneous agreements and understandings, whether written or oral, relating to such subject matter. This Contract may be altered, amended, or modified only by a written instrument signed by the duly authorized representatives of both parties.

In witness whereof, the parties have caused a duly authorized representative to execute this Contract on the date set forth below.

PADGETT STRATEMANN & CO., L.L.C.

Michael W. O'Brien

Printed Name of Authorized Person

Mike O'Brien

Signature

Partner

Title:

August 15, 2014

Date:

CITY OF AUSTIN

Sai Purcell

Printed Name of Authorized Person

Sai Purcell

Signature

Senior Buyer Specialist

Title:

9/3/14

Date:



**Austin Convention Center Department Auditing Services  
Sample Project Budgets**

**1. Annual Independent, Certified Financial Audit of ACCD's Catering and Concessions Agreement**

The following cost estimate assumes that the nature and scope of the Catering and Concessions Contractor's services under the Agreement are similar to what was being performed in 2013. Also, the estimate assumes that the Catering and Concessions Contractor provides assistance and audit support on a timely basis and in a complete and accurate manner.

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
Audit Fee	\$31,000	\$32,000	\$33,200	\$34,400	\$35,500
Supplies and Materials	-	-	-	-	-
Other Direct Costs	-	-	-	-	-
Travel	-	-	-	-	-
Total fee and costs	<u>\$31,000</u>	<u>\$32,000</u>	<u>\$33,200</u>	<u>\$34,400</u>	<u>\$35,500</u>
Total estimated hours	220	220	220	220	220

***Breakdown of Audit Effort by Staff Classification***

<u>Staff Classification</u>	<u>Hours</u>	<u>Year 1</u>		<u>Year 2</u>		<u>Year 3</u>		<u>Year 4</u>		<u>Year 5</u>	
		<u>Rate</u>	<u>Fee</u>	<u>Rate</u>	<u>Fee</u>	<u>Rate</u>	<u>Fee</u>	<u>Rate</u>	<u>Fee</u>	<u>Rate</u>	<u>Fee</u>
Partner	10	\$312	\$3,120	\$317	\$3,170	\$322	\$3,220	\$326	\$3,260	\$330	\$3,300
Audit Manager	32	\$245	\$7,840	\$250	\$8,000	\$255	\$8,160	\$260	\$8,320	\$265	\$8,480
Supervising Senior Associate	120	\$148	\$17,760	\$153	\$18,360	\$158	\$18,960	\$163	\$19,560	\$168	\$20,160
Staff Associate	58	\$128	\$7,424	\$132	\$7,656	\$136	\$7,888	\$141	\$8,178	\$146	\$8,468
Subtotal	<u>220</u>		\$36,144		\$37,186		\$38,228		\$39,318		\$40,408
Discount on professional services			(\$5,144)		(\$5,186)		(\$5,028)		(\$4,918)		(\$4,908)
Total Audit Fee			<u>\$31,000</u>		<u>\$32,000</u>		<u>\$33,200</u>		<u>\$34,400</u>		<u>\$35,500</u>

2. **Audit Firm Report on Agreed-Upon Procedures of Audio Visual Services Revenue Collection Process**

The following cost estimate is based on the time required to perform the procedures that were done for the 2013 fiscal year.

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
Agreed-Upon Procedures Fee	\$8,250	\$8,550	\$8,850	\$9,250	\$9,650
Supplies and Materials	-	-	-	-	-
Other Direct Costs	-	-	-	-	-
Travel	-	-	-	-	-
Total fee and costs	<u>\$8,250</u>	<u>\$8,550</u>	<u>\$8,850</u>	<u>\$9,250</u>	<u>\$9,650</u>
Total estimated hours	60	60	60	60	60

***Breakdown of Agreed-Upon Procedures Effort by Staff Classification***

<u>Staff Classification</u>	<u>Hours</u>	<u>Year 1</u>		<u>Year 2</u>		<u>Year 3</u>		<u>Year 4</u>		<u>Year 5</u>	
		<u>Rate</u>	<u>Fee</u>	<u>Rate</u>	<u>Fee</u>	<u>Rate</u>	<u>Fee</u>	<u>Rate</u>	<u>Fee</u>	<u>Rate</u>	<u>Fee</u>
Partner	4	\$312	\$1,248	\$317	\$1,268	\$322	\$1,288	\$326	\$1,304	\$330	\$1,320
Audit Manager	16	\$245	\$3,920	\$250	\$4,000	\$255	\$4,080	\$260	\$4,160	\$265	\$4,240
Supervising Senior Associate	40	\$148	\$5,920	\$153	\$6,120	\$158	\$6,320	\$163	\$6,520	\$168	\$6,720
Subtotal	<u>60</u>		\$11,088		\$11,388		\$11,688		\$11,984		\$12,280
Discount on professional services			<u>(\$2,838)</u>		<u>(\$2,838)</u>		<u>(\$2,838)</u>		<u>(\$2,734)</u>		<u>(\$2,630)</u>
Total Audit Fee			<u><b>\$8,250</b></u>		<u><b>\$8,550</b></u>		<u><b>\$8,850</b></u>		<u><b>\$9,250</b></u>		<u><b>\$9,650</b></u>



Padgett Stratemann

COPY

## Austin Convention Center Department

Proposal to Provide Independent Audit Services

Submitted by: Mike O'Brien, CPA  
811 Barton Springs Road, Suite 550  
Austin, Texas 78704  
512-476-0717

June 10, 2014

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## ***Executive Summary***

June 10, 2014

Ms. Terra Green  
City of Austin Purchasing Office  
Municipal Building  
124 W. 8<sup>th</sup> Street, Room 308  
Austin, Texas 78701

Dear Ms. Green:

Thank you for the opportunity to present our proposal to provide audit and agreed-upon procedures services to the Austin Convention Center Department ("ACCD") for the year ended September 30, 2014. We strive to provide our clients with **"Service . . . More Than Expected"** and will elaborate more on this mission throughout this proposal.

Since 1945, Padgett, Stratemann & Co., L.L.P. ("PS&Co.") has served businesses in Austin, Houston, San Antonio, and surrounding Texas areas. Approximately 200 team members strive each day to exceed our clients' expectations by offering trusted financial and business advice and quality service. Professionalism and commitment to excellence is built into every relationship, every service, every time.

We have prepared and arranged this response to your request for qualifications in accordance with the criteria described in your request.

### ***Understanding of Requested Work***

We will audit, in accordance with generally accepted auditing standards, the financial statements of Austin Convention Center – Catering and Concession Services Managed by Levy Premium Foodservice, L.L.C. for the year ended September 30, 2014. Additionally, we will perform Agreed-Upon Procedures over compensation received by ACCD under Section 7.0 of the contract between ACCD and Freeman Audio Visual Solutions, Inc. We understand that the deadline for providing the requested services is January 31, 2015 and agree to comply, assuming all required data and books and records are ready by November 1, 2014. We have a strong commitment to client service and meeting deadlines and will provide ACCD with reliable audit services throughout the year. The critical milestones and the proposed dates of completion are as follows:

<u>Task</u>	<u>2014 Audit</u>
• Meet with management to discuss audit plan and timeline	Upon contract execution – September/October 2014
• Conduct audit and agreed-upon procedures planning including internal control documentation and sample selection	November 2014
• Conduct audit and agreed-upon procedures fieldwork	November/December 2014
• Provide draft audit and agreed-upon procedures reports	January 16, 2015
• Conduct exit conference with ACCD management	January 23, 2015
• Issue final audit and agreed-upon procedures reports	January 30, 2015



Ms. Terra Green  
City of Austin Purchasing Office  
Austin, Texas

June 10, 2014 – page 2

### ***Our Audit Team***

The key to your selection of us as your audit provider is recognizing the strength we have in the leadership of our audit team. Our audit team is lead by three of the most experienced governmental auditors in Central and South Texas and supported by the national resources of McGladrey, LLP. Our lead partner, senior manager and manager have extensive experience overseeing the audits for large and complex governments and have prior experience in performing ACCD's audit.

Mike O'Brien, the lead audit partner, has 35 years of experience in public accounting, servicing primarily governmental, not-for-profit and single audit entities. Mike will be heavily involved in the audit process and will approve all reports. Mike is the most experienced governmental audit partner in Austin, having served as the audit partner for the Cities of Austin, San Antonio, Buda and Kyle, Capital Metropolitan Transportation Authority, Austin Independent School District, CPS Energy, Texas Municipal Retirement System, Texas County and District Retirement System, Texas Guaranteed Student Loan Corporation and the State of Texas Compliance Audit of Federal Funds during his 35 year career. Mike has the background and experience needed to oversee an audit the size and complexity of ACCD as well as communicate and coordinate with all levels of management of the City of Austin.

Joanna Just will serve in the role of audit engagement senior manager and will be responsible for the technical reviews of the audit plan, fieldwork performed, and the technical quality of the audit work papers and financial statements. Joanna has over 16 years of public accounting and industry experience, primarily serving the public sector industry. Joanna's experience includes servicing independent school districts, community colleges, other municipalities, tax exempt organizations, the construction industry, and the United States Air Force.

Tino Robledo will serve in the role of audit manager and will be responsible for the development of the audit plan, execution of the audit fieldwork, as well and an audit and accounting review of the audit workpapers and financial statements. He has over 17 years of experience. Tino has extensive experience in governmental audits and is currently serving or has served the Cities of Austin, Buda, Kyle, San Antonio and Houston, CPS Energy, Capital Metropolitan Transportation Authority, Houston METRO, and the State of Texas Compliance Audit of Federal Funds.

### ***Audit Approach and Prior Experience***

We have a proven audit approach that has been successful for other large and complex local and state governments. The key to this approach is early planning and communication with the staff of ACCD in order to ensure a smooth transition and agreement regarding the type of assistance to be provided to us during the audit process. This approach has given us a proven track record of meeting deadlines and issuing reports timely.



Ms. Terra Green  
City of Austin Purchasing Office  
Austin, Texas

June 10, 2014 – page 3

### ***Effective Planning and Communication***

Clients expect the services provided by their professional accounting firm to be well organized, efficient and timely. We understand the needs and expectations of our clients and believe the strength and experience of the audit partner and manager is key to meeting deadlines and minimizing client staff disruption.

### ***Summary***

We believe that our unique blend of experienced team members coupled with our audit experience and our McGladrey Alliance team resources are perfectly suited to be your audit service provider. We have the breadth of experience and depth of knowledge to deliver the proactive, industry-specific service that you deserve. Everything about us – our culture, our values, our industry experience, our team members – helps us respond to your needs and earn your trust.

While it may be difficult to compare the capabilities and services of different professional accounting firms, we believe our combination of experience, record of providing quality service to our clients, and ability to meet deadlines clearly distinguishes PS&Co. from other accounting firms.

We appreciate this opportunity to present our proposal to ACCD. We have the capability to perform all work required in a professional, complete and timely manner. We believe that we are the best qualified firm due to our audit experience, our expertise in governmental accounting, and our highly experienced audit team.

Our office is located at 811 Barton Springs Road, Suite 550, Austin, Texas 78704. All the services you have requested will be managed from this location. If you have any questions regarding this proposal or the services offered by PS&Co., please feel free to contact me at 512-476-0717 or by email at [mike.obrien@padgett-cpa.com](mailto:mike.obrien@padgett-cpa.com). This proposal is a firm and irrevocable offer for a period of 180 days subsequent to June 10, 2014.

Respectfully submitted,

PADGETT STRATEMANN & CO., L.L.P.



Mike O'Brien, CPA  
*Partner*

MWO:dna



## Part I – Business Organization

Name and Address:	Padgett, Stratemann & Co., L.L.P. 811 Barton Springs Road, Suite 550 Austin, Texas 78704
Type of Entity:	Limited Liability Partnership
State of Principal Place of Business:	Texas
Name of Responding Office:	Austin, Texas
Principal Contact Person:	Mike O'Brien, CPA 811 Barton Springs Road, Suite 550 Austin, Texas 78704 Business Phone: (512) 476-0717 Business Fax: (512) 476-0462 Home Phone: (512) 331-5197 Email Address: mike.obrien@padgett-cpa.com
Federal Tax Payer ID Number:	██████████
Texas CMBL Number:	1-74-165-0885-500
Texas State Board of Public Accountancy License #:	P04495

## Part II – Scope and Audit Approach

### Scope and Expectations

Based on the Request for Qualifications Statements, Solicitation No. TLG0500 to provide Auditing Services, our understanding of the scope of services includes the performance of the following services:

***Report on the Financial Statements*** – perform an audit of the financial statements of Austin Convention Center – Catering and Concession Services Managed by Levy Premium Foodservice, L.L.C., which comprise the statements of assets, liabilities, and net profits payable as of September 30, of each respective period, and the related statements of revenues, expenses, and net profits payable and cash flows for the year then ended and the related notes to the financial statements, as defined in the Catering and Concession Services Agreement dated October 1, 2012 between the Austin Convention Center and Levy Premium Foodservice, L.L.C. (“Levy”).

***Agreed-Upon Procedures*** – perform certain procedures which will be enumerated by the City of Austin Convention Center Department (“ACCD”) over compensation received by ACCD under Section 7.0 of the contract between ACCD and Freeman Audio Visual Solutions, Inc. (“Freeman”) for audio visual and rigging services for the year ended September 30, of each respective year. The procedures selected will be limited to those which ACCD determines will best meet its informational needs and will be performed in accordance with attestation standards established by the American Institute of Certified Public Accountants.

Clients expect the services provided by their professional accounting firm to go beyond financial statements. We understand the needs and expectations of our clients and welcome the opportunity to serve not only as auditors and accountants, but also as business advisors. As part of our commitment to client service, we developed a business advisory approach to audit services. Our business advisory approach emphasizes looking beyond the accounting entries to the underlying transactions and business systems.

Our specific audit approach on this engagement will be designed so you can expect us to report on the financial statements as well as contributing recommendations about your internal controls, operating and accounting procedures, and other important matters.

We believe one of the keys to an efficient and quality audit is to spend a considerable amount of time up-front planning and communicating with our clients. This up-front process includes identifying audit strategies and accounting issues. Equally important, we provide your people with an understanding of what is expected from them to minimize disruptions during their internal work schedules and to eliminate surprises.

### Effective Communication

The quality of an audit relationship is more than a piece of paper that reports on the accuracy of financial statements or compliance matters. It is the active, working communications between you, your audit firm, and your audit team. A quality audit offers you more than just a report. It also serves as a guide for assessment of your financial operations and contracts with your third party service providers (Freeman and Levy).

## Part II – Scope and Audit Approach

Frequent contact throughout the audit process with the PS&Co. service team is stressed in our service approach. This contact is intended to keep clients up-to-date on compliance matters, technical or other issues, and to keep the service team informed as to ACCD's current situation and concerns.

Our audit team service plan will include the following opportunities for two-way communication between PS&Co. and ACCD:

- Planning meeting with management to finalize critical dates schedule for important milestones in planning, executing and finalizing the audit
- Entrance conference with audit team at the beginning of final fieldwork
- Exit conference with management and the audit team at the completion of final fieldwork
- Conference calls, on an as frequently needed basis, with the audit manager to discuss audit issues, status and feedback items
- If needed, audit completion meeting with the audit committee to present our auditor's report and findings

### Audit Risk Analysis

One of the most important aspects of the audit process is the proper analysis of your risk environment. We work with your senior management and your third party contractors (Freeman and Levy) to complete a risk assessment of the financial activities in order to determine how audit resources can be used in a cost-effective and efficient manner without sacrificing quality.

The design of our audit approach and risk assessment process meaningfully incorporates the involvement of your management team and your third party contractors (Freeman and Levy). By incorporating what you deem as key business risks, the information and areas of focus of the audit become consistent with what is already emphasized within the ACCD contract requirements.

### Internal Controls in the Audit Process

The internal control structure consists of five elements: the control environment, risk assessment, control activities, information and communication, and monitoring. As part of the audit, we strive to understand each of the five elements by performing procedures to determine the design of policies and procedures and resolve whether or not they have been placed in operation. The test of design and test of operating effectiveness is performed over audit areas we assessed as significant and for which a controls based approach will be used over the financial statements under audit.

Effective internal controls help to avoid errors and fraud, as well as safeguarding your assets and ensuring you are in compliance with current laws. They are equally important for helping to ensure reliable and accurate financial information.

We develop and document procedures that help us understand the internal control structure of your third party service providers and processing performed by Freeman and Levy, including the following:

- Inquiries of appropriate management, supervisory, and staff personnel
- Inspection of Levy/Freeman/ACCD's documents and records
- Observations of Levy/Freeman/ACCD's activities and operations

## Part II – Scope and Audit Approach

The extent of inquiry, inspection, and observation procedures vary depending upon the complexity and control risk assessment of Freeman and Levy's internal control structure.

### Timing of the Audit

We establish a schedule to complete your audit in a timely manner, and within the deadlines outlined in your request for proposal with minimal interruption to your staff.

Our tailored work plan has a strong emphasis on early planning. It focuses on your organization and how it functions. This enables us to identify key components and tailor our procedures to the unique aspects of your organization. With early planning and dedicated staff, we are able to respond to your needs and requests in a timely fashion.

The following is a table of some of the key audit milestones:

<u>Task</u>	<u>2014 Audit</u>
Meet with management to discuss audit plan and timeline	Upon contract execution – September/October 2014
Conduct audit and agreed-upon procedures planning including internal control documentation and sample selection	November 2014
Conduct audit and agreed-upon procedures fieldwork	November/December 2014
Provide draft audit and agreed-upon procedures reports	January 16, 2015
Conduct exit conference with ACCD management	January 23, 2015
Issue final audit and agreed-upon procedures reports	January 30, 2015

These milestones are proposed based on the information that has been provided and the discussions we have had to date. During our audit and agreed-upon procedures planning process, we will meet with management to refine the milestones and scheduled dates, and prepare the data request list.

Prior to the conclusion of our audit and agreed-upon procedures, we will conduct an exit conference with City staff and/or the City Council to go over the draft of the reports and any findings. We believe this conference allows proper input from the staff or Council members regarding the reports, prior to the reports being issued in final form.



## Part II – Scope and Audit Approach

### Audit Planning

During this phase, we will develop our audit program, identify the agreed-upon procedures and determine the ACCD contract compliance requirements, materiality levels, and preliminary assessment of control risk and fraud risk. We will tailor our specific audit approach based on our assessment of the audit risks, materiality levels in the financial statements, and the ACCD contract compliance requirements for both Freeman and Levy. We will also present to Freeman and Levy a listing of preparatory data we will need for the audit and the internal control questionnaires to be completed.

### Fieldwork

Fieldwork is the largest part of the audit process and consists of substantive audit tests, confirmations, interviews of management and staff, review of contracts, payroll and disbursement documentation, and drafting of the financial statements and audit findings. At the conclusion of the final fieldwork, we discuss with senior management of Freeman and Levy and the appropriate levels of City staff the results and recommendations offered by our firm based upon our findings.

The fieldwork will be under the direct supervision of Joanna Just and Tino Robledo and will include additional audit staff members as necessary. The audit staff members will be at the fieldwork site for approximately 40-50 hours per week. The senior manager and partner will regularly visit with the audit staff and ACCD staff.

Freeman and Levy will be asked to assist the audit process by providing data and preparing schedules requested by PS&Co., pulling requested invoices and supporting information, answering internal control questionnaires, and being available during the audit to answer questions.

Our audit fieldwork will be based primarily on the selective testing of accounting records and related data; therefore, our audit will involve judgment about the number of transactions to be examined and the compliance areas to be tested. These procedures will allow us to render an opinion report on the financial statements and report the results of the agreed-upon procedures. Sampling, as deemed necessary will be done on a haphazard or judgmental basis with sample sizes based on our risk assessment and tolerable misstatement calculation.

PS&Co. will evaluate the system of internal control to assess the extent to which it can be relied upon to ensure accurate information, to ensure compliance with laws, regulations and contracts, and to provide for efficient and effective operations. Our evaluation will include:

- Interviews with key financial and program management, review of the operating procedure documents and organization charts and tests of design of identified controls by examining actual transaction records
- Conducting tests of compliance, which are made to provide reasonable assurance that the accounting control and compliance control procedures are being applied as prescribed

During the course of the audit, we may develop recommendations and suggestions on various items which we believe could enhance internal controls, processes and/or procedures. These items will be presented to ACCD in a management letter. We will discuss these items with appropriate personnel and officials during audit fieldwork and prior to the issuance of the final audit report.

## **Part II – Scope and Audit Approach**

### **Reporting**

We will issue draft reports and meet with appropriate personnel to review the reports in detail. Upon the approval of the draft reports by ACCD, we will issue the final reports to ACCD, Freeman and Levy. We will be available for the presentation of the audit and agreed-upon procedures reports to the City Council, if desired.

Throughout the engagement, we will keep ACCD personnel updated on the status of the audit on a weekly basis or more frequently if necessary. An exit conference will be held with management at the conclusion of the audit fieldwork.

### **Quality Control**

While conducting our audit, every phase of the engagement is supervised and reviewed by the engagement team. In addition, the quality control reviewer, who is independent of the engagement team, reviews the draft reports and related files. The policies established by our firm provide reasonable assurance that engagements are properly supervised and reviewed to meet professional standards and our policies.

### **Identification of Anticipated Potential Audit Problems**

We are current and up-to-date on authoritative pronouncements and at this time do not anticipate any audit problems. However, we do take a proactive approach in dealing with potential issues as they arise. Any problems encountered will be discussed immediately with the City's management to allow them time to resolve the issues.

We expect the 2014 audit of Levy and the agreed-upon procedures for Freeman will go much smoother than last year, which was the first year for these engagements. Since we will be bringing back the same engagement team (that successfully completed the first year engagement on time), we will have no learning curve and we will minimize ACCD, Freeman and Levy's staff time devoted to answering our questions and responding to audit requests.

### **Proactive Approach**

Because our approach to every engagement includes regular meetings and phone conferences with management to review audit status and issues, we become aware of any accounting related issues or concerns early in the process. Rather than analyzing how management recorded or presented an accounting transaction after the fact, we assist management with their decision-making process as each accounting issue arises.

### **Understanding Your Organization**

Most accounting issues arise from a misunderstanding of facts, circumstances, and complexities unique to each organization and its industry. Because we take a business advisory approach to auditing, we believe we are better equipped to understand the issues surrounding management's position on accounting and reporting matters.

## Part II – Scope and Audit Approach

### Firm's Commitment

We affirm to abide by all ethics rules, regulations, procedures and standards as promulgated by the Financial Accounting Standards Board ("FASB"), the American Institute of Certified Public Accountants ("AICPA"), the General Accounting Office ("GAO"), the Governmental Accounting Standards Board ("GASB") and the Government Finance Officers Association ("GFOA"), and abide by all applicable rules and regulations of Federal, State and Local entities. We have a strong commitment to compliance with terms of this Request for Qualification.

## Part III – Background and Prior Experience

### A. Firm Background

#### Size and Structure

PS&Co., a regional accounting firm with offices in Austin, Houston and San Antonio, began serving clients in Central and South Texas in 1945, and has grown from a sole practitioner to 30 partners and approximately 170 additional full-time professionals and administrative team members. The Firm's audit department includes over 85 team members, of which approximately 40 service governmental organizations during the year. The firm has enjoyed significant growth in size, as well as in scope of services offered to its clients. PS&Co. is the fourth largest non-national firm in Texas and the Southwestern United States, as reported by Accounting Today. The team we propose to conduct the audit will serve ACCD on a full-time basis until completion of the engagement, and will be comprised of audit professionals.

The Firm does not have any relationships qualifying as a joint venture or consortium.

PS&Co. is founded on the belief that providing the highest standard of professionalism means continuously educating ourselves in our areas of expertise. PS&Co.'s culture enables each team member to maintain the knowledge level needed to remain on the cutting edge in their core area.

Across PS&Co., our team members are actively involved in various industry associations. We find these connections with our community and business peers allows us to better understand our clients' industries. Through PS&Co.'s association with McGladrey, we have the ability to access a large vault of resources, tools, and manpower to find creative solutions for our clients.

#### McGladrey Network (National Resources)

In 1995, PS&Co. joined the McGladrey Alliance, gaining invaluable access to the national expertise and resources of McGladrey LLP (the nation's fifth largest CPA firm and the world's sixth largest firm, RSM International) and 12 other CPA firms in Texas. Through the McGladrey Alliance, we have access to McGladrey's national training, specialized industry tools, and consulting resources. This provides ACCD with the personalized service of a local firm plus the resources of a national firm.

#### Quality Control and Peer Review

We are members of the AICPA, and as such we comply with the requirements set forth by the AICPA's Peer Review Program. In addition to the quality control review requirements set forth by the AICPA, we have an existing in-house quality control program that is based upon the AICPA standards for quality control for public accounting firms.

PS&Co. had an external peer/quality control review in September 2011, which included a review of specific Public Sector engagements. This review resulted in an unqualified report with no letter of comments. The next tri-annual peer review is scheduled for September 2014. A copy of the peer review report is attached at Exhibit C.

We are not now, nor have we been, under the terms of a public or private reprimand by the Texas State Board of Public Accountancy and/or licensing board(s) of other state(s).

## Part III – Background and Prior Experience

### A. Firm Background (continued)

#### Licensure and Independence

Padgett, Stratemann & Co., L.L.P. (“PS&Co.”) is properly licensed in the state of Texas for public practice. Our professionals are licensed to practice as certified public accountants in the state of Texas. The firm does not have a history of sub-standard practice and has never received a public or private reprimand from the Texas State Board of Public Accountancy or any other organization.

The team members included as the proposed engagement team are independent of ACCD as defined by the American Institute of Certified Public Accountants (“AICPA”) auditing standards generally accepted in the United States of America, and *Government Auditing Standards* issued by the Comptroller General of the United States.

#### Professional Memberships

PS&Co. is a member in good standing with the following professional organizations:

- American Institute of Certified Public Accountants – The AICPA is the leading national, professional organization for all certified public accountants. Its mission is to provide members with the resources, information, and leadership that enable them to provide valuable services in the highest professional manner to benefit the public, as well as employers and clients.

In fulfilling its mission, the AICPA works with state CPA organizations and gives priority to those areas where public reliance on CPA skills is most significant.

- Public Company Accounting Oversight Board (“PCAOB”) – The PCAOB is a private sector, non-profit corporation created by the Sarbanes-Oxley Act of 2002, to oversee the auditors of public companies in order to protect the interests of investors and further the public interest in the preparation of informative, fair, and independent audit reports.

## Part III – Background and Prior Experience

### B. Similar Engagements – City of Austin

We provide audit and other services to many governmental entities including the City of Austin, City of Kyle, City of San Antonio and City of Buda. We believe our industry specialization, combined with our service philosophy, allows us to stay ahead of changes that may impact you, and we can discuss these potential developments with you. Below is the contact information of our professional references for audit services.

#### Project 1

##### **Agreed-Upon Procedures related to revenue for land sales and infrastructure reimbursement for the City of Austin and Catellus Austin, L.L.C. (2013 and 2012)**

Agreed-Upon Procedures over the revenue and expenses reported in the Cash Flow Report, prepared in conformity with the provisions of the Master Development Agreement (“MDA”) between the City of Austin and Catellus Austin, LLC (“Catellus”).

Ms. Sylnovia Holt-Rabb, Financial Manager  
City of Austin Economic Development Department  
301 West 2nd Street, Suite 2030  
Austin, Texas 78701  
(512) 974-3131  
sylvia.holt-rabb@austintexas.gov

#### Project 2

##### **Agreed-Upon Procedures (2007 – 2013)**

Agreed-Upon Procedures for compliance by the Domain Shopping Center, L.P. (the “Domain”) in accordance with Economic Development Agreement between the Domain and the City of Austin.

Ms. Sylnovia Holt-Rabb, Financial Manager  
City of Austin Economic Development Department  
301 West 2nd Street, Suite 2030  
Austin, Texas 78701  
sylvia.holt-rabb@austintexas.gov

#### Project 3

##### **Agreed-Upon Procedures related to compensation received for Audio Visual and Rigging Services provided by Freeman Audio Visual Solutions, Inc. (2013)**

Agreed-Upon Procedures over compliance by the Freeman Audio Visual Solutions, Inc. (“Freeman”) for compensation remitted to ACCD under Section 7.0 of the contract between ACCD and Freeman for audio visual and rigging services for the year ended September 30, 2013.

Michele Gizelbach  
Austin Convention Center Department  
P.O. Box 1088  
Austin, Texas 78767-8838  
(512) 404-4054  
michele.gizelbach@austintexas.gov

## Part III – Background and Prior Experience

### B. Similar Engagements – City of Austin (continued)

#### **Project 4 (in progress)**

##### **Financial Statement Audit for the Year Ended September 30, 2012**

##### **Austin Convention Center – Catering and Concession Services Managed ARAMARK Sports and Entertainment of Texas, L.L.C.**

A financial statement audit of Austin Convention Center – Catering and Concession Services managed by ARAMARK Sports and Entertainment of Texas, L.L.C., which comprise the statements of assets, liabilities, and net profits payable as of September 30, 2012, and the related statements of revenues, expenses, and net profits payable and cash flows for the year then ended and the related notes to the financial statements, as defined in the Catering and Concession Services Agreement dated October 1, 1997, assigned to ARAMARK Sports and Entertainment of Texas, L.L.C.

Michele Gizelbach  
Austin Convention Center Department  
P.O. Box 1088  
Austin, Texas 78767-8838  
(512) 404-4054  
michele.gizelbach@austintexas.gov

#### **Project 5**

##### **Financial Statement Audit for the Year Ended September 30, 2013**

##### **Austin Convention Center – Catering and Concession Services Managed by Levy Premium Foodservice, L.L.C.**

A financial statement audit of Austin Convention Center – Catering and Concession Services Managed by Levy Premium Foodservice, L.L.C., which comprise the statements of assets, liabilities, and net profits payable as of September 30, 2013, and the related statements of revenues, expenses, and net profits payable and cash flows for the year then ended and the related notes to the financial statements, as defined in the Catering and Concession Services Agreement dated October 1, 2012.

Michele Gizelbach  
Austin Convention Center Department  
P.O. Box 1088  
Austin, Texas 78767-8838  
(512) 404-4054  
michele.gizelbach@austintexas.gov

## Part III – Background and Prior Experience

### B. Similar Engagements – Other Entities

#### City of Kyle

Perwez A. Moheet, CPA  
Director of Finance  
City of Kyle  
100 W. Center Street  
Kyle, Texas 78640-0040  
(512) 262-3952  
pmoheet@cityofkyle.com

#### City of San Antonio

Melanie Seale  
Assistant Director of Finance  
City of San Antonio  
Finance Department  
111 Soledad Street, 5<sup>th</sup> Floor  
San Antonio, Texas 78205  
(210) 207-8090  
melanie.seale@sanantonio.gov

#### Texas Treasury Safekeeping Trust Company

Mr. Paul Ballard, CEO  
Texas Treasury Safekeeping Trust Company  
Rusk State Office Building  
208 E. 10<sup>th</sup> Street, Suite 416  
Austin, Texas 78701  
(512) 463-3405  
paul.ballard@cpa.state.tx.us



## Part III – Background and Prior Experience

### C. Engagement Team Experience

Type of Experience	Auditor	Entity	Type of Audit/Project
Governmental Entities and AUP/Other Procedures	Mike O'Brien (Partner)	City of Austin, Austin ISD, City of San Antonio, San Antonio Water System, and Brazos River Authority	Financial Audits; AUP Reports and OMB Circular A-133 Audits
	Joanna Just (Senior Manager)	City of San Antonio, San Antonio Housing Authority, Air Force Service Agency and City of Austin Convention Center	Financial Audits; AUP Reports and OMB Circular A-133 Audits
	Tino Robledo (Manager)	State of Texas, METRO Houston, Capital Metro in Austin (w/KPMG), City of San Antonio, City of Kyle, City of Austin Convention Center and City of Buda	Financial Audits; AUP Reports and OMB Circular A-133 Audits
	Katherine Polhamus (Supervisor)	City of Austin Convention Center, City of Kyle, Travis Association for the Blind and St David's Foundation.	Financial Audits; AUP Reports and OMB Circular A-133 Audits

## Part III – Background and Prior Experience

### C. Engagement Team Experience (continued)

#### Depth by Industry Niche

In order to provide superior financial and business advice to all its clients, PS&Co. is comprised of industry-specific niches. This organization allows us to understand our clients' businesses, their challenges, and their industry in the best way possible. We do this by not only providing superior services, but also by maintaining industry-specific knowledge.

Industry-specific niches:

- Public Sector – Government, not-for-profit organizations, and special purpose entities such as utilities, river authorities
- Energy
- Manufacturing, Retail, and Distribution
- Construction
- Health Sciences
- Professional Services
- Banking and Financial Services
- Real Estate
- Private Client Services
- Technology, Communication, and Entertainment

Team members in each industry-specific niche represent various departments within PS&Co. Our goal is to keep abreast of each unique industry so the needs of our clients' within that respective industry are taken into consideration as we execute their business matters.

## Part III – Background and Prior Experience

### C. Engagement Team Experience (continued)

#### Depth by Client Services

PS&Co. is a full service CPA firm offering a comprehensive array of attestation, tax, accounting, and advisory services.

#### Attestation Services

##### *Independent Audit Services*

The performance of independent audits of financial statements is the largest practice segment within the firm. Our audit department is organized into three main areas of expertise, which allows us to develop and maintain the expertise and critical mass needed to serve our varied client base. Our three functional audit areas are as follows:

- Public Sector – Governmental and not-for-profit organizations, including federal and state single audits
- Private Sector and Regulated Industries
- SEC Practice

##### *Other Attestation Services*

In addition to audit services, our firm offers other attestation services including, but not limited to, those listed below:

- Review and compilation services under Statement of Standards for Accounting and Review Services
- Agreed-upon procedure engagements
- SSAE No. 16 – Service Organization Control Report
- Attestation Standards engagements – such as debt service coverage

#### Tax Services

Our tax department offers a broad spectrum of services covering all types of entities. We consult with and provide services to individuals, partnerships, estates, trusts, and corporate and not-for-profit entities in the areas of payroll, sales, franchise, estate (including gift and generation-skipping transfer), and income taxation.

For our not-for-profit and tax-exempt clients, we can assist in applying for and retaining tax-exempt status recognition. We also can assist in identifying and advising clients regarding exposure to the unrelated business income tax and the complex rules and regulations relating to self-dealing and excess benefit transactions.

## Part III – Background and Prior Experience

### C. Engagement Team Experience (continued)

#### Depth by Client Services (continued)

While our most common tax service involves assistance in tax compliance, i.e. tax return preparation, we encourage and are heavily involved in planning tax transactions so as to minimize or defer the related tax impact. By keeping current on new tax laws and legislation, we are in a position to identify and communicate key tax planning opportunities that may minimize both your current and future tax liabilities. We provide business and entity planning, especially in the areas of formation, operation, and dissolution. We have extensive experience in business acquisitions, including mergers and acquisitions, and other related reorganizations. We can assist business owners and executives in planning compensation packages (including the implementation of qualified and nonqualified retirement programs), analyzing shareholder buy-sale agreements, and succession planning for your closely-held business.

If the need arises, we can provide audit representation during examination of returns before the Internal Revenue Service and other governmental agencies.

We provide assistance in estate and gift tax planning opportunities for our individual clients, including the utilization of trusts and family limited partnerships. Also, when the need arises, we can assist the family of a deceased individual by locating legal counsel, assist in accounting and accumulating the information necessary for probate, and assist with all applicable federal and state estate/inheritance tax returns.

Our goal is to assist our clients in reaching their maximum potential. Our commitment is to quality service and long-term personal relationships with our clients, which is the foundation and trademark of our tax practice.

#### Accounting Solutions

Our firm offers a full scope of accounting and bookkeeping services. Accounting services offered by the firm include, but are not limited to, those listed below:

- Complete client accounting and bookkeeping services
- Client write-up services
- On-site accounting assistance and/or review of in-house accounting procedures

## Part III – Background and Prior Experience

### C. Engagement Team Experience (continued)

#### Depth by Client Services (continued)

##### Advisory Services

Advisory services vary widely in size, complexity, and scope, as well as in technical subject matter. Our firm has substantial expertise and experience in a wide variety of advisory service engagements for our clients.

The focus of advisory services performed by the firm is to identify and define client needs, select and supervise appropriate staff, apply an analytical approach appropriate to the engagement, apply knowledge of the technical subject matter under consideration, communicate recommendations effectively, and when required, assist in implementing recommendations.

Through our qualifications in the advisory services area, we provide advice and technical assistance, which will enable client management to conduct its affairs more effectively. These qualifications include technical competence; familiarity with the client's finance and control systems and business problems; analytical ability and experience in problem-solving; and professional independence, objectivity, and integrity.

Advisory services offered by the firm include, but are not limited to, those listed below:

- Insurance receivership services
- Bankruptcy services
- Litigation support and expert testimony
- Internal control review and compliance
- Forensic and fraud accounting investigation
- Merger and acquisition analysis
- Cost accounting and profit analysis
- General business consulting

## Part III – Background and Prior Experience

### C. Engagement Team Experience (continued)

#### Governmental Qualifications Overview

Government organizations are striving for greater levels of transparency. It has become increasingly important for all governments to clearly articulate where they are allocating resources. For organizations in this sector to thrive, clear and comprehensive financial reporting is critical.

PS&Co. and its assurance team have served the government sector for decades with a host of financial and consulting services designed to ensure clarity in reporting. With many government entities focused on an enterprise-style financial management strategy, it is important to have a team with real-world experience in the complex and regulated government sector.

#### Our Services Include

- Audit Quality – We are a member of the AICPA Governmental Audit Quality Center and the Employee Benefit Audit Quality Center.
- Governmental Industry – We are a member of the Special Review Committee for the GFOA's Certificate of Achievement for Excellence in Financial Reporting ("CAFR") Program.
- Technical – Our governmental service team members participate as instructors of accounting and reporting technical updates for various governmental trade organizations.
- Training – Our team members average more than the required 40 hours of continuing education per year due to our national, local, and in-house training programs. Our team members have received adequate continuing professional education within the preceding two years to meet *Government Auditing Standards*.
- Depth – Of the approximate 200 team members of the firm, approximately 40 service governmental organizations during the year.
- Service Diversification – Over 50 public sector clients take advantage of our "One-Stop Resource Center" comprised of audit, tax and consulting services.

## Part III – Background and Prior Experience

### C. Engagement Team Experience (continued)

#### Governmental Industry Experience of Proposed Project Personnel

PS&Co. serves a variety of governmental entities such as:

- Local municipalities – cities and special purpose governments
- Independent school districts and community colleges
- River authorities and water districts
- Utilities (power/electric and water) and cooperatives
- Federal and state agencies
- Public employee retirement systems

Our qualifications and experience include the following:

- Audits of proprietary or enterprise funds;
- Audits of municipally owned utilities;
- Bond debt coverage ratio attest engagements and agreed-upon procedures;
- Performing Single Audits in accordance with OMB Circular A-133 and the State of Texas Single Audit Circular for Federal and State grant programs;
- Audits of government/employer sponsored retirement plans;

PS&Co. currently provides, to a wide variety of clients, audit and other services similar to the nature and scope of services which are requested by the ACCD.

#### Experience Servicing Local Municipalities – Cities and Special Purpose Governments

- Austin-Bergstrom Landhost Enterprises
- Brazos River Authority \*
- Brooks Development Authority
- City of Austin
- City of Boerne \*
- City of Buda
- City of Kyle \*
- City of McAllen \*^
- City of San Antonio \*
- Kerrville Public Utility Board \*
- Port Authority of San Antonio
- San Antonio Housing Authority
- San Antonio River Authority \*
- San Antonio Water System \*
- Texas Prepaid Higher Education Tuition Board
- Texas Treasury Safekeeping Trust Company
- VIA Metropolitan Transit \*

\* Participant in the GFOA's Certificate of Achievement for Excellence in Financial Reporting.

^ Recent client previously serviced by PS&Co.

## Part III – Background and Prior Experience

### C. Engagement Team Experience (continued)

#### Governmental Industry Experience of Proposed Project Personnel (continued)

##### Federal and State Single Audits in Accordance with OMB Circular A-133 and the State of Texas Single Audit Circular

Another area of expertise that we have developed at PS&Co. is in the area of performing federal and state compliance audits in accordance with OMB Circular A-133 and the State Single Audit Circular. Our team regularly performs these audits for many of our governmental and not-for-profit clients. We regularly attend updates and training on single audit issues as well as provide training on single audit topics to various governmental and not-for-profit organizations. Below is a partial list of clients we have performed these services for:

- Austin Independent School District \*
- Brazos River Authority \*
- City of Boerne \*
- City of Buda
- City of McAllen \*^
- City of San Antonio \*
- Dripping Springs Independent School District ^
- Port Authority of San Antonio
- San Antonio Housing Authority
- San Antonio River Authority \*
- San Antonio Water System \*
- Southwest Educational Development Laboratory
- Southwest Research Institute
- VIA Metropolitan Transit \*

#### Experience Servicing Public Employee Retirement Systems

- City of Austin Employees' Retirement System
- City of McAllen Firemen Retirement Plan\*\*
- CPS Energy Pension; Life; and Disability Plans\*\*
- Lower Colorado River Authority Retirement and 401(k) Plans
- Retirement Plan for the Employees of Brazos River Authority
- San Antonio Housing Authority Pension Plan and Trust
- VIA Metropolitan Transit Retirement Plan

Note: Alternative Investments\*\*

\* Participant in the GFOA's Certificate of Achievement for Excellence in Financial Reporting.

^ Recent client previously serviced by PS&Co.



## Part III – Background and Prior Experience

### C. Engagement Team Experience (continued)

#### Governmental Industry Experience of Proposed Project Personnel (continued)

##### Experience Servicing Community Colleges and Independent School Districts

- Alamo Community College District \* ^
- Austin Independent School District \*
- Lackland Independent School District
- Dripping Springs Independent School District ^
- Randolph Field Independent School District
- Floresville Independent School District
- Southside Independent School District \*
- Fort Sam Houston Independent School District

##### Experience and Qualifications Servicing River Authorities, Water Districts, Utilities, and Cooperatives

- Brazos River Authority \*
- Lavaca-Navidad River Authority
- San Antonio River Authority \*
- Nueces River Authority
- City of Boerne Utilities
- San Antonio Water System \*
- East Medina County Special Utility District
- Kerrville Public Utility Board \*
- McAllen Public Utilities ^
- Travis County WCID No. 19
- Guadalupe Valley Electric Cooperative ^

##### Experience Servicing Federal and State Agency Programs

- Tobacco Settlement Permanent Trust Fund
- HQ Air Force Services Agency
- State Bar of Texas
- State Bar of Texas Insurance Trust
- Surplus Lines Stamping Office
- Texas Local Government Investment Pool
- Texas Local Government Investment Pool Prime
- Texas Prepaid Higher Education Tuition Board
- Texas Treasury Safekeeping Trust Company

\* Participant in the GFOA's Certificate of Achievement for Excellence in Financial Reporting.

^ Recent client previously serviced by PS&Co.

## Part IV – Personnel

### Overview

Our proposed service team was selected in order to provide professionals with the right experience and training to provide the services needed by ACCD. We believe that the relevant skills and experience of these team members, along with our audit approach of providing significant partner and manager involvement in the fieldwork, will bring value beyond the audit engagement product.

Members of your service team are licensed to practice as certified public accountants in the state of Texas. Other team members will be assigned based on the engagement needs during the period of fieldwork. All accountants assigned will be college graduates with a major in accounting and will be trained in governmental and not-for-profit accounting and auditing.

### Overall Engagement Partner – Mike O'Brien, CPA

In order to properly coordinate the services of the firm, Mike will have overall responsibility for all services performed for ACCD. Mike will be available to ACCD for technical consultation and information on the status of the engagement, special services required, and general business matters.

Mike has more than 35 years of experience overseeing a wide variety financial and compliance audit engagements for commercial, governmental, and regulated entities. Mike's primary specialty is with federal compliance and financial audits for state and local governments, non-profit organizations, and utilities. He provides financial statement reporting, accounting practices and procedures, as well as internal control structure design and implementation consulting. Mike has provided similar auditing and agreed-upon procedures services to governmental clients including Convention Center auditing experience.

His total commitment to this proposed engagement will be approximately 5% of the total committed hours.

### Audit Senior Manager – Joanna Just, CPA

Joanna Just will serve in the role of audit engagement senior manager and will be responsible for the technical review of the audit plan, fieldwork performed, and the technical quality of the audit work papers and financial statements. Joanna has over 16 years of public accounting and industry experience, primarily serving the public sector industry. Joanna's experience includes servicing independent school districts, community colleges, other municipalities, tax exempt organizations, the construction industry, and the United States Air Force.

Her total commitment to this proposed engagement will be approximately 10% of the total committed hours.

### Audit Manager – Tino Robledo, CPA

Tino will serve as manager on this engagement. As the manager, he will coordinate the activities of the professional team members assigned to the engagement, be responsible for planning and developing the overall audit approach, and monitor all phases of the audit to ensure timely completion. Tino will direct the day-to-day performance and conduct of the audit of ACCD.

## Part IV – Personnel

Tino has over 17 years of experience servicing the non-profit industry and local governments. His professional experience includes both financial and state and federal compliance audits, among others. Tino services many of the Firm's public sector clients, which include the following industries: municipalities, school districts, charter schools and fund raising organizations. Tino has provided similar audit services to governmental organizations.

His total commitment to this proposed engagement will be approximately 15% of the total committed hours.

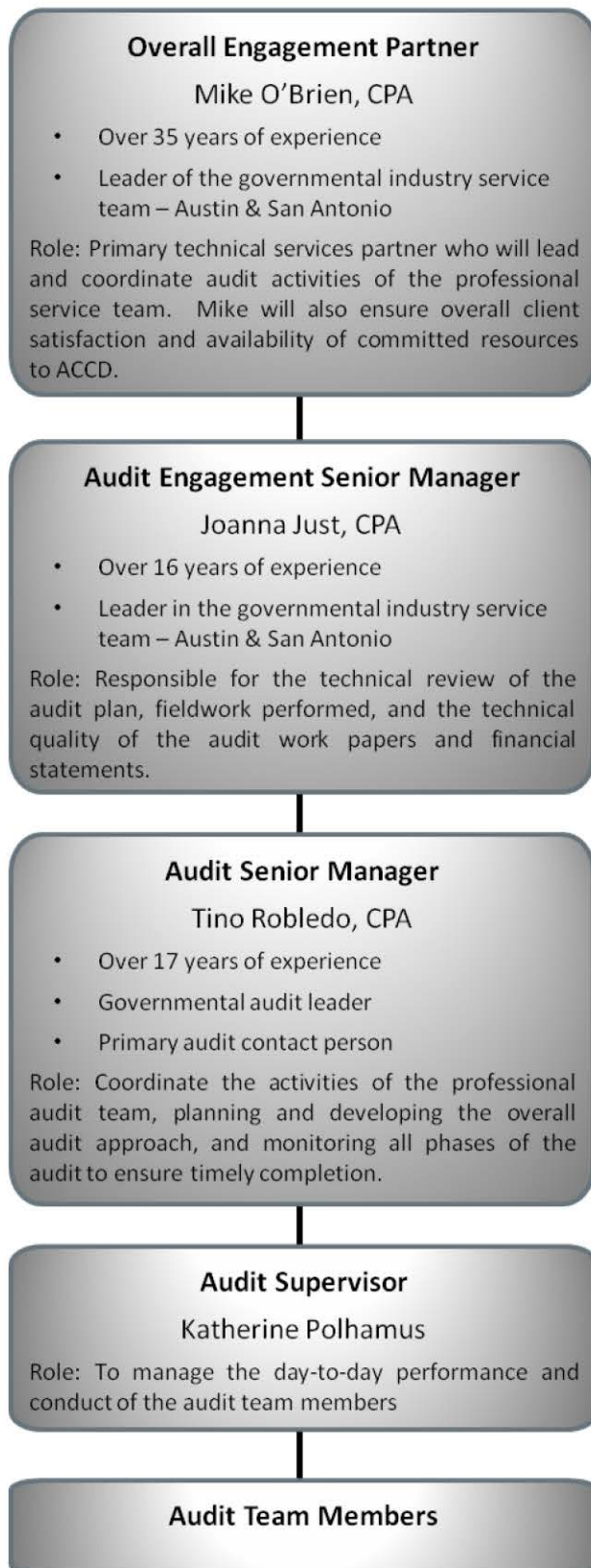
### Supervising Senior Auditor – Katherine Polhamus

Katherine will serve as the audit supervisor on this engagement. As an audit supervisor, she will perform fieldwork under the direction of the engagement managers and partner. Her function will include the coordination of audit efforts by our staff and the ACCD management staff for the gathering of data, preparing analysis, and designing detailed tests. She will direct the day-to-day performance and conduct of the audit staff. Katherine has more than five years of public accounting experience, serving many industries including governmental, not-for-profit, construction, retail and distribution, oil and gas and financial services.

During fiscal year 2013, Katherine was the assigned lead auditor to the Freeman Agreed-Upon Procedures and the Levy financial statement audit for the Austin Convention Center. Her total commitment to this proposed engagement will be approximately 70% of the total committed hours.

## Part IV – Personnel

### Organizational Chart



## Part IV – Personnel

### Staff Continuity Commitment

We have built a team of professionals who work principally on governmental, not-for-profit, and single audit entities. We work as a team in serving each client so there is no dependence on one team member. The senior team members will remain assigned to this contract for the entire term of our contract.

Under current conditions, we do not anticipate any problems with replacing staff originally assigned to this project should turnover occur. However, if such circumstance should arise, the firm's structure will allow us to continue with minimal disruption to the originally assigned engagement team. Our firm has approximately 200 team members, of which approximately 145 are part of our professional staff with specific industry experience, including the public sector. Therefore, if replacing a team member is necessary, we take the approach of identifying the best qualified team member with direct industry experience which will allow us to meet client expectations and deliver ***"Service . . . More Than Expected."***

### Continuing Professional Education

Our professional personnel are provided with current and relevant training designed to keep them abreast of the ever-changing environment in which we practice. We conduct formal training programs covering current technical developments in the governmental and not-for-profit accounting and auditing fields. While professional standards require at least 40 hours of continuing professional education per year, our team members usually receive significantly more through a combination of in-house training and outside programs offered by organizations, such as the Texas Society of Certified Public Accountants. In addition, all members of the governmental and not-for-profit teams receive at least 24 hours every 2 years in continuing professional education meeting the "Yellow Book" requirements. Due to our expertise and large number of clientele, our audit team has received extensive training and work experience in governmental and not-for-profit accounting and grants compliance audits. For our audits, team members assigned are all auditing specialists, that is, performing audits is all they do, and should any questions regarding tax law arise, they will be addressed by qualified members of our tax team who also spend full time in their specialization.

### Service Team Resumes

For more information, please see the following resumes. Three-year CPE transcripts and CPA licenses are included at Exhibits D and E, respectively.

**Mike O'Brien, CPA***Partner*

mike.obrien@padgett-cpa.com

Mike has more than 35 years of experience overseeing a wide variety of financial and compliance audit engagements for commercial, governmental, nonprofit and regulated entities. Since 2007, Mike has served as the practice leader in the firm's public sector niche. His primary specialty is with state and local governments, nonprofit organizations, schools, public sector investing entities, and utilities. He provides financial statement reporting, accounting practices and procedures, as well as internal control structure design and implementation consulting.

Single audit experience includes: State of Texas, Southwest Research Institute, Southwest Educational Development Lab, City of Austin, City of San Antonio, Austin Independent School District, Texas Guaranteed Student Loan Corp., Brazos River Authority, and San Antonio Water System.

Utility audit experience includes: City Public Service (CPS Energy), San Antonio Water System, Austin Energy, Guadalupe Valley Electric Cooperative, Kerrville Public Utility Board, Pedernales Electric Cooperative, Brownsville Public Utility Board, and Chisholm Trail Special Utility District.

Governmental audit experience includes: City of Austin, City of San Antonio, City of Buda, City of Kyle, Austin Independent School District, Comal Independent School District, Dripping Springs Independent School District, Brazos River Authority, Guadalupe-Blanco River Authority, Texas Guaranteed Student Loan Corp., and Travis County Emergency Services District 2.

Nonprofit experience includes: St. David's Foundation; Texas Association of School Boards; Southwest Educational Development Lab; Life Support Counseling and Research, Inc.; and Center for the Commercialization of Electric Technologies.

Investing entity experience includes: Texas Local Government Investment Pool, Texas Local Government Investment Pool Prime, Texas Treasury Safekeeping Trust Company, Tobacco Settlement Permanent Trust Fund, Texas County and District Retirement System, Texas Municipal Retirement System, Texas Prepaid Higher Education Tuition Board, Lower Colorado River Authority Retirement Plan, and City of Austin Employees' Retirement System.

**EXPERIENCE**

- Financial and compliance auditing for state and local governments
- Financial and compliance auditing for nonprofit organizations
- Financial statement auditing and reporting for commercial entities
- Financial statement auditing and reporting for regulated entities and utilities
- Accounting practices and procedures consulting
- Internal control structure design and implementation consulting

**AFFILIATIONS**

- American Institute of Certified Public Accountants (AICPA)
- Texas Society of Certified Public Accountants (TSCPA)
- Austin Chapter of TSCPA
- Austin Area Boy Scout Troop 513 – Committee member (1999 – Present)
- Capitol Area Council of the Boy Scouts of America – former Board member (2001 – 2003)
- Texas State Board of Public Accountancy – former Technical Standards Committee member (1999 – 2000)
- Northwest Travis County Municipal Utility District No. 1 – former Board member (1986 – 1997)

**EDUCATION AND CERTIFICATION**

- BBA in Accounting – The University of Texas at Austin, Austin, Texas
- Certified Public Accountant

**NOTEWORTHY ACCOMPLISHMENTS**

- Capital Area Council Boy Scouts of America – Whitney M. Young Award Recipient (2005)
- Capital Area Council Boy Scouts of America – Silver Beaver Award Recipient (2008)
- Speaker at Texas Association of School Boards Annual Convention (2010-2012)
- Speaker at Texas Association of Appraisal Districts Convention (2012)



**Joanna Baltierra Just, CPA**

*Senior Manager*

joanna.just@padgett-cpa.com

Joanna has more than 16 years of public accounting and industry experience, primarily serving the public sector industry. Joanna's experience includes servicing education entities, other municipalities, tax exempt organizations, the construction industry, and the United States Air Force for performance, economy, and efficiency audits.

#### **EXPERIENCE**

- Instructor of accounting and reporting technical updates
- OMB Circular A-133 compliance audits
- Internal accounting control systems
- Financial accounting and reporting
- Performance reviews and special audits
- TCEQ compliance audits

#### **AFFILIATIONS**

- American Institute of Certified Public Accountants (AICPA)
- Texas Society of Certified Public Accountants (TSCPA)
- San Antonio Chapter of TSCPA
- Texas Association of School Business Officials
- Alamo Area Association of School Business Officials
- Capitol Area Council
- Associated Builders and Contractors of South Texas
- Construction Industry CPAs/Consultants Association (CICPAC) – Education Committee
- Central Texas Subcontractors Association (CTSA) – Board Member
- Construction Financial Management Association of Austin – Education Committee
- Surety Association of South Texas – Board Member

#### **EDUCATION AND CERTIFICATION**

- MPA in Accounting – Texas A&M University, Kingsville, Texas
- BBA in Accounting – Texas A&M University, Kingsville, Texas
- Certified Public Accountant



**NOTEWORTHY ACCOMPLISHMENTS**

- Texas Association of School Administrators (TASA) Conference Speaker – 2014
- UT Model Contractor Development Program Speaker – 2014
- Texas Association of School Business Officials (TASBO) Conference Speaker – 2013
- Padgett, Stratemann & Co., L.L.P. Mascot of the Year – 2013
- Texas Association of Public Employee Retirement Systems (TEXPERS) Conference Speaker – 2012
- Big Brothers Big Sisters of Central Texas – PS&Co.'s Charity of Choice, Founding Committee Member – 2012
- North SA Chamber ATHENA Young Professional Leadership Award Program Chair – 2010
- North SA Chamber Leadership Lab Participant – 2006
- Padgett, Stratemann & Co., L.L.P. Provider of the Year – 2004

**Tino Robledo, CPA***Senior Manager*

tino.robledo@padgett-cpa.com

Tino has more than 17 years of experience in public accounting, with a focus on state and local governments and non-profit organizations. He has served public sector and non-profit clients in audit, compliance, and other attest services.

Government entity experience includes: City of Houston, City of Galveston, City of Austin, Houston Independent School District, Manor Independent School District, Austin Independent School District, Houston METRO Transit Authority of Harris County, Capital Metropolitan Transportation Authority, and Texas Municipal Retirement System.

Single audit experience includes: State of Texas, Austin Community College, Alvin Community College, City of Houston, City of Galveston, City of Austin, Houston Independent School District, Austin Independent School District, Houston METRO Transit Authority of Harris County, Capital Metropolitan Transportation Authority, Houston Housing Finance Corporation, Communities in Schools Houston, and Project GRAD Houston.

Utility experience includes: City Public Service (CPS Energy), Austin Energy, and the City of Houston Water and Wastewater.

Non-profit experience includes: Clayton Foundation for Research, Nelda C. and H.J. Lutcher Stark Foundation, the Estate of Nelda C. Stark, Houston Housing Finance Corporation, Communities in Schools Houston, Make-a-Wish Foundation – Houston Chapter, Haven for Hope, the Greater Texas Foundation, and the Hispanic Association of Colleges and Universities.

**EXPERIENCE**

- Financial and compliance auditing for state and local governments
- Financial statement auditing and reporting for commercial entities
- Agreed upon procedures and special audits
- Participated in internal quality review process for state and local governments
- Participated in internal quality review process for federal agency audits

**AFFILIATIONS**

- American Institute of Certified Public Accountants (AICPA)
- Texas Society of Certified Public Accountants (TSCPA)
- Government Finance Officers Association of Texas

**EDUCATION AND CERTIFICATION**

- BBA in Accounting – The University of Texas at Austin, Austin, Texas
- Certified Public Accountant

**Katherine C. Polhamus*****Supervising Senior Accountant***

katherine.polhamus@padgett-cpa.com

Katherine has over five years of public accounting experience serving various industries including, governmental, not-for-profit, manufacturing, construction, retail and distribution, oil and gas, and financial services.

**EXPERIENCE**

- Governmental and not-for-profit auditing, accounting, and reporting
- Financial accounting and reporting
- Agreed Upon Procedures
- OMB Circular A-133 compliance audits
- Employee benefit plan audits
- Internal accounting and control systems

**AFFILIATIONS**

- Young Texans Against Cancer, Austin, TX
- SSI Scuba Schools International Certified Diver

**EDUCATION AND CERTIFICATION**

- Master of Science, Accounting – George Mason University, Fairfax, VA
- Bachelor of Science, Accounting – George Mason University, Fairfax, VA

## **Part V – Non-Collusion, Non-Conflict of Interest, and Anti-Lobbying**

By signing the proposal execution at Exhibit A, PS&Co. certifies that it is in compliance with the terms of the Non-Collusion, Non-Conflict of Interest, and Anti-Lobbying affidavit (Section 0810).

## Part VI – Response Acceptance Period

This proposal is a firm and irrevocable offer for a period of 180 days subsequent to June 10, 2014.

## Part VII – Proprietary Information

This proposal contains no proprietary information.

## Part VIII – Authorized Negotiator

Mike O'Brien, the Partner who signed the proposal, is the individual authorized to negotiate Contract terms and render binding decisions on Contract matters. His contact information is listed below.

Mike O'Brien, CPA  
811 Barton Springs Road, Suite 550  
Austin, Texas 78704  
512-476-0717

## Part IX - Compensation

We understand that ACCD shall have the discretion and authority to negotiate a fair and reasonable price with qualified respondents.

Our fees are based on the time required by the individuals assigned to the engagement, plus direct expenses. Individual hourly rates vary according to the degree of responsibility involved and the skill required.

We do not believe the fee estimate should be a barrier between organizations with a long-term relationship. Accordingly, if our fee estimate does not match your expectations, we would welcome the opportunity to discuss our work plan with you and to mutually agree on an overall fee structure. We are committed to providing quality audit services for fair and competitive fees.



## EXHIBIT A – PROPOSAL EXECUTION AND REFERENCE SHEET

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This solicitation is comprised of the following required sections. Please ensure to carefully read each section including those incorporated by reference. By signing this document, you are agreeing to all the items contained herein and will be bound to all terms.

SECTION NO.	TITLE	PAGES
0100	STANDARD PURCHASE DEFINITIONS	*
0200	STANDARD SOLICITATION INSTRUCTIONS	*
0300	STANDARD PURCHASE TERMS AND CONDITIONS	*
0400	SUPPLEMENTAL PURCHASE PROVISIONS	5
0500	SCOPE OF WORK	3
0600	RESPONSE PREPARATION INSTRUCTIONS & EVALUATION FACTORS	5
0700	REFERENCE SHEET – Complete and return if required	2
0800	NON-DISCRIMINATION CERTIFICATION	*
0805	NON-SUSPENSION OR DEBARMENT CERTIFICATION	*
0810	NON-COLLUSION, NON-CONFLICT OF INTEREST, AND ANTI-LOBBYING CERTIFICATION	*

**\* Documents are hereby incorporated into this Solicitation by reference, with the same force and effect as if they were incorporated in full text. The full text versions of these Sections are available, on the Internet at the following online address:**

[http://www.austintexas.gov/financeonline/vendor\\_connection/index.cfm#STANDARDBIDDOCUMENTS](http://www.austintexas.gov/financeonline/vendor_connection/index.cfm#STANDARDBIDDOCUMENTS)

**If you do not have access to the Internet, you may obtain a copy of these Sections from the City of Austin Purchasing Office located in the Municipal Building, 124 West 8<sup>th</sup> Street, Room #308 Austin, Texas 78701; phone (512) 974-2500. Please have the Solicitation number available so that the staff can select the proper documents. These documents can be mailed, expressed mailed, or faxed to you.**

**I agree to abide by the City's MBE/WBE Procurement Program Ordinance and Rules. In cases where the City has established that there are no M/WBE subcontracting goals for a solicitation, I agree that by submitting this offer my firm is completing all the work for the project and not subcontracting any portion. If any service is needed to perform the contract that my firm does not perform with its own workforce or supplies, I agree to contact the Small and Minority Business Resources Department (SMBR) at (512) 974-7600 to obtain a list of MBE and WBE firms available to perform the service and am including the completed No Goals Utilization Plan with my submittal. This form can be found Under the Standard Bid Document Tab on the Vendor Connection Website:**

[http://www.austintexas.gov/financeonline/vendor\\_connection/index.cfm#STANDARDBIDDOCUMENTS](http://www.austintexas.gov/financeonline/vendor_connection/index.cfm#STANDARDBIDDOCUMENTS)

If I am awarded the contract I agree to continue complying with the City's MBE/WBE Procurement Program Ordinance and Rules including contacting SMBR if any subcontracting is later identified.

The undersigned, by his/her signature, represents that he/she is submitting a binding offer and is authorized to bind the respondent to fully comply with the solicitation document contained herein. The Respondent, by submitting and signing below, acknowledges that he/she has received and read the entire document packet sections defined above including all documents incorporated by reference, and agrees to be bound by the terms therein.

Company Name: Padgett, Stratemann & Co., L.L.P.

Federal Tax ID No.: [REDACTED]

Printed Name of Officer or Authorized Representative: Mike O'Brien

Title: Partner

Signature of Officer or Authorized Representative: Mike O'Brien

Date: June 10, 2014

E-mail address: mike.obrien@padgett-cpa.com

Phone number: (512) 476-0717

\* Qualifications Statement must be submitted with this Offer sheet to be considered for award

**Section 0700: Reference Sheet**

Please include the following information if required in the solicitation:

Responding Company Name \_\_\_\_\_

1. Company's Name \_\_\_\_\_  
Name and Title of Contact \_\_\_\_\_  
Present Address \_\_\_\_\_  
City, State, Zip Code \_\_\_\_\_  
Telephone Number (\_\_\_\_) \_\_\_\_\_ Fax Number (\_\_\_\_) \_\_\_\_\_  
Email Address \_\_\_\_\_

2. Company's Name \_\_\_\_\_  
Name and Title of Contact \_\_\_\_\_  
Present Address \_\_\_\_\_  
City, State, Zip Code \_\_\_\_\_  
Telephone Number (\_\_\_\_) \_\_\_\_\_ Fax Number (\_\_\_\_) \_\_\_\_\_  
Email Address \_\_\_\_\_

3. Company's Name \_\_\_\_\_  
Name and Title of Contact \_\_\_\_\_  
Present Address \_\_\_\_\_  
City, State, Zip Code \_\_\_\_\_  
Telephone Number (\_\_\_\_) \_\_\_\_\_ Fax Number (\_\_\_\_) \_\_\_\_\_  
Email Address \_\_\_\_\_

4. Company's Name \_\_\_\_\_  
Name and Title of Contact \_\_\_\_\_  
Present Address \_\_\_\_\_  
City, State, Zip Code \_\_\_\_\_  
Telephone Number (\_\_\_\_\_) \_\_\_\_\_ Fax Number (\_\_\_\_\_) \_\_\_\_\_  
Email Address \_\_\_\_\_

5. Company's Name \_\_\_\_\_  
Name and Title of Contact \_\_\_\_\_  
Present Address \_\_\_\_\_  
City, State, Zip Code \_\_\_\_\_  
Telephone Number (\_\_\_\_\_) \_\_\_\_\_ Fax Number (\_\_\_\_\_) \_\_\_\_\_  
Email Address \_\_\_\_\_

**EXHIBIT B – ADDENDA NO. 1 AND NO. 2**

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## ADDENDUM

### REQUEST FOR QUALIFICATIONS PURCHASING OFFICE CITY OF AUSTIN, TEXAS

RFQS No.: TLG0500

Addendum No: 1

Date of Addendum: 05/23/14

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The following questions were posed by one or more Vendors in writing on May 20, 2014.

1. (Q) Please provide the previous year's audited financial statements and Agreed-Upon Procedures.  
(A) Please see following pages for Fiscal Year 2013 audit report for the Levy Audit and Fiscal Year 2013 Freeman Agreed-Upon Procedures.
2. ALL OTHER TERMS AND CONDISTIONS REMAIN THE SAME.

BY THE SIGNATURES affixed below, this Addendum is hereby incorporated and made a part of the above-referenced Invitation for Bid.

APPROVED BY:

Terra Green, Buyer II  
Purchasing Office

May 23, 2014

Date

ACKNOWLEDGED BY:

Padgett, Stratemann & Co., L.L.P.

Vendor Name

Authorized Signature

June 10, 2014

Date

**RETURN A COPY OF THIS ADDENDUM**

**to the Purchasing Office, City of Austin, Texas *with your bid*.**  
**Failure to do so may constitute grounds for rejection of your bid.**



## ADDENDUM

### REQUEST FOR QUALIFICATIONS PURCHASING OFFICE CITY OF AUSTIN, TEXAS

RFQS No.: TLG0500

Addendum No: 2

Date of Addendum: 05/23/14

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This addendum is to incorporate the following changes to the above-referenced RFQS.

1. The Fiscal Year 2013 Freeman Agreed-Upon Procedures were not posted on Addendum No. 1. Please see the following pages for this information.
2. ALL OTHER TERMS AND CONDISTIONS REMAIN THE SAME.

BY THE SIGNATURES affixed below, this Addendum is hereby incorporated and made a part of the above-referenced Invitation for Bid.

APPROVED BY:

Handwritten signature of Terra Green in blue ink.

Terra Green, Buyer II  
Purchasing Office

May 23, 2014

Date

ACKNOWLEDGED BY:

Padgett, Stratemann & Co., L.L.P.  
Vendor Name

Handwritten signature of Mike O'Brien in blue ink.

Authorized Signature

June 10, 2014

Date

### **RETURN A COPY OF THIS ADDENDUM**

**to the Purchasing Office, City of Austin, Texas *with your bid*.**  
**Failure to do so may constitute grounds for rejection of your bid.**



## EXHIBIT C – PEER REVIEW REPORT

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## Padgett Stratemann

### Audit Results

**“A peer review provides assurance that the firm has an appropriate quality control system for its accounting and auditing practice and that it is complying with that system.”**

In 1977, the American Institute of Certified Public Accountants established the Division for CPA Firms to provide a new level of voluntary self-regulation and quality control to firms engaged in public accounting. Previously, only individual CPAs were subject to such scrutiny and professional regulation. The reviews subsequently became mandatory for firms registered to serve publicly traded companies. Many states, including Texas, now require that firms providing audit and attest services, have a triennial peer review.

#### Peer Reviews

The peer review is conducted by a team of CPAs under guidelines established by the American Institute of Certified Public Accountants. The reviewers make an independent assessment of the firm’s quality control policies and procedures and examine the working papers and reports on a representative sample of accounting and auditing engagements. The team also inspects the firm’s administrative files and records and interviews professional personnel.

The reviewers issue a report on the firm’s compliance with the stringent quality control standards set by the American Institute of Certified Public Accountants, the national professional organization of CPAs. In addition, Padgett, Stratemann & Co., L.L.P. is subject to review and oversight as a firm registered with The Public Company Accounting Oversight Board.

#### Padgett, Stratemann & Co., L.L.P.

Padgett, Stratemann & Co., L.L.P. recently completed its triennial peer review. We are pleased to report that the peer review committee unconditionally, for the **thirteenth consecutive time**, approved the policies and practices of Padgett, Stratemann & Co., L.L.P. A copy of the audit results can be found on the reverse side.

Padgett, Stratemann & Co., L.L.P. is proud of this achievement and continues to strive to provide quality in both compliance with the standards of our profession and service to our clients.

#### SAN ANTONIO

100 N.E. LOOP 410, SUITE 1100  
SAN ANTONIO, TEXAS 78216  
210 828 6281

#### AUSTIN

811 BARTON SPRINGS ROAD, SUITE 550  
AUSTIN, TEXAS 78704  
512 476 0717

TOLL FREE: 800 879 4966  
WEB: PADGETT-CPA.COM



## SYSTEM REVIEW REPORT

September 29, 2011

To the Partners of Padgett Stratemann & Co., LLP  
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Padgett Stratemann & Co., LLP (the firm) applicable to non-SEC issuers in effect for the year ended June 30, 2011. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary).

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards*, audits of employee benefit plans, and audits performed under FDICIA.

In our opinion, the system of quality control for the accounting and auditing practice of Padgett Stratemann & Co., LLP applicable to non-SEC issuers in effect for the year ended June 30, 2011, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Padgett Stratemann & Co., LLP has received a peer review rating of *pass*.

KraftCPAs PLLC

## EXHIBIT D – THREE-YEAR CPE TRANSCRIPTS

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# Certificate of Completion



**Padgett Stratemann**

Employee Name: **Mike O'Brien, CPA**

	Professional credits	Session start date	Provider	Learning Unit Title	Code
T	4.00	05/22/2011	GFOAT-103133	GFOAT Annual Conference	GFOAT11
T	8.00	06/06/2011	TSCPA-260	2011 Texas School Districts Accounting and Auditing Conference (TSCPA)	TSDAC01-2011
T	1.50	07/13/2011	Strafford-108232	Non-Profit Endowments and ASC 958-205 (FAS 117-1): Compliance Challenges	471311
NT	8.00	07/22/2011	PSCO-0113	Annual Firm Retreat	ANRETREAT
T	2.00	08/23/2011	PSCO_0113	State and Local Government Financial Statement Audits: A 2011 Audit Issues	482311
T	5.50	08/29/2011	PSCO-0113	Public Sector Training 2011	482911
T	8.00	09/08/2011	Auditwatch-9339	2011 Audit Watch Initiative	TR
T	14.00	10/05/2011	TSCPA-260	2011 Single Audits & Governmental Accounting Conference	CGC01-11
T	2.00	10/17/2011	M&P-4283	Introduction to BAM	27131-1303
NT	1.50	06/04/2012	PSCO-0113	2012 Harassment Training - Partners & Managers	106412
T	1.00	06/27/2012	PSCO-0113	Audit Insights - New EBP Methodology	462712
T	2.00	08/03/2012	PSCO-0113	Fraud Claims - How to Avoid Them and Minimize Risks	180312
T	9.00	08/21/2012	PSCO-0113	Public Sector Training 2012	482112
T	4.00	08/27/2012	M&P-4283	Efficiency - The Elusive Magic Bullet	29702
T	6.00	09/05/2012	M&P-4283	Workpaper and Engagement Efficiencies	27736
T	6.00	09/06/2012	PSCO-0113	Audit Team Training 2012	490512
T	2.00	09/06/2012	M&P-4283	Introduction to the Clarity Project	27737
E	4.00	09/07/2012	PASS Online-007593	Personal and Professional Ethics for Texas CPAs-2012	000CE2012
T	17.00	10/01/2012	TSCPA-260	2012 Single Audits & Governmental Accounting Conference	CGC01-12
T	2.00	10/09/2012	McGladrey-4283	Audits of Group Financial Statements	48358
NT	12.00	10/25/2012	PSCO-0113	2012 Leadership Council Peer Group Sessions	LDR12
T	2.00	10/29/2012	M&P-4283	Leases - The Proposed New Accounting Standard on Leases	27133
T	2.00	12/13/2012	McGladrey-107766	Audit Year End Alert Update 2012	4121312
T	2.00	04/30/2013	PSCO-0113	Healthcare Reform Seminar	443013
T	7.00	05/22/2013	PSCO-0113	Public Sector Training 2013	152213
T	1.00	05/23/2013	McGladrey-107766	2013 COSO Framework Update	4052313
T	2.00	06/12/2013	AICPA-215	2011 Yellow Book: Evaluation of Independence Webcast	461213
T	12.40	07/29/2013	PSCO-0113	Firm Retreat '13 - Audit Track	472913
T	16.50	09/30/2013	TSCPA-260	2013 Single Audits & Governmental Accounting Conference	CGC01-13
T	4.00	11/07/2013	GFOA-103133	18th Annual Governmental GAAP Update Webcast	411713
	<b>168.4</b>	<b>Total Hours</b>			
T	<b>142.9</b>	<b>Technical</b>			
NT	<b>21.5</b>	<b>Non Technical</b>			
E	<b>4.0</b>	<b>Ethics</b>			

Courses Sponsored by Padgett, Stratemann & Co., L.L.P. - Sponsor # 0113

Record of satisfactory completion of continuing education courses applicable to the Texas State Board of Public Accountancy

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# Certificate of Completion



Employee Name: **Joanna Just, CPA**

**Padgett Stratemann**

	Professional credits	Session start date	Provider	Learning Unit Title	Code
NT	1.50	01/04/2011	PSCO-0113	HR 101 Basics - Managers	HR101M
T	16.00	06/06/2011	TSCPA-260	2011 Texas School Districts Accounting and Auditing Conference (TSCPA)	TSDAC01-2011
T	3.00	06/27/2011	PSCO-0113	Audit LEA Software Training 2011	462711
NT	7.00	06/30/2011	PSCO-0113	Partner Retreat 2011	163011
T	15.50	07/20/2011	CICPAC-108266	20th Annual CICPAC Conference (2011)	072011
T	7.50	08/15/2011	PSCO-0113	Annual Construction Team Training - 2011	481511
T	5.50	08/29/2011	PSCO-0113	Public Sector Training 2011	482911
T	8.00	09/08/2011	Auditwatch-9339	2011 Audit Watch Initiative	TR
T	8.50	09/09/2011	PSCO-0113	Audit Team Training 2011	490911
NT	2.00	09/26/2011	PSCO-0113	Career Advisor Refresher Training 2011	192611
T	1.00	09/30/2011	PSCO-0113	Audit Insights - Auditor Communication and Professionalism	493011
T	8.00	11/01/2011	PSCO-0113	Construction Industry Conference - 2011	CIC2011
T	2.00	11/14/2011	M&P-4283	Introduction to BAM	27131
T	2.00	12/07/2011	CCH-00001	Revenue Recognition and Lease Issues for Construction, Homebuilding and Real Estate	112071
NT	2.00	01/16/2012	PSCO-0113	Liquid Office Refresher	041312
T	0.50	03/30/2012	PSCO-0113	Audit Insights - Defining Professional Requirements in SAS and Audit Documentation	433012
NT	1.50	06/04/2012	PSCO-0113	2012 Harassment Training - Partners & Managers	106412
T	1.00	06/21/2012	M&P-4283	How are you addressing professional standards in your firm?	29526
T	15.50	07/18/2012	CICPAC-108266	21st Annual CICPAC Conference (2012)	471811
NT	1.00	07/24/2012	PSCO-0113	LinkedIn Training	172412
NT	8.00	07/30/2012	PSCO-0113	Annual Firm Retreat	ANRETREAT
T	8.00	08/02/2012	Rawls College of Business-103020	Rawl's College of Business - Governmental Accounting, Reporting & Auditing (GAU)	480212
T	4.00	08/27/2012	M&P-4283	Efficiency - The Elusive Magic Bullet	29702
T	2.00	08/29/2012	PSCO-0113	Understanding WIP Schedules - for Beginners (2012)	182912
T	4.00	08/29/2012	PSCO-0113	Annual Construction Team Training - 2012	482912
T	6.00	09/05/2012	M&P-4283	Workpaper and Engagement Efficiencies	27736
T	6.00	09/06/2012	PSCO-0113	Audit Team Training 2012	490512
T	2.00	09/06/2012	M&P-4283	Introduction to the Clarity Project	27737
T	2.00	09/17/2012	McGladrey-4283	MAPS 6 and the Clarity Project	27136
T	9.00	10/01/2012	TSCPA-260	2012 Single Audits & Governmental Accounting Conference	CGC01-12
T	2.00	10/29/2012	M&P-4283	Leases - The Proposed New Accounting Standard on Leases	27133
T	8.00	11/07/2012	PSCO-0113	Construction Industry Conference - 2012	611712
T	8.00	11/27/2012	Grubman Anand, PC-103081	Update & Tools for Auditors and Financial Managers of HUD Assisted Properties	4112712
T	4.00	11/28/2012	Grubman Anand PC-103081	Low Income Housing Tax Credit Properties(LIHTC): Deconstructing the Deal	4112812
E	4.00	11/29/2012	PASS Online-007593	Personal and Professional Ethics for Texas CPAs-2012	000CE2012
T	3.50	12/10/2012	PSCO-0113	2012 Construction Team Training - Audit & Tax Team	1121012
T	2.00	12/10/2012	PSCO-0113	Understanding WIP Schedules - for Beginners (2012)	182912
T	2.00	12/13/2012	McGladrey-107766	Audit Year End Alert Update 2012	4121312
NT	12.00	01/24/2013	PSCO-0113	2014 Leadership Council Peer Group Sessions	LDR14
NT	12.00	05/02/2013	PSCO-0113	2014 Leadership Council Peer Group Sessions	LDR14
T	7.00	05/22/2013	PSCO-0113	Public Sector Training 2013	152213
T	8.00	06/19/2013	AICPA-215	AICPA Not-for-Profit Industry Pre-Conference Workshop - 2013	561913
T	13.20	06/20/2013	AICPA-215	AICPA Not-For-Profit Industry Conference - 2013	462113
T	12.40	07/29/2013	PSCO-0113	Firm Retreat '13 - Audit Track	472913

# Certificate of Completion



Employee Name: **Joanna Just, CPA**

**Padgett Stratemann**

	Professional credits	Session start date	Provider	Learning Unit Title	Code
NT	1.50	07/29/2013	PSCO-0113	Firm Retreat '13 - Dining Etiquette and Professional Dress	172913E
T	2.00	08/09/2013	McGladrey-4283	New Substantive Testing Policies	27140
NT	2.00	08/29/2013	PSCO-0113	Career Advisor Refresher Training 2013	182913
T	8.00	09/30/2013	TSCPA-260	2013 Single Audits & Governmental Accounting Conference	CGC01-13
NT	12.00	10/24/2013	PSCO-0113	2014 Leadership Council Peer Group Sessions	LDR14
T	7.00	11/06/2013	PSCO-0113	Construction Industry Conference - 2013	5110613
	<b>290.6</b>	<b>Total Hours</b>			
T	<b>224.1</b>	<b>Technical</b>			
NT	<b>62.5</b>	<b>Non Technical</b>			
E	<b>4.0</b>	<b>Ethics</b>			

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# Certificate of Completion



Employee Name: **Tino Robledo, CPA**

**Padgett Stratemann**

	Professional credits	Session start date	Provider	Learning Unit Title	Code
T	1.5	2/5/2011	KPMG	Fall PMT - Continuous Audit Effectiveness for Partners and Senior Managers	
T	2.0	2/13/2011	KPMG	Fall PMT - Auditing and Accounting in Today's Economy	
T	1.5	2/15/2011	KPMG	Fall PMT - eAudit Implementation - What You Should Know	
T	1.5	5/16/2011	KPMG	PMT - IT Audit Considerations for 2011	
T	2.0	5/17/2011	KPMG	PMT - GASB Update	
E	4.0	5/20/2011	KPMG	Ethics for Texas	
T	2.0	5/24/2011	KPMG	PMT - GASB Statement No. 54 - Fund Balance Classifications and Governmental Fund	
NT	1.0	5/31/2011	KPMG	Enhancing the Client Experience - QAS	
T	2.0	6/8/2011	KPMG	PMT - Single Audit Update	
NT	1.0	6/9/2011	KPMG	The Next Level - Our High Performance Culture Orientation	
T	6.0	6/13/2011	KPMG	eAudit 2011 - Manager	
T	4.0	6/13/2011	KPMG	PMT - Assessing Risk and Thinking Critically - Audit Implications	
T	2.0	6/28/2011	KPMG	Global Financial Markets - Auditing and Accounting Consideration - 2nd Qtr	
T	1.0	7/13/2011	KPMG	PMT - Assessing Risk and Thinking Critically - Audit Implications - DPP Q and A	
NT	1.0	7/26/2011	KPMG	Executive Communications for Managers	
NT	1.0	8/2/2011	KPMG	Top Tools for Market Development Success	
NT	1.5	8/19/2011	KPMG	Cloud Awareness Training	
T	2.0	8/19/2011	KPMG	State and Local Government Audit Considerations Self Study	
T	2.0	8/19/2011	KPMG	PMT - HCPS - Involvement in Group Audits Self Study	
T	1.5	10/20/2011	KPMG	Performance of Audit Procedures at an Interim Date - Baseline	
T	2.0	10/20/2011	KPMG	Global Financial Markets - Auditing and Accounting Consideration	
T	1.5	10/20/2011	KPMG	IT Audit Considerations - What To Do When You Encounter a Problem	
T	1.5	11/8/2011	KPMG	Annual Independence for the Management Group - Audit - QAS	
NT	1.5	1/11/2012	KPMG	The KPMG Story - QAS	
T	1.5	1/29/2012	KPMG	Audit Evidence Considerations Self Study - QAS	
T	1.5	1/30/2012	KPMG	Auditing Fair Value Measurements Self Study - QAS	
T	1.0	1/30/2012	KPMG	Auditing Fair Value of Investment Securities	
T	2.0	3/6/2012	KPMG	KPMG Government Institute Webcast Series Proposed Changes to Federal Grant	
T	1.5	4/23/2012	KPMG	2012 EBP Curriculum - Current Employee Benefit Plan Update - QAS	
T	2.0	4/27/2012	KPMG	2012 EBP Curriculum - Plan Mergers Spin-offs and Terminations - QAS	
T	9.0	5/2/2012	KPMG	Single Audit Training 2012	
T	2.0	5/17/2012	KPMG	KPMG Government Institute Webcast: GASB Activities Update	
T	2.0	7/3/2012	KPMG	PMT - Reporting Entity - QAS	
T	1.50	07/19/2012	KPMG-103077/TX-000568	KPMG Government Institute Webcast: GASB Pension Accounting and Financial Reporting Standards	47192012
T	1.00	07/19/2012	PSCO-0113	Audit Insights - July 2012	471912
NT	8.00	07/30/2012	PSCO-0113	Annual Firm Retreat	ANRETREAT
T	1.00	08/01/2012	M&P-4283	Q2 Current Accounting Topics Quarterly Update - 2012	45751
T	2.00	08/03/2012	PSCO-0113	Fraud Claims - How to Avoid Them and Minimize Risks	180312
T	9.00	08/21/2012	PSCO-0113	Public Sector Training 2012	482112
NT	1.00	08/31/2012	PSCO-0113	VPM Reports Class	VPMR011
NT	1.50	08/31/2012	PSCO - 0113	New Manager Billing Training	MGR1BT
T	8.00	09/05/2012	M&P-4283	Workpaper and Engagement Efficiencies	27736



# Certificate of Completion



Employee Name: **Tino Robledo, CPA**

**Padgett Stratemann**

	Professional credits	Session start date	Provider	Learning Unit Title	Code
T	6.00	09/06/2012	PSCO-0113	Audit Team Training 2012	490512
T	2.00	09/06/2012	M&P-4283	Introduction to the Clarity Project	27737
T	1.00	09/07/2012	PSCO-0113	Independence Training	109711
T	2.00	12/13/2012	McGladrey-107766	Audit Year End Alert Update 2012	4121312
T	2.00	04/11/2013	KPMG-103077/TX-000568	KPMG Government Institute Webcast Series: GASB Activities Update	441113
T	2.00	04/30/2013	PSCO-0113	Healthcare Reform Seminar	443013
T	7.00	05/22/2013	PSCO-0113	Public Sector Training 2013	152213
E	4.00	06/13/2013	Pass Online-102626	Personal and Professional Ethics for Texas CPAs (McGladrey)	CLQCHA
T	7.50	06/28/2013	PSCO-0113	City of San Antonio Training	462813
NT	1.50	07/29/2013	PSCO-0113	Firm Retreat '13 - Dining Etiquette and Professional Dress	172913E
NT	1.00	07/29/2013	PSCO-0113	Firm Retreat '13 - Engaged Leadership	172913A
T	12.40	07/29/2013	PSCO-0113	Firm Retreat '13 - Audit Track	472913
NT	1.00	07/29/2013	PSCO-0113	Firm Retreat '13 - Harassment Training	172913B
T	2.00	08/09/2013	McGladrey-4283	New Substantive Testing Policies	27140
NT	16.00	10/21/2013	PSCO-0113	MLA - Center for Character Based Leadership - Session 1	MLA 2013 1
T	4.00	11/07/2013	GFOA-103133	18th Annual Governmental GAAP Update Webcast	411713
	<b>173.9</b>	<b>Total Hours</b>			
T	<b>128.9</b>	<b>Technical</b>			
NT	<b>37.0</b>	<b>Non Technical</b>			
E	<b>8.0</b>	<b>Ethics</b>			

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# Certificate of Completion



Employee Name: **Katherine Polhamus**

**Padgett Stratemann**

	Professional credits	Session start date	Provider	Learning Unit Title	Code
T	2.50	01/14/2011	Halt Buzas & Powell, LTD	Tax Training	
T	3.70	01/29/2011	Halt Buzas & Powell, LTD	Tax Training	
T	0.40	03/05/2011	Halt Buzas & Powell, LTD	Form 990 Training	
T	8.00	08/29/2011	GWSCPA	Beginning In-Charge	
T	8.00	08/30/2011	GWSCPA	Beginning In-Charge	
T	4.00	08/31/2011	GWSCPA	Beginning In-Charge	
T	1.80	09/29/2011	Halt Buzas & Powell, LTD	Taxation - Common Errors	
T	2.40	09/29/2011	Halt Buzas & Powell, LTD	Audit Selections	
T	5.00	10/28/2011	Halt Buzas & Powell, LTD	Audit Training	
NT	4.00	01/09/2012	Halt Buzas & Powell, LTD	GoFileRoom Training	
T	4.00	01/29/2012	Halt Buzas & Powell, LTD	Tax Training	
T	1.00	07/11/2012	Thompson Reuters	Risk Assessment	
T	8.00	07/18/2012	Halt Buzas & Powell, LTD	Cash, PP&E, Expenses	
NT	1.00	07/19/2012	PPC	PPC Smart Practice	
NT	1.00	07/25/2012	PPC	PPC	
T	7.60	07/30/2012	Halt Buzas & Powell, LTD	Year 1 Training	
T	8.00	01/17/2013	Halt Buzas & Powell, LTD	Audit and Attestation Training	
T	5.40	01/18/2013	Halt Buzas & Powell, LTD	Audit and Attestation Training	
T	0.50	01/24/2013	Halt Buzas & Powell, LTD	I/C Training	
T	6.40	01/24/2013	Halt Buzas & Powell, LTD	Audit Planning and Understanding Audit Objectives	
T	1.20	01/25/2013	Halt Buzas & Powell, LTD	UBIT	
T	1.80	01/25/2013	Halt Buzas & Powell, LTD	Equity/Net Assets	
T	4.20	01/25/2013	Halt Buzas & Powell, LTD	Audit Revenue	
T	4.80	01/26/2013	Halt Buzas & Powell, LTD	2012 Tax Training	
T	8.00	06/05/2013	Halt Buzas & Powell, LTD	Step By Step Guide to Compliance Auditing	
T	8.00	08/28/2013	GWSCPA	AHI Staff Training IV: Supervisory	
T	8.00	08/29/2013	GWSCPA	AHI Staff Training IV: Supervisory	
T	2.00	11/11/2013	PSCO-0113	Year End Bank Team Training '13	4111113
T	6.50	11/11/2013	PSCO-0113	Compliance BSA/Deposit Training and Compliance Regulatory Update	4111113-1
	<b>127.2</b>	<b>Total Hours</b>			
T	<b>121.2</b>	<b>Technical</b>			
NT	<b>6.0</b>	<b>Non Technical</b>			
E	<b>0.0</b>	<b>Ethics</b>			

*Courses Sponsored by Padgett, Stratemann & Co., L.L.P. - Sponsor # 0113*

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## EXHIBIT E – CPA LICENSES

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# Texas State Board of Public Accountancy

333 Guadalupe, Tower 3 Suite 900, Austin, Texas 78701-3900

William Treacy, Executive Director

10/ 3/2013

MICHAEL W. O'BRIEN  
CERTIFIED PUBLIC ACCOUNTANT  
10801 KEYSTONE BND  
AUSTIN TX 78750-3499



FOLD FORM  
HERE AND  
PULL CARD  
BACK TO  
RELEASE



## Texas State Board of Public Accountancy

333 Guadalupe, Tower 3 Suite 900, Austin, Texas 78701-3900

This individual is licensed to practice in Texas.

**MICHAEL W. O'BRIEN**  
CERTIFIED PUBLIC ACCOUNTANT  
10801 KEYSTONE BND  
AUSTIN TX 78750-3499



License [REDACTED]

Expires: 10/31/2014

Form No: 13075500

By receipt of this license card, requirements for licensing by the Texas State Board of Public Accountancy have been met. The license card can be easily removed from the sheet and can be used as identification as a licensee in Texas. After removing your license card, retain this mailer as a **FILE COPY** of the license card.

As a licensee, a 7-digit number has been assigned to you as an alternative to the Social Security Number (SSN) as a method of unique identification. This **control number** is required to access your personal information on the Board's website, and is shown below on the copy of your license card.

	<b>Texas State Board of Public Accountancy</b> 333 Guadalupe, Tower 3 Suite 900, Austin, Texas 78701-3900 This individual is licensed to practice in Texas.
<b>MICHAEL W. O'BRIEN</b> CERTIFIED PUBLIC ACCOUNTANT 10801 KEYSTONE BND AUSTIN TX 78750-3499	
[REDACTED]	Expires: 10/31/2014
	Form No: 13075500

1938449

FILE COPY



# Texas State Board of Public Accountancy

333 Guadalupe, Tower 3 Suite 900, Austin, Texas 78701-3900

William Treacy, Executive Director

11/26/2013

JOANNA BALTIERRA  
CERTIFIED PUBLIC ACCOUNTANT  
9510 BIG VIEW DR  
AUSTIN TX 78730



FOLD FORM  
HERE AND  
PULL CARD  
BACK TO  
RELEASE



## Texas State Board of Public Accountancy

333 Guadalupe, Tower 3 Suite 900, Austin, Texas 78701-3900

This individual is licensed to practice in Texas.

**JOANNA BALTIERRA**  
CERTIFIED PUBLIC ACCOUNTANT  
9510 BIG VIEW DR  
AUSTIN TX 78730



License ID [REDACTED]

Expires: 11/30/2014

Form No: 14009823

By receipt of this license card, requirements for licensing by the Texas State Board of Public Accountancy have been met. The license card can be easily removed from the sheet and can be used as identification as a licensee in Texas. After removing your license card, retain this mailer as a **FILE COPY** of the license card.

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## Texas State Board of Public Accountancy

333 Guadalupe, Tower 3 Suite 900, Austin, Texas 78701-3900

This individual is licensed to practice in Texas.

**JOANNA BALTIERRA**  
CERTIFIED PUBLIC ACCOUNTANT  
9510 BIG VIEW DR  
AUSTIN TX 78730



Expires: 11/30/2014

Form No: 14009823

1950090

FILE COPY



# Texas State Board of Public Accountancy


333 Guadalupe, Tower 3 Suite 900, Austin, Texas 78701-3900

William Treacy, Executive Director

6/17/2013


JUVENTINO ROBLEDO  
CERTIFIED PUBLIC ACCOUNTANT  
418 GRISHAM DR  
HUTTO TX 78634

FOLD FORM  
HERE AND  
PULL CARD  
BACK TO  
RELEASE

 **Texas State Board of Public Accountancy**  
333 Guadalupe, Tower 3 Suite 900, Austin, Texas 78701-3900

This individual is licensed to practice in Texas.


**JUVENTINO ROBLEDO**  
**CERTIFIED PUBLIC ACCOUNTANT**  
**418 GRISHAM DR**  
**HUTTO TX 78634**

License  Expires: 6/30/2014

Form No: 13048580

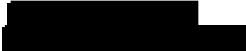
By receipt of this license card, requirements for licensing by the Texas State Board of Public Accountancy have been met. The license card can be easily removed from the sheet and can be used as identification as a licensee in Texas. After removing your license card, retain this mailer as a **FILE COPY** of the license card.

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 **Texas State Board of Public Accountancy**  
333 Guadalupe, Tower 3 Suite 900, Austin, Texas 78701-3900

This individual is licensed to practice in Texas.

**JUVENTINO ROBLEDO**  
**CERTIFIED PUBLIC ACCOUNTANT**  
**418 GRISHAM DR**  
**HUTTO TX 78634**

 Expires: 6/30/2014

Form No: 13048580

1909274

FILE COPY

## EXHIBIT F – PADGETT’S SECURE CLIENT PORTAL SOLUTION

### The Importance of Secure Portal Technology

Per Boomer Consulting, Inc. – a leading advisory firm to the certified public accountant (CPA) industry, accounting firms have always placed the highest priority on the protection and confidentiality of client financial information. While this commitment remains high, the practical challenges of fulfilling it are greater than ever. The increasing use of Internet-based interactions with clients and the exchange of growing amounts of confidential data from widely-scattered locations demand careful management of electronic security. In addition, federal and state laws and regulations have introduced a legal requirement to protect data.

It is imperative that firms conduct a careful review of their risk in handling confidential client information in order to ensure the appropriate tools and controls are in place to manage the risk.

It is critical to understand that email alone, in the absence of additional protective measures, is inherently insecure and inadequate. Transmitting client information via email attachment does not meet the specified legal requirements and fails to live up to the CPA commitment to client confidentiality. Therefore an alternative means of electronic document transfer must be used.

### The Padgett Secure Client Portal

PS&Co. has always considered confidentiality and protection of client financial information as its highest priority. Through its investment in The Padgett Secure Client Portal, informational security is not only ensured, but is accomplished using a tool, ShareFile, which allows the easy exchange of confidential content in a professional manner.



Listed below are some of the features offered through The Padgett Secure Client Portal:

#### Security

- Provides a secure avenue for uploading and downloading sensitive documents
- Files securely transferred and stored using 256-bit SSL encryption – the same technology used by online banking and e-commerce. Files are also encrypted while they are stored.
- Complete audit trail of all activity
- Prevents access by unauthorized personnel with user name and password protection feature

#### Ease of Use

- Allows for a collaborative environment to manage files
- Creates efficiencies in the audit process
- Ability to send/receive any type of file and size: Word, Excel, PDF, Quickbooks, etc.
- Compatible with both Mac and PC

## EXHIBIT F – PADGETT’S SECURE CLIENT PORTAL SOLUTION

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### Mobile Access

- ShareFile offers mobile apps for all major mobile operating systems and devices as well as a mobile optimized website. The Apple iOS, Windows mobile, Android, and BlackBerry mobile applications are free to download and use.
- Mobile apps allow access to all files and folders in your account on the go. CPAs and clients can access data on their preferred devices for immediate communication at any time. Browse files or folders and share them via ShareFile without having to download them. Also features built-in access to previously downloaded files, allowing users to view files without re-downloading them.
- Since data security is paramount to Padgett and its clients, the mobile application has a remote wipe feature to protect against data breaches if a device is lost or stolen. This allows content to be removed from a selected device immediately – without direct contact with the phone or tablet.



## EXHIBIT G – LEADERSHIP IN OUR COMMUNITY

Since the firm's founding in 1945, Padgett Stratemann has maintained a long-term and strong commitment to charitable and community service. The firm strives to lead important initiatives to educate, serve, and support the well-being of its local communities. It is one thing to say we are involved in the community. It is another to actually dedicate time and resources to benefit the greater good, which is why we are proud our firm's actions are louder than its words.

Our firm continues to carry on its 20-year tradition serving as a Pacesetter company for the United Way of San Antonio and Bexar County. In 2013, employee participation raised over \$128k in donations and since our initial involvement began, we have raised over \$1.3 million in donations directly and positively impacting the communities we serve.

In addition, for the eighth consecutive year, Padgett Stratemann has served as title sponsor of the Boy Scout Charity Sporting Clays Tournament, rounding up teams and cash to fund Scoutreach – an in-school scouting program benefitting at-risk youth. In 2013, our volunteers helped raise nearly \$82k, and have risen over \$694k to date. In addition to countless volunteers from the firm, team member commitment includes Ray Berend – Senior Partner – who served as a San Antonio Executive Board Member and Mike O'Brien – an Austin Audit partner – who received the Silver Beaver Award – a council-level distinguished service award for registered adult leaders who have made an impact on the lives of youth through community service, self sacrifice, dedication, and years of service.

One of Padgett Stratemann's newest, yet equally strong, community connections is Big Brothers Big Sisters of Central and South Texas. The firm's commitment to Central Texas provides year-round support, including over \$63k in donations made by team members in the first three years, plus volunteer efforts and school supply and holiday toy drives. The South Texas Chapter has also benefited from the firm's community involvement through its InspireU program – where 20 middle school students are bused to Padgett Stratemann each month for an on-site mentoring program.

Our firm serves a wide range of meaningful organizations and causes, for which the firm cares deeply about. In most instances, a firm team member works closely with the organization, while others volunteer their time and efforts. The listing below is a sampling of the organizations benefiting from our firm's commitment to community involvement.

- Alpha Home, Inc.
- American Heart Association
- Any Baby Can
- Epilepsy Foundation
- Family Service Association
- Funlympics
- Generation Texas of SA
- Habitat for Humanity
- Haven for Hope
- Jr. Achievement
- Leukemia & Lymphoma Society
- Pen-pal Program
- Susan G. Komen
- The South Texas Foodbank
- Transplants for Children

## EXHIBIT G – LEADERSHIP IN OUR COMMUNITY

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Not only does PS&Co. provide support to numerous charitable organizations, members of the firm participate in various educational, civic, and community groups which provide other types of support to the community. The following is a partial listing of the organizations we support:

- American Society for the Prevention of Cruelty to Animals
- American Subcontractors Society
- Free Trade Alliance of San Antonio
- Greater San Antonio Chamber of Commerce
- Hispanic Chamber of Commerce
- National Multiple Sclerosis Society
- North San Antonio Chamber of Commerce
- Salvation Army
- San Antonio Economic Development Foundation
- South Texas Blood & Tissue Center
- Texas Lutheran University
- Texas State University
- The Scottish Rite Learning Center of South Texas

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By submitting an Offer in response to the Solicitation, the Contractor agrees that the Contract shall be governed by the following terms and conditions. Unless otherwise specified in the Contract, Sections 3, 4, 5, 6, 7, 8, 20, 21, and 36 shall apply only to a Solicitation to purchase Goods, and Sections 9, 10, 11 and 22 shall apply only to a Solicitation to purchase Services to be performed principally at the City's premises or on public rights-of-way.

1. **CONTRACTOR'S OBLIGATIONS:** The Contractor shall fully and timely provide all Deliverables described in the Solicitation and in the Contractor's Offer in strict accordance with the terms, covenants, and conditions of the Contract and all applicable Federal, State, and local laws, rules, and regulations.
2. **EFFECTIVE DATE/TERM:** Unless otherwise specified in the Solicitation, this Contract shall be effective as of the date the contract is signed by the City, and shall continue in effect until all obligations are performed in accordance with the Contract.
3. **CONTRACTOR TO PACKAGE DELIVERABLES:** The Contractor will package Deliverables in accordance with good commercial practice and shall include a packing list showing the description of each item, the quantity and unit price. Unless otherwise provided in the Specifications or Supplemental Terms and Conditions, each shipping container shall be clearly and permanently marked as follows: (a) The Contractor's name and address, (b) the City's name, address and purchase order or purchase release number and the price agreement number if applicable, (c) Container number and total number of containers, e.g. box 1 of 4 boxes, and (d) the number of the container bearing the packing list. The Contractor shall bear cost of packaging. Deliverables shall be suitably packed to secure lowest transportation costs and to conform with requirements of common carriers and any applicable specifications. The City's count or weight shall be final and conclusive on shipments not accompanied by packing lists.
4. **SHIPMENT UNDER RESERVATION PROHIBITED:** The Contractor is not authorized to ship the Deliverables under reservation and no tender of a bill of lading will operate as a tender of Deliverables.
5. **TITLE & RISK OF LOSS:** Title to and risk of loss of the Deliverables shall pass to the City only when the City actually receives and accepts the Deliverables.
6. **DELIVERY TERMS AND TRANSPORTATION CHARGES:** Deliverables shall be shipped F.O.B. point of delivery unless otherwise specified in the Supplemental Terms and Conditions. Unless otherwise stated in the Offer, the Contractor's price shall be deemed to include all delivery and transportation charges. The City shall have the right to designate what method of transportation shall be used to ship the Deliverables. The place of delivery shall be that set forth in the block of the purchase order or purchase release entitled "Receiving Agency".
7. **RIGHT OF INSPECTION AND REJECTION:** The City expressly reserves all rights under law, including, but not limited to the Uniform Commercial Code, to inspect the Deliverables at delivery before accepting them, and to reject defective or non-conforming Deliverables. If the City has the right to inspect the Contractor's, or the Contractor's Subcontractor's, facilities, or the Deliverables at the Contractor's, or the Contractor's Subcontractor's, premises, the Contractor shall furnish, or cause to be furnished, without additional charge, all reasonable facilities and assistance to the City to facilitate such inspection.
8. **NO REPLACEMENT OF DEFECTIVE TENDER:** Every tender or delivery of Deliverables must fully comply with all provisions of the Contract as to time of delivery, quality, and quantity. Any non-complying tender shall constitute a breach and the Contractor shall not have the right to substitute a conforming tender; provided, where the time for performance has not yet expired, the Contractor may notify the City of the intention to cure and may then make a conforming tender within the time allotted in the contract.
9. **PLACE AND CONDITION OF WORK:** The City shall provide the Contractor access to the sites where the Contractor is to perform the services as required in order for the Contractor to perform the services in a timely and efficient manner, in accordance with and subject to the applicable security laws, rules, and regulations. The Contractor acknowledges that it has satisfied itself as to the nature of the City's service requirements and specifications, the location and essential characteristics of the work sites, the quality and quantity of materials, equipment, labor and facilities necessary to perform the services, and any other condition or state of fact which could in any way affect performance of the Contractor's obligations under the contract. The Contractor hereby

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releases and holds the City harmless from and against any liability or claim for damages of any kind or nature if the actual site or service conditions differ from expected conditions.

**10. WORKFORCE:**

- A. The Contractor shall employ only orderly and competent workers, skilled in the performance of the services which they will perform under the Contract.
- B. The Contractor, its employees, subcontractors, and subcontractor's employees may not while engaged in participating or responding to a solicitation or while in the course and scope of delivering goods or services under a City of Austin contract or on the City's property .
  - i. use or possess a firearm, including a concealed handgun that is licensed under state law, except as required by the terms of the contract; or
  - ii. use or possess alcoholic or other intoxicating beverages, illegal drugs or controlled substances, nor may such workers be intoxicated, or under the influence of alcohol or drugs, on the job.
- C. If the City or the City's representative notifies the Contractor that any worker is incompetent, disorderly or disobedient, has knowingly or repeatedly violated safety regulations, has possessed any firearms, or has possessed or was under the influence of alcohol or drugs on the job, the Contractor shall immediately remove such worker from Contract services, and may not employ such worker again on Contract services without the City's prior written consent.

**11. COMPLIANCE WITH HEALTH, SAFETY, AND ENVIRONMENTAL REGULATIONS:** The Contractor, its Subcontractors, and their respective employees, shall comply fully with all applicable federal, state, and local health, safety, and environmental laws, ordinances, rules and regulations in the performance of the services, including but not limited to those promulgated by the City and by the Occupational Safety and Health Administration (OSHA). In case of conflict, the most stringent safety requirement shall govern. The Contractor shall indemnify and hold the City harmless from and against all claims, demands, suits, actions, judgments, fines, penalties and liability of every kind arising from the breach of the Contractor's obligations under this paragraph.

**12. INVOICES:**

- A. The Contractor shall submit separate invoices in duplicate on each purchase order or purchase release after each delivery. If partial shipments or deliveries are authorized by the City, a separate invoice must be sent for each shipment or delivery made.
- B. **Proper Invoices must include a unique invoice number, the purchase order or delivery order number and the master agreement number if applicable, the Department's Name, and the name of the point of contact for the Department.** Invoices shall be itemized and transportation charges, if any, shall be listed separately. A copy of the bill of lading and the freight waybill, when applicable, shall be attached to the invoice. The Contractor's name and, if applicable, the tax identification number on the invoice must exactly match the information in the Vendor's registration with the City. Unless otherwise instructed in writing, the City may rely on the remittance address specified on the Contractor's invoice.
- C. Invoices for labor shall include a copy of all time-sheets with trade labor rate and Deliverables order number clearly identified. Invoices shall also include a tabulation of work-hours at the appropriate rates and grouped by work order number. Time billed for labor shall be limited to hours actually worked at the work site.
- D. Unless otherwise expressly authorized in the Contract, the Contractor shall pass through all Subcontract and other authorized expenses at actual cost without markup.
- E. Federal excise taxes, State taxes, or City sales taxes must not be included in the invoiced amount. The City will furnish a tax exemption certificate upon request.

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**13. PAYMENT:**

- A. All proper invoices received by the City will be paid within thirty (30) calendar days of the City's receipt of the Deliverables or of the invoice, whichever is later.
- B. **If payment is not timely made, (per paragraph A), interest shall accrue on the unpaid balance at the lesser of the rate specified in Texas Government Code Section 2251.025 or the maximum lawful rate; except, if payment is not timely made for a reason for which the City may withhold payment hereunder, interest shall not accrue until ten (10) calendar days after the grounds for withholding payment have been resolved.**
- C. If partial shipments or deliveries are authorized by the City, the Contractor will be paid for the partial shipment or delivery, as stated above, provided that the invoice matches the shipment or delivery.
- D. The City may withhold or set off the entire payment or part of any payment otherwise due the Contractor to such extent as may be necessary on account of:
  - i. delivery of defective or non-conforming Deliverables by the Contractor;
  - ii. third party claims, which are not covered by the insurance which the Contractor is required to provide, are filed or reasonable evidence indicating probable filing of such claims;
  - iii. failure of the Contractor to pay Subcontractors, or for labor, materials or equipment;
  - iv. damage to the property of the City or the City's agents, employees or contractors, which is not covered by insurance required to be provided by the Contractor;
  - v. reasonable evidence that the Contractor's obligations will not be completed within the time specified in the Contract, and that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay;
  - vi. failure of the Contractor to submit proper invoices with all required attachments and supporting documentation; or
  - vii. failure of the Contractor to comply with any material provision of the Contract Documents.
- E. Notice is hereby given of Article VIII, Section 1 of the Austin City Charter which prohibits the payment of any money to any person, firm or corporation who is in arrears to the City for taxes, and of §2-8-3 of the Austin City Code concerning the right of the City to offset indebtedness owed the City.
- F. Payment will be made by check unless the parties mutually agree to payment by credit card or electronic transfer of funds. The Contractor agrees that there shall be no additional charges, surcharges, or penalties to the City for payments made by credit card or electronic funds transfer.
- G. The awarding or continuation of this contract is dependent upon the availability of funding. The City's payment obligations are payable only and solely from funds Appropriated and available for this contract. The absence of Appropriated or other lawfully available funds shall render the Contract null and void to the extent funds are not Appropriated or available and any Deliverables delivered but unpaid shall be returned to the Contractor. The City shall provide the Contractor written notice of the failure of the City to make an adequate Appropriation for any fiscal year to pay the amounts due under the Contract, or the reduction of any Appropriation to an amount insufficient to permit the City to pay its obligations under the Contract. In the event of non or inadequate appropriation of funds, there will be no penalty nor removal fees charged to the City.

- 14. TRAVEL EXPENSES:** All travel, lodging and per diem expenses in connection with the Contract for which reimbursement may be claimed by the Contractor under the terms of the Solicitation will be reviewed against the City's Travel Policy as published and maintained by the City's Controller's Office and the Current United States General Services Administration Domestic Per Diem Rates (the "Rates") as published and maintained on the Internet at:

<http://www.gsa.gov/portal/category/21287>

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No amounts in excess of the Travel Policy or Rates shall be paid. All invoices must be accompanied by copies of detailed itemized receipts (e.g. hotel bills, airline tickets). No reimbursement will be made for expenses not actually incurred. Airline fares in excess of coach or economy will not be reimbursed. Mileage charges may not exceed the amount permitted as a deduction in any year under the Internal Revenue Code or Regulations.

**15. FINAL PAYMENT AND CLOSE-OUT:**

- A. If an MBE/WBE Program Compliance Plan is required by the Solicitation, and the Contractor has identified Subcontractors, the Contractor is required to submit a Contract Close-Out MBE/WBE Compliance Report to the Project manager or Contract manager no later than the 15th calendar day after completion of all work under the contract. Final payment, retainage, or both may be withheld if the Contractor is not in compliance with the requirements of the Compliance Plan as accepted by the City.
- B. The making and acceptance of final payment will constitute:
  - i. a waiver of all claims by the City against the Contractor, except claims (1) which have been previously asserted in writing and not yet settled, (2) arising from defective work appearing after final inspection, (3) arising from failure of the Contractor to comply with the Contract or the terms of any warranty specified herein, (4) arising from the Contractor's continuing obligations under the Contract, including but not limited to indemnity and warranty obligations, or (5) arising under the City's right to audit; and
  - ii. a waiver of all claims by the Contractor against the City other than those previously asserted in writing and not yet settled.

**16. SPECIAL TOOLS & TEST EQUIPMENT:** If the price stated on the Offer includes the cost of any special tooling or special test equipment fabricated or required by the Contractor for the purpose of filling this order, such special tooling equipment and any process sheets related thereto shall become the property of the City and shall be identified by the Contractor as such.

**17. RIGHT TO AUDIT:**

- A. The Contractor agrees that the representatives of the Office of the City Auditor or other authorized representatives of the City shall have access to, and the right to audit, examine, or reproduce, any and all records of the Contractor related to the performance under this Contract. The Contractor shall retain all such records for a period of three (3) years after final payment on this Contract or until all audit and litigation matters that the City has brought to the attention of the Contractor are resolved, whichever is longer. The Contractor agrees to refund to the City any overpayments disclosed by any such audit.
- B. The Contractor shall include section a. above in all subcontractor agreements entered into in connection with this Contract.

**18. SUBCONTRACTORS:**

- A. If the Contractor identified Subcontractors in an MBE/WBE Program Compliance Plan or a No Goals Utilization Plan the Contractor shall comply with the provisions of Chapters 2-9A, 2-9B, 2-9C, and 2-9D, as applicable, of the Austin City Code and the terms of the Compliance Plan or Utilization Plan as approved by the City (the "Plan"). The Contractor shall not initially employ any Subcontractor except as provided in the Contractor's Plan. The Contractor shall not substitute any Subcontractor identified in the Plan, unless the substitute has been accepted by the City in writing in accordance with the provisions of Chapters 2-9A, 2-9B, 2-9C and 2-9D, as applicable. No acceptance by the City of any Subcontractor shall constitute a waiver of any rights or remedies of the City with respect to defective Deliverables provided by a Subcontractor. If a Plan has been approved, the Contractor is additionally required to submit a monthly Subcontract Awards and Expenditures Report to the Contract Manager and the Purchasing Office Contract Compliance Manager no later than the tenth calendar day of each month.

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- B. Work performed for the Contractor by a Subcontractor shall be pursuant to a written contract between the Contractor and Subcontractor. The terms of the subcontract may not conflict with the terms of the Contract, and shall contain provisions that:
- i. require that all Deliverables to be provided by the Subcontractor be provided in strict accordance with the provisions, specifications and terms of the Contract;
  - ii. prohibit the Subcontractor from further subcontracting any portion of the Contract without the prior written consent of the City and the Contractor. The City may require, as a condition to such further subcontracting, that the Subcontractor post a payment bond in form, substance and amount acceptable to the City;
  - iii. require Subcontractors to submit all invoices and applications for payments, including any claims for additional payments, damages or otherwise, to the Contractor in sufficient time to enable the Contractor to include same with its invoice or application for payment to the City in accordance with the terms of the Contract;
  - iv. require that all Subcontractors obtain and maintain, throughout the term of their contract, insurance in the type and amounts specified for the Contractor, with the City being a named insured as its interest shall appear; and
  - v. require that the Subcontractor indemnify and hold the City harmless to the same extent as the Contractor is required to indemnify the City.
- C. The Contractor shall be fully responsible to the City for all acts and omissions of the Subcontractors just as the Contractor is responsible for the Contractor's own acts and omissions. Nothing in the Contract shall create for the benefit of any such Subcontractor any contractual relationship between the City and any such Subcontractor, nor shall it create any obligation on the part of the City to pay or to see to the payment of any moneys due any such Subcontractor except as may otherwise be required by law.
- D. The Contractor shall pay each Subcontractor its appropriate share of payments made to the Contractor not later than ten (10) calendar days after receipt of payment from the City.

**19. WARRANTY – PRICE:**

- A. The Contractor warrants the prices quoted in the Offer are no higher than the Contractor's current prices on orders by others for like Deliverables under similar terms of purchase.
- B. The Contractor certifies that the prices in the Offer have been arrived at independently without consultation, communication, or agreement for the purpose of restricting competition, as to any matter relating to such fees with any other firm or with any competitor.
- C. In addition to any other remedy available, the City may deduct from any amounts owed to the Contractor, or otherwise recover, any amounts paid for items in excess of the Contractor's current prices on orders by others for like Deliverables under similar terms of purchase.

**20. WARRANTY – TITLE:** The Contractor warrants that it has good and indefeasible title to all Deliverables furnished under the Contract, and that the Deliverables are free and clear of all liens, claims, security interests and encumbrances. The Contractor shall indemnify and hold the City harmless from and against all adverse title claims to the Deliverables.

**21. WARRANTY – DELIVERABLES:** The Contractor warrants and represents that all Deliverables sold the City under the Contract shall be free from defects in design, workmanship or manufacture, and conform in all material respects to the specifications, drawings, and descriptions in the Solicitation, to any samples furnished by the Contractor, to the terms, covenants and conditions of the Contract, and to all applicable State, Federal or local laws, rules, and regulations, and industry codes and standards. Unless otherwise stated in the Solicitation, the Deliverables shall be new or recycled merchandise, and not used or reconditioned.

- A. Recycled Deliverables shall be clearly identified as such.

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- B. The Contractor may not limit, exclude or disclaim the foregoing warranty or any warranty implied by law; and any attempt to do so shall be without force or effect.
  - C. Unless otherwise specified in the Contract, the warranty period shall be at least one year from the date of acceptance of the Deliverables or from the date of acceptance of any replacement Deliverables. If during the warranty period, one or more of the above warranties are breached, the Contractor shall promptly upon receipt of demand either repair the non-conforming Deliverables, or replace the non-conforming Deliverables with fully conforming Deliverables, at the City's option and at no additional cost to the City. All costs incidental to such repair or replacement, including but not limited to, any packaging and shipping costs, shall be borne exclusively by the Contractor. The City shall endeavor to give the Contractor written notice of the breach of warranty within thirty (30) calendar days of discovery of the breach of warranty, but failure to give timely notice shall not impair the City's rights under this section.
  - D. If the Contractor is unable or unwilling to repair or replace defective or non-conforming Deliverables as required by the City, then in addition to any other available remedy, the City may reduce the quantity of Deliverables it may be required to purchase under the Contract from the Contractor, and purchase conforming Deliverables from other sources. In such event, the Contractor shall pay to the City upon demand the increased cost, if any, incurred by the City to procure such Deliverables from another source.
  - E. If the Contractor is not the manufacturer, and the Deliverables are covered by a separate manufacturer's warranty, the Contractor shall transfer and assign such manufacturer's warranty to the City. If for any reason the manufacturer's warranty cannot be fully transferred to the City, the Contractor shall assist and cooperate with the City to the fullest extent to enforce such manufacturer's warranty for the benefit of the City.
22. **WARRANTY – SERVICES:** The Contractor warrants and represents that all services to be provided the City under the Contract will be fully and timely performed in a good and workmanlike manner in accordance with generally accepted industry standards and practices, the terms, conditions, and covenants of the Contract, and all applicable Federal, State and local laws, rules or regulations.
- A. The Contractor may not limit, exclude or disclaim the foregoing warranty or any warranty implied by law, and any attempt to do so shall be without force or effect.
  - B. Unless otherwise specified in the Contract, the warranty period shall be at least one year from the Acceptance Date. If during the warranty period, one or more of the above warranties are breached, the Contractor shall promptly upon receipt of demand perform the services again in accordance with above standard at no additional cost to the City. All costs incidental to such additional performance shall be borne by the Contractor. The City shall endeavor to give the Contractor written notice of the breach of warranty within thirty (30) calendar days of discovery of the breach warranty, but failure to give timely notice shall not impair the City's rights under this section.
  - C. If the Contractor is unable or unwilling to perform its services in accordance with the above standard as required by the City, then in addition to any other available remedy, the City may reduce the amount of services it may be required to purchase under the Contract from the Contractor, and purchase conforming services from other sources. In such event, the Contractor shall pay to the City upon demand the increased cost, if any, incurred by the City to procure such services from another source.
23. **ACCEPTANCE OF INCOMPLETE OR NON-CONFORMING DELIVERABLES:** If, instead of requiring immediate correction or removal and replacement of defective or non-conforming Deliverables, the City prefers to accept it, the City may do so. The Contractor shall pay all claims, costs, losses and damages attributable to the City's evaluation of and determination to accept such defective or non-conforming Deliverables. If any such acceptance occurs prior to final payment, the City may deduct such amounts as are necessary to compensate the City for the diminished value of the defective or non-conforming Deliverables. If the acceptance occurs after final payment, such amount will be refunded to the City by the Contractor.
24. **RIGHT TO ASSURANCE:** Whenever one party to the Contract in good faith has reason to question the other party's intent to perform, demand may be made to the other party for written assurance of the intent to perform. In the event



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that no assurance is given within the time specified after demand is made, the demanding party may treat this failure as an anticipatory repudiation of the Contract.

25. **STOP WORK NOTICE:** The City may issue an immediate Stop Work Notice in the event the Contractor is observed performing in a manner that is in violation of Federal, State, or local guidelines, or in a manner that is determined by the City to be unsafe to either life or property. Upon notification, the Contractor will cease all work until notified by the City that the violation or unsafe condition has been corrected. The Contractor shall be liable for all costs incurred by the City as a result of the issuance of such Stop Work Notice.
26. **DEFAULT:** The Contractor shall be in default under the Contract if the Contractor (a) fails to fully, timely and faithfully perform any of its material obligations under the Contract, (b) fails to provide adequate assurance of performance under Paragraph 24, (c) becomes insolvent or seeks relief under the bankruptcy laws of the United States or (d) makes a material misrepresentation in Contractor's Offer, or in any report or deliverable required to be submitted by the Contractor to the City.
27. **TERMINATION FOR CAUSE:** In the event of a default by the Contractor, the City shall have the right to terminate the Contract for cause, by written notice effective ten (10) calendar days, unless otherwise specified, after the date of such notice, unless the Contractor, within such ten (10) day period, cures such default, or provides evidence sufficient to prove to the City's reasonable satisfaction that such default does not, in fact, exist. The City may place Contractor on probation for a specified period of time within which the Contractor must correct any non-compliance issues. Probation shall not normally be for a period of more than nine (9) months, however, it may be for a longer period, not to exceed one (1) year depending on the circumstances. If the City determines the Contractor has failed to perform satisfactorily during the probation period, the City may proceed with suspension. In the event of a default by the Contractor, the City may suspend or debar the Contractor in accordance with the "City of Austin Purchasing Office Probation, Suspension and Debarment Rules for Vendors" and remove the Contractor from the City's vendor list for up to five (5) years and any Offer submitted by the Contractor may be disqualified for up to five (5) years. In addition to any other remedy available under law or in equity, the City shall be entitled to recover all actual damages, costs, losses and expenses, incurred by the City as a result of the Contractor's default, including, without limitation, cost of cover, reasonable attorneys' fees, court costs, and prejudgment and post-judgment interest at the maximum lawful rate. All rights and remedies under the Contract are cumulative and are not exclusive of any other right or remedy provided by law.
28. **TERMINATION WITHOUT CAUSE:** The City shall have the right to terminate the Contract, in whole or in part, without cause any time upon thirty (30) calendar days' prior written notice. Upon receipt of a notice of termination, the Contractor shall promptly cease all further work pursuant to the Contract, with such exceptions, if any, specified in the notice of termination. The City shall pay the Contractor, to the extent of funds Appropriated or otherwise legally available for such purposes, for all goods delivered and services performed and obligations incurred prior to the date of termination in accordance with the terms hereof.
29. **FRAUD:** Fraudulent statements by the Contractor on any Offer or in any report or deliverable required to be submitted by the Contractor to the City shall be grounds for the termination of the Contract for cause by the City and may result in legal action.
30. **DELAYS:**
- A. The City may delay scheduled delivery or other due dates by written notice to the Contractor if the City deems it is in its best interest. If such delay causes an increase in the cost of the work under the Contract, the City and the Contractor shall negotiate an equitable adjustment for costs incurred by the Contractor in the Contract price and execute an amendment to the Contract. The Contractor must assert its right to an adjustment within thirty (30) calendar days from the date of receipt of the notice of delay. Failure to agree on any adjusted price shall be handled under the Dispute Resolution process specified in paragraph 49. However, nothing in this provision shall excuse the Contractor from delaying the delivery as notified.
- B. Neither party shall be liable for any default or delay in the performance of its obligations under this Contract if, while and to the extent such default or delay is caused by acts of God, fire, riots, civil commotion, labor disruptions, sabotage, sovereign conduct, or any other cause beyond the reasonable control of such Party. In

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the event of default or delay in contract performance due to any of the foregoing causes, then the time for completion of the services will be extended; provided, however, in such an event, a conference will be held within three (3) business days to establish a mutually agreeable period of time reasonably necessary to overcome the effect of such failure to perform.

**31. INDEMNITY:**

**A. Definitions:**

- i. "Indemnified Claims" shall include any and all claims, demands, suits, causes of action, judgments and liability of every character, type or description, including all reasonable costs and expenses of litigation, mediation or other alternate dispute resolution mechanism, including attorney and other professional fees for:
  - (1) damage to or loss of the property of any person (including, but not limited to the City, the Contractor, their respective agents, officers, employees and subcontractors; the officers, agents, and employees of such subcontractors; and third parties); and/or
  - (2) death, bodily injury, illness, disease, worker's compensation, loss of services, or loss of income or wages to any person (including but not limited to the agents, officers and employees of the City, the Contractor, the Contractor's subcontractors, and third parties),
- ii. "Fault" shall include the sale of defective or non-conforming Deliverables, negligence, willful misconduct, or a breach of any legally imposed strict liability standard.

**B. THE CONTRACTOR SHALL DEFEND (AT THE OPTION OF THE CITY), INDEMNIFY, AND HOLD THE CITY, ITS SUCCESSORS, ASSIGNS, OFFICERS, EMPLOYEES AND ELECTED OFFICIALS HARMLESS FROM AND AGAINST ALL INDEMNIFIED CLAIMS DIRECTLY ARISING OUT OF, INCIDENT TO, CONCERNING OR RESULTING FROM THE FAULT OF THE CONTRACTOR, OR THE CONTRACTOR'S AGENTS, EMPLOYEES OR SUBCONTRACTORS, IN THE PERFORMANCE OF THE CONTRACTOR'S OBLIGATIONS UNDER THE CONTRACT. NOTHING HEREIN SHALL BE DEEMED TO LIMIT THE RIGHTS OF THE CITY OR THE CONTRACTOR (INCLUDING, BUT NOT LIMITED TO, THE RIGHT TO SEEK CONTRIBUTION) AGAINST ANY THIRD PARTY WHO MAY BE LIABLE FOR AN INDEMNIFIED CLAIM.**

**32. INSURANCE: (reference Section 0400 for specific coverage requirements). The following insurance requirement applies. (Revised March 2013).**

**A. General Requirements.**

- i. The Contractor shall at a minimum carry insurance in the types and amounts indicated in Section 0400, Supplemental Purchase Provisions, for the duration of the Contract, including extension options and hold over periods, and during any warranty period.
- ii. The Contractor shall provide Certificates of Insurance with the coverages and endorsements required in Section 0400, Supplemental Purchase Provisions, to the City as verification of coverage prior to contract execution and within fourteen (14) calendar days after written request from the City. Failure to provide the required Certificate of Insurance may subject the Offer to disqualification from consideration for award. The Contractor must also forward a Certificate of Insurance to the City whenever a previously identified policy period has expired, or an extension option or hold over period is exercised, as verification of continuing coverage.
- iii. The Contractor shall not commence work until the required insurance is obtained and until such insurance has been reviewed by the City. Approval of insurance by the City shall not relieve or decrease the liability of the Contractor hereunder and shall not be construed to be a limitation of liability on the part of the Contractor.
- iv. The City may request that the Contractor submit certificates of insurance to the City for all subcontractors prior to the subcontractors commencing work on the project.
- v. The Contractor's and all subcontractors' insurance coverage shall be written by companies licensed to do business in the State of Texas at the time the policies are issued and shall be written by companies with A.M. Best ratings of B+VII or better.

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- vi. The "other" insurance clause shall not apply to the City where the City is an additional insured shown on any policy. It is intended that policies required in the Contract, covering both the City and the Contractor, shall be considered primary coverage as applicable.
- vii. If insurance policies are not written for amounts specified in Section 0400, Supplemental Purchase Provisions, the Contractor shall carry Umbrella or Excess Liability Insurance for any differences in amounts specified. If Excess Liability Insurance is provided, it shall follow the form of the primary coverage.
- viii. The City shall be entitled, upon request, at an agreed upon location, and without expense, to review certified copies of policies and 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 regulations binding upon either of the parties hereto or the underwriter on any such policies.
- ix. The City reserves the right to review the insurance requirements set forth during the effective period of the Contract and to make reasonable adjustments to insurance coverage, limits, and exclusions when deemed necessary and prudent by the City based upon changes in statutory law, court decisions, the claims history of the industry or financial condition of the insurance company as well as the Contractor.
- x. The Contractor shall not cause any insurance to be canceled nor permit any insurance to lapse during the term of the Contract or as required in the Contract.
- xi. The Contractor shall be responsible for premiums, deductibles and self-insured retentions, if any, stated in policies. Self-insured retentions shall be disclosed on the Certificate of Insurance.
- xii. The Contractor shall provide the City thirty (30) calendar days' written notice of erosion of the aggregate limits below occurrence limits for all applicable coverages indicated within the Contract.
- xiii. The insurance coverages specified in Section 0400, Supplemental Purchase Provisions, are required minimums and are not intended to limit the responsibility or liability of the Contractor.

**B. Specific Coverage Requirements: Specific insurance requirements are contained in Section 0400, Supplemental Purchase Provisions**

33. **CLAIMS:** If any claim, demand, suit, or other action is asserted against the Contractor which arises under or concerns the Contract, or which could have a material adverse affect on the Contractor's ability to perform thereunder, the Contractor shall give written notice thereof to the City within ten (10) calendar days after receipt of notice by the Contractor. Such notice to the City shall state the date of notification of any such claim, demand, suit, or other action; the names and addresses of the claimant(s); the basis thereof; and the name of each person against whom such claim is being asserted. Such notice shall be delivered personally or by mail and shall be sent to the City and to the Austin City Attorney. Personal delivery to the City Attorney shall be to City Hall, 301 West 2<sup>nd</sup> Street, 4<sup>th</sup> Floor, Austin, Texas 78701, and mail delivery shall be to P.O. Box 1088, Austin, Texas 78767.
34. **NOTICES:** Unless otherwise specified, all notices, requests, or other communications required or appropriate to be given under the Contract shall be in writing and shall be deemed delivered three (3) business days after postmarked if sent by U.S. Postal Service Certified or Registered Mail, Return Receipt Requested. Notices delivered by other means shall be deemed delivered upon receipt by the addressee. Routine communications may be made by first class mail, facsimile, email, or other commercially accepted means. Notices to the Contractor shall be sent to the address specified in the Contractor's Offer, or at such other address as a party may notify the other in writing. Notices to the City shall be addressed to the City at P.O. Box 1088, Austin, Texas 78767 and marked to the attention of the Contract Administrator.
35. **RIGHTS TO BID, PROPOSAL AND CONTRACTUAL MATERIAL:** All material submitted by the Contractor to the City shall become property of the City upon receipt. Any portions of such material claimed by the Contractor to be proprietary must be clearly marked as such. Determination of the public nature of the material is subject to the Texas Public Information Act, Chapter 552, Texas Government Code.
36. **NO WARRANTY BY CITY AGAINST INFRINGEMENTS:** The Contractor represents and warrants to the City that: (i) the Contractor shall provide the City good and indefeasible title to the Deliverables and (ii) the Deliverables supplied by the Contractor in accordance with the specifications in the Contract will not infringe, directly or contributorily, any patent, trademark, copyright, trade secret, or any other intellectual property right of any kind of any third party; that no claims have been made by any person or entity with respect to the ownership or operation of the

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Deliverables and the Contractor does not know of any valid basis for any such claims. The Contractor shall, at its sole expense, defend, indemnify, and hold the City harmless from and against all liability, damages, and costs (including court costs and reasonable fees of attorneys and other professionals) arising out of or resulting from: (i) any claim that the City's exercise anywhere in the world of the rights associated with the City's ownership, and if applicable, license rights, and its use of the Deliverables infringes the intellectual property rights of any third party; or (ii) the Contractor's breach of any of Contractor's representations or warranties stated in this Contract. In the event of any such claim, the City shall have the right to monitor such claim or at its option engage its own separate counsel to act as co-counsel on the City's behalf. Further, Contractor agrees that the City's specifications regarding the Deliverables shall in no way diminish Contractor's warranties or obligations under this paragraph and the City makes no warranty that the production, development, or delivery of such Deliverables will not impact such warranties of Contractor.

37. **CONFIDENTIALITY:** In order to provide the Deliverables to the City, Contractor may require access to certain of the City's and/or its licensors' confidential information (including inventions, employee information, trade secrets, confidential know-how, confidential business information, and other information which the City or its licensors consider confidential) (collectively, "Confidential Information"). Contractor acknowledges and agrees that the Confidential Information is the valuable property of the City and/or its licensors and any unauthorized use, disclosure, dissemination, or other release of the Confidential Information will substantially injure the City and/or its licensors. The Contractor (including its employees, subcontractors, agents, or representatives) agrees that it will maintain the Confidential Information in strict confidence and shall not disclose, disseminate, copy, divulge, recreate, or otherwise use the Confidential Information without the prior written consent of the City or in a manner not expressly permitted under this Agreement, unless the Confidential Information is required to be disclosed by law or an order of any court or other governmental authority with proper jurisdiction, provided the Contractor promptly notifies the City before disclosing such information so as to permit the City reasonable time to seek an appropriate protective order. The Contractor agrees to use protective measures no less stringent than the Contractor uses within its own business to protect its own most valuable information, which protective measures shall under all circumstances be at least reasonable measures to ensure the continued confidentiality of the Confidential Information.
38. **PUBLICATIONS:** All published material and written reports submitted under the Contract must be originally developed material unless otherwise specifically provided in the Contract. When material not originally developed is included in a report in any form, the source shall be identified.
39. **ADVERTISING:** The Contractor shall not advertise or publish, without the City's prior consent, the fact that the City has entered into the Contract, except to the extent required by law.
40. **NO CONTINGENT FEES:** The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure the Contract upon any agreement or understanding for commission, percentage, brokerage, or contingent fee, excepting bona fide employees of bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the City shall have the right, in addition to any other remedy available, to cancel the Contract without liability and to deduct from any amounts owed to the Contractor, or otherwise recover, the full amount of such commission, percentage, brokerage or contingent fee.
41. **GRATUITIES:** The City may, by written notice to the Contractor, cancel the Contract without liability if it is determined by the City that gratuities were offered or given by the Contractor or any agent or representative of the Contractor to any officer or employee of the City of Austin with a view toward securing the Contract or securing favorable treatment with respect to the awarding or amending or the making of any determinations with respect to the performing of such contract. In the event the Contract is canceled by the City pursuant to this provision, the City shall be entitled, in addition to any other rights and remedies, to recover or withhold the amount of the cost incurred by the Contractor in providing such gratuities.
42. **PROHIBITION AGAINST PERSONAL INTEREST IN CONTRACTS:** No officer, employee, independent consultant, or elected official of the City who is involved in the development, evaluation, or decision-making process of the performance of any solicitation shall have a financial interest, direct or indirect, in the Contract resulting from that solicitation. Any willful violation of this section shall constitute impropriety in office, and any officer or employee guilty

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thereof shall be subject to disciplinary action up to and including dismissal. Any violation of this provision, with the knowledge, expressed or implied, of the Contractor shall render the Contract voidable by the City.

43. **INDEPENDENT CONTRACTOR:** The Contract shall not be construed as creating an employer/employee relationship, a partnership, or a joint venture. The Contractor's services shall be those of an independent contractor. The Contractor agrees and understands that the Contract does not grant any rights or privileges established for employees of the City.
44. **ASSIGNMENT-DELEGATION:** The Contract shall be binding upon and enure to the benefit of the City and the Contractor and their respective successors and assigns, provided however, that no right or interest in the Contract shall be assigned and no obligation shall be delegated by the Contractor without the prior written consent of the City. Any attempted assignment or delegation by the Contractor shall be void unless made in conformity with this paragraph. The Contract is not intended to confer rights or benefits on any person, firm or entity not a party hereto; it being the intention of the parties that there be no third party beneficiaries to the Contract.
45. **WAIVER:** No claim or right arising out of a breach of the Contract can be discharged in whole or in part by a waiver or renunciation of the claim or right unless the waiver or renunciation is supported by consideration and is in writing signed by the aggrieved party. No waiver by either the Contractor or the City of any one or more events of default by the other party shall operate as, or be construed to be, a permanent waiver of any rights or obligations under the Contract, or an express or implied acceptance of any other existing or future default or defaults, whether of a similar or different character.
46. **MODIFICATIONS:** The Contract can be modified or amended only by a writing signed by both parties. No pre-printed or similar terms on any the Contractor invoice, order or other document shall have any force or effect to change the terms, covenants, and conditions of the Contract.
47. **INTERPRETATION:** The Contract is intended by the parties as a final, complete and exclusive statement of the terms of their agreement. No course of prior dealing between the parties or course of performance or usage of the trade shall be relevant to supplement or explain any term used in the Contract. Although the Contract may have been substantially drafted by one party, it is the intent of the parties that all provisions be construed in a manner to be fair to both parties, reading no provisions more strictly against one party or the other. Whenever a term defined by the Uniform Commercial Code, as enacted by the State of Texas, is used in the Contract, the UCC definition shall control, unless otherwise defined in the Contract.
48. **DISPUTE RESOLUTION:**
- A. If a dispute arises out of or relates to the Contract, or the breach thereof, the parties agree to negotiate prior to prosecuting a suit for damages. However, this section does not prohibit the filing of a lawsuit to toll the running of a statute of limitations or to seek injunctive relief. Either party may make a written request for a meeting between representatives of each party within fourteen (14) calendar days after receipt of the request or such later period as agreed by the parties. Each party shall include, at a minimum, one (1) senior level individual with decision-making authority regarding the dispute. The purpose of this and any subsequent meeting is to attempt in good faith to negotiate a resolution of the dispute. If, within thirty (30) calendar days after such meeting, the parties have not succeeded in negotiating a resolution of the dispute, they will proceed directly to mediation as described below. Negotiation may be waived by a written agreement signed by both parties, in which event the parties may proceed directly to mediation as described below.
- B. If the efforts to resolve the dispute through negotiation fail, or the parties waive the negotiation process, the parties may select, within thirty (30) calendar days, a mediator trained in mediation skills to assist with resolution of the dispute. Should they choose this option, the City and the Contractor agree to act in good faith in the selection of the mediator and to give consideration to qualified individuals nominated to act as mediator. Nothing in the Contract prevents the parties from relying on the skills of a person who is trained in the subject matter of the dispute or a contract interpretation expert. If the parties fail to agree on a mediator within thirty (30) calendar days of initiation of the mediation process, the mediator shall be selected by the Travis County Dispute Resolution Center (DRC). The parties agree to participate in mediation in good faith for up to thirty (30) calendar days from the date of the first mediation session. The City and the Contractor will share the

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mediator's fees equally and the parties will bear their own costs of participation such as fees for any consultants or attorneys they may utilize to represent them or otherwise assist them in the mediation.

49. **JURISDICTION AND VENUE:** The Contract is made under and shall be governed by the laws of the State of Texas, including, when applicable, the Uniform Commercial Code as adopted in Texas, V.T.C.A., Bus. & Comm. Code, Chapter 1, excluding any rule or principle that would refer to and apply the substantive law of another state or jurisdiction. All issues arising from this Contract shall be resolved in the courts of Travis County, Texas and the parties agree to submit to the exclusive personal jurisdiction of such courts. The foregoing, however, shall not be construed or interpreted to limit or restrict the right or ability of the City to seek and secure injunctive relief from any competent authority as contemplated herein.
50. **INVALIDITY:** The invalidity, illegality, or unenforceability of any provision of the Contract shall in no way affect the validity or enforceability of any other portion or provision of the Contract. Any void provision shall be deemed severed from the Contract and the balance of the Contract shall be construed and enforced as if the Contract did not contain the particular portion or provision held to be void. The parties further agree to reform the Contract to replace any stricken provision with a valid provision that comes as close as possible to the intent of the stricken provision. The provisions of this section shall not prevent this entire Contract from being void should a provision which is the essence of the Contract be determined to be void.
51. **HOLIDAYS:** The following holidays are observed by the City:

<u>Holiday</u>	<u>Date Observed</u>
New Year's Day	January 1
Martin Luther King, Jr.'s Birthday	Third Monday in January
President's Day	Third Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	First Monday in September
Veteran's Day	November 11
Thanksgiving Day	Fourth Thursday in November
Friday after Thanksgiving	Friday after Thanksgiving
Christmas Eve	December 24
Christmas Day	December 25

If a Legal Holiday falls on Saturday, it will be observed on the preceding Friday. If a Legal Holiday falls on Sunday, it will be observed on the following Monday.

52. **SURVIVABILITY OF OBLIGATIONS:** All provisions of the Contract that impose continuing obligations on the parties, including but not limited to the warranty, indemnity, and confidentiality obligations of the parties, shall survive the expiration or termination of the Contract.
53. **NON-SUSPENSION OR DEBARMENT CERTIFICATION:** The City of Austin is prohibited from contracting with or making prime or sub-awards to parties that are suspended or debarred or whose principals are suspended or debarred from Federal, State, or City of Austin Contracts. By accepting a Contract with the City, the Vendor certifies that its firm and its principals are not currently suspended or debarred from doing business with the Federal Government, as indicated by the General Services Administration List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Austin.

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**54. EQUAL OPPORTUNITY**

- A. **Equal Employment Opportunity:** No Offeror, or Offeror's agent, shall engage in any discriminatory employment practice as defined in Chapter 5-4 of the City Code. No Offer submitted to the City shall be considered, nor any Purchase Order issued, or any Contract awarded by the City unless the Offeror has executed and filed with the City Purchasing Office a current Non-Discrimination Certification. Non-compliance with Chapter 5-4 of the City Code may result in sanctions, including termination of the contract and the Contractor's suspension or debarment from participation on future City contracts until deemed compliant with Chapter 5-4.
- B. **Americans with Disabilities Act (ADA) Compliance:** No Offeror, or Offeror's agent, shall engage in any discriminatory employment practice against individuals with disabilities as defined in the ADA.

**55. BUY AMERICAN ACT-SUPPLIES (Applicable to certain Federally funded requirements)**

- A. Definitions. As used in this paragraph –
- i. "Component" means an article, material, or supply incorporated directly into an end product.
  - ii. "Cost of components" means -
    - (1) For components purchased by the Contractor, the acquisition cost, including transportation costs to the place of incorporation into the end product (whether or not such costs are paid to a domestic firm), and any applicable duty (whether or not a duty-free entry certificate is issued); or
    - (2) For components manufactured by the Contractor, all costs associated with the manufacture of the component, including transportation costs as described in paragraph (1) of this definition, plus allocable overhead costs, but excluding profit. Cost of components does not include any costs associated with the manufacture of the end product.
  - iii. "Domestic end product" means-
    - (1) An unmanufactured end product mined or produced in the United States; or
    - (2) An end product manufactured in the United States, if the cost of its components mined, produced, or manufactured in the United States exceeds 50 percent of the cost of all its components. Components of foreign origin of the same class or kind as those that the agency determines are not mined, produced, or manufactured in sufficient and reasonably available commercial quantities of a satisfactory quality are treated as domestic. Scrap generated, collected, and prepared for processing in the United States is considered domestic.
  - iv. "End product" means those articles, materials, and supplies to be acquired under the contract for public use.
  - v. "Foreign end product" means an end product other than a domestic end product.
  - vi. "United States" means the 50 States, the District of Columbia, and outlying areas.
- B. The Buy American Act (41 U.S.C. 10a – 10d) provides a preference for domestic end products for supplies acquired for use in the United States.
- C. The City does not maintain a list of foreign articles that will be treated as domestic for this Contract; but will consider for approval foreign articles as domestic for this product if the articles are on a list approved by another Governmental Agency. The Offeror shall submit documentation with their Offer demonstrating that the article is on an approved Governmental list.
- D. The Contractor shall deliver only domestic end products except to the extent that it specified delivery of foreign end products in the provision of the Solicitation entitled "Buy American Act Certificate".

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The following Supplemental Purchasing Provisions apply to this solicitation:

1. **EXPLANATIONS OR CLARIFICATIONS:** (reference paragraph 5 in Section 0200)

All requests for explanations or clarifications must be submitted in writing to the Purchasing Office by fax, to 512-972-4015, or email, to [terra.green@austintexas.gov](mailto:terra.green@austintexas.gov) by close of business seven calendar days before the bid due date.

2. **INSURANCE:** Insurance is required for this solicitation.

A. **General Requirements:** See Section 0300, Standard Purchase Terms and Conditions, paragraph 32, entitled Insurance, for general insurance requirements.

- i. The Contractor shall provide a Certificate of Insurance as verification of coverages required below to the City at the below address prior to contract execution and within 14 calendar days after written request from the City. Failure to provide the required Certificate of Insurance may subject the Offer to disqualification from consideration for award
- ii. The Contractor shall not commence work until the required insurance is obtained and until such insurance has been reviewed by the City. Approval of insurance by the City shall not relieve or decrease the liability of the Contractor hereunder and shall not be construed to be a limitation of liability on the part of the Contractor.
- iii. The Contractor must also forward a Certificate of Insurance to the City whenever a previously identified policy period has expired, or an extension option or holdover period is exercised, as verification of continuing coverage.
- iv. The Certificate of Insurance, and updates, shall be mailed to the following address:

City of Austin Purchasing Office  
P. O. Box 1088  
Austin, Texas 78767

B. **Specific Coverage Requirements:** The Contractor shall at a minimum carry insurance in the types and amounts indicated below for the duration of the Contract, including extension options and hold over periods, and during any warranty period. These insurance coverages are required minimums and are not intended to limit the responsibility or liability of the Contractor.

- i. **Worker's Compensation and Employers' Liability Insurance:** Coverage shall be consistent with statutory benefits outlined in the Texas Worker's Compensation Act (Section 401). The minimum policy limits for Employer's Liability are \$100,000 bodily injury each accident, \$500,000 bodily injury by disease policy limit and \$100,000 bodily injury by disease each employee.
  - (1) The Contractor's policy shall apply to the State of Texas and include these endorsements in favor of the City of Austin:
    - (a) Waiver of Subrogation, Form WC420304, or equivalent coverage
    - (b) Thirty (30) days Notice of Cancellation, Form WC420601, or equivalent coverage
- ii. **Commercial General Liability Insurance:** The minimum bodily injury and property damage per occurrence are \$500,000 for coverages A (Bodily Injury and Property Damage) and B (Personal and Advertising Injury).
  - (1) The policy shall contain the following provisions:
    - (a) Contractual liability coverage for liability assumed under the Contract and all other Contracts related to the project.
    - (b) Contractor/Subcontracted Work.
    - (c) Products/Completed Operations Liability for the duration of the warranty period.
    - (d) If the project involves digging or drilling provisions must be included that provide Explosion, Collapse, and/or Underground Coverage.
  - (2) The policy shall also include these endorsements in favor of the City of Austin:
    - (a) Waiver of Subrogation, Endorsement CG 2404, or equivalent coverage



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- (b) Thirty (30) days Notice of Cancellation, Endorsement CG 0205, or equivalent coverage
  - (c) The City of Austin listed as an additional insured, Endorsement CG 2010, or equivalent coverage
- iii. **Business Automobile Liability Insurance:** The Contractor shall provide coverage for all owned, non-owned and hired vehicles with a minimum combined single limit of \$500,000 per occurrence for bodily injury and property damage. Alternate acceptable limits are \$250,000 bodily injury per person, \$500,000 bodily injury per occurrence and at least \$100,000 property damage liability per accident.
  - (1) The policy shall include these endorsements in favor of the City of Austin:
    - (a) Waiver of Subrogation, Endorsement CA0444, or equivalent coverage
    - (b) Thirty (30) days Notice of Cancellation, Endorsement CA0244, or equivalent coverage
    - (c) The City of Austin listed as an additional insured, Endorsement CA2048, or equivalent coverage.
- iv. **Professional liability Insurance:** The Contractor shall provide coverage, at a minimum limit of \$1,000,000 per claim, to pay on behalf of the assured all sums which the assured shall become legally obligated to pay as damages by reason of any negligent act, error, or omission arising out of the performance of professional services under this Agreement.

If coverage is written on a claims-made basis, the retroactive date shall be prior to or coincident with the date of the Contract and the certificate of insurance shall state that the coverage is claims-made and indicate the retroactive date. This coverage shall be continuous and will be provided for 24 months following the completion of the contract.

- C. **Endorsements:** The specific insurance coverage endorsements specified above, or their equivalents must be provided. In the event that endorsements, which are the equivalent of the required coverage, are proposed to be substituted for the required coverage, copies of the equivalent endorsements must be provided for the City's review and approval.

**3. TERM OF CONTRACT:**

- A. The Contract shall be in effect for an initial term of 12 months and may be extended thereafter for up to 4 additional 12 month periods, subject to the approval of the Contractor and the City Purchasing Officer or his designee.
- B. Upon expiration of the initial term or period of extension, the Contractor agrees to hold over under the terms and conditions of this agreement for such a period of time as is reasonably necessary to re-solicit and/or complete the project (not to exceed 120 days unless mutually agreed on in writing).
- C. Upon written notice to the Contractor from the City's Purchasing Officer or his designee and acceptance of the Contractor, the term of this contract shall be extended on the same terms and conditions for an additional period as indicated in paragraph A above.
- D. Prices are firm and fixed for the first 12 months. Thereafter, price changes are subject to the Economic Price Adjustment provisions of this Contract.

- 4. **QUANTITIES:** The quantities listed herein are estimates for the period of the Contract. The City reserves the right to purchase more or less of these quantities as may be required during the Contract term. Quantities will be as needed and specified by the City for each order. Unless specified in the solicitation, there are no minimum order quantities.

- 5. **INVOICES and PAYMENT:** (reference paragraphs 12 and 13 in Section 0300)

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- A. Invoices shall contain a unique invoice number and the information required in Section 0300, paragraph 12, entitled "Invoices." Invoices received without all required information cannot be processed and will be returned to the vendor.

Invoices shall be mailed to the below address:

	City of Austin
Department	Austin Convention Center Department
Attn:	Accounts Payable
Address	500 E. Cesar Chavez St
City, State Zip Code	Austin, TX 78701

- B. The Contractor agrees to accept payment by either credit card, check or Electronic Funds Transfer (EFT) for all goods and/or services provided under the Contract. The Contractor shall factor the cost of processing credit card payments into the Offer. There shall be no additional charges, surcharges, or penalties to the City for payments made by credit card.

**6. NON-COLLUSION, NON-CONFLICT OF INTEREST, AND ANTI-LOBBYING:**

- A. On November 10, 2011, the Austin City Council adopted Ordinance No. 20111110-052 amending Chapter 2.7, Article 6 of the City Code relating to Anti-Lobbying and Procurement. The policy defined in this Code applies to Solicitations for goods and/or services requiring City Council approval under City Charter Article VII, Section 15 (Purchase Procedures). During the No-Contact Period, Offerors or potential Offerors are prohibited from making a representation to anyone other than the Authorized Contact Person in the Solicitation as the contact for questions and comments regarding the Solicitation.
- B. If during the No-Contact Period an Offeror makes a representation to anyone other than the Authorized Contact Person for the Solicitation, the Offeror's Offer is disqualified from further consideration except as permitted in the Ordinance.
- C. If an Offeror has been disqualified under this article more than two times in a sixty (60) month period, the Purchasing Officer shall debar the Offeror from doing business with the City for a period not to exceed three (3) years, provided the Offeror is given written notice and a hearing in advance of the debarment.
- D. The City requires Offerors submitting Offers on this Solicitation to provide a signed Section 0810, Non-Collusion, Non-Conflict of Interest, and Anti-Lobbying Affidavit, certifying that the Offeror has not in any way directly or indirectly made representations to anyone other than the Authorized Contact Person during the No-Contact Period as defined in the Ordinance. The text of the City Ordinance is posted on the Internet at: <http://www.ci.austin.tx.us/edims/document.cfm?id=161145>

**7. ECONOMIC PRICE ADJUSTMENT:**

- A. **Price Adjustments:** Prices shown in this Contract shall remain firm for the first 12 months of the Contract. After that, in recognition of the potential for fluctuation of the Contractor's cost, a price adjustment (increase or decrease) may be requested by either the City or the Contractor on the anniversary date of the Contract or as may otherwise be specified herein. The percentage change between the contract price and the requested price shall not exceed the percentage change between the specified index in effect on the date the solicitation closed and the most recent, non-preliminary data at the time the price adjustment is requested. Prices for products or services unaffected by verifiable cost trends shall not be subject to adjustment.

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- B. **Effective Date:** Approved price adjustments will go into effect on the first day of the upcoming renewal period or anniversary date of contract award and remain in effect until contract expiration unless changed by subsequent amendment.
- C. **Adjustments:** A request for price adjustment must be made in writing and submitted to the other Party prior to the yearly anniversary date of the Contract; adjustments may only be considered at that time unless otherwise specified herein. Requested adjustments must be solely for the purpose of accommodating changes in the Contractor's direct costs. Contractor shall provide an updated price listing once agreed to adjustment(s) have been approved by the parties.
- D. **Indexes:** In most cases an index from the Bureau of Labor Standards (BLS) will be utilized; however, if there is more appropriate, industry recognized standard then that index may be selected.
- i. The following definitions apply:
    - (1) **Base Period:** Month and year of the original contracted price (the solicitation close date).
    - (2) **Base Price:** Initial price quoted, proposed and/or contracted per unit of measure.
    - (3) **Adjusted Price:** Base Price after it has been adjusted in accordance with the applicable index change and instructions provided.
    - (4) **Change Factor:** The multiplier utilized to adjust the Base Price to the Adjusted Price.
    - (5) **Weight %:** The percent of the Base Price subject to adjustment based on an index change.
  - ii. **Adjustment-Request Review:** Each adjustment-request received will be reviewed and compared to changes in the index(es) identified below. Where applicable:
    - (1) Utilize final Compilation data instead of Preliminary data
    - (2) If the referenced index is no longer available shift up to the next higher category index.
  - iii. **Index Identification:** Complete table as they may apply.

Weight % or \$ of Base Price: 100%	
Database Name: Producer Price Index Industry Data	
Series ID: PCU541219541219	
<input checked="" type="checkbox"/> Not Seasonally Adjusted	<input type="checkbox"/> Seasonally Adjusted
Geographical Area: ALL	
Description of Series ID: Other accounting services	
This Index shall apply to the following items of the Bid Sheet / Cost Proposal: ALL	

- E. **Calculation:** Price adjustment will be calculated as follows:

**Single Index:** Adjust the Base Price by the same factor calculated for the index change.

Index at time of calculation
Divided by index on solicitation close date
Equals Change Factor
Multiplied by the Base Rate
Equals the Adjusted Price

- F. If the requested adjustment is not supported by the referenced index, the City, as its sole discretion, may consider approving an adjustment on fully documented market increases.

**CITY OF AUSTIN  
PURCHASING OFFICE  
SUPPLEMENTAL PURCHASE PROVISIONS**

8. **INTERLOCAL PURCHASING AGREEMENTS:** (applicable to competitively procured goods/services contracts).

A. The City has entered into Interlocal Purchasing Agreements with other governmental entities, pursuant to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Contractor agrees to offer the same prices and terms and conditions to other eligible governmental agencies that have an interlocal agreement with the City.

B. The City does not accept any responsibility or liability for the purchases by other governmental agencies through an interlocal cooperative agreement.

10. **CONTRACT MANAGER:** The following person is designated as Contract Manager, and will act as the contact point between the City and the Contractor during the term of the Contract:

Michele Gizelbach

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[Michele.gizelbach@autintexas.gov](mailto:Michele.gizelbach@autintexas.gov)

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512-404-4054

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\*Note: The above listed Contract Manager is not the authorized Contact Person for purposes of the **NON-COLLUSION, NON-CONFLICT OF INTEREST, AND ANTI-LOBBYING Provision** of this Section; and therefore, contact with the Contract Manager is prohibited during the no contact period.

# **Request for Qualification Statement For Auditing Services**

## **1.0 PURPOSE**

The City of Austin ("City"), Austin Convention Center Department (ACCD) is seeking responses from Certified Public Accounting (CPA) firms that have extensive experience in providing financial statement audits, reports on Agreed-Upon Procedures, and other auditing services on an as-needed basis. Examples of other auditing services that may be required are additional audits, reviews, cost studies, and consulting services.

It is estimated that Services under this contract will begin shortly after the ending of the City's 2014 Fiscal Year, September 30, 2014.

## **2.0 BACKGROUND**

ACCD is an enterprise department within the City. The Department maintains and operates the Austin Convention Center (ACC), Palmer Events Center (PEC), the African-American Cultural and Heritage Center, and three parking garages. The Department offers a variety of facilities and services to clients, with a mission to provide exemplary customer service. For more information about our department, visit our website at [www.austinconventioncenter.com](http://www.austinconventioncenter.com).

Currently ACCD has in place approximately 100 Contracts for the purchase of various goods and services. These Contracts are used to maintain the operations and support events held at ACC, PEC, and all other facilities within ACCD's portfolio.

At the time of Contract award, ACCD has two Contracts which require auditing services: (1) the Catering and Concessions agreement requires an annual independent, certified financial audit be performed by a State licensed Certified Public Accountant and (2) the Audio Visual company agreement requires an audit firm report on Agreed-Upon Procedures related to revenue collection process of the Contractor who performs these services.

## **3.0 COMPENSATION/FEEES FOR SERVICES**

Actual fees for the services will be submitted and negotiated after the City of Austin's Council has granted authorization for negotiation, execution, and award of a Contract.

## **4.0 SCOPE OF WORK**

As part of the evaluation process for this RFQS, Responders shall submit their latest peer review. In addition, the Auditor agrees to allow the City to conduct a follow-up peer review upon the completion of each engagement (audits, reviews, and reports on agreed-upon procedures).

Prior to the execution of each extension option, the Auditor shall submit their latest peer review and agrees to allow the City to conduct a follow-up peer review at the request of the City Auditor.

### **4.1 Schedule**

The timeframe for completing the requested services for the Financial Audit and Agreed-Upon Procedures is by January 31, 2015 for the first year of the Contract term. Thereafter, services shall be completed by January 31<sup>st</sup> following each Fiscal Year. The timeframe for any other audit services is dependent upon the specific project's scope of work.

Services performed under this contract shall begin the date specified and shall be performed and completed within the specified time unless an extension of time is agreed to by ACCD in writing as specified below.

#### **4.1.1 Deliverable:**

- 4.1.1.1 All services provided under this Contract shall be in accordance to the Generally Accepted Accounting Principles (GAAP), or other attestation standards applicable to the agreements. <http://www.fasab.gov/accounting-standards/authoritative-source-of-gaap/#gaap>

## **Request for Qualification Statement For Auditing Services**

4.1.1.2 A Financial Audit Report and report of findings based upon the Agreed-Upon Procedures shall be delivered to ACCD no later than January 31<sup>st</sup> following each Fiscal Year.

4.1.1.3 Deliverables for other as-needed auditing services will be set at the start of each project.

### **4.2 Auditor's Responsibilities**

4.2.1 For each engagement, the Auditor will provide an Engagement Letter which defines the terms and conditions of the engagement.

4.2.2 Following execution of the Contract, the Auditor may be asked to attend an initial Contract meeting ("Contract kick-off" meeting) with ACCD staff. ACCD shall have sole discretion in determining whether or not a meeting is necessary and/or if this initial meeting will be in lieu of the first year's pre-audit meeting.

4.2.3 Conduct a pre-audit meeting with City staff as required.

4.2.3.1 Purpose of the meeting is to obtain background information and further define audit goals, objectives, identify auditing logistics, scheduling, report distribution requirements, and to determine key contact personnel. During and subsequent to this meeting, the Scope of Work may be reduced or expanded.

4.2.4 If applicable, the Auditor shall review previous original audit reports, findings, recommendations, and any audit responses for each ACCD Contract.

4.2.5 Review Contract and all Amendments between ACCD and its Contractor, make note of any sections referencing revenues or monies to be paid or any other special financial arrangement.

4.2.6 Upon request by ACCD, the Auditor will draft audit notice letter and send to ACCD's Contractor notifying them of the audit/review.

4.2.6.1 Prior to sending the letter, provide ACCD a copy of the proposed letter for review and approval. No letter shall be sent without this review and approval by ACCD.

4.2.7 Immediately report, via email or phone, to ACCD any issues/problems in obtaining the required information needed to complete the services based upon the agreed-upon timelines.

4.2.8 Draft final report with findings determined from work performed and distribute.

4.2.8.1 The report shall include the purpose, scope, and the results of the audit.

4.2.8.2 Submit report, via email, to ACCD Financial Manager for review and comment.

4.2.8.3 Distribute final report as determined by the pre-audit meeting.

4.2.8.4 The Auditor may be asked to attend a follow-up review-meeting with ACCD and its Contractor to provide additional explanation of any findings.

4.2.9 Auditor shall retain records relevant to the work performed under this Contract for seven years. Records to be retained include, Auditor's work papers, documents that contain conclusions, opinions, analyses, financial data related to the audit or review, documents related to the agreed-upon procedures, and documents relevant to other services performed under this Contract.

4.2.10 Services shall be in accordance with government auditing standards issued by the Comptroller General of the United States of America.

## **Request for Qualification Statement For Auditing Services**

- 4.2.11 Auditor's personnel assigned to this Contract may be changed at the discretion of the Auditor, provided that replacements have substantially the same or better qualifications or experience. The Auditor shall coordinate with ACCD to establish a plan for transitioning work to Auditor's replacement personnel.

### **4.3 Changes in Standards During Contract**

- 4.3.1 During the term of the Contract and Extension Options, it is to be expected that the City and/or the City's Contractor shall implement any applicable new statements or accounting standards as they are issued. If any new statement or new standard (accounting or auditing), either individually or in combination with other such new requirements, has a material impact on the Auditor, the Auditor will notify ACCD and work to resolve the issue in a manner agreeable to both parties. The term "material impact" shall be limited to a percentage increase to the Auditor's total estimated hours and negotiates as part of the executed Contract.

### **4.4 City's Responsibilities**

- 4.4.1 Prior to approval, the City will review the Engagement Letter to ensure there is no conflict with the Terms and Conditions of this Contract.
- 4.4.2 The City and the City's Contractor will make available to the Auditor all relevant documents, reports, and Contracts needed for the Auditor to complete services.
- 4.4.3 Upon written request by the Auditor, the City will grant time extensions to complete work performed under this contract to the extent of any delays caused by the City or the City's Contractor with whom the work must be coordinated and over whom the Auditor has no control. However, an extension shall only be granted under the condition that the Auditor can demonstrate its attempts to coordinate the work to be performed with whom the Auditor has no control.

## **5.0 OTHER AUDITING SERVICES**

The Auditor shall not be obligated to perform any other Auditing Services, nor shall the City be obligated to pay for any other Auditing Services unless such Auditing Services are requested in a written notice signed by the ACCD Director or designee and City Council has allocated sufficient funds to pay for these services. Rates for other Auditing Services will be negotiated at the time of the request, with the maximum rates determined by the cost proposal, and will be included in the engagement letter.

## **6.0 OMISSIONS**

It is the intention of this specification to acquire complete auditing services as described, with all necessary components included. All items or services omitted from the specifications which are clearly necessary for this service shall be considered a requirement although not directly specified or called for herein.