

CITY OF PRINCETON

REQUEST FOR PROPOSAL PROFESSIONAL AUDIT SERVICES

1. GENERAL

- 1.1 The City of Princeton, Texas, herein after “City”, seeks an agreement with a qualified public accounting firm, herein “Respondent”, whose principals are certified public accountants to audit its financial statements and comprehensive annual financial report (CAFR) for the fiscal year ending September 30, 2021 and for each of the two (2) subsequent fiscal years.

Audit is to be conducted in accordance with auditing standards generally accepted in the United States of America and the standards acceptable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Should the City require single audit services, the provisions of the federal Single Audit Act of 1984 (as amended in 1996) and U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* shall be used. This service will be negotiated separate and apart if necessary.

- 1.2 A copy of the City’s annual financial report for each fiscal year ending September 30th can be found at the following link:

<https://princetontx.gov/finance/financial documents>

- 1.3 It is the City’s intent to award a contract to the qualified respondent. Any contract resulting from this solicitation shall be non-exclusive and shall be awarded with the understanding and agreement that it is the sole convenience of the City.

For questions or clarifications, contact:

Carron Prigmore, Director of Finance
cprigmore@princetontx.us

- 1.4 All costs incurred or indirectly related to preparation of a response to this Request for Proposal (RFP) any oral presentation required to supplement and/or clarify a proposal, and/or reasonable demonstrations which may be at its discretion, required by the City shall be the sole responsibility of and shall be borne completely by the Respondent.
- 1.5 All proposals meeting the intent of this proposal document will be considered for award. Vendors taking exception to the specifications or offering substitutes shall state these exceptions by attachment to the proposal. The absence of such a list shall indicate that the vendor has not taken exceptions and shall hold the vendor responsible to perform in strict accordance with the specifications of the proposal document. The City Council of the City of Princeton reserves the right to accept any and all or none of the exceptions and or substitutions deemed to be in the best interest of the City.

- 1.6 Signed and sealed proposals are due no later than 3:00 PM on the date noted in Section 6 of this proposal. Mail or deliver sealed responses to:

Mail original proposal and copies to:
City of Princeton
Carron Prigmore, Director of Finance
123 W. Princeton Drive
Princeton, TX 75407

All proposals must include a statement that they are valid for a minimum of 90 days subsequent to the RFP closing date.

Sealed responses shall be clearly marked on the outside of package with the title of Audit Proposal, due date, and “DO NOT OPEN”.

- 1.7 The successful Respondent will be selected in a systematic process that considers both qualifications and price. Evaluation factors outlined below shall be applied to all eligible, responsive Respondents in comparing proposals and selecting the successful Respondent. Award of a contract may be made without discussion with Respondent after proposals are received. Proposals should therefore be submitted on the most favorable terms.

The following elements are mandatory and must be clearly stated in the Cover Letter outlined in Section 2.2 of this document:

- The audit firm must be independent and licensed to practice in the State of Texas.
- The firm must have no conflict of interest with regard to any other work performed by the firm for the City.

Additionally, the firm must adhere to the instructions in the RFP on preparing and submitting the proposal, addressing each element listed in *Section 2, Proposal Format and Contents* of this document, in the same order as it is listed. Firms that do not provide documentation or meet these mandatory elements will be eliminated from the evaluation process.

Each proposal that meets the mandatory criteria will then be rated on a 100-point scale. Proposal evaluation factors, with the maximum points awardable shown in parentheses, are as follows:

- a. Demonstrated experience and qualifications of the audit team and the firm, including technical expertise of supervisory staff available to perform “on-site” work and resources readily available to the firm in key areas for the City (35).
- b. Total evaluated cost (25).
- c. Responsiveness of the proposal in clearly stating an understanding of the work to be performed, including scheduling, completeness, and thoroughness of the technical data and documentation (20).
- d. Commitment to *Governmental Accounting and Auditing* – the demonstration of the firm’s commitment to governmental issues by knowledge of current issues and membership in related organizations such as the Government Finance Officers Association (GFOA or GFOA of Texas) or Texas Municipal League (TML) (20).

The City may, at its discretion, schedule oral interviews with the leading Respondents.

- 1.8 City Staff will evaluate the proposals using a matrix based on the factors described above. The ultimate decisions will be based on all the criteria as well as non-qualified criteria or evaluation of staff. A recommendation will be presented for final selection by the City Council.

- 1.9 The City reserves the right to require additional technical and pricing information during the evaluation period. Each proposal must designate the person(s) who will be responsible for answering technical and contractual questions.
- 1.10 The City reserves the right to negotiate all elements of a proposal to ensure that the best possible consideration be afforded to all concerned. The City also reserves the right to reject any or all proposals and to re-solicit for services.
- 1.11 The City will not release information submitted to the Respondent during the proposed evaluation process nor prior to contract award.
- 1.12 Respondents should be aware that contents of the successful proposal will become a part of any subsequent contractual document that may arise from this RFP. Failure of a Respondent to accept this obligation may result in the cancellation of any award.
- 1.13 The rights and remedies of the City provided herein shall not be exclusive and are in addition to any other rights and remedies provided by law or under subsequent contract.
- 1.14 The contract shall be prepared under the direction of the City and shall incorporate all applicable provisions. A sample contract (or engagement letter) should be submitted with the proposal. Payment for all services other than those described as “special projects” will be made based on an all-inclusive, not-to-exceed fee estimate, with progress payments as mutually determined to be appropriate. These payments shall be based upon completion of phases of the work.

2. PROPOSAL FORMAT AND CONTENTS

- 2.1 Proposals must contain the following sections in the order indicated:
- Cover Letter
 - Executive Summary
 - Table of Contents
 - Firm Background, Principal Officers, and Prior Experience
 - Audit Scope and Approach
 - Proposed Schedule and Timing
 - Insurance and Warranties
 - Sample Contract or Engagement Letter
 - Additional Data and Other Information
 - Concluding Remarks
 - Cost Proposal Form
- 2.2 **Cover Letter** – This section should contain the name of the proposing firm, address of the proposing office, and contact person(s) authorized to answer technical, price, and/or contract questions together with their telephone number, email address, and mailing address if different from the proposing office’s address. This section should also state whether the firm is independent and licensed to practice in the State of Texas, and state that the firm has no conflict of interest with regard to any other work performed by the firm for the City. The cover letter must be signed by a person authorized to bind the company.
- 2.3 **Executive Summary** – Prefacing the proposal, an executive summary should be provided which gives in brief, concise terms a summation of the proposal. The summary should identify the points that make the Respondent’s firm uniquely qualified for this engagement.
- 2.4 **Table of Contents** – shall include an index of the proposal contents and attachments.
- 2.5 **Firm Background, Principal Officers, and Prior Experience** – this section should state:
- a. the size of the firm;
 - b. the size of the firm’s governmental audit staff;
 - c. the location of the office from which the work on this engagement will be performed; and
 - d. the number and nature of the professional staff to be employed in this engagement.

Please note that the City will not consider proposals from joint ventures or consortiums.

The firm is also required to submit a copy of the report on its most recent external quality control review, with a statement whether that quality control review included a review of specific government engagements. In addition, the firm shall provide information on any disciplinary action taken or pending and information regarding these circumstances during the past three years from any state or federal regulatory bodies, oversight committees, or professional organizations.

Partner, Supervisory and Staff Qualifications and Experience – the firm should identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who will be assigned to the engagement and indicate whether each such person is licensed to practice as a certified public accountant in Texas. Information should also be provided on the governmental auditing experience of each person, including information on relevant continuing professional education for the past three years and membership in professional organizations relevant to the performance of this audit.

The firm should provide as much information as possible regarding the number, certifications, experience and raining of the staff to be assigned specifically to this engagement. Also, it should also indicate how the quality of staff over the term of the agreement will be assured.

Other audit personnel may be changed at the discretion of the Respondent, provided that replacements have substantially the same or better qualifications or experience.

Similar Engagements with Other Government Entities – for the firm’s office that will be assigned responsibility for the audit, list the most significant engagements performed in the last five years that are similar to the engagement described in this RFP. These engagements should be ranked on the basis of relevance to the current proposal. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact. Please list a minimum of three and a maximum of five engagements in this section.

Other – Additional information should be included to describe the office’s capabilities to audit computerized systems. This section should also include a discussion of your previous experience with the Certificate of Achievement for Excellence in Financial Reporting Program of the Government Finance Officers’ Association (GFOA).

Additional information should be included to describe the office’s capabilities to perform a “Single Audit” in accordance with the Office of Management & Budget’s regulations.

2.6 Audit Scope and Approach – The proposal should set forth an audit work plan, including an explanation of the audit methodology to be followed, to perform the services required in Sections 4.1 and 4.2 of this RFP. In developing the work plan, reference should be made to such sources of information as the City of Princeton’s budget and related materials, organizational charts, manuals, and financial and other management information systems.

Respondents will be required to provide the following information on their audit approach. Use of illustrative examples is encouraged:

- a. Proposed segmentation of the engagement;
- b. Level of staff and number of hours to be assigned to each proposed segment of the engagement;
- c. Expected sample sizes and the extent to which statistical sampling is to be used in the engagement;
- d. Extent of use of software in the engagement;
- e. Type and extent of analytical procedures to be used in the engagement;
- f. Approach to be taken to gain and document an understanding of the City of Princeton’s internal control structure;
- g. Approach to be taken in determining laws and regulations that will be subject to audit test work; and
- h. Approach to be taken in drawing audit samples for purposes of testing of compliance.

The proposal should also identify in this section any anticipated potential audit problems, the firm’s approach to resolving these problems and any special assistance that will be requested from the City.

A separate statement of the firm’s approach to and understanding the provision of technical assistance and advice concerning accounting and auditing issues that may arise during the course of the audit should be included. In addition, a discussion of the firm’s approach to the level and amount of the Finance Department’s staff support necessary to complete the work as outlined in the proposal should be included.

2.7 Proposed Schedule – Comment on the firm’s ability to meet the timelines indicated in the RFP and present a schedule of when information to be provided by the City should be available. Provide any recommended changes to the schedule that might be required to enhance the timeliness and quality of engagement.

- 2.8 **Insurance and Warranties** – Provide the signed Proposer Warranty from as found in Appendix C – Respondent Warranties. Please also provide a statement confirming the firm’s ability to adhere to the insurance requirements as set forth in *Appendix D – Insurance Requirements*.
- 2.9 **Sample Contract or Engagement Letter** – Include a copy of the firm’s most recent contract or engagement letter for audit services with a government client. Please also include examples of any other letters, inquiries, questionnaires, or other documents that the City’s officials, officers, or employees might be required to sign. These are for illustrative purposes only but should be similar to the type of documents that would be negotiated between the successful Respondent and the City.
- 2.10 **Additional Data and Other Information** – Describe the firm’s ability to assist the City’s staff with guidance regarding the implementation and administration of recent GASB pronouncements including but not limited to GASB 87 – Leases. Refer to *Section 4.7 – Regulation Updates* in this document for more details. Since data not specifically requested should not be included in the foregoing proposal sections, please also give any information considered essential to the proposal in this section.
- 2.11 **Concluding Remarks** – this section shall contain any final remarks or elaboration that the Respondent deems important for a clear understanding of this proposed service and/or the Respondent’s capabilities.
- 2.12 **Cost and Term Proposal** – Payment for all services other than those deemed “special projects” will be made based on an all-inclusive, not-to-exceed fee estimate, with progress payments as mutually determined to be appropriate. The contract will be for a three-year term with an option for the City to renew for a fourth and fifth year.

The compensation proposal should be documented by completing the Cost for Proposal Form, included in this packet as Appendix A, and submitting to the City. As provided for by the State Board of Public Accountancy rules, the contract award will not necessarily be made to the firm that provides the lowest cost proposal but rather to the firm that submits the most responsive proposal meeting the City’s requirements.

On the Cost Proposal Form (Appendix A), the firm should include for each of the three years the following information: total estimated hours and all-inclusive, not-to-exceed cost estimate for the financial audit; break down of total estimated hours by staff level (e.g. partner, manager, senior, etc.) and billing rates for each level.

3. DESCRIPTION OF THE ENTITY

3.1 Primary Government

The City of Princeton, Texas is located in Collin County, the fastest growing county in Texas, approximately 30 miles north of the City of Dallas and seven miles east of the City of McKinney. The City operates under a Council-Manager form of government, with the City Council comprised of 6 members including the Mayor. The City Council is responsible for adopting ordinances and regulations governing the City, approving the budget, determining policies, and appointing the City Manager, Assistant City Manager and various Boards. As Chief Administrative Officer, the City Manager is responsible to the Council for appointing and supervising employees of the City (except for those appointed by Council), and for administering the annual budget and capital improvement program.

General government services provided by the City include police and fire protection, street maintenance, building inspections and code enforcement services, planning and zoning, parks maintenance, and maintenance of City-wide facilities and infrastructure. The City's water is purchased from North Texas Municipal Water District along with the wastewater treatment services. Please refer to Appendix B – City of Princeton's Fund Structure for a complete listing of the City's fund structure.

3.2 Organization of the City's Finance Department

The City's accounting function falls within the City's Finance Department. The Finance Director who reports directly to the Assistant City Manager, is responsible for all financial accounting and reporting activities of the City. The Finance Department is responsible for all financial accounting and reporting activities of the City. The Finance Department is responsible for the following functions: General Ledger accounting, payroll, accounts payable, accounts receivable, and fixed assets. Monthly billing for water/sewer/garbage services is performed by the Utility Billing office that reports to the Finance Director.

3.3 Organization of the City's Accounting Function

The Finance Department, located at 123 W. Princeton Drive, Princeton TX maintains the accounting records of the City. Although maintenance of the accounting records is centralized within accounting, the City's accounting function is partially decentralized. Utility Billing, Court, and Development (permits and licenses) perform their own data input for cash receipting transactions. These transactions are reviewed and released to the revenue system by Finance after balancing the day's receipts and deposits.

3.4 Audit Assistance

The Director of Finance will complete a draft of the Comprehensive Annual Finance Report (CAFR), including all footnotes and disclosures along with all work papers necessary to prepare the financial statements. These work papers will include trial balances, fixed asset and depreciation schedules, and journal entries with backup documentation (PBCs). Personnel will be available to the auditors for the purpose of pulling invoices or other documentation needed and explaining procedures. A listing should be provided in advance of required schedules or any other requirements for use of City staff to the Director of Finance.

4. SERVICES REQUIRED

4.1 The City of Princeton, Texas is requesting proposals from qualified public accounting firms to audit its financial statements for the fiscal years ending September 30, 2020 through September 30, 2022 with an option to extend the engagement for up to two-subsequent fiscal years. The audit is to be performed in accordance with the provisions contained in this request for proposals.

4.2 **Scope of work to be performed** – The City desires to the auditor to express an opinion on the fair presentation of its basic financial statements in conformity with generally accepted accounting principles. The City also requests the auditor to provide an “in-relation to” opinion on the combining and individual fund financial statements and supplementary schedules based on the auditing procedures applied during the audit of the general-purpose financial statements. The auditor shall also be responsible for performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards.

The scope of the annual audit, or any other work for which the Respondent is engaged, can only be broadened with the express written consent of the City. The City will have the right to negotiate fees for work related to broadening the scope of any work for which the Respondent is engaged.

4.3 **Auditing Standards** – To meet the requirements of this RFP, the audit shall be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, the Governmental Accounting Standards Board, and any other requirements from like regulatory agencies.

4.4 **Reports to be issued** – Following the completion of the audit of the fiscal year’s financial statements, the auditor shall issue a report on the fair presentation of the financial statements in conformity with generally accepted accounting principles and a report on internal control based on the auditor’s understanding of the control structure and assessment of control risk.

In the report on internal controls, the auditor shall communicate any reportable conditions found during the audit. A reportable condition shall be defined as a *significant* deficiency in the design or operation of the internal control structure that could adversely affect the City’s ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions that are also material weaknesses shall be identified as such in the report. Non-reportable conditions discovered by the auditors shall be reported in a separate letter to management that shall be referred to in the report on internal controls.

A memorandum on potential audit findings should be prepared and submitted to management as soon as practical so that the City has time to respond to the findings prior to the audit exit conference. Responses to the audit findings shall be included in the final report.

The auditors shall be required to make an immediate, verbal report to all irregularities and illegal acts (or indications of illegal acts) of which they become aware to the City Manager, immediately followed by a written report to the City Manager and Director of Finance.

The auditors shall assure themselves that the City of Princeton, Texas' Mayor and City Council, in addition to the City Manager and Director of Finance, are informed of each of the following:

- a. The auditor's responsibility, under generally accepted auditing standards and government auditing standards;
- b. Significant accounting policies;
- c. Management judgments and accounting estimates;
- d. Significant audit adjustments;
- e. Other information in documents containing audited financial statements;
- f. Disagreements with management;
- g. Management consultation with other accountants;
- h. Major issues discussed with management prior to retention; and
- i. Difficulties encountered in performing the audit.

4.5 Preparation of CAFR – The Director of Finance prepares all information included in the CAFR.

4.6 Special Projects – Respondents may be requested to provide other types of services, collectively referred to as “special projects”. Examples of such services include additional audits or reviews because of the specific recommendation included in the report issued in this engagement, cost studies, and consulting services. Such additional work shall be performed only if set forth in an additional agreement between the City and the firm. Any such work agreed to by the City and the firm shall be performed at the same rates set forth in the cost proposal.

5. OTHER INFORMATION

5.1 Work area – A separate workspace in reasonable proximity to the Finance Department will be provided, as well as copy and machine and internet connectivity. Fieldwork for the City audit occurs at City Hall.

5.2 Time Frame of Audit – Preliminary audit work should occur and be concluded prior to September 30 of each year (except for first year). Post-closing work may commence in mid-November. The CAFR must be reviewed and finalized and presented to City Council in time for submission to GFOA (March 31).

The date for release of the completed CAFR shall be no later than the first City Council meeting in March of each year (2nd Monday of the March), unless otherwise mutually agreed.

5.3 Working Papers – The firm selected shall maintain all working papers for a period of at least five years after the fiscal year-end. The auditor shall make available all original working papers for examination by authorized representatives of Federal and State agencies, the City's Director of Finance (or other City management) and any other entity to which access has been granted in writing. In addition, the firm shall respond to the reasonable inquiries of successful auditors and allow successor auditors to review working papers relating to matters of continuing financial significance.

5.4 Non-appropriation Provision – The City may cancel the contract should the present or any future City Council not appropriate funds in any fiscal year for the payment of this agreement. No penalty shall attach in the event of any such non-appropriation. In the event of non-appropriation, the City shall give the successful Respondent advance written notice before cancellation of the contract, and the City shall not be obligated to pay any payments beyond the end of the fiscal year (related to a subsequent fiscal year).

5.5 **Conflict of Interest** – The Respondent agrees to comply with the conflict of interest provisions of the Code of Ordinances. The Respondent agrees to maintain current, updated disclosure of information on file with the City throughout the term of this contract.

6. SOLICITATION SCHEDULE AND CRITICAL DATES

| <u>Date or Timeframe</u> | <u>Activity or Deadline</u> |
|------------------------------|--|
| March 16, 2021 | RFP released |
| April 20, 2021 | Deadline for inquiries |
| April 28, 2021 | Deadline for submission of proposals |
| May 11-18, 2021 | Evaluation of proposals/interviews |
| May 24, 2021 | Contract awarded |
| | <u>City audit – first year</u> |
| August 2021 – October 2021 | Preliminary planning meetings and audit plan development |
| October 2021 – November 2021 | Staff prepares final trial balance and schedules |
| December 2021 – January 2022 | Auditors begin year-end work |
| February 2022 | CAFR review by auditors |
| March 2022 | CAFR completed and presented to City Council |

All questions regarding the solicitation shall be submitted in writing by 4:00 PM on the due noted above. A copy of all questions submitted and the City’s responses to the questions shall be posted on the Finance Department’s webpage: www.princetontx.gov/Finance/Financial Documents.

Responses received after the date and time shall not be considered and will be returned unopened if address is provided.

7. CONFIDENTIALITY OF CONTENT

All documents submitted in response to a solicitation shall be subject to the Texas Public Information Act. Following an award, responses are subject to release as public information unless the response or specific parts of the response can be shown to be exempt from the Texas Public Information Act. Pricing is not considered to be confidential under any circumstances.

- 7.1 Information in a submittal that is legally protected as a trade secret or otherwise confidential must be clearly indicated with stamped, bold red letters state “CONFIDENTIAL” on that section of document. The City will not be responsible for any public disclosure of confidential information if it is not clearly marked as such.
- 7.2 If a request is made under the Texas Public Information Act to inspect information designated as confidential, the Respondent shall, upon request from the City, furnish sufficient written reasons and information as to why the information should be protected from disclosure. The matter will then be presented to the Attorney General of Texas for final determination.

**APPENDIX A
COST PROPOSAL FORM**

Audit Services Proposed for the City of Princeton, Texas

Submitted by: _____

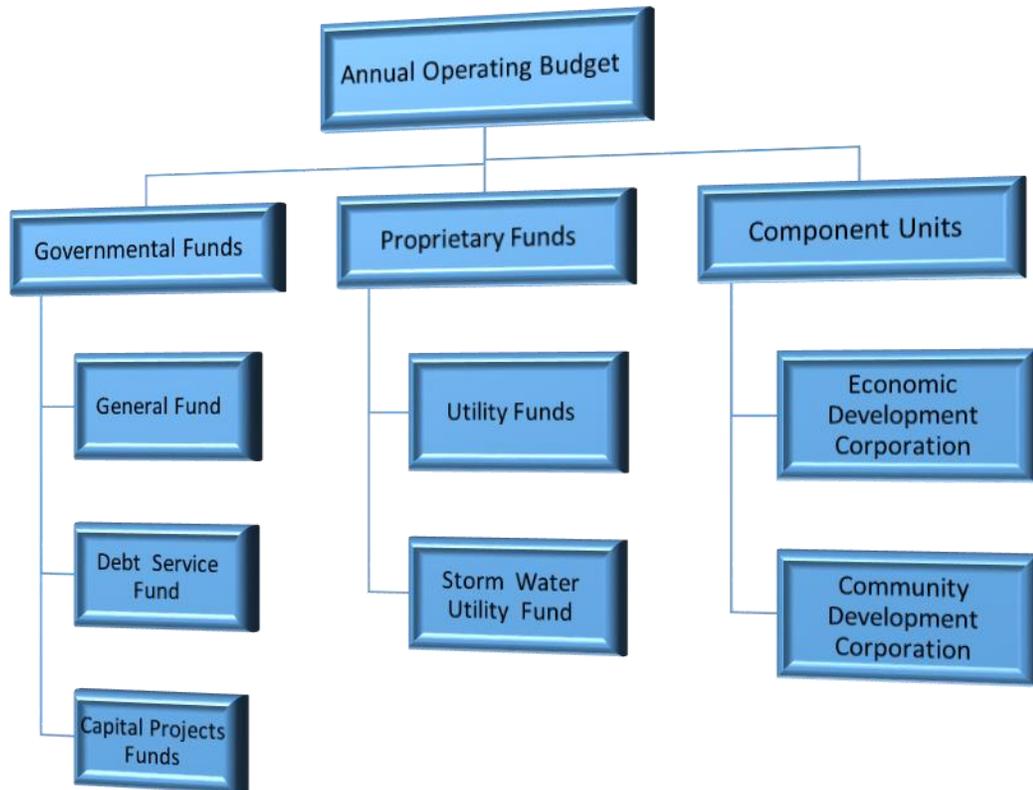
| | Number of Hours | Hourly Rate | Total Proposed |
|------------------------------------|-----------------|-------------|----------------|
| Partner | | | |
| Manager | | | |
| Supervisor | | | |
| Audit Staff | | | |
| Audit Staff | | | |
| Support Staff | | | |
| Subtotal | | | \$ |
| Other Expense | | | \$ |
| TOTAL MAXIMUM price for 2020 audit | | | \$ |

| | Number of Hours | Hourly Rate | Total Proposed |
|------------------------------------|-----------------|-------------|----------------|
| Partner | | | |
| Manager | | | |
| Supervisor | | | |
| Audit Staff | | | |
| Audit Staff | | | |
| Support Staff | | | |
| Subtotal | | | \$ |
| Other Expense | | | \$ |
| TOTAL MAXIMUM price for 2021 audit | | | \$ |

| | Number of Hours | Hourly Rate | Total Proposed |
|------------------------------------|-----------------|-------------|----------------|
| Partner | | | |
| Manager | | | |
| Supervisor | | | |
| Audit Staff | | | |
| Audit Staff | | | |
| Support Staff | | | |
| Subtotal | | | \$ |
| Other Expense | | | \$ |
| TOTAL MAXIMUM price for 2022 audit | | | \$ |
| Projected Audit price – 2023 | | | \$ |
| Projected Audi price – 2024 | | | \$ |

APPENDIX B

City of Princeton, Texas Fund Structure



APPENDIX C

Respondent Warranties

- A. Respondent warrants that it is willing and able to comply with State of Texas laws with respect to foreign (non-state of Texas) corporations.
- B. Respondent warrants that is willing and able to obtain an errors and omissions insurance policy providing a prudent amount of coverage for the willful acts, or omissions of any officers, employees or agents thereof.
- C. Respondent warrants that it will not delegate or subcontract its responsibilities under an agreement without the prior written permission of the City of Princeton.
- D. Respondent warrants that all information provided by it in connection with this proposal is true and accurate.
- E. Respondent warrants that it understands and will adhere to the requirements set forth in this RFP and all of the requirements of the RFP that will be an attachment to the contract. Respondent also warrants that any additions, changes, or deletions made during negotiations will be made a part of this proposal under a binding contract between the City of Princeton, Texas and the successful Respondent.
- F. Respondent warrants that this proposal is made without previous understanding, agreement, or connection with any person, firm, or corporation making a proposal for the same materials, and is in all ways and without collusion or fraud.

Must be signed below by an authorized company representative:

Signature: _____

Name (printed): _____

Title: _____

Firm: _____

Date: _____

APPENDIX D

INSURANCE REQUIREMENTS

The successful Respondent shall at Respondent's own expense, purchase, maintain and keep in force during the term of this contract such insurance as set forth below. Respondent shall not commence work under this contract until Respondent has provided certified copies of all insurance certificates to the City's Director of Finance and such insurance has been approved by the City. The insurance requirements shall remain in effect throughout the term of this Contract.

1. Professional Liability Insurance: including contractual liability in an amount not less than \$1,000,000.
2. Commercial General Liability Insurance: \$1,000,000 combined single limit per occurrence for bodily injury, personal injury, and property damage. This policy shall have no coverage removed by exclusions.
3. Automobile Liability: \$1,000,000 combined single limit per accident for bodily injury and property damage, including owned, non-owned, and hired vehicle coverage.
4. Workers' Compensation: Statutory limits as required by Texas Law, including employer's liability coverage at \$500,000. In addition to these, the contractor must meet each stipulation below as required by the Texas Workers Compensation Commission; (Note: if you have questions concerning these requirements, you are instructed to contact the TWC.)
 - a. By signing the contract or providing or causing to be provided a certificate of coverage, the contractor is representing to the governmental entity that all employees of the contractor who will provide services on the project will be covered by workers compensation coverage for the duration of the project, that the coverage will be based on proper reporting of classification codes and payroll amounts, and that all coverage agreements will be filed with the appropriate insurance carrier or, in the case of a self-insured, with the commission's Division of Self-Insurance Regulation. Providing false or misleading information may subject the contractor to administrative penalties, criminal penalties, civil penalties, or other civil actions.
 - b. The contractor's failure to comply with any of these provisions is a breach of contract by the contractor which entitles the governmental entity to declare the contract void if the contractor does not remedy the breach within 10 (ten) days after receipt of notice of breach from the governmental entity.

Additional Requirements:

1. City shall be named as an additional insured on the Commercial General Liability and Automobile Liability Insurance policies. These insurance policies shall contain the appropriate additional insured endorsement signed by a person authorized by that insurer to bind coverage on its behalf.
2. Should Professional Liability Coverage be provided on a "claim-made" form, the successful Respondent must maintain this policy for a period of four (4) years after completion of this project or purchase the extended reporting period or "tail coverage".
3. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, cancelled, reduced in coverage, or in limits except after thirty (30) days prior written notice has been provided to the City.

REFERENCES

Please complete and return this form with the Proposal

FIRM: _____ Date: _____

Provide the name, address, telephone number and email of at least three (3) municipal and/or government agencies or firms of comparable size that have utilized similar service within the last two (2) years. References may be checked prior to award. Any negative response received may result in disqualification of submittal.

| | |
|------------------------------------|--|
| Entity Name | |
| Name of Contact | |
| Contact Title | |
| Email address of contact | |
| Present street and mailing address | |
| City, state, zip code | |
| Telephone number | |

| | |
|------------------------------------|--|
| Entity Name | |
| Name of Contact | |
| Contact Title | |
| Email address of contact | |
| Present street and mailing address | |
| City, state, zip code | |
| Telephone number | |

| | |
|------------------------------------|--|
| Entity Name | |
| Name of Contact | |
| Contact Title | |
| Email address of contact | |
| Present street and mailing address | |
| City, state, zip code | |
| Telephone number | |

FAILURE TO PROVIDE THIS INFORMATION WITH THE PROPOSAL MAY AUTOMATICALLY DISQUALIFY THE RESPONSE FROM CONSIDERATION FOR AWARD.