



## SERVICE AGREEMENT NO. 1975

### Professional Auditing Services

THIS **Professional Auditing Services Agreement** ("Agreement") is entered into by and between the City of Corpus Christi, a Texas home-rule municipal corporation ("City") and Weaver and Tidwell, LLP ("Contractor"), effective upon execution by the City Manager or the City Manager's designee ("City Manager").

WHEREAS, Contractor has bid to provide Professional Auditing Services in response to Request for Bid/Proposal No. 1975 ("RFB/RFP"), which RFB/RFP includes the required scope of work and all specifications and which RFB/RFP and the Contractor's bid or proposal response, as applicable, are incorporated by reference in this Agreement as Exhibits 1 and 2, respectively, as if each were fully set out here in its entirety.

NOW, THEREFORE, City and Contractor agree as follows:

1. **Scope.** Contractor will provide Professional Auditing Services ("Services") in accordance with the attached Scope of Work, as shown in Attachment A, the content of which is incorporated by reference into this Agreement as if fully set out here in its entirety, and in accordance with Exhibit 2.
2. **Term.** This Agreement is for three years, with performance commencing upon the date of issuance of a notice to proceed from the Contract Administrator or Purchasing Division. The parties may mutually extend the term of this Agreement for up to two additional one-year periods ("Option Period(s)"), provided, the parties do so in writing and prior to the expiration of the original term or the then-current Option Period. The City's extension authorization must be executed by the City Manager or designee.
3. **Compensation and Payment.** This Agreement is for an amount not to exceed \$608,000.00, subject to approved extensions and changes. Payment will be made for Services completed and accepted by the City within 30 days of acceptance, subject to receipt of an acceptable invoice. All pricing must be in accordance with the attached Bid/Pricing Schedule, as shown in Attachment B, the content of which is incorporated by reference into this Agreement as if fully set out here in its entirety. Any amount not expended during the initial term or any option period may, at the City's discretion, be allocated for use in the next option period.

Invoices will be mailed to the following address with a copy provided to the Contract Administrator:

City of Corpus Christi  
Attn: Accounts Payable  
P.O. Box 9277  
Corpus Christi, Texas 78469-9277

4. **Contract Administrator.** The Contract Administrator designated by the City is responsible for approval of all phases of performance and operations under this Agreement, including deductions for non-performance and authorizations for payment. The City's Contract Administrator for this Agreement is as follows:

Name: Judy Sandroussi  
Department: Finance  
Phone: 361-826-3669  
Email: JudyS@cctexas.com

5. **Insurance; Bonds.**

(A) Before performance can begin under this Agreement, the Contractor must deliver a certificate of insurance ("COI"), as proof of the required insurance coverages, to the City's Risk Manager and the Contract Administrator. Additionally, the COI must state that the City will be given at least 30 days' advance written notice of cancellation, material change in coverage, or intent not to renew any of the policies. The City must be named as an additional insured. The City Attorney must be given copies of all insurance policies within 10 days of the City Manager's written request. Insurance requirements are as stated in Attachment C, the content of which is incorporated by reference into this Agreement as if fully set out here in its entirety.

(B) In the event that a payment bond, a performance bond, or both, are required of the Contractor to be provided to the City under this Agreement before performance can commence, the terms, conditions, and amounts required in the bonds and appropriate surety information are as included in the RFB/RFP or as may be added to Attachment C, and such content is incorporated here in this Agreement by reference as if each bond's terms, conditions, and amounts were fully set out here in its entirety.

6. **Purchase Release Order.** For multiple-release purchases of Services to be provided by the Contractor over a period of time, the City will exercise its right to specify time, place and quantity of Services to be delivered in the following manner: any City department or division may send to Contractor a purchase release order signed by an authorized agent of the department or division. The purchase release order must refer to this Agreement, and Services will not be rendered until the Contractor receives the signed purchase release order.

**7. Inspection and Acceptance.** City may inspect all Services and products supplied before acceptance. Any Services or products that are provided but not accepted by the City must be corrected or re-worked immediately at no charge to the City. If immediate correction or re-working at no charge cannot be made by the Contractor, a replacement service may be procured by the City on the open market and any costs incurred, including additional costs over the item's bid/proposal price, must be paid by the Contractor within 30 days of receipt of City's invoice.

**8. Warranty.**

(A) The Contractor warrants that all products supplied under this Agreement are new, quality items that are free from defects, fit for their intended purpose, and of good material and workmanship. The Contractor warrants that it has clear title to the products and that the products are free of liens or encumbrances.

(B) In addition, the products purchased under this Agreement shall be warranted by the Contractor or, if indicated in Attachment D by the manufacturer, for the period stated in Attachment D. Attachment D is attached to this Agreement and is incorporated by reference into this Agreement as if fully set out here in its entirety.

(C) Contractor warrants that all Services will be performed in accordance with the standard of care used by similarly situated contractors performing similar services.

**9. Quality/Quantity Adjustments.** Any Service quantities indicated on the Bid/Pricing Schedule are estimates only and do not obligate the City to order or accept more than the City's actual requirements nor do the estimates restrict the City from ordering less than its actual needs during the term of the Agreement and including any Option Period. Substitutions and deviations from the City's product requirements or specifications are prohibited without the prior written approval of the Contract Administrator.

**10. Non-Appropriation.** The continuation of this Agreement after the close of any fiscal year of the City, which fiscal year ends on September 30<sup>th</sup> annually, is subject to appropriations and budget approval specifically covering this Agreement as an expenditure in said budget, and it is within the sole discretion of the City's City Council to determine whether or not to fund this Agreement. The City does not represent that this budget item will be adopted, as said determination is within the City Council's sole discretion when adopting each budget.

**11. Independent Contractor.** Contractor will perform the work required by this Agreement as an independent contractor and will furnish such Services in its own

manner and method, and under no circumstances or conditions will any agent, servant or employee of the Contractor be considered an employee of the City.

- 12. Subcontractors.** Contractor may use subcontractors in connection with the work performed under this Agreement. When using subcontractors, however, the Contractor must obtain prior written approval from the Contract Administrator unless the subcontractors were named in the bid or proposal or in an Attachment to this Agreement, as applicable. In using subcontractors, the Contractor is responsible for all their acts and omissions to the same extent as if the subcontractor and its employees were employees of the Contractor. All requirements set forth as part of this Agreement, including the necessity of providing a COI in advance to the City, are applicable to all subcontractors and their employees to the same extent as if the Contractor and its employees had performed the work. The City may, at the City's sole discretion, choose not to accept Services performed by a subcontractor that was not approved in accordance with this paragraph.
- 13. Amendments.** This Agreement may be amended or modified only in writing executed by authorized representatives of both parties.
- 14. Waiver.** No waiver by either party of any breach of any term or condition of this Agreement waives any subsequent breach of the same.
- 15. Taxes.** The Contractor covenants to pay payroll taxes, Medicare taxes, FICA taxes, unemployment taxes and all other applicable taxes. Upon request, the City Manager shall be provided proof of payment of these taxes within 15 days of such request.
- 16. Notice.** Any notice required under this Agreement must be given by fax, hand delivery, or certified mail, postage prepaid, and is deemed received on the day faxed or hand-delivered or on the third day after postmark if sent by certified mail. Notice must be sent as follows:

**IF TO CITY:**

City of Corpus Christi

Attn: Judy Sandroussi

Title: Controller

Address: 1201 Leopard Street, Corpus Christi, Texas 78401

Phone: 361-826-3669

Fax: 361-880-3601

**IF TO CONTRACTOR:**

Weaver and Tidwell, LLP

Attn: Laura Lambert

Title: Partner

Address: 24 Greenway Plaza, Suite 1800, Houston, Texas 77046

Phone: 713-850-8787

Fax: 713-850-1673

**17. CONTRACTOR SHALL FULLY INDEMNIFY, HOLD HARMLESS AND DEFEND THE CITY OF CORPUS CHRISTI AND ITS OFFICERS, EMPLOYEES AND AGENTS ("INDEMNITEES") FROM AND AGAINST ANY AND ALL LIABILITY, LOSS, CLAIMS, DEMANDS, SUITS, AND CAUSES OF ACTION OF WHATEVER NATURE, CHARACTER, OR DESCRIPTION ON ACCOUNT OF PERSONAL INJURIES, PROPERTY LOSS, OR DAMAGE, OR ANY OTHER KIND OF INJURY, LOSS, OR DAMAGE, INCLUDING ALL EXPENSES OF LITIGATION, COURT COSTS, ATTORNEYS' FEES AND EXPERT WITNESS FEES, WHICH ARISE OR ARE CLAIMED TO ARISE OUT OF OR IN CONNECTION WITH A BREACH OF THIS AGREEMENT OR THE PERFORMANCE OF THIS AGREEMENT BY THE CONTRACTOR OR RESULTS FROM THE NEGLIGENT ACT, OMISSION, MISCONDUCT, OR FAULT OF THE CONTRACTOR OR ITS EMPLOYEES OR AGENTS. CONTRACTOR MUST, AT ITS OWN EXPENSE, INVESTIGATE ALL CLAIMS AND DEMANDS, ATTEND TO THEIR SETTLEMENT OR OTHER DISPOSITION, DEFEND ALL ACTIONS BASED THEREON WITH COUNSEL SATISFACTORY TO THE CITY ATTORNEY, AND PAY ALL CHARGES OF ATTORNEYS AND ALL OTHER COSTS AND EXPENSES OF ANY KIND ARISING OR RESULTING FROM ANY SAID LIABILITY, DAMAGE, LOSS, CLAIMS, DEMANDS, SUITS, OR ACTIONS. THE INDEMNIFICATION OBLIGATIONS OF CONTRACTOR UNDER THIS SECTION SHALL SURVIVE THE EXPIRATION OR EARLIER TERMINATION OF THIS AGREEMENT.**

**18. Termination.**

(A) The City Manager may terminate this Agreement for Contractor's failure to perform the work specified in this Agreement or to keep any required insurance policies in force during the entire term of this Agreement. The Contract Administrator must give the Contractor written notice of the breach and set out a reasonable opportunity to cure. If the Contractor has not cured within the cure period, the City Manager may terminate this Agreement immediately thereafter.

(B) Alternatively, the City Manager may terminate this Agreement for convenience upon 30 days advance written notice to the Contractor. The City Manager may also terminate this Agreement upon 24 hours written notice to the

Contractor for failure to pay or provide proof of payment of taxes as set out in this Agreement.

19. **Assignment.** No assignment of this Agreement by the Contractor, or of any right or interest contained herein, is effective unless the City Manager first gives written consent to such assignment. The performance of this Agreement by the Contractor is of the essence of this Agreement, and the City Manager's right to withhold consent to such assignment is within the sole discretion of the City Manager on any ground whatsoever.
20. **Severability.** Each provision of this Agreement is considered to be severable and, if, for any reason, any provision or part of this Agreement is determined to be invalid and contrary to applicable law, such invalidity shall not impair the operation of nor affect those portions of this Agreement that are valid, but this Agreement shall be construed and enforced in all respects as if the invalid or unenforceable provision or part had been omitted.
21. **Order of Precedence.** In the event of any conflicts or inconsistencies between this Agreement, its attachments, and exhibits, such conflicts and inconsistencies will be resolved by reference to the documents in the following order of priority:
  - A. this Agreement (excluding attachments and exhibits);
  - B. its attachments;
  - C. the bid solicitation document including any addenda (Exhibit 1); then,
  - D. the Contractor's bid response (Exhibit 2).
22. **Certificate of Interested Parties.** Contractor agrees to comply with Texas Government Code Section 2252.908, as it may be amended, and to complete Form 1295 "Certificate of Interested Parties" as part of this Agreement if required by said statute.
23. **Verification Regarding Israel.** In accordance with Chapter 2270, Texas Government Code, the City may not enter into a contract with a company for goods or services unless the contract contains a written verification from the company that it: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the contract. The signatory executing this Agreement on behalf of the Contractor verifies that the company does not boycott Israel and will not boycott Israel during the term of this Agreement.
24. **Governing Law.** This Agreement is subject to all federal, State, and local laws, rules, and regulations. The applicable law for any legal disputes arising out of this Agreement is the law of the State of Texas, and such form and venue for such disputes is the appropriate district, county, or justice court in and for Nueces County, Texas.

25. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties concerning the subject matter of this Agreement and supersedes all prior negotiations, arrangements, agreements and understandings, either oral or written, between the parties

**CONTRACTOR**

Signature: Laura M Lambert

Printed Name: Laura M. Lambert

Title: Partner

Date: May 7, 2019

**CITY OF CORPUS CHRISTI**

Kim Baker  
Director of Contracts and Procurement

Date: \_\_\_\_\_

**Attached and Incorporated by Reference:**

Attachment A: Scope of Work  
Attachment B: Bid/Pricing Schedule  
Attachment C: Insurance and Bond Requirements  
Attachment D: Warranty Requirements

**Incorporated by Reference Only:**

Exhibit 1: RFB/RFP No. 1975  
Exhibit 2: Contractor's Bid/Proposal Response

## ATTACHMENT A: SCOPE OF WORK

### 1.1. Background and Description of the City

#### A. General

1. The City of Corpus Christi is comprised of a 504 square mile area with an estimated population of 325,605. The City of Corpus Christi's fiscal year begins on October 1 and ends on September 30.
2. The City of Corpus Christi operates under a Council-Manager form of government and provides such services as are authorized by its charter to advance the welfare, health, morale, comfort, safety, and convenience of the City and its inhabitants.
3. The City of Corpus Christi provides the following services to its citizens:
  - a. Public Safety (police and fire protection, building inspection, street lighting and traffic signals, and civil defense)
  - b. Public Services (water, wastewater collection and disposal, gas, garbage collection and disposal, maintenance of streets, and storm water drainage)
  - c. Community Enrichment (libraries, parks, recreational facilities, marina, municipal beaches, golf courses, swimming pools, tennis courts, baseball and softball diamonds, and senior citizen centers)
  - d. Airport
  - e. Preventative Health Facilities
  - f. Convention Center and Arena
4. The City of Corpus Christi has a total payroll of \$165,717,689 in Fiscal Year 2017, covering 3,105 employees.
5. The City of Corpus Christi is organized into 31 departments and agencies. See Attachment A1 for an organizational chart. The accounting and financial reporting functions of the City of Corpus Christi are centralized.
6. More detailed information on the government and its finances, including the City's Comprehensive Annual Financial Reports, can be found at the City's website located at <http://www.cctexas.com/financial-transparency>, as well as the Official Statements available on Municipal Securities Rulemaking Board ([www.msrb.org](http://www.msrb.org)).
7. Prior year's audit reports can be viewed at the following link, under the section titled "Financial Reports (CAFR)": <http://www.cctexas.com/financial-transparency>.



B. Fund Structure

The City of Corpus Christi uses the following fund types and account groups in its financial reporting:

<u>Fund Type/Account Group</u>	<u>Number of Individual Funds</u>	<u>Number with Legally Adopted Annual Budgets</u>
General Fund	1	1
Special Revenue Funds	17	11
Debt Service Funds	3	3
Capital Projects Funds	13	0
Enterprise Funds	6	6
Internal Service Funds	6	6
Expendable Trust Funds	2	0
Blended Component Units	7	4

C. Budgetary Basis of Accounting

Annual budgets are legally adopted on a basis consistent with generally accepted accounting principles for all governmental funds except the Federal/State Grant Fund, capital project funds, community enrichment fund, infrastructure fund, the Corpus Christi Community Improvement Corporation Fund (CCCIC), the Corpus Christi Housing Finance Corporation Fund (CCHFC), the Corpus Christi Industrial Development Corporation Fund (CCIDC), and the Corpus Christi Health Facilities Development Corporation (CCHFDC). The Federal/State Grant Funds and the capital projects funds adopt project-length budgets. Budgets were not adopted for the CCCIC, CCHFC, CCIDC, and the CCHFDC.

D. Federal and State Awards

During the fiscal year to be audited, the City of Corpus Christi received or will receive Federal and State awards.

E. Pension Plans

The City participates in funding two retirement plans: (1) all City employees, except firefighters, are provided benefits through a non-institutional, joint contributory, defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS), an agent multiple-employer public employee retirement system; and (2) all firefighters are covered by the Fire Fighters Retirement System of Corpus Christi, a single-employer defined benefit pension plan.

F. Component Units

Management of the City of Corpus Christi has addressed all potential component units for which the City may be financially accountable and, as such, have been included within the City's financial statements. The City (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization, or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the City. In doing so, management has

considered other organizations for which the nature and significance of their relationship with the City of Corpus Christi are such that exclusion would cause the City of Corpus Christi's financial statements to be misleading or incomplete.

G. Blended Component Units

1. The following entities have been identified as blended component units due to the closeness of their relationship with the City of Corpus Christi: Corpus Christi Community Improvement Corporation, Corpus Christi Housing Finance Corporation, Corpus Christi Industrial Development Corporation, Corpus Christi Crime Control and Prevention District, Corpus Christi Business and Job Development Corporation, Corpus Christi Type B Corporation, and the North Padre Island Development Corporation.
2. The blended component units are included in the government fund statements as non-major government funds.

H. Related Organizations and Jointly Governed Organizations

1. Related organizations and jointly governed organizations provide services within the City that are administered by separate boards or commissions, but the City is not financially accountable, and such organizations are therefore not component units of the City, even though the City Council may appoint a voting majority of an organization's board members. Consequently, financial information for the Coastal Bend Council of Governments, the Regional Transit Authority, the Corpus Christi Housing Authority, and the Corpus Christi Regional Economic Development Corporation are not included in the City's financial statements.
2. The City of Corpus Christi does not participate in joint ventures with other governments.

I. Magnitude of Financial Operations

The financial services department is headed by Constance Sanchez, Director of Financial Services, and consists of 97 employees. The principal functions performed and the number of employees assigned to each are as follows:

<u>Function</u>	<u>Number of Employees</u>
Finance Administration	4
Accounting	28
Treasury	15
Collections	31
Purchasing/Inventory	19
<b>Total</b>	<b>97</b>

## J. Computer Systems

### SOFTWARE

Make	Major Applications
INFOR Financials	General Ledger, Accounts Payable, Accounts Receivable, Activities, Asset Management, Purchasing, Travel and Expense, Flex Budgeting (Commitment Control) and Inventory
INFOR CPM	Budget
INFOR HR & Payroll	Human Resources, Benefits Administration, e-Recruit, & Payroll
Sympro	Debt Service & Investments
INFOR IPS	Utility Systems <ul style="list-style-type: none"><li>• Customer Billing</li><li>• Work Orders</li></ul>
INFOR CDR	Community Development <ul style="list-style-type: none"><li>• Building Permits</li><li>• Business Licenses</li><li>• Code Enforcement</li><li>• Health Permits</li></ul>
RCS	Cash Receipts

### DATABASES

Type	Uses
Hosted Managed Services	INFOR

## K. Working Papers

1. All working papers and reports must be retained, at the Contractor's expense, for a minimum of three years, unless the firm is notified in writing by the City of Corpus Christi of the need to extend the retention period. The Contractor will be required to make working papers available, upon request, to the following parties or their designees:
  - a. United States Department of Housing and Urban Development,
  - b. U.S. General Accounting Office (GAO),
  - c. Parties designated by the federal or state governments or by the City of Corpus Christi as part of an audit quality review process, and
  - d. Auditors of entities of which the City of Corpus Christi is a sub-recipient of grant funds.

2. In addition, the Contractor shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.
- L. The Schedule of Expenditures of Federal Awards and related auditor's report, as well as the reports on compliance and internal controls, are to be issued along with the CAFR. In the future, the City may decide to issue the Schedule of Expenditures of Federal Awards separately. Prior year Schedule of Expenditure can be found on the yearly Comprehensive Annual Reports (CAFR) located online at: <http://www.cctexas.com/financial-transparency>.

## **1.2. Scope of Work**

- A. The Contractor shall audit financial statements for the fiscal years ending September 30, 2019, 2020, and 2021. These audits are to be performed in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the provisions of the federal Single Audit Act Amendments of 1996, U.S. Office of Management and Budget (OMB), Uniform Guidance for Federal Awards, OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and/or the State of Texas Single Audit Circular, as applicable.
- B. The Contractor shall express an opinion on the fair presentation of its basic financial statements and the fair representation of the financial statements of individual funds and component units in conformity with auditing standards generally accepted in the United States of America as included in Statements on Auditing Standards, published by the American Institute of Certified Public Accountants and *Government Auditing Standards* issued by the Comptroller General of the United States. The Contractor is required to perform tests of compliance and internal control based on the audit of the basic financial statements and is also required to audit the compliance of the City with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Uniform Guidance for Federal Awards and Circular A-133 Compliance Supplement and/or the State of Texas Single Audit Circular that are applicable to each of its major federal and/or state programs. The Contractor is not required to audit the statistical section of the report.
- C. The Contractor must issue an independent auditor's report on compliance and internal controls based on an audit of the basic financial statements performed in accordance with Government Auditing Standards, as well as an independent auditor's report on compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133 and State of Texas Single Audit Circular.
- D. The Contractor must complete the Audit no later than six months after the City's fiscal year end unless an extension is mutually agreed upon by both parties.

- E. The Contractor will submit a list of findings and other internal control weaknesses from the City of Corpus Christi's financial statement audit.
- F. The Contractor will perform the Passenger Facility Charge (PFC) audit annually as required by the Federal Aviation Administration (FAA) in accordance with the compliance requirements described in the Passenger Facility Charge Audit Guide for Public Agencies (the "Guide"), issued by the Federal Aviation Administration.
- G. The Contractor will perform a separate agreed-upon procedures engagement annually related to the City's financial assurances to the Texas Commission on Environmental Quality (TCEQ) required by the Texas Administrative Code Title 30, Part 1, Chapter 37.
- H. The Contractor will provide eight hours of continuing education for City Staff's Certified Public Accountant continuing education hours annually. Continuing education topics will include but are not limited to: new or changing accounting rules and regulations for the yearly audits, addressing issues that arose during prior audits, training for grant program managers, or any other training that will be beneficial to the financial health of the City of Corpus Christi. Continuing education training will take place face-to-face. Dates, times, and topics will be approved by the Contractor Administrator prior to scheduling.

### **1.3. Requirements**

Following the completion of the Audit of the fiscal year's financial statements, the Contractor shall issue the following:

- A. A report on the fair presentation of the financial statements in conformity with the accounting principles generally accepted in the United States of America, including an opinion of the fair presentation of the supplementary schedule of expenditures of federal awards in relation to the audited financial statements.
- B. A report on compliance and internal control over financial reporting based on an audit of the basic financial statements.
- C. A report on compliance and internal control over compliance applicable to each major federal program and each major state program.
- D. A schedule of findings and questioned costs for each major federal program and each major state program.
- E. A letter to management addressing any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design of operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.
- F. The report on compliance and internal controls shall include all material instances of noncompliance. All nonmaterial instances of noncompliance shall

be reported in a separate management letter, which shall be referred to in the report on compliance and internal controls.

- G. Irregularities and Illegal Acts. The Contractor must make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the City Manager and Audit Committee who will report to the City Council.
- H. During the term of the engagement, Contractor shall assure themselves that the City Council through the Audit Committee is informed of each of the following:
  - 1. The auditor's responsibility under generally accepted auditing standards
  - 2. Significant accounting policies
  - 3. Management judgements and accounting estimates
  - 4. Significant audit adjustments
  - 5. Other information in documents containing audited financial statements
  - 6. Disagreements with management
  - 7. Management consultation with other accountants
  - 8. Major issues discussed with management
  - 9. Difficulties encountered in performing the audit

#### **1.4. Special Considerations**

The City of Corpus Christi will perform the following tasks:

- A. The City of Corpus Christi will send its comprehensive annual financial report to the Government Finance Officers Association of the United States and Canada for review in their Certificate of Achievement for Excellence in Financial Reporting Program. It is anticipated that the Contractor will be required to provide special assistance to the City of Corpus Christi to meet the requirements of that program.
- B. The City of Corpus Christi currently anticipates it will prepare one or more official statements per year in connection with the sale of debt securities which will contain the government-wide financial statements and the auditor's report thereon. The Contractor shall be required, if requested by the financial advisor and/or the underwriter, to issue a "consent and citation of expertise" as the auditor and any necessary "comfort letters". The Contractor performs agreed upon procedures with respect to the City's computation of pro forma annual debt service coverage and provides a certificate to that effect, at no additional cost.

### **1.5. Compensation and Payment**

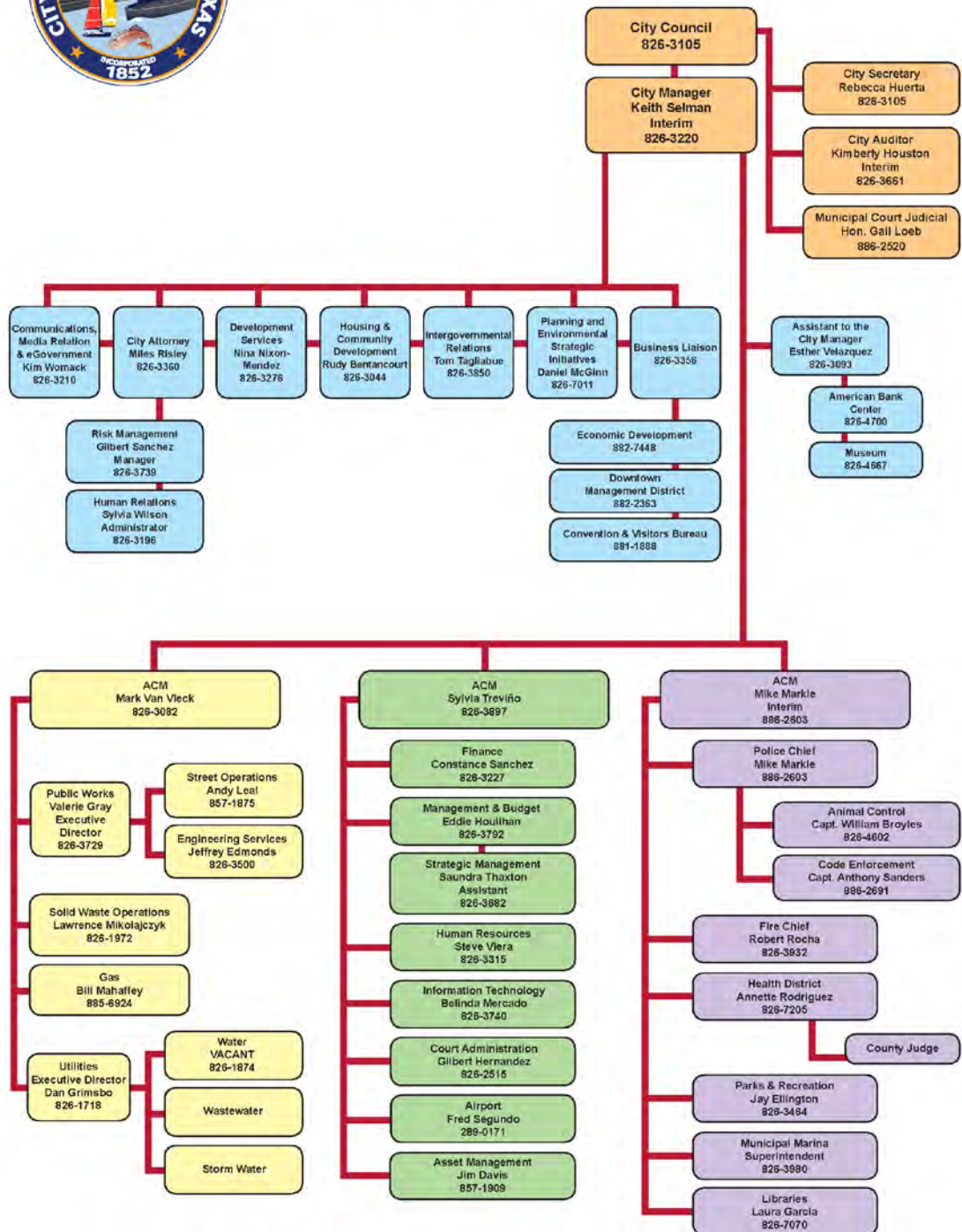
The Contractor shall provide the following deliverables:

- A. The Contractor shall complete the audit planning and risk assessment.
- B. The Contractor shall complete the audit interim fieldwork.
- C. The Contractor shall complete the audit year-end fieldwork.
- D. The Contractor shall review the single audit and CAFR and issue all relevant reports and audit opinions.
- E. The Contractor shall provide the Passenger Facility Audit and issue all relevant reports and audit opinions.
- F. The Contractor shall provide the TCEQ Financial Assurances and issue all relevant reports.
- G. The Contractor shall provide Continuing Education Training for City Staff Certified Public Accountants.

## Scope of Work Attachment A1



### City of Corpus Christi Organizational Chart





## ATTACHMENT B: PRICING SCHEDULE



### CITY OF CORPUS CHRISTI Pricing Form PURCHASING DIVISION

RFP No. 1975  
Professional Auditing Services

PAGE 1 OF 3

DATE: 12/17/2018  
Weaver and Tidwell, L.L.P.

PROPOSER

*Laura M Lambert*  
AUTHORIZED SIGNATURE

1. Refer to "Instructions to Proposers" and Contract Terms and Conditions before completing proposal.
2. Provide your best price for each item.
3. In submitting this proposal, Proposer certifies that:
  - a. the prices in this proposal have been arrived at independently, without consultation, communication, or agreement with any other Proposer or competitor, for the purpose of restricting competition with regard to prices;
  - b. Proposer is an Equal Opportunity Employer; and the Disclosure of Interest Information on file with City's purchasing office, pursuant to the Code of Ordinances, is current and true.
  - c. Proposer has incorporated any changes issue through Addenda to the RFP in this pricing.

ITEM	DESCRIPTION	QTY	UNIT	UNIT PRICE
1.0	Audit Planning and Risk Assessment Year One	1	Lump Sum	\$14,700
2.0	Audit Interim Fieldwork Year One	1	Lump Sum	\$23,500
3.0	Audit Year-end Fieldwork Year One	1	Lump Sum	\$108,000
4.0	Review of Single Audit and CAFR Year One	1	Lump Sum	\$41,600
5.0	Passenger Facility Audit Year One	1	Lump Sum	\$3,500

ITEM	DESCRIPTION	QTY	UNIT	UNIT PRICE
6.0	TCEQ Financial Assurances Year One	1	Lump Sum	\$2,500
7.0	Continuing Education Training for City Staff Certified Public Accountants Year One (8 hrs)	1	Lump Sum	\$3,000
8.0	Audit Planning and Risk Assessment Year Two	1	Lump Sum	\$15,100
9.0	Audit Interim Fieldwork Year Two	1	Lump Sum	\$24,200
10.0	Audit Year-end Fieldwork Year Two	1	Lump Sum	\$111,300
11.0	Review of Single Audit and CAFR Year Two	1	Lump Sum	\$42,800
12.0	Passenger Facility Audit Year Two	1	Lump Sum	\$3,700
13.0	TCEQ Financial Assurances Year Two	1	Lump Sum	\$2,500
14.0	Continuing Education Training for City Staff Certified Public Accountants Year Two (8 hrs)	1	Lump Sum	\$3,000
15.0	Audit Planning and Risk Assessment Year Three	1	Lump Sum	\$15,600
16.0	Audit Interim Fieldwork Year Three	1	Lump Sum	\$24,900

ITEM	DESCRIPTION	QTY	UNIT	UNIT PRICE
17.0	Audit Year-end Fieldwork Year Three	1	Lump Sum	\$114,600
18.0	Review of Single Audit and CAFR Year Three	1	Lump Sum	\$44,100
19.0	Passenger Facility Audit Year Three	1	Lump Sum	\$3,900
20.0	TCEQ Financial Assurances Year Three	1	Lump Sum	\$2,500
21.0	Continuing Education Training for City Staff Certified Public Accountants Year Three (8 hrs)	1	Lump Sum	\$3,000
TOTAL				\$608,000



**CITY OF CORPUS CHRISTI**  
**Pricing Form – Extension Year 1 & 2**  
**PURCHASING DIVISION**

**RFP No. 1975**  
**Professional Auditing Services**

**PAGE 1 OF 2**

**DATE:** 4/17/2019  
Weaver and Tidwell, L.L.P.

**PROPOSER**

*Laura M Lambert*  
**AUTHORIZED SIGNATURE**

- 1. Refer to "Instructions to Proposers" and Contract Terms and Conditions before completing proposal.**
- 2. Provide your best price for each item.**
- 3. In submitting this proposal, Proposer certifies that:**
  - a. the prices in this proposal have been arrived at independently, without consultation, communication, or agreement with any other Proposer or competitor, for the purpose of restricting competition with regard to prices;
  - b. Proposer is an Equal Opportunity Employer; and the Disclosure of Interest information on file with City's purchasing office, pursuant to the Code of Ordinances, is current and true.
  - c. Proposer has incorporated any changes issue through Addenda to the RFP in this pricing.

ITEM	DESCRIPTION	QTY	UNIT	UNIT PRICE
22.0	Audit Planning and Risk Assessment Extension Year One	1	Lump Sum	\$16,100
23.0	Audit Interim Fieldwork Extension Year One	1	Lump Sum	25,600
24.0	Audit Year-end Fieldwork Extension Year One	1	Lump Sum	118,000
25.0	Review of Single Audit and CAFR Extension Year One	1	Lump Sum	45,400
26.0	Passenger Facility Audit Extension Year One	1	Lump Sum	4,000

ITEM	DESCRIPTION	QTY	UNIT	UNIT PRICE
27.0	TCEQ Financial Assurances Extension Year One	1	Lump Sum	2,600
28.0	Continuing Education Training for City Staff Certified Public Accountants Extension Year One	1	Lump Sum	3,000
29.0	Audit Planning and Risk Assessment Extension Year Two	1	Lump Sum	16,600
30.0	Audit Interim Fieldwork Extension Year Two	1	Lump Sum	26,400
31.0	Audit Year-end Fieldwork Extension Year Two	1	Lump Sum	121,500
32.0	Review of Single Audit and CAFR Extension Year Two	1	Lump Sum	46,800
33.0	Passenger Facility Audit Extension Year Two	1	Lump Sum	4,100
34.0	TCEQ Financial Assurances Extension Year Two	1	Lump Sum	2,600
35.0	Continuing Education Training for City Staff Certified Public Accountants Extension Year Two	1	Lump Sum	3,000
TOTAL				435,700

## ATTACHMENT C: INSURANCE AND BOND REQUIREMENTS

### I. CONTRACTOR'S LIABILITY INSURANCE

- A. Contractor must not commence work under this agreement until all insurance required has been obtained and such insurance has been approved by the City. Contractor must not allow any subcontractor Agency to commence work until all similar insurance required of any subcontractor Agency has been obtained.
- B. Contractor must furnish to the City's Risk Manager and Director Human Resources, 2 copies of Certificates of Insurance (COI) with applicable policy endorsements showing the following minimum coverage by an insurance company(s) acceptable to the City's Risk Manager. The City must be listed as an additional insured on the General liability and Auto Liability policies **by endorsement**, and a waiver of subrogation is required on all applicable policies. **Endorsements** must be provided with COI. Project name and or number must be listed in Description Box of COI.

TYPE OF INSURANCE	MINIMUM INSURANCE COVERAGE
<b>30-written day notice of cancellation, required on all certificates or by applicable policy endorsements</b>	<b>Bodily Injury and Property Damage</b> Per occurrence - aggregate
Commercial General Liability including: 1. Commercial Broad Form 2. Premises – Operations 3. Products/ Completed Operations 4. Contractual Liability 5. Independent Contractors 6. Personal Injury- Advertising Injury	\$1,000,000 Per Occurrence
AUTO LIABILITY (including) 1. Owned 2. Hired and Non-Owned 3. Rented/Leased	\$1,000,000 Combined Single Limit
PROFESSIONAL LIABILITY (Errors and Omissions)	\$1,000,000 Per Claim (Defense costs not included in face value of the policy) If claims made policy, retro date must be prior to inception of agreement, have extended reporting period provisions and identify any limitations regarding who is insured.

WORKERS'S COMPENSATION (All States Endorsement if Company is not domiciled in Texas)	Statutory and complies with Part II of this Exhibit.
Employers Liability	\$500,000/\$500,000/\$500,000

- C. In the event of accidents of any kind related to this agreement, Contractor must furnish the Risk Manager with copies of all reports of any accidents within 10 days of the accident.

## II. ADDITIONAL REQUIREMENTS

- A. Applicable for paid employees, Contractor must obtain workers' compensation coverage through a licensed insurance company. The coverage must be written on a policy and endorsements approved by the Texas Department of Insurance. The workers' compensation coverage provided must be in an amount sufficient to assure that all workers' compensation obligations incurred by the Contractor will be promptly met.
- B. Contractor shall obtain and maintain in full force and effect for the duration of this Contract, and any extension hereof, at Contractor's sole expense, insurance coverage written on an occurrence basis, by companies authorized and admitted to do business in the State of Texas and with an A.M. Best's rating of no less than A- VII.
- C. Contractor shall be required to submit a copy of the replacement certificate of insurance to City at the address provided below within 10 days of the requested change. Contractor shall pay any costs incurred resulting from said changes. All notices under this Article shall be given to City at the following address:

City of Corpus Christi  
Attn: Risk Manager  
P.O. Box 9277  
Corpus Christi, TX 78469-9277

- D. **Contractor agrees that with respect to the above required insurance, all insurance policies are to contain or be endorsed to contain the following required provisions:**
- List the City and its officers, officials, employees, volunteers, and elected representatives as additional insured by endorsement, as respects operations, completed operation and activities of, or on behalf of, the named insured performed under contract with the City, with the exception of the workers' compensation policy;

- Provide for an endorsement that the "other insurance" clause shall not apply to the City of Corpus Christi where the City is an additional insured shown on the policy;
  - Workers' compensation and employers' liability policies will provide a waiver of subrogation in favor of the City; and
  - Provide thirty (30) calendar days advance written notice directly to City of any suspension, cancellation, non-renewal or material change in coverage, and not less than ten (10) calendar days advance written notice for nonpayment of premium.
- E. Within five (5) calendar days of a suspension, cancellation, or non-renewal of coverage, Contractor shall provide a replacement Certificate of Insurance and applicable endorsements to City. City shall have the option to suspend Contractor's performance should there be a lapse in coverage at any time during this contract. Failure to provide and to maintain the required insurance shall constitute a material breach of this contract.
- F. In addition to any other remedies the City may have upon Contractor's failure to provide and maintain any insurance or policy endorsements to the extent and within the time herein required, the City shall have the right to order Contractor to remove the exhibit hereunder, and/or withhold any payment(s) if any, which become due to Contractor hereunder until Contractor demonstrates compliance with the requirements hereof.
- G. Nothing herein contained shall be construed as limiting in any way the extent to which Contractor may be held responsible for payments of damages to persons or property resulting from Contractor's or its subcontractor's performance of the work covered under this agreement.
- H. It is agreed that Contractor's insurance shall be deemed primary and non-contributory with respect to any insurance or self insurance carried by the City of Corpus Christi for liability arising out of operations under this agreement.
- I. It is understood and agreed that the insurance required is in addition to and separate from any other obligation contained in this agreement.

2018 Insurance Requirements  
Purchasing – Finance  
Professional Auditing Services RFP  
11/07/2018 sw Risk Management

**BOND REQUIREMENTS:**

There are no bonds required, therefore Section 5 (B) is null for this agreement.



## **ATTACHMENT D: WARRANTY REQUIREMENTS**

Section 8 (A) and (B) are null for this agreement.