



**REQUEST FOR PROPOSAL  
No. RFP96-17**

**Auditing Services**

Proposal Due Date: November 27, 2017 at 11:00 A.M MST

Proposal must be sealed and delivered to:  
El Paso Water (EP Water)  
Attention: Levi Chacon, Purchasing Agent  
1154 Hawkins Boulevard  
El Paso, Texas 79925

Proposals received after the date and time specified above will not be accepted and will be returned unopened. The RFP documents, including addendums, will be posted to the EP Water website at [www.epwu.org](http://www.epwu.org) Proposals received and accepted shall become the property of EP Water and will **NOT** be returned.

**Note: Faxed and/or Email proposals will not be accepted.**

Procedural or contractual questions can be directed to Levi Chacon, Purchasing Agent at [ljchacon@epwu.org](mailto:ljchacon@epwu.org).

Instructions to Respondents:

Item # 8 – Respondents presence is not required for Proposal submittal.

Item # 14 - Bid Security

Item # 15 - Payment & Performance Bond

Are **NOT** required for this RFP.

**The Utility will award the contract to the respondent that submits a proposal which receives the highest cumulative score for each of the evaluation factors delineated herein.**

**NOTE:**

A **PRE-PROPOSAL MEETING** shall be held at **3:00 P.M. MST, Monday, November 13, 2017** at the El Paso Water Bldg., 1154 Hawkins Blvd. The purpose of having the PRE-PROPOSAL MEETING is to review the requirements in the proposal and respond to questions from potential respondents. **ATTENDANCE AT THE PRE-PROPOSAL MEETING IS HIGHLY RECOMMENDED.**

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## PART 1 – GENERAL INFORMATION

### 1.1 PRICE ESCALATION

A Price Escalation may be considered under the following conditions:

- a. Prices must be firm for at least the first 12 month period from award.
- b. A request for a price increase must be accompanied by a Certified Letter from the contractor's supplier or other forms of evidence as deemed necessary by El Paso Water which includes the price increase to the contract. The price increase shall be effective within 14 calendar days from El Paso Water acceptance.
- c. El Paso Water reserves the right to cancel the contract resulting from this Request for Proposal and re-competing our requirements if the price escalation requested is above the current open market price. Cancellation of the contract will not affect any outstanding orders.
- d. All price increases accepted shall be effective for a 12 month period from the revised date of the Master Contract.

### 1.2 PRICE DE-ESCALATION

If the Contractor receives a price decrease from the supplier, the Contractor is responsible to notify El Paso Water within two working days of the price decrease and pass the price decrease on to the Utility. The price decrease will be effective upon receipt of the price reduction from the Contractor.

Personnel entering the premises of El Paso Water (to include drivers of delivery vehicles) are required to wear an identification badge containing the following information:

-Name

-Company Name

-Employee's Picture

**Entry to the premises of ANY El Paso Water facilities may be denied to individuals without identification as addressed above.**

Unless a discount is provided as an inducement for prompt payment, El Paso Water is not obligated to make payment on invoice(s) for this contract until 30 days after receipt of the invoice or 30 days after acceptance of the **Auditing Services**, whichever is later.

**Discount:** \_\_\_\_\_ **Payment Terms:** \_\_\_\_\_

Payment may be delayed in accordance with exceptions under the Texas Prompt Payment Act (Chapter 2251 of the Texas Government Code). Interest on all overdue payments shall be imposed in accordance with the provisions of the Texas Prompt Payment Act.

#### **Transportation:**

**F.O.B. – El Paso, Texas. Delivery carriers must meet insurance requirements.**

### 1.3 Resident Bidder Information

#### Respondent must answer the following questions:

Does the bidder that is making and submitting the proposal qualify as a "**Resident Bidder**" or a "**NonResident Bidder**" under Texas Law? If the respondent is a "**Resident Bidder**", please complete and return the **Statement of Residency Form** with your proposal.

**Answer:** \_\_\_\_\_

If the respondent is a "**NonResident Bidder**" does the state, in which the nonresident Bidder's principal place of business is located, have a law requiring a nonresident bidder of that state to bid a certain amount or percentage under the proposal of a resident respondent of that state in order for the nonresident bidder of that state to be awarded the contract on his proposal in such state?

**Answer:** \_\_\_\_\_

If the answer to Question Number 2 is "Yes", by what amount or percentage must a Texas resident bidder bid under the bid of a resident bidder of that state in order to be awarded a contract on such bid in said state?

**Answer:** \_\_\_\_\_

A "**NonResident Bidder**" will not be awarded this Proposal unless the nonresident's proposal is lower than the lowest proposal submitted by a responsible **Texas Resident Respondent** by the same amount that a **Texas Resident Respondent** would be required to underbid the nonresident respondent to obtain a comparable contract in the state where the nonresident's principal place of business is located. The definitions for the terms "**Bidder**", "**Texas Resident Bidder**" and "**NonResident Bidder**" are included in the "**Instructions to Bidders**" on the last two pages of this Request for proposal.

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STATEMENT OF RESIDENCY

The following information is required by El Paso Water in order to comply with the provisions of Texas Government Code §§ 2252.001 et. seq. Failure to provide the required information may constitute a basis for rejection of your proposal. Respondents' cooperation in this regard will avoid costly time delays in the award of proposals by El Paso Water. Failure to provide all required information may result in the highest cumulative submission being considered non-responsive and non-responsible, and the second highest cumulative submission being considered for award.

**Definitions**

*Resident Respondent:* a person whose principal place of business is in the State of Texas, including a contractor whose ultimate parent company or majority owner has its principal place of business in the State of Texas.

*Nonresident Respondent:* a person who is not a resident.

*Principal Place of Business in Texas:* a permanent business office located in Texas from which a bid is submitted and from which business activities are primarily conducted for the organization other than submitting bids to governmental agencies, where at least one employee works for the business entity.

Respondent's Complete Company Name: \_\_\_\_\_

State the address of your principal place of business in the space provided below:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

State the nature of the business conducted at your principal place of business in the space provided below:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

State the number of employees you have at your principal place of business: \_\_\_\_\_

*I swear and attest that the information provided above is true and correct as of the date \_\_\_\_\_ ("Respondent") submitted its bid on Bid No. \_\_\_\_\_. I further attest that I am an authorized representative of Respondent or have been duly authorized to represent Respondent in this matter. I understand that the information provided is being relied on by El Paso Water in order for it to comply with state purchasing laws and will materially affect its decisions in this regard. Should the information provided be false or materially misleading, any contract entered into between El Paso Water and Respondent will be void and El Paso Water may pursue any legal claims it may have against Respondent.*

[SIGNATURE ON NEXT PAGE]

By: \_\_\_\_\_

Contractor Name

Name: \_\_\_\_\_

Owner

Title: \_\_\_\_\_

Company: \_\_\_\_\_

**ACKNOWLEDGMENT**

**STATE OF \_\_\_\_\_ §**

**COUNTY OF \_\_\_\_\_ §**

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by

\_\_\_\_\_, as \_\_\_\_\_  
of \_\_\_\_\_, a

\_\_\_\_\_.

\_\_\_\_\_  
Notary Public, State of \_\_\_\_\_

My Commission Expires:

\_\_\_\_\_

## 1.5 INVOICES AND PAYMENTS

- a. The Contractor shall submit invoices, in single copy, for each contract. Invoices covering more than one contract will not be accepted.
- b. If transportation costs are allowed a separate line item will be included in the proposal.
- c. Invoices shall reflect the Contract Number and/or the Purchase Order Number.
- d. Do not include Federal tax, State tax, or City Tax. El Paso Water shall furnish tax exemption certificate upon request.
- e. Discounts will be taken from the date of receipt of services or date of invoice, whichever is later.
- f. El Paso Water obligation is payable only and solely from funds available for the purpose of this contract for good(s) and/or service(s). Lack of funds shall render this contract null and void to the extent funds are not available and any delivered but unpaid for good(s) and/or service(s) will be returned to the Contractor by El Paso Water.
- g. Mail invoices to:  
**El Paso Water Accounting Department**  
**P.O. Box 511**  
**El Paso, Texas 79961-0511**
- h. Contractor shall advise the Purchasing Department of any changes in its remittance addresses.
- i. All proper invoices received by El Paso Water will be paid within 30 days of El Paso Waters Utilities' receipt date of the invoice.
- j. If partial shipments or deliveries are authorized by El Paso Water, the Contractor shall be paid for the partial shipment or delivery as stated above.
- k. El Paso Water may withhold or off set the entire payment or part of any payment otherwise due to a Contractor, if good(s) or service(s) is/are defective or non-conforming.

## 1.6 INDEMNIFICATION

Contractor or its insurer will INDEMNIFY, DEFEND AND HOLD El Paso Water, its officers, agents and employees, HARMLESS FOR AND AGAINST ANY AND ALL CLAIMS, CAUSES OF ACTION, LIABILITY, DAMAGES OR EXPENSE, (INCLUDING BUT NOT LIMITED TO ATTORNEY FEES AND COSTS) FOR ANY DAMAGE TO OR LOSS OF ANY PROPERTY, OR ANY ILLNESS, INJURY, PHYSICAL OR MENTAL IMPAIRMENT, LOSS OF SERVICES, OR DEATH TO ANY PERSON ARISING OUT OF OR RELATED TO THIS AGREEMENT. Without modifying the conditions of preserving, asserting or enforcing any legal liability against El Paso Water as required by law, El Paso Water will promptly forward to Contractor every demand, notice, summons or other process received by El Paso Water in any claim or legal proceedings contemplated herein. Contractor will 1) investigate or cause the investigation of accidents or occurrences involving such injuries or damages; 2) negotiate or cause to be negotiated the claim as the Contractor may deem expedient; and 3) defend or cause to be defended on behalf of El Paso Water all suits for damages even if groundless, false or fraudulent, brought because of such injuries or damages. Contractor will pay all judgments finally establishing liability of El Paso Water in actions defended by Contractor pursuant to this section along with all attorneys' fees and costs incurred by El Paso Water including interest accruing to the date of payment by Contractor, and premiums on any appeal bonds. El Paso Water, at its election will have the right to participate in any such negotiations or legal proceedings to the extent of this interest. El Paso Water will not be responsible for any loss or damage to the Contractor's property from any cause.

## **1.7 GRATUITIES**

El Paso Water may, by written notice to the Contractor, cancel this contract without liability to Contractor if it is determined by El Paso Water that gratuities, in the form of entertainment, gifts, or otherwise, were offered or given by the Contractor, or any agent or representative of the Contractor, to any officer or employee of El Paso Water with a view toward securing a contract or securing favorable treatment with respect to the awarding or amending, or the making or any determinations with respect to the performing of such a contract. In the event this contract is canceled by El Paso Water pursuant to this provision, El Paso Water 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.

## **1.8 TERMINATION**

### **I. TERMINATION FOR CONVENIENCE**

El Paso Water may terminate this contract, in whole or in part, at any time by written notice to the Contractor. The Contractor will be paid its costs, including the contract close out costs, and profit on work performed up to the time of termination. The Contractor will promptly submit its termination claim to El Paso Water to be paid the Contractor. If the Contractor has any property in its possession belonging to El Paso Water, the Contractor will account for the same, and dispose of it in the manner El Paso Water directs.

### **II. TERMINATION FOR DEFAULT**

If the Contractor fails to comply with any provision of the contract, El Paso Water may terminate this contract for default. Termination shall be effected by serving a notice of intent to terminate the contract, with a copy to Surety, if applicable, setting forth the manner in which the Contractor is in default. The contractor will be given an opportunity to correct the problem within a reasonable amount of time as specified by El Paso Water before termination notice is rendered. El Paso Water shall have the right to immediately terminate the Contract for default if Contractor violates any local, state, or federal laws, rules or regulations that relate to the performance of this Contract.

If El Paso Water terminates this Contract because the Contractor failed to perform the services as required by the Contract, El Paso Water shall have the right to obtain like services from another vendor in substitution for those due from the Contractor. The cost of substitute services shall be determined by informal or formal procurement procedures as required by the Local Government Code. El Paso Water may recover the difference between the cost of the substitute services and the Contract price from the Contractor as damages. El Paso Water may deduct the damages from Contractor's account for services rendered prior to the termination or services rendered by Contractor pursuant to a different contract or pursue any other lawful means of recovery. The failure of El Paso Water to obtain substitute services and charge the Contractor under this clause is not a bar to any other remedy available for default.

## **1.9 FORCE MAJEURE**

If, by reason of Force Majeure, either party hereto will be rendered unable wholly or in part to carry out its obligations under this Contract then such party will give notice and full particulars of such Force Majeure in writing to the other party within a reasonable time after occurrence of the event or cause relied upon, and the obligation of the party giving such notice, so far as it is affected by such Force Majeure, will be suspended for only thirty (30) days during the continuance of the inability then claimed, except as hereinafter provided, but for no longer period, and such party will try to remove or overcome such inability with all reasonable dispatch.

The term Force Majeure as employed herein, will mean acts of God, strikes, lockouts, or other industrial disturbances, acts of public enemies, orders of any kind of government of the United States or the State of Texas or any civil or military authority, insurrections, riots, epidemics, landslides,

lightning, earthquake, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accidents to machinery, pipelines, or canals. It is understood and agreed that the settlement of strikes and lockouts will be entirely within the discretion of the party having the difficulty, and that the above requirement that any Force Majeure will be remedied with all reasonable dispatch will not require the settlement of strikes and lockouts by acceding to the demands of the opposing party or parties when such settlement is unfavorable in the judgment of the party having the difficulty. If a party is unable to comply with the provisions of this contract by reason of Force Majeure for a period beyond thirty days after the event or cause relied upon, then upon written notice after the thirty (30) days, the affected party shall be excused from further performance under this contract.

#### **1.10 AVAILABILITY OF FUNDS:**

The awarding of this contract is dependent upon the availability of funds. In the event that funds do not become available, the contract may be terminated or the scope may be amended. A 30-day written notice will be given to the vendor and there shall be no penalty nor removal charges incurred by El Paso Water.

#### **1.11 CONTRACT TERM:**

The Contract commences upon issuance of the notice of award to Respondent. The term of the contract shall be a period of three years with the option to extend for two additional one year periods.

#### **1.12 VENUE**

Both parties agree that venue for any litigation arising from this contract shall lie in El Paso, El Paso County, Texas.

#### **1.13 CONTRACT ADMINISTRATION:**

Administration of this Contract, on behalf of El Paso Water, is the responsibility of Levi Chacon, Purchasing and Contract Administration, who is your point of contact for general information or specific matters concerning this contract. Levi Chacon can be reached by telephone at (915) 594-5625, or by FAX at (915) 594-5689. Correspondence should be addressed to: El Paso Water, Purchasing and Contract Administration, Attn: Levi Chacon, 1154 Hawkins Blvd. El Paso, TX 79925. Please refer to RFP Number or Contract Number in all correspondence.

#### **1.14 INSURANCE**

For the duration of this contract and any extension hereof, Contractor shall purchase and maintain such insurance as is appropriate for the Work being performed and as will provide protection from claims which may arise out of or result from Contractor's performance of the Work and Contractor's other obligations under the Contract Documents, whether it is to be performed by Contractor, any Subcontractor or Supplier, or by anyone directly or indirectly employed by any of them to perform any of the Work, or by anyone for whose acts any of them may be liable: Workers' compensation, Automobile Liability insurance and Commercial General Liability insurance: (a) Covering contractor and its employees and (b) For the protection of the general public and El Paso Water for bodily or wrongful death and property damage in the limits indicated in the following table. Insurance shall be procured from insurers or indemnity companies acceptable to Owner. Insurance or Indemnity Company furnishing insurance for the Contract shall be authorized to do business in Texas.

<b>INSURANCE REQUIREMENTS</b>				
LIMITS OF COVERAGE FOR ALL GOODS AND SERVICES	AUTOMOBILE {Combined Single Limit} Per Accident	COMMERCIAL GENERAL LIABILITY {Combined Single Limit} <u>Per Project</u>	WORKERS' COMPENSATION {Employers' Liability} Per Accident Per Employee Per Disease	UMBRELLA {Combined Single Limit}
CONTRACT PRICE LESS THAN \$100,000:  Occurrence General Aggregate Products/Completed Operations Aggregate	\$300,000	\$ 500,000 \$ 500,000 \$1,000,000	\$ 500,000 \$ 500,000 \$ 500,000	Not applicable
CONTRACT PRICE EQUAL TO \$100,000 OR GREATER AND LESS THAN \$500,000:  Occurrence General Aggregate Products/Completed Operations Aggregate	\$500,000	\$ 500,000 \$1,000,000 \$1,000,000	\$ 500,000 \$ 500,000 \$ 500,000	Not applicable
CONTRACT PRICE EQUAL TO OR GREATER THAN \$500,000 AND UP TO AND INCLUDING \$10,000,000:  Occurrence General Aggregate Products/Completed Operations Aggregate	\$1,000,000	\$1,000,000 \$2,000,000 \$2,000,000	\$1,000,000 \$1,000,000 \$1,000,000	\$2,000,000 \$2,000,000
CONTRACT PRICE GREATER THAN \$10,000,000:  Occurrence General Aggregate Products/Completed Operations Aggregate	\$1,000,000	\$1,000,000 \$2,000,000 \$2,000,000	\$1,000,000 \$1,000,000 \$1,000,000	\$5,000,000 \$5,000,000

With respect to the above required insurance, El Paso Water and its officers and employees shall be named as additional insured's as their interests may appear. El Paso Water shall be provided with 30 days advance notice, in writing, of any cancellation or material change. El Paso Water shall be provided with certificates of insurance evidencing the above required insurance prior to the commencement of this contract and thereafter with certificates evidencing renewal or replacement of said policies of insurance at least 15 days prior to the expiration or cancellation of any such policies.

**NOTE:** The insurer waives any right of subrogation it may acquire against the Owner, its partners, agent and employees.

**Notices and Certificates required by this contract clause shall be provided to:**

El Paso Water  
Purchasing and Contract Administration Department  
Attn: Levi Chacon, Purchasing Agent  
1154 Hawkins Blvd.  
El Paso, Texas 79925

**Failure to submit insurance certification may result in contract cancellation.**

**Exception for insurance requirements:**

Above mentioned insurance conditions are not required if **all** quoted items on this Request for proposal are to be delivered through an independent carrier and the respondent's personnel or respondent's subcontractors and are not required to enter El Paso Water premises. **(Respondent is only responsible for obtaining proper insurance requirements from their selected independent delivery carrier)**

**Please refer to RFP Number/Contract Number and Title in all correspondence.**

**1.15 CONE OF SILENCE**

The "Cone of Silence" is imposed upon each RFP, RFQ or Bid from the time of advertising until it is posted on the Public Service Board Agenda for award. The Cone of Silence prohibits communications with El Paso Water employees to attempt to influence the purchasing decision. As such, the Cone of Silence prohibits any communication regarding RFP's, RFQ's or Bids between, among others:

- ) Potential vendors, service providers, respondents, or consultants and El Paso Water employees.
- ) Potential vendors, service providers, respondents, or consultants, any member of the Board, the President/CEO, or their respective staff and members of the respective selection committee.

The provisions do not apply to, among other communications:

- ) Oral communications with Sr. Purchasing Agent, Purchasing Agent, Contracts Developer Coordinator, or Procurement Analyst, provided the communications is limited strictly to matters of process or procedure already contained the solicitation document;
- ) The provisions of the Cone of Silence do not apply to oral communications at pre-proposal or pre-proposal conferences, oral presentations before selection committees, contract negotiations during duly notice public meeting, public presentations made to the President/CEO and Board members during a duly noticed public meeting; or
- ) Communications in writing at any time unless specifically prohibited by the applicable, RFP, RFQ or bid document.

In addition to any other penalties provided by law, violation of the Cone of Silence by any proposer or respondent shall render that proposer's or respondent's RFP, RFQ or bid award voidable. Any person having personal knowledge of a violation of these provisions shall report such violations to El Paso Water General Counsel and the Purchasing Agent.

The "Cone of Silence" applies to any and all potential subcontractors as well.

## PART 2 – BACKGROUND INFORMATION

### 2.1 INTRODUCTION

Proposals are being accepted by the El Paso Water Public Service Board from licensed Certified Public Accountants to perform an audit of the PSB's financial records for fiscal year ending February 28, 2018. This contract is for three years with an option to extend, by mutual agreement, on a year to year basis, for two additional years. The annual report is to be presented to the Public Service Board at its regular Board meeting in July of the corresponding year. Your response must address the items shown on the attachment.

The El Paso Water will print the financial reports from masters prepared by the accounting department of the Public Service Board.

The Public Service Board - El Paso Water will not be liable for any cost incurred in the preparation of proposals.

The proposer shall furnish to the Public Service Board such additional information as the Board may reasonably require.

The Public Service Board shall not be liable for any costs not included in the proposal.

### 2.2 IMPORTANT DATES

(All times are Mountain Standard Time):

Advertisement Date:	November 06, 2017
Pre-Proposal Meeting:	November 13, 2017 at 3:00 PM
Deadline for mailed/emailed written questions:	November 15, 2017 at 5:00 PM
Date answers to questions posted on website:	November 17, 2017 by 5:00 PM
Deadline for receipt of proposals:	November 27, 2017 at 11:00 AM

Proposals received after the date and time specified above will not be accepted and will be returned unopened. Interested parties that will be submitting a proposal are requested not to contact or lobby any member of the Committee or the Public Service Board. The Committee will evaluate each proposal based on the criteria described in the Evaluation Criteria contained within this proposal. Proposals received and accepted shall become the property of the El Paso Water and will **NOT** be returned

NOTE: The submittal package shall consist of one original (signed blue ink) and four copies of a bound file, and one electronic file in either a CD or USB drive, the files shall be compatible with Microsoft Word or Adobe Reader. FAILURE TO SUBMIT THE "TOTAL ESTIMATED AUDIT FEE" (REFER TO PAGE 17 ITEM 6) AND THE FOLLOWING SUBMITTAL REQUIREMENTS WITH PROPOSAL MAY AUTOMATICALLY DISQUALIFY THE PROPOSAL FROM CONSIDERATION.

All proposals must be signed by a partner of the firm. Failure to sign the proposal form may be a basis for disqualification.

### 2.3 PRE-PROPOSAL MEETING

A PRE-PROPOSAL MEETING will be held at 3:00 P.M., MST, November 13, 2017 on the third floor Engineering Conference Room (1) or (2) of the El Paso Water Building located at 1154 Hawkins Boulevard, El Paso, Texas 79925. The purpose of this meeting is to respond to questions which will allow for preparation of a complete proposal. Request for Proposal documents may be downloaded from the internet at [www.EPWU.org](http://www.EPWU.org)

## **2.4 SELECTION PROCEDURE**

The Auditing Services Successful respondent shall be selected on the basis of the responsiveness of the submittal and the criteria contained within Section 5.2 of this RFP Evaluation Criteria.

A staff committee of EPWater employees shall review the proposals. The proposals shall be scored in the areas of Price, Organization size, and structure, Project approach, and Qualifications of Staff. (See section 5.2 for scoring breakdown) In order to be considered, the proposal must be scored at least 80 points. All scoring is final.

It is the Successful respondents' responsibility to insure that all of the required submittals are submitted with their offer. Failure to submit the required submittals contained within this RFP may render the respondent non-responsive to the solicitation, thus resulting in rejection.

The Utility will award the contract to the respondent that submits a proposal which receives the highest cumulative score for each of the evaluation factors delineated herein.

All proposals submitted shall become the property of the EPWater.

## **PART 3 – AUDIT SPECIFIC CRITERIA**

### **3.1 AUDIT PERIOD**

This request for audit services is for the Public Service Board - El Paso Water' fiscal year March 1, 2017 to February 28, 2018 and the succeeding two fiscal years ending February 28, 2019 and February 29, 2020. The annual audit report is to be presented to the Public Service Board at its regular Board meeting in July of the corresponding year.

### **3.2 AUDIT SCOPE**

1. Audit the financial statements and supplementary schedules of the Public Service Board - City of El Paso as of February 28, 2018, and the succeeding two fiscal years ending February 28, 2019 and February 29, 2020. This proposal will be subject to renewal for an additional two years at the Public Service Board's option.
2. Conduct financial and compliance audits of all designated funds and other grants to the extent that such audits are an integral element of the Public Service Board - City of El Paso.
3. Review and evaluate the internal administrative and accounting controls.
4. Provide on-going consultation with regard to financial reporting and matters of general management concern.
5. Keep the Public Service Board and Administrative personnel abreast of new financial and accounting developments.
6. Measure and calculate net pension liability, deferred outflows of resources, deferred inflows of resources, and expenditures in accordance with GASB Statement No. 68 Accounting and Financial Reporting for Pensions. To include schedules, journal entries, and required supplementary information and disclosures. El Paso Water contributes to the City of El Paso Employees' Pension plan, which is a single employer Public Employee retirement System Defined Benefit Plan.
7. Assist with implementation of required GASB pronouncements as they pertain to El Paso Water to include journal entries, schedules, and required supplementary information. To include but not limited to GASB Statement No. 75 Accounting and Financial Reporting for Postemployment Benefits Other than Pensions.

8. Attend Audit and Investment Committee meeting to discuss audit results and attend July board meeting to provide a presentation to the Public Service Board on annual results of the audit and any recommendations.

### **3.3 AUDIT STANDARDS**

The audit should be made in accordance with the following auditing standards and compliance requirements:

1. Standards to be followed:
  - a. The audit shall be made in accordance with generally accepted Government Auditing Standards, and the AICPA's Industry Audit Guide for Audits of State and Local Government Units.
2. Compliance with "Guidelines" and Federal Audit Requirements.
  - a. The audit shall be in compliance with OMB Circular No. A-133.
  - b. Audits shall be made in accordance with the General Accounting Office Standards for Audit of Governmental Organizations, Programs, Activities and Functions, any compliance supplements approved by OMB, and generally accepted auditing standards established by the American Institute of Certified Public Accountants.

### **3.4 AUDIT REPORTS**

As required by the Single Audit Act and OMB Circular A-133:

1. A report on the audit of the basic financial statements of the Public Service Board – City of El Paso as a whole.
2. A report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Governmental Auditing Standards.
3. A report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133.
4. Schedule of Findings and Questioned Costs.
5. Schedule of Status of Prior Findings.
6. Schedule of Expenditures of Federal Awards.
7. Notes to Schedule of Expenditures of Federal Awards.
8. Complete and web file form "Data Collection Form for Reporting on Audits of States, Local Governments, and Non-Profit Organizations"

### 3.5 ANNUAL FINANCIAL REPORT CONTENTS

The following statements, schedules and opinions must be made an integral part of the Financial Report to be submitted.

#### FINANCIAL STATEMENTS:

Auditor's Report

Enterprise Funds Financial Statements: (Water and Wastewater Utility Fund and Municipal Drainage Utility)

- Statements of Net Position
- Statements of Revenues, Expenses, and Changes in Net Position
- Statements of Cash Flows
- Notes to Financial Statements

#### REQUIRED SUPPLEMENTARY INFORMATION

El Paso Water Retirement Plan:

- Schedule of El Paso Water Proportionate Share of the Net Pension Liability- City of El Paso Pension Fund
- Schedule of El Paso Water Contributions-City of El Paso Pension Fund
- Notes to Pension Fund

OTHER POST-EMPLOYMENT BENEFITS PLAN :( Water and Wastewater Utility Fund and Municipal Drainage Utility)

- Schedule of Funding Progress
- Schedule of Contributions
- Notes to OPEB

#### SUPPLEMENTARY SCHEDULES:

*Water and Wastewater Utility Fund*

- Statements of Net Position
- Statements of Revenues, Expenses, and Changes in Net Position
- Statements of Cash Flows
- Schedule of Operating Revenues
- Schedule of Operating Expenses
- Schedule of Net Operating Revenue – Water & Reclaimed Water
- Schedule of Net Operating Revenue - Wastewater
- Schedule of Accounts Receivable - Government Grants & Other Receivables
- Schedule of Changes in Revenue Bonds Payable
- Schedule of Debt Service Requirements

*Stormwater Utility Fund*

- Statements of Net Position
- Statements of Revenues, Expenses, and Changes in Net Position
- Statements of Cash Flows
- Schedule of Operating Revenues
- Schedule of Operating Expenses
- Schedule of Net Operating Revenue
- Schedule of Accounts Receivable - Government Grants
- Schedule of Changes in Revenue Bonds Payable
- Schedule of Debt Service Requirements

Schedule of Insurance Coverage

## PART 4 – PROPOSAL FORMAT

### 4.1 FORMAT OF PROPOSALS

To achieve a uniform review process and obtain the maximum degree of comparability, it is required that proposals be organized in the manner specified.

#### 1. TITLE PAGE

Show the proposal subject, the name of the proposer's firm, local address, telephone number, e-mail address, and name of contact person and date.

#### 2. TABLE OF CONTENTS

Clearly identify the material by section and page number.

#### 3. LETTER OF TRANSMITTAL

Limit to one or two pages.

- a. Briefly state the proposer's understanding of the work to be done and make a positive commitment to perform the work within the time period needed to present the annual report to the Board at its July 2018 meeting.
- b. Give the names of the persons who shall be authorized to make representation for the proposer, their titles, addresses and telephone numbers.

#### 4. PROFILE OF THE PROPOSER

- a. State whether organization is national, regional or local.
- b. Describe the organization, size and structure and indicate the number of people (by level) located within the local office that will handle the audit. Name the key person who will be responsible for coordination, designated as project manager for the term of the audit. Only include resumes of staff to be assigned to the audit. Education, position in firm, years and types of experience will be evaluated. Include a copy of the most recent Peer Review. There will be no diversion of designated principle and project manager without prior notification.
- c. Provide prior experience auditing similar Enterprise funds or Public utilities and provide a list of current and prior government and/or Utility financial audit clients indicating the type(s) of services performed and the number of years served with each client.
- d. Describe organizations participation in AICPA sponsored or comparable quality control programs.
- e. Describe approach to the audit. This should include at least the following points:
  - (1.) Type of audit programs used (tailor-made, standard government or other).
  - (2.) Use of statistical sampling.
  - (3.) Use of computer audit specialists.
  - (4.) Approach to correction of deficiencies and recommendations for improvements.
  - (5.) Typical assistance expected from Public Service Board's staff.

5. EXPERIENCE, SKILLS AND TRAINING

Describe any additional specialized skills, training or background which you feel would be beneficial in relation to the financial audit of the Public Service Board.

6. Using the format below, state, by classification, the number of personnel, hourly rates, and estimated hours of work on the audit, estimated cost and the total estimated fee of the audit.

**TOTAL ESTIMATED AUDIT FEE**

POSITION DESCRIP.	NAME	NUMBER OF PERSONNEL	TOTAL ESTIMATED COST
Principal	_____	_____	_____
Manager	_____	_____	_____
Seniors	_____	_____	_____
Staff	_____	_____	_____
Clerical	_____	_____	_____

Based on the above stated number of personnel and estimated hours to conduct the audit; the total estimated fee will be:

\$ \_\_\_\_\_

\_\_\_\_\_  
SIGNATURE OF PRINCIPAL

\_\_\_\_\_  
TYPED NAME OF PRINCIPAL

\_\_\_\_\_  
FIRM NAME

## PART 5 – EVALUATION

### 5.1 PROPOSAL EVALUATION

All offers are subject to the terms and conditions of this Request for Proposal. Material exceptions to the terms and conditions, or failure to meet the minimum specifications, may render the respondent non-responsive to the solicitation.

The proposal evaluation process is designed to award the contract, not necessarily to the Respondent with the lowest cost, but rather to the Respondent with the best combination of attributes (i.e. qualifications and experience, cost) based upon the evaluation factors specifically established in this RFP.

Respondent must provide all information outlined in the Evaluation Factors to be considered responsive. Proposals will be evaluated based on the responsiveness of the Respondent's information to the Evaluation Factors, which will demonstrate the Respondent's understanding of the Evaluation Factors and capacity to perform the required services of this RFP.

The proposals will be analyzed by a Selection Committee. If necessary, interviews will be conducted with one or more firms.

Proposals will be evaluated based on the following Evaluation Factors:

### 5.2 EVALUATION FACTORS

The audit services firm will be selected on the basis of manpower estimates, hourly rates, time required to complete the audit, the responsiveness of the submittal, and the following criteria:

#### **Price** (Maximum points - 30)

The maximum score for price will be assigned to the firm offering lowest total all-inclusive price.

#### **Organization, size, and structure** (Maximum points - 15)

The PSB will evaluate the capacity of the firm to fully understand and deal with the requirements of the PSB for the audit.

#### **Project Approach** (Maximum points - 15)

The PSB will evaluate the firm's approach to the audit. Particularly, scheduling and technical approaches to complete the audit quickly will receive additional weight.

#### **Qualifications of Staff** (Maximum points -40)

The PSB will evaluate the firm based on the level of expertise, commitment of management to the project, the availability and experience of the assigned personnel, and the ability of the staff to work with PSB personnel. The section of the proposal devoted to personnel experience and resumes shall convey the required information but shall be limited to ten pages. Resumes shall be included only for key project team members and shall be limited to two pages each. The firm must demonstrate a history of successful audits similar in size and scope to that proposed in their submittal. The submittal should list names, addresses, and telephone numbers of knowledgeable contacts so the PSB may evaluate the firm's experience.

### MAXIMUM POINTS 100

## PART 6 – FREQUENTLY ASKED QUESTIONS AND ADDITIONAL INFORMATION

1. The accounting staff of the El Paso Water will be available to prepare schedules, reproduce documents, retrieve documents, etc.
2. The El Paso Water uses the PeopleSoft financial system, which includes general ledger, accounts payable, purchasing, and inventory. The PeopleSoft HR system is also used for payroll and human resources. The Enquesta CIS system is used for customer billing.

Current systems utilized by the Utility generate the following reports:

- a. Billing and Accounts Receivable – 207,000 general customer accounts
  - b. General Ledger Report
  - c. Ledger Detail Report
  - d. Operations Expenditures by Section Reports
  - e. Revenue Reports (by cycle and monthly summary)
  - f. Payroll Distribution Reports
  - g. Daily Cash Receipts
  - h. Job Ledger Reports
  - i. Capital Work-In-Progress Reports
  - j. Inventory Status Reports
  - k. Customer Receivable Aging Trial Balance
  - l. W-2 reports for IRS and employees W-2 statements
  - m. 1099 IRS forms
3. Accounting reports and schedules using Excel and Word software by the Accounting Department include the following:

### General Accounting -

- a. Journal Vouchers
- b. Accrual of Interest - All Investments
- c. Investment Schedules
- d. Budget Schedules
- e. Reports as required by management

### Audit Reports -

- a. Statements of Cash Flows
- b. Summary of Cash and Investments - All Funds
- c. Accounts Receivable - Government Grants
- d. Accounts Receivable - Land Notes Receivable
- e. Insurance Coverage
- f. Statement of Debt Service Requirements - Summary of Debt Service and by individual debt series
- g. Changes in Revenue Bonds Payable
- h. Utility Plant and Depreciation Schedules
- i. Changes in Land Not in Service Expenses
- j. Statements of Operating – System
- k. Maintenance and Operation Expenditures Comparison
- l. General Ledger Accounts Reconciliations
- m. Confirmation Letters
  - Bank Confirmations
  - Customer A/R Account Balances over \$10,000
  - Land Notes Payable
  - Legal Counsel
  - Insurance Coverage
  - Workers' Compensation
- n. Footnotes to Financial Statements

## REPORTS AND INFORMATION AVAILABLE TO EXTERNAL AUDITORS

1. Bank reconciliations for all cash accounts
2. Fixed asset listing
3. Detail of accounts receivable
4. Copy of 2017-18 budget
5. Schedule of insurance in force
6. Schedule of investments in all funds
7. Copies of interbank transfers and deposit slips
8. Schedules of accrued interest on investments
9. Schedules of all general ledger accounts
10. Detail of debt service payments
11. Copies of Construction Work in Progress Jobs, construction change orders, and payment data
12. General Ledger, Ledger Detail Report, Monthly Operations/Expenditures Report, and Job Ledger Report
13. Audit Report for fiscal year ending February 28, 2017
14. Chart of Accounts
15. Copies of Public Service Board Minutes

PART 7 – FORMS

<b>CONFLICT OF INTEREST QUESTIONNAIRE</b> For vendor doing business with local governmental entity	<b>FORM CIQ</b>
<p><b>This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.</b></p> <p>This questionnaire is being filed in accordance with Chapter 176, Local Government Code, by a vendor who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the vendor meets requirements under Section 176.006(a).</p> <p>By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the vendor becomes aware of facts that require the statement to be filed. See Section 176.006(a-1), Local Government Code.</p> <p>A vendor commits an offense if the vendor knowingly violates Section 176.006, Local Government Code. An offense under this section is a misdemeanor.</p>	<b>OFFICE USE ONLY</b>
<p><b>1</b> Name of vendor who has a business relationship with local governmental entity.</p>	Date Received: _____
<p><b>2</b> <input type="checkbox"/> Check this box if you are filing an update to a previously filed questionnaire. (The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)</p>	
<p><b>3</b> Name of local government officer about whom the information is being disclosed.</p> <p style="text-align: center;">_____</p> <p style="text-align: center;">Name of Officer</p>	
<p><b>4</b> Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relationship with the local government officer. Complete subparts A and B for each employment or business relationship described. Attach additional pages to this Form CIQ as necessary.</p> <p style="margin-left: 40px;">A. Is the local government officer or a family member of the officer receiving or likely to receive taxable income, other than investment income, from the vendor?</p> <p style="margin-left: 80px;"> <input type="checkbox"/> Yes      <input type="checkbox"/> No                 </p> <p style="margin-left: 40px;">B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer or a family member of the officer AND the taxable income is not received from the local governmental entity?</p> <p style="margin-left: 80px;"> <input type="checkbox"/> Yes      <input type="checkbox"/> No                 </p>	
<p><b>5</b> Describe each employment or business relationship that the vendor named in Section 1 maintains with a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership interest of one percent or more.</p>	
<p><b>6</b> <input type="checkbox"/> Check this box if the vendor has given the local government officer or a family member of the officer one or more gifts as described in Section 176.003(a)(2)(B), excluding gifts described in Section 176.003(a-1).</p>	
<p><b>7</b></p> <p style="text-align: center;">_____</p> <p style="text-align: center;">Signature of vendor doing business with the governmental entity</p> <p style="text-align: right; margin-right: 100px;">_____</p> <p style="text-align: right; margin-right: 100px;">Date</p>	

**CONFLICT OF INTEREST QUESTIONNAIRE**  
**For vendor doing business with local governmental entity**

A complete copy of Chapter 176 of the Local Government Code may be found at <http://www.statutes.legis.state.tx.us/Docs/LG/htm/LG.176.htm>. For easy reference, below are some of the sections cited on this form.

**Local Government Code § 176.001(1-a):** "Business relationship" means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on:

- (A) a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity;
- (B) a transaction conducted at a price and subject to terms available to the public; or
- (C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency.

**Local Government Code § 176.003(a)(2)(A) and (B):**

(a) A local government officer shall file a conflicts disclosure statement with respect to a vendor if:

\*\*\*  
(2) the vendor:

(A) has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income, other than investment income, that exceeds \$2,500 during the 12-month period preceding the date that the officer becomes aware that

- (i) a contract between the local governmental entity and vendor has been executed;
- or
- (ii) the local governmental entity is considering entering into a contract with the vendor;

(B) has given to the local government officer or a family member of the officer one or more gifts that have an aggregate value of more than \$100 in the 12-month period preceding the date the officer becomes aware that:

- (i) a contract between the local governmental entity and vendor has been executed; or
- (ii) the local governmental entity is considering entering into a contract with the vendor.

**Local Government Code § 176.006(a) and (a-1)**

(a) A vendor shall file a completed conflict of interest questionnaire if the vendor has a business relationship with a local governmental entity and:

- (1) has an employment or other business relationship with a local government officer of that local governmental entity, or a family member of the officer, described by Section 176.003(a)(2)(A);
- (2) has given a local government officer of that local governmental entity, or a family member of the officer, one or more gifts with the aggregate value specified by Section 176.003(a)(2)(B), excluding any gift described by Section 176.003(a-1); or
- (3) has a family relationship with a local government officer of that local governmental entity.

(a-1) The completed conflict of interest questionnaire must be filed with the appropriate records administrator not later than the seventh business day after the later of:

(1) the date that the vendor:

- (A) begins discussions or negotiations to enter into a contract with the local governmental entity; or
- (B) submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential contract with the local governmental entity; or

(2) the date the vendor becomes aware:

- (A) of an employment or other business relationship with a local government officer, or a family member of the officer, described by Subsection (a);
- (B) that the vendor has given one or more gifts described by Subsection (a); or
- (C) of a family relationship with a local government officer.

## Instructions - Form 1295

Effective January 1, 2016, a governmental entity may not enter into a contract requiring board approval, unless the business entity submits a Disclosure of Interested Parties (Form 1295) at the time the business entity submits the signed contract.

The following definitions apply:

1. "Interested Party" means a person:
  - a. Who has a controlling interest in a business entity with whom a governmental entity contracts; or
  - b. Who actively participates in facilitating the contract or negotiating the terms of the contract, including a broker, intermediary, adviser, or attorney for the business entity.
2. "Intermediary" means "a person who actively participates in the facilitation of the contract or negotiating the contract, including a broker, adviser, attorney, or representative of or agent for the business entity who:
  - a. Receives compensation from the business entity for the person's participation;
  - b. Communicates directly with the governmental entity or state agency on behalf of the business entity regarding the contract; and
  - c. Is not an employee of the business entity
3. "Business Entity" means any entity recognized by law through which business is conducted, including a sole proprietorship, partnership, or corporation. "Business entity" includes a for-profit or nonprofit entity. He term does not include a governmental entity or state agency.
4. "Contract" includes an amended, extended, or renewed contract.
5. "Controlling Interest" means:
  - a. An ownership interest or participating interest in a business entity by virtue of units, percentage, shares, stock, or otherwise that exceeds 10 percent;
  - b. Membership on the board of directors or other governing body of a business entity of which the board or other governing body is composed of not more than 10 members; or
  - c. Service as an officer of a business entity that has four or fewer officers, or service as one of the four officers most highly compensated by a business entity that has more than four officers."

**A business entity must file Form 1295 electronically with the Texas Ethics Commission using the Commission's online filing application, which can be found at:**

[https://www.ethics.state.tx.us/whatsnew/elf\\_info\\_form1295.htm](https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm)

The business entity must **print a copy** of the completed form, which will include a certification of filing containing a unique certification number. The Form 1295 must be **signed by an authorized agent** of the business entity, and **the form must be notarized**. The **business entity must then submit the completed, signed, notarized Form 1295 to the contracting school district**.

**CERTIFICATE OF INTERESTED PARTIES**

**FORM 1295**

Complete Nos. 1 - 4 and 6 if there are interested parties. Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.	<b>OFFICE USE ONLY</b>
<b>1 Name of business entity filing form, and the city, state and country of the business entity's place of business.</b>	
<b>2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.</b>	

**3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the goods or services to be provided under the contract.**

4 Name of Interested Party	City, State, Country (place of business)	Nature of Interest (check applicable)	
		Controlling	Intermediary

**5 Check only if there is NO Interested Party.**

**6 AFFIDAVIT** I swear, or affirm, under penalty of perjury, that the above disclosure is true and correct.

\_\_\_\_\_  
Signature of authorized agent of contracting business entity

**AFFIX NOTARY STAMP / SEAL ABOVE**

Sworn to and subscribed before me, by the said \_\_\_\_\_, this the \_\_\_\_\_ day  
of \_\_\_\_\_, 20\_\_\_\_\_, to certify which, witness my hand and seal of office.

\_\_\_\_\_  
Signature of officer administering oath      Printed name of officer administering oath      Title of officer administering oath

**ADD ADDITIONAL PAGES AS NECESSARY**



## PART 8 – INSTRUCTIONS TO BIDDERS

1. Respondents **MUST** use the form and format included in this RFP document and provides all required information. The Request for Proposal shall be mailed to the Purchasing and Contracts Administration Department, El Paso Water, P.O. Box 511 El Paso, Texas 79961 or delivered to the Purchasing and Contracts Administration Department, El Paso Water Building, first floor, 1154 Hawkins Boulevard, El Paso, Texas 79925 prior to the date and time specified in this RFP document. Proposals received after the date and time shall be returned unopened to the Respondent.
2. The unit price of each item must be given in the column headed 'Unit Price' and must be for the particular unit of measurement specified in the column headed 'Unit'. In addition, the price per unit shall be multiplied by the total number of units and the total shown in the column for 'Total Cost'. If there is a discrepancy between the unit price and the total cost, the unit price shall prevail.
3. When a proposal is requested for a particular item by brand name or other form of identification and the words 'or approved equal' are used, Respondents may proposal on items manufactured by other companies, provided the substituted article(s) is clearly described in terms of trade name, grade, capacity, etc. Sufficient information **MUST BE INCLUDED WITH THE PROPOSAL SUBMITTAL** to permit El Paso Water to evaluate the item(s) for compliance with proposal specifications. **RESPONDENTS WHO FAIL TO INCLUDE THIS INFORMATION WITH THE PROPOSAL SUBMITTAL MAY BE DISQUALIFIED.**
4. Additional information not requested in the proposal specifications, but felt to be pertinent by the Respondent, may be included as annotations or attachments to the Proposal.
5. When a date is set for merchandise to be received or for work to be performed, the merchandise **MUST BE DELIVERED OR THE WORK PERFORMED** on or before the specified date; if not, the Purchase Order or Master Contract to the delinquent party may be canceled. If the Purchase Order or Master Contract is canceled, El Paso Water shall have the right to buy the merchandise or have the unfinished work completed by another respondent. Any excess in cost for the same item(s) or service over the price specified in the Proposal that was accepted by the Public Service Board will be deducted from any money deposited with this proposal or subsequently due. El Paso Water reserves the right to delete the company from the Respondents List for up to twelve months.
6. All proposals **MUST BE F.O.B. DESTINATION**. All reductions or refunds on freight charges will be for the account of El Paso Water.
7. The Proposal Submittal shall remain subject to acceptance for (90) Ninety days after the proposal opening.
8. Respondents are invited to be present at the opening of proposals.

9. Unless otherwise specified in the Proposal, award of the proposal shall be made by individual item to the lowest responsible respondent meeting specifications for the goods and/or services described in the Proposal. A Respondent may qualify their proposal by indicating that is based on 'All or None' for either all or part of the items.
  
10. The Public Service Board is not bound by the issuance of this Proposal to award a contract. Any resulting order will be awarded to the respondent that submits a proposal which receives the highest cumulative score for each of the evaluation factors delineated herein. If deemed to be in the best interest of El Paso Water, the Public Service Board reserves the right to reject any or all proposals, award a contract for the items, either in whole or part and/or waive any irregularities. However, the contract may not be awarded to a nonresident bidder unless the nonresident's proposal is lower than the lowest proposal submitted by a responsible Texas resident bidder by the same amount that a Texas resident bidder would be required to underbid a nonresident bidder to obtain a comparable contract in the state in which the nonresident's principal place of business is located. If the funding of the contract involves federal funds, then the contract will be awarded to the lowest and best qualified responsible Texas resident or nonresident bidder whose proposal, conforming to the Proposal, is most advantageous to El Paso Water.

#### DEFINITIONS:

**BIDDER** - means a person, partnership or corporation making a proposal for the performance of the work covered by the contract documents and may be a 'Texas Resident Bidder' or a 'Nonresident Bidder'.

**TEXAS RESIDENT** - means a respondent whose principal place of business is in this state and includes a contractor whose ultimate parent company or majority owner has its principal place of business in the state of Texas.

**NONRESIDENT** - means a respondent whose principal place of business is not in this state but excludes a contractor whose ultimate parent company or majority owner has its principal place of business in the state of Texas.

11. A Respondent may withdraw their proposal at any time prior to the date and time of proposal opening, provided written authorization is presented to the Purchasing Agent by an officer of the firm that submitted the proposal.
  
12. Any additional information about this proposal and/or complaints, questions or comments about the proposal of another vendor must be submitted to the Purchasing Agent within 24 hours after the proposals are opened for the information or complaint to be considered.
  
13. Reference proposal for insurance requirements.

14. Each proposal MUST be accompanied by Proposal Security made payable to El Paso Water in an amount of five (5) percent of the Respondent's total proposal and in the form of a certified or cashier's check or a Proposal Bond. The Proposal bond (and performance and Payment bond when required) shall be in the form prescribed by applicable laws and regulations including, but not limited to, Chapter 2253 of the Texas Government Code and Section 7.19-1 of the Texas Insurance Code. The bond shall be executed by a Surety authorized and admitted to do business in the State of Texas and licensed by the State of Texas to issue surety bonds. This Proposal Security is provided as a guarantee that the Respondent, if awarded a contract, will execute the contract (Purchase Order of Master Contract) to provide the material, supplies, equipment and/or services. FAILURE OF THE RESPONDENT TO INCLUDE PROPOSAL SECURITY WITH THE PROPOSAL SUBMITTAL SHALL CONSTITUTE A NONRESPONSIVE PROPOSAL AND RESULT IN DISQUALIFICATION OF THE PROPOSAL SUBMITTAL. THE PROPOSAL SECURITY SHALL BE FORFEITED AND EL PASO WATER SHALL THEN HAVE THE RIGHT TO MAKE THE AWARD TO THE NEXT LOWEST RESPONSIBLE, RESPONSIVE RESPONDENT OR ASK FOR NEW PROPOSALS. The Proposal Security of all respondents will be retained by El Paso Water until award of the contract to the successful Respondent by the Public Service Board. After award of the contract, the Proposal Security of the successful Respondent will be retained by El Paso Water until receipt of the Performance Bond and/or Payment Bond (if required). Upon receipt of the Performance Bond and/or Payment Bond, the Proposal Security will be returned. The Proposal Security of the next two low respondents will be retained until execution of the successful Respondent's contract and will then be returned. The Proposal Security of all remaining Respondents will be returned after award of the Proposal by the Board.
15. The successful Respondent will be required to obtain a Performance Bond and Payment bond (when required) for one hundred percent (100%) of the proposal as security for the faithful performance and payment of all of the Respondent's obligations. All bonds shall be in the form prescribed by all applicable laws and regulations including, but not limited to, Chapter 2253 of the Texas Government Code and Section 7.91-1 of the Texas Insurance Code. The bonds shall be executed by a Surety which is authorized and admitted to do business in the State of Texas and licensed by the State of Texas to issue surety bonds. All bonds signed by an agent must be accompanied by a certified copy of the agent's authority to act. IF THE SUCCESSFUL RESPONDENT FAILS TO FURNISH THESE BONDS WITHIN FIFTEEN (15) DAYS AFTER RECEIPT OF WRITTEN NOTIFICATION OF THE PROPOSAL AWARD, THEIR PROPOSAL SECURITY SHALL BE FORFEITED. .
16. To the fullest extent permitted by laws and regulations, Respondents shall indemnify and hold harmless El Paso Water, The Public Service Board, its officers, agents and employees from and against all claims, damages, losses and expenses; direct, indirect or consequential (including, but not limited to fees and charges of engineers, architects, attorneys and other professionals and court costs) arising out of or resulting from the performance of its obligations under this contract and the contract documents.
17. The Proposal MUST be signed by an authorized agent of the responding company. Failure to sign the Proposal or signing it with a false statement shall void the submitted proposal or any resulting contract (Purchase Order or Master Contract) and the respondent may, at the option of the Public Service Board, be removed from the proposal list.

18. By signing the Proposal, the Respondent affirms that he has not given or offered to give nor intends to give, at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, favor or services to an employee or official of El Paso Water in connection with the submitted proposal.
  
19. These INSTRUCTIONS TO RESPONDENTS, the Proposal and all other contract documents shall constitute a binding and enforceable contract with El Paso Water. Upon award of the proposal by the Public Service Board, the Respondent hereby agrees that the signature of its duly authorized agent on the first page of the Proposal shall bind the Respondent to all terms and obligations of the INSTRUCTIONS TO RESPONDENTS, Proposal and other contract documents.
  
20. This proposal specifically prohibits communications in writing addressed in the final bullet of the cone of silence.