



**EXTERNAL AUDIT SERVICES  
REQUEST FOR QUALIFICATIONS (“RFQ”)**

**ISSUE DATE:** July 21, 2020

**DUE DATE:** **2:00 p.m. on August 3, 2020** (the “Submission Deadline”)

**INSTRUCTIONS:** Respondents are asked to submit five (5) paper copies and one (1) electronic copy of their Statement of Qualifications (“SOQ”) on a flash drive. Diversity participation information provided by Respondent should be delivered with the SOQ in a separately-sealed envelope (and in a separate folder on the flash drive) labelled “Diversity”. Submittals must be delivered in a sealed envelope in person, via mail or courier. Please write “**Audit RFQ**” clearly on the outside of the sealed envelope. Submittals received by email, fax, or after the Submission Deadline will be rejected.

**SUBMIT TO:** Houston First Corporation, Attn: Mitch Miskowski, 701 Avenida de las Americas, Suite 200, Houston, TX 77010.

**CONTACT INFO:** Any questions concerning the content or subject matter of this RFQ must be sent by email to [bids@houstonfirst.com](mailto:bids@houstonfirst.com) no later than **10:00 a.m. on July 30, 2020**. Questions will be answered collectively in the form of a Letter of Clarification. Due to time constraints, HFC strongly encourages Respondents to submit questions as early as possible.

**PURPOSE & SCOPE OF SERVICES**

Houston First Corporation (“HFC”) requests for Statements of Qualifications (“SOQs”) from experienced firms of Certified Public Accountants with the proven ability and qualified, available personnel to perform professional audit services for a governmental entity and the hospitality industry, with a preference for hotel, convention center, food and beverage, and/or parking experience. The successful firm will be tasked to provide year-end audits of HFC’s consolidated financial statements for a term of two years, with three one-year extensions at the sole option of HFC. Each audit shall be performed in accordance with generally accepted auditing standards and, upon completion, the firm selected is to express an opinion and issue a report on the fair presentation of the consolidated financial statements in conformity with such generally accepted accounting principles.

As an essential element of its services, the audit firm will be required to communicate in a letter to HFC management any reportable conditions found during each 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 HFC’s ability to record, process, summarize or report financial data consistent with the assertions of management in the consolidated financial statements.) Reportable conditions that are also material weakness shall be identified in the report. Each such letter shall also include a statement on management and its compliance with HFC’s Investment Policy. Non-reportable conditions discovered by the auditor shall be reported in a separate letter to management, which shall be referred to in the report on internal controls.

The audit firm shall further ensure that the HFC Board of Directors and committees are informed of each of the following: Auditor’s responsibility under generally accepted auditing standards; significant accounting/investment policies; management judgments and accounting estimates; significant audit adjustments; other information in documents containing audited financial statements; disagreements with

management; management consultation with other accountants; major issues discussed with management prior to retention; and difficulties encountered in performing the audit.

The firm selected will need to commence services immediately on **August 17, 2020** and complete the initial audit by **September 30, 2020**. The firm will present the audit to the HFC Benefits, Compensation and Finance Committee and be available to provide a second, summary presentation to the HFC Board of Directors thereafter.

HFC's financial statements and other pertinent information is available for the benefit of all potential Respondents at <https://www.houstonfirst.com/information/financial-reports>.

## **BACKGROUND**

HFC is a local government corporation created by the City of Houston to facilitate economic growth through the promotion of the greater Houston area and the business of conventions, meetings, tourism, and the arts. The entity is responsible for the operation of the George R. Brown Convention Center, Avenida Houston, Partnership Tower, Wortham Theater Center, Jones Hall for the Performing Arts, Miller Outdoor Theatre, an array of outdoor venues/properties, and parking facilities that can accommodate nearly 10,000 vehicles.

## **SOQ FORMAT & EVALUATION**

To be considered responsive, Respondents are asked to include the following information in their SOQ:

- a. **Transmittal Letter:** Provide a letter communicating Respondent's understanding of the work to be done and communicating effectively why the firm should be selected. Disclose any affiliation or business relationship creating a conflict of interest (or appearing to a reasonable person to potentially exist) with Houston First Corporation, Greater Houston Convention & Visitors Bureau, or the City of Houston, or any of their respective affiliates. The letter must be signed by a person authorized to make representations on behalf of the Respondent and include a direct phone number and email address. Respondents must make specific, unambiguous statements (a) acknowledging and representing the ability of the audit firm to comply with the August 17, 2020 commencement date and September 30, 2020 completion date for the first audit and (b) accepting and agreeing to comply, if selected, with the Material Contract Agreement Terms and Conditions provided below
- b. **Experience and References:** Describe the Respondent's experience in providing audit services for a governmental entity and in the hospitality sector, with an emphasis on hotel, convention center, food-and-beverage, and/or parking. In each example given, describe the role played by the firm's key personnel that participated. Provide three references for whom the Respondent has provided comparable services as will be required hereunder. For each reference, include a contact name, phone number, and email address for the appropriate contact. Respondents must disclose any proceedings or findings by the Securities and Exchange Commission or other regulatory agencies within the last five years and discuss all corrective action taken by the firm.
- c. **Key Personnel:** Describe the composition and experience of the audit team that would be assigned to provide services with a summary of their qualifications. List the names of key personnel who will provide the work and provide their resumes.
- d. **Diversity Efforts:** Indicate how the Respondent intends to make good-faith efforts to utilize diverse companies to meet the Diversity Goal set forth in this RFQ.

Although there is no page limit, Respondents are asked to ensure that their SOQs are clear and concise.

Each SOQ received in response to this RFQ will be reviewed and ranked based on the following weighted criteria: Transmittal Letter, including acceptance of the Material Contract Agreement Terms and Conditions (20 points); Experience and References (40 points); Key Personnel (20 points); and Diversity Efforts (10 points).

Each Respondent will be interviewed by Zoom call on **August 6, 2020** for approximately 45 minutes. (Based on the quantity of SOQs received, HFC may add sequential business days as necessary to ensure that all Respondents are interviewed.) Up to an additional 10 points may be added to the SOQ scores of the respondent firms interviewed, for a maximum possible total of 100 points, based on their responsiveness and project approach during such interviews. HFC will notify each Respondent of their assigned interview date and time within 24 hours of the Submission Deadline. Respondents who fail to participate during their assigned interview date and time will receive zero points.

Pursuant to and in accordance with the requirements of Chapter 2254 of the Texas Government Code and the HFC Procurement Manual, HFC will select the top-ranked team, on the basis of demonstrated competence and qualification as measured by the foregoing criteria, subject to negotiation of fair and reasonable compensation, including a not-to-exceed amount and/or prior-authorization requirement for services in excess of a mutually-agreed estimate of services hours. If HFC and such firm should fail to agree on such fair and reasonable compensation, then HFC reserves the right to and may conduct negotiations with the next most-qualified Respondent. If necessary, HFC will conduct negotiations with successive Respondents in descending order until a contract award can be made to a qualified Respondent whose price HFC believes is fair and reasonable.

This RFQ does not commit HFC to award a contract, issue a purchase order, or to pay any costs incurred in the preparation of a SOQ in response to this RFQ. HFC reserves the right to select or reject all or part of any proposal, waive minor technicalities, and select one or more proposals in the manner and to the extent that they serve the best interests of HFC. HFC reserves the right to request proposal clarifications/additional information from some or all Respondents.

### **LETTERS OF CLARIFICATION**

Responses to all material questions timely submitted by potential Respondents, as well as revisions incorporated into this RFQ by HFC, if any, will be confirmed collectively in a letter posted online at <http://www.houstonfirst.com/do-business> ("Letter of Clarification"). When issued, Letters of Clarification become part of this RFQ and automatically supersede any previous specifications or provisions in conflict therewith. By submitting their SOQ, Respondents shall be deemed to have reviewed all Letters of Clarification on the website and incorporated them into their submittal. Verbal responses will not otherwise alter the specifications, terms and conditions as stated herein. It is the responsibility of Respondents to monitor the foregoing link and ensure they receive any such Letters of Clarification and incorporate them in their SOQ.

### **FORM OF AGREEMENT**

By submitting a response to this RFQ, Respondent agrees, if selected, to enter into an agreement including the Material Contract Terms and Conditions set forth below as Attachment "1". Any requests for clarification or modification to the terms of such agreement must be timely submitted by email to [bids@houstonfirst.com](mailto:bids@houstonfirst.com). Responses to material questions and issues will be included in a Letter of Clarification. Respondents are advised that alternative terms, pre-printed forms, or other objections submitted by a Respondent shall be disregarded and may result in a SOQ being deemed, in HFC's discretion, as non-responsive.

### **DIVERSITY PARTICIPATION**

The Respondent selected will be required to use good-faith efforts to award subcontracts to diversity participants certified by any of the identified certification agencies as defined in the [HFC Diversity Program](#). HFC has established the following goal for these services: **30%** of the total value of the

Agreement. Respondents should note if they are certified as a diversity participant in their submittal; however, such certification shall not lessen or otherwise alter the requirement to use good faith efforts to award subcontracts to diversity participants. All diversity-participation information provided by Respondents, including required forms, should be delivered with the Respondent's SOQ in a separately-sealed envelope (and in a separate folder on the flash drive) labelled "**Diversity**".

### **VENDOR CODE OF CONDUCT**

Respondents who do business or seek to do business with HFC are expected to interact with HFC with high ethics and integrity. To promote ethical conduct by its existing and potential contractors, HFC has adopted a Code of Conduct for Vendors, available online at [www.houstonfirst.com/do-business](http://www.houstonfirst.com/do-business). HFC requires that all Respondents be familiar with and abide by the Code of Conduct for Vendors.

### **RESTRICTIONS ON COMMUNICATIONS**

Throughout the selection process, commencing with the Issue Date, Respondents are directed not to communicate with any HFC employee, officer or director regarding their SOQ or any matter relating to this RFQ, other than through [bids@houstonfirst.com](mailto:bids@houstonfirst.com). Respondents are solely responsible for observation and compliance with such restrictions, and HFC reserves the right to reject any SOQ or subsequent proposal due to violation of this provision.

### **CONFLICTS OF INTEREST**

Respondents are advised that they have an affirmative obligation to disclose any affiliation or business relationship with an HFC employee, officer, or director creating a conflict of interest (or appearing to a reasonable person to potentially exist). Those who need the disclosure form may find it online at <http://www.ethics.state.tx.us/forms/CIQ.pdf>. By submitting a proposal, Respondents represent to HFC that they have complied with the requirements of Chapter 176 of the Texas Local Government Code.

### **PROTEST PROCEDURES**

Any protest relating to the form, terms and conditions, selection criteria, specifications, exhibits, or any other material RFQ content must be filed by the actual or potential Respondent with the Purchasing Agent no later than five business days prior to the Submission Deadline. If the protest consists of a dispute regarding the Respondent recommended by the selection committee, or otherwise relates to the alleged misapplication of selection criteria, then the Purchasing Agent must receive the protest from an actual Respondent after the Submission Deadline, but at least three business days prior to consideration of a contract resulting from this RFQ by an HFC committee or Board of Directors, whichever is earlier.

All protests must be made in writing and delivered to Houston First Corporation, Attn: Purchasing Agent, 701 Avenida de las Americas, Ste. 200, Houston, TX 77010. To be considered by HFC, protests must be timely received and include, at a minimum, all of the following information: (a) The name, address and contact information of the Respondent, with sufficient information to establish that a bona fide Respondent is the person or entity filing the protest; (b) The full title of the RFQ; (c) Material grounds for the protest, including the provisions of the RFQ and the applicable law or regulation that serves as the basis for the protest; (d) A statement of the specific relief requested by the Respondent ; (e) Reference to and attachment of any pertinent documents or sources relied upon by the protestor that the protesting party wishes to have HFC consider; and (f) An affidavit attached to support any factual allegations stated in the submission. The Purchasing Agent will notify the Respondent promptly to acknowledge receipt of a protest.

### **PUBLIC INFORMATION**

HFC is subject to the Texas Public Information Act ("TPIA"). Information submitted by Respondents is subject to release under the provisions of the TPIA set forth in Chapter 552 of the Texas Government Code. Each page where confidential or proprietary information appears must be labeled as such clearly and unambiguously. Respondents will be advised of any request for public information that implicates

their materials and will have the opportunity to raise objections to disclosure with the Texas Attorney General at their expense.

**RFQ PACKETS**

A complete copy of this RFQ, including exhibits, necessary forms and other relevant information is available on-line at [www.houstonfirst.com/do-business](http://www.houstonfirst.com/do-business). This RFQ provides the information necessary to prepare and submit a SOQ for consideration and ranking by HFC.

**ATTACHMENT “1”**  
**MATERIAL CONTRACT TERMS AND CONDITIONS**

Standard of Care. Firm represents and warrants to HFC that the services shall be timely and professionally performed in accordance with generally accepted accounting principles and in full compliance with federal, state, and local laws, statutes, ordinances, rules, regulations and lawful orders of public authorities, as may be amended from time to time. Firm shall not employ, retain or engage unfit persons or persons not properly skilled in the tasks assigned to such persons under this Agreement. Firm shall not engage in any activity, or accept any employment, interest or contribution that would reasonably appear to compromise Firm’s professional judgment with respect to the services or this Agreement, nor shall Firm take for itself or divert to a third party any corporate opportunity arising out of this Agreement or discovered otherwise through the use of HFC property or information.

Service Fees. Subject to all terms and conditions of this Agreement, Firm agrees to provide the services in exchange for the fees set forth in Exhibit [TBD]; provided, however, that Firm shall notify HFC in writing prior to performing [TBD] cumulative hours of service (the “Initial Allocation”). HFC may, but shall have no obligation to, authorize an additional allotment of service hours one or more times during the Term (each a “Supplemental Allocation”) and Firm shall notify HFC in writing before performing cumulative hours of services authorized under any such Supplement Allocation. HFC shall not pay any amount to Firm in excess of the Initial Allocation or Supplemental Allocation, and Firm shall have no obligation to perform Services in excess of the Initial Allocation or Supplemental Allocation.

Invoice Procedures. Firm will be paid on the basis of monthly invoices submitted by Firm, and approved by HFC, detailing the services provided by Firm during the previous month and the attendant fee. Invoices shall be submitted electronically by the fifth calendar day of the month following each month in which services are performed. HFC shall make payment to Firm within 30 calendar days of the receipt and approval by HFC of such invoices. If any item in any invoice submitted by Firm is disputed by HFC for any reason, including lack of supporting documentation, then HFC shall temporarily delete the disputed item and pay the remaining amount of the invoice; provided, however, that HFC shall promptly notify Firm of the dispute and request clarification and/or remedial action. After any dispute shall have been settled, Firm shall include the disputed amount on a subsequent regularly scheduled invoice or on an invoice for the disputed item only.

Termination for Cause. If Firm is in default under this Agreement, then HFC may, at its option, either terminate this Agreement immediately upon notice to Firm, or allow Firm the opportunity to promptly cure the default as provided herein.

Default. Firm shall be deemed to be in default under this Agreement due to the occurrence of any of the following events: (a) Firm fails to perform or observe any term, condition or requirement under this Agreement; (b) Firm, or an employee, agent, contractor, or subcontractor of Firm, violates applicable law in connection with the services; (c) Firm becomes insolvent; (d) All or a substantial part of Firm’s assets are assigned for the benefit of its creditors; (e) A receiver or trustee is appointed for Firm; or (f) Firm assigns this Agreement without the prior written consent of HFC.

Remedies. If default occurs, then HFC shall have the right to exercise its legal and equitable remedies, including, without limitation, the right to terminate this Agreement or to seek specific performance of all or any part of this Agreement. In addition, HFC shall have the right, but not the obligation, to cure or cause to be cured on behalf of Firm any such default, and Firm shall pay HFC on demand all costs and

expenses incurred by HFC in effecting such cure, in addition to all damages, losses, costs or expenses incurred by HFC as a result of such default by Firm.

Optional Notice of Default. If a default occurs, HFC may, but shall have no obligation to, deliver notice to Firm describing the default and allowing Firm at least 10 calendar days to cure the default. If HFC elects to allow the Firm the opportunity to cure the default, and Firm does so to the satisfaction of HFC before the termination date, then the termination is ineffective; should Firm fail to so cure such default prior to the termination date, then this Agreement shall terminate automatically on the termination date without further notice from HFC.

Termination for Convenience. HFC reserves the right to terminate this Agreement for its convenience at any time by giving 30 calendar days' written notice to Firm. HFC's right to terminate this Agreement for convenience is cumulative of all rights and remedies that exist now or in the future. On receiving the notice, Firm shall, unless the notice directs otherwise, immediately discontinue all services under this Agreement and cancel all existing orders and subcontracts that are chargeable to this Agreement. As soon as practicable after receiving the termination notice, Firm shall submit an invoice showing in detail the services performed under this Agreement up to the termination date. HFC shall then pay the fees to Firm for services actually performed, but not already paid for, in the same manner as prescribed herein. **TERMINATION OF THIS AGREEMENT AND RECEIPT OF PAYMENT FOR SERVICES RENDERED ARE FIRM'S EXCLUSIVE REMEDIES FOR HFC'S TERMINATION FOR CONVENIENCE, WHICH DOES NOT CONSTITUTE A DEFAULT OR BREACH UNDER THIS AGREEMENT. FIRM WAIVES ANY CLAIM (OTHER THAN ITS CLAIM FOR PAYMENT AS SPECIFIED HEREIN), IT MAY HAVE NOW OR IN THE FUTURE FOR FINANCIAL LOSSES OR OTHER DAMAGES RESULTING FROM HFC'S TERMINATION FOR CONVENIENCE.**

Termination by Firm. Firm may terminate this Agreement only if HFC defaults and fails to cure the default after receiving written notice thereof. Default by HFC occurs if HFC fails to perform one or more of its material duties under this Agreement. If a default occurs and Firm seeks to terminate the Agreement, then Firm must deliver a written notice to HFC describing the default and the proposed termination date. Such date must be at least 30 days after HFC receives notice. If HFC cures the default before the proposed termination date, then the proposed termination is ineffective. If HFC does not cure the default before the proposed termination date, then Firm may terminate this Agreement upon notice to HFC and may seek any remedy available under applicable law, subject to the provisions and limitations of this Agreement.

Remedies Cumulative. The rights and remedies of HFC under this Agreement shall be cumulative. HFC shall have and may exercise all other rights and remedies not inconsistent herewith as provided under applicable law, or in equity. No exercise by HFC of one right or remedy shall be deemed an election, and no delay by HFC shall constitute a waiver, election, or acquiescence to any default, breach, violation, or non-performance by Firm. To the extent not prohibited by applicable law and addition to any other remedy, HFC reserves the right but not the obligation to offset any amount that Firm owes HFC against any amounts due Firm under this Agreement.

Diversity Goal. Firm shall make good faith efforts to award subcontracts equal to **thirty percent (30%)** of the value of this Agreement to certified, diverse suppliers of goods and services in accordance with the Diversity Program established by HFC, which is made a part hereof for all purposes. Firm shall disclose to HFC the manner and extent to which it has made good faith efforts to achieve such goal and submit reports on forms provided by HFC with each invoice, or as directed by HFC.

Force Majeure. Timely performance by both parties is essential to this Agreement. However, neither party will be liable to the other for a delay or other failure to perform an obligation under this Agreement to the extent the delay or failure is caused by Force Majeure. For purposes of this Agreement, Force Majeure means fires, floods, explosions, and other acts of God, war, terrorist acts, riots, court orders and the acts of superior governmental or military authority. This relief is not applicable unless the affected party does the following: uses due diligence to remove the Force Majeure as quickly as possible; provides the other party with prompt written notice of the cause and its anticipated effect; and provides the other party with written notice describing the actual delay or non-performance incurred within 7 calendar days' after the Force Majeure ceases. If the Force Majeure continues for more than 30 calendar days, then either party may terminate this Agreement by giving 15 calendar days' written notice to the other party; such termination is not a default or breach of this Agreement.

Assignment. Firm shall not assign this Agreement in whole or in part without the prior written consent of HFC and shall not have the right to reassign key personnel without the prior written consent of HFC. For purposes hereof, any transfer of ownership interests in Firm, direct or indirect, occurring after the Effective Date shall be deemed an assignment by Firm requiring prior written consent of HFC. HFC may assign this Agreement in whole or in part, including any enforcement rights granted hereunder, at any time upon written notice to Firm.

Notices. All notices required or permitted hereunder shall be in writing and shall be deemed received when actually received or, if earlier, on the third day following deposit with the United States Postal Service by registered or certified mail, return receipt (or electronic return receipt) requested, Federal Express, UPS, or any other national overnight express delivery service.

Non-Waiver. Failure of either party hereto to insist on the strict performance of any of the agreements herein or to exercise any rights or remedies accruing hereunder upon default or failure of performance shall not be considered a waiver of the right to insist on and to enforce by any appropriate remedy strict compliance with any other obligation hereunder or to exercise any right or remedy occurring as a result of any future default or failure of performance.

Independent Contractor Status. The relationship of Firm to HFC shall be that of an independent contractor. Firm has the authority to select the means, methods and manner of providing services subject to the terms, conditions, and specifications in this Agreement. No principal/agent, partnership, joint venture, joint employer, or other relationship, other than an independent contractor relationship, is created or intended by this Agreement.

Governing Law/Venue. This Agreement shall be construed and enforced in accordance with the laws of the State of Texas, notwithstanding any choice-of-law or conflicts-of-law rules to the contrary. Any action to enforce this Agreement or any litigation or claims otherwise regarding this Agreement must be brought in a court of competent jurisdiction in Harris County, Texas.