

NOTICE TO PROPOSERS

Sealed proposals, in triplicate on the forms prescribed along with one duplicate version written to a CD-ROM and addressed to the City of Deer Park, Texas, will be received at the office of the City Secretary, City Hall, 710 E. San Augustine Street, Deer Park, Harris County, Texas, until **2:00 p.m. on Friday, March 13, 2015** at which time the proposals are to be opened and publicly read in the Council Chambers at 2:00 p.m. (per Council Chambers clock) on said date, for the following:

“Professional Hotel Occupancy Tax Auditing Services”

An **OPTIONAL** pre-submittal meeting will be held at **10:00 am on Monday, February 23, 2015** at City Hall located at 710 E. San Augustine, Deer Park, Texas 77536 in the Council Chambers.

The City of Deer Park does not accept emailed or faxed proposals.

Proposals are to be submitted on bidders own forms including name of bidder, contact and telephone number. The City reserves the right to reject any and all bids, or parts of bids, to waive any and all technicalities, and to accept any bid, or part of bid, which it deems advantageous to itself.

BY ORDER OF THE CITY COUNCIL OF DEER PARK, TEXAS

Dated this 5th day of February, 2015.

Sandra Watkins, TRMC
City Secretary
City of Deer Park, Texas

REQUEST FOR PROPOSALS
PROFESSIONAL HOTEL OCCUPANCY TAX AUDITING
SERVICES



CITY OF DEER PARK, TEXAS

710 E. San Augustine
Deer Park, TX 77536
281.478.2394
www.deerparktx.gov

DUE DATE: Monday, March 13, 2015
2:00 PM (CST)

Disclosure Requirements

Chapter 176 of the Texas Local Government Code mandates the public disclosure of certain information concerning persons doing business or seeking to do business with the City of Deer Park, including affiliations and business relationships such persons may have with City officers, including the governing body, administrators, directors, etc. A complete text of the law may be found at the following link: <http://www.statutes.legis.state.tx.us/Docs/LG/htm/LG.176.htm>. If you are unable to obtain this information online, please contact Tracy McBride, Purchasing Coordinator, at 281.478.7228.

BY DOING BUSINESS OR SEEKING TO DO BUSINESS WITH THE CITY OF DEER PARK, YOU ACKNOWLEDGE THAT YOU HAVE BEEN NOTIFIED OF THE REQUIREMENTS OF CHAPTER 176 OF THE TEXAS LOCAL GOVERNMENT CODE AND THAT YOU ARE SOLELY RESPONSIBLE FOR COMPLYING WITH THEM.

Vendor Name: _____

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INTRODUCTION

A. Request for Proposals

The City of Deer Park (the "City") is requesting proposals for professional hotel occupancy tax auditing services from qualified firms who are interested and qualified to provide such services during fiscal years 2015, 2016, and 2017. The contract term shall include the option to extend the engagement for an additional two subsequent fiscal years based on the firm's satisfactory performance and mutual agreement by both parties. The selected firm may also be asked to advise the City about other matters relative to the City's hotel motel occupancy tax program.

The purpose of the Request for Proposal ("RFP") process is to identify the most qualified firm. It is intended that the selected firm shall accomplish and/or supply all services described herein. The City makes no promises or representations and does not offer, promise or guarantee that the selected firm will be awarded any future contracts to provide these or additional services to the City.

The City has scheduled an optional pre-submittal meeting for all interested parties on Monday, February 23, 2015 at 10:00 AM in the City of Deer Park City Council Chambers located at 710 E. San Augustine, Deer Park, TX 77536. Attendance at the pre-submittal meeting is optional.

B. Responses to the RFP

Responses to the RFP ("proposals") must be submitted in the manner prescribed herein and must be received by the City Secretary prior to the time and date specified below. It is the firm's responsibility to ensure that the proposal is actually delivered to the City Secretary by the submission deadline. The mere fact that the proposal was dispatched will not be a consideration. At a minimum, the proposal must be valid for a period of 90-days from the submission deadline.

Alterations or corrections may be provided before the submission deadline but must be initialed by the respondent as a guarantee of authenticity. Submittals may not be altered or amended after the submission deadline.

The City reserves the right to make any additional inquiries deemed necessary for the evaluation of the proposal and/or to investigate the firm's qualifications. Respondents shall be obligated to furnish any additional information requested by the City.

C. Questions

In order to ensure the fair and objective evaluation of the proposals, all questions related to this RFP (except those addressed at the pre-submittal meeting) must be submitted in writing and will be answered in writing.

1. To request a copy of the RFP or for questions related to the City's purchasing process or pre-submittal meeting, contact the City's Purchasing Coordinator, Tracy McBride, at 281.478.7228 or via email at purchasing@deerparktx.org.
2. Submit technical questions to Jeffery Johnson, Tax Assessor Collector, via email at jjohnson@deerparktx.org or via facsimile at 281.478.7219 by 5:00 p.m. on Friday, February 27, 2015.

Contact with any other City of Deer Park employee or official relative to this request is prohibited. Failure to observe this requirement may be grounds for rejection of the response.

The City believes the data contained in this RFP is sufficient for the preparation of a proposal. Requests for additional information will be considered based on the availability of the requested information and the timing of the request. Such information will be submitted to all known and interested firms simultaneously. Questions covered at the pre-submittal meeting will be documented for all interested parties.

D. Submissions

Respondents are required to submit three (3) original proposals and one (1) electronic version written to a CD-ROM. The electronic version must be an exact duplicate of the original hard copy proposal. Responses must be completed and submitted as described in this RFP and must be returned in a sealed envelope bearing the name and address of the respondent. **Incomplete responses or responses received after the submission deadline will not be considered under any circumstances.** The right to accept any proposal, or to reject any or all proposals and/or to waive all formalities is hereby reserved by the City Council of the City of Deer Park, Texas. Sealed proposals will be accepted until **2:00 p.m. on Friday, March 13, 2015 and should be addressed as follows:**

**City of Deer Park
Attention: Sandra Watkins, City Secretary
710 E. San Augustine
Deer Park, Texas 77536**

RFP – PROFESSIONAL HOTEL OCCUPANCY TAX AUDITING SERVICES Deliver to Addressee Unopened

Proposals received after the submission deadline will be considered void and unacceptable and will be returned unopened to the respondent. The City is not responsible for the lateness of the proposal by the mail or delivery service provider. The time/date stamp of the City Secretary shall be the official time of receipt.

TIMELINE

The City will make every effort to adhere to the following schedule but meeting dates are tentative:

Tuesday	February 3, 2015	Council approval of RFP
Wednesday	February 4, 2015	Release RFP to known and interested firms
Thursday	February 12, 2015	First of two bid advertisements in newspaper (Deer Park <i>Broadcaster</i>)
Thursday	February 19, 2015	Second of two bid advertisements in newspaper (Deer Park <i>Broadcaster</i>)
Monday	February 23, 2015	Optional pre-submittal meeting
Friday	February 27, 2015	Deadline for questions
Friday	March 13, 2015	Proposal submission deadline
Through Friday, March 27, 2015		Staff review, evaluation and recommendation
Tuesday	April 7, 2015	City Council consideration for award of contract
Initial Contract Term		May 1, 2015 – September 30, 2017 <i>(Two one-year options would extend the contract to September 30, 2019)</i>

GENERAL TERMS AND CONDITIONS

A. Reimbursements

There is no express or implied obligation for the City to reimburse respondents for any expenses incurred in preparing a proposal in response to this RFP. The City will not reimburse respondents for these expenses, nor will the City pay any subsequent costs associated with the provision of any additional information or presentation, or to procure a contract for these services.

B. Addenda

If it becomes necessary to change the published RFP documents, all the foregoing terms and conditions and all performance requirements will also apply to the published addenda. All published addenda must be signed and included with the proposal as acknowledgement of the addenda. Any changes will be provided to all known and interested firms simultaneously; however, the firm is responsible for obtaining all published addenda from the City. The City assumes no responsibility for the firm's failure to obtain and/or properly submit addenda. Failure to acknowledge and submit addenda may be cause for the proposal to be rejected. The City's decision to accept or reject any particular proposal due to a failure to acknowledge and submit addenda will be final.

C. Certification

By submitting a proposal, the firm certifies knowledge and understanding of the scope, quantity, and quality of services to be provided in response to this RFP. A Certification Form is included with this RFP and must be completed and returned as part of the proposal. Failure to submit a signed Certification Form by the submission deadline may result in the proposal being rejected as incomplete.

D. Reservations

The City reserves the right to accept or reject any or all proposals as a result of this request, to negotiate with any qualified firms, or to cancel, in whole or in part, this RFP if it is found to be in the best interest of the City. The City also reserves the right to request additional information and/or clarification of any information submitted as part of the proposal.

This RFP does not commit the City to award a contract, to pay any costs associated with the preparation of the proposal, or to contract for services. All proposals shall become the property of the City of Deer Park.

The City shall conduct reference checks as necessary to evaluate any proposal. The City may contact references listed in the proposal, but may also contact any other company or individual that can provide information to assist in the evaluation of the qualifications and capability of the firm.

E. Disclosure

At the public opening, there will be no disclosure of contents to the respondents, and all proposals will be kept confidential during the evaluation and negotiation process. Except for confidential information the firm identifies as proprietary, all proposals will be available for public inspection after the contract award, in accordance with the Texas Public Information Act.

F. Award of the Contract

Award of the contract shall be based on demonstrated competence and qualifications using established criteria to evaluate the proposals. The evaluation criteria and proportional value of each are described in this RFP. Professional fees are not the primary consideration in the evaluation process, however, pricing is included as part of the evaluation criteria. Professional fees may not exceed any maximum amounts provided by state law.

G. Insurance

The firm shall agree to maintain and, upon request, provide evidence of coverage (e.g., Certificate of Insurance) for the following: general liability, automobile liability, workers compensation, and professional liability.

SPECIFIC TERMS AND CONDITIONS

- A.** This RFP and the contents of the successful proposal shall become part of any subsequent contractual document related to these professional auditing services. In the event of a discrepancy between the RFP and the proposal, the RFP shall rule. Any contract modifications necessitated during the term of the contract shall be in writing and subject to approval of the City Council.
- B.** This contract shall become effective following acceptance and approval by the City Council and shall remain in full force and effect with firm fixed prices for a period of three years subject to an annual performance review and recommendation of the City staff. The City expects the initial contract term to begin on or about April 1, 2015.
- C.** The City will have the option of extending the contract for two additional one-year terms to be awarded one year at a time; however, the City will not consider a contract extension that includes any change in the contract terms, conditions, or pricing. Contracts shall be extended only upon mutual agreement of the firm and the City.
- D.** The City may terminate this contract at any time upon 60-days written notice. The firm shall be compensated for the services satisfactorily performed prior to the termination date. If, through any cause, the firm fails to fulfill its obligations under this contract, or if the firm violates any of the terms and conditions of this contract, the City has the right to terminate this contract upon five (5) days written notice.

No term or provision of this contract shall be construed to relieve the firm of liability to the City for damages sustained by the City because of any breach of contract. The City may withhold payments to the firm until the exact amount of damages due the City is determined and paid.

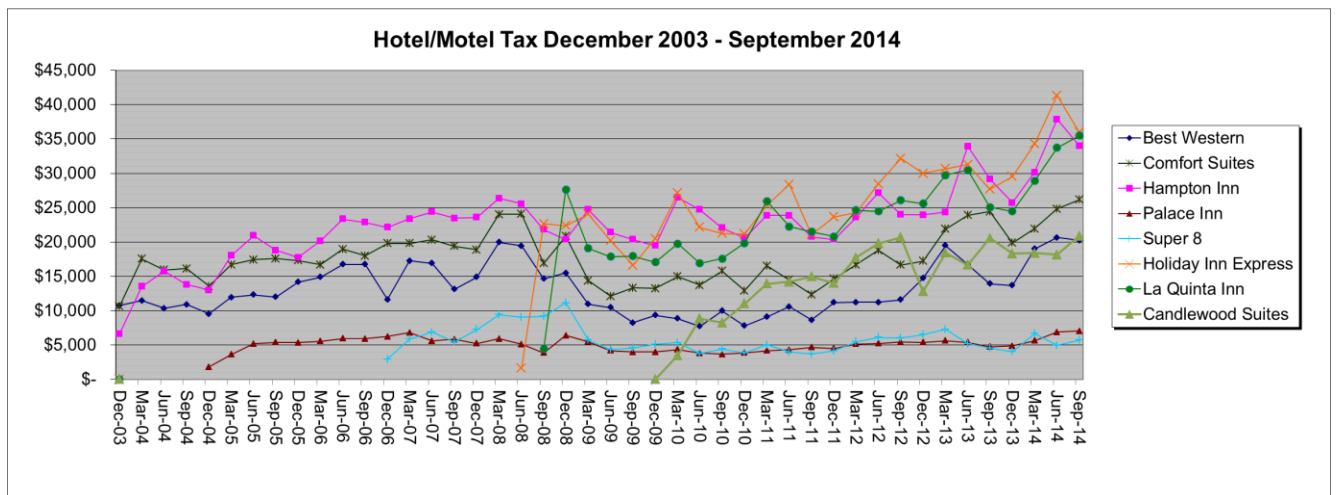
- E.** Should there be a change in the firm's ownership or management, the contract may be canceled at the option of the City unless a mutual agreement is reached with the new owner or manager to continue the contract pursuant to the existing contract terms, conditions and pricing.
- F.** Payments shall be made in accordance with the contracted fee schedule.
- G.** This contract shall be governed in all respects by the laws of the State of Texas. The parties agree that performance and all matters related thereto shall be in a state court of competent jurisdiction in Harris County, Texas and further that neither party will seek to remove such litigation to the federal court system by application of conflict of laws or any other removal process to any Federal Court or court not in Texas.

- H.** No public official or City employee shall enter into a contract on behalf of the City which violates Local Government Code, Chapter 171 – Regulation of Conflicts of Interest of Officers of Municipalities, Counties, and Certain Other Local Governments. Contracts are subject to all legal requirements provided in the City Charter and/or applicable City Ordinances, and all applicable State and Federal Statutes.

GENERAL INFORMATION

The City of Deer Park, incorporated in 1948, is located in the center of the highly industrialized ship channel area just east of Houston. The City currently occupies a land area of 10.4 square miles and serves a population of approximately 33,600. The City operates under a home rule, council-manager form of government and is funded on a fiscal year basis. The annual fiscal period is October 1 through September 30.

The City has eight hotels within the municipal boundary and has collected hotel occupancy tax (HOT) on average for the past four quarters of \$169,911 per quarter. The Hotel Occupancy Tax Fund is a hotel occupancy tax, a consumption tax authorized under state statute. The tax allows the City to collect up to its current tax rate of 7% on rental income of hotels and motels within the city limits, 1% of which is retained by the hotel operator as a collection fee. The collected hotel occupancy tax collected by the City must be spent to directly enhance and promote tourism and the convention and hotel industry as allowed by law. All hotels within the City pay the HOT quarterly.



SCOPE OF WORK

It is the City's intent to award a contract to the one firm that offers the most advantages to the City for professional hotel occupancy tax auditing services at a reasonable cost.

The City is requesting proposals from qualified firms to perform an audit on the Hotel Occupancy Tax (HOT) paid from hotel/motel owners in accordance with State and local laws. The audit of hotel occupancy tax will include the audit of two or more hotels each year to be selected by the City, during fiscal years 2015 through 2017 with an option to extend the engagement through the fiscal year ending September 30, 2019 and to provide other related services as stated herein. The contract shall become effective following acceptance and approval by the City Council and shall remain in effect for a period of three years and up to five years subject to approval in each of the last two years.

Scope of work shall include, but not be limited to the following:

- a. Review and recommend changes to the City's Ordinance requiring the collection and payment of HOT.
- b. Identify and report to the City all establishments within the corporate city limits that should be remitting HOT to the City. This report should include number of rooms, occupancy rate, property condition and any other relevant data.
- c. Provide a sample audit announcement letter which will be sent to each hotel or motel provider selected for audit.
- d. Review (audit) establishments' internal controls relating to the preparation of the HOT returns in order to determine the accuracy of those procedures relative to the calculation and reporting of HOT due to the City.
- e. Educate all non-complying establishments about City ordinance requirements and their responsibilities in order to prevent future misallocations.
- f. Test amounts calculated and paid in the last three (3) years to records maintained by the Texas Comptroller's Office and records of the establishments within the corporate city limits to determine that payments were based on verifiable revenues, correctly calculated, and remitted.
- g. Report to the Comptroller's Office on behalf of the City any relevant information on hotel or motel payment deficiencies over \$2,000 discovered during the audit (per HB 2048) as well as any other mandatory reporting required by the State.
- h. Act as the City's representative in all communications with the State Comptroller's Office in regard to the hotel occupancy tax audit program.

- i. Issue a report to the City enumerating the procedures performed and results of those procedures. The report shall include a findings section to identify any exceptions, errors, internal control weaknesses, taxes due, or noncompliance that was noted as a result of the procedures performed. The report shall also include any follow-up recommendations.
- j. Proposals must clearly specify the terms.

EVALUATION

A. Evaluation Criteria

The evaluation of the proposals will be made based on the criteria listed below. While pricing is a consideration, it is clearly not the primary factor in the selection of the firm. The contract award will not necessarily be made to the firm that provides the lowest cost proposal. The contract award will be based primarily on demonstrated competence and qualifications using the listed criteria. It is important that the proposal be clear and complete. Incomplete responses may be discarded and not considered.

- | | |
|------------------|---|
| 40 points | Qualifications and experience of the firm and personnel to be assigned to work with the City as it relates to performing HOT audits for governmental entities |
| 25 points | Technical ability of the firm to perform the needed services, including an evaluation of the firm's audit plan and approach |
| 25 points | Pricing, rates, and expenses - professional fees may not exceed the maximum amount allowed by state law |
| 10 points | References substantiating the firm's experience and success in providing HOT audit services to similar governmental entities |

B. Application Review

The proposals will be reviewed and evaluated by City staff which may include the Director of Finance, Tax Assessor Collector, Accounting Supervisor, Purchasing Coordinator, and/or Assistant City Manager.

Based on these reviews and evaluations, City staff will forward a recommendation to the City Council, which will make the final selection.

INSTRUCTIONS AND REQUIREMENTS

The proposal should conform to the format described below and should provide a straightforward and understandable description of the firm's capabilities and experience. Respondents may include additional information deemed appropriate to expand on the firm's ability to perform the work, but all required information should be included for the response to be eligible for consideration.

- TAB A** **Cover Letter** – Please include a cover letter stating the firm's understanding of the engagement and why the firm is qualified to perform the services. The letter should also include the name and contact information of the individual(s) authorized to answer questions about the response. The cover letter must be signed by a person authorized to contractually bind the firm.
- TAB B** **Qualifications and Experience** – Briefly introduce the firm. Describe the firm's experience in providing professional hotel occupancy tax auditing services. Describe any professional relationships involving the City, including component units, and explain why such relationships would not constitute a conflict of interest in providing these professional services. Provide an affirmative statement that the firm is independent of the City and its component units. Describe the firm's expectation and/or requirements of City staff.
- TAB C** **Technical Approach and Understanding of the Scope of Work** – Please indicate a clear understanding of the scope of work and describe the firm's typical approach to this type of project. The plan should clearly distinguish the firm's understanding of its duties and responsibilities versus expectations from the City.
- TAB D** **Additional Information** – Please provide any additional, relevant information regarding court actions, pending litigation, conflicts of interest, or other matters not previously specified about which the City should be made aware.
- TAB E** **References** – Please provide at least three references from governmental entities, particularly municipalities, including the entity's name and mailing address, contact name, telephone number and email address.
- TAB F** **Certification and Acknowledgement** – A complete and fully executed (signed) Certification Form is required (see below).
- TAB G** **Addenda** – If applicable, please include any addenda items requested, including a signed acknowledgement of each addendum.
- TAB H** **Optional** – Any additional information deemed pertinent by the firm should be included after the required information.

CERTIFICATION

Respondents are required to include the following signed certification with the proposal as referenced above (Tab F).

Certification Form

The undersigned affirms that they are duly authorized to execute this contract, that this proposal has not been prepared in collusion with any other firm, and that the contents of this proposal have not been communicated to any other firm prior to the official opening of this proposal. Further, the undersigned affirms that the firm agrees to all terms and conditions contained in this Request for Proposal for professional hotel occupancy tax auditing services issued by the City of Deer Park, Texas as authorized by the City Council of the City of Deer Park, Texas on February 3, 2015.

Firm: _____ TIN: _____

Signed By: _____ Date: _____

Printed Name: _____ Title: _____

Phone #: _____ Fax #: _____

Email: _____ Website: _____

Mailing Address: _____

Delivery Address: _____

END OF REQUEST