



## **Washington State Auditor's Office**

### **STATE OF WASHINGTON**

#### **Request for Proposals**

#### **Number K499-RFP-1507**

#### **Public Records Requests for State and Local government entities**

**Pre-proposal Teleconference July 16, 2015 at 2:00 p.m. Local Time  
In Olympia, Washington**

**Proposal Due by 2:00 pm, Local Time in Olympia, Washington, on August 5, 2015**

**Solicitation Coordinator Kevin Greene  
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**State Auditor's Office  
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## CHAPTER 1 - INTRODUCTION & DEFINITIONS

### 1. INTRODUCTION

The Washington State Auditor’s Office, herein called “SAO” is initiating this Request for Proposal (RFP) from firms interested in providing subject matter expertise in support of a performance audit of Washington State’s state and local government entities.

The State Auditor’s Office is the principle auditing entity. The contractor will provide staff with relevant subject matter expertise and will complete the work as set forth in Section C - Scope and Objectives. SAO will review and oversee the contractor’s work and reserves the right to modify the Scope and Objectives, including deleting tasks at critical points during the course of the contract, including after the contractor has submitted and SAO has approved the work plan.

SAO and the contractor will work collaboratively to ensure the project is conducted in accordance with generally accepted government auditing standards (GAGAS), also known as “Yellow Book.”

#### A. OUR AUDIT AUTHORITY

In November 2005, voters approved [Initiative 900](#) giving the Washington State Auditor’s Office the authority to conduct independent, comprehensive performance audits of government agencies on behalf of citizens. The purpose of these audits is to ensure accountability and guarantee that tax dollars are spent as cost effectively as possible by examining the economy, efficiency and effectiveness of the policies, management, fiscal affairs and operations of state and local government entities.

#### B. BACKGROUND

In the 2015-17 state operating budget, the Washington State Legislature directed the State Auditor’s Office to conduct a study on the costs of public records requests for state and local government entities. This study was prompted by the challenges government entities face in complying with the Public Records Act and the Legislature’s needs for more information regarding public records requests to inform policy decisions.

Technological advances and the public’s increased demand for information have resulted in more records created and maintained in electronic formats, and an increase in requests for electronic records. In addition, there has been an increase in the volume and complexity of public record requests government entities receive. These trends have had an impact on government resources. Many of the complex and large requests entities receive require a significant amount of staff time for searching, reviewing, redacting and converting records into electronic format. However, the Public Records Act, enacted in 1972, does not permit government entities to charge requestors for staff time spent on preparing the record for release, or for the cost of producing electronic records. Government entities can only charge requestors a small fee for making paper copies of the requested records.

Policy makers and government entities have made several attempts over the years to address the challenges entities face in complying with the Public Records Act. Some of these attempts have consisted in establishing reasonable cost recovery fees for providing public records in electronic and paper format. However, these attempts have stalled because information such as the costs of responding to paper and electronic public records requests and changes in the nature and volume of requests has not been made available to policy makers to support policy changes.

Washington has about 2,333 active local government entities and about 196 state government entities. All state and local government entities must comply with the Public Records Act. However, these government entities vary in several aspects including: type and size; resources they have available to fulfill requests; the processes and tools they use to manage public records and respond to requests; the

volume and complexity of records requests they receive; and the level of details they track about public records requests.

<b>Types of government entities in Washington</b>	<b>Count</b>
<b>State government entities</b>	<b>About 196</b>
• State agencies, boards and commissions	
<b>Local government entities</b>	<b>About 2,333</b>
• Counties	39
• Municipalities (cities and towns)	624
• Public School districts	295
• Other Special Purpose Districts and Authorities (e.g. water/sewer district, housing authority)	1,375
<b>Total state and local</b>	<b>2,529</b>

**C. SCOPE AND OBJECTIVES**

In response to the Legislature’s request, the State Auditor’s Office (SAO) is conducting a performance audit on public records requests. To support a portion of that audit, the SAO invites proposals to provide survey services to collect and analyze information related to public records requests from all state and local government entities in Washington. Examples of the types of information we are interested in collecting include:

- ***What are the costs state and local government entities incur when responding to public records requests in paper versus electronic format?*** (Costs to be identified include, but are not limited to, costs for searching, retrieving, reviewing, and redacting records; costs for making paper copies and converting records into electronic format; costs for shipping and e-mailing records, etc.)
- ***What is the volume and nature of public records requests state and local government entities currently receive?*** (Characteristics to explore regarding the nature of requests include, but are not limited to, the type, size, and complexity of requests; the frequency of requests; the main requestors of records and purpose of the requests, etc.)
- ***What amount of resources (e.g. staff and funding) do entities budget specifically for the purpose of responding to public records requests , and what amount of resources are they actually utilizing to meet today’s demands for public records?***
- ***How have public records requests changed and what has been the impact of those changes for state and local government entities?***
- ***What practices and tools do state and local government entities use to manage public records, respond to records requests, and track volumes and costs associated with fulfilling public records requests?***

**Initial services:** It is our expectation that the contractor will plan and conduct the work under the direction of and in coordination with SAO staff. We expect that in providing survey services the contractor will develop a comprehensive methodology and approach to design and administer the survey instrument, to analyze survey data and to report the results. There are no public records requests’ standardized tracking and accounting procedures across government entities in Washington. Therefore, designing a data collection tool that will ensure that various respondents tabulate their responses in a similar manner will be of utmost importance for this effort. If the proposer deems that an electronic survey is the most effective means to collect this information, SAO has contact information available for all 2,529 state and local government entities we are asking to be included in this data collection effort. To maximize the response rate, we ask that the contractor plan for and conduct follow-up reminders as needed. We have provided a

list of expected Deliverables and estimated timeframes for completion of Deliverables in Chapter 3, Section III-B. Proposers should consider these timeframes when developing their proposals. Additional information about work paper expectations is included in Chapter 3, Section III-C.

**Potential additional services:** Based on the results of the first survey, we may ask the contractor to provide additional services to help us gather and analyze additional information from a sample of the surveyed entities. This data collection effort could be done either through an electronic or phone survey. We are interested in gathering additional information from any surveyed entity that actually tracks the volume and types of requests they receive and the costs associated with responding to those requests. We are not aware of how many state or local government entities in Washington currently track this type of information, but indications are that the number is not very high. If this number is greater than 50, we anticipate developing an amendment to the original contract to add this additional data collection effort. This effort would be expected to meet the same expectations as the initial survey in terms of developing a methodology and approach to conduct the work, to analyze survey data and to report the results.

Contractors proposal should include both the initial survey services, and the potential additional data collection services. For these potential additional services, assume a population of 50. Costs for performing additional services should be shown separately from costs for performing the initial survey services.

### **Audit Proposals**

Bidders should review the proposal contents section in Chapter 3 to understand how to respond to all elements of the RFP. The proposer will provide costs and an envisioned methodology for all parts of the proposed work based on the information provided above. Proposers are encouraged to gather additional information or ask questions they deem useful and pertinent in preparing their proposals.

### **Optional Work**

We recognize that audits have the potential to identify additional specific areas in which further work may be appropriate. Since the continuity of working with the same contractor may provide economies to the state, we invite bidders to provide a not-to-exceed blended hourly rate for any additional work identified during the initial performance audit.

If necessary, the State Auditor's Office may issue up to two more limited scopes of work as additional phases of any contract issued under this RFP. Before starting any additional phase, the State Auditor's Office will define the scope of work and deliverables, and request a bid from the contractor. Once we receive the additional phase bid, we will decide whether to exercise the option.

### **Other Approaches**

The proposer may present creative approaches that are likely to improve the outcome and efficiency of the audit. If different approaches are proposed they must be clearly and separately identified in the proposal and include a schedule and proposed cost breakdown.

### **Working with state and local government entities**

The contractor will be expected to design their data collection methods in a way that eases the level of effort needed from state and local government entities for response and minimize disruptions to their operations. The contractor will also be expected to coordinate closely with SAO staff leading the project on all aspects of the project that have an impact on state and local government staff.

## **D. MINIMUM QUALIFICATIONS**

The following minimum qualifications are intended to ensure the proposer has necessary experience and expertise needed to successfully complete the required work.

**Mandatory**

Experience and expertise:

- Developing methodologies for collecting and analyzing data
- Designing and administering surveys or similar data collection tools
- Conducting qualitative and quantitative data analysis
- Preparing reports summarizing methodologies and analysis of survey data

**Highly desirable**

- Expertise designing and administering surveys or other data collection tools to identify program's costs and other numerical and descriptive data
- Experience analyzing, interpreting and reporting on program's costs, outputs, and services
- Experience working with state and local government entities
- Experience with performance auditing
- Knowledge of Washington State's Public Records Act
- Experience documenting work and writing reports that meet Generally Accepted Government Auditing Standards

Additionally, the proposer, if awarded the contract:

- Must have or will obtain all necessary licenses to do business in the State of Washington. Refer to this link for guidance: <http://bls.dor.wa.gov/licensing.aspx>
- Must be aware of and comply with the Washington State Ethics in Public Service laws and rules. Refer to Revised Code of Washington Chapter 42.52 and Washington Administrative Code Chapter 292, <http://apps.leg.wa.gov/rcw/default.aspx?Cite=42.56>

A proposer who does not meet these minimum qualifications will be deemed nonresponsive and their proposal will not receive further consideration.

**E. PERIOD OF PERFORMANCE**

Any contract resulting from this RFP is tentatively scheduled to begin on or about September 1, 2015, with the period of performance ending September 30, 2016. The final report detailing survey methodology and summarizing the analysis of survey data is due by February 15, 2016. Firms submitting proposals that demonstrate they can complete the work and final report prior to February 15, 2016 deadline may receive higher scores for that portion of the proposal. Amendments extending the period of performance, if any, will be at the sole discretion of the State Auditor's Office. The State Auditor's Office reserves the right, at its discretion, to extend the contract for up to three additional years.

**2. STANDARD DEFINITIONS**

Additional definitions can be found in Revised Code of Washington Chapter 39.26, <http://apps.leg.wa.gov/rcw/default.aspx?Cite=39.26>.

**A. AUDITED ENTITY**

The audited entity are the state and local government entities surveyed.

**B. AUDIT MANAGER/PERFORMANCE AUDIT MANAGER**

The State Auditor's Office employee or his/her delegate assigned to review the audit work and coordinate with the contractor.

**C. CONTRACT**

Refers to the legally enforceable agreement between the State Auditor's Office and contractor.

**D. CONTRACTOR**

The firm, provider, organization, individual or other entity, including subcontractors, performing service(s) under this contract, and shall include all personnel of the contractor.

**E. CONTRACTOR'S REPRESENTATIVE**

An individual designated by the proposer or contractor to act on its behalf and with the authority to legally bind the proposer or contractor concerning the terms and conditions set forth in the solicitation and contract documents.

**F. GAO**

United States Government Accountability Office.

**G. GOVERNMENT AUDITING STANDARDS**

This refers to standards established for audits of government organizations, programs, activities, and functions, and of government assistance received by contractors, nonprofit organizations, and other nongovernmental organizations. These standards, often referred to as Generally Accepted Government Auditing Standards (GAGAS) or the "Yellow Book," are to be followed by auditors and audit organizations when required by law, regulation, agreement, contract, or policy. These standards pertain to auditors' professional qualifications, the quality of audit effort, and the characteristics of professional and meaningful audit reports. For this engagement, the State Auditor's Office is responsible for ensuring that Yellow Book auditing standards are met. However, the contractor is responsible for ensuring that the work is planned, carried out, documented, and reported on to meet the guidance and requirements specified in this RFP.

Government Auditing Standards can be accessed at: <http://www.gao.gov/yellowbook>

**H. PERFORMANCE AUDIT**

Performance audit is defined in the Generally Accepted Government Auditing Standards.

**I. PROPOSAL**

A written offer submitted in response to this solicitation.

**J. PROPOSER**

An individual or organization submitting a proposal in response to this solicitation.

**K. RCW**

The Revised Code of Washington (laws of Washington State).

**L. SAMPLE WORK PAPERS**

Work papers that have been sufficiently cleansed so as not to reveal proprietary data.

**M. SOLICITATION COORDINATOR**

An individual designated by the State Auditor's Office to act on behalf of the state to administer the solicitation process.

**N. STATE AUDITOR'S OFFICE**

The State Auditor's Office shall mean any division, section, office, unit or other entity of the State Auditor's Office, or any of the officers or other officials lawfully representing the State Auditor's Office.

**O. SUBCONTRACTOR**

An individual or firm not in the employment of the contractor, who is performing all or part of the services under this contract under a separate contract with the contractor. The terms "subcontractor" and "subcontractors" mean subcontractors(s) in any tier.

**P. WASHINGTON'S ELECTRONIC BUSINESS SOLUTION (WEBS)**

An Internet vendor registration and bid notification system. The system offers one online site where vendors should register to receive State Auditor's Office and other governmental bid notifications.

**Q. YELLOW BOOK**

Government Auditing Standards, 2011 Revision, GAO-12-331G, or current version.

## CHAPTER 2 - STANDARD INSTRUCTIONS TO PROPOSERS

This section contains instructions regarding the preparation and submission of proposals.

### 1. SOLICITATION COORDINATOR

The Solicitation Coordinator is the sole point of contact at the State Auditor’s Office for this procurement. All communication between the proposer and the State Auditor’s Office will be with the Solicitation Coordinator, as follows:

Kevin Greene  
 Washington State Auditor’s Office  
 3200 Sunset Way SE  
 PO Box 40031  
 Olympia WA 98504-0031

**Physical Address for Hand Delivery or Courier Service:**

Washington State Auditor’s Office  
 3200 Sunset Way SE  
 PO Box 40031  
 Olympia WA 98504-0031  
 Telephone Number: (360) 725-5574  
 Fax Number: (360) 586-3105  
 E-mail Address: contractmanager@sao.wa.gov

Any other communication will be considered unofficial and nonbinding on the State Auditor’s Office. Proposers are to rely only on written statements issued by the Solicitation Coordinator. Communication directed to parties other than the Solicitation Coordinator may result in disqualification of the proposer.

### 2. PROPOSER’S RESPONSIBILITIES

1. Read and understand the solicitation document and all attachments.
2. Seek clarifications if necessary.
3. Become familiar with and abide by applicable federal laws and Washington State statutes and regulations.
4. Proposers interested in participating in the preproposal teleconference on July 16, 2015 (see schedule below), must call (360) 407-3780 prior to 2:00 p.m. local time in Olympia, Washington. The PIN code is 595853#.

### 3. SCHEDULE OF PROCUREMENT ACTIVITIES (Estimated)

Event	Local Time in Olympia, Washington	Date
• Issue Request for Proposals	5:00 pm	July 7, 2015
• Preproposal Teleconference (highly recommended but not required).	2:00 pm	July 16, 2015
• Last date for questions regarding solicitation.	5:00 pm	July 17, 2015
• Issue addendum to RFP (if applicable)	5:00 pm	July 21, 2015
• <b>Proposals due</b>	2:00 pm	August 5, 2015

• Begin Proposal Evaluation	5:00 pm	August 5, 2015
• Conduct oral interviews with finalists, if required.	TBD	August 19-20, 2015
• Announce “Apparent Successful Contractor” and send notification via e-mail to unsuccessful proposers.	TBD	August 24-25, 2015
• Hold debriefing conferences (as required)	TBD	August 26, 2015
• Begin contract work	TBD	Estimate: September 1, 2015

**THE STATE AUDITOR’S OFFICE RESERVES THE RIGHT TO REVISE THIS SCHEDULE**

**4. VENDOR QUESTIONS AND ANSWERS**

Specific questions concerning this solicitation must be submitted in writing (phone calls will not be accepted) to the Solicitation Coordinator at the address specified in Chapter 2.1 of this solicitation. E-mail submission of questions is acceptable. The Solicitation Coordinator must receive questions no later than the time and date specified in Chapter 2.3 titled “*Schedule of Procurement Activities.*”

**5. REQUIRED REGISTRATION (WEBS)**

This solicitation will be issued via Washington’s Electronic Business Solution (WEBS). Proposers are required to register in WEBS <http://des.wa.gov/Pages/default.aspx/>. In WEBS, the RFP can be located under the following commodity codes:

- 1) 961-60 Public Opinion Surveys
- 2) 946-20 Auditing

This ensures any communications and addenda issued in reference to this solicitation are received by proposers planning to respond with a proposal. It is the proposer’s responsibility to check WEBS for addenda or modifications prior to submitting their proposal. The State and the State Auditor’s Office accept no liability and will provide no accommodation to proposers who fail to check for addenda and submit inadequate or incorrect responses. Proposers should contact the Solicitation Coordinator or WEBS Customer Service (360) 902-7400 ([webcustomerservice@des.wa.gov](mailto:webcustomerservice@des.wa.gov)) with any questions.

**6. AMENDMENT TO THE SOLICITATION**

In the event that it becomes necessary to revise any part of this solicitation, an amendment will be issued via the WEBS to all vendors who have registered in WEBS as required by Chapter 2.5 of this RFP and downloaded the bid and any prior amendments through WEBS.

Proposal evaluations will be based on the material contained in the solicitation and any addenda and/or amendments issued to the solicitation.

The State Auditor’s Office reserves the right to revise the solicitation and/or to issue addenda or amendment(s) to the solicitation. For this purpose, the questions and answers that are submitted to the Solicitation Coordinator and other pertinent information will be provided as an addendum to the solicitation at the discretion of the State Auditor’s Office.

The State Auditor’s Office also reserves the right to cancel or to reissue the solicitation in whole or in part, prior to execution of a contract. In the event it becomes necessary to revise any part of the solicitation, an amendment will be provided to all those who have registered in WEBS as required by Chapter 2.5 and downloaded the bid and any amendments through WEBS.

If a conflict exists between addenda, amendments, or between an amendment and the solicitation, the document issued last will take precedence.

## 7. MINORITY & WOMEN-OWNED BUSINESS PARTICIPATION

In accordance with the legislative findings and policies set forth in Chapter 39.19 RCW, the State of Washington encourages participation in all of its contracts by firms certified by the Office of Minority and Women's Business Enterprises (OMWBE). Participation may be either on a direct basis in response to this solicitation or on a subcontractor basis. However, no preference will be included in the evaluation of proposals, no minimum level of minority and women business enterprises' participation will be required as a condition for receiving an award, and proposals will not be rejected or considered nonresponsive on that basis. Any affirmative action requirements set forth in federal regulations or statutes included or referenced in the contract documents will apply.

The established annual procurement participation goals for this type of project are ten percent for minority business enterprises and four percent for women business enterprises. These goals are voluntary. Proposers may contact OMWBE at (360) 664-9750 for more information. Information on OMWBE can also be accessed at: [www.omwbe.wa.gov](http://www.omwbe.wa.gov)

## 8. GENERAL STANDARDS FOR INDEPENDENCE AND IMPAIRMENTS (REFERENCE Yellow Book)

All properly submitted proposals will be screened for compliance with Government Auditing Standards, General Standards for Independence. The Government Auditing Standards defines independence as:

*"In all matters relating to the audit work, the audit organization and the individual auditor, whether government or public, must be independent."*

As part of their response to this solicitation, proposers will be required to identify nonaudit services (defined in Government Auditing Standards) let and/or performed within the last four years on behalf of all in-scope audited entities subject to this performance audit. Proposers will include a list as part of [Exhibit A, Certifications and Assurances](#). This includes any subcontractors that may be employed by the proposer in performance of the contract. If no such services were performed for the audit entity, proposers will so indicate in [Exhibit A, Certifications and Assurances](#). Failure of proposers to so identify nonaudit services performed on behalf of the audited entity as specified in this section will be deemed nonresponsive and their bids will be rejected. If the State Auditor's Office learns of such nonaudit services subsequent to awarding the contract, and those nonaudit services were not disclosed to the State Auditor's Office by the proposer, the State Auditor's Office may choose not to pay the proposer for work performed under the contract. As part of its evaluation process, the State Auditor's Office will evaluate and determine if a proposer meets this requirement.

## 9. PROPRIETARY INFORMATION - PUBLIC DISCLOSURE

Materials submitted in response to this solicitation will become the property of the State Auditor's Office.

Bid submissions and bid evaluations are exempt from disclosure until the agency announces the apparent successful bidder. Thereafter, the proposals may be subject to disclosure pursuant to RCW 42.56, the Public Records Act.

1. RCW 42.56, Public records: <http://apps.leg.wa.gov/rcw/default.aspx?Cite=42.56>
2. Washington Governor's Executive Order 00-03, issued April 25, 2000, Public Records Privacy Protections: [http://www.governor.wa.gov/office/execorders/eoarchive/eo\\_00-03.htm](http://www.governor.wa.gov/office/execorders/eoarchive/eo_00-03.htm)

Any information in the proposal which the proposer desires to claim as proprietary and exempt from public disclosure under the provisions of RCW 42.56 must be clearly designated in its proposal. The proprietary information must be marked with the words "Proprietary Data" along with a statement of the basis for such claim of exemption.

The State Auditor's Office will consider a proposer's request for exemption from disclosure; however, the State Auditor's Office will make the decision predicated upon RCW 42.56. Marking the entire proposal exempt from disclosure will not be honored. The proposer must be reasonable in designating information as confidential. If any information is marked proprietary in the proposal, the State Auditor's Office's responsibility to notify will be limited to request(s) for disclosure made within a period of five years from the date of award.

If any information or materials that the proposer has marked as "Proprietary Data" are the subject of a public disclosure request, the State Auditor's Office's only obligation will be to notify the proposer that the request has been made and provide the proposer an opportunity to seek a court injunction against the requested disclosure. The proposer will have five (5) business days to respond to the State Auditor's Office's notice with its intent to seek a court injunction against the requested disclosure. If the State Auditor's Office receives no response from the proposer within the timeframe specified in this section, the materials and information will be released consistent with the State Auditor's Office policies and procedures under State law.

A charge will be made for copying and shipping public records, as outlined in RCW 42.56.120. No fee will be charged for inspection of contract files, but 24 hours notice to the Solicitation Coordinator is required. All requests for information should be directed to the Solicitation Coordinator.

## 10. PREPARATION AND SUBMISSION OF PROPOSAL

### 1. Due Date and Time:

Contractors may submit proposals via email. The proposal, whether emailed, mailed or hand delivered, must be received by the State Auditor's Office no later than the date and time specified in the schedule of procurement activities (see Chapter 2.3). All times are considered local time for Olympia, Washington. The envelope should be clearly marked to the attention of the Solicitation Coordinator, who is the State Auditor's Office's sole point of contact for this procurement.

Late proposals will not be accepted and will be automatically disqualified from further consideration. Postmarks will not be accepted. Proposers who mail proposals should allow normal mail delivery time to ensure timely receipt of their proposals by the Solicitation Coordinator. Proposers who are hand delivering proposals should allow time for traffic congestion. Proposers assume all risk for the method of delivery chosen. The State Auditor's Office assumes no responsibility for delays caused by any delivery service. The proposals must respond to the procurement requirements. Do not respond by referring to material presented elsewhere. The proposal must be complete and must stand on its own merits.

2. Format: To receive consideration, proposals must conform to the format specified by the State Auditor's Office. Hardcopy proposals must be legible and be filled out in ink or with an electronic printer or other similar office equipment and properly signed by an authorized representative of the proposer. Electronic signatures will be accepted. The cover page will show the proposal number, title of the procurement and submission date. Each section will be clearly labeled and separated (with tabs if printed). All changes and/or erasures will be initialed in ink. Unsigned proposals will be rejected.

The electronic version of the proposal must be submitted in Word, Excel or PDF format. No proposals will be accepted via fax. **Email submissions must not exceed 10MB. If necessary proposers should submit proposals in more than one email.**

Proposal must be organized in eight sections (See Chapter 3 for subheadings and explanations for each section):

1. Letter of Submittal (Pass/Fail)
2. Project Management (Scored)
3. Technical Proposal (Scored)
4. Cost Breakdown Fixed-Priced Cost Proposal (Scored)
5. Signed Fixed-Priced Cost Certification (Exhibit C) (Pass/Fail)

- 6. Customer References (Pass/Fail)
- 7. Résumés (Pass/Fail)
- 8. Signed Certification and Assurances (Exhibit A) (Pass/Fail)
- 9. Work Sample (Pass/Fail)

Proposals will be prepared as instructed and delivered in the order given above (see [Exhibit E, Requirements Checklist](#)). Proposers will title and number each item in the same way it appears in each section of Chapter 3 of this RFP.

**The letter of submittal, project management, technical proposal and cost proposal sections will not exceed 15 combined total pages.**

**The following are not included in the 15-page limit: Signed Fixed-Price Cost Certification, Customer References, Team Member Résumés, Signed Certification and Assurances (Appendix A) and Work Samples.**

- 3. **Identification:** Proposals must be submitted in a sealed envelope, addressed as shown below:

Proposer’s Return Address Solicitation Number: K499-RFP-1507 Solicitation Coordinator: Kevin Greene	State Auditor’s Office 3200 Sunset Way SE Mail Stop 40031 Olympia WA 98504-0031
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Late proposals will not be accepted and will be automatically disqualified from further consideration. The proposals must respond to the procurement requirements. Failure to respond to any portion of the procurement document may result in rejection of the proposal as nonresponsive. All proposals and any accompanying documentation become the property of the State Auditor’s Office and will not be returned.

**11. CONTRACT AND GENERAL TERMS & CONDITIONS**

The apparent successful proposer will be expected to enter into a contract that is substantially the same as [Exhibit B](#). **In no event is a proposer to submit its own standard contract terms and conditions in response to this solicitation.** Proposers may submit exceptions as allowed in [Exhibit A, Certifications and Assurances](#); however, exceptions must be limited to terms that would prevent the proposer from contracting with the State Auditor’s Office. The State Auditor’s Office will review requested exceptions and accept or reject the same at its sole discretion.

**12. COSTS TO PROPOSE**

The State Auditor’s Office will not be liable for any costs incurred by the proposer in preparation of a proposal submitted in response to this solicitation, in conducting a presentation, or any other activities related to responding to this solicitation.

**13. ERRORS AND OMISSIONS IN PROPOSAL**

The State Auditor’s Office will not be liable for any errors or omissions in proposals. Proposers will not be allowed to alter or supplement their proposal documents after the proposal due date.

**14. NO OBLIGATION TO CONTRACT**

This RFP does not obligate the State of Washington or the State Auditor’s Office to contract for services specified herein.

**15. SIGNATURES**

The Letter of Submittal, the Certifications and Assurances Form (Exhibit A), and the Fixed-Price Cost Certification Form (Exhibit C) must be signed and dated by a person authorized to legally bind the proposer

contractually, e.g., the president or chief executive officer if a corporation, the managing partner if a partnership, or the proprietor if a sole proprietorship.

## **16. RESPONSIVENESS**

All proposals will be reviewed by the Solicitation Coordinator to determine compliance with administrative requirements and instructions specified in this solicitation. Failure to comply with any part of the solicitation may result in rejection of the proposal as nonresponsive.

The State Auditor's Office also reserves the right, however, at its sole discretion, to waive minor irregularities.

## **17. PROPOSAL REJECTION**

Solely, the State Auditor's Office will make a determination of clarity and completeness in the responses to any of the provisions in this solicitation. The State Auditor's Office reserves the right to require clarification, additional information, and materials in any form relative to any or all of the provisions or conditions of this solicitation.

Proposers are specifically notified that failure to comply with any part of the solicitation may result in rejection of the proposal as nonresponsive.

The State Auditor's Office reserves the right, at its sole discretion, to reject any and all proposals received without penalty and not to issue a contract as a result of this solicitation.

## **18. FAILURE TO COMPLY**

The proposer must provide a response to all sections specified as mandatory requirement (MR) or Pass/Fail. Failure to comply with any part of the state auditor's office's request for proposal may result in the firm's proposal being disqualified (and not scored) for being nonresponsive to the state auditor's office's request.

## **19. ACCEPTANCE PERIOD**

Proposals will provide 60 days from the due date for receipt of proposals for acceptance by the State Auditor's Office.

## **20. CONTRACT FORMATION**

A submitted proposal is an offer to contract with the State. A proposal becomes a contract when officially accepted in writing by the State. All proposals submitted become the property of the State and the State Auditor's Office.

## **21. MOST FAVORABLE TERMS**

The State Auditor's Office reserves the right to make an award without further discussion of the proposal submitted. Therefore, the proposal should be submitted initially on the most favorable terms that can be proposed. The State Auditor's Office does reserve the right to contact a proposer for clarification of its proposal during the evaluation process. In addition, the State Auditor's Office reserves the right to enter into contract negotiations with the apparent successful proposer, which may include discussion regarding the terms of the proposal. Contract negotiations may result in incorporation of some, or all, of the proposal. The proposer should be prepared to accept this solicitation for incorporation into a contract resulting from this solicitation. It is also understood that the proposal will become part of the official procurement file.

## **22. AWARD**

Upon award, notification will be sent by the Solicitation Coordinator in writing via e-mail to all participating proposers. Additional information may be obtained by reviewing the purchase/contract file after award. Award results will not be given over the phone.

## 23. INSURANCE COVERAGE

The successful proposer will provide insurance coverage as set out in this section. The intent of the required insurance is to protect the State Auditor's Office should there be any claims, suits, actions, costs, damages or expenses arising from any negligent or intentional act or omission of the contractor or subcontractor, or agents of either, while performing under the terms of this contract. The contractor will submit to the State Auditor's Office, within 15 days of the contract effective date, a certificate of insurance which outlines the coverage and limits defined in the Insurance section. The contractor will submit renewal certificates as appropriate during the term of the contract.

The contractor will provide insurance coverage, which will be maintained in full force and effect during the term of this contract, as follows:

1. **Commercial General Liability (CGL) Insurance Policy:** Provide a Commercial General Liability Insurance Policy, including contractual liability, in adequate quantity to protect against legal liability arising out of contract activity, but no less than \$1,000,000 per occurrence. Additionally, the contractor is responsible for ensuring that any subcontractors provide adequate insurance coverage for the activities arising out of subcontracts.
2. **Automobile Liability:** In the event that services delivered pursuant to this contract involve the use of vehicles, either owned or not owned by the contractor, automobile liability insurance will be required. The minimum limit for automobile liability is: \$1,000,000 per occurrence, using a Combined Single Limit for bodily injury and property damage.
3. **Professional Liability:** When available, coverages with limits of not less than \$1,000,000 for any one occurrence.
4. **Workers' Compensation Coverage:** Workers' compensation coverage with Washington statutory limits and employer's liability coverage of not less than \$500,000 for employer's liability. The contractor will at all times comply with all applicable workers' compensation, occupational disease, and occupational health and safety laws, statutes and regulations to the full extent applicable. The State will not be held responsible in any way for claims filed by the contractor or its employees for services performed under the terms of the contract.
5. **Employer's Liability ("Stop Gap") Insurance:** In addition, the contractor will buy employer's liability insurance and, if necessary, commercial umbrella liability insurance with limits not less than \$1,000,000 each accident for bodily injury by accident or \$1,000,000 each employee for bodily injury by disease. Employer's Liability ("Stop Gap") Insurance is intended to cover gaps between Workers' Compensation and CGL insurance.
6. **Additional Provisions:**
  1. **Additional Insured:** The insurance required will be issued by an insurance company/is authorized to do business within the State of Washington, and will name the State of Washington, its agents and employees as additional insureds under the insurance policy/ies. All policies will be primary to any other valid and collectable insurance.
  2. **Cancellation:** The State of Washington, State Auditor's Office, will be provided 30 calendar days' written notice before cancellation or nonrenewal of any insurance referred to herein. The contractor will instruct the insurers to give the State Auditor's Office 30 calendar days' advance notice of any insurance cancellation or nonrenewal action.
  3. **Identification:** Policy must reference the State's contract number and the State Auditor's Office.
  4. **Insurance Carrier Rating:** All insurance and bonds should be issued by companies admitted to do business within the State of Washington and have a rating of A-, Class VII or better in the most recently published edition of Best's Reports. Any exception will be reviewed and approved by the State Auditor's Office's Risk Manager or the Risk Manager of the Department of Enterprise Services before the contract is accepted or work may begin. If an insurer is not

admitted, all insurance policies and procedures for issuing the insurance policies must comply with RCW 48.15 and WAC 284-15.

5. **Excess Coverage:** By requiring insurance herein, the State does not represent that coverage and limits will be adequate to protect the contractor, and such coverages and limits will not limit contractor's liability under the indemnities and reimbursements granted to the State in this contract.

## **24. COMMITMENT OF FUNDS**

The State Auditor or his delegates are the only individuals who may legally commit to the expenditures of funds or approve payment terms for work delivered under a contract resulting from this solicitation.

## **CHAPTER 3 - PROPOSAL SECTIONS**

This chapter contains instructions regarding the preparation and submission of proposals. The proposer must provide all information requested in the exact order specified below. Exhibit E (Requirements Checklist) is provided for the proposer's convenience in providing the following information.

Proposers should anticipate that the Technical and Cost proposal sections of the winning proposal will be incorporated into a "Performance Statement of Work" and attached to any resulting contract.

### **SECTION I - LETTER OF SUBMITTAL – MANDATORY REQUIRED (MR) / (PASS/FAIL)**

#### **A. ORGANIZATION SUMMARY (MR)**

The proposer must provide a summary of the organization/firm's pertinent expertise, skills, client base and services that are available for this project.

#### **B. BUSINESS IDENTIFICATION (MR)**

The proposers must provide an overview of their firm/organization, including, but not limited to the following:

- A. Organization/firm's name, address and main business location
- B. The location of the facility from which the proposer would operate, including the telephone number, fax number, and e-mail address
- C. Organization/firm's start-up date.

#### **C. COMPANY OFFICERS (MR)**

The proposer must provide the names, addresses, and telephone numbers of principal officers (President, Vice-President, Treasurer, Chairperson of the Board of Directors, etc.).

#### **D. PRIMARY CONTACT (MR)**

The proposer must include who within the firm/organization will have prime responsibility and final authority for the work under the proposed contract. Include the following:

- A. Name
- B. Title or position
- C. Address
- D. E-mail address
- E. Telephone and fax numbers.

#### **E. LEGAL STATUS (MR)**

The proposer must specify the legal status of the organization/firm (sole proprietorship, partnership, corporation, etc.) and the year the entity was organized to do business as the entity now exists.

#### **F. PREVIOUS STATE CONTRACTS (MR)**

If the proposer's organization/firm, any subcontractor, or any other party named previously contracted with the State of Washington during the past 48 months, indicate the name of the state agency or other audited entity and the contract number, and describe the work and/or provide other information available to identify the contract.

#### **G. FORMER EMPLOYEE STATUS (MR)**

If any employee of the proposer or subcontractor was an employee of the State of Washington or audited entity during the **past 24 months**, or is now an employee of the State of Washington or audited entity, identify the individual by name, state agency previously or currently employed by, job title or position held, and separation date.

**H. CONTRACT TERMINATIONS (MR)**

If the proposer has had a contract terminated for default in the **past five years**, describe such incident. Termination for default is defined as notice to stop performance due to the proposer's nonperformance or poor performance. Issue of performance may have been:

- A. Not litigated due to inaction on the part of the proposer, or
- B. Litigated and such litigation determined that the proposer was in default.

Proposers will submit full details of the terms for default. Proposers will identify the other party, its name, address, and phone number, and present the proposer's position on the matter. The State Auditor's Office will evaluate the facts and may, at its sole discretion, reject the proposal on the grounds of the past experience.

If the proposer has experienced no such termination for default in the **past five years**, so indicate.

**I. TAX INFORMATION (MR)**

The proposer must provide its Federal Employer Tax Identification number and the Washington Uniform Business Identification (UBI) number issued by the State of Washington Department of Revenue.

**J. SUBCONTRACTOR QUALIFICATIONS (MR)**

For each subcontractor, the proposer must address the submittal questions set forth in A – C and E – I above.

The proposer must include a statement that if awarded the contract as the primary contractor, the proposer will accept full responsibility for successful performance of the entire scope of work.

**K. STATEMENT OF ACCEPTANCE OF TECHNICAL REQUIREMENTS (MR)**

The Letter of Submittal will include a statement that the proposer accepts all of the elements and requirements identified in Section III, Technical Proposal, and be signed by the principal, partner or appropriate obligating authority.

**L. COMPLIANCE WITH INSURANCE REQUIREMENTS (MR)**

Each proposer must indicate in the Letter of Submittal and, as a condition of contract award, that it will submit to the State Auditor's Office within 15 days of the contract effective date, a certificate of insurance which outlines the coverage and limits as defined in the Insurance section.

**SECTION II - PROJECT MANAGEMENT (MR)**

**PROPOSER'S PROJECT ORGANIZATION (MR)**

Proposals will be evaluated with consideration given to a strong project organization. It will be essential that team members are committed to the work during their period of participation and that reporting lines are clear. The proposer must designate a lead individual who the State Auditor's Office management can successfully work with to resolve any problems, issues, or concerns.

**A. Organization (MR)**

The proposer will provide a project organizational chart indicating lines of authority for all key personnel (including subcontractors) who will be involved in the performance of the potential contract. The proposer's organization must have appropriate internal controls and is responsible to insure appropriate internal controls are maintained by any subcontractor(s). Indicate any other work responsibilities, beyond this contract, that would be required of the assigned key staff. The project organization chart will also show lines of authority to the next senior level of management. On the organization chart, proposers should clearly identify the lead individual who will be assigned to work directly with the State Auditor's Office management.

## **Project Management (MR)**

**Project Team Structure/Internal Controls** - Provide a description of the proposed project team structure and internal controls to be used during the course of the project, including any subcontractors. Provide an organizational chart of your firm indicating lines of authority for personnel involved in performance of this potential contract and relationships of this staff to other programs or functions of the firm. This chart must also show lines of authority to the next senior level of management. Include who within the firm will have prime responsibility and final authority for the work.

**Project Manager's Assignment** - As a requirement of contract performance, the State Auditor's Office requires the proposer to provide appropriate leadership, management skills, authority, and resources to guide this project. The assignment of a skilled project manager will play a large role in fulfilling the requirement.

The proposer must provide a résumé for the project manager (to be included in Section VII) and include information on the individual's specific skills related to this project, education, experience, significant accomplishments and responsibilities assumed on other similar projects.

***Proposer agrees that the Project Manager, as with other key staff and subcontractors identified in this proposal, will be assigned for the duration of the project. Substitutions of project personnel must be approved in writing by the State Auditor's Office in advance of the performance of any work.***

**Staff/ Qualifications/Experience** – Identify key staff, including subcontractors, who will be assigned to the potential contract, indicating the responsibilities and qualifications of such personnel, and include the amount of time each will be assigned to the project. Provide résumés (in Section VII) for the named staff, which include information on the individual's particular skills related to this project, education, experience, significant accomplishments and any other pertinent information. The Contractor must commit that key staff identified in its proposal will actually perform the assigned work. Any staff substitution must have the prior approval of the State Auditor's Office.

The contractor should have specific expertise available for this audit work, and the proposal should be clear about which areas of expertise are available and by whom. Some of the suggested areas are:

Staff with expertise/experience:

- developing methodologies for collecting and analyzing data
- designing and administering surveys or other data collection tools
- conducting qualitative and quantitative data analysis
- preparing reports summarizing methodologies and analysis of survey data
- designing and conducting surveys or other data collection tools to identify program's costs and other numerical and descriptive information
- analyzing, interpreting and reporting on program's costs, outputs, and services
- working with state and local government entities
- Staff with knowledge of Washington State's Public Records Act
- Staff with performance auditing experience

The minimum qualifications, Chapter 1-D and Staff Qualifications must be met by the proposer; however, this can be achieved through the use of subcontractors. The minimum qualifications and staff qualifications are applicable to the team in its entirety, not to any individual within the team.

## **B. Proposer's Recent and Relevant Experiences (MR)**

Proposers must demonstrate and provide:

1. Samples of final reports and supporting documentation or other work conducted within the last five years that demonstrates your firm's capability to successfully perform these services. Reports should be sufficiently cleansed so as not to reveal proprietary data.
2. A brief statement of recent and relevant experience (past five years) in conducting audits, evaluations, research and analysis of cities, government organizations, programs or activities or other experience that will assist in the performance of this audit.
3. Proposer must provide a matrix that clearly identifies how the individuals assigned to the project will collectively meet the experience and expertise requirements outlined above.

**Failure to demonstrate to the state auditor's office's satisfaction that the proposer meets the minimum experience requirements stated and/or failure to provide examples required above may result in the firm's proposal being disqualified (and not scored).**

## **SECTION III - TECHNICAL PROPOSAL (MR)**

### **A. OVERVIEW**

The Technical Proposal will propose an approach and methodology to achieve the objectives stated under Scope and Objective. The proposer's methodology shall include identification of data necessary to address the objectives. The proposal must address all work and all audit objectives and sub-objectives contained in Chapter 1.1.C.

The Proposers shall review the Background Information in Chapter 1 as they complete the Statement of Work to show how they will address the audit objectives.

The Technical Proposal must contain a comprehensive description of services including the following elements:

- **Project Approach/Methodology (MR)** – Include a complete description of the proposed approach and methodology for gathering data, performing the analysis and preparing the report.
- **Work Plan (MR)** – Include all project requirements and the proposed tasks, services, activities, etc. necessary to accomplish the scope of the project defined in this RFP. This section of the technical proposal must contain sufficient detail to convey to members of the evaluation team the proposer's knowledge of the subjects and skills necessary to successfully complete the project. Include any required involvement of State Auditor's Office staff.
- **Project Schedule (MR)** – Include a project schedule indicating when the elements of the work will be completed and when deliverables, if any, will be provided. Bidders will consider that follow-up support will be required after the report is published by SAO.
- **Deliverables (MR)** – Fully describe content and format of deliverables to be submitted under the proposed contract.

### **B. DELIVERABLES**

The deliverables under this RFP are listed below. Estimated due dates for deliverables are also included. Please consider those dates when developing your project schedule.

#### **Project kick-off (By September 8, 2015)**

The contractor will meet face-to-face with the SAO project lead and team to discuss the audit approach, clarify roles and expectations, and discuss any other questions or concerns the contractor may have.

**Project updates** *(weekly at a minimum)*

The contractor will also be required to meet with the audit team, at a minimum, once a week through the duration of the project, either in person or over the phone to:

- Provide project updates
- Consult for preparation of and revisions to deliverables
- Discuss any issues that arise in the course of the project

**Project workplan** *(Draft by September 15, 2015; final by September 30, 2015)*

The contractor will develop a workplan that details the proposed methodology for design, administration and analysis of a survey or similar data collection tool. The workplan should specify a timeframe to complete all data collection and analysis and to deliver a final report by February 15, 2016.

**Survey development**

The contractor will design, pretest, refine, and finalize the survey instrument. We expect the contractor to provide a summary of pretest results and copies of survey instrument/s for review and approval prior to pre-testing and implementation.

**Survey administration**

The contractor will administer the survey via SAO. We expect the contractor to provide technical assistance to government entities and to conduct follow-up reminders as needed to obtain results that are valid and representative of all government types. We also expect the contractor to compile all survey data in electronic format and provide SAO with access to the data upon request and at conclusion of data collection in an agreed upon format.

**Preliminary report of survey results** *(By January 8, 2016)*

The contractor will conduct necessary qualitative and quantitative analysis of survey data and develop a preliminary report summarizing results with appropriate narrative, graphs and tables. The analysis should include testing the validity of responses and identifying themes, patterns, trends, and changes across all government entities.

**Preparing for final report**

The contractor will meet face-to-face with the SAO project lead and team to discuss the preliminary report of survey results and preparation of final report. This meeting will also be used to discuss whether SAO will contract for additional services.

**Final report of survey results** *(By February 15, 2016)*

A report summarizing survey methodology and analysis of survey data will be submitted as the final deliverable for contracted work. The content of this report must be referenced to the supporting documentation and the analysis of survey data. This report is not final until reviewed and approved by SAO.

**Optional additional services** *(To be determined)*

Based on the results of the first survey, we may ask the contractor to provide additional services to help us gather and analyze additional information from a sample of the surveyed entities. This data collection effort could be done through an electronic or phone survey. The expectations for deliverables for this additional work would be the same as for the initial survey, and would be formalized through an amendment to the original contract.

**Follow-up Support** *(As needed)*

The contractor will make themselves available for a 4-6 month period after the work is complete to participate in reviewing and editing materials and providing feedback on materials based on the audit produced by SAO. The contractor may be required to answer questions from legislators and other interested

parties. Proposers will submit a blended hourly rate for follow-up support. Support will be identified and cost negotiated in an amendment if needed.

### C. AUDIT DOCUMENTATION (WORK PAPERS)

The SAO performs audits according to Generally Accepted Government Auditing Standards, which requires clear documentation by the contractor with specific examples that support conclusions and recommendations. The SAO will be responsible for advising the auditee of significant issues including suspected fraud that may be uncovered by the contractor during their field work. The contractor will have in place, or will establish, a system for handling any sensitive or confidential information, as described in Attachment B, item 8. Confidentiality/Safeguarding of Information.

The contractor agrees that work papers, including all work in process, prepared in connection with a performance audit will conform to the State Auditor's Office standards and will be presented in an acceptable electronic format. The contractor will be required to provide all work to the State Auditor's Office in electronic format upon request at any moment, interval or frequency so determined by the State Auditor's Office. The contractor will provide work papers to the State Auditor's Office in the same format in which they were prepared, such as Word or Excel, and not convert them to .pdf files. Work papers are considered public documents and are the property of the State Auditor's Office. Public requests for copies or viewing of work papers must be made through the State Auditor's Office.

Work papers will include cross references to source documentation. *All cross references will be directly to the applicable page(s) within the referenced document.* Work papers will also contain the purpose, source, scope, conclusion and evidence of review in accordance with the State Auditor's Office audit documentation policy as follows:

1. Documentation will be prepared for and will support all findings, conclusions and recommendations. In documenting the nature, timing, and extent of procedures performed, the documentation should identify:
  - a. Who performed the work and the actual date of such work.
  - b. Who reviewed specific documentation and the actual date of the review.
2. Documentation will be professionally written and contain evidence related to planning, conducting and reporting on the work. It should be sufficient to enable an experienced auditor, who has had no previous connection with the work, to understand the information collected and the work performed and to come to the same judgment and conclusion. Documentation will include the following:
  - a. The project objectives, scope and methodology, including any sampling or testing criteria used.
  - b. Abstracts or copies of significant contracts, agreements or other documentation that were examined.
  - c. Identification of items tested where those tests involve inspections of documents or confirmation of evidence.
  - d. Significant results and issues identified, actions taken to address them, and the basis for the final conclusions reached.
    - a. The contractor's consideration that the planned procedures are sufficient to achieve project objectives.
    - b. Evidence of timely supervisory reviews of work.

**SECTION IV - COST PROPOSAL (MR)**

**A. ITEMIZED FIXED-PRICE COST PROPOSAL (OR COST BREAKDOWN)**

The State Auditor’s Office is accepting **fixed-price cost proposals ONLY**. Fixed-price cost proposals must include all costs associated with the proposer accomplishing all of the work in its proposal. Costs include, but are not limited to, labor, travel, lodging, per diem, administrative, subcontractor(s) and any and all incidentals necessary to complete the performance of the proposed contract.

Proposers should estimate travel expenses and show them separately. Travel and expenses are reimbursed at the state rate.

The State Auditor’s Office will not be responsible for any costs incurred by the contractor that are not included in the **fixed-price cost proposal**.

**1. Identification of Costs by Deliverable (MR)**

The proposer will clearly identify the cost for each deliverable in the Technical Proposal (described in Section III). The proposer will provide costs, including the number of contractor and subcontractor hours and hourly rate(s), and an envisioned methodology for all parts and deliverables associated with the proposed audit, assuming the planned audit scope and objective are confirmed after completion of the planning process described in Section III.

Ten percent (10%) of the fee for each deliverable will be retained pending completion of the contract. Thirty (30) days after the final report is published, the State Auditor’s Office Contract Manager will authorize payment in full of all retainages.

The proposer must itemize its fixed-price cost proposal by the deliverable identified in Section III - Technical Proposal in the format demonstrated below:

Deliverable	Cost proposal			
	<i>Deliverable 1</i>	<i>Rate</i>	<i>Hours</i>	<i>Total</i>
	Staff hours	\$ per hour	Hours	\$
	Travel & Expenses	-	-	
	Subcontractor	\$ per hour	Hours	\$
	<b>Total for deliverable</b>			<b>\$</b>

*Note:* Hourly rates are offered by proposers as a not-to-exceed hourly rate.

**2. Award Not Based on Price Alone**

The evaluation process is designed to award a contract not necessarily to the proposer with the lowest cost bid, but rather to the proposer whose proposal best meets the requirements of this RFP. Proposers are encouraged to submit cost competitive proposals that are consistent with state government efforts to conserve state resources.

**3. State Sales Tax**

Proposers are required to collect and pay Washington State sales tax, if applicable.

**SECTION V - FIXED-PRICE COST CERTIFICATION FORM (MR) (PASS/FAIL)**

The Fixed-Price Cost Certification must include a signed copy of [Exhibit C, Fixed-Price Cost Certification Form](#).

**SECTION VI - CUSTOMER REFERENCES (MR) (PASS/FAIL)**

The proposer must supply names, addresses and telephone numbers of a minimum of three non-proposer-owned customer references for which the proposer has recently completed work. . Proposers are discouraged from listing current State Auditor’s Office employees as references. . Please note what type of work was performed by the proposer for the reference, and how it is relevant to the work proposed in this solicitation, and provide a sample of the work if different from work samples provided by requirement. . By signing [Exhibit A, Certifications and Assurances](#), the proposer grants the State Auditor’s Office permission to independently contact references and others who may have pertinent information. [Exhibit D, Reference Worksheet](#), is provided for proposers to list their references.

Each reference may be asked about the approach proposers used to deliver services and the quality of services delivered.

The State Auditor’s Office will not accept any terms for contacting references other than those stated above.

**SECTION VII - RÉSUMÉS (MR)(PASS/FAIL)**

The proposer must provide résumés for the named key staff, and subcontractor employees performing work for the proposer of this contract. Each résumé must include information on the individual’s specific skills related to this project, education, experience, significant accomplishments, and responsibilities assumed on other similar projects as well as any other pertinent information. Subcontractor résumés must display the word “SUBCONTRACTOR” in bold letters clearly printed across the top of the first page.

**SECTION VIII - CERTIFICATIONS AND ASSURANCES (MR)(PASS/FAIL)**

Section VIII must include a signed Certifications and Assurances form, see: [Exhibit A](#).

**SECTION IX - WORK SAMPLES (MR) (PASS/FAIL)**

**Proposers must demonstrate and provide:**

Samples of work conducted within the last five years that demonstrates the proposer’s capability to successfully perform the contract work required for this performance audit. Proposer will provide three reports and one set of corresponding sample working papers.

## CHAPTER 4 - EVALUATION AND CONTRACT AWARD

### 1. EVALUATION PROCEDURE

#### **ALL MANDATORY REQUIREMENTS OF THE RFP MUST BE MET IN ORDER FOR THE PROPOSAL TO BE EVALUATED.**

Responsive proposals will be evaluated strictly in accordance with the requirements stated in the RFP and any amendments/addenda issued. The evaluation of proposals will be accomplished by an evaluation team to be designated by the State Auditor's Office, which will determine the ranking of proposals.

During proposal evaluation, the State Auditor's Office reserves the right to make reasonable inquiry to determine the responsibility of any proposer. Requests may include, but not be limited to, compliance to standards for independence, financial statements, credit ratings, references, record of past performance, on-site inspection of proposers, or proposer's subcontractor's facilities. Failure to respond to said request(s) will be sufficient reason to consider the proposal nonresponsive.

### 2. CLARIFICATION OF PROPOSAL

The Solicitation Coordinator may contact a proposer for clarification of any portion of the proposal.

### 3. PASS/FAIL EVALUATIONS

Proposers failing the Letter of Submittal, Customer References, Résumés or Samples of Work sections will be viewed as not meeting the mandatory requirements and will be eliminated from further consideration.

### 4. EVALUATION CRITERIA

The following weights will be assigned to the proposal for evaluation purposes:

<b>Section Title</b>	<b>Percentage of Points</b>
Letter of Submittal	Pass/Fail
Fixed-Price Cost Certification	Pass/Fail
Customer References	Pass/Fail
Résumés	Pass/Fail
Signed Certifications & Assurances	Pass/Fail
Samples of Work	Pass/Fail
Project Management Experience	20 Percent
Technical Proposal	50 Percent
Collective Professional Competence	20 Percent
Cost Proposal	10 Percent
<b>Total</b>	<b>100 Percent</b>

### 5. ORAL PRESENTATIONS MAY BE REQUIRED

Written proposals and oral presentations, if necessary, will be used in selecting the winning proposal. The State Auditor's Office, at its sole discretion, may elect to select the top-scoring finalists from the written evaluation for an oral presentation. Should the State Auditor's Office elect to hold oral interviews, the State Auditor's Office will contact the finalists to schedule a date, time, and location.

Commitments made by the proposer at the oral interview, if any, will be considered binding. The oral interview will determine the apparent successful proposer. The scoring committee makes a recommendation to the Director of Performance Audit, who names the apparent successful proposer.

## **6. NOTIFICATION TO UNSUCCESSFUL PROPOSERS**

Proposers whose proposals have not been accepted for further negotiation or contract award will be notified via e-mail or fax.

## **7. DEBRIEFING OF UNSUCCESSFUL PROPOSERS**

Proposers who submitted a proposal and were not selected will be given the opportunity for a debriefing conference. The Solicitation Coordinator must receive a written request from the unsuccessful proposer for a debriefing conference within three business days after the Notification of Unsuccessful Proposer letter is e-mailed or faxed. The request for a debriefing can be in hard copy or via e-mail. The debriefing will be held within three business days of the request unless the State Auditor's Office schedules otherwise.

Discussion will be limited to a critique of the requesting proposer's proposal. Comparisons between proposals or evaluations of the other proposals will not be allowed. Debriefing conferences may be conducted in person or on the telephone and will be scheduled for a maximum of one hour.

## **8. PROTEST PROCEDURE AND FORMAT**

This procedure is available to proposers who (1) submitted a response to this solicitation document and (2) have participated in a debriefing conference. Upon completing the debriefing conference, the proposer is allowed three (3) business days to file a protest of the acquisition with the Solicitation Coordinator. Protests may be submitted by facsimile or e-mail, but must be followed by the original document.

Proposers protesting this procurement will follow the procedures described below. Protests that do not follow these procedures will not be considered. This protest procedure constitutes the sole administrative remedy available to proposers under this procurement.

All protests must be in writing and signed by the protesting party or an authorized agent. The protest must state the grounds for the protest with specific facts and complete statements of the action(s) being protested. A description of the relief or corrective action being requested should also be included. All protests will be addressed to the Solicitation Coordinator.

Only protests stipulating an issue of fact concerning the following subjects will be considered:

- A matter of bias, discrimination or conflict of interest on the part of the evaluator.
- Errors in computing the score.
- Noncompliance with procedures described in the procurement document.

Protests not based on procedural matters will not be considered. Protests will be rejected as without merit if they address issues such as: 1) an evaluator's professional judgment on the quality of a proposal, or 2) State Auditor's Office's assessment of its own and/or other agencies' needs or requirements.

Upon receipt of a protest, the State Auditor's Office will hold a protest review. The State Auditor's Office will designate three individuals who were not involved in the procurement to consider the record and all available facts and issue a decision within five business days of receipt of the protest. If additional time is required, the protesting party will be notified of the delay.

In the event a protest may affect the interest of another proposer that submitted a proposal, such proposer will be given an opportunity to submit its views and any relevant information on the protest to the Solicitation Coordinator.

The final determination of the protest will:

- Find the protest lacking in merit and uphold the State Auditor's Office's action; or
- Find only technical or harmless errors in the State Auditor's Office's acquisition process and determine the State Auditor's Office to be in substantial compliance and reject the protest; or
- Find merit in the protest and provide State Auditor's Office options which may include:
  - a) Correct the errors and re-evaluate all proposals, and/or
  - b) Reissue the solicitation document and begin a new process, or
  - c) Make other findings and determine other courses of action as appropriate.

If the State Auditor's Office determines that the protest is without merit, the State Auditor's Office will enter into a contract with the apparent successful contractor. If the protest is determined to have merit, one of the alternatives noted in the preceding paragraph will be taken.

## EXHIBIT A - CERTIFICATIONS AND ASSURANCES

I/we make the following certifications and assurances as a required element of the proposal to which it is attached, understanding that the truthfulness of the facts affirmed here and the continuing compliance with these requirements are conditions precedent to the award or continuation of the related contract(s):

1. I/we declare that all answers and statements made in the proposal are true and correct.
2. I/we certify that nonaudit services have not been performed on behalf of audited entities (see <http://www.gao.gov/govaud/iv2011gagas.pdf>, Chapter 3, 3.33 page 34) [identified as in scope for this solicitation] at any time during the previous **four years** by our firm or by any individual or firm we will employ as a subcontractor relative to this proposal.

Or

I/we are disclosing the following nonaudit services have been performed during the previous **four years** by our firm or by an individual or firm that will be employed by us as a subcontractor on behalf of audited entities identified as in scope for this solicitation (list all in table below). I/we have examined the nature of the nonaudit services provided and certify that I/we meet Government Auditing Standards 2011 (<http://www.gao.gov/govaud/iv2011gagas.pdf>), General Standards for Independence.

Date	Audited Entity	Describe nonaudit services provided	Audited entity contact

3. The contractor warrants that all persons performing work under this contract and any subcontracts are free from personal and external impairments to independence.
4. The prices and/or cost data have been determined independently, without consultation, communication, or agreement with others for the purpose of restricting competition. However, I/we may freely join with other persons or organizations for the purpose of presenting a single proposal.
5. The attached proposal is a firm offer for a period of 60 days following receipt, and it may be accepted by the State Auditor’s Office without further negotiation (except where obviously required by lack of certainty in key terms) at any time within the 60-day period.
6. The project management, staff, and subcontractors identified in Section II – Project Management will be assigned for the duration of the project. We agree that no substitutions or deletions of project personnel will occur without first requesting and the receiving approval, in writing, from the State Auditor’s Office.
7. In preparing this proposal, I/we have not been assisted by any current or former employee of the State of Washington whose duties relate (or did relate) to this proposal or prospective contract, and who was assisting in other than his or her official, public capacity. Neither does such a person nor any member of his or her immediate family have any financial interest in the outcome of this proposal. (Any exceptions to these assurances are described in full detail on a separate page and attached to this document.)
8. I/we understand that the State Auditor’s Office will not reimburse me/us for any costs incurred in the preparation of this proposal. All proposals become the property of the State Auditor’s Office, and I/we claim no proprietary right to the ideas, writings, items, or samples, unless so stated in this proposal.
9. Unless otherwise required by law, the prices and/or cost data which have been submitted have not been knowingly disclosed by the proposer and will not knowingly be disclosed by him/her prior to submission, directly or indirectly to any other proposer or to any competitor.
10. I/we agree that submission of the attached proposal constitutes acceptance of the solicitation contents and Attachment B, General Terms and Conditions. If there are any necessary exceptions to these terms, I/we have described those exceptions in detail on a page attached to this document.



## **EXHIBIT B - SAMPLE CONTRACT FOR PROFESSIONAL L SERVICES**

CONTRACT NO.

CONTRACT FOR PERSONAL SERVICES

BETWEEN

WASHINGTON STATE AUDITOR'S OFFICE

AND

This Contract is made and entered into by and between the Washington STATE AUDITOR'S OFFICE and the below named CONTRACTOR.

Contractor Name:

Address:

City, State, Zip Code:

Phone, Fax:

E-mail:

Washington State UBI Number:

Federal ID Number:

### **1. PURPOSE**

The purpose of this contract is to conduct a Yellow Book performance audit that addresses the performance audit objective contained in Chapter 1.1.C of RFP No. \_\_\_\_\_ in the manner specified in the final Performance Statement of Work.

### **2. SCOPE OF WORK**

A. The contractor will provide services and staff, and otherwise do all things necessary for or incidental to the performance of work, as set forth in the Performance Statement of Work, attached hereto and incorporated by reference. However, the State Auditor's Office reserves the right to modify the final Performance Statement of Work, including deleting tasks, after completing the planning process and at critical points during the course of the contract.

B. All written work of the contractor will be expected to be of a professional quality acceptable to the State Auditor's Office. In written reports, the contractor's findings and conclusions must be clearly documented as resulting from fieldwork and data analysis done for this audit. Recommendations must be logically related to the findings and conclusions and must recognize practical and fiscal constraints.

C. Attachment B, attached hereto and incorporated by reference, contains the General Terms and Conditions governing work to be performed under this contract, the nature of the working relationship between the State Auditor's Office and the contractor, and specific obligations of both parties.

**3. PERIOD OF PERFORMANCE**

The period of performance of any contract resulting from this RFP is tentatively scheduled to begin on or after \_\_\_\_\_ or date of execution, whichever is later, and to end on or before \_\_\_\_\_. Completions of draft and final audit reports are due by \_\_\_\_\_ and \_\_\_\_\_, respectively, amendments extending the period of performance, if any, will be at the sole discretion of the State Auditor's Office. The State Auditor's Office reserves the right, at its discretion, to extend the contract for up to three additional-years.

**4. COMPENSATION**

Total compensation payable to the contractor for satisfactory performance of the work under this contract will not exceed \$\_\_\_\_\_. The contractor's compensation for services rendered will be based on the schedule set forth in Attachment A. If the State Auditor's Office decides to modify the final Performance Statement of Work, including deleting tasks, after completing the planning process or at critical points during the course of the contract, the parties will negotiate in good faith whether to make an adjustment to the compensation set forth in Attachment A.

However, if the contractor violates the Government Auditing Standards independence standards during performance of the audit, the State Auditor's Office may chose not to compensate the contractor for work performed under this contract.

**5. BILLING PROCEDURES AND PAYMENT**

The State Auditor's Office will pay the contractor upon State Auditor's Office acceptance of services provided and receipt of properly completed invoices, which will be submitted to the Contract Manager in accordance with the schedule in Attachment A.

The invoices will describe and document, to the State Auditor's Office's satisfaction, an itemized description of the work performed and the progress of the audit by deliverable as compared to the final Performance Statement of Work, and fees. The invoice will include reference to Contract \_\_\_\_\_.

Payment will be considered timely if made by the State Auditor's Office within thirty (30) calendar days after receipt of properly completed invoices. However, payment for each billing will be made after the State Auditor's Office's determination that it is satisfied with the overall progress of the contractor and the quality of each deliverable. If the State Auditor's Office determines the contractor has not made satisfactory progress in accordance with Attachment A, the State Auditor's Office may, in its sole discretion, withhold payments or terminate the contract.

**6. RETAINAGE**

Ten percent of each payment will be withheld pending completion of the Contract. Thirty days after the final report is published, the State Auditor's Office Contract Manager will authorize payment in full of all retainages. However, if the contractor violates the Government Auditing Standards independence standard during the conduct of the audit, the State Auditor's Office may chose not to compensate the contractor for any of the work performed under this contract.

**7. NO ADVANCE PAYMENT**

No payments in advance or in anticipation of services or supplies to be provided under this contract will be made by the State Auditor's Office.

**8. CONTRACT MANAGEMENT**

The Contract Manager for each of the parties will be the contact person for all communications and billings regarding the performance of this contract.

Contract Manager for the CONTRACTOR is:

Contract Manager Name

Contractor Name

Address

City, State Zip Code

Phone: ( )

Fax: ( )

E-mail address:

Contract Manager for the STATE AUDITOR’S OFFICE is:

State Auditor’s Office Contract Coordinator

3200 Sunset Way SE

P.O Box 40031

Olympia, WA, 98504-0031

Phone: (360) 725-5574 Fax: (360) 586-3105

E-mail address: contractmanager@sao.wa.gov

**9. CONTRACTOR’S PERSONNEL**

- A. State Auditor’s Office reserves the right to reject any of the contractor’s employees, suppliers, or subcontractors. Any and all costs or expenses associated with replacement of any person or entity will be borne by the contractor.
- B. State Auditor’s Office may, in the exercise of its discretion and judgment, identify certain of the contractor’s employees as key personnel, and if so, the contractor will take all necessary steps to assure that said contractor’s employees are available and assigned to the work as long as said employees are employed by the contractor.
- C. The contractor may not change or replace any of the staff assigned to this contract without prior approval of State Auditor’s Office, which approval will not be unreasonably withheld.
- D. The contractor warrants that it is available to perform the work within the time specified and that all work will be performed on a priority basis. The contractor will begin work promptly and will perform the work in a continuous and diligent manner, and contractor will not interrupt the work except as may be provided under this contract.
- E. The contractor will be responsible to ensure that all its employees and subcontractor’s employees are properly trained, certified, or licensed as appropriate and are properly qualified by education and experience to perform the work. The contractor will avoid overstaffing the work or shuffling personnel assigned to said work.
- F. The contractor, subcontractor(s) and their employees agree not to recruit any personnel from the State Auditor’s Office or from the audited entity for a period of six (6) months after conclusion of the performance audit.
- G. Parties performing, or offering to perform, professional services under this contract who are CPAs or CPA firms licensed in this or other states and/or jurisdictions may become subject to the authority of the Washington State Board of Accountancy, RCW 18.04 and WAC 4-25 and must be in good standing with said Board.

Accordingly, parties to this contract who are licensed individual CPAs and/or licensed CPA firms:

Consent to the jurisdiction of the Washington State Board of Accountancy for matters referred by the State Auditor provided such matters are within the Board's authority, and  
In such cases, if the individual licensee(s) offering or performing professional services hereunder and the firm that employs such persons are not licensed in this state said persons simultaneously consent, to the appointment of the state board which issued the certificate or license as agent for service of process in any action or proceeding against said individual CPAs, CPA firm, or representatives of the CPA firm arising from any transaction or operation connected with or incidental to professional services under this contract.

**10. COORDINATION AND COOPERATION**

- A. The contractor will cooperate with the State Auditor's Office and other firms, if any, to ensure that the work is properly performed on schedule. Contractor will collaborate with any other firms and coordinate its work with the work of such other firm(s), if any, which could affect the work, the contractor will proceed in such manner as not to interfere or delay the progress of the work as a whole.
- B. If any part of the contractor's work depends for proper execution or results upon the work of any other contractor(s), the contractor will inspect and promptly report in writing to the State Auditor's Office any defects in the work of such other contractor that renders it unsuitable for such proper execution or results. Failure of the contractor to do so will constitute its acceptance of the other firm's work as fit and proper for the reception of contractor's work, except as to defects that may develop in the other firms' work after the execution of the contractor's work.
- C. In cases of disagreement or disputes between the contractor and other firm(s) which could delay or interfere with the work due to the failure to collaborate and cooperate or which cannot be resolved between contractor and the others involved, the State Auditor's Office will be given prompt written notice specifying in detail the disagreement or dispute. In such cases, the State Auditor's Office will have the right to determine the proper method of coordinating the work, and the State Auditor's Office's decisions in this regard will be final, binding, and conclusive.
- D. Notwithstanding the existence of a dispute or disagreement between the State Auditor's Office and the contractor, the contractor will diligently and without interruption proceed with the work at such rates of progress as will ensure full completion of the work on time.
- E. The contractor will accommodate the Performance Audit Manager's monitoring and management of the contract by meeting weekly to discuss work progress and products as measured against the approved and final Performance Statement of Work. In these meetings, the contractor will communicate to the Audit Manager any issues or opportunities identified.
- F. The contractor will assist the Performance Audit Manager in his or her communication with the audited agency. The contractor will accompany the Audit Manager as needed to meet with agency personnel to discuss the status of the audit, pending request for assistance, understanding of audit matters, and to communicate any potential issues.

**11. FRAUD, IRREGULARITIES, OR OTHER AUDIT ISSUES**

If irregularities, fraud, or other significant audit issues, which may impact the audit, are suspected, the contractor must immediately notify the State Auditor's Office. The contractor will also notify State Auditor's Office of any other potential audit issues and topics that are discovered on a weekly basis as part of the weekly reporting process.

**12. SUPERVISION AND COORDINATION**

The contractor will:

- Comply with GAO Yellow Book requirements associated with the supervision of all employees and subcontractors in implementing and completing all audit requirements specified herein.
- Designate in its proposal to the State Auditor's Office, a representative(s) with the authority to legally commit the contractor's firm. All communications given or received from the contractor's representative will be binding on the contractor.

- Promote and offer to the State Auditor’s Office only those services as stated herein and allowed for by contractual requirements. Violation of this condition will be grounds for contract termination.

**13. INSURANCE**

The contractor will provide insurance coverage as set forth in the Request for Proposals No. \_\_\_\_\_. The intent of the required insurance is to protect the state should there be any claims, suits, actions, costs, damages or expenses arising from any negligent or intentional act or omission of the contractor or subcontractor, or agents of either, while performing under the terms of this contract. The contractor will provide insurance coverage, which will be maintained in full force and effect during the term of this contract.

**14. ASSURANCES**

The State Auditor’s Office and the contractor agree that all activity pursuant to this contract will be in accordance with all the applicable current federal and state laws, rules, and regulations.

**15. ORDER OF PRECEDENCE**

Each of the documents listed below is by this reference hereby incorporated into this contract. In the event of an inconsistency in this contract, the inconsistency will be resolved by giving precedence in the following order:

- Applicable federal and state of Washington statutes and regulations;
- The terms of the basic contract and all attachments incorporated herein including Special Terms and Conditions as contained in this basic contract instrument Attachment A – the Final Performance Statement of Work; Attachment B – General Terms and Conditions;
- Request for Proposals No. \_\_\_\_\_
- The contractor’s proposal dated \_\_\_\_\_; and
- Any other provision, term or material incorporated herein by reference or otherwise incorporated.

**16. ENTIRE AGREEMENT**

This contract, including referenced attachments and other documents, represents all the terms and conditions agreed upon by the parties. No other statements or representations, written or oral, will be deemed a part hereof.

If any provision of this contract violates any statute or rule of law of the state of Washington, it is considered modified to conform to that statute or rule of law.

**17. APPROVAL**

This contract will be subject to the written approval of the State Auditor’s Office’s authorized representative and will not be binding until so approved. The contract may be altered, amended, or waived only by a written amendment executed by both parties.

THIS CONTRACT is executed by the persons signing below, who warrant they have the authority to execute the contract.

[CONTRACTOR’S NAME]

[STATE AUDITOR’S OFFICE NAME]

Signature

Signature

Title Date

Title Date

APPROVED AS TO FORM:

Assistant Attorney General

Date

## **ATTACHMENT A**

This page intentionally left blank.

## **ATTACHMENT B - GENERAL TERMS AND CONDITIONS**

### **1. Definitions**

As used throughout this contract, the following terms shall have the meaning set forth below:

- A. “State Auditor’s Office” (SAO) shall mean any division, section, office, unit or other entity of the State Auditor’s Office, or any of the officers or other officials lawfully representing the State Auditor’s Office.
- B. “Agent” shall mean the State Auditor’s Office Contract Manager, and/or the delegate authorized in writing to act on the Manager’s behalf.
- C. “Contractor” shall mean that firm, provider, organization, individual or other entity performing service(s) under this contract, and shall include all employees of the contractor.
- D. “Subcontractor” shall mean one not in the employment of the contractor, who is performing all or part of those services under this contract under a separate contract with the contractor. The terms “subcontractor” and “subcontractors” means subcontractor(s) in any tier.

### **2. Access to Data**

In compliance with RCW 39.26.180 the contractor shall provide access to data generated under this contract to the State Auditor’s Office, the Joint Legislative Audit and Review Committee, and the State Auditor at no additional cost. This includes access to all information that supports the findings, conclusions and recommendations of the contractor’s reports, including computer models and methodology for those models.

### **3. Advance Payments Prohibited**

No payments in advance of or in anticipation of goods or services to be provided under this contract shall be made by the State Auditor’s Office.

### **4. Amendments**

This contract may be amended by mutual agreement of the parties. Such amendments shall not be binding unless they are in writing and signed by personnel authorized to bind each of the parties.

### **5. Americans with Disabilities Act (ADA) of 1990, Public Law 101-336, 28 CFR Part 35**

The contractor must comply with the ADA, which provides comprehensive civil rights protection to individuals with disabilities in the areas of employment, public accommodations, state and local government services, and telecommunications.

### **6. Assignment**

Neither this contract, nor any claim arising under this contract, shall be transferred or assigned by the contractor without prior written consent of the State Auditor’s Office.

### **7. Attorneys’ Fees**

In the event of litigation or other action brought to enforce contract terms, each party agrees to bear its own attorney fees and costs.

## **8. Confidentiality/Safeguarding of Information**

Contractor acknowledges that some of the material and information that may come into its possession or knowledge in connection with this contract or its performance may consist of information that is exempt from disclosure to the public or other unauthorized persons under either chapter 42.56 RCW or other state or federal statutes (“Confidential Information”).

The contractor will not use or disclose any information concerning the State Auditor’s Office, the subject matter, the audit or information which may be classified as confidential, for any purpose not directly connected with the administration of this contract, except with prior written consent of the State Auditor’s Office, or as may be required for peer review or by law, legal process, or AICPA Consulting Standards.

Confidential information may include, but is not limited to, employee information such as residential addresses, e-mail addresses, and telephone numbers, Social Security Numbers, financial profiles, credit card information, driver’s license numbers, medical data or protected health information, law enforcement records, agency source code or object code, or agency security data.

Contractor agrees to implement physical, electronic, and managerial safeguards to prevent unauthorized access to Confidential Information.

Immediately upon expiration or termination of this contract, contractor will destroyed all information including Confidential Information not required to be retained by professional standards.

Any breach of this provision may result in termination of the contract and the demand for return of all Confidential Information. The contractor agrees to indemnify and hold harmless the State Auditor’s Office for any damages related to the contractor’s unauthorized use of confidential information.

## **9. Conflict Of Interest**

The State Auditor’s Office may, in its sole discretion, by written notice to the contractor terminate this contract if it is found after due notice and examination by the State Auditor’s Office that there is a violation of GAO’s Government Auditing Standards 2011, General Standards for Independence (RCW 43.09.470 requires that performance audits will be conducted in accordance with the United States General Accounting Office’s Government Auditing Standards.)

## **10. Copyright Provisions**

Unless otherwise provided, all materials produced under this contract shall be considered “works for hire” as defined by the U.S. Copyright Act and shall be owned by the State Auditor’s Office. The State Auditor’s Office shall be considered the author of such materials. In the event the materials are not considered “works for hire” under the U.S. Copyright laws, contractor hereby irrevocably assigns all right, title, and interest in materials, including all intellectual property rights, to the State Auditor’s Office effective from the moment of creation of such materials.

Materials means all items in any format and includes, but is not limited to, data, reports, documents, pamphlets, advertisements, books, magazines, surveys, studies, computer programs, films, tapes, and/or sound reproductions. Ownership includes the right to copyright, patent, register and the ability to transfer these rights.

For materials that are delivered under the contract, but that incorporate pre-existing materials not produced under the contract, contractor hereby grants to the State Auditor’s Office a nonexclusive, royalty-free, irrevocable license (with rights to sublicense others) in such materials to translate, reproduce, distribute, prepare derivative works, publicly perform, and publicly display. The contractor warrants and represents that contractor has all rights and permissions, including intellectual property rights, moral rights and rights of publicity, necessary to grant such a license to the State Auditor’s Office. The contractor will maintain its ownership of its pre-existing materials, such as methodologies, including any improvements or enhancements the contractor makes to its pre-existing materials.

The State Auditor’s Office recognizes that: (A) valuable formulae, designs, drawings, and research data obtained by the State Auditor’s Office within five years of the request for disclosure are exempt from disclosure when disclosure would produce private gain and public loss (RCW 42.56.270(1)); and (B)

intellectual property and proprietary information may also be covered by the Washington Trade Secrets Act, chapter 19.108 RCW.

Where a request for documents potentially protected under these laws is made, the State Auditor's Office shall notify the contractor that the request has been made and provide the Contractor an opportunity to seek a court injunction against the requested disclosure. The Contractor will have five (5) business days to respond to the State Auditor's Office's notice with its intent to seek a court injunction against the requested disclosure. If the State Auditor's Office receives no response from the Contractor within five (5) business days, the materials and information will be released consistent with the State Auditor's Office policies and procedures under State law. Once notified of the contractor's intent to seek a court injunction, the contractor shall have ten (10) business days to obtain an injunction and provide a copy to the State Auditor's Office. If the State Auditor's Office does not receive a copy of an injunction within these ten(10) business day, it may release the requested documents.

Contractor shall exert all reasonable effort to advise the State Auditor's Office at the time of delivery of all known or potential copyright provisions or intellectual property or proprietary information protections applicable to any document or portion of any document produced in the performance of this contract. Contractor may mark any documents furnished to the State Auditor's Office as follows:

NOTICE: The information herein has been prepared for the use of the State Auditor's Office and no others. The information contains data that is copyrighted by © \_\_\_\_\_, all rights reserved, or may be subject to intellectual property or proprietary information protections.

Nothing contained in this section affects or modifies the State Auditor's Office obligation to disclose public records under Chapter 42.56 RCW or other applicable law.

The contractor shall exert all reasonable effort to advise the State Auditor's Office, at the time of delivery of materials furnished under this contract, of all known or potential invasions of privacy contained therein and of any portion of such document that was not produced in the performance of this contract.

The State Auditor's Office shall receive prompt written notice of each notice or claim of infringement received by the contractor with respect to any data delivered under this contract. The State Auditor's Office shall have the right to modify or remove any restrictive markings placed upon the data by the contractor.

### **11. Covenant Against Contingent Fees**

The contractor warrants that no person or selling agent has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, excepting bona fide employees or bona fide established agents maintained by the contractor for securing business.

The State Auditor's Office shall have the right, in the event of breach of this clause by the contractor, to annul this contract without liability or, in its discretion, to deduct from the contract price or consideration or recover by other means the full amount of such commission, percentage, brokerage or contingent fee.

### **12. Disallowed Costs**

The contractor is responsible for any audit exceptions or disallowed costs incurred by its own organization or that of its subcontractors.

### **13. Disputes**

Except as otherwise provided in this contract, when a dispute arises between the parties and it cannot be resolved, either party may request a dispute hearing with a team of three (which shall be comprised of one independent individual selected by the contractor, one independent individual selected by the State Auditor's Office Director of Audit, and one shall be a State Auditor's Office Director not responsible for the contract.) Disputes shall be resolved as quickly as possible.

The request for a dispute hearing must:

- A. Be in writing;

- B. State the disputed issue(s);
- C. State the relative positions of the parties;
- D. State the contractor's name, address, and contract number; and
- E. Be mailed or sent electronically to the State Auditor's Office Contract Manager within 3 working days after the parties agree that they cannot resolve the dispute.

The Contract Manager shall send a written answer to the contractor's statement to the contractor within 5 working days.

The panel shall review the written statements and reply in writing to both parties within 10 working days. The panel may extend this period if necessary by notifying the parties.

The parties agree that this dispute process shall precede any action in a judicial or quasi-judicial tribunal.

The State Auditor's Office and contractor agree that, the existence of a dispute notwithstanding, they will continue without delay to carry out all their respective responsibilities under this contract, which are not affected by the dispute. Both parties agree to exercise good faith in the dispute resolution and to settle disputes prior to using the dispute resolution panel whenever possible.

#### **14. Duplicate Payment**

The State Auditor's Office shall not pay the contractor, if the contractor has charged or will charge the State of Washington or any other party under any other contract or agreement, for the same services or expenses.

#### **15. Governing Law**

This contract shall be construed and interpreted in accordance with the laws of the State of Washington, and the venue of any action brought hereunder shall be in the Superior Court for Thurston County.

#### **16. Indemnification**

To the fullest extent permitted by law, the contractor shall indemnify, defend, and hold harmless state, agencies of state and all officials, agents and employees of state, from and against all claims for injuries or death arising out of or resulting from the performance of the contract.

"Claim," as used in this contract, means any financial loss, claim, suit, action, damage, or expense, including but not limited to attorney's fees, attributable for bodily injury, sickness, disease, or death, or injury to or destruction of tangible property including loss of use resulting there from. The contractors' obligations to indemnify, defend, and hold harmless includes any claim by the contractors' agents, employees, representatives, or any subcontractor or its employees.

The contractor expressly agrees to indemnify, defend and hold harmless the State for any claim arising out of or incident to the contractor's or any subcontractor's performance or failure to perform the contract. The contractor's obligation to indemnify, defend, and hold harmless the state shall not be eliminated or reduced by any actual or alleged concurrent negligence of the State or its agents, agencies, employees and officials.

The contractor waives its immunity under Title 51 RCW to the extent it is required to indemnify, defend and hold harmless the state and its agencies, officials, agents or employees.

#### **17. Independent Capacity of the Contractor**

The parties intend that an independent contractor relationship will be created by this contract. The contractor and his or her employees or agents performing under this contract are not employees or agents of the State Auditor's Office. The contractor will not hold himself/herself out as or claim to be an officer or employee of the State Auditor's Office or of the State of Washington by reason hereof, nor will the contractor make any claim of right, privilege or benefit that would accrue to such employee under law. Conduct and control of the work will be solely with the contractor.

## **18. Industrial Insurance Coverage**

The contractor shall comply with the provisions of Title 51 RCW, Industrial Insurance. If the contractor fails to provide industrial insurance coverage or fails to pay premiums or penalties on behalf of its employees, as may be required by law, the State Auditor's Office may collect from the contractor the full amount payable to the Industrial Insurance accident fund. The State Auditor's Office may deduct the amount owed by the contractor to the accident fund from the amount payable to the contractor by the State Auditor's Office under this contract, and transmit the deducted amount to the Department of Labor and Industries, (L&I) Division of Insurance Services. This provision does not waive any of L&I's right to collect from the contractor.

## **19. Licensing, Accreditation and Registration**

The contractor shall comply with all applicable local, state and federal licensing, accreditation and registration requirements/standards, necessary for the performance of this contract.

## **20. Limitation of Authority**

Only the Agent or Agent's delegate by writing (delegation to be made prior to action) shall have the express, implied, or apparent authority to alter, amend, modify, or waive any clause or condition of this contract. Furthermore, any alteration, amendment, modification, or waiver or any clause or condition of this contract is not effective or binding unless made in writing and signed by the Agent.

## **21. Noncompliance with Nondiscrimination Laws**

In the event of the contractor's non-compliance or refusal to comply with any nondiscrimination law, regulation or policy, this contract may be rescinded, canceled or terminated in whole or in part, and the contractor may be declared ineligible for further contracts with the State Auditor's Office. The contractor shall, however, be given a reasonable time in which to cure this noncompliance. Any dispute may be resolved in accordance with the "Disputes" procedure set forth herein.

## **22. Nondiscrimination**

During the performance of this contract, the contractor shall comply with all federal and state nondiscrimination laws, regulations and policies.

## **23. Publicity**

The contractor agrees to submit to the State Auditor's Office all advertising and publicity matters relating to this contract wherein the State Auditor's Office's name is mentioned or language used from which the connection of the State Auditor's Office's name may, in the State Auditor's Office's judgment, be inferred or implied. The contractor agrees not to publish or use such advertising and publicity matters without the prior written consent of the State Auditor's Office.

## **24. Records Maintenance**

The contractor shall maintain books, records, documents, data and other evidence relating to this contract and performance of the services described herein, including but not limited to accounting procedures and practices that sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this contract.

Contractor shall retain such records for a period of six years following the date of final payment. At no additional cost, these records, including materials generated under the contract, shall be subject at all reasonable times to inspection, review or audit by the State Auditor's Office, personnel duly authorized by the State Auditor's Office, and federal and state officials so authorized by law, regulation or agreement. If any litigation, claim or audit is started before the expiration of the six (6) year period, the records shall be retained until all litigation, claims or audit findings involving the records have been resolved.

## **25. Registration with Department of Revenue**

The contractor shall complete registration with the Washington State Department of Revenue and be responsible for payment of all taxes due on payments made under this contract.

## **26. Right of Inspection**

The contractor shall provide right of access to its facilities to the State Auditor's Office, or any of its officers, or to any other authorized agent or official of the State of Washington or the federal government, at all reasonable times, in order to monitor and evaluate performance, compliance, and/or quality assurance of the work performed.

## **27. Savings**

In the event funding from state, federal, or other sources is withdrawn, reduced, or limited in any way after the effective date of this contract and prior to normal completion, the State Auditor's Office may terminate the contract under the "Termination for Convenience" clause, without the ten day notice requirement, subject to renegotiation at the State Auditor's Office's discretion under those new funding limitations and conditions.

## **28. Severability**

The provisions of this contract are intended to be severable. If any term or provision is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of the contract.

## **29. Site Security**

While on the State Auditor's Office premises, contractor, its agents, employees or subcontractors shall conform in all respects with physical, fire or other security policies or regulations.

## **30. Subcontracting**

All subcontractors must abide by all GAO Yellow Book standards.

Neither the contractor nor any subcontractor shall enter into subcontracts for any of the work contemplated under this contract without obtaining prior written approval of the State Auditor's Office. In no event shall the existence of the subcontract operate to release or reduce the liability of the contractor to the State Auditor's Office for any breach in the performance of the contractor's duties. This clause does not include contracts of employment between the contractor and personnel assigned to work under this contract.

The contractor is solely responsible and liable for ensuring that all of the terms, conditions, assurances and certifications set forth in this contract are incorporated into any partnering or subcontracting relationships with other entities for work related to this contract. Liability includes management responsibility and quality assurance for work performed and financial responsibility for payments to and by partner organizations or subcontractor to others. Contractor and its subcontractors agree not to release, divulge, publish, transfer, sell or otherwise make known to information obtained during performance of this contract without the express written consent of the State Auditor's Office or as provided by law.

## **31. Taxes**

All payments accrued because of payroll taxes, unemployment contributions, any other taxes, insurance or other expenses for the contractor or its staff shall be the sole responsibility of the contractor.

## **32. Termination for Cause**

In the event the State Auditor's Office determines the contractor has failed to comply with the conditions of this contract in a timely manner, the State Auditor's Office has the right to suspend or terminate this contract. Before suspending or terminating the contract, the State Auditor's Office shall notify the contractor in writing of the need to take corrective action. If corrective action is not taken within 30 calendar days, the contract may be terminated or suspended.

In the event of termination or suspension, the contractor shall be liable for damages as authorized by law including, but not limited to, any cost difference between the original contract and the replacement or cover contract and all administrative costs directly related to the replacement contract, e.g., cost of the competitive bidding, mailing, advertising and staff time.

The State Auditor's Office reserves the right to suspend all or part of the contract, withhold further payments, or prohibit the contractor from incurring additional obligations of funds during investigation of the alleged compliance breach and pending corrective action by the contractor or a decision by the State Auditor's Office to terminate the contract. A termination shall be deemed a "Termination for Convenience" if it is determined that the contractor: (1) was not in default; or (2) failure to perform was outside of his or her control, fault or negligence. The rights and remedies of the State Auditor's Office provided in this contract are not exclusive and are, in addition to any other rights and remedies, provided by law.

### **33. Termination for Convenience**

Except as otherwise provided in this contract, the State Auditor's Office may, by 10 calendar days written notice, beginning on the second day after the mailing, terminate this contract, in whole or in part. If this contract is so terminated, the State Auditor's Office shall be liable only for payment required under the terms of this contract for services rendered or goods delivered prior to the effective date of termination.

### **34. Termination Procedures**

Upon termination of this contract, the State Auditor's Office, in addition to any other rights provided in this contract, may require the contractor to deliver to the State Auditor's Office any property specifically produced or acquired for the performance of such part of this contract as has been terminated. The provisions of the "Treatment of Assets" clause shall apply in such property transfer.

The State Auditor's Office shall pay to the contractor the agreed upon price, if separately stated, for completed work and services accepted by the State Auditor's Office, and the amount agreed upon by the contractor and the State Auditor's Office for (i) completed work and services for which no separate price is stated, (ii) partially completed work and services, (iii) other property or services that are accepted by the State Auditor's Office, and (iv) the protection and preservation of property, unless the termination is for default, in which case the agent shall determine the extent of the liability of the State Auditor's Office. Failure to agree with such determination shall be a dispute within the meaning of the "Disputes" clause of this contract.

The State Auditor's Office may withhold from any amounts due the contractor such sum as the agent determines to be necessary to protect the State Auditor's Office against potential loss or liability. The rights and remedies of the State Auditor's Office provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

After receipt of a notice of termination, and except as otherwise directed by the agent, the contractor shall:

- A. Stop work under the contract on the date, and to the extent specified, in the notice;
- B. Place no further orders or subcontracts for materials, services, or facilities except as may be necessary for completion of such portion of the work under the contract that is not terminated;
- C. Assign to the State Auditor's Office, in the manner, at the times, and to the extent directed by the agent, all of the rights, title, and interest of the contractor under the orders and subcontracts so terminated, in which case the State Auditor's Office has the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts;
- D. Settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with the approval or ratification of the agent to the extent agent may require, which approval or ratification shall be final for all the purposes of this clause;
- E. Transfer title to the State Auditor's Office and deliver in the manner, at the times, and to the extent directed by the agent any property which, if the contract had been completed, would have been required to be furnished to the State Auditor's Office;

- F. Complete performance of such part of the work as shall not have been terminated by the agent; and
- G. Take such action as may be necessary, or as the agent may direct, for the protection and preservation of the property related to this contract, which is in the possession of the contractor and in which the State Auditor's Office has or may acquire an interest.

### **35. Treatment of Assets**

- A. Title to all property furnished by the State Auditor's Office shall remain in the State Auditor's Office. Title to all property furnished by the contractor, for the cost of which the contractor is entitled to be reimbursed as a direct item of cost under this contract, shall pass to and vest in the State Auditor's Office upon delivery of such property by the contractor. Title to other property, the cost of which is reimbursable to the contractor under this contract, shall pass to and vest in the State Auditor's Office upon (i) issuance for use of such property in the performance of this contract, or (ii) commencement of use of such property in the performance of this contract, or (iii) reimbursement of the cost thereof by the State Auditor's Office in whole or in part, whichever first occurs.
- B. Any property of the State Auditor's Office furnished to the contractor shall, unless otherwise provided herein or approved by the State Auditor's Office, be used only for the performance of this contract.
- C. The contractor shall be responsible for any loss or damage to property of the State Auditor's Office that results from the negligence of the contractor or that results from the failure on the part of the contractor to maintain and administer that property in accordance with sound management practices.
- D. If any the State Auditor's Office's property is lost, destroyed or damaged, the contractor shall immediately notify the State Auditor's Office and shall take all reasonable steps to protect the property from further damage.
- E. The contractor shall surrender to the State Auditor's Office all property of the State Auditor's Office prior to settlement upon completion, termination or cancellation of this contract.
- F. All reference to the contractor under this clause shall also include contractor's employees, agents or subcontractors.

### **36. Waiver**

Waiver of any default or breach shall not be deemed a waiver of any subsequent default or breach. Any waiver shall not be construed to be a modification of the terms of this contract unless stated to be such in writing and signed by authorized representative of the State Auditor's Office.



**EXHIBIT D - REFERENCE WORKSHEET**

***REFERENCE WORKSHEET***

**REFERENCE**

Type of Services Performed

Firm/Organization: \_\_\_\_\_

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

Contact Person 1: \_\_\_\_\_

Contact 1 Phone #: \_\_\_\_\_ Fax #: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

Contact Person 2: \_\_\_\_\_

Contact 2 Phone #: \_\_\_\_\_ Fax #: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

Type of Business: \_\_\_\_\_

Number of Employees at  
Reference Business: \_\_\_\_\_

Number of Different  
Business Locations  
Supported: \_\_\_\_\_

## EXHIBIT E - REQUIREMENTS CHECKLIST

Upon completion of the proposal, verify the entire proposal conforms to the requirements outlined in Chapter 3 and that it is organized into eight sections:

- 1) Letter of Submittal
- 2) Project Management
- 3) Technical Proposal
- 4) Cost Breakdown Fixed-Priced Cost Proposal
- 5) Signed Fixed-Priced Cost Certification (Exhibit C)
- 6) Customer References
- 7) Résumés
- 8) Signed Certifications and Assurances (Exhibit A)
- 9) Work Samples

<b>Standard Instructions to Proposers</b> (Sections I through IV will not exceed 25 combined total pages)	<b>CHECK</b>
<b>Section I. Submittal Letter (MR)</b>	
A. Organization Summary (MR)	
B. Business Identification (MR)	
C. Company Officers (MR)	
D. Primary Contact (MR)	
E. Legal Status (MR)	
F. Previous State Contracts (MR)	
G. Former Employee Status (MR)	
H. Contract Terminations (MR)	
I. Tax Information (MR)	
J. Subcontractor Qualifications (MR)	
K. Statement of Acceptance of Technical Requirements (MR)	
L. Compliance with Insurance Requirements (MR)	
<b>Section II. Project Management (MR)</b>	
A. Organization (MR)	
B. Project Management (MR)	
C. Proposers' Recent and Relevant Experience (MR)	
<b>Section III. Technical Proposal (MR)</b>	
A. Approach & Methodology	
B. Work Plan (MR)	
C. Schedule (MR)	
D. Deliverables (MR)	
<b>Section IV. Itemized Fixed-Price Cost Proposal (MR) (Pass/Fail)</b>	
<b>Section V. Signed Fixed-Price Cost Certification form (MR) (Pass/Fail)</b>	
<b>Section VI. Customer References (MR) (Pass/Fail)</b>	
<b>Section VII. Résumés (MR) (Pass/Fail)</b>	
<b>Section VIII. Signed Certifications and Assurances (Exhibit A), (MR) (Pass/Fail)</b>	
<b>Section IX. Work Sample (MR) (Pass/Fail)</b>	