

# REQUEST FOR PROPOSAL: AUDIT SERVICES

Central Oregon Intergovernmental Council (COIC)  
February 9, 2021

## Projected Timeline

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COIC advertises and mails RFP notice:	February 9, 2021
Auditor submits official proposal:	March 24, 2021 (4:00 p.m. PDT)
Committee makes recommendation to the Board:	April 1, 2021
COIC issues notice of intent to award:	April 2, 2021
COIC awards contract:	April 8, 2021

Note: This is COIC's desired project schedule. COIC reserves the right to modify the schedule.

**RFP Website: <https://www.coic.org/open-procurements/>**

*{The above RFP website will provide access to the RFP, supporting information and links to associated documents. If questions are submitted, they will be responded to in writing and posted to the website. If for some reason, you need assistance please see contact below. }*

**COIC contact person for RFP:**

Michelle Williams, CPA,  
Deputy Director and Fiscal Services Manager  
(541) 504-3303  
michellew@coic.org



To request this information in an alternate format, please call (541) 504-3303 or send email to michellew@coic.org

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February 9, 2021

The Board of Directors of the Central Oregon Intergovernmental Council, (hereinafter called “COIC”) invites qualified independent licensed municipal auditors (hereinafter called “auditor”) having sufficient governmental and auditing experience in performing an audit in accordance with the specifications outlined in this Request for Proposal (RFP) to submit a proposal. There is no expressed or implied obligation for the COIC to reimburse auditor for any expenses incurred in preparing proposals in response to this request. The COIC reserves the right to cancel this solicitation in its sole discretion.

The COIC’s external auditor has been Stuart Katter, CPA, LLP since they were first engaged to audit the June 30, 1995 Comprehensive Annual Financial Report (CAFR) and had been our external auditor each year since that time. Unfortunately he unexpectedly passed away prior to completion of COIC’s FY 20 Audit. Interested persons should not construe COIC’s solicitation for auditing services as indicating dissatisfaction with performance by Stuart Katter, CPA, LLP. The agreed-upon fees for the two most recent audit years have averaged \$20,000 per year. The RFP process has been developed to allow a fair and timely evaluation of experienced auditors.

## **I. TYPE OF AUDIT**

The audit will encompass a financial and compliance examination of the COIC’s Comprehensive Annual Financial Report (CAFR) and of the annual financial statements, in accordance with Oregon’s Minimum Standards for Audits of Municipal Corporations as prescribed by law. The CAFR includes the basic financial statements, required and other supplementary information and compliance reports. The auditor is not obligated to audit the supplementary information nor the statistical section of the CAFR and compliance report. The financial and compliance audit will cover federal, state, and local funding sources in accordance with all of the following:

- Generally accepted auditing standards
- Government Auditing Standards
- The Single Audit Act of 1984 and the Single Audit Act Amendments of 1996
- The provisions of OMB Circular A-133: Audits of State, Local Governments, and Non-Profit Organizations
- The State Single Audit Implementation Act; and
- Applicable laws and regulations.

## **II. AUDIT SERVICE PERIOD**

COIC intends to continue the relationship with the selected auditor for a four (4) year term, with two (2) optional one-year renewals. The total contract term is not to exceed a maximum of six (6) fiscal years and is subject to annual review and recommendation of the COIC Finance Committee, approval of the Board of Directors of COIC and satisfactory negotiation of terms (including a total fee acceptable to both the COIC and the auditor).

- July 1, 2019 through June 30, 2020 (Fiscal Year 2020) Please note this contract includes this audit period which would normally have been completed by December 2020. Past external auditor work papers may not be available.
- July 1, 2020 through June 30, 2021 (Fiscal Year 2021)
- July 1, 2021 through June 30, 2022 (Fiscal Year 2022)
- July 1, 2022 through June 30, 2023 (Fiscal Year 2023)

Each year after negotiation has taken place, the auditor will forward to the COIC for signature an audit engagement letter that documents the terms of the audit engagement. Since the COIC cannot appropriate future resources, the remaining years of the agreement are subject to approval in the COIC's annual budget.

### **III. AUDIT REPORTING ENTITY**

The reporting entity for this CAFR is Central Oregon Intergovernmental Council, a Council of Governments organized under ORS 190 by the three counties, eight cities and the Confederated Tribes of Warm Springs in Central Oregon. A 17-member board governs COIC, with representatives from each of the member governments: the counties of Crook, Deschutes, and Jefferson, and the cities of Bend, Culver, Madras, Metolius, Prineville, Redmond, La Pine, Sisters and the Confederated Tribes of Warm Springs. Five members representing the interests of the private business sector, workforce development, and education also serve on the COIC Board.

The audit reporting entity may change over the audit contract period through changes in its composition.

### **IV. AUDIT SERVICE REQUIREMENTS**

1. The audit will be conducted in accordance with generally accepted auditing standards, the standards in the United States of America for financial audits contained in Government Auditing Standards, issued by the Comptroller general of the United States; the Single Audit Act Amendments of 1996; and provisions of OMB Circular A-133, and will include tests of accounting records, a determination of major program(s) in accordance with Circular A-133, and other procedures considered necessary to express such opinions and to render the required reports for a local government CAFR prepared in accordance with generally accepted accounting principles (GAAP).

The audit will include the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information, which collectively comprise the entity's basic financial statements. The financial statements will include applicable additional information required by OAR 162 including:

- i. Schedule of expenditures of federal awards
- ii. Schedules required by OAR 162 "Minimum standards for Audits of Oregon Municipal Corporations."
- iii. Combining statements

- iv. Individual Non-Major Fund statements
- v. Other financial schedules

The financial statements will include Management's Discussion and Analysis required by generally accepted accounting principles in the United States of America that will be subjected to certain limited procedures, but will not be audited. The financial statements will include an introductory section and a statistical section that will not be subject to auditing procedures for which the auditor's report will disclaim an opinion.

2. The auditor should also be familiar with and prepared to advise COIC staff on how best to implement both current and proposed GASB Statements. In addition, the auditor is also expected to provide informal advice and consultation throughout the year on matters relating to tax, accounting and financial reporting. This would not necessarily include any task that entails significant research or a formal report.
3. The auditor will be expected to attend an audit planning meeting with the Finance Committee (normally in the second week of June) and an audit delivery meeting with the Finance Committee to deliver the finalized CAFR on the negotiated schedule.

The Finance Committee is tasked with coordinating audit efforts with the COIC. As well as overseeing the independent audit of the COIC's financial statements, including:

- a. overseeing the selection, renewal or removal of the independent external auditor by making a recommendation to the Board for final approval;
- b. meeting with the external auditors during planning of the audit, presentation of the audited financial statements, and discussion of the letter to management on recommendations; and
- c. overseeing the resolution of audit findings in areas, such as internal control, legal and regulatory compliance, and Oregon government ethics.

The Finance Committee shall work to assure coordination between the internal and external auditors, COIC management, and the Board of Directors. The external audit contract with the COIC will be administered by COIC's Deputy Director / Fiscal Services Manager.

4. Should circumstances arise during the audit that require significant additional work to be performed which are materially different than what is set forth in the contract, additional costs shall be negotiated prior to commencement of the work and an amended contract will be submitted for approval by the Finance Committee and forwarded to the Board for approval.

COIC is responsible for preparing COIC's Comprehensive Annual Financial Report (CAFR). The auditor is responsible for providing a report in a text searchable pdf suitable for publication on COIC's website.

The auditor must submit a preliminary draft of the CAFR in a format suitable for publication, including required adjusting journal entries, if any, to the Deputy Director / Fiscal Services Manager or designee 30 days prior to the agreed upon due date to the Finance Committee and allow the COIC up to ten (10) business days to proof read and comment on the preliminary draft. During that period, the auditor should be available for any meetings that may be necessary to discuss the CAFR. The Deputy Director / Fiscal Services Manager or designee will return the draft with any proposed revisions before release of the CAFR.

5. Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue:
  - a. A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles for COIC. The audit will include an expression of an opinion as to whether the financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles in the United States of America and to report on the fairness of the additional information referred to in the first paragraph of the auditors' opinion when considered in relation to the financial statements taken as a whole. Certain combining and individual financial statements and schedules, and related information are not necessary for a fair presentation, but will be presented as additional analytical data. This supplementary information will be subjected to the tests and other auditing procedures applied in the audit of the basic financial statements, and an opinion will be given as to whether the supplemental information is fairly stated in all material respects in relation to the financial statements taken as a whole.
  - b. The audit will also include reporting on:
    - Internal controls related to the financial statements and compliance with laws, regulations and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with Government Auditing Standards.
    - Internal controls related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

The reports on internal control and compliance will each include a statement that the report is intended for the information and use of the finance committee, management, specific legislative or regulatory bodies, federal awarding agencies, and if applicable, pass through entities and is not intended to be and should not be used by anyone other than these specified parties.

- c. A schedule of findings and questioned costs (Single Audit).
6. The audit must be completed during the four months following the fiscal year end and the auditor's opinion rendered for COIC's CAFR by the first week of December except by mutual agreement of the Finance Committee and external auditors with the exception of FY 20 which will be completed within 4 months of the contract execution date according to a mutually agreed upon schedule
7. The annual audit will include written recommendations made to management, which address any findings, observations, opinions, or comments relating to internal controls, financial systems, compliance or other matters that come to the attention of the auditors during the examination. This management letter shall be provided in draft form prior to publication of the CAFR and discussed with COIC's Deputy Director / Fiscal Services Manager. The draft of the management letter shall be provided by approximately November 15.
8. The auditor shall include in its auditing fee the cost of preparing for publication, printing and binding fifteen (15) copies of the Comprehensive Annual Financial Report. The auditor shall also provide one (1) unbound copy of the CAFR and of each of the component unit separate annual reports to the COIC. Copies of such reports shall be delivered to COIC, and its form and content shall be in accordance with and not less than that required by the Minimum Standards for Audits of Oregon Municipal Corporations. The auditor should also provide to COIC a text searchable pdf for all reports for distribution on COIC's website. COIC reserves the right to prepare for publication, to print and to bind its CAFR. If such right is exercised, COIC and auditor shall negotiate an adjustment to the auditing fee.
9. The working papers shall be retained, at the auditor's expense, and made available upon request by COIC or any cognizant agency for no less than five years from the date of the audit report.

## **V. OTHER SERVICES**

1. The planning phase of the audit engagement may commence upon notification to the auditor of acceptance of their proposal. The auditor shall meet with COIC's Finance Committee prior to the commencement of each audit to discuss the auditor's planned

approach to the audit and to provide a list of schedules to be prepared by COIC personnel prior to the beginning of fieldwork. It is expected that the Finance Committee may have input as to timing of audit services as well as coordination with work of COIC Financial staff. It is expected that interim fieldwork would be performed in July or August with the final phase of fieldwork commencing in September or October.

2. An exit conference is required of the auditor upon completion of fieldwork for presentation of the report to COIC's Executive Director, Deputy Director / Fiscal Services Manager, and the Finance Committee to present the CAFR and discuss any management recommendations or required communications. The meeting should occur prior to the December 31 deadline. The timing of this meeting will be coordinated with the negotiated completion date of the statements.
3. The auditor will complete the "Oregon Audits Division Summary of Revenues and Expenditures" forms for COIC.
4. COIC has received the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting since fiscal year 1998 and intends to continue achieving this recognition. The auditor will assist the COIC with implementing comments and suggestions provided to the COIC with the Summary of Grading Results on the Certificate of Achievement Program for its Comprehensive Annual Financial Report and review the COIC's required responses to the GFOA. The auditor will also assist COIC with the preparation of its CAFR to assure that the COIC will continue to obtain the Certificate of Achievement for Excellence in Financial Reporting.
5. The COIC may need additional services from the hired auditor. COIC would like the right to be able to add to the existing contract these additional services at fees to be negotiated.

## **VI. AUDIT CONTRACT AND PAYMENT OF FEES**

Prior to commencement of work, the Board of Directors must approve the annual audit contract. Up to 75% of the total fee may be billed through interim or progress billings prior to submission of the CAFR to the Board of Directors. The auditor will submit final billings following the delivery of the completed CAFR.

## **VII. SUBMISSION OF PROPOSALS AND TIME SCHEDULE FOR AWARDING THE CONTRACT**

RFP and associated information may be downloaded directly from COIC's RFP website at <https://www.coic.org/open-procurements/>. Submitted written questions will be received until two weeks before proposals are due. Questions can be submitted by email and should be directed to Michelle Williams at the noted email address. A written response will be posted to COIC's website.

Proposals must be submitted to Michelle Williams via email at michellew@coic.org.

Proposals must be electronically received via email by 4:00 p.m. Pacific Daylight Time March 24, 2021.

If a proposer's RFP includes any information, not required by law to be furnished, that the proposer considers proprietary, and the proposer identifies the information as confidential and requests up front that this information be held in confidence, COIC will take reasonable efforts to maintain the confidentiality to the extent allowable under Oregon law, including whether the public interest would suffer by disclosure.

It is anticipated the Finance Committee and COIC staff will review the proposals and the committee will make a recommendation to the Board of Directors by April 1, 2021. Following approval by the Board of Directors, it is expected a contract will be executed between the COIC and the selected auditor on or about April 8, 2021.

COIC reserves the right to modify the dates for preliminary selection and final contract approval, based on changes to regularly scheduled Board meeting dates, unanticipated delays in the selection and/or negotiation process, or any other contingency based on the best interest of COIC. Nevertheless, every effort will be made to be respectful of the time constraints put upon public accounting firms in the spring.

Any questions should be directed to Michelle Williams, Deputy Director / Fiscal Services Manager, by email to michellew@coic.org. Written responses will be available to all interested parties on COIC's website <https://www.coic.org/open-procurements/>. During the RFP process, no contact should be made regarding the RFP-Audit Services with any of COIC's Board, Administrators, or Finance Department staff.

As part of the selection process, COIC may determine interviews are in the best interest of COIC and has the option to arrange for such interviews with any of the proposers.

## **VIII. DESCRIPTION OF COIC AND ITS ACCOUNTING SYSTEM**

The Central Oregon Intergovernmental Council (COIC) was formed in 1972 by the region's cities and counties as a "Council of Governments" under Oregon Revised Statute Section 190, which provides for the establishment of intergovernmental organizations.

COIC initially served as a venue for regional prioritization, comprehensive planning, regional studies, and collaborative problem-solving. COIC's early functions included planning for law enforcement, emergency medical services, affordable housing, senior services, economic development, transportation and workforce development.

In the late 1970's COIC's leadership moved the organization toward the delivery of economic development and workforce development services. COIC was designated as an "Economic

Development District” in 1979 by the US Department of Commerce, with a resulting focus on activities that more directly impacted the region’s economy. COIC was designated by the counties as a workforce development service provider around that time, providing job training support to Central Oregon job seekers, youth and businesses through the federal Comprehensive Employment and Training Act (CETA).

COIC took on an Economic Development Administration public lending program in the early 1980’s. Later, COIC helped form a Community Development Corporation to access Small Business Administration (SBA) 504 loan resources. These public lending programs were established within regionally-based community organizations such as COIC as a means to provide efficient local access to loan resources, particularly in communities struggling economically.

COIC successfully managed the transition from the federal CETA workforce program to the Job Training and Partnership Act (JTPA), and then on to the Workforce Innovation Act (WIA) in 2000. COIC took on employment and training services in Klamath and Lake Counties in 2008 in response to a request from the county members of The Oregon Consortium, primarily due to COIC’s outstanding track record in delivering services and managing federal funding resources.

As population growth ramped up in the late 1990’s and early 2000’s, COIC’s regional roles continued to evolve. Over the past 15 years COIC has taken on more functions consistent with its Council of Government origins, including regional telecommunications planning and advocacy, wildfire risk reduction planning, large lot industrial lands coordination, and public transportation services planning. COIC has increasingly become a home for regional stakeholder coordination, planning and problem solving – demonstrating the value and effectiveness of regional collaboration to meet a broad array of economic and social needs.

Regional public transportation needs became a major issue in Central Oregon in the early 2000’s, with no general public service available in Central Oregon at that time. In 2006 COIC was asked to take on public transportation service delivery by Crook County, with the understanding that by centralizing this service, efficiencies could be gained and more services could be provided to the region. COIC then took on client-based senior transportation services regionally, and opened the service to the general public. Cascades East Transit in 2010, formed a regionally integrated transit system with urban scale fixed route services in Bend, general public dial-a-ride services in rural communities, and connector shuttle services linking the region’s cities. The system has continued to evolve, adding Warm Springs and recreational services.

COIC continues to strive to meet regional-scale needs in 2021 and beyond through regional collaboration, achieving economy-of-scale efficiencies, and efficient delivery of public services. COIC’s current work force exceeds 120 staff members, with 12 office locations across eight cities, three counties, and the Warm Springs community.

## **IX. ACCOUNTING RECORDS**

COIC’s accounting records are located in the Fiscal Services Department 334 NE Hawthorne Avenue. Bend, Oregon 97701. The computerized budget and accounting records are processed using Sage accounting software. The Sage modules used by COIC include General Ledger, Payroll, Accounts Payable, Cash Receipts, Accounts Receivable, and Bank Reconciliation. The

financial system uses both online real-time entry and batch processing. System development and improvements are provided by Sage. The COIC's in-house information technology personnel are responsible for security, backups and installing vendor upgrades. COIC has used Sage since 2011. In addition, COIC currently uses TimeForce for Payroll time card entry and will be migrating to NEOGOV in 2021 for this function. There are no current plans to change financial software.

#### **X. AUDIT ASSISTANCE AVAILABLE TO AUDITOR**

The Finance Department staff, consisting of the Deputy Director / Fiscal Services Manager, three Fiscal Administrators, a Payroll Clerk and AP/AR Clerk will provide assistance during the audit. This includes the preparation of all necessary confirmations, completion of worksheets, retrieval and re-filing of source documents, preparation of reports and schedules prior to and during fieldwork.

The Deputy Director / Fiscal Services Manager will work to coordinate any internal and external audit work.

Auditors will have access to all printed reports and the financial software system to view records and print reports. Much of the financial information can be exported into electronic formats. Reasonable workspace, tables/desks and chairs will be made available for audit staff fieldwork. The audit staff will also be provided with access to telephone lines, photocopying and facsimile machines.

COIC's fiscal year ends June 30 each year. The COIC records additional accruals through August 31. A trial balance, a draft of the financial statements and all agreed upon schedules will be available for the auditors by September 30.

#### **XI. DESCRIPTION OF PROPOSAL ELEMENTS AND SELECTION PROCESS**

Electronic submission of the proposal shall be submitted by email at the time and place indicated in Section VII. SUBMISSION OF PROPOSALS AND TIME SCHEDULE FOR AWARDED CONTRACT.

Proposals shall be submitted via email and include:

*Section A:* will be comprised of the audit firm's experience and qualifications of its personnel in performing governmental audits and will include certain mandatory elements. Proposals will not be scored unless they provide the mandatory elements.

*Section B:* is the auditor's cost proposal. The Auditor Selection Committee will evaluate the auditor/firm on technical and cost element qualifications. Seventy percent (70%) of the evaluation will be on technical elements and thirty percent (30%) on cost of performing audit services.

The COIC reserves the right to reject any or all proposals if there is good cause; to cancel the solicitation; waive technicalities; request clarification or additional information and be the sole judge of suitability of the services for its intended use and further specifically reserves the right to

make the award and negotiate a final contract in the best interest of COIC considering cost effectiveness. Failure to respond to any requirements outlined in the RFP, or failure to enclose copies of the required documents, may disqualify the proposal. COIC reserves the right to retain all submitted proposals.

In order to standardize the review process, the auditor's proposal must be presented in the following format and include the designated information which mirror the elements to be evaluated in the selection process.

*Section A. Experience and Other Qualifications (Maximum Points- 70)*

The first section should address the requested information below. The corresponding response should begin with the number of the requested information. The following represents the principal selection criteria, which will be considered during the evaluation process.

1. Mandatory elements – Please affirmatively state/provide how the firm meets the following (a-g):
  - a. The audit firm is independent and licensed to practice in Oregon. The firm has no conflict of interest with regard to any other work performed by the firm for COIC.
  - b. The partner-in-charge must be a municipal auditor licensed in Oregon and must have during each of the last seven (7) years been a senior member of a municipal audit team.
  - c. The firm submits a copy of its last quality control review report including management letter and responses, if any. The firm should demonstrate a record of quality audit work in accordance with Government Auditing Standards and standards of the AICPA.
  - d. Include a signed “Authorized Signature and Attestation” form (Exhibit C).
  - e. Describe liability insurance coverage arrangements to assure that it is sufficient to cover potential claims (professional, workers comp and general liability). Coverage amounts should be no less than shown in Exhibit 2 of Exhibit A.
  - f. Describe any regulatory action taken by any oversight body against the proposing audit organization or local office, if any.
  - g. The firm adheres to the instructions in this request for proposal on preparing and submitting the proposal.
  
2. Technical qualifications
  - a. Expertise and Experience
    - i. Describe the proposed audit team's experience with audits of similar or larger municipal organizations. Please detail that experience and the nature of the associated entities and how they compare or contrast with COIC. Please indicate municipal characteristics of the associated organizations such as type of government, FTE, budget, or population. Providing references to municipal websites which include audited financial reports would be helpful. Firms with audit experience of governmental entities of similar or larger size organizations and complexity as COIC are highly desired.
    - ii. Provide a list of the office's current and recent government audit clients, indicating the type(s) of services performed and the number of years served for each. Provide names, addresses, and telephone numbers of personnel of

current and prior governmental audit clients who may be contacted by COIC for references.

- iii. The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation. Indicate the location of the office and the number of people, by level, that will handle the audit. Describe the professional experience in government audits of each senior-level and higher-level person assigned to the audit, including years on each job and his/her position while on each audit. For those auditors who are Oregon municipal auditors, please indicate their license number. Indicate the percentages of time each senior and higher-level person will be on site during the COIC audit. (Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm. Those personnel may also be changed for other reasons with the prior written permission of COIC. However, in either case, the COIC retains the right to approve or reject replacements.)
  - iv. Provide resumes for those likely to be assigned to the team. These resumes should include professional qualifications, certifications, and the extent they have been involved with similar or larger Oregon government audits. The resume should clearly state if the individuals have no experience in auditing local governmental entities of similar size. Additional information should include any specialized skills, training, or background in public finance. This may include participation in State or national professional organizations, speaker or instructor roles in conferences or seminars, or authorship of articles and books.
  - v. Describe the relevant educational background of each person assigned to the audit, senior-level and higher. This should include seminars and courses attended within the past three years, especially those courses in governmental accounting and auditing.
- b. Audit approach, workplan, and workload
- i. Provide a proposed staffing plan for the engagement. The staffing plan should address any potential workload issues. Describe the organization of the audit team and the approximate percentage of time spent on the audit by each member. Identify proposed sub-contractors, if any, and the portion(s) of the engagement for which they will be used.
  - ii. Describe the firm's specific audit approach in the form of a work plan. The work plan should include an explanation of the audit methods to be used and timetable with critical dates for completing the audit within the specified deadlines.
    1. Describe the type of audit program used and whether the audit program is tailor-made, standard government, or standard commercial.
    2. Describe any segmentation of the engagement and indicate the level and timing of interim audit work to mitigate year-end fieldwork.
    3. Indicate what sampling techniques will be employed and the approach. Include sample size and extent to which statistical sampling will be used.

4. Indicate the extent and use of computer assisted audit techniques to be used during the engagement
  5. Describe the type and extent of analytic procedures to be used in the engagement.
  6. Describe approach to be taken to gain and document an understanding of the COIC's internal control structure.
  7. Describe approach to be taken to understand COIC's use of electronic data processes in its operations.
  8. Describe approach to be taken in determining laws and regulations that will be subject to audit test work.
  9. Indicate how your approach considers COIC's internal audit program.
- iii. Comment specifically on the timeline and how COIC can assist in expediting the audit. Describe assistance expected from the COIC staff, if other than outlined in RFP.
  - iv. Indicate the firm's ability to comply with GASB and GASB statements set to be implemented during the next five (5) years.
- c. New ideas and innovative approaches
    - i. Provide any other information you believe relevant to COIC's decision to select the best auditing firm for COIC.
  - d. Presentation

The overall presentation of the proposal will be rated on the following:

    - i. Professionalism of the proposal
    - ii. The overall quality of written/oral presentation
    - iii. The degree to which the proposal addresses and satisfies all requirements of the RFP.

*Section B. Cost Proposal (Maximum Points- 30)*

Cost will not be the primary factor in the selection of an audit firm.

Proposals should include cost estimates and other necessary cost information. Include the following information: Using a format similar to the one shown below, separately specify costs for audit services and conversion of the CAFR into the published format for the fiscal year ended June 30, 2020. The breakdown should also be broken down by entity in total as indicated. For the subsequent four years, list the estimated costs. The cost for auditing the fiscal year ended June 30, 2020 and 2021 are binding, while the costs for the four subsequent years are estimated costs. Please identify and describe any other important cost-based information.



- the lowest total all-inclusive maximum cost. A majority of the Auditor Selection Committee must agree with the cost scoring.
- b. The committee will aggregate and average all scores and assess whether the scores provide a fair representation of ability to provide services to COIC. If the Committee chooses to interview or obtain additional information from the proposers, they may do so and re-evaluate the scores.
  - c. COIC reserves the right to retain all proposals submitted and use any idea in a proposal regardless of whether the proposal is selected.
4. Procurement Protest Process – Proposers may seek administrative remedies under the Procurement Protest Procedures show in Exhibit F. Protests should be emailed to the COIC contact person for the RFP.
  5. This contract shall be funded in part by grant agreements between COIC and the U.S. Department of Transportation, Federal Transit Administration (FTA), The U.S. Department of Labor, Workforce Innovation and Opportunity Act (WIOA) and many other federal and state grant funding sources. This procurement and contract is subject to all applicable federal laws and regulations relating to, and third party contract provisions prescribed by those grant agreements, including, but not limited to the provisions in Exhibit B, which is included in this procurement.

## PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement (this “Agreement”) by and between Central Oregon Intergovernmental Council, an Oregon entity organized under ORS Chapter 190 (“COIC”), and << >>., a <<entity type>> is entered into this <<day>> of <<month>>, 20<<y>> and made effective <<date>> (the “Effective Date”).

### RECITAL:

By the execution of this Agreement, Contractor agrees to perform the Services (as defined in Schedule 1.1, *aka* Scope of Work) in accordance with the terms and conditions contained in this Agreement.

### AGREEMENT:

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto hereby agree as follows:

#### 1. CONTRACTOR SERVICES

1.1 Services. Subject to the terms and conditions contained in this Agreement, Contractor will perform those tasks and/or services described in Schedule 1.1 (and any other necessary or appropriate tasks and/or services customarily provided by Contractor in connection with its performance of those tasks and/or services described in Schedule 1.1) (collectively, the “Services”).

1.2 Standards. Contractor will (i) consult with and advise COIC on all matters concerning the Services reasonably requested by COIC, (ii) devote such time and attention to the performance appropriate for the expeditious and prudent performance of the Services in accordance with Section 1.1 and (iii) perform the Services to the best of Contractor’s ability.

1.3 Schedule of Services. Contractor will perform the Services in accordance with the schedule described in Schedule 1.2. Contractor’s timely performance of each and every Contractor obligation under this Agreement, including, without limitation, Contractor’s performance of the Services, is of the essence.

1.4 Term of Contract. Unless terminated sooner under the provisions of this contract, the contract shall be through <<date>>.

#### 2. COMPENSATION

2.1 Compensation. COIC will pay Contractor up to a maximum of \$<<amount>> in accordance with the compensation schedule set forth in Schedule 2.1.

2.2 No Benefits. COIC will not provide any benefits to Contractor, and Contractor will be solely responsible for obtaining Contractor’s own benefits, including, without limitation, insurance, medical reimbursement, and retirement plans.

2.3 No Reimbursement of Expenses. Expenses incurred by Contractor and not included in Section 2.1 in connection with the performance of the Services will not be reimbursed by COIC.

### 3. RELATIONSHIP

3.1 Independent Contractor. Contractor is an independent contractor of COIC. Contractor is not an employee of COIC. Contractor will be free from direction and control over the means and manner of performing the Services, subject only to the right of COIC to specify the desired results.

3.2 Taxes. COIC will not withhold any taxes from any payments made to Contractor, and Contractor will be solely responsible for paying all taxes arising out of or resulting from Contractor's performance of the Services, including, without limitation, income, social security, workers' compensation, and employment insurance taxes.

3.3 Licenses. Contractor will be solely responsible for obtaining any and all licenses, approvals, and/or certificates necessary or appropriate to perform the Services.

3.4 No Agency Relationship. This Agreement does not create an agency relationship between COIC and Contractor and does not establish a joint venture or partnership between COIC and Contractor. Contractor does not have the authority to bind COIC or represent to any person that Contractor is an agent of COIC.

3.5 Statewide Transportation Improvement Funds. This contract is funded, in whole, with Statewide Transportation Improvement Funds (STIF) under an intergovernmental agreement between COIC and Deschutes County, Oregon (a qualified entity which receives the Statewide Transportation Improvement Funds from Oregon's Department of Transportation). This contract is subject to all applicable provisions prescribed in the Deschutes County STIF Plan.

3.6 Oregon Public Contract Provisions. This contract is subject to the Oregon Public Contract Provisions in Exhibit B. These provisions are updated periodically and new applicable provisions shall be applied.

3.7 In the event of a conflict between two or more of the documents comprising this Agreement, the language in the document with the highest precedence shall control. The precedence of each of the documents comprising this Agreement is as follows, listed from highest precedence to lowest precedence: Schedule 1.1, Schedule 2.1, this Agreement without Exhibits, Exhibit A, and Exhibit B.

### 4. REPRESENTATIONS AND WARRANTIES

In addition to any other Contractor representation or warranty made in this Agreement, Contractor represents and warrants to COIC as follows:

4.1 Authority and Binding Obligation. Contractor is duly organized, validly existing, and in good standing under applicable Oregon law. Contractor has full power and authority to sign and deliver this Agreement and to perform all of Contractor's obligations under this Agreement. This Agreement is the legal, valid, and binding obligation of Contractor, enforceable against Contractor in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, or other similar laws of general application or by general principles of equity.

4.2 No Conflicts. The signing and delivery of this Agreement by Contractor and the performance by Contractor of all of Contractor's obligations under this Agreement will not (i) breach any agreement to which Contractor is a party, or give any person the right to accelerate any obligation of Contractor, (ii) violate any law, judgment, or order to which Contractor is subject, or (iii) require the consent, authorization, or approval of any person, including, without limitation, any governmental body.

4.3 Licenses. Prior to Contractor's execution of this Agreement, Contractor obtained any and all licenses, approvals, and/or certificates necessary or appropriate to perform the Services.

## 5. COVENANTS OF CONTRACTOR

In addition to any other covenant made by Contractor under this Agreement, Contractor covenants to COIC as follows:

5.1 Quality of Services. Contractor will perform the Services to the best of Contractor's ability, diligently, without delay, in good faith, in a professional manner, and in accordance with this Agreement. Contractor will be solely responsible for the Services. Contractor will make all decisions called for promptly and without unreasonable delay. All materials, documents, and/or products prepared by Contractor will be complete, unambiguous, and in compliance with any and all applicable federal, state, and local laws, regulations, and ordinances.

5.2 Insurance. Contractor will refer to Exhibit A, attached and incorporated herein, for insurance specifications.

5.3 Workers' Compensation Insurance. Contractor will comply with Workers' Compensation Insurance referenced in Exhibit A.

5.4 Compliance With Laws. Contractor will comply with any and all applicable federal state, and local laws, regulations, and ordinances. Contractor will obtain and maintain any and all licenses, permits, registrations, and other governmental authorizations required to conduct Contractor's business and perform the Services.

5.5 Indemnification. Contractor will defend and indemnify COIC, and each present and future employee, director, officer, agent, board member, and authorized representative of COIC, for, from, and against any and all claims, actions, proceedings, damages, liabilities, injuries, losses, and expenses of every kind, whether known or unknown, including, without limitation, reasonable attorneys' fees, resulting from or arising out of, whether directly or indirectly, (i) state or federal anti-trust violations, (ii) damage to person or property caused directly or indirectly by the intentional misconduct, recklessness or negligence of Contractor and/or Contractor's Representatives (as defined below), and or/ (iii) Contractor's failure to pay any tax arising out of or resulting from the performance of the Services. Contractor's indemnification obligation provided herein will survive the termination of this Agreement.

Contractor shall indemnify, defend, save and hold harmless State of Oregon and its officers, employees, and agents from and against any and all claims, actions, liabilities, damages, losses, or expenses, including attorneys' fees, arising from a tort, as now or hereafter defined in ORS 30.260, caused, or alleged to be caused, in whole or in part, by the negligent or intentionally wrongful acts or omissions of the Contractor, or any of its officers, agents, employees, or subcontractors ("Claims").

Neither Contractor, nor subcontractor(s), nor any attorney engaged by Contractor or its subcontractors, shall defend any claim in the name of the State or any agency of the State of Oregon, nor purport to act as legal representative of the State of Oregon or any of its agencies, without the prior written consent of the Oregon Attorney General. The State may, at any time at its election, assume its own defense and settlement in the event that it determines that any party is prohibited from defending State or that any party is not adequately defending State's interests, or that an important governmental principle is at issue or that it is in the best interests of State to do so. State reserves all rights to pursue claims it may have against Contractor if State elects to assume its own defense.

5.6 Assignment of Studies and Reports. Contractor will assign all studies, reports, data, documents, and/or materials of any kind produced under this Agreement to COIC upon the earlier of COIC's request or the

completion of the Services. Contractor's work will be made available in paper and electronic format. All copies of the materials provided to COIC will become the property of COIC who may use them without Contractor's permission for any proper purpose relating to the Services, including, without limitation, additions to or performance of the Services. Contractor will defend all suits or claims for infringement of patent, trademark, or copyright for which Contractor is responsible (including any claims which may be brought against COIC), and Contractor will be liable to COIC for all losses arising there from, including, without limitation, costs, expenses, and attorney fees.

5.7 Records. Contractor will maintain complete and accurate records concerning all Services performed, the number of hours each person spent to perform the Services, and all documents produced under this Agreement for a period of six years after the termination of this Agreement. Contractor's records will be maintained in accordance with sound accounting practices. Contractor's records concerning the Services, including, without limitation, Contractor's time and billing records, will be made available to COIC for inspection, copying, and/or audit immediately upon COIC's request.

## 6. WARRANTY

Contractor warrants to COIC that the Services will be performed by qualified personnel, in a professional manner, and in a manner consistent with the degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances. Upon notice to the Contractor and by mutual agreement between the Parties, the Contractor, without additional compensation, will correct those services not meeting such a standard.

## 7. INTELLECTUAL PROPERTY

7.1 Work Made for Hire. Creative Work (as defined below) is work made for hire for copyright purposes to the extent it qualifies as such under applicable law. For purposes of this Agreement, "Creative Work" means any work that Contractor creates for or on behalf of COIC during the term of this Agreement.

7.2 Assignment. Contractor assigns to COIC Contractor's entire interest in and to the Creative Work, including, without limitation, all copyrights, patent rights, trade secret rights, trademark rights, and other intellectual and proprietary rights in the Creative Work.

7.3 Moral Rights. Contractor assigns to COIC any moral rights that Contractor may have in the Creative Work and waives any right to assert any moral rights in any portion of the Creative Work.

7.4 Perfection. At the request and expense of COIC, Contractor will sign such documents and take such actions that COIC deems necessary or appropriate to perfect, protect, and evidence COIC's rights in the Creative Work.

7.5 Indemnification. Contractor will defend and indemnify COIC, and each present and future employee, director, officer, agent, board member, and authorized representative of COIC, for, from, and against any and all claims, actions, proceedings, damages, liabilities, and expenses of every kind, whether known or unknown, including, without limitation, reasonable attorneys' fees, resulting from or arising out of any claim that the Services or the Creative Work infringes any copyright, patent, or trademark, constitutes a misappropriation of any trade secret, or violates any other intellectual or proprietary right of any person. Contractor's indemnification obligation provided in this Section 7.5 will survive the termination of this Agreement.

## 8. CONFIDENTIALITY AND NONDISCLOSURE

8.1 Maintain Confidential Information. During the term of this Agreement, and at all times thereafter, Contractor will maintain all Confidential Information (as defined below) in the strictest confidence and will not directly or indirectly use, communicate, and/or disclose any Confidential Information to any person without COIC's prior written consent, except that Contractor may (i) use Confidential Information to perform Contractor's duties as an independent contractor of COIC, (ii) disclose Confidential Information on a need-to-know basis to Contractor's Representatives who are informed by Contractor of the confidential nature of the Confidential Information and the obligations of Contractor under the Nondisclosure Provisions (as defined below), and/or (iii) communicate or disclose Confidential Information in accordance with a judicial or other governmental order, but only if Contractor promptly notifies COIC of the order and complies with any applicable protective or similar order. Contractor will cause Contractor's Representatives to comply with the Nondisclosure Provisions. COIC makes no representations or warranties, either express or implied, with respect to the accuracy or completeness of the Confidential Information. For purposes of this Agreement, the term "Contractor's Representatives" means Contractor's directors, officers, managers, members, shareholders, employees, contractors, agents, consultants, advisors, and authorized representatives; the term "Nondisclosure Provision(s)" means Sections 8.1-8.4 of this Agreement.

8.2 Notification and Assistance. Contractor will (i) promptly notify COIC of any unauthorized use, communication, and/or disclosure of any Confidential Information and/or any Contractor breach of any Nondisclosure Provision, (ii) assist COIC in every way to retrieve any Confidential Information that was used, communicated, and/or disclosed by Contractor and/or Contractor's Representatives without COIC's specific prior written authorization, and (iii) exert Contractor's best efforts to mitigate the harm caused by the unauthorized use, communication, and/or disclosure of any Confidential Information. Upon the earlier of COIC's request or the termination of this Agreement, Contractor will immediately return to COIC any and all documents, instruments, and/or materials containing any Confidential Information accessed or received by Contractor, together with all copies and summaries of such Confidential Information. Notwithstanding anything contained in this Agreement to the contrary, this Agreement does not operate to transfer any ownership or other rights in or to the Confidential Information to Contractor or any other person.

8.3 Equitable Relief. Contractor acknowledges and agrees that the remedies available at law for any breach of the Nondisclosure Provisions by Contractor will, by their nature, be inadequate. Accordingly, COIC may obtain injunctive relief or other equitable relief to restrain a breach or threatened breach of the Nondisclosure Provisions or specifically to enforce the Nondisclosure Provisions, without proving that any monetary damages have been sustained.

8.4 Confidential Information - Defined. For purposes of this Agreement, the term "Confidential Information" means any and all information relating to COIC (in whatever form) that is received or assessed by Contractor, including, without limitation, trade secrets (as defined in ORS 646.461, as amended), business models, marketing and advertising plans, financial and technical information, computer software, customer and supplier lists, marketing plans, know-how, information concerning COIC's operations or clients, records, ideas, designs, drawings, specifications, techniques, programs, systems, processes, information derived from reports, investigations, research, work in progress, codes, marketing and sales programs, cost summaries, pricing formula, contract analyses, projections, confidential filings with any state or federal agency, and all other concepts, methods of doing business, ideas, materials, and information.

## 9. TERMINATION

9.1 Termination by Mutual Agreement or COIC's Prior Notice. This Agreement may be terminated at any time by the mutual written consent of COIC and Contractor. Notwithstanding anything contained in this Agreement to the contrary, COIC may terminate this Agreement for any reason or no reason by giving ten (10)

days' prior written notice of such termination to Contractor.

9.2 Immediate Termination for Cause. Notwithstanding anything contained in this Agreement to the contrary, COIC may terminate this Agreement immediately upon notice to Contractor upon the happening of any of the following events: (i) Contractor engages in any form of dishonesty or conduct involving moral turpitude related to Contractor's independent contractor relationship with COIC or that otherwise reflects adversely on the reputation or operations of COIC; (ii) Contractor fails to comply with any applicable federal, state, or local law, regulation, or ordinance; (iii) problems occur in connection with Contractor's performance of the Services due to Contractor's breach of its obligations under this Agreement; and/or (iv) Contractor breaches or otherwise fails to perform any Contractor representation, warranty, covenant, and/or obligation contained in this Agreement.

9.3 Consequences of Termination. Upon termination of this Agreement as set forth in Section 9.2, COIC will not be obligated to reimburse or pay Contractor for any continuing contractual commitments to others or for penalties or damages arising from the cancellation of such contractual commitments. Within a reasonable period of time after termination of this Agreement (but in no event greater than ten (10) days after termination), Contractor will deliver all materials and documentation, including raw or tabulated data and work in progress, to COIC. Termination of this Agreement by COIC will not constitute a waiver or termination of any rights, claims, and/or causes of action COIC may have against Contractor. COIC will pay Contractor for services (referenced in Schedule 2.1) performed up to termination, upon detailed invoicing from Contractor to COIC.

9.4 Remedies. If a party fails to perform any of its terms, covenants, conditions, or obligations under this Agreement, the non-defaulting party may, in addition to any other remedy provided to the non-defaulting party under this Agreement, pursue any and all remedies available to the non-defaulting party at law or in equity. All available remedies are cumulative and may be exercised singularly or concurrently.

## 10. MISCELLANEOUS

10.1 Severability. Each provision contained in this Agreement will be treated as a separate and independent provision. The unenforceability of any one provision will in no way impair the enforceability of any other provision contained herein.

10.2 Notices. Unless otherwise specified in this Agreement, any Notice required under this Agreement must be in writing. Any notice will be deemed given when personally delivered or delivered by facsimile transmission (with electronic confirmation of delivery), or will be deemed given three business days following delivery of the notice by U.S. mail, postage prepaid, by the applicable party to the address of the other party shown below (or any other address that a party may designate by notice to the other party), unless that day is a Saturday, Sunday, or legal holiday, in which event it will be deemed delivered on the next following business day.

To COIC:  
Central Oregon Intergovernmental Council  
Attn: <<Name>>  
<<Address>>  
Bend, Oregon <<Zip>>  
Facsimile No.: <<Fax>>  
[contracts@coic.org](mailto:contracts@coic.org)

To Contractor:  
  
  
  
Facsimile No.:  
<<email>>

10.3 Waiver. No provision of this Agreement may be modified, waived, or discharged unless such waiver, modification, or discharge is agreed to in writing by COIC and Contractor. No waiver of either party at any time of the breach of, or lack of compliance with, any conditions or provisions of this Agreement will be deemed a waiver

of other provisions or conditions hereof.

10.4 Entire Agreement. This Agreement contains the entire agreement and understanding between the Parties with respect to the subject matter of this Agreement and contains all of the terms and conditions of the Parties' agreement and supersedes any other oral or written negotiations, discussions, representations, or agreements. Contractor has not relied on any promises, statements, representations, or warranties except as set forth expressly in this Agreement.

10.5 Assignment and Binding Effect. Contractor will not assign any of Contractor's rights or obligations under this Agreement to any person without the prior written consent of COIC, which consent COIC may withhold in its sole discretion. Subject to the above-stated limitations on Contractor's assignment of any of Contractor's rights or obligations under this Agreement, this Agreement will be binding on the Parties and their respective heirs, executors, administrators, successors, and permitted assigns and will inure to their benefit.

10.6 Governing Law. This Agreement will be governed by and construed in accordance with the laws of the State of Oregon, and venue for any action concerning this Agreement will lie in Deschutes County, Oregon.

10.7 Amendment. This Agreement may be amended only by a written agreement signed by each party.

10.8 Further Assurances. At any time upon the request of COIC, Contractor will execute all documents or instruments and will perform all lawful acts COIC considers necessary or appropriate to secure its rights hereunder and to carry out the intent of this Agreement.

10.9 Additional Provisions and Attachments. All exhibits, schedules, instruments, and other documents referenced in this Agreement are part of this Agreement. All capitalized terms contained in such exhibits, schedules, instruments, and documents not otherwise defined therein will have the respective meanings assigned to them in this Agreement.

10.10 Attorney Fees. In the event litigation or arbitration is instituted to enforce or determine the Parties' rights or duties arising out of the terms of this Agreement, the prevailing party will recover from the losing party reasonable attorney fees incurred in such proceeding to the extent permitted by the judge or arbitrator, in arbitration, at trial, on appeal, or in any bankruptcy proceedings.

10.11 Binding Arbitration. In the event any claim, dispute, or controversy arising out of or related to this Agreement occurs (a "Dispute"), COIC and Contractor will exert their best efforts to seek a fair and prompt negotiated resolution of the Dispute and will meet at least once to discuss and seek a resolution of the Dispute. If the Dispute is not resolved by negotiated resolution, the Dispute will be settled by arbitration before a single arbitrator in Bend, Oregon. If the Parties agree on an arbitrator, the arbitration will be held before the arbitrator selected by the Parties. If the Parties do not agree on an arbitrator, each party will designate an arbitrator and the arbitration will be held before a third arbitrator selected by the designated arbitrators. Each arbitrator will be an attorney knowledgeable in the area of business law. The arbitration will be conducted in accordance with the then-current rules of the Arbitration Service of Portland, Inc. The resolution of any controversy or claim as determined by the arbitrator will be binding on the Parties and judgment upon the award rendered may be entered in any court having jurisdiction. A party may seek from a court an order to compel arbitration, or any other interim relief or provisional remedies, pending an arbitrator's resolution of any controversy or claim. The prevailing party in the arbitration will be entitled to recover from the other party all expenses incurred in connection with the arbitration, including reasonable attorneys' fees.

10.12 Person and Interpretation. For purposes of this Agreement, the term "person" means any natural person, corporation, limited liability company, partnership, joint venture, firm, association, trust, unincorporated

organization, government or governmental agency or political subdivision, or any other entity. All pronouns contained herein and any variations thereof will be deemed to refer to the masculine, feminine, or neutral, singular or plural, as the identity of the Parties may require. The singular includes the plural and the plural includes the singular. The word "or" is not exclusive. The words "include," "includes," and "including" are not limiting.

10.13 Quantity of Work throughout Contract. The quantities specified in this contract are estimates only. COIC retains the right to revise quantities of hours, and thereby the contract amount as business needs change subject to an equitable adjustment in scope, fee, and schedule. COIC shall give the contractor 30-day notice of any such change.

10.14 Signatures. This Agreement may be signed in counterparts. A fax or email transmission of a signature page will be considered an original signature page. At the request of a party, the other party will confirm a fax or email transmitted signature page by delivering an original signature page to the requesting party.

**IN WITNESS WHEREOF**, the undersigned have caused this Agreement to be executed as of the date first written above but effective as of the Effective Date.

**COIC:CONTRACTOR:**

Central Oregon Intergovernmental Council \_\_\_\_\_  
an Oregon entity organized under ORS Chapter 190 a <<entity type>>

Signature \_\_\_\_\_ Signature \_\_\_\_\_

By: Tammy Baney  
Its: Executive Director

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

SCHEDULE 1.1  
Description of Services  
(Scope of Work)

**1. Contractor shall perform the following work:**

In accordance with the requirements of Oregon Revised Statutes 297.405 through 297.555 between {AUDIT FIRM}, and COIC (and the entities for which the COIC Board of Directors is the governing body), Oregon, provides as follows:

- a. It hereby is agreed that {AUDIT FIRM} shall conduct audits of the financial statements of Central Oregon Intergovernmental Council for the period beginning July 1, 2019, and ending June 30, 2020, for the period beginning July 1, 2020, and ending June 30, 2021, for the period beginning July 1, 2021 and ending June 30, 2022, and for the period beginning July 1 2022 and ending June 30, 2023 in accordance with the Minimum Standards for Audits of Municipal Corporations as prescribed by OAR 162. The audit shall be undertaken in order to express an opinion upon the financial statement of COIC, and to determine if COIC has complied substantially with appropriate legal provisions. The audit will include the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information, which collectively comprise the entity's basic financial statements. The financial statements will include applicable additional information required by OAR 162 including:
- i. Schedule of expenditures of federal awards
  - ii. Schedules required by OAR 162 "Minimum standards for Audits of Oregon Municipal Corporations."
  - iii. Combining statements
  - iv. Individual Non-Major Fund statements
  - v. Other financial schedules

The financial statements will include Management's Discussion and Analysis required by generally accepted accounting principles in the United States of America that will be subjected to certain limited procedures, but will not be audited. The financial statements will include an introductory section and a statistical section that will not be subject to auditing procedures for which the auditor's report will disclaim an opinion.

The audit will include an expression of an opinion as to whether the financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles in the United States of America and to report on the fairness of the additional information referred to in the first paragraph when considered in relation to the financial statements taken as a whole. The audit will also include reporting on

- Internal controls related to the financial statements and compliance with laws, regulations and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with Government Auditing Standards.
- Internal controls related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

The reports on internal controls and compliance will each include a statement that the report is intended for the information and use of the audit finance committee, management, specific legislative or regulatory bodies, federal awarding agencies, and if applicable, pass through entities and is not intended to be and should not be used by anyone other than these specified parties.

The audit will be conducted in accordance with generally accepted auditing standards, the standards in the United States of America for financial audits contained in Government Auditing Standards, issued by the Comptroller general of the United States; the Single Audit Act Amendments of 1996; and provisions of OMB Circular A-133, and other procedures considered necessary to express an opinion and render the required reports.

- b. {AUDIT FIRM} agrees the services they have contracted to perform under this contract shall be rendered by them or under their personal supervision and that the work will be faithfully performed with care and diligence.
- c. It is understood and agreed that, should unusual conditions arise or be encountered during the course of the audit whereby the services of {AUDIT FIRM} are necessary beyond the extent of the work contemplated, written notification of such unusual conditions shall be delivered to COIC, prior to undertaking the work, who shall instruct in writing {AUDIT FIRM} concerning such additional services, and that a signed copy of each such notification and instruction shall be delivered immediately to the Secretary of State by the party issuing the same.
- d. The Finance Committee is tasked with coordinating audit efforts with COIC. The auditor will be expected to attend an audit planning meeting with the Finance Committee (normally in the second week of June) and an audit delivery meeting with the Finance Committee to deliver the finalized CAFR on the negotiated schedule.
- e. The audit shall be started as soon after this contract is executed as is agreeable to the parties hereto and shall be completed and a written report thereon delivered within a reasonable time, but not later than six months, after the close of the audit period covered by this contract. Copies of such report shall be delivered to COIC and its form and content shall be in accordance with and not less than that required by the Minimum Standards for Audits of Oregon Municipal Corporations. Contractor shall provide one electronic and 15 printed copies of COIC audit reports As well as provided in an electronic format for distribution on the internet. The requested electronic format is an adobe acrobat file (search enabled).
- f. It is understood and agreed that COIC is responsible for such financial statements as may be necessary to fully disclose and fairly present the results of operations for the period under audit and the financial condition at the end of that period. Should such financial statements not be prepared and presented within a reasonable period of time, it is understood that {AUDIT FIRM} shall draft them for COIC. The cost of preparing such financial statements for COIC shall be identified separately in the fee for conducting the audit. The cost of preparing such financial statements for COIC is not included in the services to be provided as set forth in Section 3 below unless specifically enumerated

The audit reporting entity may change over the audit contract period.

- 2. COIC Services.** COIC shall provide Contractor, at COIC's expense, with material and services described as follows:
- a. COIC shall execute annual engagement letters for the COIC as provided by {AUDIT FIRM}. The engagement letters shall refer to this professional services contract.
  - b. Management will provide an appropriate management representation letter to the auditor indicating Management's responsibilities with regard to the preparation of the financial statements, for establishing and maintaining effective internal control, and for compliance with the provisions of applicable laws, regulations, contracts, agreements and grants.
  - c. Management is responsible for making all financial records and related information available to the auditor, including any significant vendor relationships in the vendor has the responsibility for program compliance.
  - d. COIC will prepare all cash, accounts receivable or other confirmations requested by the auditor and locate any documents selected for testing by the auditor.

SCHEDULE 1.2  
Schedule of Services

Schedule will be negotiated with successful contractor.

SCHEDULE 2.1  
Compensation Schedule

COIC will pay Contractor in accordance with the following compensation schedule:

1. Compensation

A. Invoice for Completion of Defined Tasks

3. **Consideration.**

In consideration of the faithful performance of the conditions, covenants, and undertakings herein set forth, COIC hereby agrees to pay {AUDIT FIRM} the following reasonable fees and COIC affirms that proper provision for the payment of such fee has been or will be duly made and that funds for the payment thereof are or will be made legally available.

Entity	FYE June 30, 2020	FYE June 30, 2021	FYE June 30, 2022	FYE June 30, 2023
COIC	\$ -	\$ -	\$ -	\$ -

b. Contractor shall be entitled to reimbursement for expenses as set forth in Exhibit 5  YES  NO  
[Check one]

4. **The maximum compensation.**

- a. The maximum compensation under this contract, including allowable expenses, is noted in the fee schedule.
- b. Contractor shall not submit invoices for, and COIC shall not pay for any amount in excess of the maximum compensation amount set forth above.
  - 1) If this maximum compensation amount is increased by amendment of this contract, the amendment shall be fully effective before contractor performs work subject to the amendment.
  - 2) Contractor shall notify COIC in writing of the impending expiration of this Contract thirty (30) calendar days prior to the expiration date.

5. **Schedule of Performance or Delivery.**

a. COIC's obligation to pay depends upon Contractor's delivery or performance in accordance with the following schedule:

The fee schedule provided is based on standard hourly rates plus reasonable out of pocket expenses (such as report reproduction, postage, local mileage at IRS rates in effect, etc...) except that the auditors agree that the gross fee, including expenses, will not exceed the stated maximums. Hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to the audit. The auditors shall provide a list of the personnel billing rates in effect at the beginning of each audit. These rates will be used unless updated rates are provided. Invoices for progress work (time and reasonable out-of-pocket expenses) may be presented each month as audit work progresses and will be paid on a monthly basis up to and not exceeding seventy-five percent (75%) of the total maximum compensation and the maximum compensation for COIC. On completion of the CAFR, the balance of the billings up to the maximum compensation can be billed. On completion of the audit reports, the auditor will provide COIC a full accounting of the time (and associated cost) and reasonable expenses incurred and the progress payments made up through the presentation of the audited statements and, if applicable, reduced to the maximum compensation levels as set forth in the above table. The accountant shall furnish the audit report to COIC within six months after the close of the fiscal year under audit. With COIC pre-approval, the auditor may request a reasonable extension of time from the Secretary of State, for good cause." The completion date will be agreed upon through coordination with Finance Committee and external auditors, but no later than the first week of December.

b. COIC will only pay for completed work that conforms to this schedule.

**EXHIBIT B  
FEDERAL REGULATIONS**

**ALL OR PART OF THIS CONTRACT IS FEDERALLY FUNDED.** CONTRACTOR shall comply with the following applicable federal regulations in addition to all other specifications, terms and conditions of this Contract. As used in these regulations,

**11. ACCESS TO RECORDS AND REPORTS**

**49 U.S.C. 5325**

**18 CFR 18.36 (i)**

**49 CFR 633.17**

**Access to Records** - The following access to records requirements apply to this Contract:

1. Where the Purchaser is not a State but a local government and is the FTA Recipient or a subgrantee of the FTA Recipient in accordance with 49 C.F.R. 18.36(i), the Contractor agrees to provide the Purchaser, the FTA Administrator, the Comptroller General of the United States or any of their authorized representatives access to any books, documents, papers and records of the Contractor which are directly pertinent to this contract for the purposes of making audits, examinations, excerpts and transcriptions. Contractor also agrees, pursuant to 49 C.F.R. 633.17 to provide the FTA Administrator or his authorized representatives including any PMO Contractor access to Contractor's records and construction sites pertaining to a major capital project, defined at 49 U.S.C. 5302(a)1, which is receiving federal financial assistance through the programs described at 49 U.S.C. 5307, 5309 or 5311
2. Where the Purchaser is a State and is the FTA Recipient or a subgrantee of the FTA Recipient in accordance with 49 C.F.R. 633.17, Contractor agrees to provide the Purchaser, the FTA Administrator or his authorized representatives, including any PMO Contractor, access to the Contractor's records and construction sites pertaining to a major capital project, defined at 49 U.S.C. 5302(a)1, which is receiving federal financial assistance through the programs described at 49 U.S.C. 5307, 5309 or 5311. By definition, a major capital project excludes contracts of less than the simplified acquisition threshold currently set at \$100,000.
3. Where the Purchaser enters into a negotiated contract for other than a small purchase or under the simplified acquisition threshold and is an institution of higher education, a hospital or other non-profit organization and is the FTA Recipient or a subgrantee of the FTA Recipient in accordance with 49 C.F.R. 19.48, Contractor agrees to provide the Purchaser, FTA Administrator, the Comptroller General of the United States or any of their duly authorized representatives with access to any books, documents, papers and record of the Contractor which are directly pertinent to this contract for the purposes of making audits, examinations, excerpts and transcriptions.
4. Where any Purchaser which is the FTA Recipient or a subgrantee of the FTA Recipient in accordance with 49 U.S.C. 5325(a) enters into a contract for a capital project or improvement (defined at 49 U.S.C. 5302(a)1) through other than competitive bidding, the Contractor shall make available records related to the contract to the Purchaser, the Secretary of Transportation and the Comptroller General or any authorized officer or employee of any of them for the purposes of conducting an audit and inspection.
5. The Contractor agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.
6. The Contractor agrees to maintain all books, records, accounts and reports required under this contract for a period of not less than three years after the date of termination or expiration of this contract, except in the event of litigation or settlement of claims arising from the performance of this contract, in which case Contractor agrees to

maintain same until the Purchaser, the FTA Administrator, the Comptroller General, or any of their duly authorized representatives, have disposed of all such litigation, appeals, claims or exceptions related thereto. Reference 49 CFR 18.39(i)(11).

7. FTA does not require the inclusion of these requirements in subcontracts.

## **12. FEDERAL CHANGES**

### **49 CFR Part 18**

**Federal Changes** - Contractor shall at all times comply with all applicable FTA regulations, policies, procedures and directives, including without limitation those listed directly or by reference in the Master Agreement between Purchaser and FTA, as they may be amended or promulgated from time to time during the term of this contract. Contractor's failure to so comply shall constitute a material breach of this contract.

## **19. NO GOVERNMENT OBLIGATION TO THIRD PARTIES**

### **No Obligation by the Federal Government.**

(1) The Purchaser and Contractor acknowledge and agree that, notwithstanding any concurrence by the Federal Government in or approval of the solicitation or award of the underlying contract, absent express written consent by the Federal Government, the Federal Government is not a party to this contract and shall not be subject to any obligations or liabilities to the Purchaser, Contractor, or any other party (whether or not a party to that contract) pertaining to any matter resulting from the underlying contract.

(2) The Contractor agrees to include the above clause in each subcontract financed in whole or in part with Federal assistance provided by FTA. It is further agreed that the clause shall not be modified, except to identify the subcontractor who will be subject to its provisions.

## **20. PROGRAM FRAUD AND FALSE OR FRAUDULENT STATEMENTS**

### **AND RELATED ACTS**

**31 U.S.C. 3801 et seq.**

**49 CFR Part 31 18 U.S.C. 1001**

**49 U.S.C. 5307**

### **Program Fraud and False or Fraudulent Statements or Related Acts.**

(1) The Contractor acknowledges that the provisions of the Program Fraud Civil Remedies Act of 1986, as amended, 31 U.S.C. § 3801 et seq. and U.S. DOT regulations, "Program Fraud Civil Remedies," 49 C.F.R. Part 31, apply to its actions pertaining to this Project. Upon execution of the underlying contract, the Contractor certifies or affirms the truthfulness and accuracy of any statement it has made, it makes, it may make, or causes to be made, pertaining to the underlying contract or the FTA assisted project for which this contract work is being performed. In addition to other penalties that may be applicable, the Contractor further acknowledges that if it makes, or causes to be made, a false, fictitious, or fraudulent claim, statement, submission, or certification, the Federal Government reserves the right to impose the penalties of the Program Fraud Civil Remedies Act of 1986 on the Contractor to the extent the Federal Government deems appropriate.

(2) The Contractor also acknowledges that if it makes, or causes to be made, a false, fictitious, or fraudulent claim, statement, submission, or certification to the Federal Government under a contract connected with a project that is financed in whole or in part with Federal assistance originally awarded by FTA under the authority of 49 U.S.C. § 5307, the Government reserves the right to impose the penalties of 18 U.S.C. § 1001 and 49 U.S.C. § 5307(n)(1) on the Contractor, to the extent the Federal Government deems appropriate.

(3) The Contractor agrees to include the above two clauses in each subcontract financed in whole or in part with Federal assistance provided by FTA. It is further agreed that the clauses shall not be modified, except to identify the subcontractor who will be subject to the provisions.

## **21. TERMINATION**

### **49 U.S.C. Part 18**

### **FTA Circular 4220.1F**

**a. Termination for Convenience (General Provision)** COIC may terminate this contract, in whole or in part, at any time by written notice to the Contractor when it is in the Government's best interest. The Contractor shall be paid its costs, including contract close-out costs, and profit on work performed up to the time of termination. The Contractor shall promptly submit its termination claim to COIC to be paid the Contractor. If the Contractor has any property in its possession belonging to COIC, the Contractor will account for the same, and dispose of it in the manner COIC directs.

**b. Termination for Default [Breach or Cause] (General Provision)** If the Contractor does not deliver supplies in accordance with the contract delivery schedule, or, if the contract is for services, the Contractor fails to perform in the manner called for in the contract, or if the Contractor fails to comply with any other provisions of the contract, COIC may terminate this contract for default. Termination shall be effected by serving a notice of termination on the contractor setting forth the manner in which the Contractor is in default. The contractor will only be paid the contract price for supplies delivered and accepted, or services performed in accordance with the manner of performance set forth in the contract.

If it is later determined by COIC that the Contractor had an excusable reason for not performing, such as a strike, fire, or flood, events which are not the fault of or are beyond the control of the Contractor, COIC, after setting up a new delivery of performance schedule, may allow the Contractor to continue work, or treat the termination as a termination for convenience.

**c. Opportunity to Cure (General Provision)** COIC in its sole discretion may, in the case of a termination for breach or default, allow the Contractor ten (10) days in which to cure the defect. In such case, the notice of termination will state the time period in which cure is permitted and other appropriate conditions

If Contractor fails to remedy to COIC's satisfaction the breach or default of any of the terms, covenants, or conditions of this Contract within ten (10) days] after receipt by Contractor of written notice from COIC setting forth the nature of said breach or default, COIC shall have the right to terminate the Contract without any further obligation to Contractor. Any such termination for default shall not in any way operate to preclude COIC from also pursuing all available remedies against Contractor and its sureties for said breach or default.

**d. Waiver of Remedies for any Breach** In the event that COIC elects to waive its remedies for any breach by Contractor of any covenant, term or condition of this Contract, such waiver by COIC shall not limit COIC's remedies for any succeeding breach of that or of any other term, covenant, or condition of this Contract.

**e. Termination for Convenience (Professional or Transit Service Contracts)** COIC, by written notice, may terminate this contract, in whole or in part, when it is in the Government's interest. If this contract is terminated, the Recipient shall be liable only for payment under the payment provisions of this contract for services rendered before the effective date of termination.

**f. Termination for Default (Supplies and Service)** If the Contractor fails to deliver supplies or to perform the services within the time specified in this contract or any extension or if the Contractor fails to comply with any

other provisions of this contract, COIC may terminate this contract for default. COIC shall terminate by delivering to the Contractor a Notice of Termination specifying the nature of the default. The Contractor will only be paid the contract price for supplies delivered and accepted, or services performed in accordance with the manner or performance set forth in this contract.

If, after termination for failure to fulfill contract obligations, it is determined that the Contractor was not in default, the rights and obligations of the parties shall be the same as if the termination had been issued for the convenience of the Recipient.

**g. Termination for Default [RESERVED]**

**h. Termination for Default [RESERVED].**

**i. Termination for Convenience or Default [RESERVED].**

**j. Termination for Convenience or Default [RESERVED]**

## **22. GOVERNMENT-WIDE DEBARMENT AND SUSPENSION (NONPROCUREMENT)**

### **Suspension and Debarment**

This contract is a covered transaction for purposes of 49 CFR Part 29. As such, the contractor is required to verify that none of the contractor, its principals, as defined at 49 CFR 29.995, or affiliates, as defined at 49 CFR 29.905, are excluded or disqualified as defined at 49 CFR 29.940 and 29.945.

The contractor is required to comply with 49 CFR 29, Subpart C and must include the requirement to comply with 49 CFR 29, Subpart C in any lower tier covered transaction it enters into.

By signing and submitting its bid or proposal, the bidder or proposer certifies as follows:

The certification in this clause is a material representation of fact relied upon by COIC. If it is later determined that the bidder or proposer knowingly rendered an erroneous certification, in addition to remedies available to COIC, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment. The bidder or proposer agrees to comply with the requirements of 49 CFR 29, Subpart C while this offer is valid and throughout the period of any contract that may arise from this offer. The bidder or proposer further agrees to include a provision requiring such compliance in its lower tier covered transactions.

## **23. PRIVACY ACT**

### **5 U.S.C. 552**

**Contracts Involving Federal Privacy Act Requirements** - The following requirements apply to the Contractor and its employees that administer any system of records on behalf of the Federal Government under any contract:

(1) The Contractor agrees to comply with, and assures the compliance of its employees with, the information restrictions and other applicable requirements of the Privacy Act of 1974,

5 U.S.C. § 552a. Among other things, the Contractor agrees to obtain the express consent of the Federal Government before the Contractor or its employees operate a system of records on behalf of the Federal Government. The Contractor understands that the requirements of the Privacy Act, including the civil and criminal

penalties for violation of that Act, apply to those individuals involved, and that failure to comply with the terms of the Privacy Act may result in termination of the underlying contract.

(2) The Contractor also agrees to include these requirements in each subcontract to administer any system of records on behalf of the Federal Government financed in whole or in part with Federal assistance provided by FTA.

## **24. CIVIL RIGHTS REQUIREMENTS**

**29 U.S.C. § 623, 42 U.S.C. § 2000**

**42 U.S.C. § 6102, 42 U.S.C. § 12112**

**42 U.S.C. § 12132, 49 U.S.C. § 5332**

**29 CFR Part 1630, 41 CFR Parts 60 et seq.**

**Civil Rights** - The following requirements apply to the underlying contract:

(1) Nondiscrimination - In accordance with Title VI of the Civil Rights Act, as amended, 42 U.S.C. § 2000d, section 303 of the Age Discrimination Act of 1975, as amended, 42 U.S.C. § 6102, section 202 of the Americans with Disabilities Act of 1990, 42 U.S.C. § 12132, and Federal transit law at 49 U.S.C. § 5332, the Contractor agrees that it will not discriminate against any employee or applicant for employment because of race, color, creed, national origin, sex, age, or disability. In addition, the Contractor agrees to comply with applicable Federal implementing regulations and other implementing requirements FTA may issue.

(2) Equal Employment Opportunity - The following equal employment opportunity requirements apply to the underlying contract:

(a) Race, Color, Creed, National Origin, Sex - In accordance with Title VII of the Civil Rights Act, as amended, 42 U.S.C. § 2000e, and Federal transit laws at 49 U.S.C. § 5332, the Contractor agrees to comply with all applicable equal employment opportunity requirements of U.S. Department of Labor (U.S. DOL) regulations, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," 41 C.F.R. Parts 60 et seq., (which implement Executive Order No. 11246, "Equal Employment Opportunity," as amended by Executive Order No. 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," 42 U.S.C. § 2000e note), and with any applicable Federal statutes, executive orders, regulations, and Federal policies that may in the future affect construction activities undertaken in the course of the Project. The Contractor agrees to take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, creed, national origin, sex, or age. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. In addition, the Contractor agrees to comply with any implementing requirements FTA may issue.

(b) Age - In accordance with section 4 of the Age Discrimination in Employment Act of 1967, as amended, 29 U.S.C. § § 623 and Federal transit law at 49 U.S.C. § 5332, the Contractor agrees to refrain from discrimination against present and prospective employees for reason of age. In addition, the Contractor agrees to comply with any implementing requirements FTA may issue.

(c) Disabilities - In accordance with section 102 of the Americans with Disabilities Act, as amended, 42 U.S.C. § 12112, the Contractor agrees that it will comply with the requirements of U.S. Equal Employment Opportunity Commission, "Regulations to Implement the Equal Employment Provisions of the Americans with Disabilities Act," 29 C.F.R. Part 1630, pertaining to employment of persons with disabilities. In addition, the Contractor agrees to comply with any implementing requirements FTA may issue.

(3) The Contractor also agrees to include these requirements in each subcontract financed in whole or in part with Federal assistance provided by FTA, modified only if necessary to identify the affected parties.

**28. DISADVANTAGED BUSINESS ENTERPRISE (DBE)**  
**49 CFR Part 26**

**Disadvantaged Business Enterprises**

a. This contract is subject to the requirements of Title 49, Code of Federal Regulations, Part 26, *Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs*. The national goal for participation of Disadvantaged Business Enterprises (DBE) is 10%. The agency's overall goal for DBE participation is .09 %. A separate contract goal has not been established for this procurement.

b. The contractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of this DOT-assisted contract. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as COIC deems appropriate. Each subcontract the contractor signs with a subcontractor must include the assurance in this paragraph (*see* 49 CFR 26.13(b)).

**30. INCORPORATION OF FEDERAL TRANSIT ADMINISTRATION (FTA) TERMS**

**FTA Circular 4220.1F**

**Incorporation of Federal Transit Administration (FTA) Terms** - The preceding provisions include, in part, certain Standard Terms and Conditions required by DOT, whether or not expressly set forth in the preceding contract provisions. All contractual provisions required by DOT, as set forth in FTA Circular 4220.1F, are hereby incorporated by reference. Anything to the contrary herein notwithstanding, all FTA mandated terms shall be deemed to control in the event of a conflict with other provisions contained in this contract. The Contractor shall not perform any act, fail to perform any act, or refuse to comply with any COIC requests which would cause COIC to be in violation of the FTA terms and conditions.

**31. PROMPT PAYMENT**

The prime Contractor agrees to pay each subcontractor under this prime contract for satisfactory performance of its contract no later than 30 days from the receipt of each payment the prime contract receives from the Recipient. The prime contractor agrees further to return retainage payments to each subcontractor within 30 days after the subcontractors work is satisfactorily completed. Any delay or postponement of payment from the above referenced time frame may occur only for good cause following written approval of the Recipient. This clause applies to both DBE and non-DBE subcontracts.

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## EXHIBIT C

### Contractor Insurance Requirements

#### GENERAL.

Contractor (including its subcontractors, agents, etc) shall i) obtain insurance specified under TYPES AND AMOUNTS and meeting the requirements under ADDITIONAL INSURED, "TAIL" COVERAGE, NOTICE OF CANCELLATION, and CERTIFICATES OF INSURANCE before performance under the contract commences, and ii) maintain the insurance in full force, through annually renewing policies, throughout the duration of the contract. The insurance must be provided by insurance companies or entities that are authorized to transact the business of insurance and issue coverage in the State of Oregon and that are reasonably acceptable to State. Contractor shall not start work described herein until the insurance is in full force.

#### TYPES AND AMOUNTS.

i. **WORKERS COMPENSATION.** Insurance in compliance with ORS 656.017, which requires all employers that employ subject workers, as defined in ORS 656.027, to provide workers' compensation coverage for those workers, unless they meet the requirement for an exemption under ORS 656.126(2). Employers liability insurance with coverage limits of not less than \$500,000 per accident, \$500,000 policy limit for bodily injury by disease and \$500,000 each employee for bodily injury by disease must be included.

ii. **COMMERCIAL GENERAL LIABILITY.** Commercial General Liability Insurance covering bodily injury, death, and property damage in a form and with coverages that are reasonably satisfactory to State. This insurance shall include personal injury liability, products, and completed operations. Coverage shall be written on an occurrence form basis, with not less than the following amounts as determined by State:

Bodily Injury, Death and Property Damage: \$2,000,000 per occurrence (for all claimants for claims arising out of a single accident or occurrence), \$4,000,000 General Aggregate and \$2,000,000 Products/Completed Operations Aggregate.

iii. **AUTOMOBILE Liability Insurance: Automobile Liability.** Automobile Liability Insurance covering all owned, non-owned, and hired vehicles. This coverage may be written in combination with the Commercial General Liability Insurance (with separate limits for "Commercial General Liability" and "Automobile Liability"). Automobile Liability Insurance must be in not less than the following amounts as determined by State: Bodily Injury, Death, and Property Damage:

\$2,000,000 per accident (for all claimants for claims arising out of a single accident or occurrence).

iv. **PROFESSIONAL LIABILITY INSURANCE.** Professional liability insurance with limits of not less than \$1,000,000 per claim, and \$2,000,000 in the aggregate.

**ADDITIONAL INSURED.** The Commercial General Liability Insurance, Automobile Liability and any Umbrella/Excess Liability insurance must include the Central Oregon Intergovernmental Council, its officers, employees, and agents as Additional Insureds but only with respect to the contractor's activities to be performed under this Agreement. Coverage must be primary and non-contributory with any other insurance and self-insurance.

**"TAIL" COVERAGE.** If any of the required insurance policies is on a "claims made" basis, such as professional liability insurance, the Contractor shall maintain either "tail" coverage or continuous "claims made" liability coverage, provided the effective date of the continuous "claims made" coverage is on or before the effective date of this Agreement, for a minimum of 24 months following the later of: (i) the Contractor's completion and COIC's acceptance of all Services required under this Agreement or, (ii) the expiration of all warranty periods provided under this Agreement. Notwithstanding the foregoing 24-month requirement, if the Contractor elects to maintain "tail" coverage and if the maximum time "tail" coverage reasonably available in the marketplace is less than the 24-month period described above, then the Contractor may request and COIC may grant approval of the maximum "tail" coverage period reasonably available in the marketplace. If COIC approval is granted, the Contractor shall maintain "tail" coverage for the maximum period that "tail" coverage is reasonably available in the marketplace.

**NOTICE OF CANCELLATION OR NON-RENEWAL.** Contractor or its insurer must provide 30 days' written notice to COIC before cancellation of or non-renewal of the required insurance coverage(s).

**CERTIFICATE(S) OF INSURANCE.** Contractor shall provide COIC a certificate(s) of insurance for all required insurance before the Contractor performs under the Contract. The certificate(s) or an attached endorsement must specify all entities and individuals who are endorsed on the policy as Additional Insured.

## Exhibit D Oregon Public Contract Provisions

**1. DELIVERY:** Deliveries will be F.O.B destination. Contractor shall pay all transportation and handling charges. Contractor is responsible and liable for loss or damage until final inspection and acceptance of the Goods. Contractor remains liable for latent defects, fraud, and warranties.

**2. INSPECTIONS:** Agency may inspect and test the Goods and related Services (collectively, Goods). Agency may reject non-conforming Goods and require Contractor to correct them without charge or deliver them at a reduced price, as negotiated. If Contractor does not cure any defects within a reasonable time, Agency may reject the Goods and cancel the PO in whole or in part. This paragraph does not affect or limit Agency's rights, including its rights under the Uniform Commercial Code, ORS chapter 72 (UCC).

**3. PAYMENT:** Agency shall pay Contractor within 30 days from (i) the date the Goods are delivered and accepted or (ii) the date the invoice is received, whichever is later. If Agency fails to pay within 45 days of such date, Contractor may assess overdue account charges up to a rate of 2/3% per month (8% APR) or the maximum rate allowed by law on the outstanding balance.

**4. STATE PAYMENT OF CONTRACTOR CLAIMS:** If Contractor does not pay promptly any claim that is due for Goods or Services furnished to the Contractor by any subcontractor in connection with this PO, the State may pay such claim and charge that payment against any payment due to the Contractor under this PO. The State's payment of a claim does not relieve the Contractor or its surety, if any, from their obligations for any unpaid claims.

**5. REPRESENTATIONS AND WARRANTIES:** Contractor represents and warrants that: (a) the Goods are new, current, and fully warranted by the manufacturer; (b) Delivered Goods will comply with specifications and be free from defects in labor, material and manufacture; (c) Contractor shall comply with the tax laws of this state and all political subdivisions; and (d) Contractor has no undisclosed liquidated and delinquent debt owed to the State or any department or agency of the State. All UCC implied and expressed warranties are incorporated in this PO. Contractor shall transfer all warranties to the State.

**6. TERMINATION:** (i) The Parties may terminate this PO by mutual agreement. (ii) Agency may terminate this PO at any time with written notice to Contractor. Upon receipt of the written notice, Contractor shall stop performance, and Agency shall pay Contractor for Goods delivered and accepted. (iii) Agency may terminate this PO at any time if Agency fails to receive funding, appropriations, or other expenditure authority. (iv) If Contractor breaches any PO provision, including the representations and warranties related to liquidated and delinquent debt, or is declared insolvent, Agency may terminate this PO for cause with written notice to Contractor, and Contractor shall be liable for all incidental and consequential damages resulting from its breach, including all damages as provided in the UCC.

Failure to comply with the tax laws of this state or any political subdivision or violation of Contractor's warranties related to compliance with the tax laws of this state and any political subdivision of this state also constitutes a material breach of this PO. Any violation entitles Agency to terminate this PO, to pursue and recover any and all damages that arise from the breach and the termination of this PO, and to pursue any or all of the remedies available under this PO, at law, or in equity, including but not limited to: termination of this PO in whole or in part; collection by administrative offset or garnishment, if applicable, or withholding amounts otherwise due and owing to Contractor without penalty.

**7. HOLD HARMLESS:** *Contractor shall indemnify, defend, and hold harmless the State and its agencies, their divisions, officers, employees, and agents, from all claims, suits or actions of any nature arising out of or related to the intentional misconduct, recklessness or negligent activities of Contractor, its officers, subcontractors, agents, or employees under this PO.*

**8. GOVERNING LAW, JURISDICTION, VENUE:** This PO is governed by Oregon law, without resort to any other jurisdiction's laws. Any claim, action, suit, or proceeding between the State and the Contractor that relates to this PO (Claim) must be heard exclusively in the Circuit Court of Marion County for the State of Oregon. If the Claim must be brought in a federal forum, then it must be heard exclusively in the US District Court for the District of Oregon. Contractor consents to the in personam jurisdiction of these courts. *Neither this Section nor any other provision of this PO is a waiver by the State of any form of defense, sovereign immunity, governmental immunity, immunity based on the Eleventh Amendment to the US Constitution, or other immunity, from any Claim or consent to the jurisdiction of any court.*

**9. FORCE MAJEURE:** Neither party is responsible for delay or default caused by an event beyond its reasonable control. Agency may terminate this

PO without liability to Contractor upon written notice after determining the delay or default reasonably prevents performance of this PO.

**10. ASSIGNMENT/SUBCONTRACT/SUCCESSORS:** Contractor shall not assign, transfer, or subcontract rights (Subcontract) or delegate responsibilities under this PO in whole or in part, without the prior written approval of Agency. This PO's provisions are binding upon and inure to the benefit of the Parties to the PO and their respective successors and assigns.

**11. ACCESS TO RECORDS:** Contractor shall maintain all accounting records relating to this PO according to GAAP and any other records relating to Contractor's performance ("Records") for six (6) years from termination or as otherwise required. Contractor shall grant the State and its agencies, the Secretary of State Audits Division, the federal government, and their duly authorized representatives, access to the Records, including reviewing, auditing, copying, and making transcripts.

**12. COMPLIANCE WITH APPLICABLE LAWS:** Contractor shall comply with all applicable federal, state and local laws, regulations, executive orders, and ordinances, as amended (Rules), including: (i) Titles VI and VII of Civil Rights Act of 1964; (ii) Sections 503 and 504 of the Rehabilitation Act of 1973; (iii) the Americans with Disabilities Act of 1990; (iv) Executive Order 11246; (v) The Age Discrimination in Employment Act of 1967, and the Age Discrimination Act of 1975; (vi) The Vietnam Era Veterans' Readjustment Assistance Act of 1974; (vii) ORS Chapter 659; (viii) ORS 279B.020, , and 279B.270; (ix) all other applicable requirements of federal and state civil rights and rehabilitation statutes, rules and regulations; (x) all federal and state laws governing the handling, processing, packaging, storage, labeling, and delivery of food products; and (xi) all regulations and administrative rules established pursuant to the foregoing laws. Agency's performance is conditioned upon Contractor's compliance with, 279B.220, 279B.225, 279B.230, and 279B.235, as applicable. All applicable Rules are incorporated by reference in this PO.

**13. WORKERS' COMPENSATION:** Contractor shall comply with ORS 656.017 and provide the required workers' compensation coverage, unless exempt under ORS 656.126(2). Contractor shall ensure that its Subcontractors, if any, comply with these requirements.

**14. SAFETY AND HEALTH REQUIREMENTS:** Contractor represents and warrants that the Goods comply with all federal and Oregon safety and health requirements.

**15. MATERIAL SAFETY DATA SHEET:** Contractor shall provide Agency with a Material Safety Data Sheet for any Goods which may release, or otherwise result in exposure to, a hazardous chemical under normal conditions of use (OAR 437- 002-0360 and 29 CFR 1910.1020). Contractor shall label, tag or mark such Goods.

**16. RECYCLABLE PRODUCTS:** Unless otherwise required, Contractor shall use recycled and recyclable products to the maximum extent economically feasible in the performance of the PO. These products shall include recycled paper, recycled PETE products, other recycled products (ORS 279A.010(1)(gg),(hh),(ii)), and other recycled plastic resin products.

**17. AMENDMENTS:** All amendments to this PO must be in writing, signed by Agency.

**18. SEVERABILITY:** If a court of competent jurisdiction declares any provision of this PO to be invalid, the other provisions and the rights and obligations of the Parties remain in effect.

**19. WAIVER:** Agency's failure to enforce any provision of this PO is not a waiver or relinquishment by Agency of its rights to such performance in the future or to enforce any other provisions.

**20. AWARD TO FOREIGN CONTRACTOR:** If Contractor is not registered to do business or has no office in the State of Oregon, Contractor shall promptly provide to the Oregon Department of Revenue and the Secretary of State Corporation Division all information required by those agencies relative to this PO. Agency may withhold final payment under this PO until Contractor has met this requirement.

**21. TAX CERTIFICATION:** Contractor hereby certifies under penalty of perjury: (a) the number shown on this form is the correct Federal Employer Identification Number; (b) it is not subject to backup withholding because (i) it is exempt from backup withholding, (ii) it has not been notified by the IRS that it is subject to backup withholding as a result of a failure to report all interest or dividends, or (iii) the IRS has notified Contractor that it is no longer subject to backup withholding; and (c) it is not in violation of any Oregon tax laws.

EXHIBIT E

**Authorized Signature and Attestation**

I, the undersigned, an authorized representative of \_\_\_\_\_, whose address is \_\_\_\_\_, have read and thoroughly understand the specifications, instructions and all other conditions of the RFP – Audit Services issued by COIC for Audit Services for the fiscal years ending June 30, 2020, June 30, 2021, June 30, 2022 and June 30, 2023.

Acting on behalf of my accounting firm, which is listed above, I do attest that the services offered by us meet COIC’s specifications in every respect (check one) \_\_\_\_\_ without exception / \_\_\_\_\_ with exception.

Detail any exceptions:

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We, therefore, offer and make this bid to furnish COIC the Audit Services detailed in this proposal, at the cost indicated.

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

Signature: \_\_\_\_\_

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

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

## PROCUREMENT PROTEST PROCEDURES

Under certain circumstances, an interested party to a procurement may protest to COIC the award of a contract which may or may not involve the direct application of public funds. COIC will make protest procedures accessible to bidding parties. These procedures are intended to ensure that valid complaints are properly handled and responded to. These procedures apply to all types of procurement actions, including sealed bids, requests for proposals, etc.

The term protest is utilized to describe the controversies that arise usually during the contract information process as an objection to a contract award or to a decision on a specific bid. The protests are challenges to actual or proposed actions of the contracting officers on specific procurements. These objections are brought by offerors, prospective offerors, or other interested parties who contend that they have been improperly treated in the procurement process. All protests must be submitted in writing.

### COIC Level One Protest Procedures – General Conditions

COIC's review of any protest will be limited to violations of federal, state or local laws or regulations, violations of COIC's purchasing procedures, violations of COIC's protest procedures, or failure to review a complaint or protest. Protests based on restrictive or severely defective specifications, or improprieties in any type of solicitations that are apparent prior to bid opening or closing date for proposals, must be received by COIC within a reasonable time in advance of scheduled bid opening but no later than 5 days after receipt of the RFP/IFB by the proposer/bidder. All other protests must be received by COIC within 5 days of the action on which the protest is based.

The initial protest filed with COIC shall be in writing and shall:

- a) Include the name, address, and telephone number of the protestor and the name of a contact person
- b) Identify the number, date, and description of the solicitation
- c) Contain a statement of the grounds for protest and any supporting documentation. The grounds for the protest must be supported to the fullest extent feasible. Additional materials in support of an initial protest will be considered only if filed within the time limits specified
- d) Indicate the ruling or relief desired from COIC

A protest may be considered, even if the initial filing is late, under the following circumstances:

- a) Good cause based on compelling reasons beyond the protestor's control, whereby the tardiness is due to the fault of COIC in the handling of his/her protest submission
- b) COIC determines the protest raised issues significant to a procurement practice or procedure
- c) COIC is directed by a relevant grantee to either consider or reconsider a protest

- d) A court of competent jurisdiction expresses interest in COIC's decision

No formal briefs or other technical forms of pleading or motion are required, but a protest and other submissions should be concise, logically arranged, clear, and legible. Any additional information requested or required by COIC from the protestor, or interested parties shall be submitted as expeditiously as possible, but in no case later than five (5) days after the receipt of such request unless specifically stated by COIC.

#### Confidentiality

Materials submitted by a protestor will not be withheld from any interested party outside of COIC or from any government agency that may be involved in the protest, except to the extent that the withholding of information is permitted or required by law or regulation. If the protestor considers that the protest contains proprietary materials that should be withheld, a statement advising of this fact may be affixed to the front page of the protest document and the alleged proprietary information must be so identified wherever it appears.

#### Furnishing of Information on Protests

COIC shall, upon request, make available to any interested party, information bearing on the substance of the protest, including:

- a) Any other documents that pertain to the protest, including correspondence with the bidders
- b) A statement by COIC explaining its actions and the reasons for them

A conference on the merits of the protests with members of COIC protest review panel (defined below) may be held at the request of the protestor. The request for a conference should be made in a timely manner so as not to interfere with the resolution of the protest and not later than twenty (20) days after the initial protest was filed.

#### Withholding of Award

When a protest has been filed before the opening of bids, COIC will not open bids prior to the resolution of the protest. When a protest has been filed after the opening of bids but before the contract award, COIC will not make an award for five days following its decision on the protest. When a protest has been filed after the award but prior to the execution of a contract, COIC will not proceed with the execution of the contract prior to the resolution of the protest. Exceptions to the above may occur if COIC determines that:

- a) The items to be procured are urgently required
- b) Delivery or performance will be unduly delayed by failure to either make the award promptly or to continue with the procurement
- c) Failure to make prompt award or to continue with the procurement will otherwise cause undue hardship to COIC or other local, state, or federal governments

If government agency funds are involved, COIC will notify the appropriate agency in a timely manner and keep the agency apprised of the status of the protest.

### Protest Review – Level One

Upon receipt of a protest, the Executive Director will appoint an ad hoc COIC protest review panel to review all relevant materials associated with the protest. The panel shall be comprised of at least two representatives of COIC appointed by the Executive Director. The panel shall determine the validity of the protest and what actions will be taken.

The panel will be directed to prepare a report within fifteen (15) days. The panel will notify the protestor and any interested parties of their findings and actions and of the procedures for requesting reconsideration. The report shall include the following:

- a) Copies of all relevant documents
- b) A copy of the invitation for bid or request for proposal, including pertinent provisions of the specifications
- c) A copy of the abstract of bids.

### Protest Review – Level Two

Reconsideration of a decision by COIC may be requested by the protestor or any interested party. The request for reconsideration shall contain a detailed statement of the factual and legal grounds upon which reversal or modification is deemed warranted, specifying any errors of law made or information not previously considered.

The request for reconsideration of COIC's protest review panel decision shall be filed no later than ten (10) days after the panel issues its written report, and shall be filed with the Executive Director. Upon receipt of the request for reconsideration, the Executive Director shall schedule an informal administrative hearing with protestor and the COIC protest review panel. The hearing shall be held not later than fifteen (15) days after the receipt of the request for reconsideration.

The Executive Director has the authority to make the final decision on all protests. The Executive Director shall issue in writing, COIC's final determination of the reconsidered protest within five (5) days of the administrative hearing. The appellant process ends with the Executive Director's decision; however, the aggrieved party has those remedies afforded by the state courts.

### Effect of Judicial Proceedings

COIC may refuse to decide any protest where the matter involved is the subject of litigation before a court of competent jurisdiction, or has been decided on the merits by such a court.

### Federal Transit Administration (FTA) Involvement

FTA's involvement in bid protests is limited. The Uniform Guidance, as adopted by DOT, no longer provides for the direct appeal to FTA of a recipient's final decision on a bid protest. The Uniform Guidance provides "The Federal awarding agency will not substitute its judgment for that of the non-Federal entity unless the matter is primarily a Federal concern." Thus, the FTA's role is limited to considering matters that are "primarily a Federal concern".

PRESS RELEASE (DRAFT)

**MEDIA RELEASE MEDIA CONTACT:**

Michelle Williams, 541-504-3303

Bend, Oregon  
XXXX, 2021

**COIC issues request for proposal for audit services**

Central Oregon Intergovernmental Council (COIC) is requesting proposals from certified public accounting firms for auditing services. The audit services consist of auditing COIC's financial statements for four years (starting with the fiscal year ended June 30, 2020).

To qualify to propose in this RFP, certified public accounting firms must be admitted to the Oregon Board of Accountancy's Municipal Roster and have experience auditing municipal organizations.

Applicants must complete a proposal based on the RFP guidelines.

The RFP and associated information may be downloaded at <https://www.coic.org/open-procurements/> on COIC's website. You can also receive a copy of the RFP or submit any questions to the authorized RFP contact: COIC's Deputy Director / Fiscal Services Manager Michelle Williams at (541) 504-3303 or by email at [michellew@coic.org](mailto:michellew@coic.org)

The deadline to apply is 4:00 p.m. on Thursday, March 24, 2021. Please send all RFP applications to the attention of: via email only

Michelle Williams, CPA  
Deputy Director / Fiscal Services Manager  
[michellew@coic.org](mailto:michellew@coic.org)

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