

City of Lebanon, Oregon



REQUEST FOR PROPOSAL FINANCIAL AUDIT SERVICES

Issue Date: February 9, 2017

Proposal Due Date: 2:00 p.m., March 17, 2017

Submittal Location: City of Lebanon
Finance Department., Attn: Dean Baugh
925 Main Street
Lebanon, OR 97355

City Manager Gary B. Marks
Finance Director..... Dean Baugh
Assistant Finance Director Tina Huff

**For more information regarding this Request for Proposals,
contact Dean Baugh at (541) 258-4212**

FINANCE DEPARTMENT

FINANCIAL AUDIT SERVICES

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SECTION 1: INVITATION

The City of Lebanon invites Proposals to provide **Financial Audit Services**. It is the intent of the City of Lebanon to award a contract for audit services for four consecutive years starting with the audit for the Fiscal Year 2017, beginning July 1, 2016 through June 30, 2017.

Proposals must be received no later than **2:00 p.m. on March 17, 2017 at the location shown below**. Proposals received after this date and time shall be considered late and will not be returned and will become part of the public records. Proposals will be opened in the Conference Room at City Hall and only the names of Proposers will be disclosed. All other Proposal information will not be released until contracts are executed.

Prior to submitting a proposal, interested Proposers must submit a “Notice of Intent to Propose” by February 28, 2017, at the location listed below. The form is included in the Solicitation packet as Attachment C. A copy of the document should be submitted with your final Proposal.

To ensure proper identification and handling, Proposal envelopes must be sealed and shall be identified with the Proposal title, Financial Audit Services, the name and address of the Proposer, and delivered to the address listed in Section 1.1 of this Invitation.

The solicitation package can be downloaded from the following Website, www.lebanon.or.us.

It can also be obtained at the City of Lebanon, City Hall, at the address listed below, Monday through Friday, between the hours of 7:00 a.m. and 5:00 p.m. It is imperative that those who download the solicitation document check the site regularly for addenda and other notifications that may be pertinent.

A copy of the June 30, 2016, audited financial statements of the City of Lebanon and the Lebanon Urban Renewal Agency will be available after February 8, 2017 Council meeting to all interested Proposers. These documents will be available on the City’s website at www.ci.lebanon.or.us.

Proposal, performance, and payment securities are not required.

1.1 Location and Contact

The Solicitation Document pick-up location, submittal location, and the destination address for all associated communications is the following:

**City of Lebanon
Finance Department
Attn: Dean Baugh
925 Main Street
Lebanon, OR 97355**

Contact: **Dean Baugh, Finance Director**
E-mail: dbaugh@ci.lebanon.or.us
Phone: **(541) 258-4212**

SECTION 2: INTRODUCTION

2.1 Purpose

The City of Lebanon invites Proposals from Certified Public Accounting firms (hereinafter, "**Proposer**," or "**Firm**," or "**Contractor**," or "**CPA**," or "**Auditor**," or "**Audit Services Provider**,") to **act as the City's Provider of Financial Audit Services**.

The selected Proposer will be contracted to provide annual financial audit services and other associated work, as assigned. Firms and individuals which are interested in providing these services and which qualify in accordance with the requirements stated herein are invited to submit Proposals to accomplish the Scope of Work. For the purposes of this document, those responding to this solicitation will be referred to as "Proposers"; those qualified as a result of this RFP will be referred to as "Successful Proposer(s) or "Contractors" or "Auditors."

2.2 Contract Term and Type

The City of Lebanon intends to award one contract as a result of this RFP. The contract term will be four years with an option to renew for up to two additional one-year terms.

2.3 Background

The City of Lebanon is a municipal governmental entity providing a full range of services, including police protection; sewer services; water services; construction and maintenance of streets, and infrastructure; recreational activities, Library and Senior Services.

Lebanon is located in the heart of the Willamette Valley, 37 miles south of Salem, the state capital, and 46 miles north of Eugene, the state's second largest city. With a 2016 population of 16,435, Lebanon sits in Linn County.

With a diverse economic base Lebanon is experiencing growth common to the Willamette Valley, and is well poised to maximize the current growth potential.

2.4 Technical Considerations

The City of Lebanon utilizes Springbrook financial software V7.18 (Cloud Version) for General Ledger, Utility billing, CR, AP, Special assessments, and fixed Assets tracking.

2.5 Auditor Considerations

The City seeks a highly qualified Certified Public Accounting (CPA) firm to work in close partnership with staff throughout the audit process to demonstrate the fairness of the City's financial statements, the integrity of the Comprehensive Annual Financial Report (CAFR), and the overall financial stability of the City of Lebanon. In addition, over the term of this contract the City seeks Management Letter recommendations to the governing Council that policies and internal controls are achieving compliance standards and effectiveness goals. It is the intent of staff to maximize efficiencies with potential decreases in workflows through best practices and automation. The City seeks experienced auditors that can guide staff to meet these goals through an interactive and collaborative partnership.

2.6 Notice of Intent to Propose

All potential Proposers shall notify the City in writing by submitting a “Notice of Intent to Propose” by January 31, 2017, at the location listed in Section 1.1, to be considered an interested Proposer. The Notice of Intent to Propose is included in the Solicitation packet as Attachment C. Submit the original by the deadline and retain a copy to be submitted with your Proposal.

2.7 RFP Schedule

RFP approved for advertising and is available	February 9, 2017
Final date to submit Notice of Intent to Propose	February 28, 2017
Final date to submit changes or solicitation protests	March 3, 2017
Final addendums from the City	March 7, 2017
Proposals due to City	March 17, 2017, 2:00 p.m.
RFP evaluations	March 20-March 30, 2017
Interview of finalists, if requested by review committee	March 28-29, 2017
Protest period ends 7 calendar days from Notice of Intent to Award	
Projected finalization of contract	April 20, 2017
Contract Award	May 10, 2017
Pre-audit work services to begin	Preference is prior to June 30, 2017

Every effort will be made to maintain this schedule. However, all dates are subject to change if it is deemed to be in the best interest of the City.

2.8 Equal Opportunity in Public Contracting Program

Lebanon encourages the participation of Target Businesses. These businesses are defined as Disadvantaged, Minority-Owned, Women-Owned, and Emerging Small Businesses (DMWESB) certified by the State of Oregon (OMWESB), and businesses certified as Small Disadvantaged Businesses by the Small Business Administration.

Section 3: Scope of Work – Mandatory Requirements

3.1 Audit Services

The Contractor shall perform the following work within the scope of this agreement:

- a) City expects to receive prior to June 1st of each year, a list of schedules to be prepared and other items required for the audit.

Pre-closing, interim, tests and procedures shall be conducted at a mutually agreeable time.

The final onsite audit will be scheduled at a mutually agreeable time.
- b) Audit the financial statements of the City of Lebanon in accordance with Generally Accepted Auditing Standards (GAAS), the standards set forth for financial audits in the Government Auditing Standards issued by the Comptroller General of the United States; Office of Management and Budget (OMB), Audits of State and Local Governments and prescribed Minimum Standards for Audits of Oregon Municipal Corporations.
- c) Conduct separate audits within this engagement for the Lebanon Urban Renewal Agency. The above audit is to be priced separately within the total engagement amount to be paid by the City.
- d) The audit scope shall be planned so as to preclude the necessity for exceptions arising from scope limitations and shall be sufficient to enable the expression of an audit opinion concerning whether the financial statements present fairly, in all material respects, the City of Lebanon's financial position in conformity with Generally Accepted Accounting Principles (GAAP).
- e) Review drafts of all reports and management letter(s) with the Finance Director and other officials as may be appropriate and make necessary clarifications as may be appropriate, before any final publication or notification.
- f) The audit firm is expected to assist the City in obtaining the Certificate of Achievement for Excellence in Financial Reporting awards for their CAFR from the Government Finance Officers Association. This certificate program affirms that the City's financial report not only complies with generally accepted accounting principles and applicable legal requirements, but it is also easy to read, efficiently organized, and conforms to program standards.
- g) Complete the audit and deliver the Audit Report, Opinion Letter and Management Letter to the Finance Director and/or the City Manager annually by November 30.
- h) The auditor may be requested to present the Financial Statement and Management Letter at a City Council meeting or designated committee as requested by the City Manager or Finance Director.

3.2 Public Contract Compliance

A review of the City of Lebanon's public contract practices and procedures shall be performed within the context of the normal scope of the audit.

3.3 Technical Assistance

The City of Lebanon expects to receive from the Contractor a variety of technical assistance throughout the fiscal year as a part of the overall audit contract and included in the proposed fee for the overall audit. This assistance would include answers to accounting, reporting, or internal control questions that could require telephone conversations of ten to fifteen minutes in length. These types of quick assistance shall be rendered

within the context of the overall fee and shall not be charged in addition to the agreed upon fee unless approved in advance as discrete items by separate purchase order.

3.4 Changes of Scope and Additional Work

The Contractor may be requested to perform special projects for the City of Lebanon. Special projects will be agreed upon in advance, contracted for, provided, and billed separately to the City of Lebanon on an hourly basis due to variations in the demand for additional services from year to year. All such work will be defined within a separate purchase order stating the maximum hours and fees. Hourly rates submitted by the Proposer shall be used to ascertain costs of separately contracted services. In the event that audit findings require more intensive and detailed examination in addition to that which would be sufficient under normal circumstances, the Contractor shall provide all pertinent facts relative to the extraordinary circumstances together with the Contractor's estimate of the additional services to the City of Lebanon as required to resolve the issue(s). Any fees relating to such extensions of examination procedures shall be considered as additional fees subject to negotiation and such fees are not included within the scope of services to be performed under the original contract and the scope of work defined herein.

3.5 Management Letter and Other Reports

Reports covering examinations of Financial Statements, compliance with grant programs, and Management Letters shall be a matter of public record following acceptance by the City Council. The audited financial statements may appear in all official statements or other documents as may be applicable.

3.6 Periodic Reports

The Contractor shall provide summary reports and associated information within the boundaries of propriety and confidentiality on all Audit activities, progress, incidents, and occurrences when appropriate and/or as requested from time to time by the City of Lebanon.

3.7 Elective Reports

The Contractor is encouraged to provide reports to the Finance Director in addition to the final audit report and associated formal management letter. Such reports shall be in letter form and should include any findings, observations, opinions, recommendations, options, controls, accounting systems, data processing alternatives, compliance with laws, rules, and regulations, or any other matters related to the provision of audit services and the intent to provide sound financial management that come to the attention of the Contractor during the course of the contract and, in the opinion of the Contractor, warrant the attention of management.

3.7 Irregularities and Illegal Acts

Auditors are required to make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the following parties:

Mayor
City Manager
Finance Director

In the required report(s) on internal controls, the auditor shall communicate any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize, and report financial statement. In addition, the following conditions shall be considered reportable:

- Reportable conditions that are also material weaknesses shall be identified as such in the report
- Non-reportable conditions discovered by the auditors shall be reported in a separate letter to management, which shall be referred to in the report(s) on internal controls

The report on compliance shall include all material instances of noncompliance. All non-material instances of non-compliance shall be reported in a separate management letter, which shall be referred to in the report on compliance

Section 4: Specific Work Requirements

The Contractor shall perform all work in compliance with the following:

- a) Contractor shall perform an annual audit of the City of Lebanon and the Lebanon Urban Renewal Agencies financial statements as of and for the year ending, June 30, 2017.
- b) Those audits shall be on an organization-wide basis in accordance with The Single Audit Act Amendments of 1996 by Independent Auditors.
- c) Those audits shall be conducted in accordance with Generally Accepted Auditing Standards; "Government Auditing Standards" issued by the Comptroller General of the United States, and the State of Oregon "Minimum Standards for Audits of Oregon Municipal Corporations."
- d) Those audits shall report on compliance with laws, regulations, and internal controls. The audits shall be designed to provide reasonable assurance of detecting errors, fraud, illegal acts, and instances of noncompliance with laws and regulations, which have a direct and material effect on the financial statements.
- e) Those audits shall report on compliance with statutory, regulatory, and contractual matters that meet the requirements of the Government Auditing Standards and the requirements of reports on the Organization's internal control structure and controls used in administrating federal program awards that meet the requirements of the Government Auditing Standards.

Section 5: City of Lebanon Requirements

5.1 Audited Financial Statement Availability

A copy of the June 30, 2016, audited financial statements of the City of Lebanon and the Lebanon Urban Renewal Agency will be available after February 8, 2017 Council meeting to all interested Proposers. These documents will available on the City's website at www.ci.lebanon.or.us. Examples of work papers prepared by City staff are available for inspection in the City Finance office (925 Main Street).

5.2 City Staffing

The City of Lebanon has approximately 100 employees, and all accounting functions are centralized at City Hall. The core financial system accounts for all general ledger transactions, fixed assets, and payroll. The CPA firm of Accuity LLC. has been the auditor for the City since 2013. Their most recent report, issued in January 2017, expressed an unqualified opinion on the financial statements for the fiscal year ended June 30, 2016. City accounting staff prepares substantially all account analysis and supporting schedules. Proposers should consider this factor in their estimates of time and fees.

5.3 City Responsibilities and Prerogatives

- a) The Finance Director is the City contract for all the work described herein and shall manage the Audit Services on behalf of the City of Lebanon. This person or designated representative(s) shall be available to the Contractor to provide oversight and administrative direction by phone at (541) 258-4212, or in person during normal business hours, Monday through Friday, 7:00 a.m. - 5:00 p.m.

- b) The City of Lebanon shall provide all information necessary for the completion of all audit functions; City staff will prepare work papers to support analysis of general ledger accounts and other schedules deemed necessary by auditor.
- c) The City of Lebanon shall provide on-site, secure, temporary office space for the period during which the audit field work takes place.

Section 6: Proposer Qualifications - Mandatory

Requirements the Proposer shall meet to qualify for consideration for award of the work are:

- a) The Proposer shall employ accountants properly licensed by the Oregon State Board of Accountancy as Certified Public Accountants and as Municipal Auditors;
- b) The Proposer shall meet the independence standards of the GAO Standards for Audit of Governmental Organizations, Programs, Activities and Functions, most current revision; and
- c) The Proposer shall not have a record of substandard work and will furnish the City of Lebanon with a copy of the most recent Peer Review Report. The City may elect to verify these requirements with the Oregon State Board of Accountancy and other references as desired.
- d) The Proposer shall furnish three (3) Oregon municipal government references within the last three (3) years.
- e) The Proposer shall furnish a minimum list of two (2) CAFR's, prepared by the submitting accounting firm, for an entity that approximates the size and complexity of the City of Lebanon.

Section 7: Instructions to Proposers

7.1 Submittal Requirements

This RFP sets forth the minimum requirements that all Proposals should meet. Failure to submit Proposals in accordance with this RFP may render the Proposal unacceptable or non-responsive. All written communications regarding this RFP should be directed to:

**City of Lebanon
Finance Department
Attn: Dean Baugh
925 Main Street
Lebanon, OR 97355**

7.2 Changes to the Solicitation (Addenda)

The City of Lebanon reserves the right to make changes to the RFP by written addendum, which shall be issued to all prospective Proposers known to the City of Lebanon's to have received the Proposal Document.

A prospective Proposer may request a change in the RFP by submitting a written request to the address set forth in Section 1.1. The request must specify the provision of the RFP in question, and contain an explanation for the requested change.

NOTE: All requests for changes or additional information must be submitted to the City of Lebanon no later than the date set in the RFP Schedule found in Section 2.7.

The City of Lebanon will evaluate any request submitted, but reserves the right to determine whether to accept the requested change. If in the Finance Director's opinion, additional information or interpretation is necessary; such information will be supplied in the form of an Addendum as stated above. Any addenda shall have the same binding effect as though contained in the main body of the RFP. Oral instructions or information concerning the specifications of the project given out by City of Lebanon managers, director's, employees, or agents to the prospective Proposers shall not bind the City of Lebanon.

- a) Addenda will be emailed or delivered to all Interested Proposers known by the City of Lebanon to have received the Proposal Document.
- b) No addenda will be issued later than the date set in the RFP Schedule, except an addendum, if necessary, postponing the date for receipt of Proposals or withdrawing the invitation.
- c) Each Proposer shall ascertain, prior to submitting a Proposal, that the Proposer has received all Addenda issued, and receipt of each Addendum shall be acknowledged in the appropriate location on each Addendum and included with the Proposal.

7.3 Proposal Format

Proposals should be prepared simply and economically, providing a straightforward, concise description of Proposer's capabilities to satisfy the requirements of the RFP. Proposals shall be submitted with the original Proposal signed in ink by an official authorized to represent and bind the proposing firm and shall be marked "original".

7.4 Clarifications

The City of Lebanon reserves the right to obtain clarification of any point in a firm's Proposal or to obtain additional information necessary to properly evaluate a particular Proposal. Failure of a Proposer to respond to such a request for additional information or clarification could result in rejection of that firm's response or responses.

7.5 Confidentiality

All information submitted by Proposers shall be public record and subject to disclosure pursuant to the Oregon Public Records Act, except such portions of the Proposals for which Proposer requests exception from disclosure consistent with Oregon Law. All requests shall be in writing, noting specifically which portion of the Proposal the Proposer requests exception from disclosure. Proposer shall not copyright, or cause to be copyrighted, any portion of any said document submitted to the City of Lebanon as a result of this RFP.

7.6 Cancellation

The City of Lebanon reserves the right to cancel award of this contract at any time before execution of the contract by both parties if cancellation is deemed to be in the City of Lebanon's best interest. In no event shall the City of Lebanon have any liability for the cancellation of award. The Proposer assumes the sole risk and responsibility for all expenses connected with the preparation of its Proposal.

7.7 Late Proposals

All Proposals that are not received by the deadline stated in the RFP Schedule in Section 2.7 will be considered late and will not be returned to the Proposer and will become part of the public records. Delays due to mail and/or delivery handling, including, but not limited to delays within City of Lebanon's internal

distribution systems, do not excuse the Proposer's responsibility for submitting the Proposal to the correct location by the stated deadline.

7.8 Disputes

In case of any doubt or differences of opinions as to the items or service to be furnished hereunder, or the interpretation of the provisions of the RFP, the decision of the City of Lebanon shall be final and binding upon all parties.

7.9 Pre-Contractual Expenses

Costs incurred by any Proposer in the preparation of their response to the RFP are the responsibility of the Proposer and will not be reimbursed by City of Lebanon. Proposers shall not include any such expenses as part of their Proposals.

7.10 Proposer's Representation

Proposers, by the act of submitting their Proposals, represent that:

- a) They have read and understand the Proposal Documents and their Proposal is made in accordance therewith;
- b) They have familiarized themselves with the local conditions under which the work will meet their satisfaction;
- c) Their Proposal is based upon the requirements described in the Proposal Documents without exception (unless exceptions are clearly stated in the response).

7.11 Conditions of Submittal

By the act of submitting a response to this Invitation, the Proposer certifies that:

- a) The Proposer and each person signing on behalf of any Proposer certifies, and in the case of a sole proprietorship, partnership or corporation, each party thereto certifies as to its own organization, under penalty of perjury, that to the best of their knowledge and belief, no elected official, officer, employee, or person, whose salary is payable in whole or in part by the City of Lebanon, has a direct or indirect financial interest in the Proposal, or in the services to which it relates, or in any of the profits thereof **other than as fully described in the Proposer's Transmittal Letter submitted in response to this Invitation.**
- b) The Proposer has examined all parts of the Request for Proposal, including all requirements and contract terms and conditions thereof, and, if its Proposal is accepted, the Proposer shall accept the contract documents thereto unless substantive changes are made in same without the approval of the Proposer.
- c) The Proposer, if an individual, is of lawful age; is the only one interested in this Proposal; and that no person, firm or corporation, other than that named, has any interest in the Proposal, or in the proposed contract.
- d) The Proposer is duly licensed by the Oregon Board of Accountancy as a Certified Public Accountant and Municipal Auditor.

7.12 Interpretation or Correction of Proposal Documents

- a) Proposers shall promptly notify the City of Lebanon of any ambiguity, inconsistency or error, which they may discover upon examination of the Proposal Documents or the site and local conditions.
- b) Proposers requiring clarification or interpretation of the Proposal Documents shall make a written request for same to the City of Lebanon's Finance Director to the submittal address listed in Section 1.1 of the Invitation.
- c) The City of Lebanon shall make interpretations, corrections or changes of the Proposal Documents in writing by published Addenda. Interpretations, corrections or changes of the Proposal Documents made in any other manner will not be binding, and Proposers shall not rely upon such interpretations, corrections, and changes.
- d) Should any doubt or difference of opinion arise between the City of Lebanon and a Proposer as to the items to be furnished hereunder or the interpretation of the provisions of this solicitation, the decision of the City of Lebanon shall be final and binding upon all parties.

7.13 Requests for Additional Information

Requests for information regarding City of Lebanon services, programs, personnel or financial systems, or any other information shall be submitted in writing directly to the Finance Director at the address in the Invitation. All requests for clarification of any part of this solicitation or for additional information shall be submitted in writing on or before ten (10) calendar days prior to the Proposal opening. Answers shall be provided to all Proposers of record on the date that answers are available.

7.14 Competition

Respondents are encouraged to comment, either with their Proposals or at any other time, in writing, on any specification or requirement within this RFP, which the respondent believes, will inordinately limit competition.

7.15 Complaints and Inequities

Any complaints or perceived inequities related to this RFP or award of work referenced herein shall be in writing and directed to the Finance Director at the Proposal submittal address listed in Section 1.1 of the Invitation of this RFP and shall be received not later than the date or time period listed in the RFP Schedule, Section 2.7. Such submittals will be reviewed upon receipt and will be answered in writing.

7.16 Cost of RFP and Associated Responses

This RFP does not commit the City of Lebanon to paying any costs incurred by any Proposer in the submission or presentation of a Proposal, or in making the necessary studies for the preparation thereof. Responses to this solicitation are purely voluntary.

7.17 Right to Clarification and Additional Research

- a) The City of Lebanon reserves the right to obtain clarification of any point in a Proposal or to obtain additional information necessary to properly evaluate a particular Proposal. Failure of a Proposer to respond to such a request for additional information or clarification could result in a finding that the Proposer is non-responsive and consequent rejection of the Proposal.

- b) The City of Lebanon may obtain information from any legal source for clarification of any Proposal or for information on any Proposer. The City of Lebanon need not inform the Proposer of any intent to perform additional research in this respect or of any information thereby received.
- c) The City of Lebanon may perform, at its sole option, investigations of the responsible Proposer. Information may include, but shall not necessarily be limited to credit history, recent financial statements, current litigation, bonding capacity and related history, contracting references, etcetera. All such documents, if requested by the City of Lebanon, become part of the public records and may be disclosed accordingly.

7.18 Quantity of Proposals

Each Proposer shall submit **one original and five identical copies** of its Proposal. Proposals shall be identified on the cover sheet or front page as "Original" or "Copy" as applicable. Only one Proposal set will be considered from each Proposer.

7.19 Rejection of Proposals

The City of Lebanon reserves the right to reject any or all Proposals received as a result of this request. Proposals may be rejected for one or more of the following reasons, including but not limited to:

- a) Failure of the Proposer to adhere to one or more of the provisions established in this RFP.
- b) Failure of the Proposer to submit a Proposal in the format specified herein.
- c) Failure of the Proposer to submit a Proposal within the time requirements established herein.
- d) Failure of the Proposer to adhere to ethical and professional standards before, during, or following the Proposal process.

The City of Lebanon may reject any Proposal not in compliance with all prescribed public procurement procedures and requirements, and may reject for good cause any or all Proposals upon a finding of the City of Lebanon that it is in the public interest to do so.

7.20 Modification or Withdrawal of Proposal

- a) A Proposal may not be modified, withdrawn, or canceled by the Proposer for 60 (sixty) calendar days following the time and date designated for the receipt of Proposals.
- b) Prior to the time and date designated for receipt of Proposals, Proposals submitted early may be modified or withdrawn only by notice to the City of Lebanon Finance Director, at the Proposal submittal location, prior to the time designated for receipt of Proposals. Such notice shall be in writing over the signature of the Proposer. All such communications shall be so worded as not to reveal the amount of the original Proposal or any other material contents of the original Proposal.
- c) Withdrawn Proposals may be resubmitted up to the time designated for the receipt of Proposals provided that they are then fully in conformance with these Instructions to Proposers.

7.21 Proposal Ownership

- a) All Proposals submitted become and remain the property of the City of Lebanon and, as such, are considered public information and subject to public disclosure within the context of the federal Freedom of Information Act and Oregon Revised Statutes (ORS) 192.501 and ORS 192.502, public records exempt from disclosure.

- b) Unless certain pages or specific information are specifically marked "proprietary" and qualify as such within the context of the regulations stated in the preceding paragraph, the City of Lebanon shall make available to any person requesting information through the City of Lebanon's processes for disclosure of public records, any and all information submitted as a result of this solicitation without obtaining permission from any Proposer to do so.

7.22 Prevailing Opinion

Should any doubt or difference of opinion arise between the City of Lebanon and a Proposer as to the items to be furnished hereunder or the interpretation of the provisions of this RFP, the decision of the City of Lebanon shall be final and binding upon all parties.

7.23 Only Whole Dollars Considered

Throughout the Proposal analysis only *whole dollar amounts* shall be considered. Where Proposal amounts show fractions of dollars, i.e., pennies, the fractional amount shall be disregarded without rounding. Any ranking involving fees and/or costs shall be based upon the truncated whole dollar amount; that is, upon that portion to the left of the decimal point only, as presented by the Proposer.

Section 8: Evaluation Process

8.1 Basic Factors for Consideration

During the technical evaluation of the Proposals the primary factors which will be considered, include (but are not limited to):

- a) A clear understanding of the work to be performed, demonstrated by the comprehensiveness and appropriateness of the Proposal;
- b) The Proposer's ability to undertake a contract of the size indicated and to complete the work in a timely manner, demonstrated by the size and organizational structure of the Proposer;
- c) Specific technical experience of the Proposer and specific prior audit experience in a governmental environment;
- d) Staff qualifications, demonstrated through resumes and descriptions provided as specified within this RFP;
- e) Proposed fees and estimated hours as extrapolated to represent an approximate total cost to the City of all audit activities;
- f) As a policy, the City of Lebanon does not pay travel expenses. Costs for those expenses should be included in the overall proposed audit cost.

8.2 Scoring

Scoring shall be completed using an Analysis Sheet as rated by each member of the Evaluation Team. When the Analysis Sheet is complete, all scores for each Proposer shall be added together to arrive at a final score for each Proposer. Proposals will then be ranked in descending order by the total Proposal score.

The City is seeking technical value from the audit and total cost will not be the deciding factor. While cost is important to the overall evaluation process, the technical experience of the entire team including time spent by the Senior Auditor, will be assigned a higher weighted value.

The basis for scoring the Analysis Sheet will be:

50%	Technical skills, including but not limited to the evaluation of the resumes of audit staff, and estimated total hours of each individual on the team, including supervisory management of the team, along with the total audit hours
15%	Quality of the references of three (3) Oregon governmental clients within the last three (3) years
<u>35%</u>	Cost to total project
100%	Total

8.3 Interviews

Interviews may be held at the sole discretion of the City. If held, a possible 50 points will be attributed to interviews, the interview scores will be added to the paper scores, and the list re-ordered. Then, final negotiations shall be conducted with the top-ranked Proposer.

8.4 Ranking of Proposals

- a) Proposals shall be ranked by the Evaluation Committee based on evaluation of responses and oral interviews (if any), with the first-ranked Proposer being that Proposer which is deemed to be the most appropriate and fully able to perform the services, and the second-ranked Proposer being the next most appropriate, etc., all in the sole judgment of the Evaluation Committee team.
- b) Respondents will be ranked in the format of an Analysis Sheet. Any Proposer's response to this RFP shall be considered de facto permission to the City of Lebanon to disclose the Analysis Sheet, when completed, to selected viewers at the sole discretion of the City of Lebanon.
- c) The Evaluation Committee will then submit its ranked list to the Lebanon City Manager. If approved: a recommendation will be submitted to the City Council, the top-ranked Proposer usually being awarded the contract. If, for any reason, the top-ranked Proposer is unacceptable to the City Manager or the City Council, the remaining Proposers will be considered in the order of their ranking and the process will be repeated until a Proposer acceptable to the City is identified.

8.5 Award Process

This entire Request for Proposal, the Proposer's response and any clarifications, addenda or additions which may evolve during the process of invitation, analysis, and selection will be incorporated into the contract documents.

8.6 Contract Management

By delegation from the Lebanon City Council through the City Manager, the Finance Director is the Contract Manager for all the work described herein and shall manage the Audit Services on behalf of the City.

Section 9: Proposal Requirements

9.1 General Proposal Requirements

The following information shall be submitted by the Proposer and analyzed by the City in accordance with the evaluation rules set forth in Section 8. During the analysis phase, submittals may be separated in order to provide copies for distribution.

Clearly identify each page of each submittal and its membership in a particular group or section. Pages that are not clearly identified may not be replaced correctly. Do not bind any papers together - they may be separated for copying; this applies to the original and to the five (5) required copies to be submitted.

9.2 Mandatory Submittals

In order to be fully Responsive to this solicitation, the Proposer shall submit, at a minimum, the following items listed in Attachment A, Proposal Form. Please begin each section on a new page.

9.3 Specific Proposal Requirements

The following information shall be submitted by the Proposer and analyzed by the City of Lebanon in accordance with the evaluation process rules defined in Section 8:

a) Cover Sheet

This sheet shall contain the Proposal Title, Financial Audit Services, the Proposer's name, and the date the Proposal was submitted.

b) Notice of Intent to Propose

A copy of the original Notice of Intent to Propose should be submitted with the Proposal. The original should be submitted **no later than the date set in the RFP Schedule found in Section 2.7** to the City of Lebanon at the address listed in Section 1.1. The Notice of Intent to Propose is included in the Solicitation Document as Attachment C.

c) Proposal Form

Submit the Proposal Form (Attachment A) as a check sheet, signed, and complete in every respect. The information requested in the Proposal Form shall be fully addressed in your response and the letters "N/A" shall be used to respond to areas that are not applicable to the Proposer. Proposers who do not submit Attachment A, or who submit incomplete responses to the information requested in the Proposal Form, shall be ruled non-responsive and, hence, will not be considered for inclusion in the pool for any work.

d) Transmittal Letter

The Transmittal Letter shall be not more than two (2) pages long and shall address the Proposer's understanding of the objective of the services to be provided. The Transmittal Letter shall list the names of persons authorized to represent the Proposer, their titles, addresses and telephone numbers (if different from the individual who signs the Transmittal Letter and/or the Proposal Form). Any conflicts of interest or negative disclosures that are relevant and necessary to be addressed shall be included in this letter. Identify any associated firms or sub-consultants, including qualifications of individuals who may be involved in the performance of the project(s) who/which may be subcontracted and are not specifically identified within the requests directly below. Additionally, the letter shall include:

- 1) A brief statement of the Proposer's understanding of the objective of the audit and the Audit Services to be performed; and
- 2) A positive commitment to perform the services within the time period specified, starting and completing the audit within the timelines given in this RFP; and
- 3) The names of persons authorized to represent the Proposer, their titles, addresses and telephone numbers (if different from the individual who signs the Transmittal Letter); and
- 4) Information required within the context of the solicitation such as any ownership conflict, which must be declared, termination conditions, and a short narrative on any disciplinary action to which the Proposer has been subjected.

e) Summary of Proposer's Qualifications

State, in general terms, the Proposer's qualifications to perform the work described herein. Identify the audit managers, field supervisors, and other staff who will work on the audit, including staff from other than the local office. Provide brief resumes describing auditing experience for Oregon Municipal Corporations, and federal, state, and Foundation grants and loans. Please provide relevant continuing education within the past three (3) years for the Contractor-in-charge up through the individual with final responsibility for the engagement. Indicate all applicable Oregon Municipal Auditor roster numbers.

f) Administrative Capabilities

Describe the range of activities performed by the Proposer's office, such as auditing, accounting, tax service, or management services.

g) Similar Experiences & References

Describe recent local and regional office auditing experience similar to the type of work requested. For three (3) of the governmental audits within the last three (3) years, provide the name, title, and telephone number of the client official responsible for the audit.

h) General Approach to Examination

Submit a conceptual plan to accomplish the Scope of Work as defined in this RFP in Section 3. The planned use of specialists (if any) should also be described, as well as the general qualifications of all staff of the engagement. The conceptual plan should completely cover what audit work will be accomplished to allow the Contractor to issue:

- 1) An Opinion Report on the financial statements;
- 2) A report on the study and evaluation of internal control systems; and

- 3) A report on the City of Lebanon's internal control systems to assure compliance and assure whether or not the City of Lebanon has complied with laws and regulations that may have an effect on every federal and state assistance program.

i) Contribution Expectations

Indicate the extent to which City of Lebanon personnel would be expected to contribute to the audit work effort.

j) Schedule of Reports

Demonstrate Proposer's ability to meet the reporting requirements of the City of Lebanon and its component units by providing a schedule which lists the various reports and their applicable due dates.

k) Fee Proposal

Proposer shall list the proposed total hours and dollar amounts, for each of the categories listed in the Fee Proposal. The City of Lebanon does not pay segregated travel expenses.

Submit the Fee Proposal form, Attachment B, in a sealed envelope within the RFP Solicitation package.

l) Attachments and Addendums

All Attachments and Addendums of this RFP shall be submitted as part of the Proposal. Receipt of each Addendum shall be acknowledged by the Proposer by signing in the appropriate designated location and including this document with the Proposal. Each Proposer shall ascertain, prior to submitting a Proposal, that the Proposer has received all Addenda issued by the City of Lebanon.

9.4 Page Identification

Please be sure to identify each page of each submittal with the Proposer's name.

Attachment A: Proposal Form

Submittal Pages:

- a) Cover Sheet
- b) Notice of Intent to Propose
- c) Proposal Form
- d) Transmittal Letter
- e) Summary of Qualifications
- f) Administrative Capabilities
- g) Similar Experiences & References
- h) General Approach to Examination
- i) Contribution Expectations
- i) Schedule of Reports
- k) Fee Proposal – sealed envelope
- l) Attachments & Addendums

Proposer Information:

- a) Federal ID Number (or Social Security Number if not a corporation)
- b) If a corporation, list the date, state, and type of incorporation.
- c) How long has the Proposer been in business? Under what name(s)?
- d) Who is the Proposer a subsidiary of or is wholly-owned by?
- e) Proposer is configured as: a/an Individual (Sole Proprietorship), Partnership, Corporation, Joint Venture, or Other (describe)
- f) Has the Proposer or any of its members ever had a license or permit revoked or suspended, or sustained any form of bankruptcy including receivership during the last ten (10) years? If yes, describe action and outcome. Use attached sheets as necessary.
- g) Has the Proposer, or any of its current associates, members, partners, been involved in any lawsuits or mediations or arbitrations (including those which may be presently pending), either as plaintiff or defendant, during the period of January 1, 2006 to the present?
- h) List the number of professional CPA staff by level employed in the local office and indicate the number of staff on the Oregon Municipal Auditor's Roster.
- i) Has the Proposer received a positive Peer Review within the past three (3) years? If yes, describe. If not, please provide copies of the Peer Review Report.

Signer's Name and Title (Printed): _____

Proposer's Firm Name: _____

Signature: _____

Date: _____

Attachment B: Fee Proposal

Fee Proposal

The undersigned hereby proposes and, if selected, agrees to furnish all services in accordance with the Request for Proposal identified as "Financial Audit Services" for the sums shown immediately below and in associated attachments. Proposer shall provide the following for each of the four fiscal years 2017 through 2020:

Audit Services	Total Staff Hours	Total Dollars
a) General Audit of City of Lebanon's Annual Financial Report (including preparation of the Financial Statements and related management letter) as specified;	_____	_____
b) Urban Renewal Agency audit, as specified;	_____	_____
d) Totals	_____	_____

Additional Local Office Services

Provide current hourly rates for the staff listed below. These rates will be used for negotiation of specific assignments not included within the scope of this RFP, which will, as described herein, be awarded as separate orders.

Staff Member Billable Hourly Rate

- a) General Partners (CPA) _____ / hour
- b) Managers (CPA) _____ / hour
- c) Senior Staff (CPA) _____ / hour
- d) Junior Staff (CPA) _____ / hour
- e) Junior Staff (Non-CPA) _____ / hour
- f) Clerks & Typists (Non-CPA) _____ / hour
- g) Other (describe) _____ / hour
- h) Other (describe) _____ / hour

Certifications

Non-Collusion

The undersigned Proposer hereby certifies that it, its officers, partners, owners, providers, representatives, employees and parties in interest, including the affiant, has not in any way colluded, conspired, connived or agreed, directly or indirectly, with any other Proposer, potential Proposer, firm or person, in connection with this solicitation, to submit a collusive or sham bid, to refrain from bidding, to manipulate or ascertain the price(s) of other Proposers or potential Proposers, or to secure through any unlawful act an advantage over other Proposers or the City. The fees and prices submitted herein have been arrived at in an entirely independent and lawful manner by the Proposer without consultation with other Proposers or potential Proposers or foreknowledge of the prices to be submitted in response to this solicitation by other Proposers or potential Proposers on the part of the Proposer, its officers, partners, owners, providers, representatives, employees or parties in interest, including the affiant.

Conflict of Interest

The undersigned Proposer and each person signing on behalf of the Proposer certifies, and in the case of a sole proprietorship, partnership, or corporation, each party thereto certifies as to its own organization, under penalty of perjury, that to the best of their knowledge and belief, no member of the City Council, officer, employee, or person, whose salary is payable in whole or in part by the City, has a direct or indirect financial interest in the award of this Proposal, or in the services to which this Proposal relates, or in any of the profits, real or potential, thereof, except as noted otherwise herein. The undersigned hereby submits this Proposal to furnish all work, services systems, materials, and labor as indicated herein and agrees to be bound by the following documents: Request for Proposal, Professional Services Contract, and associated inclusions and references, specifications, Proposal Form, Proposer’s response, mutually agreed clarifications, appropriately priced change orders, exceptions which are acceptable to the City, and all other Proposer’s submittals.

Signature Block

The Proposer hereby certifies that the information contained in these certifications and representations is accurate, complete, and current.

Proposer’s Firm Name:

Proposer’s Mailing Address, City, State, Zip

Proposer’s Telephone Number

Proposer’s Facsimile Number

Signer’s Email Address

Signer’s Name (Printed)

Signer’s Title

Signature

Date

Attachment C: Notice of Intent to Propose

Date _____

City of Lebanon
Finance Department
Attn: Dean Baugh
925 Main Street
Lebanon, OR 97355

CITY OF LEBANON RFP – FINANCIAL AUDIT SERVICES

This letter serves to notify the City of Lebanon that *[Proposer's company name]* intends to submit a Proposal in response to the above identified Request for Proposals and should be considered by the City of Lebanon as an interested Proposer.

Sincerely,

[Signer's name]
[Proposer's company name]
[Proposer's mailing address]

[Signer's e-mail]
[Signer's phone number]

Attachment D: Personal Services Contract

This contract for services is entered into by and between the City of Lebanon, herein after called the City, and _____, hereinafter called the Contractor. Whereas the City has need for the professional services of an individual or firm with the particular training, skills, ability, knowledge, and experience possessed by the Contractor, now therefore, the Contractor agrees to provide these services beginning _____, 20____, (“Effective date”) through _____, 20____.

The Contractor agrees to provide the personal services as outlined in the attached Exhibits, and in performing these services it is understood and agreed that these services are subject to the following:

1. **TIME IS OF THE ESSENCE** - Time is of the essence in the performance of this Contract. The Contractor’s failure to perform services on time shall be a material breach of this contract. If the Contractor fails to perform services on time, the City, at its discretion, may procure those services, to the extent not already performed by the Contractor, from another source. If the price paid by the City, for services procured from another source under this Paragraph is higher than the price paid under this contract, the City, may, deduct that difference from any amount the City owes the Contractor at the time of termination as a setoff as provided in Paragraph 14(c) herein.

2. **INDEPENDENT CONTRACTOR STATUS** – The Contractor is an independent contractor, and neither the Contractor, the Contractor’s subcontractors, nor the Contractor’s employees are employees, officers, or agents of the City. The Contractor is responsible for all federal, state, and local taxes and fees applicable to payments for services under this Contract. Although the City, reserves the right to determine (and modify) the delivery schedule for the Work to be performed, and to evaluate the quality of the completed performance, the Contractor shall be free from the City’s direction and control over the means and manner of providing the labor or service. The Contractor is responsible for obtaining all assumed business registrations or professional occupation licenses required by state or local law. The Contractor shall provide and pay for all labor, materials, equipment, utilities and other goods or services necessary for full contract performance, unless this contract specifically provides otherwise.

3. **SUBCONTRACTORS, ASSIGNMENT; SUCCESSORS-IN-INTEREST** - Except as specifically authorized in the contract documents, the Contractor shall not make any subcontract with any other party for furnishing any of the work and services contemplated under this contract or assign or transfer any interest in this Contract, without obtaining the express prior written consent of the City. In any case, this contract shall be binding upon and shall inure to the benefit of the parties hereto, and their respective successors and assigns, if any.

4. **NO THIRD PARTY BENEFICIARIES** – The City and the Contractor are the only parties to this Contract and are the only parties entitled to enforce its terms. Nothing in this Contract gives, is intended to give, or shall be construed to give or provide, any benefit or right, whether directly or indirectly or otherwise, to third persons.

5. **RECORDKEEPING; ACCESS TO RECORDS** – The Contractor shall maintain all fiscal records relating to this Contract in accordance with Generally Accepted Accounting Principles. In addition, the Contractor shall maintain any other records pertinent to this Contract in such a manner as to clearly document the Contractor’s performance hereunder. All such fiscal records, books, documents, papers, plans, and writings shall be retained by the Contractor and kept accessible for a minimum of three (3) years, except as required longer by law, following final payment and termination of this Contract, or until the conclusion of any audit, controversy, or litigation arising out of or related to this Contract, whichever date is later.

The Contractor agrees that the City, and its authorized representatives shall have access to all books, documents, papers, and records of the Contractor that are directly related to the Contract for the purpose of making any audit adjustments, examination, copies, excerpts, and transcripts.

6. **KEY PERSONNEL** – The Contractor acknowledges and agrees that the City selected the Contractor and is entering into this Contract because of the special qualifications of the Contractor’s key personnel. In particular, through this Contract, the City, is engaging the expertise, experience, judgment, and personal attention of _____ (“key personnel”). The Contractor shall not reassign or transfer the key personnel to other duties or positions, such that the key personnel [ARE/IS] no longer available to provide the City, with [HIS/HER/THEIR] expertise, experience, judgment, and personal attention, without first obtaining the City’s prior written consent to such reassignment or transfer. In the event the Contractor requests that the City approve a reassignment or transfer of the key personnel, the City shall have the right to interview, review the qualifications of, and approve, or disapprove the proposed replacement(s).

7. **NONDISCLOSURE** – The Contractor agrees not to divulge to third parties, without the written consent of the City, any information obtained from or through the City in connection with the performance of this contract unless:

- a) The information is known to the Contractor prior to obtaining the same from the City;
- b) The information is, at the time of disclosure by the Contractor, then in the public domain; or
- c) The information is obtained by the Contractor from a third party who did not receive same, directly or indirectly from the City. The Contractor further agrees not to disclose to any third party any information developed or obtained by the City in the performance of this contract, without the written consent of the City, except to the extent that such information falls within one of the categories described in (a), (b), (c), above.

8. **OWNERSHIP OF WORK PRODUCT** - All work product of the Contractor that results from this Contract (“the work product”) is the exclusive property of the City. If, for any reason, the work product is not deemed “work made for hire”, the Contractor hereby irrevocably assigns to the City all of the Contractor’s right, title, and interest in and to any and all of the work product, whether arising from copyright, patent, trademark, trade secret, or any other state or federal intellectual property law or doctrine. The Contractor shall execute such further documents and instruments as the City may reasonably request, in order to fully vest such rights in the City. The Contractor forever waives any and all rights relating to the work product, including without limitation, any and all rights arising under 17 USC Section 106A, or any other rights of identification of authorship or rights of approval, restriction, or limitation on use or subsequent modifications.

9. **FOREIGN CONTRACTOR** – If the Contractor is not domiciled in, or registered to do business in the State of Oregon, the Contractor shall promptly provide to the Oregon Department of Revenue and the Oregon Corporation Division all information required by those agencies relative to this Contract.

10. **COMPENSATION** – The City shall pay to the Contractor the total amount of compensation under this Contract which shall not exceed a total amount of \$_____, for work performed under this Contract after the effective date as set out above. The payment shall be full compensation for work performed and for services rendered. This fee is based on actual time incurred for services provided.

11. **REIMBURSABLE EXPENSES** – Reimbursable expenses will not be allowed by the City and reasonable costs should be included in the total budget for the audit.

12. **TIME OF PAYMENT** – The Contractor will, within ten (10) calendar days after the end of each month, submit a statement to the City describing the services performed by the Contractor during that month and the portion of the fee which is payable with respect to those services. The City will pay each statement within thirty (30) days after receipt, except that the final statement will not be payable by the City until thirty (30) days after the City's acceptance of the final product.

13. **TERMINATION FOR CONVENIENCE** - This Contract may be terminated as follows:

- a) This Contract may be terminated by mutual consent of both parties at any time.
- b) The City in its sole discretion may terminate this Contract for any reason upon thirty (30) days written notice to the Contractor.
- c) Either the City or the Contractor may terminate this Contract in the event of a breach of the Contract by the other. Prior to such termination the party seeking termination shall give to the other party written notice of the breach and intent to terminate. If the party committing the breach has not entirely cured the breach within fifteen (15) days of the date of notice, then the party giving the notice may terminate the Contract at any time thereafter by giving a written notice of termination.
- d) Notwithstanding Paragraph 13(c), the City may terminate this Contract immediately by written notice to the Contractor upon denial, suspension, revocation, or non-renewal of any license, permit, or certificate that the Contractor must hold to provide services under this Contract.

14. **PAYMENT ON EARLY TERMINATION** - Upon termination pursuant to Paragraph 13, payment shall be made as follows:

- a) If terminated under Paragraph 13(a) or 13(b) for the convenience of the City, the City shall pay the Contractor for work performed prior to the termination date if such work was performed in accordance with the contract. The City shall not be liable for direct, indirect, or consequential damages. Termination shall not result in a waiver of any other claim the City may have against the Contractor.
- b) If terminated under Paragraph 13(c) by the Contractor due to a breach by the City, then the City shall pay the Contractor for work performed prior to the termination date if such work was performed in accordance with the contract.
- c) If terminated under Paragraph 13(c) or 13(d) by the City due to a breach by the Contractor, then the City shall pay the Contractor for work performed prior to the termination date provided such work was performed in accordance with the Contract less any setoff to which the City is entitled.

15. **REMEDIES** - In the event of breach of this Contract the parties shall have the following remedies:

- a) If terminated under Paragraph 13(c) by the City due to a breach by the Contractor, the City may complete the work by agreement with another Contractor.
- b) In addition to the remedies in Paragraphs 13 and 14 for a breach by the Contractor, the City also shall be entitled to any other equitable and legal remedies that are available.

- c) If the City breaches this Contract, the Contractor's remedy shall be limited to termination of the contract and receipt of contract payments to which the Contractor is entitled.

16. **NOTICE** – Except as otherwise expressly provided in this Contract, any communications between the parties hereto or notices to be given hereunder shall be given in writing, by personal delivery, email, facsimile, or mailing, postage prepaid, to the Contractor or the City at the address or number set forth on the signature page of this Contract, or to such other addresses or numbers as either party may hereafter indicate pursuant to this paragraph. Any communication or notice so addressed and mailed shall be deemed to be given five (5) days after mailing. Any communication or notice given by facsimile shall be deemed to be given when receipt of the transmission is generated by the transmitting machine. To be effective against the City, such facsimile transmission must be confirmed by telephone notice to the City Manager or Finance Director. Any communication or notice by personal delivery shall be deemed to be given when actually delivered.

17. **RECYCLABLE MATERIALS** – The Contractor shall use recyclable products to the maximum extent economically feasible in the performance of this Contract.

18. **ERRORS** – The Contractor shall perform such additional work as may be necessary to correct errors in the work required under this Contract without undue delays and without additional cost to the City.

19. **NON-DISCRIMINATION** – The Contractor agrees to comply with all applicable requirements of federal, state, and local civil rights and rehabilitation statutes and ordinances, including, but not limited to, Title VI of the Civil Rights Act of 1964 related to non-discrimination in housing, the Fair Housing Act, the Age Discrimination Act, the Americans with Disabilities Act, and Section 504 of the Rehabilitation Act of 1973. The Contractor shall not discriminate based on race, religion, color, sex, marital status, familial status, national origin, age, mental or physical disability, sexual orientation, source of income, or political affiliation in programs, activities, services, benefits, or employment. The Contractor shall not discriminate against minority-owned, women-owned, or emerging small businesses.

20. **ADHERENCE TO LAW** – The Contractor shall comply with all federal, state, and local laws and ordinances applicable to the work to be done under this Contract, and all regulations and administrative rules established pursuant to those laws, including, without limitation, the following paragraphs. Failure to comply with this Section shall be a breach of this Contract.

- a) The Contractor shall make payment promptly, as due, to all persons supplying the Contractor labor or material for work under this Contract; pay all contributions or amount due the Industrial Accident Fund from the Contractor or any subcontractor incurred in the performance of the Contract; not permit any lien or claim to be filed or prosecuted against the state, county, school district, municipality, municipal corporation, or subdivision thereof, on account of any labor or material furnished; and pay to the Department of Revenue all sums withheld from employees pursuant to ORS 316.167 and ORS 279B.220.
- b) The Contractor shall promptly, as due, make payments to any person, co-partnership, association, or corporation furnishing medical, surgical, and hospital care or other needed care and attention incident to sickness or injury to the employees of such Contractor, of all sums which the Contractor agrees to pay for such services and all moneys and sums which the Contractor collected or deducted from the wages of the employees pursuant to any law, contract, or agreement for the purpose of providing or paying for such services. All employers working under this Contract are either employers that will comply with ORS 656.017 or employers that are exempt under ORS 656.126 or ORS 279B.230.

- c) The Contractor shall pay employees for overtime work performed under this Contract in accordance with ORS 653.010 to 653.261 and the Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.) and stated in ORS 279B.235.

21. WORKERS' COMPENSATION INSURANCE -

- a) The Contractor shall maintain current workers' compensation insurance coverage for all non-exempt workers, employed by the Contractor in the performance of the work, either as a carrier or insured employer as provided in Chapter 656 of Oregon Revised Statutes.
- b) If the Contractor has no employees and will perform the work without the assistance of others, a certificate to that effect may be attached in lieu of the certificate showing current workers' compensation insurance coverage as described in Paragraph 21(a) directly above.
- c) If the Contractor's workers' compensation insurance coverage is due to expire before completion of the work, the Contractor will renew or replace such insurance coverage and provide the City of Lebanon with a certificate of insurance coverage showing compliance with this section prior to such expiration.

22. INDEMNIFICATION -

- a) The Contractor hereby releases and shall indemnify, defend, and hold harmless the City, its subsidiaries, affiliates, officers, agents, employees, successors, assigns, and authorized representatives, of all of the foregoing from and against all suits, actions, legal or administrative proceedings, claims, demands, damages, liabilities, interest, attorney fees, costs, and expenses of any kind or nature, whether arising before or after completion of the work hereunder, and in any manner directly or indirectly caused, occasioned, or contributed to in whole or in part, or claimed to be caused, occasioned, or contributed to in whole or in part, by reason of any act, omission, fault, or negligence of the Contractor, the Contractor's subcontractor, or of anyone acting under the Contractor's direction or control or on the Contractor's behalf in connection with or incidental to the performance of this contract. The City shall be indemnified and held harmless to the fullest extent permitted by law. If any portion of this indemnity clause is invalid or unenforceable, it shall be deemed excised and the remaining portions of the clause shall be given full force and effect.
- b) The Contractor hereby agrees to require all its subcontractors or anyone acting under its direction or control or on its behalf in connection with or incidental to the performance of this contract to execute an indemnity clause identical to the preceding clause, specifically naming the City as indemnitee.

23. INSURANCE – The Contractor shall procure and maintain for the duration of the contract, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, its agents, representatives, or employees. There shall be no cancellation, material change, potential exhaustion of aggregate limits, or intent not to renew insurance coverage(s) without providing thirty (30) days' written notice from the Contractor or its Insurer(s) to the City. The Contractor shall commence no work under this Contract until all insurance requirements have been met. Evidence of insurance coverage(s) shall be provided. If any of the referenced insurance is due to expire before the completion of the work, the Contractor will renew or replace such insurance coverage and provide the City with a certificate of insurance coverage showing compliance with this provision prior to such expiration. Failure of the City to demand insurance certificates or other evidence of full compliance with these insurance requirements, or failure of the City to identify a deficiency from evidence that is provided, shall not be construed as a waiver of the Contractor's obligation to maintain such insurance.

24. **MINIMUM LIMITS OF INSURANCE** – The Contractor shall maintain limits no less than:

- a) General Liability: \$1,000,000 per occurrence for Bodily Injury, Personal Injury, and Property Damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this contract or the general aggregate limit shall be twice the required occurrence limit.
- b) Automobile Liability: \$1,000,000 per accident for Bodily Injury and Property Damage.
- c) Workers' Compensation (statutory) and Employer's Liability: \$1,000,000 per accident for Bodily Injury or Disease.
- d) Professional Errors and Omissions Liability insurance: \$1,000,000 per occurrence.

25. **DEDUCTIBLES AND SELF-INSURED RETENTIONS** - Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of the City, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its officers, officials, employees, and volunteers; or the Contractor shall provide a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

26. **OTHER INSURANCE PROVISIONS** - The General Liability and Automobile Liability policies are to contain, or be endorsed to contain, the following provisions:

- a) The Authority, its officers, officials, employees, and volunteers are to be covered as additional insured with respect to liability arising out of work or operations performed by or on behalf of the Contractor; or automobiles owned, leased, hired, or borrowed by the Contractor.
- b) The Contractor's insurance coverage shall be primary insurance as respects the City, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, or volunteers shall be excess of the Contractor's insurance.
- c) Each insurance policy required by these specifications shall be endorsed to state that coverage shall not be cancelled or materially changed, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City.
- d) Maintenance of the proper insurance for the duration of the contract is a material element of the contract. Material changes in the required coverage or cancellation of the coverage shall constitute a material breach of the contract by the Contractor.

27. **ACCEPTABILITY OF INSURERS** - Insurance is to be placed with insurers with a current A.M. Best rating of no less than B+: VI. Contractors must provide written verification of their insurer's rating.

28. **VERIFICATION OF COVERAGE** - Contractor shall furnish the City with original certificates and amendatory endorsements effecting coverage required by these specifications. The endorsements should conform fully to the requirements. All certificates and endorsements are to be received and approved by the City in sufficient time before the agreement commences to permit Contractor to remedy any deficiencies. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications at any time.

29. **SUB-CONTRACTORS** - Use of sub-contractors must be pre-approved by the City. Consultant shall include all sub-contractors as insureds under its policies or shall furnish separate insurance certificates and endorsements for each subcontractor in a manner and in such time as to permit the City to approve them before sub-contractors' work begins. All coverages for sub-contractors shall be subject to all of the requirements stated above. Notwithstanding this provision, Contractor shall indemnify the City for any claims resulting from the performance or non-performance of the Contractor's sub-contractors and/or their failure to be properly insured.

30. **CONTRACT RENEWAL** – The City shall have the option to renew this contract for two (2) additional one (1) year period(s) by notice in writing, mailed or delivered to the Contractor not less than thirty (30) days prior to contract anniversary. All contract terms shall apply during any renewal period. The first contract anniversary shall be one (1) year from the effective date of this contract.

31. **COOPERATIVE PURCHASING** - Pursuant to ORS 279A.215, and as noted in Section 2.9 Intergovernmental Cooperative Purchasing of the Financial Audit Services RFP, other governmental agencies, bodies, or districts may use the Financial Audit Services Agreement resulting from this Proposal. The condition of such use by other agencies is that any such Agency must make and pursue contact, purchase order, delivery arrangements, and all contractual remedies directly with the successful Contractor. The City of Lebanon accepts no responsibility for performance by either the successful Contractor or such other Agency using this agreement. With such condition, the City of Lebanon consents to such use by any other Public Agency.

32. **PROHIBITED INTERESTS**

- a) No City Board member, officer, employee, or agent shall have any direct or indirect interest in this contract or its proceeds during, or within one (1) year after, that person's tenure with the City, except to the extent such interest is permitted and disclosed as may be required under applicable law and City policy.
- b) No City Council member, officer, employee, or agent shall solicit or accept, and the Contractor shall not offer or give to any City Council member, officer, employee, or agent, any gratuities, favors, or anything of monetary value, in connection with the administration of this contract, except to the extent permitted by applicable law and Council policy.
- c) No member of, or delegate to, the Congress of the United States shall be admitted to a share or part of this contract or to any benefit arising there from.

33. **SEVERABILITY** - If any provision of this Contract is found to be illegal or unenforceable, this Contract nevertheless shall remain in full force and the provision shall be stricken.

34. **WAIVER** – The failure of the City to enforce any provision of this Contract shall not constitute a waiver by the City of Lebanon of that or any other provision.

35. **GOVERNING LAW** - This contract is entered into within the State of Oregon, and the law of said state, whether substantive or procedural, shall apply to this contract. Any litigation between the City and the Contractor arising under this Contract or out of work performed under this Contract, shall occur, if in the state courts, in the Linn County Court having jurisdiction thereof, and if in the federal courts, in the United States District Court for the District of Oregon.

36. **ENTIRE AGREEMENT** - This Contract, including all Exhibits attached hereto, sets forth the entire agreement between the parties and replaces or supersedes all prior discussions and agreements between the parties related to the same subject matter. The parties agree that any modification whatsoever to this Contract must be mutual and in writing and signed by individuals authorized to bind each of the parties contractually. Such modification, if made, shall be effective only in the specific instance and for the specific purpose given IN WITNESS WHEREOF, the City and the Contractor have executed this Contract as of the date and year first written above.

CONTRACTOR DATA AND SIGNATURE

Contractor's Name and Title: _____

Contractor's Firm Name: _____

Contractor's Address: _____

Contractor's Telephone: _____

Contractor's Fax: _____

Business Designation (check one):

- Corporation Partnership Limited Partnership Limited Liability Company
- Limited Liability Partnership Sole Proprietorship Other _____

Federal Tax ID#: _____ - _____ or SSN#: _____ - _____ - _____

Federal Tax ID numbers or Social Security numbers are required pursuant to ORS 305.385 and will be used for the administration of state, federal, and local laws. Payment information will be reported to the Internal Revenue Service under the name and Federal Tax ID number, if none, the Social Security number provided above.

Certification

The individual signing on behalf of the Contractor hereby certifies and swears under penalty of perjury:

- a) The number shown on this form is the Contractor’s correct taxpayer identification;
- b) The Contractor is not subject to backup withholding because:
 - i) The Contractor is exempt from backup withholding;
 - ii) The Contractor has not been notified by the IRS that the Contractor is subject to backup withholding as a result of a failure to report all interest or dividends; or
 - iii) The IRS has notified the Contractor that the Contractor is no longer subject to backup withholding
- c) That she/he is authorized to act on behalf of the Contractor, she/he has authority and knowledge regarding the Contractor’s payment of taxes, and to the best of her/his knowledge, the Contractor is not in violation of any Oregon tax laws;
- d) The Contractor is an independent contractor as defined in ORS 670.600; and
- e) The above Contractor data is true and accurate.

I have read this Contract including the attached Exhibits. I understand the Contract and agree to be bound by its terms.

Contractor

Contractor’s Signature and Title

Contractor’s Name (please print)

Date

Contractor’s Business Name

City of Lebanon

Signature and Title

Name (please print)

Date