



City of Rockville
Rockville, Maryland

**REQUEST FOR PROPOSAL 19-17
INDEPENDENT AUDIT SERVICES AND HOTEL TAX AGREED UPON
PROCEDURES**

Proposals Due by 2:00 P.M., FRIDAY, JANUARY 27, 2017

ISSUED BY:

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Director of Procurement
Procurement Division
City of Rockville, City Hall
111 Maryland Avenue
Rockville, Maryland 20850
Phone: (240) 314-8430
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Any individual with a disability who would like to receive the information in this publication in another form may contact the ADA Coordinator at 240-314-8100, TDD 240-314-8137

MFD Outreach Program

It is the intent of the City of Rockville to increase opportunities for minority, female and disabled (MFD) owned businesses to compete effectively at supplying goods, equipment, and services to the City, within the constraints of statutory purchasing requirements, departmental needs, availability, and sound economical considerations. Suggested changes and MFD enhancements to this solicitation's requirements for possible consideration and/or inclusion in future solicitations are encouraged.

INDEPENDENT AUDIT SERVICES AND HOTEL TAX AGREED UPON PROCEDURES

**CITY OF ROCKVILLE
ROCKVILLE, MARYLAND
REQUEST FOR PROPOSAL 19-17
Independent Audit Services and Hotel Tax Agreed Upon Procedures**

Sealed proposals addressed to the City of Rockville, Maryland to provide Independent Audit Services and Hotel Tax Agreed Upon Procedures will be received at Rockville City Hall, Procurement Division, Attention: Jessica Blow, Director of Procurement, 111 Maryland Avenue, Rockville, Maryland 20850 until **2:00 PM (Eastern), on Friday, January 27, 2017**. No proposals will be accepted after that time.

The City will not accept fax proposals or proposals sent via e-mail. All faxed or e-mailed proposals will be rejected and returned.

RECEIPT AND HANDLING OF PROPOSALS

The offeror assumes full responsibility for the timely delivery of the proposal to the designated location. Proposals delivered to any other office or location will not be considered.

In accordance with Chapter 17 of the City's Purchasing Ordinance, competitive sealed proposals are not publicly opened or otherwise handled so as to permit disclosure of the identity of any offeror or the contents of any proposal to competing offerors during the evaluation process. The proposals, except for information identified by the offeror as proprietary, shall be open for public inspection after the contract award.

PROPOSAL DOCUMENTS

The proposal documents are available several ways:

Download the document from the City website at <http://www.rockvillemd.gov>. Click on bids and proposals.

Visit the Procurement Division and pick up a proposal packet between the hours of 8:30 A.M. and 5:00 P.M., Monday through Friday, excluding government holidays. We are located at Rockville City Hall, 111 Maryland Avenue, Rockville, Maryland 20850.

PRE-PROPOSAL MEETING

No pre-proposal meeting is scheduled for this project.

SUBMITTAL OF QUESTIONS

Prospective offerors are requested to submit any questions no later than **2:00 PM (Eastern), on Friday, January 6, 2017**, to Jessica Blow, Director of Procurement, via e-mail at jblow@rockvillemd.gov. Oral answers to questions relative to interpretation of requirements or the proposal process will not be binding on the City. The City reserves the right to include questions

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and responses in the form of written Addendums, as it deems necessary.

SITE LOCATION

Primarily Rockville City Hall, 111 Maryland Avenue, Rockville, Maryland 20850.

NOTICE TO OFFERORS

"Pursuant to 7-201 et seq of the Corporations and Associations Article of the Annotated Code of Maryland, corporations not incorporated in the State shall be registered with the State Department of Assessments and Taxation, 301 West Preston Street, Baltimore, MD 21201 before doing any interstate or foreign business in this State. Before doing any intrastate business in this State, a foreign corporation shall qualify with the Department of Assessments and Taxation." Bidders must supply with their bids their US Treasury Department Employer's Identification Number as such number is shown on their Employer's Quarterly Federal Tax Return (US Treasury Department Form No. 941). Companies located outside Maryland should call 1-410-767-1006, or e-mail: charterhelp@dat.state.md.us.

QUALIFICATIONS TO CONTRACT WITH PUBLIC BODY

Bidders must be qualified to bid in the State in accordance with Section 14-308 of the State Finance and Procurement Article of the Annotated Code of Maryland which ordains that any person convicted of bribery (upon acts committed after July 1, 1977) in furtherance of obtaining a contract from the State or any subdivision of the State of Maryland shall be disqualified from entering into a contract with the City.

DISABILITY INFORMATION

Any individuals with disabilities who would like to receive the information in this document in another form may contact the ADA Coordinator at (240) 314-8100; TDD (240) 314-8137.

W-9 FORM REQUIRED

Successful respondents are required to complete and submit a W-9 Form. The W-9 form can be accessed at: <http://www.irs.gov/pub/irs-pdf/fw9.pdf?portlet=3>. It is the successful respondent's responsibility to act upon this instruction for submitting a W-9 form. The City will not be able to process payments if this form is not completed and submitted to the Procurement Division.

INDEPENDENT AUDIT SERVICES AND HOTEL TAX AGREED UPON PROCEDURES

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SECTION I

Introduction/Overview

INDEPENDENT AUDIT SERVICES AND HOTEL TAX AGREED UPON PROCEDURES

A. Purpose/Objective

The City of Rockville invites qualified firms to submit proposals to provide annual independent financial audit and single audit services, when needed for the City of Rockville, in accordance with Generally Accepted Auditing Standards (GAAS) and the Uniform Guidance, respectively. This will include a fiscal year 2017 one-time agreed upon procedures (AUP) attestation engagement on the accuracy of hotel tax payments being remitted to the City from hotel operators within the City limits.

1. Background

The City of Rockville has an estimated population of 67,300 and a land area of 13.55 square miles. Per the 2010 census, the City is the third largest city in Maryland. The City has operated under the council-manager form of government since 1948. The City is a municipal corporation where the City Council is comprised of a mayor and four at-large council members. Services provided include water, sewer, refuse, parking, streets and storm water, recreation and parks, police, planning and zoning, community development, and community services. Schools, libraries, social services, and fire protection are provided by Montgomery County, Maryland.

The City of Rockville has a combined fund operating budget for FY2017 in excess of \$126 million. The City's five-year Capital Improvements Program provides funding of over \$67 million between FY2017 and FY2021 for approximately fifty (50) projects.

The City presently maintains twelve (12) funds classified as either, Governmental, Proprietary or Special Revenue. These include the General Fund, Debt Service Fund, Capital Projects Fund, Special Activities Fund, CDBG Fund, Automated Speed Enforcement Fund, Water Fund, Sewer Fund, Refuse Fund, Storm Water Management Fund, RedGate Golf Fund and Parking Fund. In addition, the City maintains two (2) Fiduciary Funds; namely the Pension Trust Fund and OPEB Trust Fund.

The City's federal grants include a diverse portfolio of capital development funds and programming funds. City grants include, but are not limited to the Community Development Block Grant and Senior Nutrition Grant (as a pass-through on Montgomery County's grant), the Department of Justice Bulletproof Vest Grant, FEMA public assistance grants (as a pass-through from Maryland Emergency Management Agency). In the last two fiscal years, the City has not met the expenditure threshold to trigger a Single Audit. Total federal expenditures for the fiscal year ending June 30, 2016 totaled \$632,472.

The City's fiscal year ends on June 30th and financial statements must be completed in time to meet a State reporting deadline of October 31st.

A COPY OF THE FIVE MOST RECENT COMPREHENSIVE ANNUAL FINANCIAL REPORTS (CAFR) ARE AVAILABLE FOR FIRMS INTERESTED IN BIDDING AT:

<http://www.rockvillemd.gov/government/cafr/>

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B. Accounting Records

Automated systems are used for most financial processes, including accounting, payroll, billing, budgeting, position control and parking ticket processing. The City utilizes the AMS Advantage systems from CGI for accounting, budget, accounts payable, payroll and human resources functions. The City has a dedicated Information Technology Department, and two full time information systems personnel in the Finance Department who oversee the operation of the accounting systems, interfaces, backups, and upgrades.

The Contractor's techniques and procedures must be modified, if necessary, to be used with the City's existing system. The Contractor will be given read-only access to the financial system and must utilize the on-line nature of the accounting system to the fullest extent possible.

C. Staff and Operations

The City's Finance Department is responsible for all aspects of City financial operations. There are three (3) primary divisions, namely Administration and Budget, Accounting and Control, and Utility Billing. Payroll, Accounts Payable, Utility Billing, Cashiering, Budgeting, Accounting and Information Systems functions are components within the primary divisions. The Finance Department is led by the Chief Financial Officer who maintains a staff of twenty-one (21) full time employees. The City's Accounting staff prepare the City's CAFR annually. The City has been awarded the Certificate of Achievement for Excellence in Financial Reporting for twenty-six (26) consecutive years.

D. Projected Project Schedule

<u>TASK</u>	<u>TARGET DATE</u>
RFP Issued	December 27, 2016
Offeror's technical questions accepted via email	January 6, 2017 @ 2:00 pm EST
Addendum to RFP issued, if any	January 13, 2017
Proposals due to the City	January 27, 2017 @ 2:00 pm EST
Contractor interviews, if required	Week of February 20, 2017
Contract Award	Late March 2017

Please note the finalist presentations may be held the **Week of February 20, 2017**. Successful proposers will be notified as to the actual date and time of their presentation before the City, and will be provided with instructions regarding the presentation agenda and location.

INDEPENDENT AUDIT SERVICES AND HOTEL TAX AGREED UPON PROCEDURES

E. Scope – Independent Audit Services

The independent audit services are to be performed for the City on a contractual basis for five (5) years. The City desires the auditor to express an opinion on the fair presentation of its financial statements in conformity with generally accepted accounting principles of the United States of America. The audit will include all twelve (12) regular funds of the City and should be conducted in accordance with government auditing standards. In addition, a single audit is required to be performed each year that federal spending exceeds the established threshold in accordance with the Uniform Guidance.

1. Deliverables

Following the completion of the audit, the following reports shall be issued:

The Contractor must provide an electronic copy of the following deliverable to be incorporated into the City's CAFR no later than three (3) business days prior to October 31st of each year that a contract resulting from this RFP remains in place, unless the Contractor and City mutually agree on an alternative date.

a. Independent Auditors' Report

The Contractor must provide up to fifteen (15) hard copies and an electronic copy of the following deliverables by the end of the first week of November of each year that a contract resulting from this RFP remains in place, unless the Contractor and City mutually agree on an alternative date.

- a. Independent Auditors' Report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with government auditing standards
- b. Communication with those charged with governance
- c. Management letter (if applicable)
- d. Annual Single Audit Report (if applicable) to include
 - i. Independent Auditors' Report on compliance for each major program and on internal control over compliance required by the Uniform Guidance
 - ii. Schedule of findings and questioned costs

The Schedule of Expenditures of Federal Awards and related auditor's report, as well as the reports on internal controls and compliance are not to be included in the CAFR, but are to be issued separately.

Auditors shall be required to make an immediate written report of all irregularities and illegal acts, or indications of illegal acts of which they become aware to both the City Manager and Chief Financial Officer.

In addition, the City requests that as a value added service, the Contractor provide an informal set of recommendations for improvements that may not rise to the level for inclusion in a Management Letter but could strengthen the internal controls and operational efficiencies of the City.

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2. Working Paper Retention and Access

All working papers and reports must be retained, at the auditor's expense, for a minimum period of seven (7) years, unless the firm is notified in writing by the City of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the City of Rockville or parties designated by the City of Rockville e.g. HUD, GAO, auditors of entities of which the City is a sub-recipient of grant funds etc.

In addition, the firm shall respond to reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

3. Standards and Guidelines

The audit shall be conducted in accordance with all applicable standards including, but not limited to, standards set forth by the Governmental Accounting Standards Board (GASB), Financial Accounting Standards Board (FASB), generally accepting auditing standards (GAAS) as promulgated by the American Institute of Certified Public Accountants (AICPA), Government Auditing Standards (GAS) as promulgated by the Government Accountability Office (GAO), and requirements described in the U.S. Office of Management and Budget (OMB) Uniform Guidance. The financial statements shall be audited for fair presentation in conformity with generally accepted accounting principles (GAAP). The single audit must conform to federal requirements under the Single Audit Act of 1984, and the OMB Uniform Guidance, Audits of State and Local Governments, and be accepted by the City's cognizant agency.

4. Audit Review

The audit should not be limited to a specific review of the financial transactions and statements for the City. It should include an overall review of the City's financial and accounting systems and procedures. In addition, a thorough review of the financial statements and the Comprehensive Annual Financial Report should be performed prior to issuance to ascertain that the "GFOA checklist" items are satisfied and that the City can earn a Certificate of Achievement for Excellence in Financial Reporting.

A review should also be performed of State mandated reports to ensure consistency in reporting and conformity with state requirements.

5. Timing of Deliverables

The City of Rockville operates on a June 30th year end. All certifications and audit reports required by the State must be completed by October 31st of each year. The management letter should also be submitted to the City by this date. The audit work may be commenced by the successful Offeror at any time after the contract is awarded. Timeliness of delivery is imperative.

The auditors shall familiarize themselves with and comply with the provisions of any and all Federal, State and City orders, statutes, ordinance, charters, bond covenants and administrative rules and regulations pertinent to the work required in the engagement.

The City will have all records ready for audit and all necessary personnel available to meet with the auditors in accordance with the following schedule. Each of the following should be completed by the auditor no later than the dates indicated. It is imperative that the auditor provide sufficient qualified resources to enable the schedule to be met.

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Interim work: The auditor shall complete all interim work by the close of the fiscal year being audited. Interim work should be scheduled between the second week in May and the second week in June.

Audit Plan: The auditor shall provide the City, by the end of May of the fiscal year being audited, a detailed audit plan and a list of all schedules to be prepared by the City.

Audit Fieldwork: The auditor shall complete ALL fieldwork by the end of second week of October following the close of the fiscal year being audited.

Audit Draft Reports: All draft reports, including CAFR, signed off by audit manager, must be available for review by third week of October following the close of the fiscal year being audited.

Audit Final Reports: A pdf of the audit opinion shall be provided to the Chief Financial Officer no later than three (3) business days prior to October 31st following the end of the fiscal year. All other reports, including bound copies, must be provided to the Chief Financial Officer no later than the end of the first week in November following the end of the fiscal year.

6. Audit Adjustments

All proposed adjustments to client prepared statements must be presented to the Chief Financial Officer in writing.

7. Audit Conferences

The audit firm will have an entrance conference with the Chief Financial Officer no later than the first week in May at the start of fieldwork for each fiscal year, for the purpose of discussing developments and changes in the City that could require special audit consideration, any prior audit concerns, and preparing for the interim work to be performed. This meeting will be used to coordinate relevant personnel, workspace, and audit schedules for interim and final fieldwork.

The audit firm will have an exit conference with the Chief Financial Officer, on the last day of fieldwork for the purpose of reviewing its audit findings and recommendations prior to the issuance of management letters, certifications or reports. This conference will summarize the results of the fieldwork and review significant findings.

The engagement partner and/or manager of the audit firm will be required to attend one (1) Mayor and Council meeting each December, where the Comprehensive Annual Financial Report will be presented. The engagement partner and/or manager should be prepared to present internal control reports, management letters, and required communications and take questions from the City's elected officials, as needed.

F. Scope – Hotel Tax Agreed Upon Procedures

Chapter 22 of the Rockville City Code authorizes hotel tax which generates approximately \$1,000,000 in annual revenue for the City. The Hotel Tax Agreed Upon Procedures attestation is to be performed during fiscal year 2017. The procedures will include comparing the guest ledger occupancy reports to the room rental reports, comparing tax exemptions reported to the City to tax-exempt verifications performed by the hotel for guests, comparing monthly revenue reports from the Hotel to the monthly revenue reported to the City, recalculating the hotel tax, determining whether the tax remittances were made to

INDEPENDENT AUDIT SERVICES AND HOTEL TAX AGREED UPON PROCEDURES

the City by the deadline, and verifying that appropriate interest and penalties were paid. Such procedures will be applied to all twelve (12) hotels within the City limits, and will cover no less than 3 months of activity.

1. Deliverables

Following the completion of the agreed upon procedures, the following reports shall be issued:

The Contractor must provide ten (10) hard copies and an electronic copy of the following deliverable by July 31, 2017 unless the Contractor and City mutually agree on an alternative date.

a. Independent Accountants' Report on Agreed Upon Procedures

2. Working Paper Retention and Access

All working papers and reports must be retained, at the contractor's expense, for a minimum period of seven (7) years, unless the firm is notified in writing by the City of the need to extend the retention period. The contractor will be required to make working papers available, upon request, to the City of Rockville or parties designated by the City of Rockville e.g. Montgomery County, Hotel management, etc.

In addition, the firm shall respond to reasonable inquiries of successor contractors and allow successor contractors to review working papers relating to matters of continuing accounting significance.

3. Standards and Guidelines

The agreed upon procedures shall be conducted in accordance with all applicable standards including, but not limited to, Statements on Standards for Attestation Engagements (SSAEs) as promulgated by the American Institute of Certified Public Accountants (AICPA).

4. Timing and Deliverables

The agreed upon procedures will be conducted for a sample of months falling within fiscal year 2017. Each of the following should be completed by the contractor no later than the dates indicated. It is imperative that the contractor provide sufficient qualified resources to enable the schedule to be met. Travel to hotel or other third-party sites may be required.

AUP Plan – The AUP Planning meeting will be held in mid-April to formalize the agreed upon procedures, plan communication with hotels operators, identify the months which will be subject to the procedures and identify documentation that will need to be provided by the City.

AUP Fieldwork – All fieldwork must be completed by the second week of June.

AUP Draft Report – The draft Independent Accountants' Report on Applying Agreed Upon Procedures must be provided to the Chief Financial Officer by the end of the first week of July.

AUP Final Report – The final Independent Accountants' Report on Applying Agreed Upon Procedures, including bound copies must be provided to the Chief Financial Officer by July 31, 2017.

G. Significant Accounting Matters

1. The City has implemented the following recent GASB Statements:
 - a. GASB Statement 65, Items Previously Reported as Assets and Liabilities
 - b. GASB Statement 67, Financial Reporting for Pension Plans
 - c. GASB Statement 68, Accounting and Financial Reporting for Pensions
 - d. GASB Statement 72, Fair Value Measurement and Application
 - e. GASB Statement 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments
 - f. GASB Statement 79, Certain External Investment Pools and Pool Participants
2. The City had two debt issues during Fiscal Year 2017, one was a nontaxable advance refunding (defeasance), one was a nontaxable general obligation issue.
3. The City upgraded its financial system to AMS version 3.10 during fiscal year 2016, and is planning to replace the utility billing system and recreation class registration system in fiscal year 2017.
4. The City does not have an internal audit department.
5. The fiscal year 2016 report on internal control did not reference any material weaknesses nor any instances of noncompliance or other matters required to be reported under Government Auditing Standards.

H. Access to City Records and Staff

The Contractor will have access to City records and staff for the purposes of interviews and verification of items within the scope of the audit and attestation services. The Contractor must maintain such records as privileged and confidential information. If granted either physical or data rights, the Contractor must only access those items necessary to perform the audit and attestation services.

The Contractor must organize the work in such a way as to minimize disruption of work of City employees in the pursuit of their normal duties. The Contractor must provide the City reasonable notice to prepare written or oral responses to Contractor requests for information.

I. Office Accommodations

The City will provide the Contractor with reasonable office accommodations. The Contractor will also be provided with reasonable access to telephone lines, photocopying facilities, network access and FAX machines.

The Contractor and its personnel are required to comply with all rules and regulations of the City while working on the City premise. This includes possession of photo identification and compliance with the City's rules and regulations governing conduct with respect to health and safety that apply to City personnel.

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J. City Responsibilities

The City will provide copies of all supporting audit documentation for financial transactions and statements. This documentation shall include, but not be limited to, the following:

1. Trial balances and general ledgers for all regular funds of the City.
2. Schedules or worksheets as requested, showing the composition of the balance of each general ledger account in all funds.
3. Confirmation letters to be sent to all required third parties.
4. Bank reconciliation's and schedules of pooled cash.
5. Vouchers and check registers in support of expenditures or accounts payable.
6. Journal entries and backup documentation for accounting entries.
7. Cash receipts in support of revenues and receivables.
8. Schedules from the State and County for tax revenues.
9. Bond Schedules and Official Statements for newly issued debt.
10. Fixed asset detail and reconciliation of balances.
11. Schedule of Expenditures of Federal Awards

The City will provide final draft financial statement of all items contained in the Comprehensive Annual Financial Report and the State of Maryland's Uniform Financial Report.

The City will provide copies of all monthly hotel tax reports, revenue detail reports for hotel tax collections, and will prepare any necessary letters to hotel operators selected for the agreed upon procedures.

K. Minimum Qualifications

Firms must meet the following criteria to be considered for selection:

1. Offerors must have been actively involved in governmental auditing for a period of no less than 5 years.
2. The CPA firm must be licensed to practice in the State of Maryland.
3. The CPA firm must be a member of the American Institute of Certified Public Accountants and must adhere to the AICPA professional standards for audit practices and conduct, including adherence to all peer review guidelines.
4. The CPA firm and staff proposed for the audit must have audited similar governmental units and must have the capability of assisting the City each year in earning the Government Finance Officers' Association's Certificate of Achievement for Excellence in Financial Reporting.
5. Experience in auditing computerized systems and knowledge of computer assisted audit techniques.

L. Assignment and Subcontracts

The firm shall not assign any interest in the contract and shall not transfer any interest in the same without prior written consent of the City. The firm shall not subcontract any part of the services without prior written consent from the City.

M. Reimbursable Expenses

No reimbursable expenses are allowed under this Agreement. The lump sum Contract Amount includes all costs of providing the services described in this proposal.

N. Audit Manager

The Contractor shall agree to ensure the continuity of the designated primary Audit Manager assigned to perform the audit services. Contractor represents and warrants that the primary Audit Manager is available for the entirety of the program and shall remain available throughout the term of the contract. Contractor represents and warrants that the Contractor shall not remove or replace the primary Audit Manager and agrees that the Contractor's removal or replacement of the primary Audit Manager may be grounds for termination of the contract. The City of Rockville recognizes, however, that events beyond the control of Contractor, such as death, physical or mental incapacity, long-term illness, or the termination of employment of the primary Audit Manager, may require the Contractor to propose a replacement of another employee of the Contractor. In the event that such a replacement is necessary, Contractor agrees that the replacement person shall have equal or better qualifications to perform the work at no additional cost to the City of Rockville. No replacement person shall begin working on the program without the prior written consent of the City of Rockville.

The Contractor shall ensure the designated Audit Manager is a Certified Public Accountant with a minimum of five years of government audit experience, and has the management and technical expertise to perform the required services of the audit.

O. Contractor Staff

The City will, throughout the Contract Term, and throughout any renewal term, have the right to reasonable rejection and approval of staff or subcontractors assigned to the project by the Contractor. If the City reasonably rejects staff or subcontractors, the Contractor must provide replacement staff or subcontractors satisfactory to the City in a timely manner and at no additional cost to the City. The day-to-day supervision of the Contractor's employees shall be solely the responsibility of the Contractor.

Key personnel (partner, manager, seniors, and staff) of the Contractor's staff must work at the level of effort proposed by the Contractor unless a change is authorized by the City. The Contractor must notify the Contract Administrator in writing if it becomes necessary to replace any of the key personnel. The Contractor must provide the resumes for new personnel assigned to the work, and the new personnel's qualifications and experience must be at least equal to those of the replaced staff. The Contract Administrator must approve the personnel change in writing prior to the change taking place.

P. Optional Work

The City may select areas for special attention by the Contractors. Additionally, the City's Department of Finance may request consulting services on specific financial reporting requirements. As required, the City will amend the contract to include optional work.

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Optional work may include:

1. Auditing Services - The City may require additional audits or audit related services. These professional services shall be delivered only upon specific authorization of the Contract Administrator, as evidenced by the written issuance of a notice-to-proceed.
2. Accounting Services - The City may require professional accounting services from the Contractor to 1.) assist with the close of the City's books, 2.) assist with preparation of draft schedules to support each fund and draft financial statements, and 3) provide other related professional services. These services shall be delivered only upon specific authorization of the Contract Administrator, as evidenced by the written issuance of a notice-to-proceed.

Note: A separate pricing section for optional work can be found in ATTACHMENT A.

Q. Expense Associated with Response

The City of Rockville will not be responsible for any expenses incurred by a firm in preparing and submitting a proposal. All proposals shall provide a straightforward, concise delineation of the firm's capabilities to satisfy the requirements of this request.

R. Procurement Contact

The sole point of contact at the City for purposes of this RFP, prior to the award of any contract is Jessica Blow, Director of Procurement:

Jessica Blow, Director of Procurement
City Hall - Procurement Division
111 Maryland Avenue
Rockville, MD 20850
Telephone: (240) 314-8432
Email: jblow@rockvillemd.gov

S. Contract Administrator

The designated contract administrator following contract award will be:

Kimberly Francisco
Controller
111 Maryland Avenue
Rockville, MD 20850
Telephone: (240) 314-8413
Email: kfrancisco@rockvillemd.gov

T. Invoicing

The Contractor shall submit invoices on a schedule as negotiated with the City.

Invoices must include the following information:

1. Name, address and federal tax identification number of the Contractor
2. Remittance address
3. Invoice period (i.e. the period during which services covered by the invoice were performed)
4. Invoice date and invoice number and amount due
5. An expenditures report or detailed billing report that provides a description of the work performed.

The City prefers to issue contractor payment via ACH. Invoices submitted without the required information will not be processed for payment until the Contractor provides the required information.

Reimbursement for travel, parking and mileage will not be paid by the City under the terms of the Contract. The City will not pay for administrative or clerical services; such services must be accounted for in the Contractor's fully-loaded labor rates.

U. Contract Changes

During this contract, the contractor may be required to perform additional work. When additional work is required, the contract administrator will provide the contractor a written description of the additional work, a work order, and request the contractor to submit a firm time schedule for accomplishing the additional work and a firm price for the additional work. Cost and pricing data must be provided to justify the cost of such amendments.

V. Intellectual Property Approval and Indemnification Infringement

If contractor will be preparing, displaying, publicly performing, reproducing, or otherwise using, in any manner or form, any information, document, or material that is subject to a copyright, trademark, patent, or other property or privacy right, then contractor must: obtain all necessary licenses, authorizations, and approvals related to its use; include the City in any approval, authorization, or license related to its use; and indemnify and hold harmless the City related to contractor's alleged infringing or otherwise improper or unauthorized use. Accordingly, the contractor must protect, indemnify, and hold harmless the City from and against all liabilities, actions, damages, claims, demands, judgments, losses, costs, expenses, suits, or actions, and attorney's fees and the costs of the defense of the City, in any suit, including appeals, based upon or arising out of any allegation of infringement, violation, unauthorized use, or conversion of any patent, copyright, trademark or trade name, license, proprietary right, or other related property or privacy interest in connection with, or as a result of, this contract or the performance by the contractor of any of its activities or obligations under this contract.

W. Confidential Information

The Contractor agrees that all confidential information shall be used only for purposes of providing the deliverables and performing the contract.

Some material to be reviewed by the Contractor in performance of a contract will be of a confidential or proprietary nature. The Contractor must not divulge such confidential or proprietary information to any party other than the authorized staff of the City, the City Council, or other City officials directly involved.

X. Contract Exclusion and Affirmation

By submitting a proposal, the Offeror hereby certifies that:

The Offeror has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the submitted proposal.

The firm, corporation, partnership or institution represented by the Offeror, or anyone acting for such firm, corporation or institution has not violated the antitrust laws, nor communicated directly or indirectly the proposal made to any competitor or any other person engaged in such line of business.

The Offeror has not received compensation for participation in the preparation of the specifications for this Request for Proposal.

Y. Public Information Request

Information, documentation, and other materials submitted under this proposal may be subject to public disclosure under various open records acts. Offeror is hereby notified that the City of Rockville strictly adheres to open records requirements and the interpretations thereof rendered by presiding courts and tribunals.

Z. Compliance with Contract

The City of Rockville will decide all questions, which may arise as to the quality, or acceptability of work performed, the manner of performance and the rate of progress of the work, the interpretation of the requirements, Request for Proposal, Offeror's proposal and contract, as well as, acceptable fulfillment of the contract on the part of the Offeror.

AA. Proof of Compliance and Laws

When required, the Contractor shall furnish the City of Rockville with satisfactory proof of its compliance with any and all Federal, State and Local laws, statutes, ordinances, rules and regulations, as well as, any and all orders and decrees of any court or administrative bodies or tribunals in any matter affecting the performance of this contract.

BB. Pre-Proposal Vendor Questions

Technical and contractual questions pertaining to this RFP must be submitted via email to Jessica Blow, Director of Procurement, at jblow@rockvillemd.gov no later than **2:00 PM (Eastern), on Friday, January 6, 2017**.

Oral answers to questions relative to interpretation of specifications or the proposal process will not be binding on the City.

To ensure fair consideration for all proposers, any interpretation made to prospective proposers will be expressed in the form of an addendum to the specifications, if such information is deemed necessary for the preparation of proposals or if the lack of such information would be detrimental to the uninformed proposer. Such addendums, if issued, will be posted at the address listed below:

<http://rockvillemd.gov/bids.aspx#bids>

Please note, that it is the proposer's responsibility to check this site frequently for Addendums, which may impact pricing, this documents requirements, terms and/or conditions. Failure to sign and return an Addendum with your response may result in disqualification of proposal.

SECTION II

Request for Proposal

Proposal Submission

INDEPENDENT AUDIT SERVICES AND HOTEL TAX AGREED UPON PROCEDURES

A. Procedures

One (1) electronic and five (5) printed copies of the sealed proposal marked “RFP #19-17, INDEPENDENT AUDIT SERVICES AND HOTEL TAX AGREED UPON PROCEDURES” must be submitted to:

Jessica Blow, Director of Procurement
Procurement Office
Rockville City Hall
111 Maryland Avenue
Rockville, Maryland 20850

In order to provide each Offeror an equal opportunity for consideration, adherence to a standardized proposal format is required. Individual, separate and complete proposals must be submitted and must contain the following elements organized into separate chapters and/or sections, as deemed appropriate. Failure to adhere to this format may result in the disqualification of your proposal(s).

Each proposal shall adhere to the order presented below and include, at a minimum:

1. Title Page - The Proposal should begin with a title page bearing the name and address of the Offeror and the name and number of this RFP.
2. Identifications of Confidential, Proprietary Commercial Information or Trade Secrets- If applicable, information the Offeror claims to be confidential, proprietary commercial information or trade secrets shall be identified after the Title Page and before the Table of Contents in the Offeror’s Proposal. This information, along with any claim of confidential financial information, should also be disclosed. The Offeror must include an explanation for each individual claim of confidentiality.
3. Table of Contents - A table of contents for the Proposal should follow the title page or the Offeror’s confidential, proprietary information or trade secrets claims.
4. Cover Letter - A transmittal letter. The letter should include the address of the office which would provide the services requested, telephone number, fax, e-mail address and website, if applicable. The letter should be signed by an individual who is authorized to commit the Offeror to the services, pricing and requirements as stated in this RFP.
5. Work Plan - Submit a well-defined work plan consistent with the project objectives and scope of work, demonstrating the ability to complete the deliverables within the scheduled deadlines. Explain how you propose to use City personnel, if at all, to assist during the audit and the approximate time required.
6. Technical Qualifications - Submit technical qualifications of the firm and staff involved in this project.
 - a. Provide a brief company background, company name and title of owners/partners. Provide the names, titles, addresses and telephone numbers of the individuals who will manage this project.
 - b. Provide resumes detailing education, qualifications, and previous work assignments of the proposed audit team related to this RFP.

INDEPENDENT AUDIT SERVICES AND HOTEL TAX AGREED UPON PROCEDURES

- c. Provide a copy of the report on the firm's most recent external quality review, any findings discovered as a part of this review and the actions taken to correct those findings.
 - d. Provide a statement acknowledging that the consultant shall use the staff identified in this proposal for the work as described in the proposal, and that the City shall approve staff substitutions prior to any changes.
 - e. Describe firm's auditing experience over the past three years for similar governmental and single audits.
 - f. Provide representative examples of your firm's philosophy on current local governmental accounting issues (i.e. opinions on exposure drafts).
 - g. Describe the firm's policy on other charges including special requests and special reports.
7. References - Submit a minimum of five (5) references undertaken within the last five years, including terminated engagements for governmental or single audits. Include reference contact name and telephone number, dates and a description of the work performed, and which staff was assigned to the project.
 8. Fee Proposal - Submit a firm fixed price fee proposal. Also provide estimate of the hours and hourly rates required by the various levels of your staff. Provide a breakdown for the financial audit, the single audit and the agreed upon procedures (ATTACHMENT A).
 9. The Offeror should warrant that the CPA firm maintains errors and omissions insurance that provides a prudent amount of coverage for negligent acts or omissions and that its coverage is applicable to the work requested in this proposal.
 10. Submit a completed Affidavit form (ATTACHMENT B).
 11. Provide a statement that Offeror, if awarded the contract, will provide a certificate of insurance in accordance the City of Rockville Insurance requirements (ATTACHMENT C).
 12. The Offeror should provide an affirmative statement that it is independent of the governmental entity/plan and that it is unaware of any potential conflicts of interest if it were selected to perform the requested work.
 13. Each Offeror shall submit a completed W-9 form with their proposal. In the event of contract award, this information is required in order to issue purchase orders and payments to your firm. A copy of this form can be downloaded from <http://www.irs.gov/pub/irs-pdf/fw9.pdf>.
 14. Additional Information - Provide any additional information you wish to call to the City's attention with respect to the bidder's qualifications.

SECTION III

Request for Proposal

Method of Award/Evaluation Criteria

INDEPENDENT AUDIT SERVICES AND HOTEL TAX AGREED UPON PROCEDURES

A. Evaluation Process

The contract will be awarded in accordance with the competitive sealed proposals process under Rockville City Code 17.62. The competitive sealed proposals method is based on discussions and revision of proposals during these discussions. Award will be made to the qualified Offeror obtaining the highest weighed score combining price and technical qualifications.

Accordingly, the City may hold discussions with all Offerors judged reasonably susceptible of being selected for award, or potentially so. However, the City also reserves the right to make an award without holding discussions. In either case of holding discussions or not doing so, the City may determine an Offeror to be not responsible and/or an Offeror's proposal to be not reasonably susceptible of being selected for award, at any time after the initial closing date for receipt of proposals and the review of those proposals.

B. Evaluation Criteria**1. Written Proposal Evaluation**

The Evaluation Committee will evaluate the written proposal based on the following criteria.

	POINTS
a. Firm's experience and past performance on local government audits and references	30
b. The responsiveness of the proposal in clearly explaining the Firm's understanding of the scope of services	20
c. Cost (fee schedule)	30
d. Peer review	10
e. Value added services and/or expertise	<u>10</u>
	100

2. Interview Evaluation Criteria

The Evaluation Committee will evaluate the interviews based on the following criteria.

a. Ability to communicate technical accounting concepts to groups without accounting backgrounds	50
b. Experience of staff in providing auditing services to similar sized entities	<u>50</u>
	100

Clarification of Offers

An evaluation committee will evaluate the proposals from information on hand and will also ask questions to clarify information from Offerors as required. A composite rating will be developed which indicates the Offeror's collective ranking of the highest rated proposals in a descending order.

In order to determine if a proposal is reasonably susceptible for award, communications by the Procurement contact or the proposal evaluation committee are permitted with an Offeror to

INDEPENDENT AUDIT SERVICES AND HOTEL TAX AGREED UPON PROCEDURES

clarify uncertainties or eliminate confusion concerning the contents of a proposal. Clarifications may not result in a material or substantive change to the proposal. The evaluation by the Procurement contact or the proposal evaluation committee may be adjusted as a result of a clarification under this section.

Oral Presentations

The Evaluation Committee may afford one (1) or more of the top three (3) ranked Offerors an opportunity to make oral presentations in order to clarify their proposals. If requested, oral presentations shall be made at no cost to the City. Key personnel listed in the proposal are required to attend the interview.

Best and Final Offer

When deemed in the best interest of the City, and upon conclusion of any oral presentations and/or negotiations, the Offeror(s) may be asked to submit in writing, a Best and Final Offer (BAFO). After the BAFO is submitted, no further negotiations shall be conducted with the Offeror(s).

Note: Offerors are discouraged from submitting inflated pricing in their original response in anticipation of price negotiation and the use of a BAFO process. The BAFO process may or may not be used, or may be used on a case-by-case basis to negotiate services, deliverables, pricing terms conditions, etc. with individual respondents. Placing inflated pricing in your original response may produce a low scoring result, which prevents your proposal from reaching the negotiation stage of the evaluation process.

The City of Rockville reserves the right to reject any and all proposals and to accept the proposal the City considers most advantageous. All proposals will become the property of the City.

SECTION IV

Request for Proposal

Performance Period

INDEPENDENT AUDIT SERVICES AND HOTEL TAX AGREED UPON PROCEDURES

A. Term

The proposal for audit services shall cover the following years:

1. July 1, 2016 to June 30, 2017 - Fiscal Year 2017
2. July 1, 2017 to June 30, 2018 - Fiscal Year 2018
3. July 1, 2018 to June 30, 2019 - Fiscal Year 2019
4. July 1, 2019 to June 30, 2020 - Fiscal Year 2020
5. July 1, 2020 to June 30, 2021 - Fiscal Year 2021

The contract term is for a period of five (5) years with two (2) one year renewal options, subject to the annual review of the Chief Financial Officer, the satisfactory performance of the Offeror, the concurrence of the Rockville City Council and the annual availability of an appropriation.

Pricing for the two (2) additional one year renewal options shall be negotiated.

The Offeror shall commit to providing the services at the rates submitted on the enclosed proposal form.

The City may, at any time during the contract period, make changes within the general scope of the contract and its technical provisions. If such change causes any increase or decrease in the firm's cost of performance, an adjustment will be made in contract price, or in time allowed for performance, or both, and a written memorandum of such adjustment shall be made. Any claims by the firm for such an adjustment must be made in writing prior to proceeding with the service for which an adjustment is requested. Nothing in this clause shall excuse the firm from proceeding with performance of this contract in accordance with its original terms and conditions and any approved changes.

SECTION V

Request for Proposal

Attachments

Attachment A: Fee Proposal

THIS FORM MUST BE COMPLETED, SIGNED AND RETURNED WITH YOUR FIRM'S PROPOSAL SUBMITTAL

Insert your firm's proposed hourly rates for audits beginning 2017 through 2021. The rates should be inclusive of all cost incurred by the Contractor such as travel and other miscellaneous expenses. The hourly rates must be fully burdened to include all cost for all overhead, benefits, profit etc.

AUDIT OF CITY'S FINANCIAL STATEMENTS

CONTRACT YEAR 1 – 2017 AUDIT

LABOR CLASSIFICATION	HOURS	HOURLY RATE	EXTENDED TOTAL
Partner			
Manager			
Senior Auditor			
Staff Auditor			
Other (specify)			
TOTAL FIRM FIXED PRICE			

CONTRACT YEAR 2 – 2018 AUDIT

LABOR CLASSIFICATION	HOURS	HOURLY RATE	EXTENDED TOTAL
Partner			
Manager			
Senior Auditor			
Staff Auditor			
Other (specify)			
TOTAL FIRM FIXED PRICE			

INDEPENDENT AUDIT SERVICES AND HOTEL TAX AGREED UPON PROCEDURES

CONTRACT YEAR 3 – 2019 AUDIT

LABOR CLASSIFICATION	HOURS	HOURLY RATE	EXTENDED TOTAL
Partner			
Manager			
Senior Auditor			
Staff Auditor			
Other (specify)			
TOTAL FIRM FIXED PRICE			

CONTRACT YEAR 4 – 2020 AUDIT

LABOR CLASSIFICATION	HOURS	HOURLY RATE	EXTENDED TOTAL
Partner			
Manager			
Senior Auditor			
Staff Auditor			
Other (specify)			
TOTAL FIRM FIXED PRICE			

CONTRACT YEAR 5 – 2021 AUDIT

LABOR CLASSIFICATION	HOURS	HOURLY RATE	EXTENDED TOTAL
Partner			
Manager			
Senior Auditor			
Staff Auditor			
Other (specify)			
TOTAL FIRM FIXED PRICE			

AUDIT OF CITY'S FINANCIAL STATEMENTS
FIRM FIXED PRICE TOTAL - YEARS 1 THROUGH 5

\$ _____

NAME OF PROPOSER _____

INDEPENDENT AUDIT SERVICES AND HOTEL TAX AGREED UPON PROCEDURES

AUDIT OF CITY'S FEDERAL GRANTS

Insert your firm's proposed hourly rates for single audits beginning 2017 through 2021. The rates should be inclusive of all cost incurred by the Contractor such as travel and other miscellaneous expenses. The hourly rates must be fully burdened to include all cost for all overhead, benefits, profit etc.

CONTRACT YEAR 1 – 2017 SINGLE AUDIT

LABOR CLASSIFICATION	HOURS	HOURLY RATE	EXTENDED TOTAL
Partner			
Manager			
Senior Auditor			
Staff Auditor			
Other (specify)			
TOTAL FIRM FIXED PRICE			

CONTRACT YEAR 2 – 2018 SINGLE AUDIT

LABOR CLASSIFICATION	HOURS	HOURLY RATE	EXTENDED TOTAL
Partner			
Manager			
Senior Auditor			
Staff Auditor			
Other (specify)			
TOTAL FIRM FIXED PRICE			

INDEPENDENT AUDIT SERVICES AND HOTEL TAX AGREED UPON PROCEDURES

CONTRACT YEAR 3 – 2019 SINGLE AUDIT

LABOR CLASSIFICATION	HOURS	HOURLY RATE	EXTENDED TOTAL
Partner			
Manager			
Senior Auditor			
Staff Auditor			
Other (specify)			
TOTAL FIRM FIXED PRICE			

CONTRACT YEAR 4 – 2020 SINGLE AUDIT

LABOR CLASSIFICATION	HOURS	HOURLY RATE	EXTENDED TOTAL
Partner			
Manager			
Senior Auditor			
Staff Auditor			
Other (specify)			
TOTAL FIRM FIXED PRICE			

CONTRACT YEAR 5 – 2021 SINGLE AUDIT

LABOR CLASSIFICATION	HOURS	HOURLY RATE	EXTENDED TOTAL
Partner			
Manager			
Senior Auditor			
Staff Auditor			
Other (specify)			
TOTAL FIRM FIXED PRICE			

AUDIT OF CITY'S FEDERAL GRANTS
FIRM FIXED PRICE TOTAL - YEARS 1 THROUGH 5

\$ _____

NAME OF PROPOSER _____

INDEPENDENT AUDIT SERVICES AND HOTEL TAX AGREED UPON PROCEDURES

HOTEL TAX AGREED UPON PROCEDURES

Insert your firm's proposed hourly rates for the hotel tax agreed upon procedures for fiscal year 2017. The rates should be inclusive of all cost incurred by the Contractor such as travel and other miscellaneous expenses. The hourly rates must be fully burdened to include all cost for all overhead, benefits, profit etc.

CONTRACT YEAR – 2017 HOTEL TAX AGREED UPON PROCEDURES

LABOR CLASSIFICATION	HOURS	HOURLY RATE	EXTENDED TOTAL
Partner			
Manager			
Senior			
Staff			
Other (specify)			
TOTAL FIRM FIXED PRICE			

RATES FOR ADDITIONAL PROFESSIONAL SERVICES

Indicate the all-inclusive fully burdened hourly rate for the various levels of professional staff (i.e., Partners, Senior Managers, Managers, Staff Auditors and Others as specified).

Labor Classification	Hourly Rate
Partner	
Manager	
Senior	
Staff	
Other (specify)	

INDEPENDENT AUDIT SERVICES AND HOTEL TAX AGREED UPON PROCEDURES

The undersigned agrees that all the terms and conditions of this solicitation and offer may, at the City's option, be made applicable in any contract issued as a result of this solicitation.

Business Firm's Typed Name: _____

Name and Title of Person

Authorized to Sign Proposal: _____

Signature: _____

Date: _____

Corporate Attestation or SEAL *here*

Signature: _____

Date: _____

(Corporate officer other than above)

Name and Title of Person

Attesting to Authorized Signature: _____

NAME AND SIGNATURE REQUIREMENTS FOR PROPOSALS AND CONTRACTS

The correct legal business name of the Offeror must be used in all contracts. A trade name (i.e., a shortened or different name under which the firm does business) should not be used when the legal name is different.

Corporations must have names that comply with State Law. The Offeror's signature must conform to the following:

Where the Offeror is a corporation, a corporate seal is required.

Where the Offeror is a partnership, at least one general partner must sign.

Where the Offeror is a sole proprietor, the owner of the company must sign.

ACKNOWLEDGMENT OF SOLICITATION AMENDMENTS

Please note, that it is the respondent's responsibility to check the City's website frequently for Addendums, which may impact pricing, this documents requirements, terms and/or conditions. Failure to sign and return an Addendum with your response may result in disqualification of proposal.

The Offeror acknowledges receipt of the following amendment(s) to the solicitation:

Amendment Number/Date: _____

Amendment Number/Date: _____

Amendment Number/Date: _____

INDEPENDENT AUDIT SERVICES AND HOTEL TAX AGREED UPON PROCEDURES

(ATTACHMENT B)
A F F I D A V I T**I hereby affirm that:**

I am the _____ and the duly authorized representative of the firm of _____
whose address is _____

and that I possess the legal authority to make this affidavit on behalf of myself and the firm for which I am acting.

I further affirm:**AFFIDAVIT OF QUALIFICATION TO
CONTRACT WITH A PUBLIC BODY**

1. Except as described in Paragraph 2 below, neither I nor the above firm nor, to the best of my knowledge, any of its controlling stockholders, officers, directors, or partners, performing contracts with any public body (the State or any unit thereof, or any local governmental entity in the state, including any bi-county or multi-county entity), has:

A. been convicted under the laws of the State of Maryland, any other state, or the United States of any of the following:

- (1) bribery, attempted bribery, or conspiracy to bribe.
- (2) a criminal offense incident to obtaining, attempting to obtain, or performing a public or private contract.
- (3) fraud, embezzlement, theft, forgery, falsification or destruction of records, or receiving stolen property.
- (4) a criminal violation of an anti-trust statute.
- (5) a violation of the Racketeer Influenced and Corrupt Organization act, or the Mail Fraud Act, for acts in connection with the submission of bids or proposals for a public or private contract.
- (6) a violation of Section 14-308 of the State Finance and Procurement Article of the Annotated Code of Maryland.
- (7) conspiracy to commit any of the foregoing.

B. pled nolo contendere to, or received probation before verdict for, a charge of any offense set forth in subsection A of this paragraph.

C. been found civilly liable under an anti-trust statute of the State of Maryland, another state, or the United States for acts or omissions in connection with the submission of bids or proposals for a public or private contract.

D. during the course of an official investigation or other proceeding, admitted, in writing or under oath, an act or omission that would constitute grounds for conviction or liability under any law or statute described in subsection A or C of this paragraph.

2. [State "none," or as appropriate, list any conviction, plea or admission as described in Paragraph 1 above, with the date, court, official or administrative body, the individuals involved and their position with the firm, and the sentence or disposition, if any]. _____

3. I further affirm that neither I nor the above firm shall knowingly enter into a contract with the Mayor and Council of Rockville under which a person or business debarred or suspended from

contracting with a public body under Title 16 of the State Finance and Procurement Article of the Annotated Code of Maryland, will provide, directly or indirectly, supplies, services, architectural services, construction related services, leases of real property, or construction.

I acknowledge that this Affidavit is to be furnished to the Mayor and Council of Rockville and, where appropriate, to the State Board of Public Works and to the Attorney General. I acknowledge that I am executing this Affidavit in compliance with the provisions of Title 16 of the State Finance and Procurement Article of the Annotated Code of Maryland which provides that persons who have engaged in certain prohibited activity may be disqualified, either by operation in law or after a hearing, from entering into contracts with the Mayor and Council of Rockville. I further acknowledge that if the representations set forth in this Affidavit are not true and correct, the Mayor and Council of Rockville may terminate any contract awarded, and take any other appropriate action.

NON—COLLUSION AFFIDAVIT

1. Am fully informed respecting the preparation and contents of the attached bid and of all pertinent circumstances respecting such bid;

2. Such bid is genuine and is not a collusive or sham bid

3. Neither the said bidder nor any of its officers, partners, owners, agents, representatives, employees or parties in interest, including this affiant, has in any way colluded, conspired, connived or agreed, directly or indirectly with any other bidder, firm or person to submit a collusive or sham bid in connection with the Contract for which the attached bid has been submitted or to refrain from bidding in connection with Contract, or has in any manner, directly or indirectly, sought by agreement or collusion or communication or conference with any other bidder, firm or person to fix the price or prices in the attached bid or of any other bidder, or to fix any overhead, profit or cost element of the bid price or the bid price of any other bidder, or to secure through any collusion, conspiracy, connivance or unlawful agreement any advantage against the Mayor and Council of Rockville, Maryland (Local Public Agency) or any person interested in the proposed Contract; and

4. The price or prices quoted in the attached bid are fair and proper and are not tainted by any collusion, conspiracy, connivance or unlawful agreement on the part of the bidder or any of its agents, representatives, owners, employees, or parties in interest, including this affiant.

I do solemnly declare and affirm under the penalties of perjury that the contents of these affidavits are true and correct.

Signature and Title _____ **Date** _____

RETURN THIS FORM WITH PROPOSAL

NAME OF PROPOSER _____

INDEPENDENT AUDIT SERVICES AND HOTEL TAX AGREED UPON PROCEDURES

(ATTACHMENT C)
INSURANCE REQUIREMENTS

INSURANCE REQUIREMENTS REV2 (09/08)

Prior to the execution of the contract by the City, the Contractor must obtain at their own cost and expense and keep in force and effect during the term of the contract including all extensions, the following insurance with an insurance company/companies licensed to do business in the State of Maryland evidenced by a certificate of insurance and/or copies of the insurance policies. The Contractor's insurance shall be primary.

The Contractor must submit to the Purchasing Division, 111 Maryland Avenue, Rockville, MD 20850 a certificate of insurance prior to the start of any work. In no event may the insurance coverage be less than shown below.

Unless otherwise described in this contract the successful contractor and subcontractors will be required to maintain for the life of the contract and to furnish the City evidence of insurance as follows:

MANDATORY REQUIREMENTS FOR INSURANCE

Contractor's insurance coverage shall be primary insurance as respects the City, its elected and appointed officials, officers, consultants, agents and employees and any insurance or self-insurance maintained by the City, shall be excess of the Contractor's insurance and shall not be called upon to contribute with it.

Type of Insurance	Amounts of Insurance	Endorsements and Provisions
1. Workers' Compensation 2. Employers' Liability	Bodily Injury by Accident: \$100,000 each accident Bodily Injury by Disease: \$500,000 policy limits Bodily Injury by Disease: \$100,000 each employee	Waiver of Subrogation: WC 00 03 13 Waiver of Our Rights to Recover From Others Endorsement – signed and dated.
3. Commercial General Liability a. Bodily Injury b. Property Damage c. Contractual Liability d. Premise/Operations e. Independent Contractors f. Products/Completed Operations g. Personal Injury	Each Occurrence: \$1,000,000	City to be listed as additional insured and provided 30 day notice of cancellation or material change in coverage. CG 20 37 07 04 and CG 20 10 07 04 forms to be both signed and dated.
4. Automobile Liability a. All Owned Autos b. Hired Autos c. Non-Owned Autos	Combined Single Limit for Bodily Injury and Property Damage - (each accident): \$1,000,000	City to be listed as additional insured and provided 30 day notice of cancellation or material change in coverage. Form CA20 48 02 99 form to be both signed and dated.
5. Excess/Umbrella Liability	Each Occurrence/Aggregate: \$1,000,000	City to be listed as additional insured and provided 30 day notice of cancellation or material change in coverage.
6. Professional Liability	Each Occurrence/Aggregate: \$1,000,000	

Alternative and/or additional insurance requirements, when outlined under the special provisions of this contract, shall take precedence over the above requirements in part or in full as described therein.

POLICY CANCELLATION

No change, cancellation or non-renewed shall be made in any insurance coverage without a thirty (30) day written notice to the City Purchasing Division. The Contractor shall furnish a new certificate prior to any change or cancellation date. The failure of the Contractor to deliver a new and valid certificate will result in suspension of all payments and cessation of on-site work activities until a new certificate is furnished.

10.2012

INDEPENDENT AUDIT SERVICES AND HOTEL TAX AGREED UPON PROCEDURES

ADDITIONAL INSURED

The Mayor and Council of Rockville, which includes its elected and appointed officials, officers, consultants, agents and employees must be named as an additional insured on the Contractor's Commercial and Excess/Umbrella Insurance for liability arising out of contractor's products, goods, and services provided under this contract. Additionally, The Mayor and Council of Rockville must be named as additional insured on the Contractor's Automobile and General Liability Policies. Endorsements reflecting the Mayor and Council of Rockville as an additional insured are required to be submitted with the insurance certificate.

SUBCONTRACTORS

All subcontractors shall meet the requirements of this Section before commencing work. In addition, Contractor shall include all subcontractors as insured's under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverage's for subcontractors shall be subject to all of the requirements stated herein.

CERTIFICATE HOLDER

The Mayor and Council of Rockville
(Contract #, title)
City Hall
111 Maryland Avenue
Rockville, MD 20850

10.2012

INDEPENDENT AUDIT SERVICES AND HOTEL TAX AGREED UPON PROCEDURES

(ATTACHMENT D)
SAMPLE FORM – DO NOT RETURN

AGREEMENT

THIS AGREEMENT, made this ____ day of _____, 2012 by and between the **MAYOR AND COUNCIL OF ROCKVILLE**, a municipal corporation organized under the laws of Maryland, hereinafter referred to as the "CITY", and **<CONTRACTOR'S NAME>** hereinafter referred to as "CONTRACTOR".

WITNESSETH

WHEREAS, the City desires the Contractor to provide **<DESCRIBE THE SERVICE>**

WHEREAS, the City desires to employ the services of the Contractor in connection with the aforementioned service under the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the covenants and promises set forth, the parties hereto agree as follows:

1. SCOPE OF WORK. The Contractor agrees to perform the work described and be bound by the terms and conditions set forth in the **<letter agreement dated xxx or RFP# and title>** hereto attached a made a part hereof and identified as Exhibit "A" and in the CONTRACTOR'S proposal dated **xxxx** hereto attached a made a part hereof and identified as Exhibit "B"; **<reference other attachments as necessary>** In the event any terms of the attached exhibits conflict with this Agreement, this Agreement shall prevail. **<if numerous exhibits list prevailing exhibit(s)>**

Contractor shall perform the services described in this Agreement (a) in a timely, diligent and professional manner in accordance with recognized standards of the applicable industry or profession, and; (b) in accordance with the time periods set forth in this Agreement and in the schedule and sequencing specified by the City. Contractor shall furnish efficient business administration and superintendence and shall use its best efforts to ensure that such services being performed under this Agreement are completed in the best way and in the most expeditious and economical manner consistent with the City's best interests.

2. REVIEW BY CITY. The Contractor agrees that the work and records covered by this Agreement will be subject to review, at all times, by representatives of the City.

3. OWNERSHIP RIGHTS. All finished or unfinished documents, data, studies, surveys, drawings, CADD drawings, maps, models, photographs, letters and reports prepared by the Contractor or his subcontractors shall become the property of the City.

4. EQUAL EMPLOYMENT OPPORTUNITY. During the performance of this Agreement, the Contractor agrees that he will comply with all applicable federal, state and local laws relating to discrimination in employment.

INDEPENDENT AUDIT SERVICES AND HOTEL TAX AGREED UPON PROCEDURES

(ATTACHMENT D)
SAMPLE FORM – DO NOT RETURN

5. INDEMNIFICATION. The Contractor agrees to indemnify and save harmless the City against any liability, claim, demand for personal injury or property damage, and other expenses or losses suffered or arising out of or caused by any negligent act or omission of the Contractor, its subcontractors, servants, agents or employees incurred in the performance of the Agreement.

6. TIME OF ESSENCE. The Contractor acknowledges that time is of the essence in providing the services under this Agreement and agrees to assign adequate personnel sufficient to respond to requests for service.

7. CONTRACT TERM. This Agreement shall be effective upon execution of the contract and shall continue through **<TERM/ OR COMPLETION DATE>**

8. TERMINATION FOR CONVENIENCE. The City may terminate this Agreement for convenience by giving written notice to the Contractor of such termination and specifying the effective date thereof, at least five (5) days before the effective date of such termination. If the Agreement is terminated by the City as provided in this Section the Contractor will be paid on a pro-rata basis for work performed prior to the effective date of such termination.

9. TERMINATION FOR CAUSE. If through any cause, the Contractor shall fail to fulfill in a timely and proper manner his obligation under this Agreement, or if the Contractor shall violate any of the covenants, agreements, or stipulations of this Agreement, the City shall thereupon have the right to terminate this Agreement by giving written notice to the Contractor of such termination and specifying the effective date thereof, at least five (5) days before the effective date of such termination. If the Agreement is terminated by the City as provided in this Section the Contractor will be paid an amount based on the number of hours actually worked at the hourly rates set forth herein, or if no hourly rate is set forth, Contractor shall be paid on a pro-rata basis for work performed. Notwithstanding the above, the Contractor shall not be relieved of liability to the City for damages sustained by the City by virtue of any breach of the Agreement by the Contractor, and the City may withhold any payments due the Contractor up to the full amount of the Contractor's fee, until such a time as the exact amount of damages due the City from the Contractor is determined by any Court of competent jurisdiction.

10. COMPLIANCE WITH LAWS. The Contractor shall observe and comply with federal, state, county and local laws, ordinances and regulations that affect the work to be done herein, and shall indemnify and hold the City harmless, and all of its officers, agents and servants against any claim or liability from or based on the violation of any such law, ordinance or regulation, whether by the Contractor or the Contractor's agent. Notwithstanding the foregoing, in the event that the Contractor determines that a conflict exists between any applicable law, ordinance and/or regulation, the Contractor will so advise the City and the City will decide which law, ordinance and/or regulation shall be followed.

11. SUBCONTRACTS. None of the services covered by this Agreement, shall be subcontracted without the prior written consent of the City. The Contractor will require all subcontractors to have in effect at all times insurance coverage as required by the City in Exhibit

INDEPENDENT AUDIT SERVICES AND HOTEL TAX AGREED UPON PROCEDURES

(ATTACHMENT D)
SAMPLE FORM – DO NOT RETURN

“A” for negligent acts, errors and omissions of subcontractors and their employees and the City shall be named as an insured party.

12. ASSIGNMENT. The Contractor shall not assign or transfer any interest in this Agreement without the prior written approval of the City.

13. INSURANCE. The Contractor shall carry insurance with limits as required in Exhibit “A” by the City and shall provide to the City a certificate evidencing the same.

14. CONFLICTS OF INTEREST. The Contractor covenants that it has presently no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance or services required to be performed under this Agreement. The Contractor further covenants that in the performance of this Agreement no person having any such interest shall be employed.

15. DISPUTES. Except as otherwise provided in this agreement, any dispute concerning a question of fact arising out of this agreement which is not disposed of by agreement, shall be decided in accordance with Section 17-174 of the City’s Purchasing Ordinance as set forth in Chapter 17 of the Rockville City Code.

16. GOVERNING LAW. This Agreement is executed in the State of Maryland and shall be governed by Maryland law. The Contractor, by execution of this Agreement, consents to the jurisdiction of the Maryland state courts with respect to any dispute arising out of this agreement and further consents to venue in Montgomery County, Maryland.

17. SUCCESSORS AND ASSIGNS: This Agreement shall be binding and inure to the benefit of all successors and assigns of the parties hereto. Notwithstanding the foregoing, this Agreement shall be considered a personal services contract and the Contractor shall not assign any right or obligation under this Agreement without the City’s express written consent which may be withheld in the City’s sole and absolute discretion.

18. INDEPENDENT CONTRACTOR. The Contractor shall perform this Agreement as an independent contractor and shall not be considered an agent of the City, nor shall any of the Contractor’s employees or agents be subagents of the City.

19. COMPENSATION. The Contractor shall provide to the City the services described in the amount not to exceed <OR LUMP SUM \$>. In the event the labor hours and expenses exceed this amount the Contractor shall complete the task with no additional compensation.

20. INVOICING. Requisitions for payment shall include a complete description of the services rendered, personnel, hourly rates, hours and date of services. All requisitions shall be submitted to the City of Rockville, Attn: Mr. xxxx, 111 Maryland Avenue, Rockville, MD 20850.

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21. MODIFICATION. This agreement may be modified only by written instrument signed by both parties hereto.

22. ENTIRE AGREEMENT. This agreement, including the exhibits attached hereto, constitutes the entire agreement between the City and the Contractor, and the parties shall not be bound by any prior negotiation, representations or promises, not contained herein.

IN WITNESS WHEREOF, the parties have set their hands and seals hereto on the date written above.

ATTEST

THE MAYOR AND COUNCIL OF
ROCKVILLE_____
City ClerkBy: _____
City Manager

ATTEST

<CONTRACTOR NAME>

By: _____ (Seal)

Print or Type Name_____
Print or Type Name_____
Print or Type Title_____
Print or Type Title

Approved as to form and legality:

City Attorney

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(ATTACHMENT E)**GENERAL TERMS, CONDITIONS AND INSTRUCTIONS – DO NOT RETURN**

**CITY OF ROCKVILLE
MARYLAND
GENERAL CONDITIONS AND INSTRUCTIONS TO BIDDERS
(PROPOSAL 10.2012)**

1. **TERMS AND CONDITIONS** The terms and conditions of this document govern in event of conflict with any terms of the bidder's proposal, and are not subject to change by reasons of written or verbal statement by the Contractor unless accepted in writing. Words and abbreviations that have well known technical or trade meanings are used in accordance with such meanings.
2. **PREPARATION** All bids are to be submitted in a sealed envelope to the Purchasing Office marked with the bid number.

Conditional bids and bids containing escalator clauses will not be accepted. Bids must be signed by an individual authorized to bind the bidder.
3. **LATE BIDS** It is the bidder's responsibility to assure delivery of the bid at the proper time to the designated location. Bids delivered to any other office or location will not be considered.
4. **BID AWARD** The award will be made to the offeror whose proposal, in the opinion of the City is the best taking into consideration all aspects of the offeror's responses, including total net cost to the City. In the event that the offeror to whom the award is made does not execute a contract within 15 days from receipt of the contract, the City may give notice to such offeror of intent to award the contract to the next most qualified offeror, or to call for new proposals.
5. **ADDENDUM** In the event that any addenda to this solicitation is issued, all solicitation terms and conditions will retain in effect unless they are specifically changed in the addendum. It is the responsibility of the bidder to make inquiry as to addenda issued. Oral answers to questions relative to interpretation of specifications or the proposal process will not be binding on the City. Such addendums, if issued, will posted at: <http://rockvillemd.gov/business/bids.htm#bids>

Please note, that it is the bidder's responsibility to check this site frequently for Addendums, which may impact pricing, this document's requirements, terms and/or conditions. Failure to acknowledge an addendum on the bid proposal form or to sign and return an Addendum with your response may result in disqualification of proposal.
6. **ACCEPTANCE/REJECTION OF BIDS** The City reserves the right to reject any or all bids in part or full and to waive any technicalities or informalities as may best serve the interests of the City.

Bids shall be valid for a minimum of 120 days following the deadline for submitting offers. Bids may not be withdrawn during that period. If an award is not made during that period, all offers shall be automatically extended for another 120 days. Offers will be automatically renewed until such time as either an award is made or proper notice is given to the Purchasing Agent of Offeror's intent to withdraw its offer. Offers may only be canceled by submitting Notice at least 15 days before the expiration of the then current 120-day period.
7. **MULTI-YEAR BIDS** Multi-year contracts may be continued each fiscal year only after funding appropriations have been granted. In the event necessary funding appropriation is not granted, the multi year contract shall be null and void, effective July 1st of the affected year.
8. **ERRORS IN BIDS** When an error is made in extending total prices the unit bid price will govern. Erasures in bids must be initialed by the bidder. Carelessness in quoting prices or in preparation of bid will not relieve the bidder from performing the contract.
9. **BID WITHDRAWAL** Requests for withdrawal of bids prior to bid opening shall be transmitted to the Purchasing Agent in writing.
10. **MISTAKES** Bidders are expected to be thoroughly familiar with all bid documents, including all addenda. No consideration will be granted for any alleged misunderstanding of the intent of the specifications. Each bidder shall carefully and thoroughly examine these bid documents for completeness. No claim of any bidder will be allowed on the basis that these bid documents are incomplete.

10.2012

NAME OF PROPOSER_____

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(ATTACHMENT E)**GENERAL TERMS, CONDITIONS AND INSTRUCTIONS – DO NOT RETURN**

11. **SENSITIVE DOCUMENTS** Sensitive documents (either electronic or hardcopy documents dealing with critical facilities or sensitive information) received from the City must be handled consistent with the terms of non-disclosure required for application. Contractor is responsible to restrict use of sensitive documents to project participants only and shall take appropriate measure to prevent distribution of sensitive document to anyone inside or outside of the Contractor's company except Contractor's project participants. After completion of the project, all sensitive documents remaining in the Contractor's possession shall continue to be governed under the terms of non-disclosure and must continue to be store in a secure manner. After such records are no longer need for record purposes, the records shall be destroyed or returned to the City.

Where services require the Contractor to access the City's electronic information resources and/or its electronic data assets, the Contractor shall adhere to all requirements, terms and conditions of the City's Contractor/Vendor On-Site and Remote Access Confidentiality Agreement, which can be viewed at the following web address:
http://www.rockvillemd.gov/business/Rockville_Confidentiality_Policy.pdf.

12. **DOCUMENTS, MATERIALS AND DATA** All documents materials or data developed as a result of this contract are the City's property. The City has the right to use and reproduce any documents, materials and data, including confidential information, used in the performance of, or developed as a result of this contract. The City may use this information for its own purposes, including reporting to state and federal agencies. The contractor warrants that it has title to or right to use all documents, materials or data used or developed in connection with this contract. The Contractor must keep confidential all documents, materials and data prepared or developed by the contractor or supplied by the City.
13. **INTEREST IN MORE THAN ONE BID AND COLLUSION** Multiple bids received in response to a single solicitation from an individual, firm, partnership, corporation, affiliate, or association under the same or different names will be rejected. Reasonable grounds for believing that a bidder is interested in more than one bid for a solicitation both as a bidder and as a subcontractor for another bidder, will result in rejection of all bids in which the bidder is interested. However, a firm acting only as a subcontractor may be included as a subcontractor for two or more bidders submitting a bid for the work. Any or all bids may be rejected if reasonable grounds exist for believing that collusion exists among any bidders. Bidders rejected under the above provisions shall be disqualified if they respond to a re-solicitation for the same work.
14. **EXECUTION OF CONTRACT** The Contractor shall be required to execute a formal agreement with the City within fifteen days from the award. A sample of the agreement is attached. No revisions to the agreement will be allowed.
15. **COMPENSATION** The City will compensate the Contractor in the form of either lump sum payment upon completion and acceptance of the work or monthly progress payments. In either event, compensation shall not exceed any fixed, firm Lump Sum or Total proposed pricing within the Contractor's offer. All non-labor costs associated with administration, including but not limited to plan copies, courier, mailing data processing, forms, fax transmission, telephone calls, printing, office supplies, copying, are to be included with the pricing and hourly rates offer, otherwise they shall become the responsibility of the Contractor. No payment or reimbursement will be made for travel expenses.
16. **INVOICING** The Contractor shall submit invoices, in duplicate, which shall include a detailed breakdown of all charges for that monthly period including employee names, date of services, itemized cost (hours and hourly rates) for service.
- Invoices shall be based upon completion of tasks and deliverables and shall reference a City Purchase Order number. All such invoices will be paid promptly by the City of Rockville unless any items thereon are disputed in which event payment will be withheld pending verification of the amount claimed and the validity of the claim. The firm shall provide complete cooperation during any such investigation. All invoices shall be forwarded to the following address: City of Rockville, Attn: (Project Manager), 111 Maryland Avenue, Rockville, MD 20850.
17. **ELECTRONIC PAYMENT OPTION** The Vendor ACH Payment Program of the City allows payments to be deposited directly to a designated financial institution account. Funds will be deposited into the account of your choice automatically and on time. All transactions are conducted in a secure environment. The program is totally free as part of the Finance Department's efforts to improve customer services. Program information and registration can be viewed at the following web address:
<http://www.rockvillemd.gov/business/payment>
18. **PAYMENT TO SUBCONTRACTOR** Within seven days after receipt of amounts paid by the City for work performed by a subcontractor under this contract, the Contractor shall either: Pay the Subcontractor for the proportionate share of the total payment received from the City of Rockville attributable to the work performed by the Subcontractor under this contract; or Notify the City of Rockville and Subcontractor, in writing, of his/her intention to withhold all or a part of the Subcontractor's payment and the reason for non-payment.
19. **PERSONNEL** Principal or key personnel included in the proposal may not be substituted without written approval of the City of Rockville. Replacements for key personnel under the contract must have equivalent professional qualifications and experience as those individuals listed in the proposal. The Consultant must submit written

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professional qualifications and experience for approval within ten working days prior to replacement for City review and approval or rejection.

20. **PRICE ADJUSTMENTS (CPI)** Unless otherwise stated in the bid document, rates quoted are to be firm for two (2) years after award of a contract. These rates will apply to additional work, change orders and contract modifications. A request for price adjustment after the 2-year period is subject to approval or rejection by the Purchasing Agent. The Consultant shall submit to the Purchasing Agent sufficient justification to support the Consultant's request. A request for price adjustment may not be approved which exceeds the amount of the annual percentage change of the Consumer Price Index (CPI) for the twelve-month period immediately prior to the date of the request.
21. **INTERPRETATION** Any questions concerning general instruction and specifications shall be directed in writing to the Purchasing Office. The submission of a bid shall be prima facie evidence that bidder thoroughly understands the terms of the specification. The Contractor shall take no advantage of any error or omission in the specifications.
22. **DELIVERY** All time limits stated in the contract documents are of the essence. The Contractor shall expedite the work and achieve substantial completion within the contract time. If time limits are not specified, state the number of days required to make delivery/completion in the space provided. Defective or unsuitable materials or workmanship shall be rejected and shall be made good by the Contractor, notwithstanding that such materials/workmanship have been previously overlooked and accepted.
23. **DELAYS/EXTENSION OF TIME** If the Contractor is delayed in the delivery of the supplies, equipment or services by any act or neglect of the City or by a separate Contractor employed by the City, or by any changes, strikes, lockouts, fires, unusual delays in transportation or delay authorized by the City, the City shall review the cause of such delay and shall make an extension if warranted.

All claims for extensions must be a written notice sent to the Purchasing Agent within ten (10) calendar days after the date when such alleged cause for extension of time occurred. All such claims shall state specifically the amount of the delay the Contractor believes to have suffered. If statement is not received within the prescribed time the claim shall be forfeited and invalidated.

24. **TERMINATION FOR DEFAULT** The contract may be cancelled or annulled by the City in whole or in part by written notice of default to the Contractor upon nonperformance or violation of contract terms and an award may be made to second ranked Bidder, or, the work may be purchased on the open market similar to those so terminated. In either event, the defaulting Contractor (or his surety) shall be liable to the City for costs to the City in excess of the defaulted contract prices.
25. **TERMINATION FOR CONVENIENCE** The performance of work or services under this contract may be terminated in whole or part, upon five (5) calendar day's written notice when the City determines that such termination is in its best interest. The City shall be liable only for those accepted goods and/or services furnished prior to the effective date of such termination.
26. **ABANDONMENT, DISSOLUTION AND RESTRUCTURING** A Contractor who abandons or defaults the work on this contract and causes this contract to be re-bid will not be considered in future bids for the same type of work unless the scope of the work is significantly changed. Written notification of changes to company name, address, telephone number, etc. shall be provided to the City Of Rockville as soon as possible but not later than thirty (30) days from date of change.
27. **CHANGES** The City, without invalidating the contract, may order written changes in the scope of work consisting of additions, deletions or modification with the contract sum and time being adjusted accordingly. All such changes shall be made in writing by the Purchasing Agent.

Costs shall be limited to the following: cost of materials, cost of labor and additional costs of supervision and field office personnel directly attributable to the change.

The cost or credit to the City from a change in the scope of work shall be determined by mutual agreement. The Contractor shall do all work that may be required to complete the work contemplated at the unit prices or lump sum to be agreed upon.

No alterations or variables in the terms of the contract shall be valid or binding upon the City unless made in writing and signed by the City.
28. **EXTRA COSTS** If the Contractor claims that any instructions by drawings or otherwise involve extra cost or extension of time, a written request must be submitted to the Project Manager within ten (10) calendar days after receipt of such instructions and before proceeding to execute the work, stating in detail the basis for objection. No such claim will be considered unless so made.

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Any discrepancies which may be discovered between actual conditions and those represented by the specifications and/or drawings shall be reported to the City and work shall not proceed, until written instruction has been received by the Contractor from the City. On drawings the figured dimensions shall govern in the case of discrepancy between the scales and figures.

Anything shown on applicable plans and not mentioned in the specifications or mentioned in the specifications and not shown on the plans have the same effect as if shown or mentioned respectively on both.

29. **GUARANTEE** All guarantees and warranties required shall be furnished by the Contractor and shall be delivered to the Project Manager before final payment is made.

The Contractor guarantees that the items conform to the design and specifications and to drawings, samples or other descriptions referred to in this document. The Contractor further guarantees the items will be free from defects in materials and workmanship, latent or patent and are suitable for the intended purpose as far as the Contractor knows or has reason to know. The guarantee contained herein shall remain in full force and effect for a minimum of one year after initial delivery to the City unless another effective period is specified.

30. **DEFECTIVE SUPPLIES/SERVICE** Defective or unsuitable materials or workmanship shall be rejected and shall be made good by the Contractor. Contractor shall be responsible for the professional quality, technical accuracy, timely completion, and the coordination of all its effort and other services furnished by Contractor under the Agreement. Without additional compensation, Contractor shall correct or revise any errors, omissions, or other deficiencies in all products of its efforts and other services provided. This shall include resolving any deficiencies arising out of the acts or omissions of Contractor found during or after the course of the services performed by or for Contractor under this Agreement, regardless of City having knowledge of or condoning/accepting the products or the services. Correction of such deficiencies shall be at no cost to City.

31. **LEGAL REQUIREMENTS** All materials, equipment, supplies and services shall conform to applicable Federal, State County and City laws, statutes, rules and regulations. The Contractor shall observe and comply with all Federal, State, County and City laws, statutes, rules and regulations that affect the work to be done. The provisions of this contract shall be governed by the laws of the State of Maryland.

32. **SUBCONTRACTING** When allowed, bidders who intend to subcontract any portion of the work including delivery, installation or maintenance will submit to the City prior to the start of work: 1) a description of the items to be subcontracted, 2) all subcontractor names, addresses and telephone numbers and 3) the nature and extent of the work utilized during the life of the contract.

This does not relieve the Contractor from the prime responsibility of full and complete performance under the contract. There shall be no contractual relationship between the City and any subcontractor.

33. **RESERVATIONS** The City reserves the right to add or delete any item(s) from the bid in whole or in part at the City's discretion without affecting the bid prices for any item or remaining work. Unit prices submitted in the bid shall not be increased or decreased regardless of changes in quantity.

The City may waive minor differences in specifications in bids provided these differences do not violate the specifications' intent nor materially affect the operation for which the items are being purchased.

34. **AUTHORITY OF THE CITY MANAGER IN DISPUTES** Except as may otherwise be provided by the final agreement, any dispute concerning a question of fact arising under the agreement signed by the City and the Contractor which is not disposed of by the final agreement shall be decided by the City Manager who shall notify the Contractor in writing of his determination. The Contractor shall be afforded the opportunity to be heard and offer evidence in support of the claim. Pending final decision of the dispute herein, the Contractor shall proceed diligently with performance under the agreement signed by the City and the Contractor. The decision of the City Manager shall be final and conclusive unless an appeal is taken pursuant to City Purchasing Ordinance.

35. **INDEMNIFICATION OF THE COUNCIL** The Contractor shall indemnify and save harmless the Mayor and Council from all suits, actions and damages or costs, of every name and description to which the Mayor and Council may be subjected or put by reason of injury to persons or property as a result of the work, whether caused by negligence or carelessness on part of the Contractor, or subcontractors or agents of the Contractor.

36. **NO LIMITATION OF LIABILITY** The mention of any specific duty or liability of the Contractor in any part of the specification shall not be construed as a limitation or restriction upon any general liability or duty imposed upon the Contractor.

37. **PROPRIETARY INFORMATION** The City agrees, to the extent permitted by law, to hold all material and information belonging to the offeror, which it deems to be confidential, in strictest confidence. The Contractor agrees to hold all material and information belonging to the City or the City's agents in strictest confidence and not to make use thereof

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other than for the performance of contractual obligations, to release it only to employees requiring such information. Reasonable precautions will be exercised for the protection of any proprietary data included in the proposal.

38. **RELEASE OF INFORMATION** During the term of the final agreement, the successful Contractor shall not release any information related to the services or the performance of the services under the agreement nor publish any final reports or documents without the prior written approval of the City.

39. **PATENTS AND ROYALTIES** Whenever any article, material, appliance, process composition, means or things called for by these specifications is covered by Letter of Patent, the successful bidder must secure, before using or employing such materials, the assent in writing of the owner or licensee of such letters of patent, and file the same with the City.

The Contractor will defend, at its own expense, and will pay the cost and damages awarded in any action brought against the City based on any allegation that the items provided by the Contractor infringe on a patent and copyright license or trade secret. In the event that an injunction shall be obtained against the City's use of items by reason of infringement of any patent, copyright, license or trade secret, the Contractor will, at its expense, procure for the City the right to continue using the items, replace or modify the same so that it becomes non-infringing.

40. **MISCELLANEOUS PROVISIONS** The City and the Contractor each bind themselves, their partners, successors, assign and legal representatives of such other parties in respect to all covenants, agreements, and obligations contained in the contract document. Neither party to the contract shall assign the contract or sublet it as a whole without the written consent of the other, nor shall the Contractor assign any monies due or to become due hereunder without the previous written consent of the City. Written notice shall be deemed to have been duly served if delivered in person to the individual or member of the firm or to any officer of the corporation for whom it was intended if delivered or sent by registered or certified mail to the last known address.

Duties and obligations imposed by the contract documents and the rights and remedies available thereunder shall be in addition to and not a limitation of the duties, obligations, rights and remedies otherwise imposed or available by law, unless so indicated.

41. **ETHICS REQUIREMENTS** In accordance with the City's financial disclosure and ethical conduct policy and/or ordinances a prerequisite for payment pursuant to the terms of this contract is that the Contractor may be required to furnish explicit statements, under oath, that the City Manager, and/or any other officer, agent, and/or employee of the City, and any member of the governing body of the City of Rockville or any member or employee of a Commission, Board, or Corporation controlled or appointed by the City Council, Rockville, Maryland has not received or has not been promised directly or indirectly any financial benefit by way of fee, commission, finder's fee, or in any other manner, remuneration arising from directly or indirectly related to this contract, and that upon request by the City Manager, or other authorized agent, as a prerequisite to payment pursuant to the terms of this contract, the Contractor will furnish to the Mayor and Council of the City of Rockville, under oath, answers to any interrogatories to a possible conflict of interest has herein embodied.

42. **BROKERING** The Contractor warrants that only an established commercial or selling agency maintained by the Contractor for the purpose of securing business may be retained to solicit or secure this contract. Any brokerage arrangements must be disclosed in the proposal. For violation of this warranty, the City shall have the right to terminate or suspend this contract without liability to the City.

43. **EQUAL EMPLOYMENT OPPORTUNITY** The Contractor will not discriminate against any employee or applicant for employment because of race, creed, color, sex, national origin, or disability. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, sex, national origin, or disability. Such action shall include but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment, layoff or termination; rates of pay or other form of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices (provided by the City) setting forth the provisions of this nondiscrimination clause.

If the Contractor fails to comply with non-discrimination clauses of this contract or fails to include such contract provisions in all subcontracts, this contract may be declared void AB INITIO, cancelled, terminated or suspended in whole or in part and the Contractor may be declared ineligible for further contracts with the City of Rockville.

Any employee, applicant for employment, or prospective employee with information concerning any breach of these requirements may communicate such information to the City Manager who shall commence a prompt investigation of the alleged violation. Pursuant to such investigation, the Contractor will permit access to the Contractor's books, records and accounts. If the City Manager concludes that the Contractor has failed to comply with nondiscrimination clauses, the remedies set out above may be invoked.

44. **LANGUAGE** If applicable, the Contractor shall appoint one or more crew members or supervisors to act as liaison with the City and emergency service personnel. All liaisons shall be fluently bilingual in English and the Contractor's

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employees' language(s), and at least one liaison shall be present at each work site at all times when any of the Contractor's employees or agents are at the site.

45. **IMMIGRATION REFORM AND CONTROL ACT** The Contractor awarded a contract pursuant to this bid shall warrant that it does not and shall not hire, recruit or refer for a fee, for employment under the contract, an alien knowing the alien is an unauthorized alien and hire any individual without complying with the requirements of the Immigration Reform and Control Act of 1986 (the Act), including but not limited to any verification and record keeping requirements. The Contractor shall further assure the City that, in accordance with the Act, it does not and will not discriminate against an individual with respect to hiring, or recruitment or referral for a fee, of the individual for employment or the discharging of the individual from employment because of such individual's national origin or in the case of a citizen or intending citizen, because of such individual's citizenship status.
46. **ASSIGNMENT** Neither this contract nor any interest therein nor claim thereunder shall be assigned or transferred by the Contractor except as expressly authorized in writing by the City.
47. **EXCLUSION** As part of the contract, the offeror must warrant that it will not engage in providing consulting or other services to any private entity regarding any property within the study area during the term of the project. This requirement is intended to avoid the appearance of any conflict of interest that may arise. This exclusion also applies to all subcontractors.
48. **OWNERSHIP OF DOCUMENTS** Any and all deliverables, including but not limited to reports, specifications, blueprints, plans, negatives, electronic files and documents, as well as, any other documents prepared by the Contractor in the performance of its obligations under the resulting contract shall be the exclusive property of the City. The Contractor shall not use, willingly allow, or cause such materials to be used for any purpose other than performance of all Contractors' obligations under the resulting contract without the prior written consent of City. Documents and materials developed by the Contractor under the resulting contract shall be the property of City of Rockville; however, the Contractor may retain file copies, which cannot be used without prior written consent of the City. The City agrees that the Contractor shall not be liable for any damage, loss, or injury resulting from the future use of the provided documents for other than the project specified, when the Contractor is not the firm of record.