



**REQUEST FOR PROPOSAL**

**RFP: 250401**

**AUDIT SERVICES**

**Proposal Due By: Wednesday, April 30, 2025 5:00pm PT**  
**Submit Bid: [contracts@rsd7.net](mailto:contracts@rsd7.net)**

**Contact:**

Paul Stewart, Controller  
[contracts@rsd7.net](mailto:contracts@rsd7.net)  
(503) 661-7200 x3250  
1204 NE 201<sup>st</sup> Avenue, Fairview, OR 97024

**Reynolds School District**  
REQUEST FOR PROPOSALS (RFP) TO PROVIDE AUDIT SERVICES

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## **I. Scope of Services**

### **A. Purpose of RFP**

Reynolds School District (the District) issues this Request for Proposals (RFP), and invites qualified independent certified public accounting firms to submit proposals for conducting the annual audit of the financial statements of the District for the year ending June 30, 2025 with the option of auditing its financial statements up to five subsequent years. Our objective is to select the firm best qualified to provide:

1. Examination of the financial statements of the District in accordance with:
  - a) Auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.
  - b) Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance).
  - c) Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10- 320 of Minimum Standards for Audits of Oregon Municipal Corporations.
2. Apply limited procedures to required supplementary information, including management's discussion and analysis.
3. Report on supplementary information other than RSI that accompanies the District's financial statements.
4. Assistance to District staff on various accounting and reporting issues and questions including implementation of new accounting standards.
5. Written recommendations to management.

### **B. District Profile**

Reynolds School District was confirmed in 1954 as a consolidation of the Fairview, Troutdale, and Wilkes elementary school districts. In 1975, Rockwood School District merged with Reynolds.

The District includes 11 elementary schools, three middle schools, one high school, one alternative school, five alternative programs, and four charter schools. Together, the district reflects a diverse geographic region, serving over 9,500 students with various backgrounds and speaking more than 72 languages. The high school consistently ranks as one of the largest, in terms of student population, in the state. Reynolds High School students may also attend the Center for Advanced Learning, a charter school partnership between four neighboring districts (Centennial, Corbett, Gresham-Barlow and Reynolds), where students can choose to focus on health sciences, engineering, or computer science.

The District, a fiscally independent entity, is organized with a seven-member elected Board of Directors and a board appointed budget committee. The School Board sets district policies, employs staff, and dedicates resources. It is the chief governing body and is exclusively responsible for its public policies and accountable for fiscal oversight. The chief administrative officer of the District is the superintendent who is appointed by the Board.

District management includes the Superintendent, Chief Academic Officer, Chief Operating Officer, Executive Director of Human Resources, Executive Director of Financial Services, Director of Communications, and 84.0 principals, vice-principals, and district administrators. The District's

budget has 1,381.94 full-time equivalent (FTE) personnel, including principals, vice-principals, administrators, teachers, supervisors, secretarial staff, bus drivers, maintenance personnel, cafeteria staff, and other support staff.

The District's adopted budget for the fiscal year 2024–25 is \$243,111,860 across four funds.

### **C. Scope of Audit and Reports Required**

#### **1. Audit Services**

The District proposes to engage a single firm to audit the basic financial statements and provide other auditing and accounting services. The contracted audit firm shall examine the financial statements of the District and issue an opinion on the financial statements. The reports, outlined in sections 2 through 5, are expected at the completion of the audit and in the quantities, form and times indicated.

#### **2. Annual Comprehensive Financial Report (ACFR) for the District**

An opinion on the examination of the combined financial statements and related notes thereto, and independent auditor comments and disclosures required by generally accepted auditing standards and the Minimum Standards for Audits of Oregon Municipal Corporations, shall be issued by the audit firm no later than December 1st of each year.

District staff shall produce a complete copy of the annual financial statements and supplementary information in draft form to the audit firm by a mutually agreed upon date. The supplementary information of the financial statements is to be examined in relation to the financial statements of the District. Contractor will provide one electronic version of the audit reports to the District for inclusion in its published Annual Comprehensive Financial Report. The District will draft, print and assemble its ACFR.

#### **3. Report on Single Audit**

A report on the results of a single audit of the District's federal awards in accordance with the U.S. Office of Management and Budget (OMB) 2 CFR Part 200, Subsection F, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. District staff will provide the Schedule of Expenditures of Federal Awards to the audit firm by a mutually agreed upon date. Contractor will provide one electronic version of all required audit reports to the District for inclusion in its published Single Audit Report.

#### **4. Management Recommendation Letter**

The engagement should include recommendations to management, prepared by the audit firm in letter form, which include any findings, observations, opinions, comments or recommendations relating to internal control, accounting systems, data processing, compliance with laws, rules and regulations, or any other matters that come to the attention of the audit firm during the course of the examination and, in the opinion of the audit firm, warrant the attention of management. Such recommendations shall not be construed as special or additional studies, but shall be limited to those usually associated with the study of internal control systems and procedures as a part of an examination of financial statements. The management letter and management's written responses shall be discussed with District officials prior to publication. A discussion draft will be submitted to the Director of Finance each year by December 1st.

5. Secretary of State Summary of Revenues and Expenditures  
District staff will prepare the Summary of Revenues and Expenditures required by the Secretary of State for the State of Oregon and deliver to the auditor at a mutually agreed upon date.
6. Modifications to Original Audit Scope and Contract Amount  
In the event that circumstances disclosed by the audit indicate that a more extensive and detailed examination is required in addition to those, which would be sufficient under normal circumstances, the audit firm shall provide all pertinent facts relative to the extraordinary circumstances together with the firm's estimate of the additional services to the District. Any fees relating to such extensions of examination procedures are to be considered as additional fees subject to negotiation and are not included within the scope of services to be performed under the original contract signed as a result of this RFP.

#### **D. Other Services**

1. GFOA Certificate of Achievement  
The audit firm is expected to assist the District in obtaining the Certificate of Achievement for Excellence in Financial Reporting award for their ACFR from the Government Finance Officers Association. This certificate program affirms that the District's financial report not only complies with generally accepted accounting principles and applicable legal requirements, but it is also easy to read, efficiently organized and conforms to program standards.
2. Other Technical Assistance  
As a part of the overall audit contract and included in the audit fee, the District expects to receive from the audit firm a variety of technical assistance throughout the fiscal year. This assistance would include, but is not limited to, answers to accounting, reporting, Internal Revenue Service or internal control questions including the comments in the Management Letter.
3. Additional Services  
Proposals shall contain provisions for dealing with extraordinary circumstances discovered during the audit that may require an expansion of audit work beyond that which was originally planned.  
In addition, the audit firm may be requested to perform special projects for the District during the year. Because of variations in the demand for additional services from year to year, such work will be contracted for, provided, and billed separately to the District on an hourly or otherwise agreed upon basis. Proposals should be submitted to the District describing the service to be rendered by the audit firm and the fees charged.

#### **E. Audit Contracts**

1. Contract Period  
The contract shall be renewable on an annual basis but will not exceed five fiscal years. The contract will include a sixty (60) day cancellation provision and an available appropriation clause. The District reserves the right to request proposals for audit services in future years.
2. Subsequent Year Fees  
If extended, the fee for each subsequent fiscal year will be equal to the previous year's fee. Any proposed increases shall be limited to the percentage increase in the Portland, Oregon Consumer Price Index (CPI), according to the U.S. Department of Labor, Bureau of Labor Statistics, as determined using the second half of each calendar year as the comparison point.

The audit firm shall not release news or make any statements to the public, press, or other media relating to matters pertinent to the financial statements of the District, the management letter, or the audit contract, without prior approval from the Executive Director of Financial Services.

#### **F. Project Administration**

The audit firm shall commence the audit at a mutually agreeable date as determined during the planning meeting to discuss the audit approach and timing between the Firm, Project manager, Executive Director, and appropriate District staff prior to formalizing the contract. Management's scheduling preference of the work to be performed per the contract is the following:

1. Pre-audit conferences with District staff will be held no later than May 15th of each year to discuss audit schedules. Note that for this first year, the pre-audit conference will be held as soon as feasible after contract execution.
2. Interim financial statement fieldwork to include preliminary planning, analytical reviews, internal control and transaction cycle testing. Client-prepared work paper listing for interim procedures should be finalized a minimum of three weeks prior to testing, and large sample selections should be provided a minimum of one week prior to testing, to allow for adequate preparation time by District staff.
3. Single Audit field work: Management will prepare a preliminary Schedule of Expenditures of Federal Awards a minimum of two weeks prior to testing. Large sample selections will be provided to the District a minimum of one week prior to testing, to allow for adequate preparation time by District staff. Management will prepare a final Schedule of Expenditures of Federal Awards no later than September 30th.
4. Final field work for the financial statement audit and the Single audit to be completed no later than November 1<sup>st</sup>.
5. The audit firm will present the results of its audit to the Board of Directors at the December Board Meeting, or not later than the January Board Meeting each year. All presentations will be reviewed with the Executive Director of Financial Services a minimum of fourteen (14) calendar days prior to the meeting. All audit work and reports (including concurring partner review) will be completed by December 1<sup>st</sup>. District staff will receive all partner review comments and recommendations in a timely manner to allow for adequate time to complete the published financial reports. All recommendations will be adequately reviewed and discussed between audit firm and District staff. Electronic versions of audit reports will be provided by the audit firm by November 30th.
6. The audit firm and District staff will meet periodically to discuss audit related issues and the progress of the audit engagement. The audit firm is expected to consult on accounting policy issues and render financial advisory services as deemed necessary. Any unusual conditions encountered during the course of the examination where services of the audit firm must be extended beyond the normal work anticipated will require notification to the District Contract Manager prior to the commencement of the work.
7. The auditor is responsible for the day-to-day direction and internal management of the audit firm's efforts.

#### **G. Mandatory Audit Requirements**

1. Audit Standards

Each examination shall be made in accordance with auditing standards generally accepted in

the United States of America and the standards applicable to financial audits contained in Governmental Auditing Standards issued by the Comptroller General of the United States; the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State in cooperation with the Oregon State Board of Accountancy; generally accepted governmental auditing standards (GAGAS), Government Auditing Standards (the Yellow Book), issued by the Comptroller General, U.S. General Accounting Office; the Uniform Single Audit Act of 1984 and amendments; Title 2 CFR Part 200, Subpart F Audit Requirements for Federal Awards and the applicable Compliance Supplement; and with consideration given to comments received from the GFOA review programs, as appropriate.

2. Reports as Public Records

Reports covering examinations of financial statements, compliance with grant programs, and management letters will be a matter of public record. Copies of all management letters, together with the District's response to such letters, may be forwarded to municipal bond rating agencies and other interested parties upon request. The audited financial statements may appear in all official statements or other documents covering the sale of District securities.

3. Reporting Deadlines

The District's audited financial statements are required by law to be submitted to the Secretary of State no later than December 31 after the June 30 fiscal year end. The financial statements of the District are published annually in the Annual Comprehensive Financial Report (ACFR).

4. Work paper Retention and Availability

Materials and working papers developed during the engagement will be maintained for a minimum of three years from the date of the audit reports and will be made available for examinations by authorized representatives of the cognizant Federal audit agency, the Oregon Department of Education, Oregon Secretary of State, the U.S. General Accounting Office and the District.

## **H. Proposer Questions and Requests**

1. Single Point of Contact for Questions and Clarifications

Any audit firm requiring further clarification of the proposal procedures contained herein should submit specific questions in writing (or email) to:

Paul Stewart, Controller  
1204 NE 201<sup>st</sup> Avenue, Fairview, OR 97024  
contracts@rsd7.net  
(503) 661-7200 x3250

To be considered, questions must be received according to the established deadline (see Schedule and Deadlines). A written response will be provided to those questions that are deemed appropriate. The response will be in the form of an addendum and will be sent to all firms in receipt of this RFP.

2. Accounting Systems

The District maintains four reporting funds: General Fund, Special Revenue Fund, Debt Service Fund, and the Capital Projects Fund. The District's government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. DebtBook is in use for GASB 86

& 97 implementation and reporting. The District is using School ERP Pro (Infinite Visions) accounting system from Tyler Technologies and is primarily a paperless system.

3. Prior-Year Financial Statements

Previous years' published financial statements (ACFR) and budgets are available for inspection on the District website: [Home Page | Reynolds School District - Oregon](#) or upon request.

4. Cognizant Federal Agency Contact

The cognizant Federal agency contact and telephone number for the District is:

Oregon Department of Education (ODE)

255 Capitol Street NE

Salem, OR 97310-0203

Telephone: 503-947-5600

5. Responsiveness of Proposal

A proposal will be considered responsive if it meets the following requirements:

- a) The audit firm employs accountants properly licensed by the Oregon State Board of Accountancy as Certified Public Accountants and as Municipal Auditors.
- b) The audit firm meets the independence standards of the GAO Government Auditing Standards, 2018 revision.
- c) The audit firm does not have a record of substandard work; the District will verify this requirement by communication with the Oregon State Board of Accountancy.
- d) Proposal is received at the proper date and time.
- e) Required responses and documents are completed and returned with the proposal.
- f) The Contractor is licensed/registered within the State of Oregon at the time of proposal due date and is not banned from proposing by the Bureau of Labor and Industries.
- g) Complies with the State of Oregon and Federal requirements as applicable.



## II. Proposal Submittal Procedures

### A. Schedule and Deadlines

Deadline	Event
April 1, 2025	Issue request for proposals
April 15, 2025 (by 5 p.m. PT)	Questions and requests due
April 22, 2025	Release of final addendum to RFP, if required
<b>April 30, 2025 (by 5 p.m. PT)</b>	<b>Proposal submission deadline (email or hard copy)</b>
May 9, 2025	Notification of finalists
May 16, 2025	Interviews of finalists (Optional)
May 20, 2025	Notice of Intent to award
May 28, 2025	Presentation of Board Resolution
May 30, 2025	Sign contracts

Proposed timetable is subject to revision.

### B. General

1. The term "vendor" or "proposer" shall refer to the firm or individual submitting a proposal.
2. All proposals must be submitted utilizing the pages provided herein for that purpose.
3. Proposer may submit a proposal on any or all items as given in the specifications and/or any single item.
4. Proposals shall have arrived (by email, mail, or hand delivery) within the time specified herein. FAX (facsimile) proposals are unacceptable.
5. By submitting a proposal, the proposer certifies that the proposal has been arrived at independently and has been submitted without collusion designed to limit competition.
6. Electronic signatures are acceptable.
7. The District is not liable for any cost incurred by a proposer prior to issue of a contract.

### C. Proposal Submission Requirements

Proposal submission is strongly encouraged by email to [contracts@rsd7.net](mailto:contracts@rsd7.net) with a subject line of "Audit Services Proposal".

If mailing or delivering hardcopy, provide one original of the proposal prior to the proposal submission deadline to: Paul Stewart, Controller, 1204 NE 201<sup>st</sup> Avenue, Fairview, OR 97024. Hardcopy proposals must be submitted in a sealed envelope and designated as "Audit Services Proposal". The name and address of the proposer must appear on the outside of the envelope or container.

Delivery is the sole responsibility of the proposer. The proposer accepts all risks of late delivery of mailed proposals or of miss-delivery regardless of fault. All proposals received after the date and time indicated above will be returned unopened.

### D. Proposal Format

Proposals should be prepared briefly and simply. They should contain a clear and concise description of what is being proposed and be fully responsive to all specific questions and concerns indicated in this RFP. To provide consistency in the review of the proposals, firms are requested to prepare their responses in the format requested in the order outlined in Section III Proposal Content and Format.

**E. Multiple Proposals**

No more than one proposal may be submitted by each proposing firm.

**F. Inquiries**

Questions or comments regarding this Request for Proposals or related technical issues should be directed by email to [contracts@rsd7.net](mailto:contracts@rsd7.net)

**G. Opportunity to Comment or Protest**

Firms interested in formally commenting or protesting accordance with ORS 279B.405 may address any area(s) in which they believe competition is unduly inhibited by submission of signed written statement to Paul Stewart, Controller, 1204 NE 201<sup>st</sup> Avenue, Fairview, OR 97024 or email to [contracts@rsd7.net](mailto:contracts@rsd7.net). Comments or protests must be received as indicated by the Deadlines table (see Schedule and Deadlines). No protest against award because of the content of specifications or contract terms shall be considered after this deadline.

**H. Addenda**

Addenda, if any, will be issued anytime up until three (3) calendar days prior to the proposal due date. To ensure adequate receipt of addenda, verify that the District has the name, phone number, e-mail address of a contact person for the firm.

Modifications to this RFP shall be made only by addenda to the solicitation. Verbal or other instructions, interpretations, and changes shall not serve as official expressions of the District and shall not be binding. All cost adjustments or other changes resulting from said addenda shall be taken into consideration by Proposer and included in their Proposals. All addenda issued by the District shall be acknowledged by Proposer on the Acknowledgement of Addenda form.

**I. Solicitation and Attachments**

The Solicitation and any attachment or exhibit to this RFP will be incorporated into and made a part of the resulting Contract. In the event of a conflict between the provisions contained in the body of this RFP, the solicitation, and any attachment or exhibit, the terms in the body of the resulting Contract will control.

**J. Right to Reject Proposals**

The District reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this RFP unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the District and the firm selected.

The District reserves the right without prejudice to reject any and all proposals. All Proposals will become part of the public file without obligation to the District. The District enforces the right to wave irregularities anytime through the solicitation process.

**K. Cost of Preparing a Proposal**

The RFP does not commit the District to paying any costs incurred by any proposer in the submission or presentation of a proposal, or in making the necessary studies for the preparation thereof.

**L. Proposal Results**

Following any resulting Contract award, the District may provide the following information to interested parties:

1. The number of Proposals the District received;
2. The name of the successful Proposer; and
3. The total resulting contract price, including descriptions of items, quantities, and unit prices, if practical.

The District will attempt to give notice under this paragraph promptly after contract award. District's failure to give such notice shall not be deemed to affect the validity of the resulting contract.

### **III. Proposal Content and Format**

To simplify and expedite the review process, **the District requests that candidates prepare proposals in the order and format specified below.**

#### **A. Title Page**

Proposer should identify:

1. RFP subject
2. Name of the firm
3. Local address
4. Telephone number
5. Name, title, and email of contact person
6. Date of submission
7. Period for which the proposal is effective (non- rescindable)

#### **B. Transmittal Letter**

The transmittal letter should be not more than two pages long and should include as a minimum the following:

1. Brief statement of the proposer's understanding of the objective of the services to be performed.
2. A positive commitment to perform the services within the time period specified.
3. For persons authorized to represent the proposer, provide name, title, address, email, and telephone number (if different from the individual who signs the transmittal letter).

#### **C. Responses to Requested Information**

Proposal must contain responses to the following questions:

1. General Information
  - a) Name (firm or individual) of Proposer
  - b) Local Address (location of the office from which the work is to be done)
  - c) Federal Employer Identification Number
  - d) Number of years firm has been in business
  - e) Provide type of firm: local, regional, national, or international operation
  - f) List the number of professional audit staff by staff level employed in the local office and indicate the number of staff on the Oregon Municipal Auditor Roster.
2. Peer Review and Disciplinary Action
  - a) Has the firm been the object of any disciplinary action or pending action during the past three (3) years with state regulatory bodies or professional organizations? (If yes, please provide information on the circumstances and status.)
  - b) Please provide a copy of the most recent Peer review, with a statement whether that quality control review included a review of specific government engagements. In addition, please provide information on the results of any Federal or State desk reviews or field reviews of its audits during the past three (3) years.
3. Experience
  - a) Please list for the preceding three years, any local governments audited by the firm, and indicate how many were an Oregon school district or education service district.

- b) Describe the firm's experience and qualifications relative to similar engagements contained within this RFP. Specifically, detail the firm's experience performing audits for K-12 school districts. The experience profile should be within the last three years. Indicate the client name, approximate hours of staff hours expended, and client contact information (name, phone, email).
4. Qualifications
- a) Describe the range of activities performed by the office staffing the engagement, such as auditing, accounting, tax service, or management services. Include resources in addition to the local office available to assist with technical inquiries.
  - b) Describe staff experience in assisting audit clients in obtaining and/or retaining the GFOA Certificate of Achievement, and familiarity with Oregon local budget law.
  - c) Provide a brief statement on the firm's policy for staff rotation once assigned to audit the District. Indicate how the quality of staff over the term of the agreement will be assured.
  - d) Describe firm's experience in conducting single audits as prescribed by 2 CFR Part 200.
  - e) Describe firm's capability to audit automated financial systems, including the number and staff level of personnel with prior electronic data processing (EDP) audit experience who will work on the audit.
5. Staffing
- a) Provide the name of the partner who will be in charge of the engagement and any other partners who will be assigned review or quality control functions. Provide resumes including information on those partners' experience auditing government clients, relevant continuing education within the past three years, membership in professional societies, and note their Oregon Municipal Auditor roster number.
  - b) Identify and provide names of the principal supervisory and management staff, including managers and other supervisors and specialists who would be assigned to the engagement. Provide resume or summary information describing government auditing experience, relevant continuing education within the past three years, membership in professional societies, and note the Oregon Municipal Auditor roster number to the applicable personnel.
6. Specific Audit Approach
- a) Submit a work plan to accomplish the scope of work. The work plan should include time estimates (in hours) for each significant segment of the audit and the staff level to be assigned. The ACFR and Single Audit work plan should include an explanation of the audit methodology to be followed. Please address the approach to audit testing, sampling techniques, and analytical procedures.
  - b) Explain how the firm would approach work efforts of subsequent years.
  - c) Provide detailed information on how the audit firm proposes to meet time lines and reporting deadlines. Audit milestones and dates should be provided.
  - d) Identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from either District.
7. Additional Information
- a) (optional) Please provide any other information you feel would help in the evaluation of your firm for this engagement.

#### D. Cost Proposal

##### 1. Fee Chart

Proposals will set forth the total hours and dollar amounts, including out-of-pocket costs, for each engagement by providing costs in the table format below. Note that Audit fee may be a flat rate.

Fiscal Year 2025-2026			
Services to be Provided	Rate	# Hours	Cost
District Audit & Single Audit			
Hourly Fee for Additional Services			
No-fee Consulting Hours			
<b>Total Fee for Annual Audit</b>			

##### 2. Additional Services

- a) District may make requests of the auditor to render additional services to either supplement the services requested in this RFP or to perform additional work as a result of the specific recommendations included in any report issued on the engagements
- b) Additional work shall be performed only if set forth in an addendum to the contract between the District and firm. Any such additional work agreed to between the District and the firm shall be performed at the same rates set forth in the schedule of fees and expenses listed above.

##### 3. Free Consulting Hours

- a) List the number of hours your firm will provide each year, as part of the proposal fee and at no additional cost to the Districts, for audit, accounting, and miscellaneous consulting services.

#### E. Additional Representations

Review and sign the Additional Representations form included as Section IV in this RFP.

#### F. Proposal Certifications

Review and sign the Proposal Certifications form included as Section V in this RFP.

#### **IV. Additional Representations**

In addition to the responses included in the response to this RFP, the Proposer certifies that:

1. Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted, or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of the District. However, in either case, the District retains the right to approve or reject replacements.
2. Consultants and firm specialists mentioned in response to this request for proposal can only be changed with the express prior written permission of the District, which retains the right to approve or reject replacements.
3. Other audit personnel may be changed at the discretion of the proposer provided that replacements have substantially the same or better qualifications or experience.
4. The Proposer, if an individual, is of lawful age; is the only one interested in this proposal; and that no person, firm, or corporation, other than that named, has any interest in the proposal, or in the contract proposed to be entered into.
5. The Proposer, and each person signing on behalf of any Proposer, certifies, and in the case of a joint proposal, each party thereto certifies as to its own organization, that to the best of their knowledge and belief:
  - a. The fees and rates in the proposal have been arrived at independently without collusion, consultation, communication, or agreement for the purpose of restraining competition as to any matter relating to such prices with any other proposer or with any competitor;
  - b. Unless otherwise required by law, the fees and rates that have been quoted in the proposal have not been knowingly disclosed by the Proposer prior to the proposal deadline, either directly or indirectly, to any other proposer or competitor;
  - c. No attempt has been made nor will be made by the Proposer to induce any other person, partnership, or corporation to submit or not to submit a proposal for the purpose of restraining trade;
  - d. No Board member or other officer, employee, or person, whose salary is payable in whole or in part from District, has a direct or indirect financial interest in the proposal;
  - e. Said Proposer is not in arrears to the District upon any debt or contract, and is not a defaulter, as surety or otherwise, upon any obligation to the District and has not been declared irresponsible, or unqualified, by any department of the District or the State of Oregon, nor is there any proceeding pending relating to the responsibility or qualification of the Proposer to receive public contracts, except (if none, Proposer will insert "none");
  - f. Said Proposer meets the independence requirements of the American Institute of Certified Public Accountants and as defined by the latest Government Auditing Standards issued by the U.S. General Accounting Office. Additionally, the Proposer is independent of all of the components of the District as defined by those same standards.
6. The Proposer has examined all parts of this Request for Proposal, including all requirements and contract terms and conditions thereof, and, if its proposal is accepted, the Proposer shall execute a contract, which incorporates the stated requirements, proposal response and terms

and conditions.

7. The Proposer is duly licensed by the Oregon Board of Accountancy as a Certified Public Accountant and Municipal Auditor.
8. The Proposer fully understands and submits its proposal with the specific knowledge that:
  - a. The selected proposal must be approved by the Board.
  - b. In the event that the Proposer's proposal is accepted and receives all necessary approvals, the proposal will be incorporated into a contract containing general terms and conditions as provided in the Request for Proposal, and the Board must approve the resultant contract.

The undersigned hereby certifies to the truth and accuracy of all statements, answers, and data contained in this proposal and application, and hereby authorizes Reynolds School District to make any necessary examinations or inquiries in order to make a determination as to the qualifications and responsibility of the Proposer. The undersigned has examined all parts of this RFP and understands that it is completely discretionary with the Evaluation Committee whether to accept, reject, or negotiate its proposal submitted pursuant thereto.

Signature of Proposer: \_\_\_\_\_ Date: \_\_\_\_\_

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

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



## V. Proposal Certifications

### A. Non-Discrimination Clause

The proposer agrees not to discriminate against any client, employee or applicant for employment or for services, because of race, color, religion, sex, national origin, physical or mental handicap, sexual orientation or age unless based upon bona fide occupational qualifications with regard to, but not limited to, the following: employment upgrading; demotion or transfer; recruitment or recruitment advertising; layoffs or termination; rates of pay or other forms of compensation; selection for training; and/or rendition of services. It is further understood that any vendor who is in violation of this clause shall be barred from receiving awards of any purchase order from the District, unless a satisfactory showing is made that discriminatory practices have terminated and that a recurrence of such acts is unlikely.

### B. Resident Certificate

**Check One:**

☐ **Resident Vendor:** Vendor has paid unemployment taxes or income taxes in this State of Oregon during the last twelve calendar months immediately preceding the submission of this proposal.

**OR**

☐ **Non-Resident Vendor:** Vendor does not qualify under requirements stated above.

Please specify your state of residence: \_\_\_\_\_

Officer's Signature: \_\_\_\_\_

Officer's Name: \_\_\_\_\_

Firm Name: \_\_\_\_\_

Address: \_\_\_\_\_

## VI. Signature Page

### Proposal for Audit Services for Reynolds School District

The undersigned ("Proposer"), upon acceptance by District, agrees to furnish all labor, freight, transportation, materials, equipment, services, supplies, and other work in accordance with this Request for Proposal for Audit Services.

The undersigned agrees to be bound by all applicable laws and regulations, the accompanying specifications, and by the District policies and regulations.

The undersigned, by submitting a proposal, represents that:

- a) The Proposer has read and understands the specifications and any drawings or attachments and the proposal is made in accordance herewith.
- b) The proposal is based upon the materials, equipment, and systems required by the specifications unless otherwise noted. Failure to comply with the specifications or any terms of this Request for Proposal may disqualify the vendor as being non-responsive.

The undersigned certifies that the proposal has been arrived at by the vendor independently and has been submitted without any collusion designed to limit independent competition.

The undersigned certifies that he has received and duly considered all addenda to the specifications and that all costs associated with all addenda have been included in this proposal:

Addenda: No. \_\_\_\_ to No. \_\_\_\_ Inclusive

We therefore offer and make this proposal on furnishing the requested equipment and/or services at the prices indicated herein in fulfillment of the specifications of Reynolds School District.

Name of Firm: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone Number: \_\_\_\_\_ Federal ID Number: \_\_\_\_\_

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

*(Signature of Authorized Official. If partnership, signature of one Partner.)*

Typed: \_\_\_\_\_  
Name Title

If corporation, attest: \_\_\_\_\_  
(Corporate Officer)

## **VII. Proposal Evaluation Procedures**

### **A. Proposal Rejection**

District reserves the right:

1. to reject any or all proposals not in compliance with all public procedures and requirements.
2. to reject any proposal(s) not meeting the specifications set forth herein.
3. to waive any or all irregularities in proposals submitted.
4. to consider the competency of proposers in making any award.
5. to reject all proposals.
6. to award any or all parts of any proposal.
7. to request references and other data to determine responsiveness.

### **B. Selection and Evaluation Process**

The District evaluation team will review all proposals. Following verification of responsiveness, proposals will be evaluated for technical and fee proposal responses. If necessary for completing selection, finalists will be selected for interview. This will provide an opportunity to clarify or elaborate on the proposal, but will in no way provide an opportunity to change any fee amount originally proposed. The scoring of proposals will be based on a 120-point scale (see Evaluation Criteria below). The District at its sole discretion reserves the right to provide top ranked finalists an opportunity to provide a best and final offer.

The evaluation team shall express its opinion to the Board of Directors for the District on the professional acceptability of the recommended firm. Following affirmative Board action, the successful firm and the District will enter into a contract incorporating the terms and conditions of this RFP document and the proposer's response. Proposers taking exception to any contract terms must indicate the same in their proposal or exceptions will be deemed waived.

### **C. Evaluation Criteria**

<b>Criteria</b>	<b>Points Available</b>
The qualifications of the firm as demonstrated by its organizational history, clients presently served, extent of governmental and municipal audit work, and references.	25
The expertise of staff as demonstrated by resumes of the partner in charge, audit manager, supervising auditor(s), and staff auditors assigned to this engagement.	25
Description of the proposer's approach to the scope of work.	25
Cost (fee schedule)	25
<b>SUBTOTAL POINTS</b>	<b>100</b>
Interview (At the District's Discretion)	20
<b>TOTAL POINTS AVAILABLE</b>	<b>120</b>

### **D. Proposal Validity Period**

Each proposal shall be irrevocable for a period of sixty (60) days from the Proposal Opening Date.

### **E. Competency of Firm**

To enable the District to evaluate the competency and financial stability of a firm, the qualifying and

accepted firm(s) shall, upon request, furnish such information as reasonably necessary.

**F. Protest of Award**

In accordance with ORS 279B.410, any adversely affected Proposer has five (5) calendar days from the date of the written notice of intent to award to file a written protest.

**G. Reservation in Evaluation**

District selection committee reserves the right to either: a) request "Best and Final Offers" from the two highest scoring vendors and award to the lowest priced or b) to re-assess the proposals and award to the vendor determined to best meet the overall needs of the District.

## VIII. Standard Terms and Conditions

1. **Time is of the Essence.** Time is of the essence in the performance of this Contract.
2. **Subcontracts and Assignment.** Contractor shall not subcontract any of the work required by this Contract or assign or transfer any of its interest in this Contract, without the prior written consent of the District, which may be withheld without cause. In addition to any other provisions the District may require, Contractor shall require of any permitted subcontract under this Contract, that the Sub-Contractor be bound by all the same terms and conditions of this agreement. Such sub-contracts are solely between the Contractor and the Sub-Contractor and shall not have any binding effect on the District.

This contract is not assignable by the Contractor, either whole or in part, unless Contractor has obtained the prior written consent of the District.
3. **Other Contractors.** The District may undertake or award other contracts for additional or related work, and the Contractor shall fully cooperate with such other contractors and with any District employees concerned with such additional or related work, and shall coordinate its performance under this contract with such additional or related work. The Contractor shall not commit or permit any act that will interfere with the performance of work by any other contractor or by District employees.
4. **Independent Contractor Status.** Contractor shall certify status as an independent contractor in accordance with the Certification Statement for Corporation or Independent Contractor Status.
5. **No Third Party Beneficiaries.** The District and Contractor are the only parties to this Contract and are the only parties entitled to enforce its terms. Nothing in this Contract gives or provides any benefit or right, whether directly, indirectly, or otherwise, to third persons unless such third persons are individually identified by name in this Contract and expressly described as intended beneficiaries of this Contract.
6. **Successors in Interest.** The provisions of this Contract shall be binding upon and inure to the benefit of the parties and their successors and approved assigns, if any.
7. **Nonperformance.** In the event of nonperformance under this contract, the District, after seven (7) days written notice, shall have the right to obtain from other sources such products and/or services as may be required to accomplish the work not performed, and it is agreed that the difference in cost, if any, for said work or goods shall be borne by the Contractor. For purposes of this section, nonperformance shall be defined as failure to appear and perform work and/or deliver goods as specified and scheduled.
8. **Escalation.** Any price or cost adjustments shall be submitted by the Contractor no less than 60 days prior to the time in which such increases are to become effective. The District reserves the right to reject any modifications of the contract unacceptable to the District. Prices must be held firm for the first 12 months of the contract.
9. **Early Termination.** This Contract may be terminated as follows unless otherwise specified herein:
  - (a) The District and Contractor, by mutual written agreement, may terminate this Contract at any time.
  - (b) The District in its sole discretion may terminate this Contract for any reason on 30 days written notice to Contractor.
  - (c) Either the District or Contractor may terminate this Contract in the event of a breach of the Contract by the other. Prior to such termination, the party seeking termination shall give to the other party written notice of the breach and intent to terminate. If the party committing the breach has not entirely cured the breach within 15 days of the date of the notice, then the party giving the notice may terminate the Contract at any time thereafter by giving a written notice of termination.
  - (d) Notwithstanding paragraph 9(c), the District may terminate this Contract immediately by written notice to Contractor upon denial, suspension, revocation or non-renewal of any license, permit, or certificate that Contractor must hold to provide services under this Contract.
10. **Payment of Invoices**

- (a) **Method of Payment.** Unless otherwise provided in the Statement of Work, payment shall be approved monthly by the District, net thirty (30) days unless otherwise specified upon submission of invoice(s) at the end of each month to the District. Please send all invoices via email to: [AP@rsd7.net](mailto:AP@rsd7.net) or by USPS mail to the District financial services office at 1204 NE 201<sup>st</sup> Avenue, Fairview, OR 97024.
- (b) **Payment on Early Termination.** Upon termination pursuant to paragraph 9, payment shall be made as follows:
- (i) If terminated under 9(a) or 9(b) for the convenience of the District, the District shall pay Contractor for work performed prior to the termination date if such work was performed in accordance with the Contract. The District shall not be liable for direct, indirect or consequential damages. Termination shall not result in a waiver of any other claim the District may have against Contractor.
  - (ii) If terminated under 9(c) by the Contractor due to a breach by the District, then the District shall pay the Contractor for work performed prior to the termination date if such work was performed in accordance with the Contract.
  - (iii) If terminated under 9(c) or 9(d) by the District due to a breach by the Contractor, then the District shall pay the Contractor for work performed prior to the termination date provided such work was performed in accordance with the Contract less any setoff to which the District is entitled.
- (c) **Payment of Laborers.** The Contractor shall, to the extent that is required by Oregon State, Federal, and Local law:
- (i) Make payment promptly, as due, to all persons supplying to such Contractor labor or material for the prosecution of the work provided for this contract;
  - (ii) Pay all contributions or amounts due the Industrial Accident Fund by the Contractor or subcontractors, if permitted, incurred in the performance of this contract;
  - (iii) Not permit any lien or claim to be filed or prosecuted against the District on account of any labor or material furnished; and
  - (iv) Pay to the Department of Revenue all sums withheld from employees pursuant to ORS 316.167.
- If the Contractor fails, neglects or refuses to make prompt payment of any claim for labor or services furnished to it by any person in connection with this contract as such claim becomes due, the District may pay such claim to the person furnishing the labor or services and charge the amount of the payment against funds due or to become due the Contractor by reason of such contract.
- The payment of a claim in this manner shall not relieve the Contractor or the Contractor's surety, if any, from obligation with respect to any unpaid claims.
- (d) **Payment for Medical Care**
- (i) To the extent any of Contractor's employees are covered by the Oregon employment laws, the Contractor shall promptly, as due, make payment to any person, co-partnership, association or corporation, furnishing medical, surgical and hospital care or other needed care and attention, incident to sickness or injury, to the employees of such Contractor, of all sums which the Contractor agrees to pay for such services and all moneys and sums which the Contractor collected or deducted from the wages of employees pursuant to any law, contract or agreement for the purpose of providing or paying for such service.
- (e) **Non-Appropriation**

- (i) If payment for work under this contract extends into the District's next fiscal year, District's obligation to pay for such work is subject to approval of future appropriations to fund this Contract by the School Board.

(f) **Adequate Funding**

- (i) Continuation of this contract, at specified levels, is conditioned on adequate funding under the District's budget adopted in June of each year. District reserves the right to adjust the level of services in accordance with funding levels adopted.

11. **Remedies.** In the event of breach of this Contract the parties shall have the following remedies:

- (a) If terminated under 9(c) by the District due to a breach by the Contractor, the District may complete the work either itself, by agreement with another Contractor, or by a combination thereof. If the cost of completing the work exceeds the remaining unpaid balance of the total compensation provided under this Contract, then the Contractor shall pay to the District the amount of the reasonable excess.
- (b) In addition to the remedies in paragraphs 9 and 10 for a breach by the Contractor, the District also shall be entitled to any other equitable and legal remedies that are available.
- (c) If the District breaches this Contract, Contractor's remedy shall be limited to termination of the Contract and receipt of Contract payments to which Contractor is entitled.

12. **Hours of Labor.** For those employees of Contractor covered or subject to Oregon employment laws:

- (a) Persons employed under this Contract shall receive at least time and a half pay for work performed on the legal holidays specified in ORS 279.334(1) (a) (C) (ii) to (vii) and for all overtime worked in excess of 40 hours in any one week, except for individuals who are excluded under ORS 653.010 to 653.261 or under 29 USC 201 to 209 from receiving overtime.
- (b) Except as provided above, no person shall be employed for more than ten hours in any one day, or 40 hours in any one week, except in cases of necessity, emergency or where the District absolutely requires it, and in such cases, except in cases of contracts for personal services as defined in ORS 279.051, the laborer shall be paid at least time and a half pay:
  - (i) for all overtime in excess of eight hours a day or 40 hours in any one week when the work week is five consecutive days, Monday through Friday; or
  - (ii) for all overtime in excess of ten hours a day or 40 hours in any one week when the work week is four consecutive days, Monday through Friday; or
  - (iii) For work performed on Saturday and on any legal holidays specified in ORS 279.334.

For those employees of Contractor that are covered or subject to Oregon employment laws, Contractor must, pursuant to ORS 279.316(1) (b), give notice to employees who perform work on this Contract, either at the time of hire or before commencement of work on the contract, or by posting a notice in a location frequented by employees, of the number of hours per day and days per week that the employees may be required to work.

13. **Time Limitation on Claim for Overtime.** To the extent any of Contractor's employees are covered by the Oregon employment laws, such covered worker employed by the Contractor shall be foreclosed from the right to collect for any overtime under this contract unless a claim for payment is filed with the Contractor within 90 days from the completion of the contract, providing the Contractor has:

- (a) Caused a circular clearly printed in blackface pica type and containing a copy of this section to be posted in a prominent place alongside the door of the timekeeper's office or in a similar place which is readily available and freely visible to any or all workers employed on the work, and
- (b) Maintained such circular continuously posted from the inception to the completion of the contract on which workers are or have been employed.

14. **Workers' Compensation.** To the extent any of Contractor's employees are covered by the Oregon employment laws, the Contractor, its subcontractors, if any, and all employers working under this

contract, are subject employers under the Oregon Workers' Compensation Law and shall comply with ORS 656.017, which requires them to provide workers' compensation coverage for all their subject workers.

15. **Hazardous Chemicals.** Contractor shall notify the District prior to using products containing hazardous chemicals to which the District students or employees may be exposed. Products containing hazardous chemicals are those products as defined in OAR Chapter 437. Upon the District's request, Contractor shall immediately provide Materials Safety Data Sheets pursuant to OAR 437-004-9800.
16. **Errors.** The Contractor shall perform such additional work as may be necessary to correct errors in the work required under this contract without undue delays and without additional cost.
17. **Access to Records.** The Contractor agrees that the District and its authorized representatives shall have access to the books, documents, papers and records of the Contractor which are directly pertinent to the specific contract for the purpose of making audit, examination, excerpts and transcripts.

Contractor shall maintain all fiscal records directly relating to this Contract in accordance with generally accepted accounting principles. In addition, Contractor shall maintain any other records pertinent to this Contract in such a manner as to clearly document Contractor's performance. Contractor acknowledges and agrees that the District's duly authorized representatives shall have access to such fiscal records and other books, documents, papers, plans and writings of Contractor that are pertinent to this Contract to perform examinations and audits and make excerpts and transcripts. Contractor shall retain and keep accessible all such fiscal records, books, documents, papers, plans, and writings for a minimum of three (3) years, or such longer period as may be required by applicable law, following final payment and termination of this Contract, or until the conclusion of any audit, controversy or litigation arising out of or related to this Contract, whichever date is later.

18. **Ownership of Work.** All work products created by the Contractor as part of Contractor's performance of this Contract, including background data, documentation and staff work that is preliminary to final reports, shall be the exclusive property of the District. If any such work products contain intellectual property of the Contractor that is or could be protected by federal copyright, patent, or trademark laws, Contractor hereby grants the District a perpetual, royalty-free, fully paid-up, non-exclusive and irrevocable license to copy, reproduce, deliver, publish, perform, dispose of, use, re-use, in whole or in part, and to authorize others to do so, all such work products. The District shall have no rights in any pre-existing work product of Contractor provided to the District by Contractor in the performance of this contract except to copy, use and re-use any such work product for District use only.

If this contract is terminated by either party or by default, the District, in addition to any other rights provided by this contract, may require the Contractor to transfer and deliver such partially completed work products, reports or other documentation that the Contractor has specifically developed or specifically acquired for the performance of this contract.

19. **When Work is Performed on District Property (including Schools), Contractor shall comply with the following:**
  - (a) Identification. Notwithstanding 20c, Contractor's performing work on District Property or for District shall be in full uniform at all times. Uniforms shall include shirt with company identification attached. In addition, all such persons shall carry photo identification and will present such, to anyone on request. If such identification cannot be produced by Contractor, or is not acceptable to District, District may provide at its sole discretion, such identification tags to Contractor. Contractor shall bear the entire cost of producing and assigning such identification.

Contractors that do not have specific uniforms for employees, shall provide identification tags as described above, and or any other mechanism, the District in its sole discretion determines is required to easily identify Contractors.



As required by schools served by the District, each day of work Contractor's employees shall sign into the Main Office to receive an in-school identification/visitors tag to be displayed on the person at all times they are in the school or other location.

- (b) No Smoking. Smoking or other use of tobacco is prohibited on the District property.
- (c) No Drugs. District property sites and schools served by the District are designated drug-free zones.
- (d) No Weapons or Firearms. Except as provided by Oregon Statutes and District policy, weapons and firearms are prohibited on District property.
- (e) Safety. Prior to instituting work on District property, Contractor, its subcontractors, and suppliers shall review the safety and security policies issued by the District's Environmental Health and Safety Department and shall comply with those policies while on District property.

20. **When Work is Performed in or on School Sites, Contractor shall comply with the following:**

- (a) No Unsupervised Contact with Students. Contractor will ensure that Contractor, any subcontractors, and their officers, agents and employees will have no direct unsupervised contact with students while on District property. Contractor will work with the District to ensure compliance with this requirement. If The Work under this contract requires unsupervised contact with students, then Contractor shall submit to fingerprinting and a criminal background check pursuant to ORS 181.525, 181.539 and 342.223. Contractor shall pay for all required background and security checks.
- (b) Confidentiality. Contractor will not disclose any information or records regarding students or their families that Contractor may learn or obtain in course and scope of Contractor's performance of this Contract.
- (c) Criminal Records Check. Notwithstanding paragraph 20a, Contractor will provide verification of criminal records check and fingerprinting for any Contractor, sub-contractor, officer, agent or employee who may, by the nature of the Work, have direct, unsupervised contact with students while on the District property. Cost of the records check and fingerprinting shall be born by the Contractor. No work may proceed until the District receives verification of a satisfactory criminal records check.
- (d) Child Abuse Reporting Act. Contractor shall comply with the child abuse reporting law (ORS 491B.005 through 419B.050) as if Contractor were a mandatory abuse reporter. Contractor shall immediately report to the proper state or law enforcement agency circumstances supporting reasonable cause to believe that any child has been abused. Contractor shall report to the Principal or designated school authority the circumstances supporting reasonable cause to believe that any child has been abused.

- 21. **Employment Standards.** The Contractor agrees that upon request by the District, it shall remove from all District premises any Contractor's employee who, in the sole opinion of the District, is guilty of improper conduct, bringing any unauthorized personnel (including their own children) into a facility, or is not qualified to perform the work assigned.
- 22. **Security.** Any disclosure or removal of any matter and/or property on the part of the Contractor or Contractor's employees shall be cause for immediate cancellation of the contract. Any liability, including, but not limited to, attorney fees, resulting from any action or suit brought against the District as a result of the Contractor's or Contractor's employees' willful or negligent release of information, documents or property contained in or on District property shall be borne by the Contractor. All information, documents and property contained within these facilities shall be considered privileged and confidential.
- 23. **Compliance with Applicable Law.** Contractor shall comply with all federal, state, and local laws applicable to public contracts and to the work done under this Contract, and all regulations and administrative rules established pursuant to those laws.
- 24. **Public Employee Retirement System.** Contractor represents and warrants that (a) Contractor is not active as an employee in the Public Employee Retirement System; (b) Contractor has not received wages from the District or any other public entity during this calendar or fiscal year.
- 25. **Indemnity and Hold Harmless.** Contractor shall defend, indemnify, and hold the District, its officers, agents and employees, harmless against all liability, loss, costs, or expenses, including attorney's fees, and

against all claims, actions or judgments based upon or arising out of damage or injury (including death) to persons or property caused by any act or omission of an act sustained in any way in connection with the performance of this contract or by conditions created thereby, or based upon violation of any statute, ordinance or regulation. This contractual indemnity provision does not abrogate common law or statutory liability and indemnification to the District, but is in addition to such common law or statutory provisions.

26. **Insurance.** Contractor shall provide proof of insurance as required on the Standard Services Contract Insurance Requirements attachment.
27. **Waiver.** Waiver of any default under this Contract by the District shall not be deemed to be a waiver of any subsequent default or a modification of the provisions of this Contract.
28. **Governing Law.** The provisions of this Contract shall be construed in accordance with the laws of the State of Oregon and, rules of the District, as they appear at the time of signing or any subsequent addenda. Any legal action involving any question arising under this Contract must be brought in Multnomah County Circuit Court. If a claim must be brought in a federal forum, then it shall be brought and conducted in the United States District Court for the State of Oregon.
29. **Severability.** If any term or provision of this Contract is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Contract did not contain the particular term or provision held invalid.
30. **Merger Clause.** This Contract and the attached exhibits constitute the entire agreement between the parties. All understandings and agreements between the parties and representations by either party concerning this Contract are contained in this Contract. No waiver, consent, modification or change in the terms of this Contract shall bind either party unless in writing signed by both parties. Any written waiver, consent, modification or change shall be effective only in the specific instance and for the specific purpose given.
31. **Anti-discrimination Clause.** Contractor must comply with all applicable requirements of federal and state civil rights law and rehabilitation statutes and shall not discriminate based on race, religion, color, sex, marital status, familial status, national origin, age, mental or physical disability, sexual orientation, source of income, or political affiliation in programs, activities, services, benefits or employment. Contractor shall not discriminate against minority-owned, women-owned or emerging small businesses.
32. **Rule of Construction.** The rule of construction that a contract is construed against the drafter shall not apply to any dispute over the interpretation of application of the contract.

## **IX. Insurance Requirements**

### **INSURANCE REQUIREMENTS**

Contractor shall obtain at Contractor's expense the insurance specified in this Section IX prior to performing under this Contract. Contractor shall maintain such insurance in full force and at its own expense throughout the duration of this Contract, as required by any extended reporting period or continuous claims made coverage requirements, and all warranty periods that apply. Contractor shall obtain the following insurance from insurance companies or entities that are authorized to transact the business of insurance and issue coverage in the State of Oregon and that are acceptable to the District. All coverage shall be primary and non-contributory with any other insurance and self-insurance, with the exception of Professional Liability and Workers' Compensation. Contractor shall pay for all deductibles, self-insured retention, and self-insurance, if any.

If Contractor maintains broader coverage and/or higher limits than the minimums shown in this insurance requirement exhibit, District requires and shall be entitled to the broader coverage and/or higher limits maintained by Contractor.

### **WORKERS' COMPENSATION & EMPLOYERS' LIABILITY**

All employers, including Contractor, that employ subject workers, as defined in ORS 656.027, shall comply with ORS 656.017, and provide workers' compensation insurance coverage for those workers, unless they meet the requirement for an exemption under ORS 656.126(2). Contractor shall require and ensure that each of its subcontractors complies with these requirements. If Contractor is a subject employer, as defined in ORS 656.023, Contractor shall also obtain employers' liability insurance coverage with limits not less than \$500,000 each accident.

If Contractor is an employer subject to any other state's workers' compensation law, Contractor shall provide workers' compensation insurance coverage for its employees as required by applicable workers' compensation laws including employers' liability insurance coverage with limits not less than \$500,000 and shall require and ensure that each of its out-of-state subcontractors complies with these requirements.

As applicable, Contractor/Recipient shall obtain coverage to discharge all responsibilities and liabilities that arise out of or relate to the Jones Act with limits of no less than \$5,000,000 and/or the Longshoremen's and Harbor Workers' Compensation Act.

### **COMMERCIAL GENERAL LIABILITY:**

Contractor shall provide Commercial General Liability Insurance covering bodily injury and property damage in a form and with coverage that are satisfactory to the State. This insurance must include personal and advertising injury liability, products and completed operations, contractual liability coverage for the indemnity provided under this contract, and have no limitation of coverage to designated premises, project, or operation. Coverage must be written on an occurrence basis in an amount of not less than \$1,000,000 per occurrence and not less than \$2,000,000 annual aggregate limit.

### **AUTOMOBILE LIABILITY INSURANCE:**

☒ **Required**    ☐ **Not required**

Contractor shall provide Automobile Liability Insurance covering Contractor's business use including coverage for all owned, non-owned, or hired vehicles with a combined single limit of not less than \$1,000,000 for bodily injury and property damage. This coverage may be written in combination with the Commercial General Liability Insurance (with separate limits for Commercial General Liability and Automobile Liability). Use of personal

automobile liability insurance coverage may be acceptable if evidence that the policy includes a business use endorsement is provided.

**PROFESSIONAL LIABILITY:**

☒ **Required**    ☐ **Not required**

Contractor shall provide Professional Liability covering any damages caused by an error, omission or any negligent acts related to the services to be provided under this Contract by the Contractor and Contractor's subcontractors, agents, officers or employees in an amount not less than \$2,000,000 per claim and not less than \$4,000,000 annual aggregate limit.

If coverage is provided on a claims made basis, then either an extended reporting period of not less than 24 months shall be included in the Professional Liability insurance coverage, or the Contractor shall provide Continuous Claims Made coverage as stated below.

**NETWORK SECURITY AND PRIVACY LIABILITY:**

☒ **Required**    ☐ **Not required**

Contractor shall provide Network Security and Privacy Liability insurance for the duration of the contract and for the period of time in which Contractor (or its Business Associates or subcontractor(s)) maintains, possesses, stores, or has access to District or client data, whichever is longer, with a combined single limit of not less than \$1,000,000 per claim or incident. This insurance shall include coverage for third party claims and for losses, thefts, unauthorized disclosures, access or use of District or client data (which may include, but is not limited to, Personally Identifiable Information ("PII"), Payment Card Data and Protected Health Information ("PHI") in any format, including coverage for accidental loss, theft, unauthorized disclosure access or use of District data.

**EXCESS/UMBRELLA INSURANCE:**

A combination of primary and excess/umbrella insurance may be used to meet the required limits of insurance. When used, all of the primary and umbrella or excess policies shall provide all of the insurance coverages herein required, including, but not limited to, primary and non-contributory, additional insured, Self-Insured Retentions (SIRs), indemnity, and defense requirements. The umbrella or excess policies shall be provided on a true "following form" or broader coverage basis, with coverage at least as broad as provided on the underlying insurance. No insurance policies maintained by the Additional Insureds, whether primary or excess, and which also apply to a loss covered hereunder, shall be called upon to contribute to a loss until the Contractor's primary and excess liability policies are exhausted.

If excess/umbrella insurance is used to meet the minimum insurance requirement, the Certificate of Insurance must include a list of all policies that fall under the excess/umbrella insurance.

**ADDITIONAL INSURED:**

All liability insurance, except for Workers' Compensation, Professional Liability, Pollution Liability and Network Security and Privacy Liability (if applicable), required under this Contract must include an additional insured endorsement specifying the State of Oregon, its officers, employees, and agents as Additional Insureds, but only with respect to Contractor's activities to be performed under this contract. Coverage shall be primary and non-contributory with any other activities to be performed under this Grant.

Regarding Additional Insured status under the General Liability policy, we require additional insured status with respect to liability arising out of ongoing operations and completed operations, but only with respect to Contractor's activities to be performed under this Contract. The Additional Insured endorsement with respect to liability arising out of your ongoing operations must be on or at least as broad as ISO Form CG 20 10 and the

Additional Insured endorsement with respect to completed operations must be on or at least as broad as ISO form CG 20 37.

**WAIVER OF SUBROGATION:**

Contractor shall waive rights of subrogation which Contractor or any insurer of Contractor may acquire against the District or State of Oregon by virtue of the payment of any loss. Contractor will obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the District has received a waiver of subrogation endorsement from the Contractor or the Contractor's insurer(s).

**CONTINUOUS CLAIMS MADE COVERAGE:**

If any of the required liability insurance is on a claims made basis and does not include an extended reporting period of at least 24 months, then Contractor shall maintain continuous claims made liability coverage, provided the effective date of the continuous claims made coverage is on or before the effective date of the Grant Agreement, for a minimum of 24 months following the later of:

- (i) Contractor's completion and District's acceptance of all Services required under the Contract, or
- (ii) District or Contractor termination of this Contract, or
- (iii) The expiration of all warranty periods provided under this Contract.

**CERTIFICATE(S) AND PROOF OF INSURANCE:**

Contractor shall provide to District Certificate(s) of Insurance for all required insurance before delivering any Goods and performing any Services required under this Contract. The Certificate(s) shall list the State of Oregon, its officers, employees and agents as a Certificate holder and as an endorsed Additional Insured. The Certificate(s) shall also include all required endorsements or copies of the applicable policy language effecting coverage required by this Contract. If excess/umbrella insurance is used to meet the minimum insurance requirement, the Certificate of Insurance must include a list of all policies that fall under the excess/umbrella insurance. As proof of insurance District has the right to request copies of insurance policies and endorsements relating to the insurance requirements in this Contract.

**NOTICE OF CHANGE OR CANCELLATION:**

The Contractor or its insurer must provide at least 30 days' written notice to District before cancellation of, material change to, potential exhaustion of aggregate limits of, or non-renewal of the required insurance coverage(s).

**INSURANCE REQUIREMENT REVIEW:**

Contractor agrees to periodic review of insurance requirements by District under this Contract and to provide updated requirements as mutually agreed upon by Contractor and District.

**DISTRICT ACCEPTANCE:**

All insurance providers are subject to District acceptance. If requested by District, Contractor shall provide complete copies of insurance policies, endorsements, self-insurance documents and related insurance documents to District's representatives responsible for verification of the insurance coverages required under this Section IX.