This solicitation may be subject to the County’s Wage Requirements law for service contracts. If this solicitation is subject to this law, then it will be indicated on the next page (page 1).

If this solicitation is subject to the Wage Requirements law, then the “Wage Requirements Certification” and, if applicable, the “501(c)(3) Nonprofit Organization’s Employee’s Wage and Health Insurance Form” (see Attachment E), must be completed and submitted with your proposal. If you fail to submit and complete the required material information on the form(s), your proposal is unacceptable under County law and will be rejected.

Please note the information pertaining to the Wage Requirements law is on Attachment E. Please note for services contracts, you can find the mandatory current per hour rate payable to employees under Section 11B-33A of the County Code by going to the website (www.montgomerycountymd.gov), and clicking on Government, Departments, Complete List of Departments, and then on Procurement. Also, the Wage Requirements law is available at this website.
REQUEST FOR PROPOSALS
RFP #184472915
Professional Auditing Services
August 20, 2019

The Montgomery County Council, Montgomery County, Maryland is soliciting proposals for the provision of the above-referenced services as outlined in this document.

One original and seven (7) copies of your double-sided proposal must be submitted in a sealed envelope/package no later than 3:00 p.m. on Friday, October 18, 2019 to the Office of Legislative Oversight, Council Office Building, 100 Maryland Avenue, 4th Floor, Rockville, Maryland 20850. The sealed proposal package must be clearly marked with the solicitation number, due date, and due time.

There will be an optional pre-submission conference at 2:00 p.m. on Wednesday, September 11, 2019 in the 4th Floor Conference Room of the Council Office Building, 100 Maryland Avenue, Rockville, MD 20850.

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

Should you have any questions regarding the technical information, or the scope of services contained in this solicitation, please contact Blaise DeFazio in the Office of Legislative Oversight at (240) 777-7983.

This is a Services Contract (see Section A, Services Contract):

X Professional Services

or

This is not a Services Contract (disregard Section A, Services Contract):

# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section A</th>
<th>Instructions, Conditions and Notices</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Acceptance Time</td>
</tr>
<tr>
<td></td>
<td>Acknowledgment</td>
</tr>
<tr>
<td></td>
<td>Confidential Information</td>
</tr>
<tr>
<td></td>
<td>Contract Documents</td>
</tr>
<tr>
<td></td>
<td>Contractor Staff</td>
</tr>
<tr>
<td></td>
<td>Council is the Principal Client</td>
</tr>
<tr>
<td></td>
<td>Determination of Responsibility</td>
</tr>
<tr>
<td></td>
<td>Issuing Office and Point of Contact</td>
</tr>
<tr>
<td></td>
<td>Joint Procurement</td>
</tr>
<tr>
<td></td>
<td>Late Proposals</td>
</tr>
<tr>
<td></td>
<td>Minority, Female, Disabled Person Program Compliance</td>
</tr>
<tr>
<td></td>
<td>Optional Pre-Submission Conference</td>
</tr>
<tr>
<td></td>
<td>Other Contracts with the County</td>
</tr>
<tr>
<td></td>
<td>Payment Terms</td>
</tr>
<tr>
<td></td>
<td>Proposals</td>
</tr>
<tr>
<td></td>
<td>Proposal Withdrawal/Modification</td>
</tr>
<tr>
<td></td>
<td>Proprietary &amp; Confidential Information</td>
</tr>
<tr>
<td></td>
<td>Qualification of Offerors</td>
</tr>
<tr>
<td></td>
<td>Questions</td>
</tr>
<tr>
<td></td>
<td>Solicitation Amendments</td>
</tr>
<tr>
<td></td>
<td>Solicitation Preparation Expenses</td>
</tr>
<tr>
<td></td>
<td>Verbal Explanations</td>
</tr>
<tr>
<td></td>
<td>Verification and Audits</td>
</tr>
<tr>
<td></td>
<td>Wage Requirements</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Section B</th>
<th>General Conditions of Contract Between County Council and Contractor</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Accounting System and Audit, Accurate Information</td>
</tr>
<tr>
<td></td>
<td>Americans with Disabilities Act</td>
</tr>
<tr>
<td></td>
<td>Applicable Laws</td>
</tr>
<tr>
<td></td>
<td>Assignments and Subcontracts</td>
</tr>
<tr>
<td></td>
<td>Changes</td>
</tr>
<tr>
<td></td>
<td>Contract Administration</td>
</tr>
<tr>
<td></td>
<td>Cost &amp; Pricing Data</td>
</tr>
<tr>
<td></td>
<td>Disputes</td>
</tr>
<tr>
<td></td>
<td>Documents, Materials and Data</td>
</tr>
<tr>
<td></td>
<td>Duration of Obligation</td>
</tr>
<tr>
<td></td>
<td>Entire Agreement</td>
</tr>
</tbody>
</table>

Acknowledgment ........................................................................................................................................ 5

Name and Signature Requirements for Proposals and Contracts .................................................................. 5

Acknowledgment of Solicitation Amendments .......................................................................................... 5

5

Section A

Instructions, Conditions and Notices

Acceptance Time
Acknowledgment
Confidential Information
Contract Documents
Contractor Staff
Council is the Principal Client
Determination of Responsibility
Issuing Office and Point of Contact
Joint Procurement
Late Proposals
Minority, Female, Disabled Person Program Compliance
Optional Pre-Submission Conference
Other Contracts with the County
Payment Terms
Proposals
Proposal Withdrawal/Modification
Proprietary & Confidential Information
Qualification of Offerors
Questions
Solicitation Amendments
Solicitation Preparation Expenses
Verbal Explanations
Verification and Audits
Wage Requirements

Section B

General Conditions of Contract Between County Council and Contractor

Accounting System and Audit, Accurate Information
Americans with Disabilities Act
Applicable Laws
Assignments and Subcontracts
Changes
Contract Administration
Cost & Pricing Data
Disputes
Documents, Materials and Data
Duration of Obligation
Entire Agreement

Acknowledgment ........................................................................................................................................ 5

Name and Signature Requirements for Proposals and Contracts .................................................................. 5

Acknowledgment of Solicitation Amendments .......................................................................................... 5

5

Section A

Instructions, Conditions and Notices

Acceptance Time
Acknowledgment
Confidential Information
Contract Documents
Contractor Staff
Council is the Principal Client
Determination of Responsibility
Issuing Office and Point of Contact
Joint Procurement
Late Proposals
Minority, Female, Disabled Person Program Compliance
Optional Pre-Submission Conference
Other Contracts with the County
Payment Terms
Proposals
Proposal Withdrawal/Modification
Proprietary & Confidential Information
Qualification of Offerors
Questions
Solicitation Amendments
Solicitation Preparation Expenses
Verbal Explanations
Verification and Audits
Wage Requirements

Section B

General Conditions of Contract Between County Council and Contractor

Accounting System and Audit, Accurate Information
Americans with Disabilities Act
Applicable Laws
Assignments and Subcontracts
Changes
Contract Administration
Cost & Pricing Data
Disputes
Documents, Materials and Data
Duration of Obligation
Entire Agreement
**RFP #184472915**

**TABLE OF CONTENTS (continued)**

Ethics Requirements/Political Contributions
Guarantee
Hazardous and Toxic Substances
Health Insurance Portability and Accountability Act (HIPPA) Compliance
Immigration Reform and Control Act
Inconsistent Provisions
Indemnification
Independent Contractor
Inspections
Insurance
Intellectual Property Approval and Indemnification – Infringement
Non-Conviction of Bribery
Non-Discrimination in Employment
Payments
Personal Property
Protection of Personal Information by Government Agencies
Termination for Default
Termination for Convenience
Time
Work Under the Contract
Workplace Safety

Section C  **Scope of Services** ................................................................. 21
Background
Intent
Work Statement
Deliverables
Offeror Qualifications
Contractor Responsibility
County Responsibility
Montgomery County Union Employees Deferred Compensation Plan Responsibility

Section D  **Performance Period** ................................................................. 35
Term
Price Adjustments

Section E  **Method of Award/Evaluation Criteria** ........................................ 36
Procedures
Evaluation Criteria

Section F  **Proposal Submissions** .................................................................. 38

Section G  **Compensation** ............................................................................ 41

Section H  **Contract Administrator** ............................................................... 41

Section I  **Ethics** ......................................................................................... 41

Section J  **Computer Resources Security** ..................................................... 42
ATTACHMENTS

A. References.................................................................................................................................................. A1

B. Minority-Owned Business Addendum to the General Conditions of Contract Between County and Contractor, and its companion document entitled “Minority, Female, Disabled Person Subcontractor Performance Plan” .................................................................................... B1

C. Offeror’s Certification of Cost and Price ........................................................................................................ C1

D. Certificate of Insurance Review Form ........................................................................................................... D1

E. Wage Requirements for Services Contracts Addendum to The General Conditions of Contract between County Council and Contractor ..................................................................... E1

F. Price Sheets .................................................................................................................................................. F1

G. Business Associate Agreement.................................................................................................................... G1
ACKNOWLEDGMENT

The Offeror must include a signed acknowledgment that all the terms and conditions of the offer may, at the County Council’s option, be made applicable in any contract issued as a result of this solicitation. Offers that do not include such an acknowledgment may be rejected. Executing and returning (with the offer) the acknowledgment shown below may satisfy this requirement.

The undersigned agrees that all the terms and conditions of this solicitation and offer may, at the County Council’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, and the Contract must be signed by an Officer of the Corporation who possesses the authority to sign contracts for the Corporation.
• 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.

By submitting a proposal under this Solicitation, the Offeror agrees that the Montgomery County Council has 120 days after the due date in order to accept the proposal.

ACKNOWLEDGMENT OF SOLICITATION AMENDMENTS

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

<table>
<thead>
<tr>
<th>Amendment Number</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

5
SECTION A - INSTRUCTIONS, CONDITIONS AND NOTICES

The following provisions are applicable to this solicitation:

1. ACCEPTANCE TIME
   By submitting a proposal under this solicitation, the Offeror agrees that the Montgomery County Council has 120 days after the due date in order to accept the proposal. The County Council reserves the right to reject, as unacceptable, any offer that specifies less than 120 days of acceptance time. Upon mutual agreement between the County Council and the Offeror, the acceptance time for the Offeror’s proposal may be extended.

2. ACKNOWLEDGMENT
   The Offeror is to include a signed acknowledgment indicating agreement with all the terms and conditions of the solicitation.

3. CONFIDENTIAL INFORMATION
   Some material to be reviewed by the Contractor in performance of a contract will be of a confidential or proprietary nature. The Contractor must enter into a Business Associate Agreement with the County Council, which addresses access to protected health information as defined in the Health Insurance Portability and Accountability Act (HIPAA). See Attachment page G1. In addition, the Contractor may be required to sign confidentiality agreements with third-party providers of County data.

   The Contractor must not divulge such confidential or proprietary information to any party other than the County Council or other County officials directly involved in the audit and must comply with the confidentiality standards for client information established by the American Institute of CPAs (AICPA).

4. CONTRACT DOCUMENTS
   The following documents will be incorporated into the contract resulting from this solicitation:
   a. General Conditions of Contract Between County Council & Contractor,
   b. Minority Business Program & Offeror’s Representation,
   c. Minority-Owned Business Addendum to the General Conditions of Contract Between County Council & Contractor,
   d. Minority, Female, Disabled Person Subcontractor Performance Plan, and
   e. Offeror’s Certification of Cost & Price (for contracts above $100,000).

5. CONTRACTOR STAFF
   Key personnel (partner, managers, supervisors, and seniors) of the Contractor’s staff will be expected to work at the level of effort proposed by the Contractor unless a change is authorized by the Office of Legislative Oversight. 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.
SECTION A - INSTRUCTIONS, CONDITIONS AND NOTICES (continued)

6. COUNCIL IS THE PRINCIPAL CLIENT
Section 315 of the Montgomery County Charter states:

“The Council shall contract with, or otherwise employ, a certified public accountant to make annually an independent post-audit of all financial records and actions of the County, its officials and employees. The complete report of the audit shall be presented to the Council and copies of it shall be made available to the public.”

The County Council is the principal client and as such will enter into written contracts with the firm selected to perform auditing services. The Council, through the Audit Committee, must be kept fully informed of any problems and issues arising during the course of any audits, as well as progress being made toward the completion of the audits.

7. DETERMINATION OF RESPONSIBILITY
The Offeror has the burden of demonstrating affirmatively its responsibility in connection with this solicitation. A debarred potential Offeror must automatically be considered non-responsible in connection with this solicitation. The County Council reserves the right to consider an Offeror non-responsible who has previously failed to perform properly or to complete, in a timely manner, contracts of a similar nature, or if investigation shows the Offeror unable to perform the requirements of the contract.

An Offeror may be requested at any time by the Director, Office of Legislative Oversight to provide additional information, references and other documentation and information that relate to the determination of responsibility. Failure of an Offeror to furnish requested information may constitute grounds for a finding of non-responsibility of the prospective Offeror.

The County Council may deny the award, renewal, or assignment of a contract to or for any Offeror who is in default of payment of any money due the County.

The factors that may be considered in connection with a determination of responsibility include:

a. The ability, capacity, organization, facilities, and skill of the Offeror to perform the contract or provide the goods or services required;

b. The ability of the Offeror to perform the contract or provide the services within the time specified without delay, interruption, or interference;

c. The integrity, reputation, and experience of the Offeror, and its key personnel;

d. The quality of performance of previous contracts or services for the County or other entities. Past unsatisfactory performance, for any reason, is sufficient to justify a finding of non-responsibility;

e. The sufficiency of financial resources of the Offeror to perform the contract or provide the services;

f. The certification of an appropriate accounting system, if required by the contract type;

g. A bid bond and the Offeror’s evidence of ability to furnish a performance bond may be considered evidence of responsibility; and

h. Past debarment by the County or other entity.

8. ISSUING OFFICE AND POINT-OF-CONTACT
This Request for Proposal (RFP) is issued by the Montgomery County Council’s Audit Committee on behalf of the County Council. The person identified below has the responsibility and authority to perform the functions of the Contact Administrator for this Contract.
RFP #184472915

SECTION A - INSTRUCTIONS, CONDITIONS AND NOTICES (continued)

Name: Blaise DeFazio
Title: Audit Contract Administrator
Address: Office of Legislative Oversight
Council Office Building
100 Maryland Avenue, 4th Floor
Rockville, Maryland 20850-4166
Telephone: (240) 777-7983

During any prolonged absence of the designated Contract Administrator, the Director of the Office of Legislative Oversight will serve as the alternate Contract Administrator. Unless the Council President changes this delegation of authority, in writing, no other person is authorized to perform the functions of the Contract Administrator for this Contract.

9. JOINT PROCUREMENT
The following entities within Montgomery County must be able to purchase directly from any contracts resulting from this solicitation:

- Maryland-National Capital Park & Planning Commission (M-NCPCC)
- Montgomery Community College (MCC)
- Montgomery County Public Schools (MCPS)
- Montgomery County Revenue Authority
- Montgomery County Housing Opportunities Commission (HOC)
- Washington Suburban Sanitary Commission (WSSC)
- Municipalities & Special Tax Districts in Montgomery County
- Montgomery County Economic Development Corporation

While this solicitation is prepared on behalf of the Legislative Branch of Montgomery County, it is intended to apply for the benefit of the Executive Branch of Montgomery County and the above-named entities as though they were expressly named throughout the document. Each of these entities may purchase from the successful Offeror under the same prices and terms of services of the contract with the County Council, in accordance with each entity's respective laws and regulations, or an entity may choose not to procure from the successful Offeror at the entity's sole discretion. If the Executive Branch or one of the above-named entities elects to purchase under the contract, the price shall be determined by using unit costs and other pertinent costs that are provided in the offer. Montgomery County Government shall not be held liable for any costs, payments, or damages incurred by the above jurisdictions.

If a service currently provided by Montgomery County or by any above-named entities is the subject of legislation that creates a new legal entity to provide the service, the new legal entity also may purchase from the successful Offeror under the same prices and terms of services of the contract with the County Council as if they were an above-named entity.

10. LATE PROPOSALS
Responses to this solicitation received after the date and time specified in the solicitation are considered late and may not, under any circumstances, be considered for any award resulting from the solicitation.

11. MINORITY, FEMALE, DISABLED PERSON PROGRAM COMPLIANCE
While this solicitation is exempt from Montgomery County procurement laws and regulations pursuant to County Code §11B-4(a)(3), the Offeror must comply with the requirements of the Minority-Female-Disabled Person (MFD) procurement program. Further information regarding the County’s MFD program is contained within this solicitation (see Attachment B entitled “Minority-owned Business Addendum to General Conditions of Contract between County Council and Contractor” and its companion document entitled “Minority, Female, Disabled Person Subcontractor Performance Plan”).
SECTION A - INSTRUCTIONS, CONDITIONS AND NOTICES (continued)

12. OPTIONAL PRE-SUBMISSION CONFERENCE
An optional Pre-Submission Conference will be held on Wednesday, September 11, 2019 at 2 p.m. in the 4th Floor Conference Room of the Council Office Building, 100 Maryland Avenue, Rockville, MD 20850. Although optional, it is highly recommended that prospective Offerors attend the Pre-Submission Conference.

13. OTHER CONTRACTS WITH THE COUNTY
Any additional work during the period of any contract that the selected firm or its affiliates propose to perform for Montgomery County, Maryland, over and above the auditing services specified in this RFP will be subject to the prior written concurrence of the County Council. The concurrence will be expressed through the Audit Committee after verifying that there is no conflict of interest or unfair advantage.

14. PAYMENT TERMS
The County’s payment terms are net thirty (30) days.

15. PROPOSALS
Sealed proposals are due by 3:00 p.m. on Friday, October 18, 2019 in the Office of Legislative Oversight, Council Office Building, 100 Maryland Avenue, 4th Floor, Rockville, Maryland 20850-4166, for the purchase of services in accordance with the instructions, terms, conditions and work statement (scope of services) set forth in this solicitation. Proposals must be returned in a sealed envelope, and clearly marked with the RFP number, due date, and time. Proposals received after the time specified will be returned unopened to the Offeror. The County Council will not be responsible for proposals received after the due date, due to premature or late deliveries, postal/courier delays, or opening of a proposal if it is improperly addressed or identified.

16. PROPOSAL WITHDRAWAL/MODIFICATION
Proposals may be withdrawn or may be modified by the Offeror upon receipt of a written request received before the time specified for due date and due time. Requests to withdraw or modify an Offeror’s proposal received after the solicitation due date and time will not be considered.

17. PROPRIETARY & CONFIDENTIAL INFORMATION
This is to notify prospective Offerors that the County Council has unlimited data rights regarding proposals submitted in response to its solicitations. Unlimited data rights mean that the County Council has the right to use, disclose, reproduce, prepare derivative works, distribute copies to the public, or perform publicly and display publicly any information submitted by Offerors in response to this or any solicitation issued by the County Council. However, information that is deemed to be confidential commercial or financial information as defined by the Maryland Information Act, State Government Article 10-617 will be exempted from disclosure if the Offeror can show that release of such information would cause substantial competitive harm to the Offeror’s competitive position. It is the responsibility of the Offeror to clearly identify each part of his/her offer that is confidential commercial or financial information by stamping the bottom right-hand corner of each pertinent page with one-inch bold face letters stating the words "confidential" or “proprietary.” The Offeror agrees that any portion of the proposal that is not stamped as proprietary or confidential will be deemed not to be proprietary or confidential.
18. QUALIFICATION OF OFFERORS
Offerors may be required to furnish satisfactory evidence that they are qualified and regularly engaged in performing the services for which they are submitting a proposal and maintain a regularly established place of business. An authorized representative of the County Council may visit any Offeror’s plant, place of business or place where the services are performed to determine ability, capacity, reliability, financial stability and other factors necessary to perform the contract. If so requested, an Offeror may be required to submit information about its reputation, past performance, business and financial capability and other factors that demonstrate that the Offeror is capable of satisfying the County Council’s needs and requirements for a specific contract.

19. QUESTIONS
All technical and non-technical questions pertaining to this solicitation should be directed to the individual whose name appears on the Request for Proposal cover sheet.

20. SOLICITATION AMENDMENTS
If an amendment to this solicitation is issued, all solicitation terms and conditions will remain in effect unless they are specifically changed by the amendment. Offerors must acknowledge receipt of such solicitation amendments, to the place designated, and prior to the hour and date specified in the solicitation (or as amended) for receipt of offers. Offerors may acknowledge solicitation amendments by one of the following:

a. By returning one signed copy of the amendment either with your Proposal or by sending it separately to the Office of Legislative Oversight.
b. By acknowledging receipt of the amendment on the Acknowledgment (see page 5) submitted.
c. By stating that the amendment is acknowledged in a signed letter that refers to the solicitation and amendment numbers.

21. SOLICITATION PREPARATION EXPENSES
All costs incurred in the preparation and submission of solicitations will be borne by the Offeror and shall not be incurred in anticipation of receiving reimbursement from the County.

22. VERBAL EXPLANATIONS
Verbal explanations or instructions given by a Montgomery County employee to an Offeror in regard to this solicitation will not be binding on the County Council. Any information given to an Offeror in response to a request will be furnished to all Offerors as an amendment to this solicitation, if such information is deemed necessary for the preparation of solicitations, or if the lack of such information would be detrimental to the uninformed Offerors. Such amendments, only when issued by the Director, Office of Legislative Oversight, will be considered as being binding on the County.

23. VERIFICATION AND AUDITS
The Contractor and all subcontractors must maintain for a period of five years, books, records, documents, and other evidence directly pertinent to the performance of work under this contract (“audit documentation”), in accordance with appropriate accounting procedures and generally accepted government auditing standards. The Contractor must make audit documentation available, upon written request, in a timely manner to other auditors or reviewers in accordance with generally accepted government auditing standards. At the County’s request, the Contractor must provide proper facilities within its offices during normal business hours, for purposes of making audit documentation available to such other auditors or reviewers.
SECTION A - INSTRUCTIONS, CONDITIONS AND NOTICES (continued)

24. WAGE REQUIREMENTS

While this solicitation is exempt from Montgomery County procurement laws and regulations pursuant to County Code § 11B-4(a)(3), the Offeror must comply with certain wage requirements payable to the Contractor's employees. Additional information regarding the County's wage requirements is contained within this solicitation (see Attachment E - "Wage Requirements for Services Contracts Addendum to The General Conditions of Contract between County Council and Contractor" and its companion document entitled "Wage Requirements Certification"). If Contractor fails to submit and complete the required material information on the Wage Requirements Certification form, its proposal is considered unacceptable and will be rejected.

END SECTION A - INSTRUCTIONS, CONDITIONS AND NOTICES
SECTION B - GENERAL CONDITIONS OF CONTRACT BETWEEN COUNTY COUNCIL & CONTRACTOR

1. ACCOUNTING SYSTEM AND AUDIT, ACCURATE INFORMATION
The contractor certifies that all information the contractor has provided or will provide to the County Council is true and correct and can be relied upon by the County Council in awarding, modifying, making payments, or taking any other action with respect to this contract including resolving claims and disputes. Any false or misleading information is a ground for the County Council to terminate this contract for cause and to pursue any other appropriate remedy. The contractor certifies that the contractor’s accounting system conforms with generally accepted accounting principles, is sufficient to comply with the contract’s budgetary and financial obligations and is sufficient to produce reliable financial information.

Representatives of the County Council may examine the contractor’s and any first-tier subcontractor’s records to determine and verify compliance with the contract and to resolve or decide any claim or dispute arising under this contract. The contractor and any first-tier subcontractor must grant the representatives of the County Council access to these records at all reasonable times during the contract term and for 3 years after final payment. If the contract is supported to any extent with federal or state funds, the appropriate federal or state authorities may also examine these records. The contractor must include the preceding language of this paragraph in all first-tier subcontracts.

2. AMERICANS WITH DISABILITIES ACT

3. APPLICABLE LAWS
This contract must be construed in accordance with the laws and regulations of Maryland and Montgomery County. The contractor must, without additional cost to the County, pay any necessary fees and charges, obtain any necessary licenses and permits, and comply with applicable federal, state and local laws, codes and regulations. For purposes of litigation involving this contract, except for contract Disputes discussed in paragraph 8 below, exclusive venue and jurisdiction must be in the Circuit Court for Montgomery County, Maryland or in the District Court of Maryland for Montgomery County.

Furthermore, certain non-profit and governmental entities may purchase supplies and services, similar in scope of work and compensation amounts provided for in a County contract, using their own contract and procurement laws and regulations, pursuant to the Md. State Finance and Procurement Article, Section 13-101, et. seq.

Contractor and all of its subcontractors must comply with the provisions of County Code §11B-35A and must not retaliate against a covered employee who discloses an illegal or improper action described in §11B-35A. Furthermore, an aggrieved covered employee under §11B-35A is a third-party beneficiary under this Contract, who may by civil action recover compensatory damages including interest and reasonable attorney’s fees, against the contractor or one of its subcontractors for retaliation in violation of that Section.

Contractor and all of its subcontractors must provide the same benefits to an employee with a domestic partner as provided to an employee with a spouse, in accordance with County Code §11B-33D. An aggrieved employee is a third-party beneficiary who may, by civil action, recover the cash equivalent of any benefit denied in violation of §11B-33D or other compensable damages.

The contractor agrees to comply with the requirements of the Displaced Service Workers Protection Act, which appears in County Code, Chapter 27, Human Rights and Civil Liberties, Article X, Displaced Service Workers Protection Act, §27-64 through §27-66.
4. **ASSIGNMENTS AND SUBCONTRACTS**
The contractor must not assign or transfer this contract, any interest herein or any claim hereunder, except as expressly authorized in writing by the County Council. Unless performance is separately and expressly waived in writing by the County Council, an assignment does not release the contractor from responsibility for performance of this contract. Unless otherwise provided in the contract, the contractor may not contract with any other party for furnishing any of the materials or services herein contracted for without the written approval of the County Council. Any subcontract for any work hereunder must comport with the terms of this Contract and County law and must include any other terms and conditions that the County deems necessary to protect its interests.

5. **CHANGES**
The County Council may unilaterally change the work, materials and services to be performed. The change must be in writing and within the general scope of the contract. The contract will be modified to reflect any time or money adjustment the contractor is entitled to receive. Contractor must bring to the Contract Administrator, in writing, any claim about an adjustment in time or money resulting from a change, within 30 days from the date the County Council issued the change in work, or the claim is waived. Any failure to agree upon a time or money adjustment must be resolved under the "Disputes" clause of this contract. The contractor must proceed with the prosecution of the work as changed, even if there is an unresolved claim. No charge for any extra work, time or material will be allowed, except as provided in this section.

6. **CONTRACT ADMINISTRATION**
In accordance with the Montgomery County Code Section 29A-5(b)(9), the Office of Legislative Oversight (OLO) will administer the contract. The contract administrator, subject to paragraph B below, is the Office representative designated by the Director of OLO and is authorized to:

   (a) serve as liaison between the County and the contractor;
   (b) give direction to the contractor to ensure satisfactory and complete performance;
   (c) monitor and inspect the contractor's performance to ensure acceptable timeliness and quality;
   (d) serve as records custodian for this contract, including wage and prevailing wage requirements;
   (e) accept or reject the contractor's performance;
   (f) furnish timely written notice of the contractor's performance failures to the County Council and to the County Attorney, as appropriate;
   (g) prepare required reports;
   (h) approve or reject invoices for payment;
   (i) recommend contract modifications or terminations to the County Council;
   (j) issue notices to proceed; and
   (k) monitor and verify compliance with any Minority-Female-Disabled Person (MFD) Performance Plan.

The contract administrator is NOT authorized to make determinations (as opposed to recommendations) that alter, modify, terminate or cancel the contract, interpret ambiguities in contract language, or waive the County's contractual rights.

7. **COST & PRICING DATA**
Chapter 11B of the County Code and the Montgomery County Procurement Regulations require that cost & pricing data be obtained from proposed awardees/contractors in certain situations. The contractor guarantees that any cost & pricing data provided to the County Council will be accurate and complete. The contractor grants County Council representatives access to all books, records, documents, and other supporting data in order to permit adequate evaluation of the contractor's proposed price(s). The contractor also agrees that the price to the County Council, including profit or fee, may, at the option of the County Council, be reduced to the extent that the price was based on inaccurate, incomplete, or noncurrent data supplied by the contractor.
RFP #184472915

SECTION B - GENERAL CONDITIONS OF CONTRACT BETWEEN COUNTY COUNCIL & CONTRACTOR (continued)

8.  DISPUTES
Any dispute arising under this contract that is not disposed of by agreement must be decided under the Montgomery County Code and the Montgomery County Procurement Regulations. Pending final resolution of a dispute, the Contractor must proceed diligently with contract performance. Subject to subsequent revocation or alteration by the County Council, the head of the County department, office or agency ("Department Head") of the contract administrator is the designee of the County Council, for the purpose of dispute resolution. The Department Head, or his/her designee, must forward to the County Council a copy of any written resolution of a dispute. The Department Head may delegate this responsibility to another person (other than the contract administrator). A contractor must notify the contract administrator of a claim in writing and must attempt to resolve a claim with the contract administrator prior to filing a dispute with the County Council. The contractor waives any dispute or claim not made in writing and received by the County Council within 30 days of the event giving rise to the dispute or claim, whether the contract administrator has responded to a written notice of claim or resolved the claim. The County Council must dismiss a dispute that is not timely filed. A dispute must be in writing, for specific relief, and any requested relief must be fully supported by affidavit of all relevant calculations, including cost and pricing information, records, and other information. At the County's option, the contractor agrees to be made a party to any related dispute involving another contractor.

9.  DOCUMENTS, MATERIALS AND DATA
All documents materials or data developed as a result of this contract are the County's property. The County 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 County 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 of use of 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 County.

10. DURATION OF OBLIGATION
The contractor agrees that all of contractor's obligations and warranties, including all requirements imposed by the Minority Owned Business Addendum to these General Conditions, if any, which directly or indirectly are intended by their nature or by implication to survive contractor performance, do survive the completion of performance, termination for default, termination for convenience, or termination by mutual consent of the contract.

11. ENTIRE AGREEMENT
There are no promises, terms, conditions, or obligations other than those contained in this contract. This contract supersedes all communications, representations, or agreements, either verbal or written, between the parties hereto, with the exception of express warranties given to induce the County Council to enter into the contract.

12. ETHICS REQUIREMENTS/POLITICAL CONTRIBUTIONS
The contractor must comply with the ethics provisions contained in Chapters 11B and 19A, Montgomery County Code, which include the following:

(a) a prohibition against making or offering to make certain gifts. Section 11B-51(a).
(b) a prohibition against kickbacks. Section 11B-51(b).
(c) a prohibition against a person engaged in a procurement from employing or offering to employ a public employee. Section 11B-52 (a).
(d) a prohibition against a contractor that is providing a recommendation to the County from assisting another party or seeking to obtain an economic benefit beyond payment under the contract. Section 11B-52 (b).
(e) a restriction on the use of confidential information obtained in performing a contract. Section 11B-52 (c).
(f) a prohibition against contingent fees. Section 11B-53.
Furthermore, the contractor specifically agrees to comply with Sections 11B-51, 11B-52, 11B-53, 19A-12, and/or 19A-13 of the Montgomery County Code.

In addition, the contractor must comply with the political contribution reporting requirements currently codified under the Election Law at Md. Code Ann., Title 14.

13. **GUARANTEE**
   A. Contractor guarantees for one year from acceptance, or for a longer period that is otherwise expressly stated in the County Council’s written solicitation, all goods, services, and construction offered, including those used in the course of providing the goods, services, and/or construction. This includes a guarantee that all products offered (or used in the installation of those products) carry a guarantee against any and all defects for a minimum period of one year from acceptance, or for a longer period stated in the County Council’s written solicitation. The contractor must correct any and all defects in material and/or workmanship that may appear during the guarantee period, or any defects that occur within one (1) year of acceptance even if discovered more than one (1) year after acceptance, by repairing, (or replacing with new items or new materials, if necessary) any such defect at no cost to the County Council and to the County Council’s satisfaction.

   B. Should a manufacturer’s or service provider’s warranty or guarantee exceed the requirements stated above, that guarantee or warranty will be the primary one used in the case of defect. Copies of manufacturer’s or service provider’s warranties must be provided upon request.

   C. All warranties and guarantees must be in effect from the date of acceptance by the County Council of the goods, services, or construction.

   D. The contractor guarantees that all work shall be accomplished in a workmanlike manner, and the contractor must observe and comply with all Federal, State, County and local laws, ordinances and regulations in providing the goods, and performing the services or construction.

   E. Goods and materials provided under this contract must be of first quality, latest model and of current manufacture, and must not be of such age or so deteriorated as to impair their usefulness or safety. Items that are used, rebuilt, or demonstrator models are unacceptable, unless specifically requested by the County Council in the Specifications.

14. **HAZARDOUS AND TOXIC SUBSTANCES**
   Manufacturers and distributors are required by federal ”Hazard Communication” provisions (29 CFR 1910.1200), and the Maryland "Access to Information About Hazardous and Toxic Substances" Law, to label each hazardous material or chemical container, and to provide Material Safety Data Sheets to the purchaser. The contractor must comply with these laws and must provide the County with copies of all relevant documents, including Material Safety Data Sheets, prior to performance of work or contemporaneous with delivery of goods.

15. **HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA) COMPLIANCE**
   In addition to the provisions stated above in Section 3. “Applicable Laws,” contractor must comply with all requirements in the federal Health Insurance Portability and Accountability Act (HIPAA), to the extent that HIPAA is applicable to this contract. Furthermore, contractor must enter into the County’s standard Business Associate Agreement or Qualified Service Organization Agreement when contractor or the County, as part of this contract, may use or disclose to one another, to the individual whose health information is at issue, or to a third-party, any protected health information that is obtained from, provided to, made available to, or created by, or for, the contractor or the County.
SECTION B - GENERAL CONDITIONS OF CONTRACT BETWEEN COUNTY COUNCIL & CONTRACTOR (continued)

16. IMMIGRATION REFORM AND CONTROL ACT
The contractor warrants that both the contractor and its subcontractors do not, and shall not, hire, recruit or refer for a fee, for employment under this contract or any subcontract, an alien while knowing the alien is an unauthorized alien, or any individual without complying with the requirements of the federal Immigration and Nationality laws, including any verification and record keeping requirements. The contractor further assures the County Council that, in accordance with those laws, it does not, and will not, discriminate against an individual with respect to hiring, recruitment, or referral for a fee, of an individual for employment or the discharge of an individual from employment, because of the individual's national origin or, in the case of a citizen or prospective citizen, because of the individual's citizenship status.

17. INCONSISTENT PROVISIONS
Notwithstanding any provisions to the contrary in any contract terms or conditions supplied by the contractor, this General Conditions of Contract document supersedes the contractor's terms and conditions, in the event of any inconsistency.

18. INDEMNIFICATION
The contractor is responsible for any loss, personal injury, death and any other damage (including incidental and consequential) that may be done or suffered by reason of the contractor's negligence or failure to perform any contractual obligations. The contractor must indemnify and save the County harmless from any loss, cost, damage and other expenses, including attorney's fees and litigation expenses, suffered or incurred due to the contractor's negligence or failure to perform any of its contractual obligations. If requested by the County, the contractor must defend the County in any action or suit brought against the County arising out of the contractor's negligence, errors, acts or omissions under this contract. The negligence of any agent, subcontractor or employee of the contractor is deemed to be the negligence of the contractor. For the purposes of this paragraph, County includes its boards, agencies, agents, officials and employees.

19. INDEPENDENT CONTRACTOR
The contractor is an independent contractor. The contractor and the contractor's employees or agents are not agents of the County Council or the County.

20. INSPECTIONS
County Council representatives has the right to monitor, inspect and evaluate or test all supplies, goods, services, or construction called for by the contract at all reasonable places (including the contractor's place of business) and times (including the period of preparation or manufacture).

21. INSURANCE
Prior to the execution of the contract by the County, the proposed awardee/contractor and their contractors (if requested by County) must obtain, at their own cost and expense, the following minimum (not maximum) insurance coverage with an insurance company/companies licensed to conduct business in the State of Maryland and acceptable to the Division of Risk Management. This insurance must be kept in full force and effect during the term of this contract, including all extensions. The insurance must be evidenced by a certificate of insurance, and if requested by the County, the proposed awardee/contractor shall provide a copy of the insurance policies and additional insured endorsements. The minimum limits of coverage listed below shall not be construed as the maximum as required by contract or as a limitation of any potential liability on the part of the proposed awardee/contractor to the County nor shall failure to request evidence of this insurance in any way be construed as a waiver of proposed awardee / contractor’s obligation to provide the insurance coverage specified. The Contractor's insurance shall be primary. Coverage pursuant to this Section shall not include any provision that would bar, restrict, or preclude coverage for claims by Montgomery County against Contractor, including but not limited to “cross-liability” or “insured vs insured” exclusion provisions.
SECTION B - GENERAL CONDITIONS OF CONTRACT BETWEEN COUNTY COUNCIL & CONTRACTOR (continued)

Professional Liability (Errors and Omissions Liability)
The policy shall cover professional errors and omissions, negligent acts, misconduct or lack of ordinary skill during the period of contractual relationship and services rendered with the County with a limit of liability of at least:

Each Claim $1,000,000

In the event that the professional liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract; and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of three (3) years beginning at the time work under this Contract is completed.

Blaise DeFazio
Montgomery County, MD
Office of Legislative Oversight
100 Maryland Ave
Rockville, Md 20850

(Remainder of Page Intentionally Left Blank)
22. 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 County in any approval, authorization, or license related to its use; and indemnify and hold harmless the County related to contractor’s alleged infringing or otherwise improper or unauthorized use. Accordingly, the contractor must protect, indemnify, and hold harmless the County from and against all liabilities, actions, damages, claims, demands, judgments, losses, costs, expenses, suits, or actions, and attorneys’ fees and the costs of the defense of the County, 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.

23. NON-CONVICTION OF BRIBERY
The contractor hereby declares and affirms that, to its best knowledge, none of its officers, directors, or partners or employees directly involved in obtaining contracts has been convicted of bribery, attempted bribery, or conspiracy to bribe under any federal, state, or local law.

24. NON-DISCRIMINATION IN EMPLOYMENT
The contractor agrees to comply with the non-discrimination in employment policies and/or provisions prohibiting unlawful employment practices in County contracts as required by Section 11B-33 and Section 27-19 of the Montgomery County Code, as well as all other applicable state and federal laws and regulations regarding employment discrimination.

The contractor assures the County Council that, in accordance with applicable law, it does not, and agrees that it will not, discriminate in any manner on the basis of race, color, religious creed, ancestry, national origin, age, sex, marital status, disability, or sexual orientation.

The contractor must bind its subcontractors to the provisions of this section.

25. PAYMENTS
No payment by the County may be made, or is due, under this contract, unless funds for the payment have been appropriated and encumbered by the County Council. Under no circumstances will the County Council pay the contractor for legal fees. The contractor must not proceed to perform any work (provide goods, services, or construction) prior to receiving written confirmation that the County Council has appropriated and encumbered funds for that work. If the contractor fails to obtain this verification from the Contract Administrator prior to performing work, the County Council has no obligation to pay the contractor for the work.

If this contract provides for an additional contract term for contractor performance beyond its initial term, continuation of contractor’s performance under this contract beyond the initial term is contingent upon, and subject to, the appropriation of funds and encumbrance of those appropriated funds for payments under this contract. If funds are not appropriated and encumbered to support continued contractor performance in a subsequent fiscal period, contractor’s performance must end without further notice from, or cost to, the County Council or the County. The contractor acknowledges that the County Executive has no obligation to recommend, and the County Council has no obligation to appropriate, funds for this contract in subsequent fiscal years. Furthermore, the County Council has no obligation to encumber funds to this contract in subsequent fiscal years, even if appropriated funds may be available. Accordingly, for each subsequent contract term, the contractor must not undertake any performance under this contract until the contractor receives a purchase order or contract amendment from the Contract Administrator that authorizes the contractor to perform work for the next contract term.
The County is expressly permitted to pay the vendor for any or all goods, services, or construction under the contract through either a procurement card ("p-card") or a Single Use Account ("SUA") method of payment, if the contractor accepts the noted payment method from any other person. In that event, the County Council reserves the right to pay any or all amounts due under the contract by using either a p-card (except when a purchase order is required) or a SUA method of payment, and the contractor must accept the County’s p-card or a SUA method of payment, as applicable. Under this paragraph, contractor is prohibited from charging or requiring the County Council to pay any fee, charge, price, or other obligation for any reason related to or associated with the County Council’s use of either a p-card or a SUA method of payment.

26. **PERSONAL PROPERTY**
All furniture, office equipment, equipment, vehicles, and other similar types of personal property specified in the contract, and purchased with funds provided under the contract, become the property of the County Council upon the end of the contract term, or upon termination or expiration of this contract, unless expressly stated otherwise.

27. **PROTECTION OF PERSONAL INFORMATION BY GOVERNMENT AGENCIES**
In any contract under which Contractor is to perform services and the County Council or County may disclose to Contractor personal information about an individual, as defined by State law, Contractor must implement and maintain reasonable security procedures and practices that: (a) are appropriate to the nature of the personal information disclosed to the Contractor; and (b) are reasonably designed to help protect the personal information from unauthorized access, use, modification, disclosure, or destruction. Contractor’s requirement to implement and maintain reasonable security practices and procedures must include requiring any third-party to whom it discloses personal information that was originally disclosed to Contractor by the County Council or the County to also implement and maintain reasonable security practices and procedures related to protecting the personal information. Contractor must notify the County and the Contract Administrator of a breach of the security of a system if the unauthorized acquisition of an individual’s personal information has occurred or is reasonably likely to occur, and also must share with the County and the Contract Administrator all information related to the breach. Contractor must provide the above notification to the County as soon as reasonably practicable after Contractor discovers or is notified of the breach of the security of a system. Md. Code Ann., State Gov’t. § 10-1301 through 10-1308 (2013).

28. **TERMINATION FOR DEFAULT**
The County Council may terminate the contract in whole or in part, and from time to time, whenever the County Council determines that the contractor is:

(a) defaulting in performance or is not complying with any provision of this contract;
(b) failing to make satisfactory progress in the prosecution of the contract; or
(c) endangering the performance of this contract.

The County Council will provide the contractor with a written notice to cure the default. The termination for default is effective on the date specified in the County Council’s written notice. However, if the County Council determines that default contributes to the curtailment of an essential service or poses an immediate threat to life, health, or property, the County Council may terminate the contract immediately upon issuing oral or written notice to the contractor without any prior notice or opportunity to cure. In addition to any other remedies provided by law or the contract, the contractor must compensate the County Council for additional costs that foreseeably would be incurred by the County Council whether the costs are actually incurred or not, to obtain substitute performance. A termination for default is a termination for convenience if the termination for default is later found to be without justification.
29. **TERMINATION FOR CONVENIENCE**
This contract may be terminated by the County Council, in whole or in part, upon written notice to the contractor, when the County Council determines this to be in its best interest. The termination for convenience is effective on the date specified in the County Council's written notice. Termination for convenience may entitle the contractor to payment for reasonable costs allocable to the contract for work or costs incurred by the contractor up to the date of termination. The contractor must not be paid compensation as a result of a termination for convenience that exceeds the amount encumbered to pay for work to be performed under the contract.

30. **TIME**
Time is of the essence.

31. **WORK UNDER THE CONTRACT**
Contractor must not commence work under this contract until all conditions for commencement are met, including execution of the contract by both parties, compliance with insurance requirements, encumbrance of funds, and issuance of any required notice to proceed.

32. **WORKPLACE SAFETY**
The contractor must ensure adequate health and safety training and/or certification, and must comply with applicable federal, state and local Occupational Safety and Health laws and regulations.

**END SECTION B - GENERAL CONDITIONS OF CONTRACT BETWEEN COUNTY COUNCIL AND CONTRACTOR**
SECTION C - SCOPE OF SERVICES

BACKGROUND

Introduction. Montgomery County, Maryland is the most populated and affluent jurisdiction in the State of Maryland. The County contains 491 square miles and approximately 1,053,000 people. For the 2018-19 school year, 162,680 pupils were enrolled in the County’s schools. The median household income (in 2017) was $103,235. In December 2018, the County’s labor force totaled approximately 557,856, with an unemployment rate of 2.6%.

The Charter, the governing authority of the County, provides for separate legislative and executive branches of government. Legislative power is vested in an elected County Council and executive power in an elected County Executive. Under the County Charter, the County Executive develops and recommends budget proposals and the Council authorizes expenditures and sets property tax rates. It is the fiscal policy of Montgomery County to balance the budget, such that no deficit is planned or incurred.

The Charter provides for an annual six-year Public Services Program, Operating Budget, Capital Budget, and biennial six-year Capital Improvements Program (CIP). These budgets and plans provide the basis for understanding, coordinating, and controlling County government expenditures and programs. County Government program areas include:

- Education,
- Public safety,
- Public works and transportation,
- Culture and recreation,
- Health and human services,
- Community development and housing,
- Environment, and
- General government services.

Financial Reporting. For financial reporting purposes, the County’s reporting entity consists of: (1) the primary government, and (2) component unit organizations, including:

- Montgomery County Public Schools,
- Montgomery Community College,
- Housing Opportunities Commission of Montgomery County,
- Montgomery County Revenue Authority, and
- Bethesda Urban Partnership, Inc.

Additionally, the following organizations are included in the Montgomery County, Maryland reporting entity as joint ventures:

- Montgomery County’s portion of the Maryland-National Capital Park and Planning Commission,
- Washington Suburban Sanitary Commission,
- Washington Suburban Transit Commission,
- Washington Metropolitan Area Transit Authority,
- Metropolitan Washington Council of Governments, and
- Northeast Maryland Waste Disposal Authority.
SECTION C - SCOPE OF SERVICES (continued)

Montgomery County’s basic financial statements include three components: government-wide financial statements, fund financial statements, and notes to the financial statements. The focus in the fund financial statements is on the major funds, with major funds reported separately and all other funds combined into a single, aggregated presentation. The County has the following three types of funds:

- **Governmental Funds** – Most of the County’s basic services are included in Governmental Funds. The three major governmental funds are the General Fund, Debt Service Fund, and Capital Projects Fund.

- **Proprietary Funds** – Proprietary Funds consist of enterprise funds and internal service funds. The County has three major enterprise funds, including liquor control, solid waste disposal and collection, and parking lot districts. The internal service funds account for the provision of liability and property insurance coverage, employee health benefits, motor pool services, and central duplicating services.

- **Fiduciary Funds** – Fiduciary Funds are used to account for resources held for the benefit of parties outside the government. They consist of pension and other employee benefit trusts, an investment trust, and agency funds.

The County prepares and presents its Comprehensive Annual Financial Report (CAFR) consistent with Generally Accepted Accounting Principles for governments, as set forth by the Governmental Accounting Standards Board (GASB). Montgomery County, Maryland has received the Government Finance Officers Association’s (GFOA) Certificate of Achievement in Financial Reporting 49 times, more than any other county in the nation.

The County also manages and accounts for its Operating and Capital Budgets in accordance with Generally Accepted Accounting Principles. Montgomery County has received the GFOA Distinguished Budget Presentation award consecutively since 1984, the year the program was established.

**County Retirement Plans & Deferred Compensation Plans.** The County sponsors two cost-sharing multiple-employer retirement plans, in which other agencies and political subdivisions have the right to elect participation. The County prepares a separate Comprehensive Annual Financial Report (CAFR) for the Montgomery County Employee Retirement Plans.

The Employees’ Retirement System of Montgomery County is a defined benefit pension plan. The plan is closed to employees hired on or after October 1, 1994 (except public safety bargaining unit employees). The Guaranteed Retirement Income Plan, a cash balance plan option, covers non-public safety and certain public safety (non-bargaining unit) employees hired on or after October 1, 1994 who elect to participate. The plan’s assets are exclusively managed by the Board of Investment Trustees, which consists of thirteen trustees and functions as part of the County. The annual contribution required for this plan is based on an actuarial valuation.

The Retirement Savings Plan, a defined contribution plan, also covers non-public safety and certain public safety (non-bargaining unit) employees hired on or after October 1, 1994 who elect to participate. The Board of Investment Trustees selects a slate of investment options from which participating employees in the RSP may select.

All component unit organizations participate in various retirement plans, either directly in their own plan or through participation in retirement plans of Montgomery County or the State of Maryland. The Housing Opportunities Commission and Montgomery County Revenue Authority participate in the Employees’ Retirement System or Retirement Savings Plan of Montgomery County.

The County sponsors the Montgomery County Deferred Compensation Plan (DCP) pursuant to Section 457 of the Internal Revenue Code. The assets are held in trust for the sole benefit of participants and their beneficiaries. Trust responsibilities are assigned to the Board of Investment Trustees. The Board of Trustees selects a slate of investment options from which participating employees in the DCP may select.
SECTION C - SCOPE OF SERVICES (continued)

The Montgomery County Employee Retirement Plans prepares and presents its Comprehensive Annual Financial Report (CAFR) consistent with Generally Accepted Accounting Principles for governments, as set forth by the Governmental Accounting Standards Board (GASB). The Montgomery County Employee Retirement Plans has received the Government Finance Officers Association’s (GFOA) Certificate of Achievement for Excellence in Financial Reporting 18 times for each presentation of independent financial statements since 2001.

Consolidated Retiree Health Benefits Trust. The Montgomery County Council has enacted legislation to establish a trust to fund certain County retiree benefit plans for the County Government, Montgomery County Public Schools, and Montgomery College. The retiree health benefits are provided through a cost-sharing multiple-employer defined benefit healthcare plan. The purpose of the Consolidated Retiree Health Benefits Trust is to provide funding for retiree health benefits for retirees and their dependents pursuant to Section 115 of the Internal Revenue Code of 1986, as amended. The County’s portion of the Trust is considered part of the County’s financial reporting entity and is included in the County’s basic financial statements. The Montgomery County Employee Retirement Plans prepares separate financial statements for the Consolidated Retiree Health Benefits Trust.

Substantially all retirees of Montgomery County Government (includes Circuit Court and District Court), Montgomery County Revenue Authority, Housing Opportunities Commission of Montgomery County, Washington Suburban Transit Commission, Strathmore Hall Foundation, Village of Friendship Heights, Montgomery County Employees Federal Credit Union (now Skypoint) and certain retirees of the State Department of Assessments and Taxation, are provided postemployment benefits such as medical, life, dental, vision, and prescription coverage. Retirees may also elect coverage for their eligible dependents.

A member of the Employees’ Retirement System of Montgomery County, who retires under a normal, early, disability or discontinued service retirement, is eligible for group insurance benefits under the Plan. However, the member is not eligible for group insurance benefits if the member leaves County service prior to retirement eligibility with a deferred vested benefit payable upon member’s retirement date. A member of the Retirement Savings Plan or the Guaranteed Retirement Income Plan is eligible for group insurance upon separation from service based upon the member’s age and credited service at the time of separation. Investment responsibilities for the Trust are assigned to a Board of Trustees.

INTENT

The intent of this solicitation is to procure professional auditing services, including:

Independent audit of the basic financial statements of Montgomery County, and independent audit of the basic financial statements of the Montgomery County Employee Retirement Plans, and independent audit of the basic financial statements of the Montgomery County Consolidated Retiree Health Benefits Trust, and preparation of and independent audit of the basic financial statements of the Montgomery County Union Employees Deferred Compensation Plan, and additional services related to reviews, tests, and certifications.

WORK STATEMENT

1. COUNTY GOVERNMENT FINANCIAL STATEMENTS

   a) Basic Financial Statements Audit – The Contractor must audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Montgomery County. The Contractor must prepare an Independent Auditors’ Report to express opinions on the basic financial statements. The Contractor’s opinion may place reliance on reports issued by other Contractors as they relate to component units. The Contractor must also provide a training on new and/or updated auditing standards at the Department of Finance’s annual
SECTION C - SCOPE OF SERVICES (continued)

Year-End Component Unit Planning Meeting; if feasible, the training should be structured and delivered in a way that would provide Continuing Public Education (CPE) credit to participants. In addition, the Montgomery County Employee Retirement Plans’ staff may request similar training and/or meetings.

b) **Single Audit** – As required by Federal OMB Uniform Guidance, the Contractor must 1) examine the Montgomery County Report on Expenditures of Federal Awards, 2) complete the auditor’s portion of the Uniform Guidance data collection form, and 3) review internal accounting and administrative controls. The Contractor must prepare Independent Auditors’ Reports on:

- Compliance and Internal Control Over Financial Reporting Based on an Audit of Financial Statements in Accordance with Government Auditing Standards,
- Compliance with Requirements Applicable to Each Major Program, Internal Control Over Compliance, and Schedule of Expenditures of Federal Awards in Accordance with OMB Circular A-133,
- Status of prior year findings and questioned costs, and
- Schedule of findings and questioned costs.

c) **Maryland State Uniform Financial Report** – The Contractor must review and attest to the County’s uniform financial report submitted to the Maryland State Division of Fiscal Services and transmit completed forms as required.

d) **Management Letter** – The Contractor must prepare a management letter to submit to the County Council at the completion of the annual audit of the basic financial statements of the County. The Contractor must include comments, recommendations, and suggested improvements in accounting procedures, internal controls, management actions, and other relevant areas.

e) **Report on Internal Controls Over Financial Reporting and Compliance** – The Contractor must prepare a report to submit to the County Council at the completion of the annual audit of the basic financial statements of the County. The report must describe the testing of internal controls over financial reporting and compliance and the result of that testing in Accordance with Government Auditing Standards.

f) **Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting** – The Contractor must assist the County to ensure that the County’s Comprehensive Annual Financial Report (CAFR) complies with the GFOA standards for the Certificate of Achievement. The specific standards require financial disclosure greater than is required under generally accepted accounting principles.

**Fiscal Year Closing** – The Contractor must participate in the annual planning meeting with the component units included in the Montgomery County, Maryland reporting entity. The annual planning meeting involves discussing the fiscal year closing process and identifying any issues that may impact the timing of the closing. The Contractor must specifically discuss any mandated or proposed reporting changes that would apply to the current fiscal year and subsequent fiscal years.

Note: A separate price sheet is required for item 1. See Attachment page F1.

2. **AGREED-UPON PROCEDURES FOR THE CHIEF FINANCIAL OFFICER’S ANNUAL CERTIFICATION OF FINANCIAL ASSURANCE MECHANISMS FOR LOCAL GOVERNMENT OWNERS AND OPERATORS OF MUNICIPAL SOLID WASTE LANDFILL FACILITIES**

To comply with Environmental Protection Agency requirements, the Contractor must review and perform agreed-upon procedures to the Chief Financial Officer’s Annual Certification of Financial Assurance Mechanisms for Local Government Owners and Operators of Municipal Solid Waste Landfill Facilities. The Contractor must prepare an
SECTION C - SCOPE OF SERVICES (continued)


3. AGREED-UPON PROCEDURES FOR THE NATIONAL TRANSIT DATABASE (NTD) REPORT

The Contractor must apply agreed-upon procedures to the National Transit Database Report prepared by Montgomery County to assist the County to evaluate whether the information included in the Federal Funding Allocation Statistics Form conforms with Federal Transit Administration requirements. The Contractor must prepare an Independent Auditors’ Report on applying agreed-upon procedures to the NTD Report’s Federal Funding Allocation Statistics Form. Note: A separate price sheet is required for this activity. See Attachment page F3.

4. 9-1-1 SYSTEM AUDIT

The Contractor must conduct an audit of the Schedule of Revenues and Expenditures of the County’s 9-1-1 System. The Contractor must submit a Schedule of Revenues and Expenditures. The Contractor must prepare an Independent Auditors’ Report to express opinions on the Schedule of Revenues and Expenditures. Note: A separate price sheet is required for this activity. See Attachment page F4.

5. OPTIONAL WORK

The County Council, acting through the Audit Committee, may select areas for special attention by the Contractors. Additionally, the County’s Department of Finance may request consulting services on specific financial or internal control reporting requirements. As required, the County Council will amend the contract to include optional work. Optional work may include:

- Auditing Services – The County may require additional audits or audit related services, including IT-related services. These professional services shall be delivered only upon specific authorization of the Contract Administrator, as evidenced by the issuance of a notice-to-proceed.

- Accounting Services – The County may require professional accounting services and/or IT-related services from the Contractor to 1) assist with the close of the County’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 issuance of a notice-to-proceed.

- Comfort or Consent Letters – The County may require that the Contractor perform tests and analyses, in accordance with generally accepted auditing standards, to issue a comfort or consent letter authorizing the County to use the Auditors’ opinion in County debt offering documents. These services shall be delivered only upon specific authorization of the County’s Director of Finance, as evidenced by the issuance of a notice-to-proceed.

- Arbitrage – The Contractor will review and report on the calculation of rebate amount under the U.S. Treasury arbitrage rebate requirements, as evidenced by the issuance of a notice-to-proceed.

Note: A separate price sheet is required for the optional work listed above. See Attachment page F5.

6. EMPLOYEE RETIREMENT PLANS’ FINANCIAL STATEMENTS

a) Employee Retirement Plans’ Financial Statements Audit – The Contractor must audit the Comprehensive Annual Financial Report of the County Employee Retirement Plans in sufficient detail to render an opinion that the financial statements present fairly in all material respects, the financial position of the retirement funds. The Contractor will be responsible for performing all testing and other related procedures as recommended by
SECTION C - SCOPE OF SERVICES (continued)

the AICPA State and Local Government Expert Panel White Paper entitled “Governmental Employer Participation in Cost-Sharing Multiple-Employer Plans: Issues Related to Information for Employer Reporting” as well as other applicable guidance to the extent the Plans and the County has prepared the recommended schedules and other information included in this guidance. The Contractor must prepare an Independent Auditors’ Report to express opinions on the financial statements.

b) **Opinion Over Schedules Allocating Net Pension Liability Among Participating Employers** – GASB 67 & 68 requires employers participating in cost-sharing plans to recognize on the face of their financial statements their proportionate share of any pension liability or assets. In order to assist employers participating in the ERS with implementation of GASB 68, the Montgomery County Employee Retirement Plans (MCERP) prepares a series of schedules allocating the County’s net pension liability among participating employers. The Contractor must issue an opinion over the schedules created by MCERP that will allow participating employers to rely on the schedules.

c) **Management Letter** – The Contractor must prepare a management letter to submit to the County Council at the completion of the annual audit of the financial statements of the Retirement Plans. The Contractor must include comments, recommendations, and suggested improvements in accounting procedures, internal controls, management actions, and other relevant areas.

d) **Report on Internal Controls Over Financial Reporting and Compliance** – The Contractor must prepare a report to submit to the County Council at the completion of the annual audit of the basic financial statements of MCERP. The report must describe the testing of internal controls over financial reporting and compliance and the result of that testing in Accordance with Government Auditing Standards.

e) **Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting** – The Contractor must assist the County to ensure that the Employee Retirement Plans’ Comprehensive Annual Financial Report (CAFR) complies with the GFOA standards for the Certificate of Achievement. The specific standards require financial disclosure greater than required under generally accepted accounting principles.

Note: A separate price sheet is required for item 6. See Attachment page F6.

7. MONTGOMERY COUNTY CONSOLIDATED RETIREE HEALTH BENEFITS TRUST

a) **Montgomery County Consolidated Retiree Health Benefits Trust Audit** – The Contractor must audit the financial statements of the Montgomery County Consolidated Retiree Health Benefits Trust (Trust) in sufficient detail to render an opinion that the financial statements present fairly in all material respects, the financial position of the Trust. The Contractor will be responsible for performing all testing and other related procedures as recommended by the AICPA State and Local Government Expert Panel White Paper entitled “Governmental Employer Participation in Cost-Sharing Multiple-Employer Plans: Issues Related to Information for Employer Reporting” as well as other applicable guidance to the extent the Trust and the County has prepared the recommended schedules and other information included in this guidance. The Contractor must prepare an Independent Auditors’ Report to express opinions on the financial statements.

The Trust accumulates resources needed for the County’s post-employment benefit—health insurance. The Contractor will be responsible for performing all testing and other related procedures as recommended by the AICPA related to GASB Statement numbers 74 and 75.
b) **Opinion Over Schedules Allocating Net OPEB Liability Among Participating Employers** – GASB 75 requires employers participating in cost-sharing plans to recognize on the face of their financial statements their proportionate share of any OPEB liability or assets. In order to assist employers participating in the Trust with implementation of GASB 74 & 75, the Montgomery County Consolidated Retiree Health Benefits Trust prepares a series of schedules allocating the County’s net OPEB liability among participating employers. The Contractor must prepare an Independent Auditor’s Report expressing an opinion over the schedules created by the Trust that will allow participating employers to rely on the schedules.

c) **Management Letter** – The Contractor must prepare a management letter to submit to the County Council at the completion of the annual audit of the financial statements of the Trust. The Contractor must include comments, recommendations, and suggested improvements in accounting procedures, internal controls, management actions, and other relevant areas.

d) **Report on Internal Controls Over Financial Reporting and Compliance** – The Contractor must prepare a report to submit to the County Council at the completion of the annual audit of the basic financial statements of the Trust. The report must describe the testing of internal controls over financial reporting and compliance and the result of that testing in Accordance with *Government Auditing Standards*.

Note: A separate price sheet is required for item 7. See Attachment page F7.

8. **MONTGOMERY COUNTY UNION EMPLOYEES DEFERRED COMPENSATION PLAN BASIC FINANCIAL STATEMENTS**

a) **Montgomery County Union Employees Deferred Compensation Plan Basic Financial Statements Audit** – The Contractor must prepare the annual financial statements for and audit the financial statements of the Montgomery County Union Employees Deferred Compensation Plan (MCUEDCP) for calendar year 2019. The audit must be performed in accordance with *Government Auditing Standards*. The Contractor must prepare an Independent Auditors’ Report to express opinions on whether the financial statements fairly present, in all material respects, the financial position of the deferred compensation plan.

b) **Management Letter** – The Contractor must prepare a management letter to submit to the County Council at the completion of the annual audit of the financial statements of the MCUEDCP. The Contractor must include comments, recommendations, and suggested improvements in accounting procedures, internal controls, management actions, and other relevant areas.

c) **Report on Internal Controls Over Financial Reporting and Compliance** – The Contractor must prepare a report to submit to the County Council at the completion of the annual audit of the basic financial statements of the MCUEDCP. The report must describe the testing of internal controls over financial reporting and compliance and the result of that testing in Accordance with *Government Auditing Standards*.

Note: A separate price sheet is required for item 8. See Attachment page F8.

**DELIVERABLES**

The Contractor must provide **up to 20 hard copies and an electronic copy** of the following deliverables unless the Contractor and County mutually agree on an alternative date.
SECTION C - SCOPE OF SERVICES (continued)

1. COUNTY GOVERNMENT FINANCIAL STATEMENTS

   a) The Contractor must provide an electronic copy of the following deliverables to be incorporated into the County’s CAFR in timeframe established by the County, as indicated by the County’s closing schedule created every year, for submission for the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting program:

      • Independent Auditors’ Report to express opinions on the basic financial statements of the County Government.

   b) The Contractor must provide up to 20 hard copies and an electronic copy of the following deliverables in a timeframe established by the County, as indicated in the County’s closing schedule created every year, but no later than December 15th of each year that a contract resulting from this RFP remains in place (see Section D – Performance Period), unless the Contractor and County mutually agree on an alternative date:

      i. Independent Auditors’ Report on Compliance and Internal Control Over Financial Reporting based on an audit of financial statements in accordance with Government Auditing Standards (County Government financial statements/Single Audit),

      ii. Independent Auditors’ Report on Compliance with Requirements Applicable to Each Major Program, Internal Control Over Compliance, and Schedule of Expenditures of Federal Awards in accordance with OMB Uniform Guidance (Single Audit),

      iii. Independent Auditors’ Report on the status of prior year findings and questioned costs (Single Audit),

      iv. Independent Auditors’ Report on the schedule of findings and questioned costs (Single Audit), and

      v. Auditor’s portion of the Single Audit Act data collection form (Single Audit).

   c) The Contractor must provide an electronic copy of the following deliverables by March 1st of each year that a contract resulting from this RFP remains in place (see Section D – Performance Period):

      • Management Letter related to the audit of the financial statements of Montgomery County.

2. AGREED-UPON PROCEDURES FOR THE CHIEF FINANCIAL OFFICER’S ANNUAL CERTIFICATION OF FINANCIAL ASSURANCE MECHANISMS FOR LOCAL GOVERNMENT OWNERS AND OPERATORS OF MUNICIPAL SOLID WASTE LANDFILL FACILITIES

The Contractor must provide up to 5 hard copies and an electronic copy of the following deliverables by December 15th of each year that a contract resulting from this RFP remains in place (see Section D – Performance Period):


3. STATE UNIFORM FINANCIAL REPORT

The Contractor must submit the auditor signature page of the Maryland State Uniform Financial Report by December 20th of each year that a contract resulting from this RFP remains in place (see Section D – Performance Period), unless the Contractor and County mutually agree on an alternative date.
SECTION C - SCOPE OF SERVICES (continued)

4. AGREED-UPON PROCEDURES FOR THE NATIONAL TRANSIT DATABASE (NTD) REPORT

The Contractor must provide up to 20 hard copies and an electronic copy of the following deliverables by December 15th of each year that a contract resulting from this RFP remains in place (see Section D – Performance Period):


5. 9-1-1 SYSTEM AUDIT

The Contractor must provide up to 5 hard copies and an electronic copy of the following deliverables by December 15th of each year that a contract resulting from this RFP remains in place (see Section D – Performance Period):

- Independent Auditors’ Report to express opinions on the Schedule of Revenues and Expenditures of the County’s 9-1-1 System, and
- Schedule of Revenues and Expenditures for the County’s 9-1-1 System.

6. EMPLOYEE RETIREMENT PLANS’ FINANCIAL STATEMENTS

a) The Contractor must provide up to 20 hard copies and an electronic copy of the following deliverables to be incorporated into the County’s CAFR in time for submission for the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting program:

- Independent Auditors’ Report to express opinions on the basic financial statements of the Montgomery County Employee Retirement Plans.

b) The Contractor must provide up to 20 hard copies and an electronic copy of the following deliverables by November 15th of each year that a contract resulting from this RFP remains in place (see Section D – Performance Period):

- An Independent Auditors’ Report expressing an opinion as to whether the schedules allocating the County’s net pension liability among participating employers for Fiscal Year 2020, prepared by the Montgomery County Employee Retirement Plans, fairly present in all material respects the allocation of the County’s net pension liability as well as related components of that liability and annual pension expense.

c) The Contractor must provide up to 20 hard copies and an electronic copy of the following deliverables by November 15th of each year that a contract resulting from this RFP remains in place (see Section D – Performance Period):

RFP #184472915

SECTION C - SCOPE OF SERVICES (continued)

d) The Contractor must provide **up to 20 hard copies and an electronic copy** of the following deliverables **by November 15th** of each year that a contract resulting from this RFP remains in place (see Section D – Performance Period):

- Management Letter related to the audit of the financial statements of the Montgomery County Employee Retirement Plans, and

7. MONTGOMERY COUNTY CONSOLIDATED RETIREE HEALTH BENEFITS TRUST

a) The Contractor must provide **up to 20 hard copies and an electronic copy** of the following deliverables **by November 15th** of each year that a contract resulting from this RFP remains in place (see Section D – Performance Period):

- Independent Auditors’ Report to express opinions on the basic financial statements of the Montgomery County Consolidated Retiree Health Benefits Trust.

b) The Contractor must provide **up to 20 hard copies and an electronic copy** of the following deliverables **by November 15th** of each year that a contract resulting from this RFP remains in place (see Section D – Performance Period):

- An Independent Auditors’ Report expressing an opinion as to whether the schedules allocating the County’s net OPEB liability among participating employers for Fiscal Year 2020, prepared by the Montgomery County Consolidated Retiree Health Benefits Trust, fairly present in all material respects the allocation of the County’s net OPEB liability as well as related components of that liability and annual OPEB expenses.

c) The Contractor must provide **up to 20 hard copies and an electronic copy** of the following deliverables **by November 15th** of each year that a contract resulting from this RFP remains in place (see Section D – Performance Period):


d) The Contractor must provide **up to 20 hard copies and an electronic copy** of the following deliverables **by November 15th** of each year that a contract resulting from this RFP remains in place (see Section D – Performance Period):

- Management Letter related to the audit of the financial statements of the Montgomery County Consolidated Retiree Health Benefits Trust.

8. MONTGOMERY COUNTY UNION EMPLOYEES DEFERRED COMPENSATION PLAN BASIC FINANCIAL STATEMENTS

The Contractor must provide **up to 20 hard copies and an electronic copy** of the following deliverables **by June 1st** of each year that a contract resulting from this RFP remains in place (see Section D – Performance Period):

- Annual financial statements for the Montgomery County Union Employees Deferred Compensation Plan,
SECTION C - SCOPE OF SERVICES (continued)

- Independent Auditors’ Report to express opinions on the basic financial statements of the Montgomery County Union Employees Deferred Compensation Plan,
- Independent Auditors’ Report on Compliance and Internal Control Over Financial Reporting of the Montgomery County Union Employees Deferred Compensation Plan based on an audit of the financial statements in accordance with Government Auditing Standards, and
- Management Letter related to the audit of the financial statements of the Montgomery County Union Employees Deferred Compensation Plan.

9. ADDITIONAL REQUIRED DELIVERABLES

a) A presentation to the Council’s Audit Committee to review the Contractor’s reports and Management Letters,
b) Written monthly reports to the Contract Administrator summarizing progress to date and any accounting or auditing concerns that may impact items in the Work Statement.

OFFEROR QUALIFICATIONS

The Offeror must:

- Be a licensed certified public accounting firm,
- Be an experienced firm that was the primary contract holder in auditing local governments similar to Montgomery County and experience conducting audits that meet Government Auditing Standards (2018 Revision),
- Have experience in auditing public pension plans with investments in private partnerships.
- Have staff members assigned to the engagement team with experience auditing local governments similar to Montgomery County and experience conducting audits under a firm standard methodology that meet Government Auditing Standards (2018 Revision),
- Be in compliance with provisions of the Business Occupations & Professions Article, Title 2, of the Annotated Code of Maryland, which govern the practice of public accounting within the State of Maryland,
- Meet the independence requirements of Government Auditing Standards, published by the Comptroller General of the United States,
- Have experience auditing large local governments similar to Montgomery County that have all fund types; component units; maintains and reports pension and other post-employment benefit (OPEB) trust plans; and operates and reports self-insurance funds,
- Be in compliance with peer review and continuing professional education (CPE) requirements,
- Have the capacity to audit computerized systems and knowledge of computer assisted audit techniques, and
- Demonstrate active participation in one or more professional organizations that play a key role in shaping government accounting and auditing standards and practices.

CONTRACTOR RESPONSIBILITY

The Contractor is responsible for completing the work described in Section C – Scope of Services of this RFP to the Council’s satisfaction. Additional Contractor responsibilities include:
1. **ACCOUNTING AND AUDITING STANDARDS**

The Contractor must conduct the audits in accordance with the following accounting and auditing standards, as applicable:

1. Governmental Accounting Standards Board (GASB) Codification of Governmental Accounting and Financial Reporting Standards, and other GASB publications,
2. Generally accepted auditing standards prescribed by the American Institute of Certified Public Accountants, including the industry audit guides for “Audits of State and Local Governmental Units,”
3. Government Auditing Standards, Comptroller General of the United States,
4. OMB Uniform Guidance and Related Compliance Supplements
5. Audit Guidelines prescribed by the Legislative Auditor of the State of Maryland,
6. Audit Guidelines for examination of 9-1-1 Trust Funds, as prescribed by the Emergency Number Systems Board of the Maryland Department of Public Safety and Correctional Services,
7. Examination Guidelines and Certification Requirements prescribed by the Urban Mass Transit Transportation Administration,
8. Federal Information System Controls Auditing Manual, if applicable,
9. Consideration of Fraud in a Financial Statement Audit (Statement on Auditing Standards #99), and
10. Other professional auditing/accounting standards issued, as appropriate.

2. **COUNTY’S ACCOUNTING SYSTEM AND RECORDS**

Montgomery County has an on-line computerized accounting and financial reporting system, Oracle eBusiness Suite (EBS), which will be made available to the Contractor under the requirements of and restrictions in Administrative Procedure 6-1, “Use of County-Provided Internet, Intranet, and E-Mail Services” and in Administrative Procedure 6-7, “Information Resources Security.” The Contractor’s techniques and procedures must be modified, if necessary, to be used with the County’s existing systems. The Contractor must utilize the on-line nature of the accounting system to the fullest extent possible.

3. **ACCESS TO COUNTY RECORDS AND STAFF**

The Contractor will have access to County records and staff for the purposes of interviews and verification of items within the terms of the audit. 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.

The Contractor must organize the work in such a way as to minimize disruption of work of County employees in the pursuit of their normal duties. The Contractor must provide the County at least three (3) full business days to prepare written or oral responses to Contractor requests for information.

4. **CONFIDENTIAL INFORMATION**

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 officers of the local fire and rescue departments, the County Council, or other County officials directly involved.

5. **CONTRACTOR STAFF**

Key personnel (partner, managers, supervisors, and seniors) of the Contractor’s staff must work at the level of effort proposed by the Contractor unless a change is authorized by the Office of Legislative Oversight. 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.

6. VERIFICATION AND AUDITS
The Contractor and all subcontractors must maintain for a period of five years, books, records, documents, and other evidence directly pertinent to the performance of work under this contract ("audit documentation"), in accordance with appropriate accounting procedures and generally accepted government auditing standards. The Contractor must make audit documentation available, upon written request, in a timely manner to other auditors or reviewers in accordance with generally accepted government auditing standards. At the County’s request, the Contractor must provide proper facilities within its offices during normal business hours, for purposes of making audit documentation available to such other auditors or reviewers.

COUNTY RESPONSIBILITY

1. PRE-SUBMISSION CONFERENCE
The Office of Legislative Oversight will conduct a pre-submission conference at 2:00 p.m. on Wednesday, September 11, 2019 in the 4th Floor Conference Room of the Council Office Building, 100 Maryland Avenue, Rockville, MD 20850. The following representatives will be present to respond to questions and discuss the County’s financial structure, retirement plans, and computer operations:

- County Finance Director or designee,
- Department of Finance staff,
- Montgomery County Employee Retirement Plans & Consolidated Retiree Health Benefits Trust staff,
- Department of Technology Services staff,
- Other County representatives, and
- Other representatives, as necessary.

2. ACCESS TO COUNTY RECORDS AND STAFF
The County must provide the Contractor access to County records and reasonable access to the County staff for purposes of interviews and verification of items within the terms of the audit.

3. DEPARTMENT OF FINANCE SUPPORT
The County must provide limited, temporary space to examine records and documents during the audit, and must provide the capability to view on-line documents. The Department of Finance must also provide the following clerical and technical support to the Contractor:

- Type confirmation requests and other correspondence requesting information from government agencies,
- Retrieve and replace source documents located in the Department; however, on-line documents should be used to the fullest extent possible,
- Draft the financial statements, both in the preliminary and final forms,
- Type and reproduce the annual report, and
- Prepare a closing schedule that highlights the relevant activities and availability dates for workpapers and reports.

4. MONTGOMERY COUNTY EMPLOYEE RETIREMENT PLANS SUPPORT
The Montgomery County Employee Retirement Plans (MCERP) must provide limited, temporary space to examine records and documents during the audit and must provide the capability to view on-line documents. MCERP must also provide the following clerical and technical support to the Contractor:
SECTION C - SCOPE OF SERVICES (continued)

- Type confirmation requests and other correspondence requesting information from government agencies,
- Retrieve and replace source documents located in the Department; however, on-line documents should be used to the fullest extent possible,
- Draft the financial statements, both in the preliminary and final forms,
- Type and reproduce the annual report, and
- Prepare a closing schedule that highlights the relevant activities and availability dates for workpapers and reports.

5. DEPARTMENT OF TRANSPORTATION SUPPORT
The Department of Transportation must:

- Prepare the National Transit Database Report, Federal Funding Allocation Statistics Form,
- Prepare the passenger mile data collection calculation,
- Provide access to general ledger reports, and
- Provide access to vendor contracts and monthly Contractor reports.

6. DEPARTMENT OF TECHNOLOGY SERVICES SUPPORT
The Department of Technology Services must:

- Provide access to appropriate staff for interviews,
- Supply listings, reports, policies, and logs as required to support the audit,
- Generate limited rights audit user IDs for use within the local network, and
- Coordinate all responses for Information Technology requests.

The Department of Technology Services can only provide support for audit work related to organizations under the Department of Technology Services’ management.

MONTGOMERY COUNTY UNION EMPLOYEES DEFERRED COMPENSATION PLAN RESPONSIBILITY

The Montgomery County Union Employees Deferred Compensation Plan (MCUEDCP) must provide access to its records and reasonable access to its staff for the purposes of interviews and verification of items within the terms of the audit. The MCUEDCP must facilitate the provision of its records and data from its plan administrator to the auditor. The MCUEDCP must provide limited, temporary space to examine records and documents during the audit and must also provide the following clerical and technical support to the Contractor:

- Type confirmation requests and other correspondence requesting information from the County Government, banks, attorneys, government agencies, and other entities as needed by the Contractor, and
- Retrieve and replace source documents in the possession of the MCUEDCP.

END SECTION C - SCOPE OF SERVICES
SECTION D - PERFORMANCE PERIOD

1. TERM
The term of the contract is for one year from the date of signature by the President of the County Council. The first engagement period will be from July 1, 2020 to June 30, 2021. The audit-year for the first engagement period will be July 1, 2019 through June 30, 2020 or Fiscal Year 2020 for Work Statement Parts 1 through 7 and will be January 1, 2020 through December 31, 2020 or Calendar Year 2020 for Work Statement Part 8. Before the contract term ends, the County Council may (but is not required to) renew this contract, if the Council determines that renewal is in the best interest of the County. Contractor’s satisfactory performance does not guarantee renewal of this Contract. The Council may exercise this option to renew for three additional one-year periods, specifically for audits of fiscal years ending on June 30, 2021, 2022, and 2023 and for calendar years ending on December 31, 2020, 2021, and 2022.

2. PRICE ADJUSTMENTS
Prices quoted are firm for a period of two years after execution of the contract. Any request for a price adjustment, after this two-year period is subject to the following:

- Approval or rejection by the County Council;
- Submitted in writing to the Contract Administrator, Office of Legislative Oversight and accompanied by supporting documentation justifying the Contractor’s request. A request for any price adjustment may not be approved unless the Contractor submits to the County Council sufficient justification to support that the Contractor’s request is based on its net increase in costs in delivering the goods/services under the contract;
- Submitted sixty (60) days prior to the contract expiration date, if the contract is being amended;
- 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. The request shall be based upon the CPI for all urban consumers issued for the Washington-Baltimore, DC-MD-VA-WV Metropolitan area by the United States Department of Labor, Bureau of Labor Statistics for all items;
- The Council will approve only one price adjustment for each contract term, if a price adjustment is approved;
- Should be effective sixty (60) days from the date of receipt of the Contractor’s request; and
- Executed by written contract amendment.

END OF SECTION D - PERFORMANCE PERIOD
SECTION E - METHOD OF AWARD/EVALUATION CRITERIA

1. PROCEDURES
   a. Upon receipt of proposals, a Selection Committee will review and evaluate all proposals in accordance with the evaluation criteria listed in Section E.2.a.
   b. The Selection Committee will investigate Offerors to determine responsibility.
   c. The County Council’s Audit Committee, or their designees, will conduct interviews with the three highest scoring Offerors based on the combined scores of the Selection Committee members’ written proposal evaluations. The interview criteria are listed in Section E.2.b.
   d. The Audit Committee will recommend award of the highest ranked Offeror to the County Council, based on the combined scores of the Selection Committee members’ written proposal evaluations, interview evaluations, and responsibility determination by the Selection Committee.
   e. The County Council will approve or reject the Audit Committee’s recommendation.
   f. The Office of Legislative Oversight will then enter into contract negotiations with the approved top-ranked Offeror(s), with the negotiated contract subject to County Council approval.
   g. If a contract cannot be successfully negotiated with the top-ranked Offeror(s), the Office of Legislative Oversight may proceed to negotiate with the next highest ranked Offeror(s). **The Council reserves the right to cancel the solicitation.**

2. EVALUATION CRITERIA
   a. Written Proposal Evaluation Criteria

   The Selection Committee will evaluate the written proposals based on the following criteria:

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The Offeror’s experience in auditing local governments, including complex retirement plans and grants. The Offeror’s experience in auditing local governments similar to Montgomery County, Maryland. The Offeror’s experience auditing local governments that have implemented GASB Statement No. 34, GASB 67/68 and 74/75 (if applicable). The capability of the Offeror’s local office to support the engagement. The Offeror’s quality control procedures.</td>
<td>25</td>
</tr>
<tr>
<td>2. The qualifications and experience of the Offeror’s staff assigned to the audit, including subcontractors and contracted employees. The education of the staff assigned to the audit, including continuing professional education in governmental accounting and auditing. The years of experience of staff in auditing local government programs, activities, and grants.</td>
<td>25</td>
</tr>
<tr>
<td>3. The comprehensiveness of the audit work plan. The time estimates for each major segment of the work plan and estimated number of hours for each staff level assigned.</td>
<td>25</td>
</tr>
<tr>
<td>4. The responsiveness of the proposal in clearly explaining the Offeror’s understanding of the Scope of Services.</td>
<td>15</td>
</tr>
<tr>
<td>5. Cost</td>
<td>10</td>
</tr>
</tbody>
</table>

   **Highest possible written proposal evaluation score per rater:** 100
### b. Interview Evaluation Criteria

The Audit Committee will evaluate the interviews based on the following criteria:

<table>
<thead>
<tr>
<th></th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>The Offeror’s experience in auditing local governments, including complex retirement plans, and grants. The Offeror’s experience auditing local governments similar to Montgomery County, Maryland. The Offeror’s experience auditing local governments that have implemented GASB Statement No. 34, 67/68 and 74/75 (if applicable).</td>
</tr>
<tr>
<td>2.</td>
<td>The qualifications and experience of the Offeror’s staff assigned to the audit, including subcontractors and contracted employees. The Offeror’s commitment to ensuring continuity of the partner, manager, and senior accountant assigned to the engagement.</td>
</tr>
<tr>
<td>3.</td>
<td>The Offeror’s a) understanding of the Scope of Services, b) presentation of the audit work plans, and c) understanding of the deliverables.</td>
</tr>
<tr>
<td>4.</td>
<td>The Offeror’s ability to effectively communicate.</td>
</tr>
<tr>
<td>5.</td>
<td>Cost.</td>
</tr>
</tbody>
</table>

Highest possible interview evaluation score per rater: 100

---

END OF SECTION E - METHOD OF AWARD/EVALUATION CRITERIA
SECTION F – PROPOSAL SUBMISSIONS

FAILURE OF AN OFFEROR TO SUBMIT ALL REQUIRED PROPOSAL SUBMISSIONS MAY RENDER YOUR PROPOSAL UNACCEPTABLE AS DETERMINED BY THE DIRECTOR, OFFICE OF LEGISLATIVE OVERSIGHT.

Offerors must submit one original and seven (7) copies, double-sided, of their proposal in the format described below. Written proposals will be evaluated on only what is submitted. The Offeror must submit sufficient information to enable the Selection Committee, Audit Committee, and County Council to evaluate the Offeror’s capabilities and experience.

Proposals must include the following information in labeled sections:

1. A **Cover Letter** with a brief description of the firm, including the Offeror’s name, address, telephone number, e-mail address, and fax number. The cover letter should also include brief statements showing the firms understanding of the auditing services to be performed.

2. The **Acknowledgment Page** (see page 5 of the RFP) of this solicitation must be submitted and signed by a person authorized to bind the Offeror to the proposal.

3. A **Profile of the Firm** that describes:
   - Firm’s qualifications and experience in auditing local governments and grants, as well as local governments comparable to Montgomery County, Maryland. Specific experience in matters particular to Montgomery County (e.g., using the Oracle eBusiness Suite),
   - Firm’s experience auditing complex retirement plans and OPEB that have implemented GASB 67/68 and 74/75.
   - Firm’s experience auditing local governments that have implemented GASB Statement No. 34 (if applicable),
   - Staff assigned to the audit, including resumes identifying relevant experience and the number of hours of continuing professional education in governmental accounting and auditing,
   - Capability to audit computerized systems, evaluate the efficient and effective use of on-line computer systems, and offer suggestions for improvement,
   - Extent to which computer-assisted audit techniques are relied upon,
   - Quality control procedures and measures to ensure a high-quality audit,
   - All contracts the Offeror is currently performing or has performed for Montgomery County in the last five years, including all component units,
   - Any pending lawsuits or claims against the firm that the County Council should be aware of, and the nature of the lawsuits and claims, and
   - The results of the firm’s latest external quality review.

4. An explanation of the firm’s **Current Workload**, including the capacity of the local office to comply with the requirements of the first engagement period and potential subsequent engagement periods, including ensuring continuity of the partner, manager, and other senior staff. **Proposals submitted as part of the selection process must explain how the auditor intends to use auditing industry standards and best management practices to ensure auditor independence throughout the course of an engagement. In particular, incumbent auditors must demonstrate how, if selected, the firm’s continuation as auditor is preferable to the Council’s previous policy requiring auditor rotation after eight years.**
SECTION F – PROPOSAL SUBMISSIONS (continued)

5. A description of the firm’s **Technical Approach** to completing the work described in Section C – Scope of Services, Work Statement and Section C – Scope of Services, Deliverables. The Technical Approach section of the proposal must include:

- A detailed description of the auditing services that the firm will provide,
- The specific work plans, including time estimates for each significant segment of the work, a scheduling plan, and the number of hours allocated by staff level (e.g., partner, manager, seniors, staff accountants),
- A description of how the Offeror expects to use County staff to facilitate the work,
- A description of the Offeror’s computer assisted auditing techniques and analytical software tools to be used,
- An explanation of the Offeror’s expected use of the County’s on-line accounting systems and system downloads to perform the audit work,
- An explanation of the Offeror’s approach to auditing electronic data processing/information technology procedures and controls,
- An explanation of the Offeror’s expected reliance on internal controls in lieu of performing substantive procedures,
- Policies and practices on participating in entrance and exit conferences, issuing reports and Management Letters, communicating weaknesses noted in the accounting and internal control systems, and following-up on weaknesses and deficiencies noted, and
- Discussion of potential problems or concerns associated with the Scope of Services, and recommended methods of addressing and resolving the potential problems or concerns.

6. A discussion of the use, if any, of **Subcontractors**. Firms submitting proposals that include subcontractors must identify the:

- Proposed responsibilities of each subcontractor,
- Each subcontractor’s experience auditing local governments like Montgomery County,
- Experience of each subcontractor’s staff in auditing local governments, and the number of the subcontractor staffs’ hours of continuing professional education in governmental accounting and auditing, and
- The Offeror’s pervious experiences in working with the subcontractors.

The firm should not plan to use subcontractors to perform any audit segment in its entirety.

7. At least three **References** of current and/or previous government clients from three different jurisdictions who may be contacted to attest to the quality and timeliness of the Offeror’s work of similar nature and scope to that required by the County Council. (see Attachment A)

8. The firm must submit the **Wage Requirements forms** in Attachment E. **Failure to submit the required material information in Attachment F will make your proposal unacceptable and it will be rejected.**
9. Price Sheets that separately designate the firm fixed price for specific portions of the work described in Section C – Scope of Services, Work Statement, for the engagement period beginning July 1, 2020 and ending June 30, 2021. The price sheets must be submitted in the formats found in Attachment F, with separate sheets for the segments of work described below. Prices must include the cost for up to 20 copies of all required deliverables.

Price sheets for the audit of the County’s financial statements and additional services related to reviews, tests, and certifications must include:

- A firm fixed price for the work described in Part 1 of the Work Statement (see page 23-24). The price sheet must be submitted in the format attached at page F1.
- A firm fixed price for the work described in Part 2 of the Work Statement (see page 24-25). The price sheet must be submitted in the format attached at page F2.
- A firm fixed price for the work described in Part 3 of the Work Statement (see page 25). The price sheet must be submitted in the format attached at page F3.
- A firm fixed price for the work described in Part 4 of the Work Statement (see page 25). The price sheet must be submitted in the format attached at page F4.
- A firm fixed price for the work described in Part 5 Auditing Services of the Work Statement (see page 25). It must present a fixed hourly rate for Auditing Services and be submitted in the format attached at page F5.
- A firm fixed price for the work described in Part 5 Accounting Services of the Work Statement (see page 25). It must present a fixed hourly rate for Accounting Services and be submitted in the format attached at page F5.
- A firm fixed price for the work described in Part 5 Comfort or Consent Letters of the Work Statement (see page 25). It must present a fixed fee for each letter. It must be submitted in the format attached at page F5.

Price sheets for the audit of the Employee Retirement Plans must include:

- A firm fixed price for the work described in Parts 6 of the Work Statement (see page 25-26). The price sheet must be submitted in the format attached at page F6.

Price sheets for the audit of the Consolidated Retiree Health Benefit Trust must include:

- A firm fixed price for the work described in Parts 7 of the Work Statement (see page 26-27). The price sheet must be submitted in the format attached at page F7.

Price sheets for the preparation of the financial statements for and audit of the Montgomery County Union Employees Deferred Compensation Plan must include:

- A firm fixed price for the work described in Part 8 of the Work Statement (see page 27). The price sheet must be submitted in the format attached at page F8.

Prior to the execution of the contract, the following items must be submitted:

- Minority, Female, Disabled Person Subcontractor Performance Plan (contract value >$50,000) – Attachment B,
- Offeror Certification of Cost and Price (contract value greater than $100,000) – Attachment C,
- Certificate of Insurance (see mandatory insurance requirements) - Attachment D. The awardee must provide the applicable insurance coverage and all costs for this coverage must be calculated into the proposal price,
- Photocopies of licenses held by the Offeror (if applicable), and
- An indication of financial responsibility in the form of at least two financial references or credit references.

END SECTION F – PROPOSAL SUBMISSIONS
SECTION G - COMPENSATION

The Contractor will be paid on a monthly basis within 30 days of submission of an acceptable and proper invoice, approved by the County.

SECTION H - CONTRACT ADMINISTRATOR

The Contract Administrator, Office of Legislative Oversight, is the delegated contracting officer. Therefore, the Contract Administrator, Office of Legislative Oversight, must approve in writing: 1) amendments, 2) modifications, 3) changes to the terms or conditions, 4) changes to the minority, female, and disabled subcontractor plans. The contract administrator for any contract(s) resulting from this solicitation will be Blaise DeFazio, Office of Legislative Oversight.

The contract administrator’s duties include the following:

1. Serve as liaison between the County Council and Contractor,
2. Give direction to the Contractor to ensure satisfactory and complete performance,
3. Monitor and inspect the Contractor's performance to ensure acceptable timeliness and quality,
4. Serve as Records Custodian for this contract, including documentation of Wage Requirements,
5. Accept or reject the Contractor's performance,
6. Furnish timely written notice of the Contractor’s performance failures to the County Council, as appropriate,
7. Prepare required reports,
8. Approve or reject invoices for payment,
9. Recommend contract modifications or terminations to the County Council,
10. Issue notices to proceed, and
11. Monitor and verify compliance with the Minority, Female, Disabled Person Subcontractor Performance Plan.

SECTION I - ETHICS

As a result of being awarded this contract the successful Contractor may be ineligible for the award of related contracts. Montgomery County Code Sections 11B-52 (b) and (c) state:

A contractor providing an analysis or recommendation to the County concerning a particular matter must not, without first obtaining the written consent of the Chief Administrative Officer:

(1) Assist

(a) another party in the matter; or
(b) another person if the person has a direct and substantial interest in the matter;

or

(2) Seek or obtain an economic benefit from the matter in addition to payment to the contractor by the County.
SECTION J- COMPUTER RESOURCES SECURITY

The Contractor may be afforded remote access privileges to County Information Resources, or otherwise work on, or interface with, County Information Resources, and must ensure that the County’s Information Resources, including electronic data assets, are protected from theft, unauthorized destruction, use, modification, or disclosure as deemed necessary under the County’s Information Resources Security Procedure (AP 6-7). The Contractor must adhere to any and all policies and procedures under, or related to, the County’s Information Resources Security Procedure (AP 6-7).

The County’s Information Resources Security Procedure (AP 6-7) references the County Computer Security Guideline and the County’s Administrative Procedure 6-1.
REFERENCES
(must submit at least three)

You are requested to provide references to the County with your proposal. The three (3) references must be from government clients in three (3) different jurisdictions currently being serviced or supplied under similar contracts, or for whom work of a similar scope has been performed within the last year. Names for references shall be of individuals who directly supervised or had direct knowledge of the services or goods provided. Failure of an Offeror to provide the County with references within the time frame as stated herein may result in the Offeror being considered non-responsible.

NAME OF JURISDICTION/OFFICE: __________________________________________________________

ADDRESS: __________________________________________________________________________

CITY: ___________________________ STATE: ___________ ZIP: ______________________________

CONTACT PERSON: ______________________________ TITLE: ________________________________

PHONE: __________________________________________________________________________

NAME OF JURISDICTION/OFFICE: __________________________________________________________

ADDRESS: __________________________________________________________________________

CITY: ___________________________ STATE: ___________ ZIP: ______________________________

CONTACT PERSON: ______________________________ TITLE: ________________________________

PHONE: __________________________________________________________________________

NAME OF JURISDICTION/OFFICE: __________________________________________________________

ADDRESS: __________________________________________________________________________

CITY: ___________________________ STATE: ___________ ZIP: ______________________________

CONTACT PERSON: ______________________________ TITLE: ________________________________

PHONE: __________________________________________________________________________
Minority-Owned Business Addendum to the General Conditions of Contract between County and Contractor, and its companion document “Minority, Female, Disabled Person Subcontractor Performance Plan”

A. While this contract is not subject to the Montgomery County Code and the Montgomery County Procurement Regulations, Offerors for this contract are required to participate in the Minority-Female-Disabled Person (MFD) procurement program.

B. Contractor must subcontract a percentage goals listed below of the total dollar value of the contract, including all modifications and renewals, to certified minority owned businesses. The MFD subcontracting goal may be waived under appropriate circumstances by submission of a letter to the Contract Administrator. The letter must explain why a waiver is appropriate. The Director of the Office of Legislative Oversight or designee may waive, in whole or in part, the MFD subcontracting goal if the Director determines that a waiver is appropriate using guidance from Section 7.3.3.5 of the Montgomery County Procurement Regulations. In determining if a waiver should be granted, the Director may require the Contractor to submit additional information; the Director may require the Contractor to submit some or all of this information on forms approved by the Director.

Below are goals set for each purchasing category for the total value and life of the contract award:

- Construction: 21%
- Professional Services: 11%
- Non-professional Services: 17%
- Goods: 9%

C. The attached MFD Subcontractor Performance Plan, which must be approved by the Contract Administrator, is an integral part of the contract between County and Contractor. In a multi-term contract, Contractor must submit a MFD Subcontract Performance Plan to be in effect for the life of the contract, including any renewal or modification.

D. Contractor must include in each subcontract with a minority owned business a provision that requires the use of binding arbitration with a neutral arbitrator to resolve disputes between the Contractor and the minority owned business subcontractor. This arbitration provision must describe how the cost of dispute resolution will be apportioned; the apportionment must not, in the judgment of the Director, attempt to penalize a minority owned business subcontractor for filing an arbitration claim.

E. County approval of the MFD Subcontractor Performance Plan does not create a contractual relationship between the County and the minority owned business subcontractor.

F. Contractor must notify and obtain prior written approval from the Director regarding any change in the MFD Subcontractor Performance Plan.

G. Before receiving final payment under this contract, Contractor must submit documentation showing compliance with the MFD Subcontracting Performance Plan. Documentation may include, at the direction of the Director, invoices, copies of subcontracts with minority owned businesses, cancelled checks, affidavits executed by minority owned business subcontractors, waivers, and arbitration decisions. The Director may require Contractor to submit periodic reports on a form approved by the Director. The Director may conduct an on-site inspection for the purpose of determining compliance with the MFD Subcontractor Performance Plan. If this is a multi-term contract, final payment means the final payment due for performance rendered for each term of the contract.

If the Contractor fails to submit documentation demonstrating compliance with the MFD Subcontractor Performance Plan, to the satisfaction of the Director, after considering relevant waivers and arbitration decisions, the Contractor is in breach of this contract. In the event of a breach of contract under this addendum, the Contractor must pay to the County liquidated damages equal to the difference between all amounts the Contractor has agreed under its Plan to pay minority owned business subcontractors and all amounts actually paid minority owned business subcontractors with appropriate credit given for any relevant waiver or arbitration decision. Contractor and County acknowledge that damages which would result to the County as a result of a breach under this addendum are difficult to ascertain, and that the liquidated damages provided for in this addendum are fair and reasonable in estimating the damage to the County of a breach of this addendum by Contractor. In addition, the County may terminate the contract. As the result of a breach under this addendum, The Director of the Department of General Services must find the Contractor non-responsible for purposes of future procurement with the County for the ensuing three years.
MONTGOMERY COUNTY, MARYLAND
MINORITY, FEMALE, DISABLED PERSON SUBCONTRACTOR
PERFORMANCE PLAN

Contractor’s Name: ________________________________
Address: _______________________________________
City: ___________________________ State: ______ Zip: ______
Phone Number: __________________________ Fax Number: __________________________ Email: __________________________

A. Individual assigned by Contractor to ensure Contractor’s compliance with MFD Subcontractor Performance Plan:
   Name: ________________________________
   Title: ________________________________
   Address: _______________________________________
   City: ___________________________ State: ______ Zip: ______
   Phone Number: __________________________ Fax Number: __________________________ Email: __________________________

B. This Plan covers the life of the contract from contract execution through the final contract expiration date.

C. The percentage of total contract dollars, including modifications and renewals, to be paid to all certified minority owned business subcontractors, is ______% of the total dollars awarded to Contractor.

D. Each of the following certified minority owned businesses will be paid the percentage of total contract dollars indicated below as a subcontractor under the contract.

I hereby certify that the business(s) listed below are certified by one of the following: Maryland Department of Transportation (MDOT); Virginia Small, Woman and Minority Owned Business (SWAM); Federal SBA (8A); MD/DC Minority Supplier Development Council (MSDC); Women’s Business Enterprise National Council (WBENC); or City of Baltimore.
A Certification Letter must be attached. For assistance, call 240-777-9912.

1. Certified by:
   Subcontractor Name: ________________________________
   Title: ________________________________
   Address: _______________________________________
   City: ___________________________ State: ______ Zip: ______
   Phone Number: __________________________ Fax Number: __________________________ Email: __________________________
   CONTACT PERSON: ________________________________

   Circle MFD Type:
   AFRICAN AMERICAN  ASIAN AMERICAN  DISABLED PERSON
   FEMALE  HISPANIC AMERICAN  NATIVE AMERICAN

   The percentage of total contract dollars to be paid to this subcontractor: ________________________________
   This subcontractor will provide the following goods and/or services: ________________________________

PMMD-91  Rev. 09/15 B2
2. Certified by: ________________________________________________________________

Subcontractor Name: _________________________________________________________

Title: _____________________________________________________________________

Address: ___________________________________________________________________

City: __________ State: __________ Zip: __________

Phone Number: __________________ Fax Number: _____________________ Email: __________

CONTACT PERSON: __________________________________________________________

Circle MFD Type:

AFRICAN AMERICAN      ASIAN AMERICAN      DISABLED PERSON

FEMALE                  HISPANIC AMERICAN  NATIVE AMERICAN

The percentage of total contract dollars to be paid to this subcontractor: ______________

This subcontractor will provide the following goods and/or services:

______________________________________________________________________________

3. Certified by: ________________________________________________________________

Subcontractor Name: _________________________________________________________

Title: _____________________________________________________________________

Address: ___________________________________________________________________

City: __________ State: __________ Zip: __________

Phone Number: __________________ Fax Number: _____________________ Email: __________

CONTACT PERSON: __________________________________________________________

Circle MFD Type:

AFRICAN AMERICAN      ASIAN AMERICAN      DISABLED PERSON

FEMALE                  HISPANIC AMERICAN  NATIVE AMERICAN

The percentage of total contract dollars to be paid to this subcontractor: ______________

This subcontractor will provide the following goods and/or services:

______________________________________________________________________________

4. Certified By: ________________________________________________________________

Subcontractor Name: _________________________________________________________

Title: _____________________________________________________________________

Address: ___________________________________________________________________

City: __________ State: __________ Zip: __________

Phone Number: __________________ Fax Number: _____________________ Email: __________
CONTACT PERSON: ____________________________

Circle MFD Type:

AFRICAN AMERICAN  ASIAN AMERICAN  DISABLED PERSON
FEMALE             HISPANIC AMERICAN  NATIVE AMERICAN

The percentage of total contract dollars to be paid to this subcontractor:

______________________________________________________________

This subcontractor will provide the following goods and/or services:

______________________________________________________________

E. The following language will be inserted in each subcontract with a certified minority owned business listed in D above, regarding the use of binding arbitration with a neutral arbitrator to resolve disputes with the minority owned business subcontractor; the language must describe how the costs of dispute resolution will be apportioned:

______________________________________________________________

______________________________________________________________

F. Provide a statement below, or on a separate sheet, that summarizes maximum good faith efforts achieved, and/or the intent to increase minority participation throughout the life of the contract or the basis for a full waiver request.

______________________________________________________________

______________________________________________________________

______________________________________________________________

G. A full waiver request must be justified and attached.

Full Waiver Approved: ____________________________ Date: ________
MFD Program Officer

Partial Waiver Approved: ____________________________ Date: ________
MFD Program Officer

Full Waiver Approved: ____________________________ Date: ________
Avinash Shetty, Director
Office of Procurement

Partial Waiver Approved: ____________________________ Date: ________
Avinash Shetty, Director
Office of Procurement

The Contractor submits this MFD Subcontractor Performance Plan (Plan Modification No. ________ ) in accordance with the Minority Owned Business Addendum to General Conditions of Contract between County and Contractor.

CONTRACTOR SIGNATURE

USE ONE:
1. TYPE CONTRACTOR’S NAME: ____________________________

Signature

Typed Name

PMM-65 Rev. 04/19
Section 7.3.3.4(a) of the Procurement Regulations requires: The Contractor must notify the Contract Administrator of any proposed change to the Subcontractor Performance Plan.
OFFEROR’S CERTIFICATION OF COST AND PRICE

The County Council has the authority to require that contract cost and pricing principles are followed. Cost and Pricing Data must be submitted by Offerors or Contractors in the attached format prior to the execution of any contract or contract amendment based on the following:

1. A competitively negotiated contract valued at more than $100,000.
2. A non-competitive contract valued at more than $50,000.
3. Any contract modification for which the price adjustment is expected to exceed $50,000, except contract modifications that are fully in accordance with the terms and conditions of the contract.
4. Any other contracts or contracts modification, as may be required by the CAO or Director.

OFFEROR’S CERTIFICATION

This cost proposal reflects our best estimates and/or actual costs as of this date and conforms to the cost exhibits and schedules provided by the County Council. By submitting this proposal, the Offeror grants the contracting officer or an authorized representative the right to examine, as the basis for pricing that will permit an adequate evaluation of the proposed price, books, records, documents, and other types of factual information, if specifically referenced or included in the cost proposal.

The Offeror also agrees that the price to the County, including profit or fee, may, at the option of the County Council, be adjusted to reduce the price to the County Council to the extent that the price was based on inaccurate, incomplete, or non-current data supplied by the Offeror.

Name

Title

Name of Firm

Date of Submission

Signature of Authorized Representative
By submitting your proposal, you, if selected for negotiation, grant the Contracting Officer or an authorized representative the right to examine those books, records, documents and any other supporting data that will permit adequate evaluation of the proposed price. This right may be exercised at any time prior to award of a contract. The Montgomery County Government may utilize an independent contractor for cost and price analysis or to examine your books and records.

The Cost/price for any resultant contract will be negotiated on the basis of the successful Offeror's normal estimating and/or accounting system or the system set forth in Cost Accounting Standards Board Disclosure Statement as required by Public Law 100-679.

Prior to contract execution, the intended awardee may be required to provide the following information:

A. Latest and previous year's financial statement or profit and loss statement.
B. Burdened rate verification detailing the composition and value of the elements of Fringe Benefits, Overhead, General and Administrative Overhead, Profit or Fee.
Please review the following information and attachments to this form for (check one):

- [ ] Pre-Bid Requirements
- [ ] Contract Requirements

Attachments: (Check as appropriate)

- [ ] Certificate of Insurance
- [ ] Insurance Requirements Specified in: [ ] RFP [ ] IFB [ ] Contract [ ] Amendment
- [ ] Specifications/Scope of Services of the: [ ] RFP [ ] IFB [ ] Contract [ ] Amendment

RFP/IFB/Contract #

<table>
<thead>
<tr>
<th>Name of Contractor:</th>
<th>Contract Value:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blaise DeFazio</td>
<td>$325,000</td>
</tr>
</tbody>
</table>

Services Provided: County Council External Audits

Agency/Division: Office of Legislative Oversight

Contract Manager: Blaise DeFazio

Comments:

- [ ] The attached scope of services requires the following insurance coverage:
  
  - [ ] workers’ compensation & employers liability
  - [ ] commercial general liability
  - [ ] automobile liability
  - [ ] professional liability $1,000,000
  - [ ] additional insured
  - [ ] notice of cancellation per policy provisions
  - [ ] other

- [ ] The attached certificate of insurance:

  - [ ] meets requirements
  - [ ] does not meet requirements
  - [ ] recommend waiver

Please list the reason(s) for waiver, if applicable, in the comments section below.

Comments:
Based on Risk Management’s recommendation, I approve a waiver of the above checked items.

Approved by Contracting Officer, Procurement: ___________________________ DATE: __________

RISK MANAGEMENT, PLEASE RETURN THIS FORM TO:  
PMMD-62R  
Copy to Procurement

[Remainder of Page Intentionally Left Blank]
RFP #184472915
ATTACHMENT E

Wage Requirements for Services Contract
Addendum to the General Conditions of Contract between County Council and Contractor

A. While this contract is not subject to the Montgomery County Code and the Montgomery County Procurement Regulations, Offerors for this contract are required to certify that they comply with the requirements in Section 11B-33A of the Montgomery County Code.

B. Conflicting requirements (11B-33A (g)): If any federal, state, or County law or regulation requires payment of a higher wage, that law or regulation controls. If any applicable collective bargaining agreement requires payment of a higher wage, that agreement controls.

C. A nonprofit organization that is exempt from the Wage Law under 11B-33A must specify the wage the organization intends to pay to those employees who will perform direct, measurable work under the contract, and any health insurance the organization intends to provide to those employees. Section 11B-33A (b)(3) & (c)(2).

D. A contractor must not split or subdivide a contract, pay an employee through a third party, or treat an employee as a subcontractor or independent contractor, to avoid the imposition of any requirement in 11B-33A.

E. Each contractor and subcontractor must certify that it is aware of and will comply with the applicable wage requirements and keep any verifiable records necessary to show compliance, producible upon request of the Director of the Office of Legislative Oversight.

F. An employer must comply with Section 11B-33A during the initial term of the contract and all subsequent renewal periods, and must pay the adjusted wage rate increase required under 11B-33A (e)(2), if any, which is effective July 1 of each year. The County will adjust the wage rate by the annual average increase in the Consumer Price Index for all urban consumers for the Washington-Baltimore metropolitan area, or successor index, for the previous calendar year and must calculate the adjustment to the nearest multiple of 5 cents.

G. An employer must not discharge or otherwise retaliate against an employee for asserting any right, or filing a complaint of a violation, under the WRL.

H. The sanctions under Section 11B-33 (b), which apply to noncompliance with nondiscrimination requirements, apply with equal force and scope to noncompliance with the wage requirements of 11B-33A.

I. The County may assess liquidated damages for any noncompliance by contractor or its subcontractor with Section 11B-33A based on the rate of 1% per day of the total contract amount, or the estimated annual contract value of a requirements contract, for each day of the violation. This liquidated damages amount includes the amount of any unpaid wages, with interest. In the event of a breach of contract under this paragraph, the Contractor must pay to the County liquidated damages noted above, in addition to any other remedies available to the County. Contractor and County acknowledge that damages that would result to the County as a result of a breach under this paragraph are difficult to ascertain, and that the liquidated damages provided for in this paragraph are fair and reasonable in estimating the damage to the County resulting from a breach of this paragraph by Contractor. If a WRL compliance audit determines that the Contractor has violated requirements of the WRL, including but not limited to the wage requirements, the County may assess the Contractor for the cost incurred by the County in conducting the audit. In addition, the contractor is jointly and severally liable for any noncompliance by a subcontractor. Furthermore, Contractor agrees that an aggrieved employee, as a third-party beneficiary, may by civil action against the violating contractor or subcontractor enforce the payment of wages due under Section 11B-33A and recover from the Contractor or subcontractor any unpaid wages with interest, a reasonable attorney’s fee, and damages for any retaliation by the Contractor or subcontractor arising from the employee asserting any right, or filing a complaint of violation, under 11B-33A.

J. The Director may conduct random audits to assure compliance with Section 11B-33A. The Director may conduct an on-site inspection(s) for the purpose of determining compliance. Some of the documents that may be required during an audit are listed on the Living Wage FAQ web page: http://www.montgomerycountymd.gov/PRO/OBRC/LivingWage.html.
K. The Contractor is in breach of this contract if the Contractor fails to submit timely documentation demonstrating compliance with Section 11B-33A to the satisfaction of the Director, including: the Wage Requirements Law Payroll Report Form (PMMD-183), which is required to be submitted by the end of the month (January, April, July, October) following each quarter; documents requested in conjunction with a random or compliance audit being conducted by the County; or documents otherwise requested by the Director. In the event of a breach of contract under this paragraph, or for any other violation of the WRL, the County may assess against, or withhold from payment to, Contractor, the liquidated damages noted in paragraph I. above, in addition to any other remedies available to the County. Contractor and County acknowledge that damages that would result to the County as a result of a breach under this paragraph are difficult to ascertain, and that the liquidated damages provided for in this paragraph are fair and reasonable in estimating the damage to the County resulting from a breach of this paragraph by Contractor.

L. For any questions, please contact the Wage Law Program Manager at 240-777-9918 or WRL@montgomerycountymd.gov.
RFP #184472915
Wage Requirements Law Certification

<table>
<thead>
<tr>
<th>Business Name</th>
<th>Address</th>
<th>City</th>
<th>State</th>
<th>Zip Code</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Phone Number</th>
<th>Fax Number</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>E-Mail Address</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

Provide, in the spaces below, the contact name and information of the individual designated by your firm to monitor your compliance with the County’s Wage Requirements Law, unless exempt under Section 11B-33A (b) (see Section B. below):

<table>
<thead>
<tr>
<th>Contact Name</th>
<th>Title</th>
<th>Phone Number</th>
<th>Fax Number</th>
<th>E-mail Address</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

In the event that you, the “Offeror,” are awarded the contract and become a Contractor, YOU MUST MARK ☑️ or ☑️ in ALL BOXES BELOW that apply.

☐ A. Wage Requirements Compliance

This Contractor, as a “covered employer”, must comply with the requirements under Montgomery County Code Section 11B-33A, “Wage Requirements” (“Wage Requirements Law” or “WRL”). Contractor and its subcontractors must pay all employees not exempt under the WRL, and who perform direct measurable work for the County, the required gross wage rate effective at the time the work is performed. For employees who are not paid an hourly wage, Contractor’s compliance with the WRL must be measured by dividing the amount paid to the employee each pay period by the number of hours worked by that employee during each pay period. A covered employer must not make any deduction for any item necessary for an employee to perform the essential job function unless the deduction is permitted by Executive Regulation. The offer price(s) submitted under this solicitation include(s) sufficient funds to meet the requirements of the WRL. A “covered employer” must submit, within 14 days after the end of each quarter (by the 14th of January, April, July, and October, for the quarter ending the preceding month), certified payroll records for each payroll period and for all employees of the contractor or a subcontractor performing services under the County contract governed by the WRL. The payroll records must contain a statement signed by the contractor or subcontractor certifying that the payroll records are correct and the wage rates paid are not less than those required by the WRL. These payroll records must include the following: name, address and telephone number of the contractor or subcontractor; the name and location of the job; and each employee’s name, current home address, daily straight time and overtime hours, total straight time and overtime hours for the payroll period, rate of pay, fringe benefits by type and amount, gross wages, race and gender of the employee, and the employer and the employee share of any health insurance premium provided to the employee. The Contractor must ensure that NO Social Security number of any person, other than the last four digits, is included on the quarterly report. A sample, blank Payroll Report Form, for your use and completion, can be found at: http://www.montgomerycountymd.gov/PRO/DBRC/WRL.html. The above must be submitted to the PMMD-177 Rev. 04/01/2019 Division of Business Relations and Compliance, Attn: Wage Requirements Law Program Manager (preferably via email to WRL@montgomerycountymd.gov). Each Contractor must: keep payroll records covering work performed on a contract covered by the WRL for not less than 5 years after the work is completed; and, subject to reasonable notice, permit the County to inspect the payroll records at any reasonable time and as often as the County deems necessary. If the Contractor or subcontractor fails to submit, or is late in submitting, copies of any payroll record or other report required to be submitted under the WRL, the County may deem invoices unacceptable until the Contractor or subcontractor provides the required records or reports, and may postpone processing payments due under the contract or under an agreement to finance the contract. A violation of the WRL, including the late submission or non-submission of the information noted above, may result in action by the County, including: (a) withholding contract payments, reducing payment amounts, or otherwise assessing damages against Contractor, in an amount sufficient to: (i) pay each employee of the Contractor or subcontractor the full amount of wages due under the WRL; (ii) reimburse the County for audit costs; or (iii) satisfy a...
liability of a contractor or subcontractor for liquidated damages; (b) terminating the contract; or, (c) otherwise taking action
to enforce the contract or the WRL. Violation of the WRL may also result in a finding of non-responsibility for a future
contract, or may form the basis for debarment or suspension.

B. Exemption Status (if applicable)
This Contractor is exempt from Section 11B-33A, “Wage Requirements,” because it is:
1. Reserved – [Intentionally left blank].
2. a contractor who, at the time a contract is signed, has received less than $50,000 from the County in the most
recent 12-month period, and will be entitled to receive less than $50,000 from the County under that contract in
the next 12-month period. Section 11B-33A (b)(1);
3. a public entity. Section 11B-33A (b)(2).
4. a non-profit organization that has qualified for an exemption from federal income taxes under Section 501(c)(3) of
the Internal Revenue Code. Section 11B-33A (b)(3) (must complete item C below).
5. an employer expressly precluded from complying with the WRL by the terms of any federal or state law, contract, or
grant. Section 11B-33A (b)(7) (must specify the law, or furnish a copy of the contract or grant).

C. Nonprofit Wage & Health Information
This Contractor is a non-profit organization that is exempt from coverage under Section 11B-33A (b)(3). Accordingly, the
contractor has completed the 501 (c)(3) Nonprofit Organization’s Employee’s Wage and Health Insurance Form, which is
attached. See Section11B-33A (c)(2). (must also complete box B.4. above)

D. Sole Proprietorship
Sole Proprietorships are subject to the WRL. In order to be excused from the posting and reporting requirements of the
WRL, the individual who is the sole proprietor must sign the certifications below in order to attest to the fact that the
Sole Proprietorship: (1) is aware of, and will comply with, the WRL, as applicable; (2) has no employee other than the
sole proprietor; and (3) will inform the Montgomery County Division of Business Relations and Compliance if the sole
proprietor employs any worker other than the sole proprietor. Note: A schedule C from the employer’s federal tax
return may be required for verification purposes.

E. Sub-Contractors
It is the prime contractor’s responsibility to ensure all of its subcontractors adhere to the WRL. All subcontractors are
required to submit quarterly payroll reports. It is the prime contractor’s responsibility to collect these payroll reports
and submit them to wrl@montgomerycountymd.gov on a quarterly basis.

I intend to use Sub-Contractors if I am awarded a contract as a result of this solicitation.

I do NOT intend to use Sub-Contractors if I am awarded a contract as a result of this solicitation. If at any time during
the course of the contract I use Sub-Contractors, I understand that I am responsible for their quarterly payroll reporting.

F. Independent Contractors
I intend to use Independent Contractors if I am awarded a contract as a result of this solicitation.

If this box is checked, you must complete the Wage Requirements Law Independent Contractor Certification
(PMMD193) in order for your bid/offer to be considered. It can be found at:

I do NOT intend to use Independent Contractors if I am awarded a contract as a result of this solicitation. If at any
time during the course of the contract I use Independent Contractors, I understand and agree that I must complete the
Wage Requirements Law Independent Contractor Certification (PMMD193). See above link.
RFP #184472915

**Contractor Certification**

CONTRACTOR SIGNATURE: Contractor submits this certification form in accordance with Section 11B-33A of the Montgomery County Code. Contractor certifies that it, and any and all of its subcontractors that perform services under the resultant contract with the County, adheres to Section 11B-33A of the Montgomery County Code.

<table>
<thead>
<tr>
<th>Authorized Signature</th>
<th>Title of Authorized Person</th>
</tr>
</thead>
<tbody>
<tr>
<td>Typed or printed name</td>
<td>Date</td>
</tr>
</tbody>
</table>
Please provide below the employee labor category of all employee(s) who will perform direct measurable work under this contract, the hourly wage the organization pays for that employee labor category, and any health insurance the organization intends to provide for that employee labor category:

<table>
<thead>
<tr>
<th>Employee Labor Category</th>
<th>Wage per Hour</th>
<th>Name of Health Insurance Provider(s) and Plan Name* (e.g. ABC Insurer, Inc., HMO Medical and Dental)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* IF NO HEALTH INSURANCE PLAN IS PROVIDED PLEASE STATE “NONE”.
Audit of the County Government Financial Statements
Section C – Scope of Services, Work Statement Part 1

| Name and Address of Offeror/Subcontractor | Proposal Date: |
| Service Being Furnished: |

<table>
<thead>
<tr>
<th>Direct Labor</th>
<th>Hours</th>
<th>Hourly Rate</th>
<th>Cost</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partner</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manager</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff Auditor</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other (specify)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Direct Labor Cost Total $\$

<table>
<thead>
<tr>
<th>Indirect Costs</th>
<th>Rate</th>
<th>Base</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>(specify indirect cost pools)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Indirect Costs Total $\$

<table>
<thead>
<tr>
<th>Subcontracts</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>(company name – services)</td>
<td></td>
</tr>
</tbody>
</table>

Subcontracts Cost Total $\$

<table>
<thead>
<tr>
<th>Other Costs</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>(specify categories)</td>
<td></td>
</tr>
</tbody>
</table>

Other Costs Total $\$

| Total Cost | $ |
| Profit     | $ |
| Total Price Proposed | $ |
## Section C – Scope of Services, Work Statement Part 2

<table>
<thead>
<tr>
<th>Name and Address of Offeror/Subcontractor</th>
<th>Proposal Date:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Being Furnished:</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Hours</th>
<th>Hourly Rate</th>
<th>Cost</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Labor</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Partner</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manager</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff Auditor</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other (specify)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Direct Labor Cost Total** $ 

<table>
<thead>
<tr>
<th>Indirect Costs (specify indirect cost pools)</th>
<th>Rate</th>
<th>Base</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Indirect Costs Total** $ 

<table>
<thead>
<tr>
<th>Subcontracts (company name – services)</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Subcontracts Cost Total** $ 

<table>
<thead>
<tr>
<th>Other Costs (specify categories)</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Other Costs Total** $ 

<table>
<thead>
<tr>
<th>Total Cost</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit</td>
<td>$</td>
</tr>
<tr>
<td>Total Price Proposed</td>
<td>$</td>
</tr>
</tbody>
</table>
Agreed-Upon Procedures Related to the National Transit Database Report
Section C – Scope of Services, Work Statement Part 3

<table>
<thead>
<tr>
<th>Name and Address of Offeror/Subcontractor</th>
<th>Proposal Date:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Being Furnished:</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Direct Labor</th>
<th>Hours</th>
<th>Hourly Rate</th>
<th>Cost</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partner</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manager</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff Auditor</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other (specify)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Direct Labor Cost Total** $\$

<table>
<thead>
<tr>
<th>Indirect Costs (specify indirect cost pools)</th>
<th>Rate</th>
<th>Base</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Indirect Costs Total** $\$

<table>
<thead>
<tr>
<th>Subcontracts (company name – services)</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Subcontracts Cost Total** $\$

<table>
<thead>
<tr>
<th>Other Costs (specify categories)</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Other Costs Total** $\$

<table>
<thead>
<tr>
<th>Total Cost</th>
<th>Profit</th>
<th>Total Price Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>$</td>
</tr>
</tbody>
</table>

**Attachment F (continued)**
Audit of the County Government 9-1-1 System
Section C – Scope of Services, Work Statement Part 4

Name and Address of Offeror/Subcontractor

<table>
<thead>
<tr>
<th>Direct Labor</th>
<th>Hours</th>
<th>Hourly Rate</th>
<th>Cost</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partner</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manager</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff Auditor</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other (specify)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Direct Labor Cost Total $ 

Indirect Costs (specify indirect cost pools) | Rate | Base | Cost |

Indirect Costs Total $ 

Subcontracts (company name – services) | Cost |

Subcontracts Cost Total $ 

Other Costs (specify categories) | Cost |

Other Costs Total $ 

Total Cost $ 

Profit $ 

Total Price Proposed $
Optional Work  
Section C – Scope of Services, Work Statement Part 5

<table>
<thead>
<tr>
<th>Name and Address of Offeror/Subcontractor</th>
<th>Proposal Date: Services Being Furnished:</th>
</tr>
</thead>
</table>

### Auditing Services

<table>
<thead>
<tr>
<th>Staff Level</th>
<th>Fixed Hourly Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partner</td>
<td></td>
</tr>
<tr>
<td>Manager</td>
<td></td>
</tr>
<tr>
<td>Senior</td>
<td></td>
</tr>
<tr>
<td>Staff Auditor</td>
<td></td>
</tr>
<tr>
<td>Specialist/Other (specify)</td>
<td></td>
</tr>
</tbody>
</table>

Alternate Composite Rate (when already on site)

### Accounting Services

<table>
<thead>
<tr>
<th>Staff Level</th>
<th>Fixed Hourly Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partner</td>
<td></td>
</tr>
<tr>
<td>Manager</td>
<td></td>
</tr>
<tr>
<td>Senior</td>
<td></td>
</tr>
<tr>
<td>Staff Auditor</td>
<td></td>
</tr>
<tr>
<td>Specialist/Other (specify)</td>
<td></td>
</tr>
</tbody>
</table>

Alternate Composite Rate (when already on site)

### Comfort or Consent Letters

<table>
<thead>
<tr>
<th>Fixed Fee Per Letter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comfort Letter</td>
</tr>
<tr>
<td>Consent Letter</td>
</tr>
</tbody>
</table>
Audit of the Montgomery County Employee Retirement Plans’ Financial Statements  
Section C – Scope of Services, Work Statement Part 6

<table>
<thead>
<tr>
<th>Name and Address of Offeror/Subcontractor</th>
<th>Proposal Date: Service Being Furnished:</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Direct Labor</th>
<th>Hours</th>
<th>Hourly Rate</th>
<th>Cost</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partner</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manager</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff Auditor</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other (specify)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Direct Labor Cost Total               |       |             |      | $      |

<table>
<thead>
<tr>
<th>Indirect Costs (specify indirect cost pools)</th>
<th>Rate</th>
<th>Base</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Indirect Costs Total                     |       |             |      | $      |

<table>
<thead>
<tr>
<th>Subcontracts (company name – services)</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Subcontracts Cost Total                  |       |             |      | $      |

<table>
<thead>
<tr>
<th>Other Costs (specify categories)</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Other Costs Total                        |       |             |      | $      |

| Total Cost                               |       |             |      | $      |
| Profit                                   |       |             |      | $      |
| Total Price Proposed                     |       |             |      | $      |
Audit of the Consolidated Retiree Health Benefits Trust Financial Statements
Section C – Scope of Services, Work Statement Part 7

Name and Address of Offeror/Subcontractor | Proposal Date: 
Service Being Furnished:

<table>
<thead>
<tr>
<th>Direct Labor</th>
<th>Hours</th>
<th>Hourly Rate</th>
<th>Cost</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partner</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manager</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff Auditor</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other (specify)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Direct Labor Cost Total: $ __________

<table>
<thead>
<tr>
<th>Indirect Costs (specify indirect cost pools)</th>
<th>Rate</th>
<th>Base</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Indirect Costs Total: $ __________

Subcontracts (company name – services) | Cost |
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Subcontracts Cost Total: $ __________

<table>
<thead>
<tr>
<th>Other Costs (specify categories)</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Other Costs Total: $ __________

Total Cost: $ __________

Profit: $ __________

Total Price Proposed: $ __________

Attachment F (continued)
Preparation and Audit of the Montgomery County Union Employees Deferred Compensation Plan Financial Statements  
Section C – Scope of Services, Work Statement Part 8

<table>
<thead>
<tr>
<th>Name and Address of Offeror/Subcontractor</th>
<th>Direct Labor</th>
<th>Indirect Costs</th>
<th>Subcontracts</th>
<th>Other Costs</th>
<th>Total Cost</th>
<th>Profit</th>
<th>Total Price Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposal Date:</td>
<td>Service Being Furnished:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>Total</strong></td>
<td></td>
<td><strong>Total Price Proposed</strong></td>
</tr>
</tbody>
</table>

**Direct Labor**

<table>
<thead>
<tr>
<th>Role</th>
<th>Hours</th>
<th>Hourly Rate</th>
<th>Cost</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partner</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manager</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff Auditor</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other (specify)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Indirect Costs** (specify indirect cost pools)

<table>
<thead>
<tr>
<th>Rate</th>
<th>Base</th>
<th>Cost</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Subcontracts** (company name – services)

<table>
<thead>
<tr>
<th>Cost</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Other Costs** (specify categories)

<table>
<thead>
<tr>
<th>Cost</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total Price Proposed** $
BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement (the “Agreement”) is made by and between Montgomery County, Maryland (hereinafter referred to as “Covered Entity”), and ___________________________________________ (hereinafter referred to as “Business Associate”). Covered Entity and Business Associate shall collectively be known here as the “Parties.”

I. GENERAL

A. Covered Entity has a business relationship with Business Associate that is memorialized in Montgomery County Contract # _____________ (the “Underlying Agreement”), pursuant to which Business Associate may be considered a “business associate” of Covered Entity as defined in the Health Insurance Portability and Accountability Act of 1996, including all pertinent regulations (45 CFR Parts 160 and 164), issued by the U.S. Department of Health and Human Services, including Subtitle D of the Health Information Technology for Economic and Clinical Health Act (the “HITECH Act”), as codified in Title XIII of Division A and Title IV of Division B of the American Recovery and Reinvestment Act of 2009 (Pub. L. 111–5), and including any and all applicable Privacy, Security, Enforcement, or Notice (Breach Notification) Rules or requirements (collectively, “HIPAA”), as all are amended from time to time; and

B. The performance of the Underlying Agreement may involve the creation, exchange, or maintenance of Protected Health Information (“PHI”) as that term is defined under HIPAA; and

C. For good and lawful consideration as set forth in the Underlying Agreement, Covered Entity and Business Associate enter into this Agreement for the purpose of ensuring compliance with the requirements of HIPAA; and

D. This Agreement articulates the obligations of the Parties as to use and disclosure of PHI. It does not affect Business Associate’s obligations to comply with the Maryland Confidentiality of Medical Records Act (Md. Code Ann., Health-General I §§4-301 et seq.) (“MCMRA”) or other applicable law with respect to any information the County may disclose to Business Associate as part of Business Associate’s performance of the Underlying Agreement; and

E. This Agreement supersedes and replaces any and all Business Associate Agreements the Covered Entity and Business Associate may have entered into prior to the date hereof; and

F. The above premises having been considered and incorporated by reference into the sections below, the Parties, intending to be legally bound, agree as follows:

II. DEFINITIONS.

A. The terms used in this Agreement have the same meaning as the definitions of those terms in HIPAA. In the absence of a definition in HIPAA, the terms have their commonly understood meaning.

B. Consistent with HIPAA, and for ease of reference, the Parties expressly note the definitions of the following terms:

1. “Breach” is defined at 45 CFR § 164.402.
RFP #184472915

2. “Business Associate” is defined at 45 CFR § 160.103, and in reference to the party to this Agreement, shall mean [Insert Name of Business Associate].

3. “Covered Entity” is defined at 45 CFR § 160.103, and in reference to the party to this Agreement, shall mean the County.

4. “Designated Record Set” is defined at 45 CFR §164.501.

5. “Individual” is defined at 45 CFR §§ 160.103, 164.501 and 164.502(g), and includes a person who qualifies as a personal representative.

6. “Protected Health Information” or “PHI” is defined at 45 CFR § 160.103.

7. “Required By Law” is defined at 45 CFR § 164.103.

8. “Secretary” means the Secretary of the U.S. Department of Health and Human Services or designee.

9. “Security Incident” is defined at 45 CFR § 164.304.

10. “Unsecured Protected Health Information” or “Unsecured PHI” means PHI that is not rendered unusable, unreadable, or indecipherable to unauthorized persons through the use of a technology or methodology, as specified by the Secretary in the guidance as noted under the HITECH Act, section 13402(h)(1) and (2) of Public Law 111-5, codified at 42 U.S.C. § 17932(h)(1) and (2), and as specified by the Secretary in 45 CFR 164.402.

III. PERMISSIBLE USE AND DISCLOSURE OF PHI

A. Except as otherwise limited in this Agreement, or by privilege, protection, or confidentiality under HIPAA, MCMRA, or other applicable law, Business Associate may use or disclose (including permitting acquisition or access to) PHI to perform applicable functions, activities, or services for, or on behalf of, Covered Entity as specified in the Underlying Agreement. Moreover, the provisions of HIPAA are expressly incorporated by reference into, and made a part of, this Agreement.

B. Business Associate may use or disclose (including permitting acquisition or access to) PHI only as permitted or required by this Agreement or as Required By Law.

C. Business Associate is directly responsible for full compliance with the relevant requirements of HIPAA.

D. Business Associate must not use or disclose (including permitting acquisition or access to) PHI other than as permitted or required by this Agreement or HIPAA, and must use or disclose PHI only in a manner consistent with HIPAA. As part of this, Business Associate must use appropriate safeguards to prevent use or disclosure of PHI that is not permitted by this Agreement or HIPAA. Furthermore, Business Associate must take reasonable precautions to protect PHI from loss, misuse, and unauthorized access, disclosure, alteration, and destruction.

E. Business Associate must implement and comply with administrative, physical, and technical safeguards governing the PHI, in a manner consistent with HIPAA, that reasonably and appropriately protect the confidentiality, integrity, and availability of the PHI that it creates, receives, maintains, or transmits on behalf of Covered Entity.
F. Business Associate must immediately notify Covered Entity, in a manner consistent with HIPAA, of: (i) any use or disclosure of PHI not provided for by this Agreement, including a Breach of PHI of which it knows or by exercise of reasonable diligence would have known, as required at 45 CFR §164.410; and, (ii) any Security Incident of which it becomes aware as required at 45 CFR §164.314(a)(2)(i)(C). Business Associate’s notification to Covered Entity required by HIPAA and this Section III.F must:

1. Be made to Covered Entity without unreasonable delay and in no case later than 14 calendar days after Business Associate: a) knows, or by exercising reasonable diligence would have known, of a Breach, b) becomes aware of a Security Incident, or c) becomes aware of any use or disclosure of PHI not provided for by this Agreement;

2. Include the names and addresses of the Individual(s) whose PHI is the subject of a Breach, Security Incident, or use or disclosure of PHI not provided for by this Agreement. In addition, Business Associate must provide any additional information reasonably requested by Covered Entity for purposes of investigating the Breach, Security Incident, or use or disclosure of PHI not provided for by this Agreement;

3. Be in substantially the same form as Exhibit A hereto;

4. Include a brief description of what happened, including the date of the Breach, Security Incident, or use or disclosure of PHI not provided for by this Agreement, if known, and the date of the discovery of the Breach, Security Incident, or use or disclosure of PHI not provided for by this Agreement;

5. Include a description of the type(s) of Unsecured PHI that was involved in the Breach, Security Incident, or use or disclosure of PHI not provided for by this Agreement (such as full name, Social Security number, date of birth, home address, account number, disability code, or other types of information that were involved);

6. Identify the nature and extent of the PHI involved, including the type(s) of identifiers and the likelihood of reidentification;

7. If known, identify the unauthorized person who used or accessed the PHI or to whom the disclosure was made;

8. Articulate any steps the affected Individual(s) should take to protect him or herself from potential harm resulting from the Breach, Security Incident, or use or disclosure of PHI not permitted by this Agreement;

9. State whether the PHI was actually acquired or viewed;

10. Provide a brief description of what the Covered Entity and the Business Associate are doing to investigate the Breach, Security Incident, or use or disclosure of PHI not provided for by this Agreement, to mitigate losses, and to protect against any further Breach, Security Incident, or use or disclosure of PHI not provided for by this Agreement;
11. Note contact information and procedures for an Individual(s) to ask questions or learn additional information, which must include a toll-free telephone number of Business Associate, along with an e-mail address, Web site, or postal address;

and

12. Include a draft letter for the Covered Entity to utilize, in the event Covered Entity elects, in its sole discretion, to notify the Individual(s) that his or her PHI is the subject of a Breach, Security Incident, or use or disclosure of PHI not provided for by this Agreement that includes the information noted in Section III.F.4 – III.F.11 above.

G. Business Associate must, and is expected to, directly and independently fulfill all notification requirements under HIPAA.

H. In the event of a Breach, Security Incident, or use or disclosure of PHI not provided for by this Agreement, Business Associate must mitigate, to the extent practicable, any harmful effects of said disclosure that are known to it.

I. In accordance with 45 CFR § 164.502(e)(1)(ii) and 164.308(b)(2), Business Associate agrees to ensure that any agent, subcontractor, or employee to whom it provides PHI (received from, or created or received by, Business Associate on behalf of Covered Entity) agrees to the same restrictions, conditions, and requirements that apply through this Agreement to Business Associate with respect to such information.

J. Business Associate must ensure that any contract or other arrangement with a subcontractor meets the requirements of paragraphs 45 CFR §164.314(a)(2)(i) and (a)(2)(ii) required by 45 CFR § 164.308(b)(3) between a Business Associate and a subcontractor, in the same manner as such requirements apply to contracts or other arrangements between a Covered Entity and Business Associate.

K. Pursuant to 45 CFR § 164.502(a)(4)(ii), Business Associate must disclose PHI to the Covered Entity, Individual, or Individual's designee, as necessary to satisfy a Covered Entity's obligations under § 164.524(c)(2)(ii) and (3)(ii) with respect to an individual's request for an electronic copy of PHI.

L. To the extent applicable, Business Associate must provide access to PHI in a Designated Record Set at reasonable times, at the request of Covered Entity or as directed by Covered Entity, to an Individual specified by Covered Entity in order to meet the requirements under 45 CFR § 164.524.

M. A Business Associate that is a health plan, excluding an issuer of a long-term care policy falling within paragraph (1)(viii) of the definition of health plan, must not use or disclose PHI that is genetic information for underwriting purposes, in accordance with the provisions of 45 CFR 164.502.

N. To the extent applicable, Business Associate must make any amendment(s) to PHI in a Designated Record Set that Covered Entity directs or agrees to, pursuant to 45 CFR § 164.526, at the request of Covered Entity or an Individual.

O. Business Associate must, upon request with reasonable notice, provide Covered Entity access to its premises for a review and demonstration of its internal practices and procedures for safeguarding PHI.

P. Business Associate must, upon request and with reasonable notice, furnish to Covered Entity security and privacy audit results, risk analyses, security and privacy policies and procedures, details of previous Breaches and Security Incidents, and documentation of controls.
Q. Business Associate must also maintain records indicating who has accessed PHI about an Individual in an electronic designated record set and information related to such access, in accordance with 45 C.F.R. § 164.528. Business Associate must document such disclosures of PHI and information related to such disclosures as would be required for a Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. § 164.528. Should an Individual make a request to Covered Entity for an accounting of disclosures of his or her PHI pursuant to 45 C.F.R. § 164.528, Business Associate must promptly provide Covered Entity with information in a format and manner sufficient to respond to the Individual's request.

R. Business Associate must, upon request and with reasonable notice, provide Covered Entity with an accounting of uses and disclosures of PHI that was provided to it by Covered Entity.

S. Business Associate must make its internal practices, books, records, and any other material requested by the Secretary relating to the use, disclosure, and safeguarding of PHI received from Covered Entity available to the Secretary for the purpose of determining compliance with HIPAA. Business Associate must make the aforementioned information available to the Secretary in the manner and place as designated by the Secretary or the Secretary’s duly appointed delegate. Under this Agreement, Business Associate must comply and cooperate with any request for documents or other information from the Secretary directed to Covered Entity that seeks documents or other information held or controlled by Business Associate.

T. Business Associate may use PHI to report violations of law to appropriate Federal and State authorities, consistent with 42 C.F.R. § 164.502(j)(1).

U. Except as otherwise limited in this Agreement, Business Associate may disclose PHI for the proper management and administration of Business Associate or the Underlying Agreement, provided that disclosures are Required By Law, or Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and be used or further disclosed only as Required By Law or for the limited purpose for which it was disclosed to the person, and the person must agree to notify Business Associate of any instance of any Breach, Security Incident, or use or disclosure of PHI not provided for by this Agreement of which it is aware in which the confidentiality of the information has been breached.

V. Business Associate understands that, pursuant to 45 CFR § 160.402, the Business Associate is liable, in accordance with the Federal common law of agency, for a civil money penalty for a violation of the HIPAA rules based on the act or omission of any agent of the Business Associate, including a workforce member or subcontractor, acting within the scope of the agency.

IV. TERM AND TERMINATION.

A. Term. The Term of this Agreement shall be effective as of the effective date of the Underlying Agreement, and shall terminate: (1) when all of the PHI provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity; or, (2) if it is infeasible to return or destroy PHI, in accordance with the termination provisions in this Article IV.

B. Termination for Cause. Upon Covered Entity’s knowledge of a material breach of this Agreement by Business Associate, Covered Entity shall:

1. Provide an opportunity for Business Associate to cure the breach or end the violation and, if Business Associate does not cure the breach or end the violation within the time specified by Covered Entity, have the right to terminate this Agreement and to terminates the Underlying Agreement, and shall report the violation to the Secretary;
2. Have the right to immediately terminate this Agreement and the Underlying Agreement if Business Associate has breached a material term of this Agreement and cure is not possible, and shall report the violation to the Secretary; or

3. If neither termination nor cure is feasible, report the violation to the Secretary.

4. This Article IV, Term and Termination, Paragraph B, is in addition to the provisions set forth in Paragraph 27, Termination for Default of the General Conditions of Contract Between County and Contractor, attached to the Underlying Agreement, in which “Business Associate” is “Contractor” and “Covered Entity” is “County” for purposes of this Agreement.

C. Effect of Termination.

1. Except as provided in Section IV.C.2, upon termination or cancellation of this Agreement, for any reason, Business Associate must return or destroy all PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision applies to PHI that is in the possession of a subcontractor(s), employee(s), or agent(s) of Business Associate. Business Associate must not retain any copies of the PHI.

2. In the event that Business Associate determines that returning or destroying the PHI is infeasible, Business Associate must provide to Covered Entity written notification of the nature of the PHI and the conditions that make return or destruction infeasible. After written notification that return or destruction of PHI is infeasible, Business Associate must extend the protections of this Agreement to such PHI and limit further use(s) and disclosure(s) of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI. Notwithstanding the foregoing, to the extent that it is not feasible to return or destroy such PHI, the terms and provisions of this Agreement survive termination of this Agreement with regard to such PHI.

3. Should Business Associate violate this Agreement, HIPAA, the Underlying Agreement, the MCMRA, or other applicable law, Covered Entity has the right to immediately terminate any contract then in force between the Parties, including the Underlying Agreement.

V. CONSIDERATION. Business Associate recognizes that the promises it has made in this Agreement shall, henceforth, be reasonably, justifiably, and detrimentally relied upon by Covered Entity in choosing to continue or commence a business relationship with Business Associate.

VI. CAUSES OF ACTION IN THE EVENT OF BREACH. As used in this paragraph, the term “breach” has the meaning normally ascribed to that term under the Maryland law related to contracts, as opposed to the specific definition under HIPAA related to PHI. Business Associate hereby recognizes that irreparable harm will result to Covered Entity in the event of breach by Business Associate of any of the covenants and assurances contained in this Agreement. As such, in the event of breach of any of the covenants and assurances contained in this Agreement, Covered Entity shall be entitled to enjoin and restrain Business Associate from any continued violation of this Agreement. Furthermore, in the event of breach of this Agreement by Business Associate, Covered Entity is entitled to reimbursement and indemnification from Business Associate for Covered Entity’s reasonable attorneys’ fees and expenses and costs that were reasonably incurred as a proximate result of Business Associate’s breach. The causes of action contained in this Article VI are in addition to (and do not supersede) any action for damages and/or any other cause of action Covered Entity may have for breach of any part of this Agreement. Furthermore, these provisions are in addition to the provisions set forth in Paragraph 18, “Indemnification”, of the General Conditions of Contract Between County and Contractor, attached to the Underlying Agreement in which “Business Associate” is “Contractor” and “Covered Entity” is “County”, for purposes of this Agreement.
VII. MODIFICATION; AMENDMENT. This Agreement may be modified or amended only through a writing signed by the Parties and, thus, no oral modification or amendment hereof shall be permitted. The Parties agree to take such action as is necessary to amend this Agreement, from time to time, as is necessary for Covered Entity to comply with the requirements of HIPAA, including its Privacy, Security, and Notice Rules.

VIII. INTERPRETATION OF THIS AGREEMENT IN RELATION TO OTHER AGREEMENTS BETWEEN THE PARTIES. Should there be any conflict between the language of this Agreement and any other contract entered into between the Parties (either previous or subsequent to the date of this Agreement), the language and provisions of this Agreement, along with the Underlying Agreement, shall control and prevail unless the Parties specifically refer in a subsequent written agreement to this Agreement, by its title, date, and substance and specifically state that the provisions of the later written agreement shall control over this Agreement and Underlying Agreement. In any event, any agreement between the Parties, including this Agreement and Underlying Agreement, must be in full compliance with HIPAA, and any provision in an agreement that fails to comply with HIPAA will be deemed separable from the document, unenforceable, and of no effect.

IX. COMPLIANCE WITH STATE LAW. The Business Associate acknowledges that by accepting the PHI from Covered Entity, it becomes a holder of medical records information under the MCMRA and is subject to the provisions of that law. If HIPAA conflicts with another applicable law regarding the degree of protection provided for Protected Health Information, Business Associate must comply with the more restrictive protection requirement.

X. MISCELLANEOUS.

A. Ambiguity. Any ambiguity in this Agreement shall be resolved to permit Covered Entity to comply with HIPAA.

B. Regulatory References. A reference in this Agreement to a section in HIPAA means the section in effect, or as amended.

C. Notice to Covered Entity. Any notice required under this Agreement to be given Covered Entity shall be made in writing to:

Joy Page, Esq.
Deputy Privacy Official
Montgomery County, Maryland
401 Hungerford Drive, 7th Floor
Rockville, Maryland 20850
(240) 777-3247 (Voice)
(240) 777-3099 (Fax)

Notice to Business Associate. Any notice required under this Agreement to be given Business Associate shall be made in writing to:

Address: _______________________________________

____________________________________

Attention: ______________________________________

Phone: ______________________________________
D. **Maryland Law.** This Agreement is governed by, and shall be construed in accordance with, applicable federal law and the laws of the State of Maryland, without regard to choice of law principles.

E. **Incorporation of Future Amendments.** Other requirements applicable to Business Associates under HIPAA are incorporated by reference into this Agreement.

F. **Penalties for HIPAA Violation.** In addition to that stated in this Agreement, Business Associate may be subject to civil and criminal penalties noted under HIPAA, including the same HIPAA civil and criminal penalties applicable to a Covered Entity.

IN WITNESS WHEREOF and acknowledging acceptance and agreement of the foregoing, the Parties affix their signatures hereto.

(INsert  Name Of Business Associate)  MONTGOMERY COUNTY, MARYLAND

By: _____________________________  By: _____________________________

Name: ____________________________  Name: ____________________________

Title: _____________________________  Title: _____________________________

Date: _____________________________  Date: _____________________________
This notification is made pursuant to Section III.F of the Business Associate Agreement between:

• Montgomery County, Maryland, (the “County”) and

• ________________________________ (Business Associate).

Business Associate hereby notifies the County that there has been a Breach, Security Incident, or use or disclosure of PHI not provided for by the Business Associate Agreement (an “Incident”) that Business Associate has used or has had access to under the terms of the Business Associate Agreement.

Description of the Incident:

_____________________________________________________________________________________

Date of the Incident: _____________________________

Date of discovery of the Incident: __________________________

Does the Incident involve 500 or more individuals? Yes/No

If yes, do the people live in multiple states? Yes/No

Number of individuals affected by the Incident:

_____________________________________________________________________________________

Names and addresses of individuals affected by the Incident:

(Attach additional pages as necessary)

The types of unsecured PHI that were involved in the Incident (such as full name, Social Security number, date of birth, home address, account number, or disability code):

_____________________________________________________________________________________

Description of what Business Associate is doing to investigate the Incident, to mitigate losses, and to protect against any further Incidents:

_____________________________________________________________________________________

_____________________________________________________________________________________

_____________________________________________________________________________________

_____________________________________________________________________________________

_____________________________________________________________________________________

_____________________________________________________________________________________

G9
RFP #184472915

Contact information to ask questions or learn additional information:

Name: ________________________________________________________________

Title:  ________________________________________________________________

Address: ______________________________________________________________

                                                                                   

Email Address: ________________________________________________________________

Phone Number: ________________________________________________________________