



# REQUEST FOR PROPOSAL: AUDIT SERVICES

Deschutes County, Oregon  
January 3, 2022

## Projected Timeline

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County advertises and e-mails RFP notice	January 3, 2022
Questions submittal deadline	January 31, 2022
Auditor submits official proposal	February 14, 2022 (4:00 p.m. PST)
Committee makes recommendation to the Board	March 14, 2022
County awards contract	March 28, 2022

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

**County RFP Website: [www.Deschutes.org/rfps](http://www.Deschutes.org/rfps)**

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

County contact person for RFP:

David Givans, CPA, CIA  
County Internal Auditor  
(541) 330-4674  
David.Givans@Deschutes.org



To request this information in an alternate format, please call (541) 330-4674 or send email to [David.Givans@Deschutes.org](mailto:David.Givans@Deschutes.org)

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January 3, 2022

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

The County's external auditor has been Eide Bailly LLP since they were first engaged to audit the June 30, 2014 Annual Comprehensive Financial Report (ACFR). Upon completion of the audit of the fiscal year ended June 30, 2021 ACFR, the County's external auditor will have performed eight consecutive years of audits. Interested persons should not construe County's solicitation for auditing services as indicating dissatisfaction with performance by Eide Bailly LLP, which is welcome to submit a proposal. The agreed-upon fees for the most recent audit (fiscal year ended June 30, 2021) are indicated in the cost proposal area (Section B of Section X). The RFP process has been developed to allow a fair and timely evaluation of experienced municipal auditors.

#### **I. TYPE OF AUDITS**

The audits will encompass a financial and compliance examination of the County's Annual Comprehensive Financial Report (ACFR); the annual financial statements of the county service districts which are included as blended component units in the County's ACFR, in accordance with Oregon's Minimum Standards for Audits of Municipal Corporations as prescribed by law; annual financial statements of the county service districts which are not included as blended component units in the County's ACFR; and annual financial statement for Central Oregon Law Enforcement Services which is overseen by the Deschutes County Sheriff's Office. The ACFR includes the basic financial statements, required and other supplementary information and compliance reports. The auditor is not obligated to audit the supplementary information nor the statistical section of the ACFR and compliance report. The financial and compliance audits will cover federal, state, and local funding sources in accordance with Oregon minimum auditing standards which include the following:

- Generally accepted auditing standards
- Government Auditing Standards
- The Single Audit Act of 1996 and any subsequent amendments

- Uniform Grant Guidance (UGG) in Title 2 CFR Part 200 Subpart F, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”)
- The State Single Audit Implementation Act; and
- Applicable laws and regulations.

## **II. AUDIT SERVICE PERIOD**

The County intends to continue the relationship with the selected auditor for a five (5) year term, with two (2) optional one-year renewals. The total contract term is not to exceed a maximum of seven (7) fiscal years and is subject to annual review and recommendation of the Deschutes County Audit Committee, approval of the Board of County Commissioners and satisfactory negotiation of terms (including a total fee acceptable to both the County and the auditor).

- July 1, 2021 through June 30, 2022 (Fiscal Year 2022)
- July 1, 2022 through June 30, 2023 (Fiscal Year 2023)
- July 1, 2023 through June 30, 2024 (Fiscal Year 2024)
- July 1, 2024 through June 30, 2025 (Fiscal Year 2025)
- July 1, 2025 through June 30, 2026 (Fiscal Year 2026)

After negotiation has taken place, the auditor will forward to the County for signature a personal services contract, created and approved by the County (form of contract attached as Exhibit A) that documents the terms of the audit engagement. Since the County cannot appropriate future resources, the remaining years of the agreement are subject to approval in the County’s annual budget.

## **III. AUDIT REPORTING ENTITY**

The reporting entity for this ACFR is Deschutes County, an Oregon municipal corporation governed by three Commissioners, elected at-large. The ACFR presents the activities of Deschutes County and, currently, four (4) component units, entities for which the County is considered financially accountable and for which a financial benefit or burden exists. Blended component units, although legally separate entities, are, in substance, part of the County’s operations. The Board of County Commissioners is the governing body for each component unit.

Blended component units of Deschutes County include:

- a. Deschutes County 911 Service District – Operates the County 9-1-1 call center.
- b. Deschutes County Extension & 4H County Service District - Provides resources for support of Oregon State University Extension Service.
- c. Rural Law Enforcement District (District #1) – The District contracts with Deschutes County for law enforcement services that are provided to all County residents.
- d. County-wide Law Enforcement District (District #2) – The District contracts with Deschutes County for patrol services in those portions of Deschutes County not serviced by city or special district law enforcement departments.

The audit reporting entity may change over the audit contract period through changes in the composition of blended component units.

Additional County requested financial statements:

The County has responsibility for Black Butte Ranch Service District and Sunriver Service District. Since these have historically been part of the County, these will be included as requested additional audits, including the audit of Central Oregon Law Enforcement Services (includes Central Oregon Drug Enforcement activities). These are to be included with the proposals.

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

1. Audits will follow prescribed minimum standards for conducting audits of Oregon municipal corporations. The audit will be conducted in accordance with generally accepted auditing standards, the standards in the United States of America for financial audits contained in Government Auditing Standards, issued by the Comptroller general of the United States; the Single Audit Act Amendments of 1996 and any subsequent amendments; Uniform Grant Guidance (UGG) in Title 2 CFR Part 200 Subpart F, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), and will include tests of accounting records, a determination of major program(s) in accordance with Uniform Guidance, and other procedures considered necessary to express such opinions and to render the required reports for a local government ACFR prepared in accordance with generally accepted accounting principles (GAAP).

The audit will include the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining

fund information, which collectively comprise the entity's basic financial statements. The financial statements will include applicable additional information required by OAR 162 including:

- i. Schedule of expenditures of federal awards
- ii. Schedules required by OAR 162 "Minimum standards for Audits of Oregon Municipal Corporations."
- iii. Combining statements
- iv. Individual Non-Major Fund statements
- v. Other financial schedules

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

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

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

- a. overseeing the selection, renewal or removal of the independent external auditor by making a recommendation to the Board for final approval;
- b. meeting with the external auditors during planning of the audit, presentation of the audited financial statements, and discussion of the letter to management on recommendations; and

- c. overseeing the resolution of audit findings in areas, such as internal control, legal and regulatory compliance, and Oregon government ethics.

The audit committee shall work to assure coordination between the internal and external auditors, management, the County Administrator, and Board. The external audit contract with the County will be administered by the County Internal Auditor.

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

In addition to the County's Annual Comprehensive Financial Report, separate audited annual financial statements will be required for each of the County's component units (See Exhibit B for listing of component units.) as well as the other entities included in Exhibit B.

The County is responsible for preparing the County's Annual Comprehensive Financial Report (ACFR). The auditor is responsible for providing the auditor's report in a text searchable pdf suitable for incorporation into the final report and publication on the County's website.

The auditor will need to prepare or arrange for the preparation of Black Butte and Sunriver service districts' financial statements. These service districts are not currently blended component units in the County's ACFR. The County Board of Commissioners is the governing body of each district. Management of these two districts is handled outside of the County's management.

The auditor will need to prepare or arrange for the preparation of Central Oregon Law Enforcement Services (COLES) financial statements. The Deschutes County Sheriff's Office is the fiscal agent for COLES and the funds are disbursed through a County fiduciary fund. Management is through the Deschutes County Sheriff's Office and Board of Directors of COLES.

The auditor must submit a preliminary draft of the ACFR in a format suitable

for publication, including required adjusting journal entries, if any, to the Chief Financial Officer (CFO) or designee 30 days prior to the agreed upon due date to the Audit Committee and allow the County up to ten (10) business days to proof read and comment on the preliminary draft. During that period, the auditor should be available for any meetings that may be necessary to discuss the ACFR. The CFO or designee will return the draft with any proposed revisions before release of the ACFR.

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



amendments and Uniform Grant Guidance (UGG) in Title 2 CFR Part 200 Subpart F, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

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

- c. A schedule of findings and questioned costs (Single Audit).
6. The audit must be completed during the four months following the fiscal year end and the auditor's opinion rendered for the County's ACFR by the first week of December except by mutual agreement of the Audit Committee and external auditors.
  7. The separate annual reports for the County's blended component units (as indicated in Section III and Exhibit B), must be completed by the second week of December except by mutual agreement of the Audit Committee and external auditors. In the event the County requests an extension of the filing date of these reports from the State of Oregon, Secretary of State, Division of Audits and such extension is granted, the due date of the component unit reports is two weeks prior to such extended due date.
  8. The separate annual reports for the County's non-blended component units (as indicated in Section III and Exhibit B) and COLES, must be completed by the second week of December except by mutual agreement of the Audit Committee and external auditors. In the event the County requests an extension of the filing date of these reports from the State of Oregon, Secretary of State, Division of Audits and such extension is granted, the due date of the component unit reports is two weeks prior to such extended due date.
  9. Each annual audit will include written recommendations made to management, which address any findings, observations, opinions, or comments relating to internal controls, financial systems, compliance or other matters that come to the attention of the auditors during the examination. This management letter

shall be provided in draft form prior to publication of the ACFR and discussed with the County Administrator, CFO, and Accounting Manager. The draft of the management letter shall be provided by approximately November 15.

10. The auditor shall include in its auditing fee the cost of preparing for publication, printing and binding thirty (30) copies of the Annual Comprehensive Financial Report and ten (10) copies of each of the County's component units. The auditor shall also provide one (1) unbound copy of the ACFR, each of the component unit separate annual reports, and COLES to the County. Copies of such reports shall be delivered to Deschutes County (and component units), Oregon, and COLES, and its form and content shall be in accordance with and not less than that required by the Minimum Standards for Audits of Oregon Municipal Corporations. The auditor should also provide to the County a text searchable pdf for all reports for distribution on the County's website. The County reserves the right to prepare for publication, to print and to bind its ACFR and component unit annual reports. If such right is exercised, the County and auditor shall negotiate an adjustment to the auditing fee.
11. The working papers shall be retained, at the auditor's expense, and made available upon request by the County or any cognizant agency for no less than seven years from the date of the audit report.

## **V. OTHER SERVICES**

1. The planning phase of the audit engagement may commence upon notification to the auditor of acceptance of their proposal. The auditor shall meet with the Deschutes County Audit Committee prior to the commencement of each audit to discuss the auditor's planned approach to the audit and to provide a list of schedules to be prepared by County personnel prior to the beginning of fieldwork. It is expected that the Audit Committee may have input as to timing of audit services as well as coordination with work of the County Internal Auditor. It is expected that interim fieldwork would be performed in June or July with the final phase of fieldwork commencing in September.
2. An exit conference is required of the auditor upon completion of fieldwork for presentation of the report to the County Administrator, CFO, Board of County Commissioners, and the Audit Committee to present the ACFR and discuss any

management recommendations or required communications. The meeting should occur prior to the December 31 deadline. The timing of this meeting will be coordinated with the negotiated completion date of the statements.

3. The auditor will complete the "Oregon Audits Division Summary of Revenues and Expenditures" forms for the County and each of the County's component units.
4. The County has received the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting since fiscal year 2001 and intends to continue achieving this recognition. The auditor will assist the County with implementing comments and suggestions provided to the County with the Summary of Grading Results on the Certificate of Achievement Program for its Annual Comprehensive Financial Report and review the County's required responses to the GFOA. The auditor will also assist the County with the preparation of its ACFR to assure that the County will continue to obtain the Certificate of Achievement for Excellence in Financial Reporting.
5. The auditor will prepare the agreed-upon audit procedures (AUP) report required by the State of Oregon's Department of Environmental Quality pertaining to the financial assurance of the closure and post-closure of the County's Solid Waste landfills.
6. The auditor will prepare the agreed-upon audit procedures (AUP) report required by the State of Oregon's Department of Transportation pertaining to use of funds from the Statewide Transportation Improvement Fund (STIF).
7. The County may need additional services from the hired auditor. For example, the County periodically has room tax audits performed and occasionally requires research or consulting on various business matters. The County would like the right to be able to add to the existing contract these additional services at fees to be negotiated.

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

Prior to commencement of work, the Board of County Commissioners must approve the annual audit contract. Up to 75% of the total fee may be billed through interim or progress billings prior to submission of the ACFR to the Board of County

Commissioners and the Audit Committee. The auditor will submit final billings following the delivery of the completed ACFR.

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

RFP and associated information may be downloaded directly from the County's RFP website at [www.deschutes.org/RFPS](http://www.deschutes.org/RFPS). Submitted written questions will be received until two weeks before proposals are due. Questions can be submitted by email and should be directed to David Givans at the noted email address. A written response will be posted to the county's website.

Proposals must be submitted in a sealed envelope marked "RFP – Audit Services" to:  
David Givans, County Internal Auditor  
County Administration  
PO Box 6005  
1300 NW Wall Street, Suite 206  
Bend OR 97708-6005

Proposals must be physically received by 4:00 p.m. Pacific Standard Time February 14, 2022. Postmarks will not be utilized. Seven copies of the proposal shall be submitted.

NOTE: All proposals submitted in response to this Request for Proposal (RFP) shall become the property of Deschutes County and may be utilized in any manner and for any purpose by Deschutes County. Be advised that proposals and all documents submitted in response to this RFP are subject to public disclosure as required by applicable state and/or federal laws. If you intend to submit any information with your proposal which you believe is confidential, proprietary or otherwise protected from public disclosure (trade secret, etc.), you must separately bind and clearly identify all such material. The cover page of the separate binding must be red, and the header or footer for each page must provide as follows: "Not Subject to Public Disclosure." Where authorized by law, and at its sole discretion, Deschutes County will endeavor to resist disclosure of properly identified portions of the proposals.

It is anticipated the Audit Committee and County staff will review the proposals and the committee will make a recommendation to the Board of County Commissioners by March 14, 2022. Following approval by the Board of County Commissioners, it is expected a contract will be executed between the County and the selected auditor on or about March 28, 2022.

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

Any questions should be directed to David Givans, County Internal Auditor, in writing at the above email address. Written responses will be available to all interested parties at the website address provided. During the RFP process, no contact should be made regarding the RFP-Audit Services with any of the County Commissioners, County Administrator, or Finance Department staff. All questions should be submitted by January 31, 2022.

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

#### **VIII. DESCRIPTION OF THE COUNTY AND ITS ACCOUNTING SYSTEM**

Deschutes County was established in 1916 as a general law county and is governed by a board of three commissioners. The Board of County Commissioners is elected at-large, serves as the public's elected advocates, and is the policymaking body of Deschutes County government. The Board's duties include executive (limited), judicial (quasi-judicial) and legislative authority over policy matters of countywide concern. The executive duties include establishment of the annual operating budget, with the aid of the three lay members of the Budget Committee and the appointment of the County Administrator and County Legal Counsel. Commissioners are elected at-large, for four-year, staggered terms. The County Administrator is the Chief Administrative Officer and responsible for the administration and management of the County and the Deschutes County 911 Service Districts and works under the direction of the Board of County Commissioners. The County Administrator has specific authority to perform all day-to-day functions necessary for the administration and management of County affairs, provides direction to the appointed department heads, and is the first point of contact with elected County officials.

County administrative functions include property management, risk management, finance/budget, legal, internal audit, information technology and personnel. The County also has an elected District Attorney, Assessor, Clerk, Treasurer and Sheriff. Appointed department directors include Directors of Solid Waste, Roads, Health Services, Juvenile Community Justice, Adult Parole and Probation, Community Development, Fair & Expo Center, and Finance.

The Chief Financial Officer (CFO) is also the county tax collector and is the elected County Treasurer. The Department of Finance and the Tax Office include the functions of general accounting, payroll, tax collection, treasury and budgeting. The treasury function includes the investment of county and fiduciary funds.

With a population of approximately 198,000 residents (*2020 Census*), the County offers services including Health Services, comprehensive Sheriff's services, Planning and Zoning, Juvenile and Adult Parole and Probation, Road Operations, Fair & Expo Center, Assessor, operation of a Correctional Facilities (Adult and Juvenile) and Solid Waste Operations. While elected by Deschutes County voters, the District Attorney is a state official.

The County's Audit Committee was formed during the fiscal year ended June 30, 2003 and is responsible for coordinating the County's internal and external audit activities. The County Internal Auditor performs performance audits and reports directly to the Audit Committee and County Administrator. The County Internal Auditor is independent of management. The internal audit program has received full compliance peer reviews under governmental auditing standards.

The County's budget including blended component units, of approximately \$549 million for the fiscal year ended June 30, 2022, includes 1094 full-time equivalent (FTE) employees. The County budgets all funds on the modified accrual basis of accounting. Appropriations are made at the category level by fund. The budgetary system is fully integrated with the financial accounting system.

The County self-insures for general liability, motor vehicle, workers' compensation, unemployment and health care (errors and omissions) insurance. All eligible County employees participate in the Oregon Public Employees Retirement System.

The County includes four county service districts as blended component units in its Annual Comprehensive Financial Report. These component units (listed in Exhibit B),

have a combined 2021/2022 budget of \$81 million and 60 full time equivalent employees.

The County, including county service districts, has adopted budgets for 56 funds for FY 2022. Of these, 3 are enterprise funds (three actual enterprises – Solid Waste, Fair & Expo and RV Park) and 12 are internal service funds. The County's General fund has 9 "sub-funds".

Major Funds include:

1. eight (8) governmental funds - General fund, Sheriff's Office, Countywide Law Enforcements District (District #1), Rural Law Enforcement District (District#2), Road, Road Capital improvement plan, Health Services, and PERS Reserve.
2. three (3) proprietary funds (Solid Waste, Fair & Expo Center (includes County Fair), and RV Park

The County's FY 2022 Adopted Budget, the County's Annual Comprehensive Financial Report for the year ended June 30, 2020 and the separate reports for the blended component units may be obtained on the County's website at <https://www.deschutes.org/finance/page/finance-report-central> or through David Givans, the RFP contact person.

### **Sunriver County Service District**

Sunriver has two funds and budgeted FY 2022 requirements of \$5.2 million and has 30 FTE.

### **Black Butte Ranch County Service District**

Black Butte Ranch has one fund and budgeted FY2022 requirements of \$2.6 million and has 8 FTE.

### **Central Oregon Law Enforcement Services (COLES)**

Central Oregon Law Enforcement Services is an intergovernmental agency that provides coordinated responses to common law enforcement issues in Central Oregon. COLES has two funds and no employees and budgeted FY2022 requirements of \$1.2 million.

## **IX.ACCOUNTING RECORDS**

The County's accounting records are located in the Finance Department located at 1300 NW Wall Street, Suite 203 Bend, Oregon 97703. The County will provide secure

remote (read only) access to relevant accounting, human resource, and payroll systems necessary to carry out the audit. Finance staff will be available to support questions on these systems.

Deschutes County utilizes Tyler's Munis accounting and human resource software. The system provides:

- system management of all electronic documentation;
- electronic data entry;
- electronic approvals;
- County and department specific electronic approvals;
- integration with other systems;
- enhanced internal controls;
- compliance with state and federal regulations;
- access to data; and
- self-service options.

The accounting system is encouraging use of requisitions, purchase orders, and contracts over direct pay invoices. These purchasing types in the system allow an approval of the initial requisition or contract and then a streamlined approval of the forthcoming invoices under those. This provides a big boost in efficiency as well as improved internal control (i.e. three-way match on requisitions). In addition, entering purchases through requisitions, purchase orders, or contracts results in encumbrances in the accounting system that help identify costs incurred against available budget. This is a particularly important tool for staying within budget.

Note: The County Internal Auditor has recently done a number of internal audits covering Munis purchasing topics, including

- Security and workflows (#19/20-9)
- Vendor Master (#20/21-6)
- Procurement cards (#20/21-8) and
- Analyses (#20/21-9)

<https://www.deschutes.org/administration/page/county-internal-auditor>.

The County's in-house information technology personnel are responsible for security, backups and installing vendor upgrades.

In addition to the County's primary accounting system, several departments use either third party vendor software or internally developed software (there are very few of these left) for their operations. Data generated by such software includes information



that may be interfaced with the primary accounting system pertaining to revenues, cash receipts and accounts receivable. These departments include Clerk, District Attorney, Tax, Health Services, Road, Solid Waste, Sheriff, Justice Court, Community Development, Adult Parole & Probation, Fair & Expo and the RV Park.

#### Financial Accounting Staff

The County has a number of key financial staff responsible for the development of the ACFR. Those include:

- Accounting Manager: Jana Cain, CPA, CIA – joined County in May 2021 and has 10 years of prior auditing experience.
- Management Analyst: Cam Sparks, MBA – joined County in March 2019 and has 13 years of government budget and accounting experience.
- Senior Accountant: Casey Harden – joined the County in February 2020 and has 7 years of accounting experience.

In addition, there are business managers/leads in the larger departments/offices.

#### **Sunriver County Service District**

Sunriver uses a financial system from OSAS called Traverse which provides a trial balance in excel as well as supporting documents/statements in excel or pdf.

#### **Black Butte Ranch County Service District**

Black Butte Ranch uses QuickBooks for their accounting which includes accounts receivable and accounts payable. Payroll is performed by Heartland, an outside company.

#### **Central Oregon Law Enforcement Services (COLES)**

Central Oregon Law Enforcement Services has activity that is accounted for through fiduciary funds at the County.

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

The Finance Department staff, consisting of the CFO; Accounting Manager; Budget Manager; Payroll Supervisor; Management Analyst; Accounting Technician, Senior; Accountant; Budget Analyst, Senior; Payroll Technician; Accounting Technician; and Administrative Support Specialists provide assistance during the audit. This includes the preparation of all necessary confirmations; completion of worksheets; retrieval

and re-filing of source documents, if necessary; preparation of reports; and schedules prior to and during fieldwork.

The County Internal Auditor may also be available to answer questions and all of their internal audit reports are publicly available at <https://www.deschutes.org/administration/page/county-internal-auditor>. The Audit Committee will work to coordinate any internal and external audit work.

Auditors are provided read only access to the Munis accounting system and be able to access reports and drill down to supporting documentation. Almost everything is exportable into electronic formats. Reasonable workspace, tables/desks and chairs will be made available for audit staff fieldwork. The audit staff will also be provided with access to telephone lines, photocopying and facsimile machines. The County will provide secure remote (read only) access to relevant accounting, human resource, and payroll systems necessary to carry out the audit. Finance staff will be available to support questions on these systems.

The County's fiscal year ends June 30 each year. The County records additional accruals through August 31. A trial balance will be available to auditors by September 15, and a draft of the financial statements and all agreed upon schedules will be available for the auditors by September 30.

COVID-19 environment – The current auditors have been able to remotely handle the external audit.

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

Seven copies of the proposal shall be submitted at the time and place indicated in Section VI. SUBMISSION OF PROPOSALS AND TIME SCHEDULE FOR AWARDDING CONTRACT.

Proposals shall be submitted in a sealed envelope.

*Section A* will be comprised of the audit firm's experience and qualifications of its personnel in performing governmental audits and will include certain mandatory elements. Proposals will not be scored unless they provide the mandatory elements. *Section B* is the auditor's cost proposal. The Auditor Selection Committee will evaluate the auditor/firm on technical and cost element qualifications. Seventy percent (70%) of the evaluation will be on technical elements and thirty percent (30%) on cost of performing audit services.

The County reserves the right to reject any or all proposals if there is good cause; to cancel the solicitation; waive technicalities; request clarification or additional information and be the sole judge of suitability of the services for its intended use and further specifically reserves the right to make the award and negotiate a final contract in the best interest of the County considering cost effectiveness. Failure to respond to any requirements outlined in the RFP, or failure to enclose copies of the required documents, may disqualify the proposal. The County reserves the right to retain all submitted proposals.

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

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

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

1. Mandatory elements – Please affirmatively state/provide how the firm meets the following (a-g):
  - a. The audit firm is independent and licensed to practice in Oregon. The firm has no conflict of interest with regard to any other work performed by the firm for the County and its blended component units.
  - b. The partner-in-charge must be a municipal auditor licensed in Oregon and must have during each of the last seven (7) years been a senior member of a municipal audit team.
  - c. The firm and partner must be in good standing with the Oregon Board of Accountancy.
  - d. The firm submits a copy of its last quality control review report including management letter and responses, if any. The firm should demonstrate a record of quality audit work in accordance with Government Auditing Standards and standards of the AICPA.
  - e. Include a signed "Authorized Signature and Attestation" form (Exhibit C).
  - f. Describe liability insurance coverage arrangements to assure that it is sufficient to cover potential claims (professional, workers comp and general

- liability). Coverage amounts should be no less than shown in Exhibit 2 of Exhibit A.
- g. Describe any regulatory or disciplinary action taken by any oversight body against the proposing audit organization or local office, if any, for the last five years.
  - h. Have experience with clients who received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting
  - i. The firm adheres to the instructions in this request for proposal on preparing and submitting the proposal.

## 2. Technical qualifications

### a. Expertise and Experience

- i. Describe the proposed audit team's experience with audits of similar or larger municipal organizations (~\$200 million in expenditures or greater as presented in the ACFR). Please detail that experience and the nature of the associated entities and how they compare or contrast with Deschutes County. Please indicate municipal characteristics of the associated organizations such as type of government, FTE, budget, or population. Providing references to municipal websites which include audited financial reports would be helpful. Firms with audit experience of governmental entities of similar or larger size organizations (~\$200 million in expenditures or greater as presented in the ACFR) and complexity as Deschutes County are highly desired.
- ii. Provide a list of the office's current and recent government audit clients, indicating the type(s) of services performed and the number of years served for each. Provide names, addresses, and telephone numbers of personnel of current and prior governmental audit clients who may be contacted by the County for references.
- iii. The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation. Indicate the location of the office and the number of people, by level, that will handle the audit. Describe the professional experience in government audits of each senior-level and higher-level person assigned to the audit, including years on each job and his/her position while on each audit. For those auditors who are Oregon municipal auditors, please indicate their license numbers. Indicate the percentages of time each

senior and higher-level person will be on site during the County's audit. Please indicate the firm's ability to have continuity of staffing from year to year on engagements. (Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm. Those personnel may also be changed for other reasons with the prior written permission of the County. However, in either case, the County retains the right to approve or reject replacements.)

- iv. Provide resumes for those likely to be assigned to the team. These resumes should include professional qualifications, certifications, and the extent they have been involved with similar or larger Oregon county audits. The resume should clearly state if the individuals have no experience in auditing local governmental entities of similar size (~\$200 million in expenditures or greater as presented in the ACFR). Additional information should include any specialized skills, training, or background in public finance. This may include participation in State or national professional organizations, speaker or instructor roles in conferences or seminars, or authorship of articles and books.
- v. Describe the relevant educational background of each person assigned to the audit, senior-level and higher. This should include seminars and courses attended within the past three years, especially those courses in governmental accounting and auditing.

b. Audit approach, workplan, and workload

- i. Provide a proposed staffing plan for the engagement. The staffing plan should address any potential workload issues. Describe the organization of the audit team and the approximate percentage of time spent on the audit by each member. Identify proposed sub-contractors, if any, and the portion(s) of the engagement for which they will be used.
  - 1. Please describe any impacts you have experienced with staff turnover and how you are mitigating impacts to audit quality.
- ii. Describe the firm's specific audit approach in the form of a work plan. The work plan should include an explanation of the audit methods to be used and timetable with critical dates for completing the audit within the specified deadlines.

1. Describe the type of audit program used and whether the audit program is tailor-made, standard government, or standard commercial.
  2. Describe any segmentation of the engagement and indicate the level and timing of interim audit work to mitigate year-end fieldwork.
    - a. Please describe any ideas you could implement for shifting some audit procedures to interim timeframes in order to reduce the burden during audit fieldwork.
  3. Indicate whether sampling techniques will be employed and the approach. Include sample size and extent to which statistical sampling will be used.
  4. Indicate the extent and use of computer assisted audit techniques to be used during the engagement.
  5. Describe the type and extent of analytic procedures to be used in the engagement.
  6. Describe approach to be taken to gain and document an understanding of the County's internal control structure.
  7. Describe approach to be taken to understand the County's use of electronic data processes in its operations.
  8. Describe approach to be taken in determining laws and regulations that will be subject to audit test work.
  9. Indicate how your approach considers the County's internal audit program.
- iii. Provide recent examples of municipal management letters of comments provided.
  - iv. Comment specifically on the timeline and how the County can assist in expediting the audit. Describe assistance expected from the County staff, if other than outlined in RFP.
  - v. Indicate the firm's ability to comply with GASB and GASB statements set to be implemented during the next five (5) years.
- c. Covid-19 protocols, as applicable – Please describe the protocols and procedures you will have in place for the safety of your employees and County staff during any field visits that occur during the COVID-19 pandemic.
  - d. New ideas and innovative approaches
    - i. Provide any other information you believe relevant to the County's decision to select the best auditing firm for the County.
  - e. Presentation

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

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

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

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

Proposals should include cost estimates and other necessary cost information. Include the following information: Using a format similar to the one shown below, separately specify costs for audit services and conversion of the ACFR into the published format for the fiscal year ended June 30, 2022. The breakdown should also be broken down by entity in total as indicated. For the subsequent four years, list the estimated costs. The cost for auditing the fiscal year ended June 30, 2022 is binding, while the costs for the four subsequent years are estimated costs. Please identify and describe any other important cost-based information.

Deschutes County Audit Services RFP (dated 1/03/2022)

Description	Hours				Hourly Rate	Total Cost FY 2022	Estimated Total Cost				Prior Total Cost FY 2021
	On-Site Interim	On-Site Year End	Auditor's Office	TOTAL Hours			FY 2023	FY2024	FY2025	FY 2026	
<b>Personnel Costs (by level)</b>											
Partner											
Manager											
Senior											
Staff											
Clerical											
TOTAL Personnel	_____										
<b>Travel (itemize)</b>											
TOTAL Travel	_____										
<b>Costs of Supplies &amp; materials (itemize)</b>											
TOTAL Costs of Supplies & Materials	_____										
<b>Other Costs (itemize)</b>											
TOTAL Other costs	_____										
<b>TOTAL COST</b>											
_____											
<b>Breakdown by entity</b>											
DESCHUTES COUNTY	_____										\$ 89,910
Law Enforcement District – County Wide	_____										3,505
Law Enforcement District - Rural	_____										3,505
Deschutes County 911 CSD	_____										4,120
Deschutes County Extension 4-H CSD	_____										4,120
Black Butte CSD	_____										7,325
Sunriver Service District	_____										8,920
Central Oregon Law Enforcement (COLES)	_____										12,200
<b>TOTAL COST</b>	_____										<b>\$ 133,605</b>

OPTIONAL PRICING for additional reporting services

The County (including blended component units) is interested in a price for developing the ACFR financial statements and schedules from the trial balance information.

This effort would be done in coordination with County Finance who would still be responsible for the final statements and County Finance would still provide the notes and any other required information.

Please describe the technology that would be utilized and how it would provide a



more efficient and cost effective approach to readying the financial reports for publication. Please address how changes could be monitored and implemented. This would also result in the final digital report being developed by the auditor.

As this has the potential to change the base proposal, please provide a separate proposal (as outlined above) for this option with a separately stated price for this option by year.

3. **SELECTION PROCESS** - The Auditor Selection Committee will evaluate the proposals. Members of the Auditor Selection Committee will include Deschutes County personnel and members of the County's Audit Committee. Proposals will be evaluated using three (3) sets of criteria – mandatory, technical, and cost. The Committee will use a point formula during the review process to score proposals. Firms meeting the mandatory criteria (pass/fail evaluation) will have their proposals evaluated and scored for both technical and cost elements. Seventy percent (70%) of the evaluation will be on technical elements and thirty percent (30%) on cost. Each member of the Committee will first score the information provided in the first section of the proposal (Section A – Experience and Other Qualifications) by each of the established criteria.

An overall technical score and ranks will be determined for each firm. At this point, any firm with an unacceptably low technical score will be eliminated from further consideration.

- a. After the composite technical score for each firm has been established, the cost element of the proposal will be analyzed and additional points will be added to the technical score based on relative costs. The maximum score for cost will be assigned to the firm offering the lowest total all-inclusive maximum cost. A majority of the Auditor Selection Committee must agree with the cost scoring.
- b. The committee will aggregate and average all scores (as well as ranking amongst the scoring committee) and assess whether the scores and ranks provide a fair representation of ability to provide services to the County. If the Committee chooses to interview or obtain additional information from the proposers, they may do so and re-evaluate the scores and ranking.
- c. The County reserves the right to retain all proposals submitted and use any idea in a proposal regardless of whether the proposal is selected.

**DESCHUTES COUNTY PERSONAL SERVICES CONTRACT (DRAFT TEMPLATE)  
CONTRACT NO. 2021-\_\_\_\_**

This Contract is between DESCHUTES COUNTY, a political subdivision, acting by and through the \_\_\_\_\_ Department (County) and \_\_\_\_\_ (Contractor). The parties agree as follows:

**Effective Date and Termination Date.** The effective date of this Contract shall be \_\_\_\_\_ or the date, on which each party has signed this Contract, whichever is later. Unless extended or terminated earlier in accordance with its terms, this Contract shall terminate when County accepts Contractor's completed performance or on \_\_\_\_\_, \_\_\_\_\_, whichever date occurs last. Contract termination shall not extinguish or prejudice County's right to enforce this Contract with respect to any default by Contractor that has not been cured.

**Statement of Work.** Contractor shall perform the work described in Exhibit 1.

**Payment for Work.** County agrees to pay Contractor in accordance with Exhibit 1.

**Contract Documents.** This Contract includes Page 1-9 and Exhibits 1, 2, 3, 4, 5 and 6.

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**CONTRACTOR DATA AND SIGNATURE**

Contractor Address: (AUDIT FIRM) \_\_\_\_\_

Federal Tax ID# or Social Security #: \_\_\_\_\_

Is Contractor a nonresident alien?  Yes  No

Business Designation (check one):  Sole Proprietorship  Partnership  
 Corporation-for profit  Corporation-non-profit  Other, describe

A Federal tax ID number or Social Security number is required to be provided by the Contractor and shall be used for the administration of state, federal and local tax laws. Payment information shall be reported to the Internal Revenue Service under the name and Federal tax ID number or, if none, the Social Security number provided above.

**I have read this Contract including the attached Exhibits. I understand this Contract and agree to be bound by its terms.** NOTE: Contractor shall also sign Exhibits 3 and 4 and, if applicable, Exhibit 6.

\_\_\_\_\_  
Signature Title

\_\_\_\_\_  
Name (please print) Date

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**DESCHUTES COUNTY SIGNATURE**

Contracts with a maximum consideration of not greater than \$25,000 are not valid and not binding on the County until signed by the appropriate Deschutes County Department Head. Additionally, Contracts with a maximum consideration greater than \$25,000 but less than \$150,000 are not valid and not binding on the County until signed by the County Administrator or the Board of County Commissioners.

Dated this \_\_\_\_\_ of \_\_\_\_\_, Dated this \_\_\_\_\_ of \_\_\_\_\_, 20\_\_  
20\_\_

DESCHUTES COUNTY DIRECTOR OF \_\_\_\_\_ ANTHONY DeBONE, Chair, County Commissioner

\_\_\_\_\_  
PHIL CHANG, Vice Chair, County Commissioner

\_\_\_\_\_  
PATTI ADAIR, County Commissioner

## STANDARD TERMS AND CONDITIONS

1. **Time is of the Essence.** Contractor agrees that time is of the essence in the performance of this Contract.
2. **Compensation.** Payment for all work performed under this Contract shall be made in the amounts and manner set forth in Exhibit 1.
  - a. Payments shall be made to Contractor following County's review and approval of billings and deliverables submitted by Contractor.
  - b. All Contractor billings are subject to the maximum compensation amount of this contract.
  - c. Contractor shall not submit billings for, and County shall not pay, any amount in excess of the maximum compensation amount of this Contract, including any reimbursable expenses, (See Exhibit 5).
    - 1) If the maximum compensation amount is increased by amendment to this Contract, the amendment shall be signed by both parties and fully executed before Contractor performs work subject to the amendment.
    - 2) No payment shall be made for any services performed before the beginning date or after the expiration date of this contract.
  - d. This Contract shall not be amended after the expiration date.
  - e. Unless otherwise specifically provided in Exhibit 5, Contractor shall submit monthly invoices for work performed. The invoices shall describe all work performed with particularity and by whom it was performed and shall itemize and explain all expenses for which reimbursement is claimed.
  - f. The invoices also shall include the total amount invoiced to date by Contractor prior to the current invoice.
  - g. Prior to approval or payment of any billing, County may require and Contractor shall provide any information which County deems necessary to verify work has been properly performed in accordance with the Contract.
3. **Delegation, Subcontracts and Assignment.** Contractor shall not delegate or subcontract any of the work required by this Contract or assign or transfer any of its interest in this Contract, without the prior written consent of County.
  - a. Any delegation, subcontract, assignment, or transfer without prior written consent of County shall constitute a material breach of this contract.
  - b. Any such assignment or transfer, if approved, is subject to such conditions and provisions as the County may deem necessary.
  - c. No approval by the County of any assignment or transfer of interest shall be deemed to create any obligation of the County to increase rates of payment or maximum Contract consideration.
  - d. Prior written approval shall not be required for the purchase by the Contractor of articles, supplies and services which are incidental to the provision of services under this Contract that are necessary for the performance of the work.
  - e. Any subcontracts that the County may authorize shall contain all requirements of this contract, and unless otherwise specified by the County the Contractor shall be responsible for the performance of the subcontractor.
4. **No Third Party Beneficiaries.**
  - a. County and Contractor are the only parties to this Contract and are the only parties entitled to enforce its terms.
  - b. Nothing in this Contract gives or provides any benefit or right, whether directly, indirectly, or otherwise, to third persons unless such third persons are individually identified by name in this Contract and expressly described as intended beneficiaries of this Contract.
5. **Successors in Interest.** The provisions of this Contract shall be binding upon and inure to the benefit of the parties and their successors and approved assigns, if any.
6. **Early Termination.** This Contract may be terminated as follows:
  - a. Mutual Consent. County and Contractor, by mutual written agreement, may terminate this Contract at any time.
  - b. Party's Convenience. County or Contractor may terminate this Contract for any reason upon 30 calendar days written notice to the other party.

- c. For Cause. County may also terminate this Contract effective upon delivery of written notice to the Contractor, or at such later date as may be established by the County, under any of the following conditions:
  - 1) If funding from state or other sources is not obtained and continued at levels sufficient to allow for the purchase of the indicated quantity of services as required in this Contract.
  - 2) This Contract may be modified to accommodate the change in available funds.
  - 3) If state laws, regulations or guidelines are modified, changed or interpreted in such a way that the services are no longer allowable or appropriate for purchase under this Contract or are no longer eligible for the funding proposed for payments authorized by this Contract.
  - 4) In the event sufficient funds shall not be appropriated for the payment of consideration required to be paid under this Contract, and if County has no funds legally available for consideration from other sources.
  - 5) If any license or certificate required by law or regulation to be held by the Contractor to provide the services required by this Contract is for any reason denied, revoked, suspended, not renewed or changed in such a way that the Contractor no longer meets requirements for such license or certificate.
- d. Contractor Default or Breach. The County, by written notice to the Contractor, may immediately terminate the whole or any part of this Contract under any of the following conditions:
  - 1) If the Contractor fails to provide services called for by this Contract within the time specified or any extension thereof.
  - 2) If the Contractor fails to perform any of the other requirements of this Contract or so fails to pursue the work so as to endanger performance of this Contract in accordance with its terms, and after receipt of written notice from the County specifying such failure, the Contractor fails to correct such failure within 10 calendar days or such other period as the County may authorize.
  - 3) Contractor institutes or has instituted against it insolvency, receivership or bankruptcy proceedings, makes an assignment for the benefit of creditors, or ceases doing business on a regular basis.
- e. County Default or Breach.
  - 1) Contractor may terminate this Contract in the event of a breach of this Contract by the County. Prior to such termination, the Contractor shall give to the County written notice of the breach and intent to terminate.
  - 2) If the County has not entirely cured the breach within 10 calendar days of the date of the notice, then the Contractor may terminate this Contract at any time thereafter by giving notice of termination.

**7. Payment on Early Termination.** Upon termination pursuant to paragraph 6, payment shall be made as follows:

- a. If terminated under subparagraphs 6 a. through c. of this Contract, the County shall pay Contractor for work performed prior to the termination date if such work was performed in accordance with the Contract. Provided however, County shall not pay Contractor for any obligations or liabilities incurred by Contractor after Contractor receives written notice of termination.
- b. If this Contract is terminated under subparagraph 6 d. of this Contract, County obligations shall be limited to payment for services provided in accordance with this Contract prior to the date of termination, less any damages suffered by the County.
- c. If terminated under subparagraph 6 e of this Contract by the Contractor due to a breach by the County, then the County shall pay the Contractor for work performed prior to the termination date if such work was performed in accordance with the Contract:
  - 1) with respect to services compensable on an hourly basis, for unpaid invoices, hours worked within any limits set forth in this Contract but not yet billed, authorized expenses incurred if payable according to this Contract and interest within the limits set forth under ORS 293.462, and
  - 2) with respect to deliverable-based Work, the sum designated for completing the deliverable multiplied by the percentage of Work completed and accepted by County, less previous amounts paid and any claim(s) that County has against Contractor.
  - 3) Subject to the limitations under paragraph 8 of this Contract.

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

- a. Termination under subparagraphs 6 a. through c. of this Contract shall be without prejudice to any obligations or liabilities of either party already reasonably incurred prior to such termination.
  - 1) Contractor may not incur obligations or liabilities after Contractor receives written notice of termination.

- 2) Additionally, neither party shall be liable for any indirect, incidental, consequential or special damages under this Contract or for any damages of any sort arising solely from the termination of this Contract in accordance with its terms.
- b. If terminated under subparagraph 6 d. of this Contract by the County due to a breach by the Contractor, County may pursue any remedies available at law or in equity.
  - 1) Such remedies may include, but are not limited to, termination of this contract, return of all or a portion of this Contract amount, payment of interest earned on this Contract amount, and declaration of ineligibility for the receipt of future contract awards.
  - 2) Additionally, County may complete the work either by itself, by agreement with another Contractor, or by a combination thereof. If the cost of completing the work exceeds the remaining unpaid balance of the total compensation provided under this Contract, then the Contractor shall be liable to the County for the amount of the reasonable excess.
- c. If amounts previously paid to Contractor exceed the amount due to Contractor under this Contract, Contractor shall repay any excess to County upon demand.
- d. Neither County nor Contractor shall be held responsible for delay or default caused by fire, civil unrest, labor unrest, riot, acts of God, or war where such cause was beyond reasonable control of County or Contractor, respectively; however, Contractor shall make all reasonable efforts to remove or eliminate such a cause of delay or default and shall, upon the cessation of the cause, diligently pursue performance of its obligations under this Contract. For any delay in performance as a result of the events described in this subparagraph, Contractor shall be entitled to additional reasonable time for performance that shall be set forth in an amendment to this Contract.
- e. The passage of this Contract expiration date shall not extinguish or prejudice the County's or Contractor's right to enforce this Contract with respect to any default or defect in performance that has not been cured.
- f. County's remedies are cumulative to the extent the remedies are not inconsistent, and County may pursue any remedy or remedies singly, collectively, successively or in any order whatsoever.

**9. Contractor's Tender upon Termination.** Upon receiving a notice of termination of this Contract, Contractor shall immediately cease all activities under this Contract unless County expressly directs otherwise in such notice of termination.

- a. Upon termination of this Contract, Contractor shall deliver to County all documents, information, works-in-progress and other property that are or would be deliverables had this Contract been completed.
- b. Upon County's request, Contractor shall surrender to anyone County designates, all documents, research, objects or other tangible things needed to complete the work.

**10. Work Standard.**

- a. Contractor shall be solely responsible for and shall have control over the means, methods, techniques, sequences and procedures of performing the work, subject to the plans and specifications under this Contract and shall be solely responsible for the errors and omissions of its employees, subcontractors and agents.
- b. For goods and services to be provided under this contract, Contractor agrees to:
  - 1) perform the work in a good, workmanlike, and timely manner using the schedule, materials, plans and specifications approved by County;
  - 2) comply with all applicable legal requirements;
  - 3) comply with all programs, directives, and instructions of County relating to safety, storage of equipment or materials;
  - 4) take all precautions necessary to protect the safety of all persons at or near County or Contractor's facilities, including employees of Contractor, County and any other contractors or subcontractors and to protect the work and all other property against damage.

**11. Drugs and Alcohol.** Contractor shall adhere to and enforce a zero tolerance policy for the use of alcohol and the unlawful selling, possession or use of controlled substances while performing work under this Contract.

**12. Insurance.** Contractor shall provide insurance in accordance with Exhibit 2 attached hereto and incorporated by reference herein.

**13. Expense Reimbursement.** If the consideration under this Contract provides for the reimbursement of Contractor for expenses, in addition to Exhibit 5, Exhibit 1 shall state that Contractor is or is not entitled to reimbursement for such expenses.

- a. County shall only reimburse Contractor for expenses reasonably and necessarily incurred in the

performance of this contract.

- b. Expenses reimbursed shall be at the actual cost incurred; including any taxes paid, and shall not include any mark-up unless the mark-up on expenses is specifically agreed to in this Contract.
- c. The cost of any subcontracted work approved in this Contract shall not be marked up.
- d. Contractor shall not bill County for any time expended to complete the documents necessary for reimbursement of expenses or for payment under this contract.
- e. The limitations applicable to reimbursable expenses are set forth in Exhibit "5," attached hereto and by reference incorporated herein.

**14. Criminal Background Investigations.** Contractor understands that Contractor and Contractor's employees and agents are subject to periodic criminal background investigations by County and, if such investigations disclose criminal activity not disclosed by Contractor, such non-disclosure shall constitute a material breach of this Contract and County may terminate this Contract effective upon delivery of written notice to the Contractor, or at such later date as may be established by the County.

**15. Confidentiality.** Contractor shall maintain confidentiality of information obtained pursuant to this Contract as follows:

- a. Contractor shall not use, release or disclose any information concerning any employee, client, applicant or person doing business with the County for any purpose not directly connected with the administration of County's or the Contractor's responsibilities under this Contract except upon written consent of the County, and if applicable, the employee, client, applicant or person.
- b. The Contractor shall ensure that its agents, employees, officers and subcontractors with access to County and Contractor records understand and comply with this confidentiality provision.
- c. Contractor shall treat all information as to personal facts and circumstances obtained on Medicaid eligible individuals as privileged communication, shall hold such information confidential, and shall not disclose such information without the written consent of the individual, his or her attorney, the responsible parent of a minor child, or the child's guardian, except as required by other terms of this Contract.
- d. Nothing prohibits the disclosure of information in summaries, statistical information, or other form that does not identify particular individuals.
- e. Personally identifiable health information about applicants and Medicaid recipients will be subject to the transaction, security and privacy provisions of the Health Insurance Portability and Accountability Act ("HIPAA").
- f. Contractor shall cooperate with County in the adoption of policies and procedures for maintaining the privacy and security of records and for conducting transactions pursuant to HIPAA requirements.
- g. This Contract may be amended in writing in the future to incorporate additional requirements related to compliance with HIPAA.
- h. If Contractor receives or transmits protected health information, Contractor shall enter into a Business Associate Agreement with County, which, if attached hereto, shall become a part of this Contract.

**16. Reports.** Contractor shall provide County with periodic reports at the frequency and with the information prescribed by County. Further, at any time, County has the right to demand adequate assurances that the services provided by Contractor shall be in accordance with the Contract. Such assurances provided by Contractor shall be supported by documentation in Contractor's possession from third parties.

**17. Access to Records.** Contractor shall maintain fiscal records and all other records pertinent to this Contract.

- a. All fiscal records shall be maintained pursuant to generally accepted accounting standards, and other records shall be maintained to the extent necessary to clearly reflect actions taken.
  - 1) All records shall be retained and kept accessible for at least seven years following the final payment made under this Contract or all pending matters are closed, whichever is later.
  - 2) If an audit, litigation or other action involving this Contract is started before the end of the seven year period, the records shall be retained until all issues arising out of the action are resolved or until the end of the seven year period, whichever is later.
- b. County and its authorized representatives shall have the right to direct access to all of Contractor's books, documents, papers and records related to this Contract for the purpose of conducting audits and examinations and making copies, excerpts and transcripts.
  - 1) These records also include licensed software and any records in electronic form, including but not limited to computer hard drives, tape backups and other such storage devices. County shall reimburse Contractor for Contractor's cost of preparing copies.

- 2) At Contractor's expense, the County, the Secretary of State's Office of the State of Oregon, the Federal Government, and their duly authorized representatives, shall have license to enter upon Contractor's premises to access and inspect the books, documents, papers, computer software, electronic files and any other records of the Contractor which are directly pertinent to this Contract.
- 3) If Contractor's dwelling is Contractor's place of business, Contractor may, at Contractor's expense, make the above records available at a location acceptable to the County.

**18. Ownership of Work.** The audit documentation for this engagement is the property of Contractor, and constitutes confidential information. However, pursuant to authority given by law or regulation, the auditor may be requested to make certain audit documentation available to the County internal auditor, federal or state agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of audit, to resolve audit findings, or to carry out oversight responsibilities. The auditor will notify the County of any such requests. If requested, access to such audit documentation will be provided under the supervision of Contractor, personnel. Furthermore, upon request, the auditor may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of seven years after the date the auditor's report is issued or for any additional period requested by a federal awarding agency for audit, or pass-through entity. If a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the parties contesting the audit finding for guidance prior to destroying the audit documentation.

The auditor as a member of the Private Companies Practice Section of the American Institute of Certified Public Accountants, participates in the Institute's quality assurance program. In implementing this program and monitoring the auditor's compliance with professional auditing and accounting standards, members of evaluation teams approved by the Institute will periodically review the auditor's practice records including the audit workpapers of selected clients of our firm. Unless the County indicates otherwise, the auditor shall assume consent to members of the evaluation team reviewing the workpapers resulting from this engagement.

If this Contract is terminated prior to completion, and County is not in default, County, in addition to any other rights provided by this Contract, may require Contractor to transfer and deliver all partially completed work products, reports or documentation that Contractor has specifically developed or specifically acquired for the performance of this Contract.

**19. County Code Provisions.** Except as otherwise specifically provided, the provisions of Deschutes County Code, Section 2.37.150 are incorporated herein by reference. Such code section may be found at the following URL address: <https://weblink.deschutes.org/public/DocView.aspx?id=78735&searchid=818e81ed-6663-4f5b-9782-9b5523b345fc>.

**20. Partnership.** County is not, by virtue of this contract, a partner or joint venturer with Contractor in connection with activities carried out under this contract, and shall have no obligation with respect to Contractor's debts or any other liabilities of each and every nature.

**21. Indemnity and Hold Harmless.**

- a. To the fullest extent authorized by law Contractor shall defend, save, hold harmless and indemnify the County and its officers, employees and agents from and against all claims, suits, actions, losses, damages, liabilities costs and expenses of any nature resulting from or arising out of, or relating to the activities of Contractor or its officers, employees, contractors, or agents under this Contract, including without limitation any claims that the work, the work product or any other tangible or intangible items delivered to County by Contractor that may be the subject of protection under any state or federal intellectual property law or doctrine, or the County's use thereof, infringes any patent, copyright, trade secret, trademark, trade dress, mask work utility design or other proprietary right of any third party.
- b. Contractor shall have control of the defense and settlement of any claim that is subject to subparagraph a of this paragraph; however neither contractor nor any attorney engaged by Contractor shall defend the claim in the name of Deschutes County or any department or agency thereof, nor purport to act as legal representative of the County or any of its departments or agencies without first receiving from the County's

legal counsel, in a form and manner determined appropriate by the County's legal counsel, authority to act as legal counsel for the County, nor shall Contractor settle any claim on behalf of the County without the approval of the County's legal counsel.

- c. To the extent permitted by Article XI, Section 10, of the Oregon Constitution and the Oregon Tort Claims Act, ORS 30.260 through 30.300, County shall defend, save, hold harmless and indemnify Contractor and its officers, employees and agents from and against all claims, suits, actions, losses, damages, liabilities costs and expenses of any nature resulting from or arising out of, or relating to the activities of County or its officers, employees, contractors, or agents under this Contract.

**22. Waiver.**

- a. County's delay in exercising, or failure to exercise any right, power, or privilege under this Contract shall not operate as a waiver thereof, nor shall any single or partial exercise or any right, power, or privilege under this Contract preclude any other or further exercise thereof or the exercise of any other such right, power, or privilege.
- b. The remedies provided herein are cumulative and not exclusive of any remedies provided by law.

**23. Governing Law.** This Contract shall be governed by and construed in accordance with the laws of the State of Oregon without regard to principles of conflicts of law.

- a. Any claim, action, suit or proceeding (collectively, "Claim") between County and Contractor that arises from or relates to this Contract shall be brought and conducted solely and exclusively within the Circuit Court of Deschutes County for the State of Oregon; provided, however, if a Claim shall be brought in federal forum, then it shall be brought and conducted solely and exclusively within the United States District Court for the District of Oregon.
- b. CONTRACTOR, BY EXECUTION OF THIS CONTRACT, HEREBY CONSENTS TO THE IN PERSONAM JURISDICTION OF SAID COURTS. The parties agree that the UN Convention on International Sales of Goods shall not apply.

**24. Severability.** If any term or provision of this Contract is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if this Contract did not contain the particular term or provision held invalid.

**25. Counterparts.** This Contract may be executed in several counterparts, all of which when taken together shall constitute one agreement binding on all parties, notwithstanding that all parties are not signatories to the same counterpart. Each copy of this Contract so executed shall constitute an original.

**26. Notice.** Except as otherwise expressly provided in this Contract, any communications between the parties hereto or notices to be given hereunder shall be given in writing, to Contractor or County at the address or number set forth below or to such other addresses or numbers as either party may hereafter indicate in writing. Delivery may be by personal delivery, facsimile, or mailing the same, postage prepaid.

- a. Any communication or notice by personal delivery shall be deemed delivered when actually given to the designated person or representative.
- b. Any communication or notice sent by facsimile shall be deemed delivered when the transmitting machine generates receipt of the transmission. To be effective against County, such facsimile transmission shall be confirmed by telephone notice to the County Administrator.
- c. Any communication or notice mailed shall be deemed delivered five (5) days after mailing. Any notice under this Contract shall be mailed by first class postage or delivered as follows:

To Contractor:

\*

Fax No.

To County:

Nick Lelack  
County Administrator  
1300 NW Wall Street, Suite 206  
Bend, Oregon 97703  
Fax No. 541-385-3202

**27. Merger Clause.** This Contract and the attached exhibits constitute the entire agreement between the parties.

- a. All understandings and agreements between the parties and representations by either party concerning this Contract are contained in this Contract.



- b. No waiver, consent, modification or change in the terms of this Contract shall bind either party unless in writing signed by both parties.
- c. Any written waiver, consent, modification or change shall be effective only in the specific instance and for the specific purpose given.

**28. Identity Theft Protection.** Contractor and subcontractors shall comply with the Oregon Consumer Identity Theft Protection Act (ORS 646A.600 et seq.).

**29. Survival.** All rights and obligations shall cease upon termination or expiration of this Contract, except for the rights and obligations set forth in Sections 4, 5, 8, 9, 15, 17, 18, 20-27, 28 and 30.

**30. Representations and Warranties.**

- a. **Contractor's Representations and Warranties.** Contractor represents and warrants to County that:
  - 1) Contractor has the power and authority to enter into and perform this Contract;
  - 2) this Contract, when executed and delivered, shall be a valid and binding obligation of Contractor enforceable in accordance with its terms;
  - 3) Contractor has the skill and knowledge possessed by well-informed members of its industry, trade or profession and Contractor will apply that skill and knowledge with care and diligence to perform the Work in a professional manner and in accordance with standards prevalent in Contractor's industry, trade or profession;
  - 4) Contractor shall, at all times during the term of this Contract, be qualified, professionally competent, and duly licensed to perform the Work;
  - 5) Contractor prepared its proposal related to this Contract, if any, independently from all other proposers, and without collusion, fraud, or other dishonesty; and
  - 6) Contractor's making and performance of this Contract do not and will not violate any provision of any applicable law, rule or regulation or order of any court, regulatory commission, board or other administrative agency.
- b. **Warranties Cumulative.** The warranties set forth in this paragraph are in addition to, and not in lieu of, any other warranties provided.

**31. Representation and Covenant.**

- a. Contractor represents and warrants that Contractor has complied with the tax laws of this state, and where applicable, the laws of Deschutes County, including but not limited to ORS 305.620 and ORS chapters 316, 317 and 318.
- b. Contractor covenants to continue to comply with the tax laws of this state, and where applicable, the laws of Deschutes County, during the term of this contract.
- c. Contractor acknowledges that failure by Contractor to comply with the tax laws of this state, and where applicable, the laws of Deschutes County, at any time before Contractor has executed the contract or during the term of the contract is and will be deemed a default for which Deschutes County may terminate the contract and seek damages and/or other relief available under the terms of the contract or under applicable law.

**EXHIBIT 1**  
**DESCHUTES COUNTY SERVICES CONTRACT**  
**Contract No. 20\_\_-**  
**STATEMENT OF WORK, COMPENSATION**  
**PAYMENT TERMS and SCHEDULE**

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

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

- a. It hereby is agreed that {AUDIT FIRM} shall conduct audits of the financial statements of Deschutes County (and the listed entities listed in paragraph 1g and 1h of this Exhibit1, herein "Blended component units and other entities" ), Oregon, for the period beginning July 1, 202~~19~~, and ending June 30, 202~~24~~, for the period beginning July 1, 202~~24~~, and ending June 30, 202~~32~~ and for the period beginning July 1, 202~~32~~ and ending June 30, 202~~43~~ and for the period beginning July 1, 202~~43~~ and ending June 30, 202~~54~~ and for the period beginning July 1, 202~~54~~ and ending June 30, 202~~65~~, in accordance with the Minimum Standards for Audits of Municipal Corporations as prescribed by OAR 162. The audit shall be undertaken in order to express an opinion upon the financial statement of Deschutes County (and blended component units), Oregon, and to determine if the Deschutes County (and the Blended component units) has complied substantially with appropriate legal provisions. The audit will include the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information, which collectively comprise the entity's basic financial statements. The financial statements will include applicable additional information required by OAR 162 including:
- i. Schedule of expenditures of federal awards
  - ii. Schedules required by OAR 162 "Minimum standards for Audits of Oregon Municipal Corporations."
  - iii. Combining statements
  - iv. Individual Non-Major Fund statements
  - v. Other financial schedules

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

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

- Internal controls related to the financial statements and compliance with laws, regulations and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with Government Auditing Standards.
- Internal controls related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and any subsequent amendments and Uniform Grant Guidance (UGG) in Title 2 CFR Part 200 Subpart F, OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance"), Audits of States, Local Governments, and Non-Profit Organizations.

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

The audit will be conducted in accordance with generally accepted auditing standards, the standards in the United States of America for financial audits contained in Government Auditing Standards, issued by the Comptroller general of the United States; the Single Audit Act Amendments of 1996 and any subsequent amendments; and provisions of Uniform Grant Guidance (UGG) in Title 2 CFR Part 200 Subpart F, -OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance"), and other procedures considered necessary to express an opinion and render the required reports.

- b. {AUDIT FIRM} agrees the services they have contracted to perform under this contract shall be rendered by them or under their personal supervision and that the work will be faithfully performed with care and diligence.
- c. It is understood and agreed that, should unusual conditions arise or be encountered during the course of the audit whereby the services of {AUDIT FIRM} are necessary beyond the extent of the work contemplated, written notification of such unusual conditions shall be delivered to Deschutes County, Oregon, prior to undertaking the work, who shall instruct in writing {AUDIT FIRM} concerning such additional services, and that a signed copy of each such notification and instruction shall be delivered immediately to the Secretary of State by the County.
- d. The Audit Committee is tasked with coordinating audit efforts with the County. The auditor will be expected to attend an audit planning meeting with the Audit Committee (normally in the second week of June) and an audit delivery meeting with the Audit Committee to deliver the finalized ACFR on the negotiated schedule.
- e. The audit shall be started as soon after this contract is executed as is agreeable to the parties hereto and shall be completed and a written report thereon delivered within a reasonable time, but not later than six months, after the close of the audit period covered by this contract and no later than December 31. Copies of such report shall be delivered to Deschutes County, Oregon (and, as appropriate, the CSD's and COLES), and its form and content shall be in accordance with and not less than that required by the Minimum Standards for Audits of Oregon Municipal Corporations. Contractor shall provide 30 printed copies of County audit reports and 15 printed copies of the audit reports for each of the CSD's and COLES. Each of the reports shall also be provided in an electronic format for distribution on the internet. The requested electronic format is an adobe acrobat file (search enabled).
- f. It is understood and agreed that Deschutes County (and the CSD's and COLES), Oregon, is responsible for such financial statements as may be necessary to fully disclose and fairly present the results of operations for the period under audit and the financial condition at the end of that period. It is understood that {AUDIT FIRM} shall draft financial statements for Sunriver Service District, Black Butte Ranch CSD, and COLES. It is further understood, the cost of preparing such financial statements for Sunriver Service District, Black Butte Ranch CSD, and COLES shall be included in the fee for conducting the audit as set forth in Section 3 (of this Exhibit 1) below. The cost of preparing such financial statements for Deschutes County is not included in the services to be provided as set forth in Section 3 below unless specifically enumerated (as may be the case for Sunriver Service District, Black Butte Ranch CSD, or COLES).
- g. Blended component units of Deschutes County :
  - i. Deschutes Co 911
  - ii. Deschutes Co Ext & 4H CSD
  - iii. Rural Law Enforcement District
  - iv. County-wide Law Enforcement DistrictThe audit reporting entity may change over the audit contract period.
- h. Additional audited entities include
  - i. Black Butte Ranch CSD
  - ii. Sunriver Service District
  - iii. Central Oregon Law Enforcement Services (COLES)
- i. Agreed upon procedures included:

- a. The auditor will prepare the agreed-upon audit procedures (AUP) report required by the State of Oregon's Department of Environmental Quality pertaining to the financial assurance of the closure and post-closure of the County's Solid Waste landfills.
- b. The auditor will prepare the agreed-upon audit procedures (AUP) report required by the State of Oregon's Department of Transportation pertaining to use of funds from the Statewide Transportation Improvement Fun (STIF).

**2. County Services.** County shall provide Contractor, at county's expense, with material and services described as follows:

- a. The County shall execute annual engagement letters for the County and on behalf of each CSD as provided by {AUDIT FIRM}. The engagement letters shall refer to this personal services contract. The Sheriff's Office shall execute an engagement letter on behalf of COLES.
- b. Management of each entity will provide an appropriate management representation letter to the auditor indicating Management's responsibilities with regard to the preparation of the financial statements, for establishing and maintaining effective internal control, and for compliance with the provisions of applicable laws, regulations, contracts, agreements and grants.
- c. Management is responsible for making all financial records and related information available to the auditor, including any significant vendor relationships in the vendor has the responsibility for program compliance.
- d. County, management of Sunriver Service District, management of Black Butte Ranch CSD, and management of COLES will prepare all cash, accounts receivable or other confirmations requested by the auditor and locate any documents selected for testing by the auditor.

**3. Consideration.**

In consideration of the faithful performance of the conditions, covenants, and undertakings herein set forth, County hereby agrees to pay {AUDIT FIRM} the following reasonable fees and County (and the County Service Districts and COLES) affirms that proper provision for the payment of such fee has been or will be duly made and that funds for the payment thereof are or will be made legally available. Each of the County Service Districts and COLES will either directly or indirectly pay for these services as they may arrange with the Deschutes County Finance Department.

**Deschutes County**

**Maximum Audit Fee Consideration Schedule**

Entity	FYE June 30, 2022	FYE June 30, 2023	FYE June 30, 2024	FYE June 30, 2025	FYE June 30, 2026
Deschutes County	\$ -	\$ -	\$ -	\$ -	\$ -
Deschutes Co 911					
Deschutes Co Ext & 4H CSD					
Rural Law Enforcement District					
County-wide Law Enforcement District					
Black Butte Ranch CSD					
Sunriver Service District					
Central Oregon Law Enforcement Services (COLES)					
<b>TOTAL (Maximum compensation)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

**4. The maximum compensation.**

- a. The maximum compensation under this contract, including allowable expenses, is noted in the fee schedule, paragraph 3-a of this Exhibit 1. The fee schedule above also provides the maximum compensation payable on behalf of the County and each CSD and COLES for each audit year.

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

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

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

The audit fee schedule set forth in paragraph 3-a above is based on standard hourly rates plus reasonable out of pocket expenses (such as those identified in Exhibit 5. The auditors agree that the gross fee, including expenses, will not exceed the stated maximums. Hourly rates vary according to the level of responsibility, the experience level of the personnel assigned to the audit and the passage of time. The Contractor shall provide its then current hourly rates in effect at the beginning of each audit period for County's review. The hourly rates, as adjusted from time to time, will be used by the County solely to measure work progress and issue partial payment of invoices consistent with reported progress. Contractor's invoices may be presented periodically, but not more frequently than monthly as audit work progresses. Upon approval thereof County will pay such invoices until seventy-five percent (75%) of the total maximum compensation is reached. Thereafter County will make additional and final payments up to the maximum compensation for the County and each CSD, and COLES only upon final completion and acceptance of the financial statements. Notwithstanding the foregoing, Contractor agrees that its fee, including expenses, will not exceed the maximum amounts set forth in the fee schedule, paragraph 3-a. With County's express approval and for good and sufficient cause, Contractor may request a reasonable extension of time from the Secretary of State. The completion date will be agreed upon through coordination with the Audit Committee and the Contractor, but no later than the first week of December.
- b. County will only pay for completed work that conforms to this schedule.

**EXHIBIT 2**  
**DESCHUTES COUNTY SERVICES CONTRACT**  
**Contract No. 20\_\_-**  
**INSURANCE REQUIREMENTS**

Contractor shall at all times maintain in force at Contractor's expense, each insurance noted below. Insurance coverage must apply on a primary or non-contributory basis. All insurance policies, except Professional Liability, shall be written on an occurrence basis and be in effect for the term of this contract. Policies written on a "claims made" basis must be approved and authorized by Deschutes County.

Contractor Name {AUDIT FIRM}\_\_\_\_\_

**Workers Compensation** insurance in compliance with ORS 656.017, requiring Contractor and all subcontractors to provide workers' compensation coverage for all subject workers, or provide certification of exempt status. Worker's Compensation Insurance to cover claims made under Worker's Compensation, disability benefit or any other employee benefit laws, including statutory limits in any state of operation with Coverage B Employer's Liability coverage all at the statutory limits. . In the absence of statutory limits the limits of said Employers liability coverage shall be not less than \$1,000,000 each accident, disease and each employee. This insurance must be endorsed with a waiver of subrogation endorsement, waiving the insured's right of subrogation against County.

**Professional Liability** insurance with an occurrence combined single limit of not less than:  
Per Occurrence limit    Annual Aggregate limit

<input checked="" type="checkbox"/> \$1,000,000	<input checked="" type="checkbox"/> \$2,000,000
<input type="checkbox"/> \$2,000,000	<input type="checkbox"/> \$3,000,000
<input type="checkbox"/> \$3,000,000	<input type="checkbox"/> \$5,000,000

Professional Liability insurance covers damages caused by error, omission, or negligent acts related to professional services provided under this Contract. The policy must provide extended reporting period coverage, sometimes referred to as "tail coverage" for claims made within two years after the contract work is completed.

Required by County     Not required by County    (one box must be checked)

**Commercial General Liability** insurance with a combined single limit of not less than:

Per Single Claimant and Incident All Claimants Arising from Single Incident

- \$1,000,000  \$2,000,000  
 \$2,000,000  \$3,000,000  
 \$3,000,000  \$5,000,000

Commercial General Liability insurance includes coverage for personal injury, bodily injury, advertising injury, property damage, premises, operations, products, completed operations and contractual liability. The insurance coverages provided for herein must be endorsed as primary and non-contributory to any insurance of County, its officers, employees or agents. Each such policy obtained by Contractor shall provide that the insurer shall defend any suit against the named insured and the additional insureds, their officers, agents, or employees, even if such suit is frivolous or fraudulent. Such insurance shall provide County with the right, but not the obligation, to engage its own attorney for the purpose of defending any legal action against County, its officers, agents, or employees, and that Contractor shall indemnify County for costs and expenses, including reasonable attorneys' fees, incurred or arising out of the defense of such action.

The policy shall be endorsed to name ***Deschutes County, its officers, agents, employees and volunteers as an additional insured***. The additional insured endorsement shall not include declarations that reduce any per occurrence or aggregate insurance limit. The contractor shall provide additional coverage based on any outstanding claim(s) made against policy limits to ensure that minimum insurance limits required by the County are maintained. Construction contracts may include aggregate limits that apply on a "per location" or "per project" basis. The additional insurance protection shall extend equal protection to County as to Contractor or subcontractors and shall not be limited to vicarious liability only or any similar limitation. To the extent any aspect of this Paragraph shall be deemed unenforceable, then the additional insurance protection to County shall be narrowed to the maximum amount of protection allowed by law.

- Required by County  Not required by County (One box must be checked)

**Automobile Liability** insurance with a combined single limit of not less than:

Per Occurrence

- \$500,000  
 \$1,000,000  
 \$2,000,000

Automobile Liability insurance includes coverage for bodily injury and property damage resulting from operation of a motor vehicle. Commercial Automobile Liability Insurance shall provide coverage for *any* motor vehicle (symbol 1 on some insurance certificates) driven by or on behalf of Contractor during the course of providing services under this contract. Commercial Automobile Liability is required for contractors that own business vehicles registered to the business. Examples include: plumbers, electricians or construction contractors. An Example of an acceptable personal automobile policy is a contractor who is a sole proprietor that does not own vehicles registered to the business.

- Required by County  Not required by County (one box must be checked)

**Additional Requirements.** Contractor shall pay all deductibles and self-insured retentions. A cross-liability clause or separation of insured's condition must be included in all commercial general liability policies required by this Contract. Contractor's coverage will be primary in the event of loss.

**Certificate of Insurance Required.** Contractor shall furnish a current Certificate of Insurance to the County with the signed Contract. Contractor shall notify the County in writing at least 30 days in advance of any cancellation, termination, material change, or reduction of limits of the insurance coverage. The Certificate shall also state the deductible or, if applicable, the self-insured retention level. Contractor shall be responsible for any deductible or self-insured retention. If requested, complete copies of insurance policies shall be provided to the County.

Risk Management review

Date

\_\_\_\_\_

\_\_\_\_\_



**EXHIBIT 3**  
**DESCHUTES COUNTY SERVICES CONTRACT**  
**Contract No. 20\_\_ -**  
**CERTIFICATION STATEMENT FOR CORPORATION**  
**OR INDEPENDENT CONTRACTOR**

**NOTE: Contractor Shall Complete A or B in addition to C below:**

**A. CONTRACTOR IS A CORPORATION, LIMITED LIABILITY COMPANY OR A PARTNERSHIP.**

**I certify under penalty of perjury that Contractor is a [check one]:**

Corporation  Limited Liability Company  Limited Liability Partnership  Partnership authorized to do business in the State of Oregon.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

**B. CONTRACTOR IS A SOLE PROPRIETOR WORKING AS AN INDEPENDENT CONTRACTOR.**

**Contractor certifies under penalty of perjury that the following statements are true:**

1. If Contractor performed labor or services as an independent Contractor last year, Contractor filed federal and state income tax returns last year in the name of the business (or filed a Schedule C in the name of the business as part of a personal income tax return), **and**
2. Contractor represents to the public that the labor or services Contractor provides are provided by an independently established business registered with the State of Oregon, **and**
3. All of the statements checked below are true.

**NOTE: Check all that apply. You shall check at least three (3) - to establish that you are an Independent Contractor.**

\_\_\_ A. The labor or services I perform are primarily carried out at a location that is separate from my residence or primarily carried out in a specific portion of my residence that is set aside as the location of the business.

\_\_\_ B. I bear the risk of loss related to the business or provision of services as shown by factors such as: (a) fixed-price agreements; (b) correcting defective work; (c) warranties over the services or (d) indemnification agreements, liability insurance, performance bonds or professional liability insurance.

\_\_\_ C. I have made significant investment in the business through means such as: (a) purchasing necessary tools or equipment; (b) paying for the premises or facilities where services are provided; or (c) paying for licenses, certificates or specialized training.

\_\_\_ D. I have the authority to hire other persons to provide or to assist in providing the services and if necessary to fire such persons.

\_\_\_ E. Each year I perform labor or services for at least two different persons or entities or I routinely engage in business advertising, solicitation or other marketing efforts reasonably calculated to obtain new contracts to provide similar services.

\_\_\_\_\_  
Contractor Signature

\_\_\_\_\_  
Date

**C.Representation and Warranties.**

**Contractor certifies under penalty of perjury that the following statements are true to the best of Contractor's knowledge:**

1. Contractor has the power and authority to enter into and perform this contract;
2. This contract, when executed and delivered, shall be a valid and binding obligation of Contractor enforceable in accordance with its terms;
3. The services under this Contract shall be performed in a good and workmanlike manner and in accordance with the highest professional standards; and
4. Contractor shall, at all times during the term of this contract, be qualified, professionally competent, and duly licensed to perform the services.
5. To the best of Contractor's knowledge, Contractor is not in violation of any tax laws described in ORS 305.380(4),
6. Contractor understands that Contractor is responsible for any federal or state taxes applicable to any consideration and payments paid to Contractor under this contract; and
7. Contractor has not discriminated against minority, women or small business enterprises in obtaining any required subcontracts.

\_\_\_\_\_  
Contractor Signature

\_\_\_\_\_  
Date

**EXHIBIT 4**  
**DESCHUTES COUNTY SERVICES CONTRACT**  
**Contract No. 20\_\_ -**  
**Workers' Compensation Exemption Certificate**

(To be used only when Contractor claims to be exempt from Workers' Compensation coverage requirements)

Contractor is exempt from the requirement to obtain workers' compensation insurance under ORS Chapter 656 for the following reason (check the appropriate box):

**SOLE PROPRIETOR**

- Contractor is a sole proprietor, and
- Contractor has no employees, and
- Contractor shall not hire employees to perform this contract.

**CORPORATION - FOR PROFIT**

- Contractor's business is incorporated, and
- All employees of the corporation are officers and directors and have a substantial ownership interest\* in the corporation, and
- The officers and directors shall perform all work. Contractor shall not hire other employees to perform this contract.

**CORPORATION - NONPROFIT**

- Contractor's business is incorporated as a nonprofit corporation, and
- Contractor has no employees; all work is performed by volunteers, and
- Contractor shall not hire employees to perform this contract.

**PARTNERSHIP**

- Contractor is a partnership, and
- Contractor has no employees, and
- All work shall be performed by the partners; Contractor shall not hire employees to perform this contract, and
- Contractor is not engaged in work performed in direct connection with the construction, alteration, repair, improvement, moving or demolition of an improvement to real property or appurtenances thereto.

**LIMITED LIABILITY COMPANY**

- Contractor is a limited liability company, and
- Contractor has no employees, and
- All work shall be performed by the members; Contractor shall not hire employees to perform this contract, and
- If Contractor has more than one member, Contractor is not engaged in work performed in direct connection with the construction, alteration, repair, improvement, moving or demolition of an improvement to real property or appurtenances thereto.

\*NOTE: Under OAR 436-050-050 a shareholder has a "substantial ownership" interest if the shareholder owns 10% of the corporation or, if less than 10% is owned, the shareholder has ownership that is at least equal to or greater than the average percentage of ownership of all shareholders.

\*\*NOTE: Under certain circumstances partnerships and limited liability companies can claim an exemption even when performing construction work. The requirements for this exemption are complicated. Consult with County Counsel before an exemption request is accepted from a contractor who shall perform construction work.

---

Contractor Printed Name \_\_\_\_\_ Contractor Signature \_\_\_\_\_

---

Contractor TitleDate

**EXHIBIT 5**  
**DESCHUTES COUNTY SERVICES CONTRACT**  
**Contract No. 20\_\_ - \_\_\_\_**  
**Expense Reimbursement**

- 1. Travel and Other Expenses.** (When travel and other expenses are reimbursed.)
  - a. It is the policy of the County that all travel shall be allowed only when the travel is essential to the normal discharge of the County responsibilities.
    - 1) All travel shall be conducted in the most efficient and cost effective manner resulting in the best value to the County.
    - 2) Travel expenses shall be reimbursed for official County business only.
    - 3) County shall not reimburse Contractor for any item that is not otherwise available for reimbursement to an employee of Deschutes County per Deschutes County Finance Policy F-1, "REIMBURSEMENT FOR MISCELLANEOUS EXPENSES AND EXPENSES INCURRED WHILE TRAVELING ON COUNTY BUSINESS," dated 11/8/06.
    - 4) County may approve a form other than the County Employee Reimbursement Form for Contractor to submit an itemized description of travel expenses for payment.
    - 5) Personal expenses shall not be authorized at any time.
    - 6) All expenses are included in the total maximum contract amount.
  - b. Travel expenses shall be reimbursed only in accordance with rates approved by the County and only when the reimbursement of expenses is specifically provided for in Exhibit 1, paragraph 3 of this contract.
  - c. The current approved rates for reimbursement of travel expenses are set forth in the above described policy.
  - d. County shall not reimburse for any expenses related to alcohol consumption or entertainment.
  - e. Except where noted, detailed receipts for all expenses shall be provided.
  - f. Charge slips for gross amounts are not acceptable.
  - g. County shall not reimburse Contractor for any item that is not otherwise available for reimbursement to an employee of Deschutes County.
- 2. Approved reimbursements:**
  - a. Mileage. Contractor shall be entitled to mileage for travel in a private automobile while Contractor is acting within the course and scope of Contractor's duties under this Contract and driving over the most direct and usually traveled route to and from Bend, Oregon.
    - 1) Reimbursement for mileage shall be equal to but not exceed those set by the United States General Services Administration ("GSA") and are subject to change accordingly.
    - 2) To qualify for mileage reimbursement, Contractor shall hold a valid, current driver's license for the class of vehicle to be driven and carry personal automobile liability insurance in amounts not less than those required by this contract.
    - 3) No mileage reimbursement shall be paid for the use of motorcycles or mopeds.
  - b. Meals.
    - 1) Any reimbursement for meals shall be for actual cost of meals incurred by Contractor while acting within the course and scope of Contractor's duties under this contract.
    - 2) For purposes of calculating individual meals where the Contractor is entitled only to a partial day reimbursement, the following maximum allocation of the meal expenses applies:
      - a) Breakfast, \$10;
      - b) Lunch, \$12;
      - c) Dinner, \$22.
    - 3) Except in the event of necessary overnight travel as provided below, partial day meal expenses shall be reimbursed as follows and only while Contractor is acting within the course and scope of Contractor's duties under this contract:
      - a) Breakfast expenses are reimbursable if Contractor is required to travel more than two (2) hours: before the start Contractor's regular workday (i.e. 8:00 a.m.).
      - b) Lunch expenses are reimbursable only if Contractor is required to travel overnight and begins the journey before 11:00 am or ends the journey after 11:00 a.m.

- c) Dinner expenses are reimbursable only if Contractor is required to travel more than two (2) hours after Contractor's regular workday (i.e. 5:00 p.m.).
- 4) Breakfast and dinner expenses are reimbursable during Contractor's necessary overnight travel while acting within the course and scope of Contractor's duties under this contract and shall not exceed those set by the GSA- and are subject to change accordingly.

c. Lodging.

- 1) County shall reimburse Contractor for Contractor's actual cost of lodging necessary to provide service to the County and shall not exceed the maximum lodge set by the GSA for Bend, Oregon.
  - 2) Reimbursement rates for lodging are not considered "per diem" and receipts are required for reimbursement.
  - d County shall not reimburse Contractor in excess of the lowest fair for any airline ticket or vehicle rental charges.
- 3. Exceptions.** Contractor shall obtain separate written approval of the County Administrator for any exceptions to the expense items listed above prior to incurring any expense for which reimbursement shall be sought.

**Exhibit 6**  
**DESCHUTES COUNTY SERVICES CONTRACT**  
**Contract No. 20\_\_ -**  
**Compliance with provisions, requirements of funding source and**  
**Federal and State laws, statutes, rules, regulations, executive orders and policies.**

**Conflicts of Interest**

**Contractor certifies under penalty of perjury that the following statements are true to the best of Contractor's knowledge:**

1. If Contractor is currently performing work for the County, State of Oregon or federal government, Contractor, by signature to this Contract, declares and certifies that Contractor's Work to be performed under this Contract creates no potential or actual conflict of interest as defined by ORS 244 and no rules or regulations of Contractor's employee agency (County State or Federal) would prohibit Contractor's Work under this Contract. Contractor is not an "officer," "employee," or "agent" of the County, as those terms are used in ORS 30.265.
2. No federally appropriated funds have been paid or shall be paid, by or on behalf of Contractor, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
  - a. If any funds other than federally appropriated funds have been paid or shall be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, Contractor agrees to complete and submit Standard Form-LLL "Disclosure Form to Report Lobbying," in accordance with its instructions.
    - 1) Standard Form-LLL and instructions are located in 45 CFR Part 93 Appendix B.
    - 2) If instructions require filing the form with the applicable federal entity, Contractor shall then as a material condition of this Contract also file a copy of the Standard Form-LLL with the Department.
    - 3) This filing shall occur at the same time as the filing in accordance with the instructions.
  - b. Contractor understands this certification is a material representation of fact upon which the County and the Department has relied in entering into this Contract. Contractor further understands that submission of this certification is a prerequisite, imposed by 31 USC 1352 for entering into this Contract.
  - c. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.
  - d. Contractor shall include the language of this certification in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.
  - e. Contractor is solely responsible for all liability arising from a failure by Contractor to comply with the terms of this certification.
  - f. Contractor promises to indemnify County for any damages suffered by County as a result of Contractor's failure to comply with the terms of this certification.
3. Contractor understands that, if this Contract involves federally appropriated funds, this certification is a material representation of facts upon which reliance was placed when this Contract was made or entered into, submission of this certification is a prerequisite for make or entering into this Contract imposed by Section 1352, Title 311, U.S. Code and that any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each failure.

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Contractor SignatureDate

**RFP – AUDIT SERVICES EXHIBIT B**

**Deschutes County - Blended Component Units and additional entities**

<b>Name</b>	<b>FY 2022 Budget</b>	<b>FTE</b>	<b>Description</b>
<b>BLENDDED COMPONENT UNITS</b>			
Law Enforcement District – County Wide (District 1)	\$42,106,538	0	Permanent funding mechanism for jail staffing and operation, the work release center, emergency/disaster planning, search and rescue, civil process, prisoner transport, inmate work crews, and concealed weapons permits.
Law Enforcement District – Rural (District 2)	\$ 16,721,754	0	Permanent funding mechanism for unincorporated rural patrols, major crime detectives, crime investigation, 9-1-1 responses, school resource officers, accident investigations, drug enforcement, and education, animal control, street crimes unit, traffic safety, crime prevention, community policing, and wild land arson investigation.
Deschutes County 911 CSD	\$ 21,533,495	60	Operates the County's 9-1-1 call center
Deschutes County Extension 4-H CSD	\$ 932,232	0	Provides support for OSU's Extension Service
<b>ADDITIONAL ENTITIES</b>			
Black Butte CSD	\$ 2,604,045	8	Provides police services for residents of Black Butte Ranch
Sunriver Service District	\$ 5,189,000	30	Provides law enforcement, fire prevention and protection and emergency medical services to Sunriver residents
COLES/CODE	\$ 1,196,613	0	Central Oregon Law Enforcement Services (COLES) is an intergovernmental agency to provide coordinated responses to common law enforcement issues in Central Oregon. It controls Central Oregon Drug Enforcement a separate governmental entity.



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Note: The accounting and personal records for all of the component units, except Sunriver Service District and Black Butte Ranch County Service District are integrated within the County financial systems. Sunriver Service District's and Black Butte County Service District's accounting and personnel records are independent of the County's financial system. COLES is operated through monies held and operated in trust with Deschutes County and managed by the Deschutes County Sheriff's Office.

# **Authorized Signature and Attestation**

I, the undersigned, an authorized representative of \_\_\_\_\_, whose address is \_\_\_\_\_, have read and thoroughly understand the specifications, instructions and all other conditions of the RFP – Audit Services issued by Deschutes County for Audit Services for the fiscal years ending June 30, 2022, June 30, 2023, June 30, 2024, June 30, 2025 and June 30, 2026.

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

Detail any exceptions:

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

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

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

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

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

PRESS RELEASE (DRAFT)

**MEDIA RELEASE MEDIA CONTACT:** David Givans 541-330-4674

Bend, Oregon  
January 3, 2022

### **County issues request for proposal for audit services**

Deschutes County is requesting proposals from certified public accounting firms for municipal auditing services. The audit services consist of auditing the County's financial statements for the next five years (starting with the fiscal year ended June 30, 2022).

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

Applicants must complete a proposal based on the RFP guidelines.

The RFP and associated information may be downloaded at [www.deschutes.org/RFPS](http://www.deschutes.org/RFPS) on the Deschutes County website. You can also receive a copy of the RFP or submit any questions to the authorized RFP contact: Deschutes County Internal Auditor David Givans at (541) 330-4674 or by email at [David.Givans@Deschutes.org](mailto:David.Givans@Deschutes.org)

The deadline to apply is 4:00 p.m. on Monday, February 14, 2022. Please send all RFP applications to the attention of:

David Givans, County Internal Auditor  
County Administration  
Deschutes County Services Center  
PO Box 6005  
1300 NW Wall Street, Suite #206  
Bend, OR 97708-6005

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Deschutes County Government provides for the safety, security and health of Deschutes County's 198,000 citizens through public safety, human services, adult and juvenile corrections and many other valuable public services. For more information, please go to [www.deschutes.org](http://www.deschutes.org).



Deschutes County encourages persons with disabilities to participate in all programs and activities. This event/location is accessible to people with disabilities. If you need accommodations to make participation possible, or to request this information in an alternate format please call (541) 330-4640, or send email to [David.Givans@deschutes.org](mailto:David.Givans@deschutes.org) .