



**State Term Contract 84111600-20-1
For
Financial and Performance Audits**

This Contract is between the State of Florida, Department of Management Services (Department), an agency of the State of Florida and **Harvey, Covington & Thomas of South Florida, LLC** (Contractor), collectively referred to herein as the “Parties.”

Accordingly, the Parties agree as follows:

I. Initial Contract Term.

The Initial Contract Term shall be for three years. The Initial Contract Term shall begin on March 1, 2021 or the date of the last signature on this Contract, whichever occurs later. The Contract shall expire on February 29, 2024 unless terminated earlier in accordance with the incorporated Special Contract Conditions.

II. Renewal Term.

Upon mutual written agreement, the Parties may renew this Contract, in whole or in part, for a Renewal Term not to exceed the Initial Contract Term, pursuant to the incorporated Special Contract Conditions.

III. Contract.

As used in this document, “Contract” (whether or not capitalized) shall, unless the context requires otherwise, include this document and all incorporated Attachments, which set forth the entire understanding of the Parties and supersedes all prior agreements. All modifications to this Contract must be in writing and signed by all Parties.

All Attachments listed below are incorporated in their entirety into, and form part of, this Contract. The Contract Attachments shall have priority in the order listed:

- a) Special Contract Conditions, Contract Attachment B
- b) Contractor’s submitted Cost Proposal, Contract Attachment A
- c) Customer Contract or Purchase Order(s)
- d) Contractor’s submitted Technical Proposal, Contract Attachment C
- e) Authorized Services List, Contract Attachment D
- f) Contractor Information Form, Contract Attachment E
- g) No Offshoring, Contract Attachment F
- h) Subcontracting, Contract Attachment G

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IV. Statement of Work.

a) Scope of Services.

The Contractor will provide Financial and Performance Audit (FPA) services, giving an attestation of whether the financial statements of an audited entity fairly present the financial position, results of operations, and cash flows in conformity with generally accepted accounting principles. This includes audits of financial statements prepared in conformity with standards of accounting issued by the Statement of Federal Financial Accounting Standards (SFFAS). Services are provided on an as-needed basis, with no guaranteed or minimum spend.

In order to purchase services under this Contract, Customers will issue Requests for Quotes (RFQs) to contractors available under the Financial and Performance Audits State Term Contract (see section IV. f), Request for Quote(s) Requirement, below, for more specifics on this requirement), which will include a Customer-specific Statement of Work ("Customer SOW") detailing the specific services or projects to be performed by the selected contractor, which will also be set forth in the contract or MyFloridaMarketPlace (MFMP) purchase order (collectively referred to as a "PO") between the Customer and selected contractor.

b) Pricing.

The attached Cost Proposal, Contract Attachment A, provides maximum hourly rates for services. In lieu of hourly pricing, Customers may request project-based pricing to accomplish goals and tasks that include more complex requirements. Customers who choose to use a project-based pricing model are not exempt from the requirements listed in section IV. f), Request for Quote(s) Requirement, and must negotiate all pricing, fees and related expenses associated with the completion of each task and deliverable with the selected contractor. Project-based pricing should be fully detailed in the Customer SOW. The project-based pricing is intended to provide predictability and a discount to Customers relative to the maximum hourly rates. Under no circumstance may a project-based price be permitted to be greater than the hourly rates.

c) Job Titles and Duties.

The following sections describe the responsibilities of the personnel provided by the Contractor, in accordance with the terms of the Contract, who are used to provide Customers with services pursuant to the Customer SOW set forth in the Customer's PO (Customers may supplement these duties in their Customer SOWs provided the duties do not exceed or conflict with this Contract).

1. *Principal Consultant:* A minimum of ten (10) years' experience in duties associated with FPA services is required for Principal Consultant positions. The functional responsibilities of this position may include, but are not limited to:

- Providing executive-level consultation services to the Customer
- Providing senior-level interface with the Customer and managing daily operations
- Ensuring the timely performance and completion of all obligations under the PO

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- Organizing and directing the overall performance of the Customer PO
- Possessing the authority to make binding decisions on behalf of the Contractor
- Formulating organizational strategy and directing major strategic initiatives
- Ensuring that goals and objectives are accomplished within budgetary parameters
- Developing and maintaining Customer relationships
- Assisting on large, complex or multi-discipline engagements
- Allocating financial and human resources and material assets
- Formulating and enforcing work standards
- Participating in the design phase of tasks and ensuring their successful execution

2. *Senior Consultant:* A minimum of ten (10) years' experience in duties associated with FPA services is required for Senior Consultant positions. The functional responsibilities of this position may include, but are not limited to:

- Managing the day-to-day operations
- Ensuring the quality and timely completion of projects or services
- Providing technical and subject matter expertise in fulfillment of Customer SOWs
- Participating as a senior team member providing high-level consulting services
- Planning, organizing, and executing tasks in successful delivery of projects or services
- Developing and defining strategic visions
- Planning, directing, controlling, scheduling, coordinating, and organizing management of tasks
- Providing Customer interface in fulfillment of Customer SOWs
- Possessing authority and responsibility for the execution of Customer SOWs
- Planning, organizing, and overseeing all subordinate work efforts
- Ensuring quality standards and work performance on Customer SOWs
- Organizing, directing, and managing support services

3. *Consultant:* A minimum of five (5) years' experience in duties associated with FPA services is required for Consultant positions. The functional responsibilities of this position may include, but are not limited to:

- Applying administrative, consultative, and technical expertise in fulfillment of Customer SOWs
- Planning, organizing, executing, and controlling project tasks in successful delivery of projects or services
- Interfacing with Customer on a day-to-day basis to ensure timely delivery of project or services
- Applying a broad set of management skills and technical expertise as a project leader
- Providing solutions through analysis
- Directing subordinates in the completion of tasks orders
- Organizing, directing, and managing support services
- Assigning tasks and overseeing projects or other services under the Customer SOWs
- Directing activities in fulfillment of Customer SOWs

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- Training Customer personnel through formal classroom courses, workshops, or seminars

4. *Junior Consultant:* A minimum of three (3) years' experience in duties associated with FPA services is required for Junior Consultant positions. The functional responsibilities of this position may include, but are not limited to:

- Applying a broad set of subject matter and technical expertise
- Directing projects or services under the Customer SOWs within estimated timeframes and budget constraints
- Organizing, directing, and managing support services
- Serving as a member of a team performing mid-level assignments
- Providing solutions through analysis
- Conducting Customer training through formal classroom courses, workshops, and seminars

5. *Program and Administrative Support:* The functional responsibilities of this position may include, but are not limited to:

- Coordinating and providing administrative support services to Contractor staff and Customer
- Supporting the provision of services or production of project deliverables and performing administrative functions required to complete tasks
- Providing graphics and editorial support services and desktop publishing services
- Maintaining version control of project documents
- Providing direct support to consulting staff, including supporting the development of all deliverables

d) Anticipated Preferences.

The following contains anticipated Customer-specific preferences of Contractor and its personnel in providing Customer-specific services or projects pursuant to the Customer SOWs, as set forth in the Customer POs. Customers may request in their RFQs that the Contractor conform with the Customer-specific preferences including, but not limited to, the following:

- Knowledge of government business practices, which is inclusive of State of Florida practices.
- Knowledge of standards of accounting issued by Statement of Federal Financial Accounting Standards (SFFAS).

e) Services.

The services the Contractor, through its personnel, may provide include:

- Financial Statements Audits - Audit of financial statements prepared in conformity with standards of accounting issued by SFFAS and by the American Institute of Certified Public Accountants (AICPA).
- Audits of Segments of Financial Statements - Audit of financial information (i.e., statement of revenue and expenses, statement of cash receipts and disbursements,

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statement of fixed assets, budget requests, and variances between estimated and actual financial performance).

- Internal Controls Audits
 - Audit for compliance with laws and regulations such as those governing the bidding for, accounting for, and reporting on grants and contracts including proposals, amounts billed, and amounts due on termination claims.
 - Audit financial reporting and safeguarding of assets including the use of computer-based systems.
- Economy and Efficiency Audits
 - Assess business practices.
 - Evaluate acquisition of appropriate type, quality, and amount of resources at an appropriate cost.
 - Assess duplication of effort by employees and identify work that serves little or no purpose.
 - Evaluate the optimum amount of resources (staff, equipment, and facilities) in producing or delivering the appropriate quantity and quality of goods or services in a timely manner.
 - Evaluate compliance with requirements of laws and regulations that could significantly affect the acquisition, protection, and use of resources.
 - Assess management control systems for measuring, reporting, and monitoring a program's economy and efficiency.
 - Evaluate reported measures of economy and efficiency.
- Program Results and Program Fraud Audits
 - Assess whether the objectives of a new or ongoing program are proper, suitable, or relevant.
 - Determine the extent to which a program achieves a desired level of program results.
 - Assess the effectiveness of the program and/or individual program components.
 - Determine whether the program complements, duplicates, overlaps, or conflicts with other related programs.
 - Assess compliance with laws and regulations applicable to the program

f) Request for Quote(s) Requirement.

1. Customer SOW. Customers needing FPA services will create an RFQ each time they desire to solicit these services. The Customer shall issue a detailed RFQ that specifies a term and includes a Customer SOW stating the services, service levels, educational qualifications, and experience needed. Customers should also consider including the following information in their RFQs under the Financial and Performance Audits State Term Contract:

- Statement of purpose.
- Customer project job duties.
- Required tasks and deliverables, completion of which is subject to Customer acceptance.
- Requirement for contractor to provide an estimate of the hours needed to complete the projects or deliverables, as described in the Customer SOW.
- Customer project timeline.

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- List of contractor responsibilities.
- Necessary qualifications/certifications of the individuals/organization performing work on the Customer project.
- Customer-specific financial consequences for non-performance (note that the financial consequences listed in section IV. g), Financial Consequences, are only in regard to the Contractor's obligation to submit reports to the Department).
- Customer-specific terms and conditions.

When creating a Customer SOW, Customers are permitted to negotiate terms and conditions which supplement those contained in this Contract. Such additional terms must be for services contemplated in the Contract and must not reduce the Contractor's obligations under the Contract (if any such conflicting terms are included in the Customer SOW, the conflict between the terms of the Customer SOW and this Contract will be resolved in favor of terms most favorable to the Customer). Specific terms and conditions within a Customer SOW are only applicable to the Customer's PO.

2. Minimum Number of RFQs Sent by Customer.

Customers Utilizing MFMP: All Customers who utilize MFMP must use the MFMP Sourcing application for creating RFQs under the Financial and Performance Audits State Term Contract. The Customer shall select at least three (3) contractors available under the Financial and Performance Audits State Term Contract and authorized to provide the type of services being requested, to which to send its RFQ. MFMP sourcing will automatically add an additional five (5) randomly selected contractors available under the Financial and Performance Audits State Term Contract to the RFQ event. All eight (8) contractors sent the RFQ will receive a notification of the RFQ and may respond. Customers may view the RFQ Contractor List on the event's "Overview" tab. If fewer than eight (8) contractors are available under the Financial and Performance Audits State Term Contract, and authorized to provide the type of services being requested, the Customer shall send the RFQ to all of the contractors available under the Financial and Performance Audits State Term Contract that are authorized to provide the type of services being requested.

Customers Not Utilizing MFMP: Customers who do not utilize MFMP shall create an RFQ document each time they desire to solicit FPA services and shall send the RFQ document electronically via email to at least (8) contractors available under the Financial and Performance Audits State Term Contract and authorized to provide the type of services being requested. If fewer than eight (8) contractors are available under the Financial and Performance Audits State Term Contract, and authorized to provide the type of services being requested, the Customer shall send the RFQ to all of the contractors available under the Financial and Performance Audits State Term Contract that are authorized to provide the type of services being requested.

4. RFQ Format. The specific format of the RFQ is left to the discretion of the Customer's Contracting Officer. Pursuant to section 287.056(2), F.S., RFQs performed within the scope of the Financial and Performance Audits State Term Contract are not independent

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competitive solicitations and are not subject to the notice or challenge provisions of section 120.57(3), F.S.

g) Department- Specific Financial Consequences.

Financial consequences will be assessed for failure to submit the reports required by the Contract. Financial consequences will be assessed on a daily basis for each individual failure until the submittal is accomplished to the satisfaction of the Department and will apply to each target period beginning with the first full month or quarter of the Contractor's performance, as applicable, and each and every month/quarter thereafter. The Department reserves the right to recoup such financial consequences by withholding payment or by requiring the Contractor to pay financial consequences via check or money order in US Dollars within thirty (30) calendar days after the required report submission date. The Department also reserves the right to implement other appropriate remedies, such as Contract termination or non-renewal, when the Contractor has failed to perform/comply with the provisions of the Contract.

Contract Requirement	Description	Frequency	Daily Financial Consequences for Non-Performance
Timely Submission of complete and accurate Contract Quarterly Sales Report	Submit Quarterly Sales Report in accordance with section IV.I)2.	Each quarter	\$250
Timely Submission of complete and accurate MFMP Transaction Fee Report	Submit MFMP Transaction Fee in accordance with section IV.I)1.	Each month	\$100

For Customer-specific financial consequences, as set forth in the Customer PO, the Customer may collect financial consequences by reducing payments to the Contractor or by requiring the Contractor to pay via check or money order in US Dollars, made out to the Customer, within thirty (30) calendar days after the financial consequence began to accrue.

h) Contractor's Administrative Responsibilities.

The Contractor shall provide all management, administrative, clerical, and supervisory functions required for the effective and efficient performance of all Customer POs it accepts, and shall have sole responsibility for the supervision, daily direction and control, payment of salary (including withholding of income taxes and social security), and any benefits for its personnel. The Contractor is accountable for the actions of its personnel.

Contractor's management responsibilities include, but are not limited to, the following:

- Ensuring personnel understand the work to be performed on Customer POs to which they are assigned;

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- Ensuring personnel know their management chain and adhere to Contractor policies and exhibit professional conduct to perform in the best interest of the Customer;
- Ensuring personnel adhere to applicable laws, regulations, and Contract conditions governing Contractor performance and relationships with the Customer;
- Regularly assessing personnel performance and providing feedback to improve overall task performance; and
- Ensuring high quality results are achieved through task performance.

i) Contractor Warranty.

The Contractor agrees to the following representation and warranty:

Should any defect or deficiency in any deliverable, or the remedy of such defect or deficiency, cause incorrect data to be introduced into any Customer's database or cause data to be lost, the Contractor shall be required to correct and reconstruct, within the timeframe established by the Customer, all production, test, acceptance, and training files or databases affected, at no additional cost to the Customer.

j) Business Days.

The Contractor shall provide all services to Customers Mondays through Fridays, except on holidays observed by the Customer. Days observed as holidays by State agencies are provided via the link below:

https://www.dms.myflorida.com/workforce_operations/human_resource_management/for_state_personnel_system_hr_practitioners/state_holidays

Customers may observe additional holidays which, if any, will be detailed in the Customer's PO.

k) Routine Communications.

All routine communications and reports related to the Contract shall be sent to the Department's Contract Manager. If any information listed on the Contract Information form (Contract Attachment E) changes during the life of the Contract, then the Contractor shall update the form and submit it to the Department's Contract Manager (such update does not necessitate a formal amendment to the Contract). Communications relating to a Customer PO should be addressed to the contact person identified in the PO. Communications may be by e-mail, regular mail, or telephone.

l) Contract Reporting.

The Contractor shall report information on orders received from Customers under the Contract. The Contractor shall submit the following reports:

1. MFMP Transaction Fee Report.

The Contractor shall submit monthly Transaction Fee Reports in the Department's electronic format. Reports are due fifteen (15) calendar days after the end of the calendar month. For information on how to submit Transaction Fee Reports online, please reference the detailed fee reporting instructions and vendor training presentations available online on the "Transaction Fee & Reporting" and "Training for Vendors"

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subsections under "Vendors" on the MFMP website. Assistance with Transaction Fee Reporting is also available from the MFMP Customer Service Desk by email at feeprocessing@myfloridamarketplace.com or telephone at 866-FLA-EPRO (866-352-3776) from 8:00 a.m. to 6:00 p.m. Eastern Time.

2. Contract Quarterly Sales Reports.

The Contractor shall submit a Contract Quarterly Sales report electronically, in the required format, to the Department's Contract Manager within fifteen (15) calendar days after the close of each State Fiscal quarter listed below. Failure to provide the Contract Quarterly Sales report will result in the imposition of financial consequences. Initiation and submission of the Contract Quarterly Sales report is the responsibility of the Contractor without prompting or notification by the Department. Sales will be reviewed on a quarterly basis. If no sales are recorded in two consecutive Contract quarters, the Department may terminate the Contract.

Quarter 1 – (July-September) – due fifteen (15) calendar days after the close of the fiscal quarter.

Quarter 2 – (October-December) – due fifteen (15) calendar days after the close of the fiscal quarter.

Quarter 3 – (January-March) – due fifteen (15) calendar days after the close of the fiscal quarter.

Quarter 4 – (April-June) – due fifteen (15) calendar days after the close of the fiscal quarter.

3. Diversity Report.

The Contractor shall report to each Customer, fifteen (15) business days after the end of the State fiscal year, the spend with certified and other minority business enterprises. These reports shall include the period covered, the name, minority code, and Federal Employer Identification Number of each minority business utilized during the period; commodities and services provided by the minority business enterprise; and the amount paid to each minority business on behalf of each purchasing agency ordering under the terms of this Contract.

4. Ad-hoc Report.

The Department may require additional Contract information such as copies of Customer POs or ad hoc sales reports. The Contractor shall submit these specific ad hoc reports within 30 days of the request or a specified amount of time as requested by the Department.

m) Business Review Meetings.

Each quarter the Department may request a business review meeting. The business review meeting may include, but is not limited to, the following:

- Successful completion of deliverables
- Review of the Contractor's performance
- Review of minimum required reports
- Addressing of any elevated Customer issues

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- Review of continuous improvement ideas that may help lower total costs and/or improve business efficiencies.

n) Price Adjustments.

The Contractor shall adhere to the initial and renewal term hourly rates (pricing) provided in its Cost Proposal. The Department will not allow for increases to these prices. Negotiated prices are not-to-exceed prices and lower prices may be negotiated by the Department and/or the Customer.

o) Contract Transition.

Upon the expiration or termination of the Contract, the Contractor shall ensure a seamless transfer of Contract responsibilities to the Department or any subsequent vendor as necessary to transition the services provided under the Contract. The Contractor agrees to cooperate with the Department and any subsequently awarded vendor to coordinate the transition including, but not limited to, attending meetings and furnishing necessary information. The Contractor shall assume all expenses related to its obligations to assist in the Contract transition.

V. Contract Management.

Department's Contract Manager:

Christia Nunnery
Division of State Purchasing
Florida Department of Management Services
4050 Esplanade Way, Suite 360.8X
Tallahassee, Florida 32399-0950
Telephone: (850) 488-8367
Email: Christia.Nunnery@dms.myflorida.com

IN WITNESS THEREOF, the Parties hereto have caused this Contract, which includes the incorporated Attachments, to be executed by their undersigned officials as duly authorized. This Contract is not valid and binding until signed and dated by the Parties.

**HARVEY, COVINGTON & THOMAS
OF SOUTH FLORIDA, LLC**

DocuSigned by:

Roderick Harvey, CPA, CVA

**Roderick Harvey, CPA, CVA
Managing Member**

2/18/2021 | 11:35 AM PST

Date:

**STATE OF FLORIDA,
DEPARTMENT OF MANAGEMENT SERVICES**

DocuSigned by:

Tami Fillyaw

**Tami Fillyaw
Chief of Staff**

2/18/2021 | 2:57 PM EST

Date:

**Contract Attachment A: Cost Proposal
Request For Proposals
No. 06-80101500-J
Management Consulting Services and Financial and Performance Audits**

Respondent Name

HARVEY, COVINGTON & THOMAS OF SOUTH FLORIDA L.L.C.

INSTRUCTIONS

The Respondent may respond to one or both Service Categories. **The Respondent is not required to respond to both Service Categories.** However, the Respondent must provide pricing for all job titles within each Service Category for which the Respondent is submitting a Technical Proposal.

For Respondent to be considered for an award in a Service Category, the Respondent is required to submit pricing for all job titles within the Service Category they are proposing to offer services for both the Initial Term and Renewal Term. **The Respondent must submit a price in all yellow highlighted cells for the Service Category for which the Respondent is proposing services.** The Department will not consider or evaluate a proposal for any Service Category that fails to provide pricing for all job titles in a Service Category for both the Initial Term and Renewal Term.

Please refer to the Job Titles and Duties section of Attachment C (for Management Consulting Services) and Attachment D (for Financial and Performance Audits) for the minimum qualifications and responsibilities of the job titles listed below.

This Attachment A, Cost Proposal, establishes pricing for services offered for the term of the contract and any renewals. The Respondent shall not exceed this pricing when providing services under any resultant contract.

Provide pricing in dollar amounts; amounts may include cents (e.g. \$0.05), but cannot include fractions of cents (e.g. \$0.005).

Proposed costs are ceiling rates inclusive of any and all costs associated with providing services.

Service Category 2: Financial and Performance Audits

JOB TITLE	INITIAL TERM HOURLY RATE	RENEWAL TERM HOURLY RATE
Principal Consultant	\$279.00	\$285.00
Senior Consultant	\$194.00	\$197.00
Consultant	\$153.00	\$155.00
Junior Consultant	\$112.00	\$115.00
Program and Administrative Support	\$40.00	\$42.00

Contract Attachment B
SPECIAL CONTRACT CONDITIONS
JULY 1, 2019 VERSION

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In accordance with Rule 60A-1.002(7), F.A.C., Form PUR 1000 is included herein by reference but is superseded in its entirety by these Special Contract Conditions.

SECTION 1. DEFINITION.

The following definition applies in addition to the definitions in Chapter 287, Florida Statutes (F.S.), and Rule Chapter 60A-1, Florida Administrative Code (F.A.C.):

1.1 Customer.

The agency or eligible user that purchases commodities or contractual services pursuant to the Contract.

SECTION 2. CONTRACT TERM AND TERMINATION.

2.1 Initial Term.

The initial term will begin on the date set forth in the Contract documents or on the date the Contract is signed by all Parties, whichever is later.

2.2 Renewal.

Upon written agreement, the Department and the Contractor may renew the Contract in whole or in part only as set forth in the Contract documents, and in accordance with section 287.057(13), F.S.

2.3 Suspension of Work and Termination.

2.3.1 Suspension of Work.

The Department may, at its sole discretion, suspend any or all activities under the Contract, at any time, when it is in the best interest of the State of Florida to do so. The Customer may suspend a resulting contract or purchase order, at any time, when in the best interest of the Customer to do so. The Department or Customer will provide the Contractor written notice outlining the particulars of the suspension. After receiving a suspension notice, the Contractor must comply with the notice and will cease the performance of the Contract or purchase order. Suspension of work will not entitle the Contractor to any additional compensation. The Contractor will not resume performance of the Contract or purchase order until so authorized by the Department.

2.3.2 Termination for Convenience.

The Contract may be terminated by the Department in whole or in part at any time, in the best interest of the State of Florida. If the Contract is terminated before performance is completed, the Contractor will be paid only for that work satisfactorily performed for which costs can be substantiated. Such payment, however, may not exceed an amount which is the same percentage of the Contract price as the amount of work satisfactorily performed. All work in progress will become the property of the Customer and will be turned over promptly by the Contractor.

2.3.3 Termination for Cause.

If the performance of the Contractor is not in compliance with the Contract requirements or the Contractor has defaulted, the Department may:

- (a) immediately terminate the Contract;
- (b) notify the Contractor of the noncompliance or default, require correction, and specify the date by which the correction must be completed before the Contract is terminated; or
- (c) take other action deemed appropriate by the Department.

SECTION 3. PAYMENT AND FEES.

3.1 Pricing.

The Contractor will not exceed the pricing set forth in the Contract documents.

3.2 Price Decreases.

The following price decrease terms will apply to the Contract:

3.2.1 Quantity Discounts. Contractor may offer additional discounts for one-time delivery of large single orders;

3.2.2 Preferred Pricing. The Contractor guarantees that the pricing indicated in this Contract is a maximum price. Additionally, Contractor's pricing will not exceed the pricing offered under comparable contracts. Comparable contracts are those that are similar in size, scope, and terms. In compliance with section 216.0113, F.S., Contractor must annually submit an affidavit from the Contractor's authorized representative attesting that the Contract complies with this clause.

3.2.3 Sales Promotions. In addition to decreasing prices for the balance of the Contract term due to a change in market conditions, the Contractor may conduct sales promotions involving price reductions for a specified lesser period. The Contractor must submit documentation identifying the proposed: (1) starting and ending dates of the promotion, (2) commodities or contractual services involved, and (3) promotional prices compared to then-authorized prices.

3.3 Payment Invoicing.

The Contractor will be paid upon submission of invoices to the Customer after delivery and acceptance of commodities or contractual services is confirmed by the Customer. Invoices must contain sufficient detail for an audit and contain the Contract Number and the Contractor's Federal Employer Identification Number.

3.4 Purchase Order.

A Customer may use purchase orders to buy commodities or contractual services pursuant to the Contract and, if applicable, the Contractor must provide commodities or contractual services pursuant to purchase orders. Purchase orders issued pursuant to the Contract must be received by the Contractor no later than the close of business on the last day of the Contract's term. The Contractor is required to accept timely purchase orders specifying delivery schedules that extend beyond the Contract term even when such extended delivery will occur after expiration of the Contract. Purchase orders shall be valid through their specified term and performance by the Contractor, and all terms and conditions of the Contract shall survive the termination or expiration of the Contract and apply to the Contractor's performance. The duration of purchase orders for recurring deliverables shall not exceed the expiration of the Contract by more than twelve months. Any purchase order terms and conditions conflicting with these Special Contract Conditions shall not become a part of the Contract.

3.5 Travel.

Travel expenses are not reimbursable unless specifically authorized by the Customer in writing and may be reimbursed only in accordance with section 112.061, F.S.

3.6 Annual Appropriation.

Pursuant to section 287.0582, F.S., if the Contract binds the State of Florida or an agency for the purchase of services or tangible personal property for a period in excess of one fiscal year, the State of Florida's performance and obligation to pay under the Contract is contingent upon an annual appropriation by the Legislature.

3.7 Transaction Fees.

The State of Florida, through the Department of Management Services, has instituted MyFloridaMarketPlace, a statewide eProcurement system pursuant to section 287.057(22), F.S. All payments issued by Customers to registered Vendors for purchases of commodities or contractual services will be assessed Transaction Fees as prescribed by rule 60A-1.031, F.A.C., or as may otherwise be established by law. Vendors must pay the Transaction Fees and agree to automatic deduction of the Transaction Fees when automatic deduction becomes available. Vendors will submit any monthly reports required pursuant to the rule. All such reports and payments will be subject to audit. Failure to comply with the payment of the Transaction Fees or reporting of transactions will constitute grounds for declaring the Vendor in default and subject the Vendor to exclusion from business with the State of Florida.

3.8 Taxes.

Taxes, customs, and tariffs on commodities or contractual services purchased under the Contract will not be assessed against the Customer or Department unless authorized by Florida law.

3.9 Return of Funds.

Contractor will return any overpayments due to unearned funds or funds disallowed pursuant to the terms of the Contract that were disbursed to the Contractor. The Contractor must return any overpayment within forty (40) calendar days after either discovery by the Contractor, its independent auditor, or notification by the Department or Customer of the overpayment.

SECTION 4. CONTRACT MANAGEMENT.

4.1 Composition and Priority.

The Contractor agrees to provide commodities or contractual services to the Customer as specified in the Contract. Additionally, the terms of the Contract supersede the terms of all prior agreements between the Parties on this subject matter.

4.2 Notices.

All notices required under the Contract must be delivered to the designated Contract Manager in a manner identified by the Department.

4.3 Department's Contract Manager.

The Department's Contract Manager, who is primarily responsible for the Department's oversight of the Contract, will be identified in a separate writing to the Contractor upon Contract signing in the following format:

Department's Contract Manager Name

Department's Name
Department's Physical Address
Department's Telephone #
Department's Email Address

If the Department changes the Contract Manager, the Department will notify the Contractor. Such a change does not require an amendment to the Contract.

4.4 Contractor's Contract Manager.

The Contractor's Contract Manager, who is primarily responsible for the Contractor's oversight of the Contract performance, will be identified in a separate writing to the Department upon Contract signing in the following format:

Contractor's Contract Manager Name
Contractor's Name
Contractor's Physical Address
Contractor's Telephone #
Contractor's Email Address

If the Contractor changes its Contract Manager, the Contractor will notify the Department. Such a change does not require an amendment to the Contract.

4.5 Diversity.

4.5.1 Office of Supplier Diversity.

The State of Florida supports its diverse business community by creating opportunities for woman-, veteran-, and minority-owned small business enterprises to participate in procurements and contracts. The Department encourages supplier diversity through certification of woman-, veteran-, and minority-owned small business enterprises and provides advocacy, outreach, and networking through regional business events. For additional information, please contact the Office of Supplier Diversity (OSD) at osdinfo@dms.myflorida.com.

4.5.2 Diversity Reporting.

Upon request, the Contractor will report to the Department its spend with business enterprises certified by the OSD. These reports must include the time period covered, the name and Federal Employer Identification Number of each business enterprise utilized during the period, commodities and contractual services provided by the business enterprise, and the amount paid to the business enterprise on behalf of each agency purchasing under the Contract.

4.6 RESPECT.

Subject to the agency determination provided for in section 413.036, F.S., the following statement applies:

IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT ANY ARTICLES THAT ARE THE SUBJECT OF, OR REQUIRED TO CARRY OUT, THIS CONTRACT SHALL BE PURCHASED FROM A NONPROFIT AGENCY FOR THE BLIND OR FOR THE SEVERELY HANDICAPPED THAT IS QUALIFIED PURSUANT TO CHAPTER 413, FLORIDA STATUTES, IN THE SAME MANNER AND UNDER THE SAME PROCEDURES SET FORTH IN SECTION 413.036(1) AND (2), FLORIDA STATUTES;

AND FOR PURPOSES OF THIS CONTRACT THE PERSON, FIRM, OR OTHER BUSINESS ENTITY CARRYING OUT THE PROVISIONS OF THIS CONTRACT SHALL BE DEEMED TO BE SUBSTITUTED FOR THE STATE AGENCY INSOFAR AS DEALINGS WITH SUCH QUALIFIED NONPROFIT AGENCY ARE CONCERNED.

Additional information about RESPECT and the commodities or contractual services it offers is available at <https://www.respectofflorida.org>.

4.7 PRIDE.

Subject to the agency determination provided for in sections 287.042(1) and 946.515, F.S., the following statement applies:

IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT ANY ARTICLES WHICH ARE THE SUBJECT OF, OR REQUIRED TO CARRY OUT, THIS CONTRACT SHALL BE PURCHASED FROM THE CORPORATION IDENTIFIED UNDER CHAPTER 946, F.S., IN THE SAME MANNER AND UNDER THE SAME PROCEDURES SET FORTH IN SECTION 946.515(2) AND (4), F.S.; AND FOR PURPOSES OF THIS CONTRACT THE PERSON, FIRM, OR OTHER BUSINESS ENTITY CARRYING OUT THE PROVISIONS OF THIS CONTRACT SHALL BE DEEMED TO BE SUBSTITUTED FOR THIS AGENCY INSOFAR AS DEALINGS WITH SUCH CORPORATION ARE CONCERNED.

Additional information about PRIDE and the commodities or contractual services it offers is available at <https://www.pride-enterprises.org>.

SECTION 5. COMPLIANCE WITH LAWS.

5.1 Conduct of Business.

The Contractor must comply with all laws, rules, codes, ordinances, and licensing requirements that are applicable to the conduct of its business, including those of federal, state, and local agencies having jurisdiction and authority. For example, the Contractor must comply with section 274A of the Immigration and Nationality Act, the Americans with Disabilities Act, Health Insurance Portability and Accountability Act, if applicable, and all prohibitions against discrimination on the basis of race, religion, sex, creed, national origin, handicap, marital status, or veteran's status. The provisions of subparagraphs 287.058(1)(a)-(c), and (g), F.S., are hereby incorporated by reference.

5.2 Dispute Resolution, Governing Law, and Venue.

Any dispute concerning performance of the Contract shall be decided by the Department's designated Contract Manager, who will reduce the decision to writing and serve a copy on the Contractor. The decision of the Contract Manager shall be final and conclusive. Exhaustion of this administrative remedy is an absolute condition precedent to the Contractor's ability to pursue legal action related to the Contract or any other form of dispute resolution. The laws of the State of Florida govern the Contract. The Parties submit to the jurisdiction of the courts of the State of Florida exclusively for any legal action related to the Contract. Further, the Contractor hereby waives all privileges and rights relating to venue it may have under Chapter 47, F.S., and all such venue privileges and rights it may have under any other statute, rule, or case law, including, but not limited to, those based on convenience. The Contractor hereby submits to venue in the county chosen by the Department.

5.3 Department of State Registration.

Consistent with Title XXXVI, F.S., the Contractor and any subcontractors that assert status, other than a sole proprietor, must provide the Department with conclusive evidence of a certificate of status, not subject to qualification, if a Florida business entity, or of a certificate of authorization if a foreign business entity.

5.4 Suspended, Convicted, and Discriminatory Vendor Lists.

In accordance with sections 287.042, 287.133, and 287.134, F.S., an entity or affiliate who is on the Suspended Vendor List, Convicted Vendor List, or Discriminatory Vendor List may not perform work as a contractor, supplier, subcontractor, or consultant under the Contract. The Contractor must notify the Department if it or any of its suppliers, subcontractors, or consultants have been placed on the Suspended Vendor List, Convicted Vendor List, or Discriminatory Vendor List during the term of the Contract.

5.5 Scrutinized Companies - Termination by the Department.

The Department may, at its option, terminate the Contract if the Contractor is found to have submitted a false certification as provided under section 287.135(5), F.S., or been placed on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, or been engaged in business operations in Cuba or Syria, or to have been placed on the Scrutinized Companies that Boycott Israel List or is engaged in a boycott of Israel.

5.6 Cooperation with Inspector General and Records Retention.

Pursuant to section 20.055(5), F.S., the Contractor understands and will comply with its duty to cooperate with the Inspector General in any investigation, audit, inspection, review, or hearing. Upon request of the Inspector General or any other authorized State official, the Contractor must provide any information the Inspector General deems relevant to the Contractor's integrity or responsibility. Such information may include, but will not be limited to, the Contractor's business or financial records, documents, or files of any type or form that refer to or relate to the Contract. The Contractor will retain such records for the longer of five years after the expiration of the Contract, or the period required by the General Records Schedules maintained by the Florida Department of State, at the Department of State's Records Management website. The Contractor agrees to reimburse the State of Florida for the reasonable costs of investigation incurred by the Inspector General or other authorized State of Florida official for investigations of the Contractor's compliance with the terms of this or any other agreement between the Contractor and the State of Florida which results in the suspension or debarment of the Contractor. Such costs will include but will not be limited to: salaries of investigators, including overtime; travel and lodging expenses; and expert witness and documentary fees. The Contractor agrees to impose the same obligations to cooperate with the Inspector General and retain records on any subcontractors used to provide goods or services under the Contract.

SECTION 6. MISCELLANEOUS.

6.1 Subcontractors.

The Contractor will not subcontract any work under the Contract without prior written consent of the Department. The Contractor is fully responsible for satisfactory completion of all its subcontracted work. The Department supports diversity in its procurements and contracts, and requests that the Contractor offer subcontracting opportunities to certified woman-, veteran-, and minority-owned small businesses. The

Contractor may contact the OSD at osdhelp@dms.myflorida.com for information on certified small business enterprises available for subcontracting opportunities.

6.2 Assignment.

The Contractor will not sell, assign, or transfer any of its rights, duties, or obligations under the Contract without the prior written consent of the Department. However, the Contractor may waive its right to receive payment and assign same upon notice to the Department. In the event of any assignment, the Contractor remains responsible for performance of the Contract, unless such responsibility is expressly waived by the Department. The Department may assign the Contract with prior written notice to the Contractor.

6.3 Independent Contractor.

The Contractor and its employees, agents, representatives, and subcontractors are independent contractors and not employees or agents of the State of Florida and are not entitled to State of Florida benefits. The Department and Customer will not be bound by any acts or conduct of the Contractor or its employees, agents, representatives, or subcontractors. The Contractor agrees to include this provision in all its subcontracts under the Contract.

6.4 Inspection and Acceptance of Commodities.

6.4.1 Risk of Loss.

Matters of inspection and acceptance are addressed in section 215.422, F.S. Until acceptance, risk of loss or damage will remain with the Contractor. The Contractor will be responsible for filing, processing, and collecting all damage claims. To assist the Contractor with damage claims, the Customer will: record any evidence of visible damage on all copies of the delivering carrier's bill of lading; report damages to the carrier and the Contractor; and provide the Contractor with a copy of the carrier's bill of lading and damage inspection report.

6.4.2 Rejected Commodities.

When a Customer rejects a commodity, Contractor will remove the commodity from the premises within ten (10) calendar days after notification of rejection, and the risk of loss will remain with the Contractor. Commodities not removed by the Contractor within ten (10) calendar days will be deemed abandoned by the Contractor, and the Customer will have the right to dispose of such commodities. Contractor will reimburse the Customer for costs and expenses incurred in storing or effecting removal or disposition of rejected commodities.

6.5 Safety Standards.

Performance of the Contract for all commodities or contractual services must comply with requirements of the Occupational Safety and Health Act and other applicable State of Florida and federal requirements.

6.6 Ombudsman.

A Vendor Ombudsman has been established within the Department of Financial Services. The duties of this office are found in section 215.422, F.S., which include disseminating information relative to prompt payment and assisting contractors in receiving their payments in a timely manner from a Customer. The Vendor Ombudsman may be contacted at (850) 413-5516.

6.7 Time is of the Essence.

Time is of the essence regarding every obligation of the Contractor under the Contract. Each obligation is deemed material, and a breach of any such obligation (including a breach resulting from untimely performance) is a material breach.

6.8 Waiver.

The delay or failure by the Department or the Customer to exercise or enforce any rights under the Contract will not constitute waiver of such rights.

6.9 Modification and Severability.

The Contract may only be modified by written agreement between the Department and the Contractor. Should a court determine any provision of the Contract is invalid, the remaining provisions will not be affected, and the rights and obligations of the Parties will be construed and enforced as if the Contract did not contain the provision held invalid.

6.10 Cooperative Purchasing.

Pursuant to their own governing laws, and subject to the agreement of the Contractor, governmental entities that are not Customers may make purchases under the terms and conditions contained herein, if agreed to by Contractor. Such purchases are independent of the Contract between the Department and the Contractor, and the Department is not a party to these transactions. Agencies seeking to make purchases under this Contract are required to follow the requirements of Rule 60A-1.045(5), F.A.C.

SECTION 7. LIABILITY AND INSURANCE.

7.1 Workers' Compensation Insurance.

The Contractor shall maintain workers' compensation insurance as required under the Florida Workers' Compensation Law or the workers' compensation law of another jurisdiction where applicable. The Contractor must require all subcontractors to similarly provide workers' compensation insurance for all of the latter's employees. In the event work is being performed by the Contractor under the Contract and any class of employees performing the work is not protected under Workers' Compensation statutes, the Contractor must provide, and cause each subcontractor to provide, adequate insurance satisfactory to the Department, for the protection of employees not otherwise protected.

7.2 General Liability Insurance.

The Contractor must secure and maintain Commercial General Liability Insurance, including bodily injury, property damage, products, personal and advertising injury, and completed operations. This insurance must provide coverage for all claims that may arise from performance of the Contract or completed operations, whether by the Contractor or anyone directly or indirectly employed by the Contractor. Such insurance must include the State of Florida as an additional insured for the entire length of the resulting contract. The Contractor is responsible for determining the minimum limits of liability necessary to provide reasonable financial protections to the Contractor and the State of Florida under the resulting contract.

7.3 Florida Authorized Insurers.

All insurance shall be with insurers authorized and eligible to transact the applicable line of insurance business in the State of Florida. The Contractor shall provide Certification(s) of Insurance evidencing that all appropriate coverage is in place and showing the Department to be an additional insured.

7.4 Performance Bond.

Unless otherwise prohibited by law, the Department may require the Contractor to furnish, without additional cost to the Department, a performance bond or irrevocable letter of credit or other form of security for the satisfactory performance of work hereunder. The Department shall determine the type and amount of security.

7.5 Indemnification.

To the extent permitted by Florida law, the Contractor agrees to indemnify, defend, and hold the Customer and the State of Florida, its officers, employees, and agents harmless from all fines, claims, assessments, suits, judgments, or damages, including consequential, special, indirect, and punitive damages, including court costs and attorney's fees, arising from or relating to violation or infringement of a trademark, copyright, patent, trade secret, or intellectual property right or out of any acts, actions, breaches, neglect, or omissions of the Contractor, its employees, agents, subcontractors, assignees, or delegates related to the Contract, as well as for any determination arising out of or related to the Contract that the Contractor or Contractor's employees, agents, subcontractors, assignees, or delegates are not independent contractors in relation to the Customer. The Contract does not constitute a waiver of sovereign immunity or consent by the Customer or the State of Florida or its subdivisions to suit by third parties. Without limiting this indemnification, the Customer may provide the Contractor (1) written notice of any action or threatened action, (2) the opportunity to take over and settle or defend any such action at Contractor's sole expense, and (3) assistance in defending the action at Contractor's sole expense.

7.6 Limitation of Liability.

Unless otherwise specifically enumerated in the Contract or in the purchase order, neither the Department nor the Customer shall be liable for special, indirect, punitive, or consequential damages, including lost data or records (unless the Contract or purchase order requires the Contractor to back-up data or records), even if the Department or Customer has been advised that such damages are possible. Neither the Department nor the Customer shall be liable for lost profits, lost revenue, or lost institutional operating savings. The Department or Customer may, in addition to other remedies available to them at law or equity and upon notice to the Contractor, retain such monies from amounts due Contractor as may be necessary to satisfy any claim for damages, penalties, costs, and the like asserted by or against them. The State may set off any liability or other obligation of the Contractor or its affiliates to the State against any payments due the Contractor under any contract with the State.

SECTION 8. PUBLIC RECORDS, TRADE SECRETS, DOCUMENT MANAGEMENT, AND INTELLECTUAL PROPERTY.

8.1 Public Records.

8.1.1 Termination of Contract.

The Department may terminate the Contract for refusal by the Contractor to comply with this section by not allowing access to all public records, as defined in Chapter 119, F. S., made or received by the Contractor in conjunction with the Contract.

8.1.2 Statutory Notice.

Pursuant to section 119.0701(2)(a), F.S., for contracts for services with a contractor acting on behalf of a public agency, as defined in section 119.011(2), F.S., the following applies:

IF THE CONTRACTOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE CONTRACTOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT THE TELEPHONE NUMBER, EMAIL ADDRESS, AND MAILING ADDRESS PROVIDED IN THE RESULTING CONTRACT OR PURCHASE ORDER.

Pursuant to section 119.0701(2)(b), F.S., for contracts for services with a contractor acting on behalf of a public agency as defined in section 119.011(2), F.S., the Contractor shall:

- (a) Keep and maintain public records required by the public agency to perform the service.
- (b) Upon request from the public agency's custodian of public records, provide the public agency with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, F.S., or as otherwise provided by law.
- (c) Ensure that public records that are exempt or confidential and exempt from public records disclosure are not disclosed except as authorized by law for the duration of the Contract term and following the completion of the Contract if the Contractor does not transfer the records to the public agency.
- (d) Upon completion of the Contract, transfer, at no cost, to the public agency all public records in possession of the Contractor or keep and maintain public records required by the public agency to perform the service. If the Contractor transfers all public records to the public agency upon completion of the Contract, the Contractor shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the Contractor keeps and maintains public records upon completion of the Contract, the Contractor shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the public agency, upon request from the public agency's custodian of public records, in a format that is compatible with the information technology systems of the public agency.

8.2 Protection of Trade Secrets or Otherwise Confidential Information.

8.2.1 Contractor Designation of Trade Secrets or Otherwise Confidential Information. If the Contractor considers any portion of materials to be trade secret under section 688.002 or 812.081, F.S., or otherwise confidential under Florida or federal law, the Contractor must clearly designate that portion of the materials as trade secret or otherwise confidential when submitted to the Department. The Contractor will be

responsible for responding to and resolving all claims for access to Contract-related materials it has designated trade secret or otherwise confidential.

8.2.2 Public Records Requests.

If the Department receives a public records request for materials designated by the Contractor as trade secret or otherwise confidential under Florida or federal law, the Contractor will be responsible for taking the appropriate legal action in response to the request. If the Contractor fails to take appropriate and timely action to protect the materials designated as trade secret or otherwise confidential, the Department will provide the materials to the requester.

8.2.3 Indemnification Related to Confidentiality of Materials.

The Contractor will protect, defend, indemnify, and hold harmless the Department for claims, costs, fines, and attorney's fees arising from or relating to its designation of materials as trade secret or otherwise confidential.

8.3 Document Management.

The Contractor must retain sufficient documentation to substantiate claims for payment under the Contract and all other records, electronic files, papers, and documents that were made in relation to this Contract. The Contractor must retain all documents related to the Contract for five (5) years after expiration of the Contract or, if longer, the period required by the General Records Schedules maintained by the Florida Department of State available at the Department of State's Records Management website.

8.4 Intellectual Property.

8.4.1 Ownership.

Unless specifically addressed otherwise in the Contract, the State of Florida shall be the owner of all intellectual property rights to all property created or developed in connection with the Contract.

8.4.2 Patentable Inventions or Discoveries.

Any inventions or discoveries developed in the course, or as a result, of services in connection with the Contract that are patentable pursuant to 35 U.S.C. § 101 are the sole property of the State of Florida. Contractor must inform the Customer of any inventions or discoveries developed or made through performance of the Contract, and such inventions or discoveries will be referred to the Florida Department of State for a determination on whether patent protection will be sought. The State of Florida will be the sole owner of all patents resulting from any invention or discovery made through performance of the Contract.

8.4.3 Copyrightable Works.

Contractor must notify the Department or State of Florida of any publications, artwork, or other copyrightable works developed in connection with the Contract. All copyrights created or developed through performance of the Contract are owned solely by the State of Florida.

SECTION 9. DATA SECURITY.

The Contractor will maintain the security of State of Florida data including, but not limited to, maintaining a secure area around any displayed visible data and ensuring data is stored and secured when not in use. The Contractor and subcontractors will not perform any of the services from outside of the United States, and the Contractor will not allow any State of Florida data to be sent by any medium, transmitted, or accessed outside the United States due to Contractor's action or inaction. In the event of a security breach involving State of Florida data, the Contractor shall give notice to the Customer and the Department within one business day. "Security breach" for purposes of this section will refer to a confirmed event that compromises the confidentiality, integrity, or availability of data. Once a data breach has been contained, the Contractor must provide the Department with a post-incident report documenting all containment, eradication, and recovery measures taken. The Department reserves the right in its sole discretion to enlist a third party to audit Contractor's findings and produce an independent report, and the Contractor will fully cooperate with the third party. The Contractor will also comply with all HIPAA requirements and any other state and federal rules and regulations regarding security of information.

SECTION 10. GRATUITIES, LOBBYING, AND COMMUNICATIONS.

10.1 Gratuities.

The Contractor will not, in connection with this Contract, directly or indirectly (1) offer, give, or agree to give anything of value to anyone as consideration for any State of Florida officer's or employee's decision, opinion, recommendation, vote, other exercise of discretion, or violation of a known legal duty, or (2) offer, give, or agree to give to anyone anything of value for the benefit of, or at the direction or request of, any State of Florida officer or employee.

10.2 Lobbying.

In accordance with sections 11.062 and 216.347, F.S., Contract funds are not to be used for the purpose of lobbying the Legislature, the judicial branch, or the Department. Pursuant to section 287.058(6), F.S., the Contract does not prohibit the Contractor from lobbying the executive or legislative branch concerning the scope of services, performance, term, or compensation regarding the Contract after the Contract is executed and during the Contract term.

10.3 Communications.

10.3.1 Contractor Communication or Disclosure.

The Contractor shall not make any public statements, press releases, publicity releases, or other similar communications concerning the Contract or its subject matter or otherwise disclose or permit to be disclosed any of the data or other information obtained or furnished in compliance with the Contract, without first notifying the Customer's Contract Manager and securing the Customer's prior written consent.

10.3.2 Use of Customer Statements.

The Contractor shall not use any statement attributable to the Customer or its employees for the Contractor's promotions, press releases, publicity releases, marketing, corporate communications, or other similar communications, without first notifying the Customer's Contract Manager and securing the Customer's prior written consent.

SECTION 11. CONTRACT MONITORING.

11.1 Performance Standards.

The Contractor agrees to perform all tasks and provide deliverables as set forth in the Contract. The Department and the Customer will be entitled at all times, upon request, to be advised as to the status of work being done by the Contractor and of the details thereof.

11.2 Performance Deficiencies and Financial Consequences of Non-Performance.

11.2.1 Proposal of Corrective Action Plan.

In addition to the processes set forth in the Contract (e.g., service level agreements), if the Department or Customer determines that there is a performance deficiency that requires correction by the Contractor, then the Department or Customer will notify the Contractor. The correction must be made within a time-frame specified by the Department or Customer. The Contractor must provide the Department or Customer with a corrective action plan describing how the Contractor will address all performance deficiencies identified by the Department or Customer.

11.2.2 Retainage for Unacceptable Corrective Action Plan or Plan Failure.

If the corrective action plan is unacceptable to the Department or Customer, or implementation of the plan fails to remedy the performance deficiencies, the Department or Customer will retain ten percent (10%) of the total invoice amount. The retainage will be withheld until the Contractor resolves the performance deficiencies. If the performance deficiencies are resolved, the Contractor may invoice the Department or Customer for the retained amount. If the Contractor fails to resolve the performance deficiencies, the retained amount will be forfeited to compensate the Department or Customer for the performance deficiencies.

11.3 Performance Delay.

11.3.1 Notification.

The Contractor will promptly notify the Department or Customer upon becoming aware of any circumstances that may reasonably be expected to jeopardize the timely and successful completion (or delivery) of any commodity or contractual service. The Contractor will use commercially reasonable efforts to avoid or minimize any delays in performance and will inform the Department or the Customer of the steps the Contractor is taking or will take to do so, and the projected actual completion (or delivery) time. If the Contractor believes a delay in performance by the Department or the Customer has caused or will cause the Contractor to be unable to perform its obligations on time, the Contractor will promptly so notify the Department and use commercially reasonable efforts to perform its obligations on time notwithstanding the Department's delay.

11.3.2 Liquidated Damages.

The Contractor acknowledges that delayed performance will damage the Department/Customer, but by their nature such damages are difficult to ascertain. Accordingly, the liquidated damages provisions stated in the Contract documents will apply. Liquidated damages are not intended to be a penalty and are solely intended to compensate for damages.

11.4 Force Majeure, Notice of Delay, and No Damages for Delay.

The Contractor will not be responsible for delay resulting from its failure to perform if neither the fault nor the negligence of the Contractor or its employees or agents contributed to the delay, and the delay is due directly to fire, explosion, earthquake, windstorm, flood, radioactive or toxic chemical hazard, war, military hostilities, terrorism, civil emergency, embargo, riot, strike, violent civil unrest, or other similar cause wholly beyond the Contractor's reasonable control, or for any of the foregoing that affect subcontractors or suppliers if no alternate source of supply is available to the Contractor. The foregoing does not excuse delay which could have been avoided if the Contractor implemented any risk mitigation required by the Contract. In case of any delay the Contractor believes is excusable, the Contractor will notify the Department in writing of the delay or potential delay and describe the cause of the delay either (1) within ten (10) calendar days after the cause that created or will create the delay first arose, if the Contractor could reasonably foresee that a delay could occur as a result, or (2) if delay is not reasonably foreseeable, within five (5) calendar days after the date the Contractor first had reason to believe that a delay could result. The foregoing will constitute the Contractor's sole remedy or excuse with respect to delay. Providing notice in strict accordance with this paragraph is a condition precedent to such remedy. No claim for damages will be asserted by the Contractor. The Contractor will not be entitled to an increase in the Contract price or payment of any kind from the Department for direct, indirect, consequential, impact or other costs, expenses or damages, including but not limited to costs of acceleration or inefficiency, arising because of delay, disruption, interference, or hindrance from any cause whatsoever. If performance is suspended or delayed, in whole or in part, due to any of the causes described in this paragraph, after the causes have ceased to exist the Contractor will perform at no increased cost, unless the Department determines, in its sole discretion, that the delay will significantly impair the value of the Contract to the State of Florida or to Customers, in which case the Department may (1) accept allocated performance or deliveries from the Contractor, provided that the Contractor grants preferential treatment to Customers and the Department with respect to commodities or contractual services subjected to allocation, or (2) purchase from other sources (without recourse to and by the Contractor for the related costs and expenses) to replace all or part of the commodity or contractual services that are the subject of the delay, which purchases may be deducted from the Contract quantity, or (3) terminate the Contract in whole or in part.

SECTION 12. CONTRACT AUDITS.

12.1 Performance or Compliance Audits.

The Department may conduct or have conducted performance and/or compliance audits of the Contractor and subcontractors as determined by the Department. The Department may conduct an audit and review all the Contractor's and subcontractors' data and records that directly relate to the Contract. To the extent necessary to verify the Contractor's fees and claims for payment under the Contract, the Contractor's agreements or contracts with subcontractors, partners, or agents of the Contractor, pertaining to the Contract, may be inspected by the Department upon fifteen (15) calendar days' notice, during normal working hours and in accordance with the Contractor's facility access procedures where facility access is required. Release statements from its subcontractors, partners, or agents are not required for the Department or its designee to conduct compliance and performance audits on any of the Contractor's contracts relating to this Contract. The Inspector General, in accordance with section 5.6, the State of Florida's Chief Financial Officer, the Office of the Auditor General also have authority to perform audits and inspections.

12.2 Payment Audit.

Records of costs incurred under terms of the Contract will be maintained in accordance with section 8.3 of these Special Contract Conditions. Records of costs incurred will include the Contractor's general accounting records, together with supporting documents and records of the Contractor and all subcontractors performing work, and all other records of the Contractor and subcontractors considered necessary by the Department, the State of Florida's Chief Financial Officer, or the Office of the Auditor General.

SECTION 13. BACKGROUND SCREENING AND SECURITY.

13.1 Background Check.

The Department or Customer may require the Contractor to conduct background checks of its employees, agents, representatives, and subcontractors as directed by the Department or Customer. The cost of the background checks will be borne by the Contractor. The Department or Customer may require the Contractor to exclude the Contractor's employees, agents, representatives, or subcontractors based on the background check results. In addition, the Contractor must ensure that all persons have a responsibility to self-report to the Contractor within three (3) calendar days any arrest for any disqualifying offense. The Contractor must notify the Contract Manager within twenty-four (24) hours of all details concerning any reported arrest. Upon the request of the Department or Customer, the Contractor will re-screen any of its employees, agents, representatives, and subcontractors during the term of the Contract.

13.2 E-Verify.

The Contractor must use the U.S. Department of Homeland Security's E-Verify system to verify the employment eligibility of all new employees hired during the term of the Contract for the services specified in the Contract. The Contractor must also include a requirement in subcontracts that the subcontractor must utilize the E-Verify system to verify the employment eligibility of all new employees hired by the subcontractor during the Contract term. In order to implement this provision, the Contractor must provide a copy of its DHS Memorandum of Understanding (MOU) to the Contract Manager within five (5) calendar days of Contract execution. If the Contractor is not enrolled in DHS E-Verify System, it will do so within five (5) calendar days of notice of Contract award and provide the Contract Manager a copy of its MOU within five (5) calendar days of Contract execution. The link to E-Verify is <https://www.uscis.gov/e-verify>. Upon each Contractor or subcontractor new hire, the Contractor must provide a statement within five (5) calendar days to the Contract Manager identifying the new hire with its E-Verify case number.

13.3 Disqualifying Offenses.

If at any time it is determined that a person has been found guilty of a misdemeanor or felony offense as a result of a trial or has entered a plea of guilty or nolo contendere, regardless of whether adjudication was withheld, within the last six (6) years from the date of the court's determination for the crimes listed below, or their equivalent in any jurisdiction, the Contractor is required to immediately remove that person from any position with access to State of Florida data or directly performing services under the Contract. The disqualifying offenses are as follows:

- (a) Computer related crimes;
- (b) Information technology crimes;

- (c) Fraudulent practices;
- (d) False pretenses;
- (e) Frauds;
- (f) Credit card crimes;
- (g) Forgery;
- (h) Counterfeiting;
- (i) Violations involving checks or drafts;
- (j) Misuse of medical or personnel records; and
- (k) Felony theft.

13.4 Confidentiality.

The Contractor must maintain confidentiality of all confidential data, files, and records related to the commodities or contractual services provided pursuant to the Contract and must comply with all state and federal laws, including, but not limited to sections 381.004, 384.29, 392.65, and 456.057, F.S. The Contractor's confidentiality procedures must be consistent with the most recent version of the Department security policies, protocols, and procedures. The Contractor must also comply with any applicable professional standards with respect to confidentiality of information.

SECTION 14. WARRANTY OF CONTRACTOR'S ABILITY TO PERFORM.

The Contractor warrants that, to the best of its knowledge, there is no pending or threatened action, proceeding, or investigation, or any other legal or financial condition, that would in any way prohibit, restrain, or diminish the Contractor's ability to satisfy its Contract obligations. The Contractor warrants that neither it nor any affiliate is currently on the Suspended Vendor List, Convicted Vendor List, or the Discriminatory Vendor List, or on any similar list maintained by any other state or the federal government. The Contractor shall immediately notify the Department in writing if its ability to perform is compromised in any manner during the term of the Contract.

Contract Attachment C

Department of
**MANAGEMENT
SERVICES**



**The State of Florida Department of Management Services
Request for Proposals (RFP) for Financial and Performance Audits
RFP No: 06-80101500-J
Due Date: June 9, 2020 @ 1:00pm**

Submitted by:



HCT Certified Public Accountants and Consultants LLC

3816 Hollywood Boulevard, Ste. 203, Hollywood, FL 33021

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Contact: Roderick Harvey CPA, CVA

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Authorized Signature: Roderick Harvey CPA, CVA

SECTIONS 1: EXPERTISE

HCT is a Limited Liability Corporation with five (5) offices throughout the State of Florida. ***HCT has practiced public accounting for the governmental and not-for-profit sectors for twenty (20) years.*** HCT was founded in 2000 and has rapidly grown its team to encompass more than 25 partners and professional employees with **over 30 professionals assigned to the governmental and non-for-profit audit department that serve clients statewide throughout the State of Florida.** We are a Limited Liability Company registered with the State of Florida with our office at 3816 Hollywood Boulevard, Suite 203, Hollywood, Florida 33021, which will be the primary location for the Partner of the engagement and where the work will be performed.

HCT delivers big firm expertise and resources; we are committed to being responsive to our clients with local firm service. HCT has a wealth of local and firm-wide experience serving governmental entities with a myriad of financial services. Team HCT has considerable experience anticipating, planning for and meeting well-defined, firm performance deadlines for our clients including several Florida state agencies and municipalities. We are committed to performing the engagement pursuant to the timelines set forth by the State of Florida's state term contract.

Team HCT has more than 650 clients in the United States, including more than 120 governmental entities. We have over 48 contractual agreements in place to handle various professional services for clients within the past 12 months. We have significant experience planning and consulting on client business matters and projects, accounting, financial reporting, economic forecasting and projections, forensic accounting, analysis work, damage studies, litigation services and report writing, among other services. Our proposed engagement team is representative of the firm's experience and is capable of assessing the State of Florida's current internal control environment and providing an internal schedule prioritizing area of highest risk.

The professionals at HCT are committed to ensuring open and continual communication. HCT will serve as a "team" that can, if chosen, provide the capacity to ensure a seamless transition into future engagements. We will be sensitive to the State of Florida's role in the community but will also remain cognizant of State of Florida's valuable time and resources. We believe a well-planned engagement, as well as, effective communication are vital components to ensuring minimum disruption to your staff but will ultimately allow our team to produce a quality product.

PROXIMITY TO THE PROJECT INVOLVED

The staffers in all locations can perform financial and performance audits throughout the State of Florida. Our audit department staffers work as an integrated team on all engagements. We employ this method to allow our clients to receive:

- A new audit team and "fresh" approach will provide the State of Florida with new ideas and a new perception of operations. Because governmental attest engagements are our business, we can share ideas and considerations learned through previous experiences from other South Florida governmental agencies. We understand the State of Florida's unique operating environment and the issues relevant to the department.
- HCT is a technology-oriented firm, seeking to provide the most effective and efficient service with the least disruption to our clients. HCT is always seeking innovative methods to strategically meet the governmental community's service needs through the highest level of customer service.

PAST RECORD OF PERFORMANCE AND EXPERIENCE

HCT Team's past performance and experience in providing the type of service requested including experience with State of Florida departments/entities. **HCT served as a State Term Contract Vendor from June 1, 2006 to January 14, 2014 under contract #973-001-06-1.** HCT has a history of experience of the auditing procedures and functions for governmental entities and segments within the past five (5) years. We have audited several departments and/or governmental entities/local governments. Please note that most of our projects have a turn-around time of 90 to 120 days. See the chart below for the attest services that HCT performed for several large governmental agencies.

HCT CURRENT GOVERNMENTAL / MUNICIPAL CLIENTS			
<i>Description</i>	<i>Number of Funds</i>	<i>Total Revenues</i>	<i>Fiscal Year End</i>
City of Miami Gardens	4	\$76,813,830	September 30
City of Lauderdale	19	\$58,231,755	September 30
Miami Dade Aviation	Over 10*	Over 1 Billion*	September 30
City of Opa Locka, Florida	20	\$24,150,059	September 30
City of Lauderdale Lakes	17	\$29,486,368	September 30
Broward County, FL	Over 35*	Over 3 Billion*	September 30
City of North Miami	Over 10*	Over 95 Million*	September 30
City of Riviera Beach	Over 35	Over \$58 Million	September 30
* Estimated as of submission date.			

To quantify our experience with financial and performance auditing, compliance auditing, and over all attestation services, the following is a list of governmental audit and attestation clients that HCT has been engaged in the last three (3) years as the prime contractor:

HCT Sample Listing of Engagement completed as a Prime Contractor within the last 3 Years			
<i>Description</i>	<i>Scope</i>	<i>Total Revenues</i>	<i>Fiscal Year End</i>
Orange County, Florida	External Auditing	Over \$150 Million	September 30
City of Lauderdale	External Auditing	Over \$58 Million	September 30
City of Opa Locka, Florida	External Auditing	Over \$24 Million	September 30
City of Miami Gardens	External Auditing	Over \$77 Million	September 30
City of North Miami	External Auditing	Over \$95 Million	September 30
City of Riviera Beach	External Auditing	Over \$58 Million	September 30
Broward County, FL - Transportation Dept	External Auditing	Over \$100 Million	September 30

By forming a relationship with HCT, State of Florida personnel will benefit from a structured approach that draws on the broad skills of a team of experienced professionals that will service your account. **The firm members are available, within 8 hours of notice, for telephone conference calls, and we are able to be on site within 48-72 hours, or less, if needed.** HCT’s engagement management style is experience, “team focus” and “personal attention”. Clients that have experienced other accounting firms quickly discover the difference in working with HCT. We provide our clients with a competitive advantage, the benefit of knowledge such as “lessons learned,” service innovations, value-creating ideas, engagement management tools and best practices. Please see the chart below for a sample of our audits of segment and efficiency audits and financial statement audits.

Auditee	Type of Services or Goods Purchased	Local Governmental Agency	Report Issued
Waste Management, Inc	Sanitation and Recycling	City of Lauderhill, Florida	Agreed Upon Procedures Report with schedules and findings
Consortium of Vendors	Bulk Fuel Purchased – Compressed Natural Gas and Other fuel	City of Hollywood, Florida	Agreed Upon Procedures Report with supplemental schedules and findings
ADPI-Intermedix	EMS Service/ Emergency Transport Services for Fire Department	City of Hollywood, Florida	Agreed Upon Procedures Report with findings
All Food Service Vendors	Food and Nutrition Department	School Board of Broward County.	Agreed Upon Procedures Report with schedules and findings
Waste Management, Inc	Solid Waste and Recyclable	City of Lauderdale Lakes, Florida	Agreed Upon Procedures Report with schedules and findings
Florida Power and Light	Electricity Franchisee	City of Lauderdale Lakes, Florida	Agreed Upon Procedures Report with schedules and findings
Republic Industries Waste Management	Sanitation and Recycling	City of Lauderhill, Florida	Agreed Upon Procedures Report with schedules and findings
Florida Power and Light	Electricity Utility Service and Other Fee Collections	City of Oakland Park, Florida	Agreed Upon Procedures Report with schedules and findings
ACAI Associates, Inc and Bergeron Land Development	SW Area Bus Parking Facility, Pembroke Pines	School Board of Broward County, Florida	Agreed Upon Procedures Report with schedules and findings

Similar Engagements Performed by HCT Certified Public Accountants and Consultants, LLC							
Client Name & Contact Information	Description of Work	Total Dollar Value Contract	Dates of the Term of Contract	Prime or Subcontractor	Office Performing Services	Results of Project	Key HCT Personnel
Robert Fossa, Senior Planner Broward County, Florida 954-357-8336 rfossa@broward.org	Transportation Department Agreed Upon Procedures report	\$199,500	September 2010 to 2015	Subcontractor	South Florida Office	HCT issued Transportation Department Agreed Upon Report	R. Harvey, CPA, CVA Partner D. Mathis, CPA Audit Director K. Sinclair, CPA, Auditor
Bertha Henry Broward County, Florida 954-357-7362	Financial Statement audit and Single audit	\$199,500	September 2010 to 2015	Subcontractor	South Florida Office	Completed before deadline for GFOA reporting	R. Harvey, CPA, CVA Partner D. Mathis, CPA Audit Director R. Cooper Auditor
Dave Hardison, OMB Orange County, Florida 407-836-7393 Dave.hardison@ocfl.net	Operational and Construction audits for all county departments	various	September 2010 to 2013	Prime Vendor	Central Florida Office	Completed before deadline	S. Covington, CPA, CFE Partner D. Mathis, CPA Audit Director K. Cook Auditor
Patricia Varney, Finance Director City of Miami Gardens, FL 305-622-8000 pvarney@miamigardens-fl.gov	Financial Statement and Single Audits GASB 45 & 48 & 51	\$315,000	October 2006 – current	Prime Vendor	South Florida Office	Completed before Deadline for GFOA reporting	R. Harvey, CPA, CVA Partner D. Mathis, CPA Audit Director K. Sinclair, CPA, Auditor

Miguel Augustin, Finance Director City of North Miami, FL 305-895-9881, magustin@northmiamifl.gov	Financial Statement and Single Audits	\$605,000	November 2010 – current	Prime Vendor	South Florida Office	Completed before Deadline for GFOA reporting	R. Harvey, CPA, CVA Partner D. Mathis, CPA Audit Director O. Tracey Auditor
Ezekiel Orji, Phd, Finance Director City of Opa-Locka, FL 305-953-2800 eorji@opalockafl.gov	Financial Statement and Single Audits GASB 45 & 48	\$385,000	October 2004 – current	Prime Vendor	South Florida Office	Competed before Deadline for GFOA reporting	R. Harvey, CPA, CVA Partner D. Mathis, CPA Audit Director C. Gray, Senior Auditor
Margaret Dalley-Johns, Finance Director City of Lauderdale Lakes, FL 954-535-2713 margaretj@lauderdalelakes.org	Financial Statement and Single Audits GASB 45 & 48	\$285,000	October 2004 – current	Prime Vendor	South Florida Office	Competed before Deadline for GFOA reporting	R. Harvey, CPA Partner D. Mathis, CPA Director O. Tracey, Senior Auditor
Diana Gomez, Finance Director City of Miami, FL 305- 416-1366 dgomez@miamigov.com	Financial Statement and Single Audits	\$187,500	January 2005 – March 2008	Sub Consultant	South Florida Office	Competed before Deadline for GFOA reporting	R. Harvey, CPA Partner L. Cason, Senior Auditor T. Baker Senior Auditor
Kenny Hobbs, Finance Director City of Lauderhill, FL (954) 730-3044 khobbs@lauderhill-fl.gov	Financial Statement and Single Audits GASB 45 & 48	\$450,000	November 2003 – current	Prime Vendor	South Florida Office	Competed before Deadline for GFOA reporting	R. Harvey, CPA Partner D. Mathis, CPA Director T. Baker Senior Auditor

Randy Sherman, Finance Director City of Riviera Beach, FL 561-845-4040 rsherman@rivierabch.com	Financial Statement, Pension Fund, Component Unit and Single Audits GASB 45 & 48	\$485,000	May 2008 – current	Prime Vendor	South Florida Office	Competed before Deadline of RFP	R. Harvey, CPA Partner D. Mathis, CPA Director O. Tracey Senior Auditor K. Sinclair, CPA Auditor
Patrick Reilly, Chief Auditor School Board of Broward County 954-321-8303 patreilly@browardschools.com	Audit of all of Food Service Vendors for the entire District	\$250,000	Sept 2008 – Dec 2008	Prime Vendor	South Florida Office	Reported findings related for Food Service Vendor and Over Billings	R. Harvey, CPA Partner K. Shaw, Senior Auditor T. Baker Senior Auditor
Central Florida Expressway Authority	Financial Statement and Single Audits GASB 45 & 48	\$45,000	2011- Current	Joint Venture	South Florida Office	Financial Statement Audit	R. Harvey, CPA Partner J. Patton, Audit Sr. Mgr T. Williams, Sr. Auditor
Joris Jabouin Chief Auditor School Board of Broward County 754-321-2400 joris.jabouin@browardschools.com	Agreed-Upon Procedures-Recordex	\$60,000	2019- Current	Prime Vendor	South Florida Office	HCT issued School Board Agreed Upon Report	R. Harvey, CPA Partner J. Patton, Audit Sr. Mgr K. Burke, Staff Auditor
Joris Jabouin Chief Auditor School Board of Broward County 754-321-2400 joris.jabouin@browardschools.com	2011 Grand Jury Ethics Agreed-Upon Procedure	\$11,000	2012- Current	Prime Vendor	South Florida Office	Agreed-Upon Procedure/Attest	R. Harvey, CPA Partner J. Patton, Audit Sr. Mgr K. Burke, Staff Auditor

Batista Francis, Finance Director City of Pahokee, FL 561-924-5534 bfrancis@cityofpahokee.co	Financial Statement and Single Audits GASB 45 & 48	\$141,000	2018 to Current	Prime Vendor	South Florida Office	Financial Statement Audit	R. Harvey, CPA Partner J. Patton, Audit Sr. Mgr T. Williams, Sr. Auditor
Nigel Crooks Chief Internal Auditor Broward Health 954-320-2821 Ncrooks@browardhealth.	Fixed Assets Verification Agreed-Upon Procedures	\$130,000	Mar 2019 – Sept 2019	Prime Vendor	South Florida Office	HCT issued Broward Health Agreed Upon Report	R. Harvey, CPA Partner K. Scott, Sr. Auditor K. Burke, Staff Auditor
Margaret Dalley-Johns, Finance Director City of Lauderdale Lakes, FL 954-535-2713 margaretj@lauderdalelakes	NTC Small Report Agreed-Upon Procedures	\$6,000	2018 to Current	Prime Vendor	South Florida Office	Agreed-Upon Procedures/Attest	R. Harvey, CPA Partner J. Patton, Audit Sr. Mgr T. Williams, Sr. Auditor K. Scott, Sr. Auditor
Jeffrey Zeichner Senior Audit Manager (RSM US, LLC) Hillsborough County 813.316.2275 Jeff.Zeichner@rsmus.com	Financial Statement Audit	\$85,000	2018 to Current	Joint Venture	South Florida Office	Financial Statement Audit	R. Harvey, CPA Partner J. Patton, Audit Sr. Mgr T. Williams, Sr. Auditor K. Scott, Sr. Auditor
Sabrina McAdoo Acctg Operations Manager City of Tampa, FL 813-274-8618 Sabrina.McAdoo@tampagov.net	Financial Statement Audit	\$151,000	2014 to 2020	Joint Venture	South Florida Office	Financial Statement Audit	R. Harvey, CPA Partner J. Patton, Audit Sr. Mgr T. Williams, Sr. Auditor K. Scott, Sr. Auditor
Laura McKinley, DEO Office of Early Learning 850-717-8603 Laura.McKinley@oel.myflorida.com	ELC Monitoring	\$1,200,000	June 2013-2018	Prime Vendor	Firm Wide	HCT Issued Agreed-Upon Report	R. Harvey, CPA, CVA Partner D. Stinson, Audit Director 20 Auditors Assigned

2. SERVICES/PROPOSED SOLUTION

HCT acknowledges understanding that the services designated through the Authorized Services Chart (Appendix B) will be the only services that HCT will be authorized to perform for the life of the Contract. HCT, through its personnel, shall provide the following services upon award:

- Financial Statements Audits - Audit of financial statements prepared in conformity with standards of accounting issued by SFFAS and by the American Institute of Certified Public Accountants (AICPA).
- Audits of Segments of Financial Statements - Audit of financial information (i.e., statement of revenue and expenses, statement of cash receipts and disbursements, statement of fixed assets, budget requests, and variances between estimated and actual financial performance).
- Internal Controls Audits
- Economy and Efficiency Audits
- Program Results and Program Fraud Audits

Client Focus and Specialization

We will form a relationship between HCT and the State of Florida Procurement personnel that will benefit from a structured approach that draws on the broad skills of a team of experienced professionals who will service your account. Our engagement management style is experience, “team focus” and “personal attention.”

HCT believes itself to be the best qualified firm and is set apart by our client focused audit teams. We believe that there is a difference between being a governmental external audit firm and being a municipal governmental audit firm. We audit municipal governments statewide with due care and diligence as we want to assist with improving municipal government for all stakeholders.

HCT has the ability to fulfill all elements of the Scope of Work for the State of Florida. Our mission is to serve the Florida governmental and local government by providing highly quality audit and consulting engagements.

Due to our accessibility and proximity with The State of Florida we will be able to interact in person with the State of Florida Department Representative and the Procurement Representative.

Technical Information - Audit Approach

UNDERSTAND THE CLIENT	RISK ASSESSMENT	FURTHER AUDIT PROCEDURES	EVALUATION	DELIVERY
<ul style="list-style-type: none"> · Business objectives · Financial performance · Accounting policies · Internal control 	<ul style="list-style-type: none"> · Risks of material misstatement (error or fraud) · Significant risks · Control deficiencies 	<ul style="list-style-type: none"> · Tests of controls · Substantive analytical procedures · Substantive tests of details 	<ul style="list-style-type: none"> · Audit evidence · Uncorrected misstatements 	<ul style="list-style-type: none"> · Issue reports

Responsiveness

Our firm is responsive. Organizations who choose our firm rely on competent advice and fast, accurate personnel. Through hard work, we have earned the respect of the business and financial communities. HCT has the people and ability to provide optional services. Our current governmental clients have issued over 200 million in new bond placements.

Quality Staff Resources

An accounting firm is known for the quality of its service. Our firm's reputation reflects the high standards we demand of ourselves. Our primary goal as a trusted advisor is to be available to provide insightful advice to enable our clients to make informed financial decisions. We do not accept anything less from ourselves and this is what we deliver to you.

We feel it is extremely important to continually professionally educate ourselves to improve our technical expertise, financial knowledge and service to our clients.

HCT can fulfill all elements of the Scope of Services and Special requirements as defined below:

1. Organizational Risk Assessment

- a. HCT will conduct an organizational risk assessment that includes a review of controls currently in place to enable the firm to better understand the State of Florida's governing and operating structure.
- b. The risk assessment will identify the areas of the highest risk.
- c. Using this information, HCT will develop an external audit schedule prioritizing areas of highest risk.
- d. Present the findings of the Organizational Risk Assessment in a report to which** will also contain an external audit schedule which will identify and prioritize the areas of greatest risk.

2. Communication with the State of Florida Department Representative / Procurement Representative

- a. Upon approval of the Audit Plan, Team HCT will perform audits of each area identified on the external audit schedule.
- b. Audit areas will require the Team HCT to work in conjunction with key staff in each area and conduct a thorough audit of the identified area. This work will include:
 - i. Provide recommendations for strengthening external controls in order to lower identified risks.
 - ii. Review department operations to ensure compliance with the State of Florida Code requirements, State of Florida policies and procedures.
 - iii. Assess compliance of business practices with various outside agencies, such as grant reporting agencies and other County, State and Federal regulatory agencies.
 - iv. Provide recommendations for implementing "best practices" in instances where policies, procedures and processes do not exist or should be improved upon.
 - v. Perform operational reviews of key business processes to identify deficiencies and weaknesses and make recommendations for improvements.
 - vi. Work closely with internal auditors and the State of Florida staff to ensure minimal duplication of effort and proper focus.
 - vii. Attend Financial Services Department meetings and submit the audit plan before September 30th.

Work Plan - Preliminary Evaluation of Internal Environment

The first step in performing the audit will be the preliminary evaluation of the computer systems covering:

1. How the computer function is organized
2. Use of computer hardware and software
3. Applications processed by the computer and their relative significance and
4. Methods and procedures for implementation of new applications or revision to existing applications

In the course of preliminary evaluation of the internal environment, Team HCT will ascertain the level of control awareness in the State of Florida and existence (or non-existence) of control standards. The preliminary evaluation will identify potential key controls and any serious key control weaknesses. For each control objective, auditors will determine whether or not the objective has been achieved; if not, we will assess the significance and risks involved with due to control deficiencies. After completing the preliminary evaluation of the computer systems, HCT will determine the appropriate audit approach for specific task order.

Audit Procedures

The financial / accounting system is employed, therefore, we will (i) review each active module and (ii) the extent of inherent risk and mitigated control/detection risk and the (iii) testing required.

Audit procedures include:

1. Collecting and processing a set of test data that reflects all the variants of data and errors which can arise in an application system at different times;
2. Using integrated test facilities, built into the system by the accounting system to help the External Auditor in his requirements, as one of the users of the system;
3. Simulating the auditee's application programs using audit software to verify the results of processing;
4. Reviewing program listings periodically to see that there are no unauthorized alterations to the programs;
5. Using either developed programs to interrogate and retrieve data applying selection criteria and to perform calculations and extracting samples of data from the State of Florida's database/files, using sampling techniques, for post analysis and review; and
6. The nature of data and type of analysis required determine what technique is to be employed.

Computer audit techniques may be employed for:

1. Verification of ledger balances and control totals independently;
2. Recalculation of critical computerized calculations to check mathematical correctness;
3. Range checks to verify the working of computer-based controls and testing for exception conditions; and
4. Testing the validity of data which have gone into the master file.
 - a. Detection of data abuse/frauds, and
 - b. Substantive testing with large volumes of data, which is difficult, if not impossible, in a manual audit process.

Proposed Segmentation, Assigned Level of Staff and Engagement Hours per Segment

Below, HCT has documented the proposed audit approach, including a general work plan, level of staffing, estimated hours per segment, an explanation of audit methodology, and other information related to the specific audit approach. This is a general work plan and is subject to change based on the State of Florida schedule and varying audit issues. If awarded the contract, we will coordinate with the State of Florida to provide a finalized plan. Any changes to the initial plan resulting from the audit results will be discussed with the State of Florida Management immediately, with written notice one week prior to scheduled activities.

For efficiency, HCT will perform internal control evaluations, including gaining an understanding of the State of Florida's control procedures and documentation of that understanding through flowcharts, narratives, questionnaires and summary schedules. Depending on the results of our internal control analysis and our assessment of the State of Florida's control risks, we will perform dual purpose tests of controls and detailed balances and perform corroborating analytics and predictive procedures. We will also review immaterial departments, transaction cycles and compliance areas on a rotational schedule based on the assessed risk to the Organization. For example, if risk appears high for disbursements and vendor payments, we will prioritize the testing of 1099 compliance.

Preliminary Planning

- Preliminary Entrance meeting
- Coordinate meeting schedules with State of Florida's personnel
- Research of Laws and Regulations, including State of Florida's Ordinances
- Identification of material transaction cycles, information systems and identification of high-risk areas
- Obtain and review all agreements, including third party agreements, grant agreements, etc.
- Review of any Identified Significant Deficiencies as communicated by Management Review of Reports issued by the Auditor General and/or other Agencies, Grantors, etc.
- Preparation of Planning documentation
- Develop/finalize control analysis audit programs
- Preliminary Analytical procedures
- Preliminary Identification of areas test work
- Determination of the necessity of a Single Audit and identification of Major Programs

SEGMENT HOURS: TBD

LEVEL OF STAFF: Audit Partner, Audit Managers and Lead Audit Staff

Tests of Controls/ Information Systems

- Gain an understanding and document control procedures and material information system processes
- Perform IT testing required pursuant to SAS requirements
- Assess preliminary Control Risk, Detection Risk, and Inherent Risk determination
- Develop programs to test identified and documented Controls
- Select Samples (utilize statistical sampling to provide for a confidence rate of at least 90 percent)
- If necessary, begin testing for Single Audit/ utilize dual testwork, maintaining adequate sample sizes
- Perform final assessment of Control Risk based on results of test work

SEGMENT HOURS: TBD

LEVEL OF STAFF: Tax Compliance Director, Information Technology Director, Audit Manager, and Lead Audit Staff

Substantive Testwork (Final Testwork)

- Obtain and upload the State of Florida’s trial balance(s) and adopted and amended budgetary data into HCT’s electronic accounting and engagement software
- Analysis and documentation of bridging requirements based on results of control procedures
- Determine / verify major fund determinations and materiality levels and areas for tests of balances.
- Review grouping schedules with State of Florida’s Finance Director
- Generation of analysis and preliminary financial statements, lead sheets and budgetary schedules
- Adjust plan as required based on results of Tests of Controls (anticipate reduced substantive work)
- Preparation of detailed engagement budget and assignment of work areas to be performed by staff
- Testing / completion of State of Florida’s compliance with appropriate Laws and Regulations
- Review minutes
- Search for unrecorded liabilities
- Obtain Confirmations for the bank accounts, accounts receivable, revenue, etc.
- Select samples for testing based on the AICPA “Sampling Guide” for tests of balances performed during substantive testwork
- Perform fund Analytics
- Review and verify implementation of any new GASBs or other reporting requirements
- Perform Final Analytics required per SAS’s
- Verify the status of and follow up on Prior Year Findings (Years subsequent to the 2019 engagement)
- Search for Related Parties and obtain the related confirmations from the Council members and upper management. Assess the risks related to the State of Florida method for identifying and disclosing related party transactions.

Because of the use of auditing software, a significant portion of the above procedures will be performed off-site to ensure minimal disruption to the State of Florida staff. Our close proximity to the State of Florida will enable auditors to efficiently schedule in-person and on-site performance for steps/procedures.

SEGMENT HOURS: TBD

LEVEL OF STAFF: Audit Partner, Audit Manager, Lead Audit Staff, Director, and Information Technology Director

Post-fieldwork Tasks

After the end of fieldwork, examples of tasks to be performed include the following audit work:

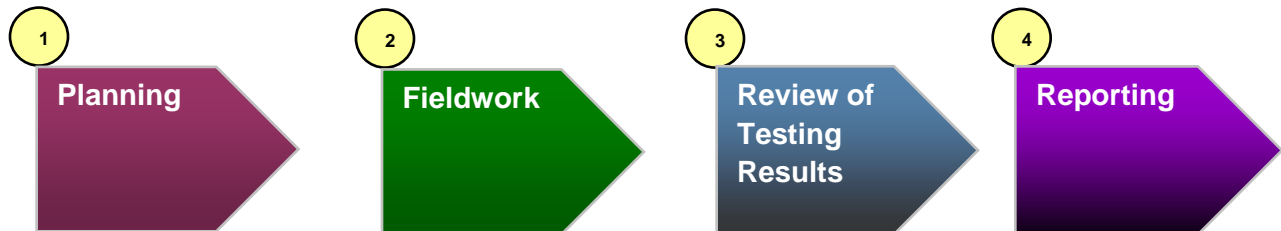
- Report writing
- Verification of post adjustment final major fund determination for reporting purposes
- Post-fieldwork coordination with Management related to Report drafts, findings, recommendations
- Perform Financial Assessment
- Quality Control and Partner Reviews (pursuant to the Firm’s system of quality controls)
- Complete Data Collection Forms
- Print and Bind the Report
- Prepare the Audit Presentation for the Board/Audit Committee

SEGMENT HOURS: TBD

LEVEL OF STAFF: Audit Partner, Audit Manager, Lead Audit Staff, Tax Compliance Director

The estimated hours and participation by level of professional assigned provided above may be allocated between interim / information system testing and substantive procedures based on engagement year particulars, e.g., first year documentation requirements, identified high-risk compliance areas, Single audit requirements, etc. and the initial and final assessment of the results of planned control procedures. HCT's audit team will work closely with your management team through the external audit process.

HCT Approach to the Annual External Audit Work Plan.



Audit Segmentation Detail	
Planning / Internal Control / Compliance	
<p>Engagement Administration and Planning</p> <p>Partner, Manager</p>	<ul style="list-style-type: none"> ● Communication with those charged with governance to discuss goals, audit timetable, audit work plan and particular areas of specialized concentration. ● Make preliminary assessment of the State of Florida, its environment, and its internal controls. ● Update systems documentation and permanent file information. ● Review status of prior-year audit recommendations or findings, if any, and ascertain whether they were appropriately resolved. ● Identify all federal and state financial awards programs and evaluate scope for Federal and Single Audit Acts requirements (part of work plan, but do not anticipate any). ● Document our understanding of all financially significant laws and regulations, and identify any new laws or regulations that require audit testing. Identify modifications or new inter-local agreements. ● Discuss implementation of recent GASB pronouncements, and determine applicability of pending matters.
<p>Evaluation of the Entity, its Environment, and its Internal Controls</p> <p>Manager, Senior, IT Specialist</p>	<ul style="list-style-type: none"> ● Obtain and document our understanding of the entity, its environment, and its internal controls, organizational structure, and operating characteristics. ● Evaluate organization, personnel, and financial practices. ● Document existing EDP controls, and evaluate adequacy of physical security environment, including business continuity (disaster recovery) planning. ● Evaluate financial reporting systems and administrative monitoring capabilities. ● Design preliminary tests of controls for compliance with prescribed systems. ● Identify specific compliance requirements related to, ordinances, and Florida Statutes. ● Perform testing of controls over areas deemed to have financial significance. These generally include testing of cash disbursements, cash receipts, journal entries, contracts, etc. ● Review minutes of meetings and prepare an abstract of information relative to the audit of the financial statements.

Minutes, Contracts, & Resolutions Manager	<ul style="list-style-type: none"> ● Obtain data concerning outstanding contractual commitments, if any, for financial statement disclosure adequacy. ● Design tests of controls for compliance with applicable laws and regulations and the Rules of the Auditor General of the State of Florida. ● Develop a compliance work program and incorporate it into the overall audit plan.
Budgets Senior and Staff	<ul style="list-style-type: none"> ● Document budgetary process and confirm compliance with applicable local ordinances, procedures, and regulations. ● Review authorization and impact of interim budget amendments, if any.
Substantive External Audit Testing	
Cash, Investments, and Restricted Funds Senior and Staff	<ul style="list-style-type: none"> ● Ascertain that cash in the balance sheet is on hand or on deposit with third parties (trustees) in the name of the State of Florida. ● Ascertain that all cash funds of the State of Florida are included in the balance sheets. ● Ascertain that depositories are legally acceptable, that adequate collateral has been pledged for the State of Florida's deposits, and that separate depository accounts are maintained for each fund for which required. ● Ascertain that the cash balances reflect a proper cutoff of receipts and disbursements and are stated at the correct amount. ● Ascertain that cash balances are properly presented in accordance with related restrictions and those disclosures are adequate. ● Ascertain that investment balances are evidenced by securities or other appropriate legal documents, either physically on hand or held in safekeeping by others, and include all the State of Florida's investments. ● Ascertain that investments are the types authorized by law, contract, and the investment policy of the State of Florida. ● Ascertain that investment values, incomes, gains, or losses are correctly stated and properly allocated to accounts. ● Ascertain that investments are properly described and classified by fund type in the combined balance sheet and related disclosures. ● Ascertain that only earned revenues, if any, in the fiscal year have been recorded, and amounts uncollected at year-end presented as receivables are valid. Ascertain that the State of Florida has satisfied the relevant legal requirements to receive all revenues recorded. ● Ascertain that the revenues were billed or charged and recorded at the correct amount and receivables are stated at the net realizable amount. ● Ascertain that amounts billed for services rendered are valid and have been billed to customers at authorized rates. ● Ascertain that unbilled service revenues are appropriately reflected in the proper accounting period.
Receivables, Revenue and Cash Receipts Senior and Staff	<ul style="list-style-type: none"> ● Ascertain that an adequate allowance for doubtful accounts has been established and that the related amounts and disclosures are properly presented in the financial statements. ● Ascertain that receivables are properly classified in the financial statements and that related disclosures are adequate.

Accounts Payable and Expense Cutoff	<ul style="list-style-type: none"> ● Ascertain that recorded expenses and cash disbursements are for goods and services authorized and received. ● Ascertain that expenses incurred for goods and services and related accounts payable have all been identified, including any contingent or contractual liabilities.
Senior and Staff	<ul style="list-style-type: none"> ● Ascertain that expenses for goods and services are authorized in accordance with the budget and other regulations or requirements. ● Ascertain that expenses and related disbursements and liabilities have been recorded correctly as to account, budget category, period, and amount. ● Ascertain that expenses and related liabilities are properly classified by budget category and related disclosures are adequate.
Payroll and Related Liabilities	<ul style="list-style-type: none"> ● Ascertain that payroll disbursements are made only for work authorized and performed by authorized personnel. ● Ascertain that payroll is computed using rates and other factors in accordance with contracts and relevant laws and regulations. ● Ascertain that payroll and related liabilities are correctly recorded as to amount and period and properly distributed by account and budget category, and disclosures are adequate. ● Ascertain the status of employee compensatory benefits for accruals and disclosure.
Senior and Staff	
Inventories	<ul style="list-style-type: none"> ● Ascertain that inventories recorded represent a complete listing of materials and supplies held by the State of Florida, and that such assets are physically on hand.
Senior and Staff	<ul style="list-style-type: none"> ● Ascertain that inventory listings are accurately valued and the totals are properly recorded in the accounts. ● Ascertain that inventory is properly classified and disclosure is made of the equity reserve, if appropriate.
Property, Plant, Equipment, and Capital Expenditures	<ul style="list-style-type: none"> ● Ascertain that property and equipment represent a complete and valid listing of the capitalizable cost of assets purchased, constructed, or leased, and are physically on hand. ● Ascertain that capital expenditures represent a complete and valid listing of the capitalizable cost of the property and equipment acquired during the period, and capitalizable costs are excluded from repairs and maintenance and similar expenditure accounts.
Senior and Staff	<ul style="list-style-type: none"> ● Ascertain that capitalized costs and related depreciation associated with all sold, abandoned, damaged, or obsolete fixed assets have been removed from the accounts. ● Ascertain that depreciation charges on all depreciable assets have been computed on an acceptable and consistent basis and that the related allowance accounts are reasonable. ● Ascertain that capital expenditures and fixed assets are properly classified and related disclosures are adequate.

<p>Long-Term Debt and Debt Service Expenditures</p>	<ul style="list-style-type: none"> ● Ascertain that debt is authorized and properly recorded. ● Ascertain that all indebtedness of the State of Florida is identified, recorded, and disclosed. ● Ascertain that the State of Florida has complied with provisions of indentures and agreements related to debt, including provisions on use of proceeds. ● Ascertain that debt service expenditures (principal and interest payable) are properly recorded, classified, and disclosed. ● Ascertain that debt and related restrictions, guarantees, and commitments are properly presented and related disclosures are adequate. ● Review arbitrage calculations if applicable for reasonableness.
<p>Manager, Senior</p>	
<p>Risk Management and Internal Service Funds</p>	<ul style="list-style-type: none"> ● Document and evaluate controls over self-insurance programs, if any, including evaluation of the work of any specialists. ● Ascertain that claims paid during the year are recorded correctly as to account, amount, and period and are disbursed in accordance with the State of Florida’s policies and procedures for claims settlement. ● Review the estimated liability for insurance claims at year-end and the related cost allocations. ● Ascertain that insurance transactions are properly classified and described in the combined financial statements and related disclosures are adequate. Review GASB Statement No. 10 disclosures related to risk management.
<p>Manager, Senior</p>	
<p>Net Assets</p>	<ul style="list-style-type: none"> ● Ascertain that all reservations of net assets are recorded and properly authorized. ● Ascertain that components of net assets are determined in accordance with applicable regulations and requirements. ● Ascertain that components of net assets and changes in net assets are properly computed and are described, classified, and disclosed appropriately.
<p>Senior and Staff</p>	
<p>Revenues</p>	<ul style="list-style-type: none"> ● Perform analytical procedures related to charges for services. ● Compare revenue data for current period and historically to demographics. ● Develop other customized procedures once planning and risk assessments are performed.
<p>Senior and Staff</p>	
<p>Expenses</p>	<ul style="list-style-type: none"> ● Perform analytical procedures related to expenses. ● Through testing and observation, determine that expenses are appropriate and properly classified. ● Determine that expenses are properly classified for budgetary purposes.
<p>Senior and Staff</p>	
<p>Grant Compliance External Audit</p>	
<p>Grant Programs</p>	<ul style="list-style-type: none"> ● Evaluate and test controls over compliance requirements. ● Ascertain status and resolution of prior-year findings and questioned costs. ● Test grant revenue through confirmation with grantor agency and ascertain appropriateness of classification. ● Ascertain that grant revenues and expenditures charged to grant programs are valid and complete and, if applicable, indirect costs are properly allocated. ● Ascertain that grants are administered and grant revenues and expenditures are recorded in accordance with grant provisions and related laws and regulations. ● Ascertain that grant-related amounts are properly presented and related disclosures concerning restrictions and compliance are adequate.
<p>Manager, Senior and Staff</p>	

Wrap-Up and Reporting	
General	<ul style="list-style-type: none"> ● Coordinate review of the Management's for inclusion in the report of findings with the State of Florida Department Representative / Procurement Representative.
Partner, Manager, Senior	<ul style="list-style-type: none"> ● Complete the Entity Wide controls checklists. ● Review status of prior-year audit recommendations and ascertain whether they were appropriately resolved. ● Provide current-year audit findings and recommendations for improvement related to the internal control, accounting, accounting systems, and compliance with policies and procedures. ● Prepare preliminary drafts of internal audit reports and meet with management to review drafts prior to issuance. ● Schedule and attend final meeting with management to finalize all finding / reporting matters. ● Present Report of Findings to management/the State of Florida.

Extent of Use of EDP Software in the Engagement

Information management has become a vital process in both public and private entities. Although the systems used to gather, sort, and distribute information are becoming more sophisticated, the chance of system malfunction is also rising, a risk that could have major ramifications. Due to the significance of this risk, members of the engagement team have System-Data Risk Management experience. Our I.T. auditor will evaluate the electronic data processing general controls within the computer environment as specifically related to the information flows and will advise the other engagement team members as to how the EDP system affects the planned audit procedures.

The IT auditor would then perform specific tests and prepare a written document addressing procedures, processes, and controls. All professionals assigned to the engagement have received extensive training (provided to all HCT professionals) in computer skills.

In addition, our audit software will be used to analyze data for integrity in input, processing and output, and interfacing. We use complementary tools for results comparison when necessary. HCT's information technology auditors perform data analysis to verify the accuracy of client data, whether text or numerical. They manipulate client data to create randomly generated samples so they can identify potential errors and minimize risk. We have staff with experienced data mining skills including the use of complex data mining software such as ACL and IDEA.

IT Audit is the process of collecting and evaluating evidence to determine whether a computer system has been designed to maintain data integrity and the safeguarding of technological assets, which allows organizational goals to be achieved effectively through the use of efficient resource management. Data integrity relates to the accuracy and completeness of information as well as to its validity in accordance with the norms. An organization's information system should do the procedural legwork so that the client can focus on the interpretation and reporting of results. HCT believes that the evaluation and assessment of our client's technological environment is a keystone for the audit process.

HCT utilizes auditing software and paperless working paper documentation and up-to-date technology to ensure the most efficient and effective performance of the audit engagement and to offer the best service for the State of Florida. This includes sophisticated trial balance software which groups the State of Florida's trial balance. These numbers are then transferred into templates in excel through an integrated formula and inserted into a word document to create a seamless financial statement report.

As outlined above, to gain an understanding on document control procedures and management information system processes; HCT will assess preliminary Control Risk, Detection Risk, and Inherent Risk in order to evaluate overall Control Risk and to determine what controls can be relied upon to minimize our substantive work performed. Based on this assessment, we will develop programs to test identified and documented controls and select samples (utilizing statistical sampling) to provide for a confidence rate of at least 90 percent. We will also utilize dual purpose testing during our single audit procedures to test the overall disbursement controls within the State of Florida.

HCT will perform walkthroughs for all key areas of controls based upon source documentations selection. Additionally, we will interview heads of departments to gain an understanding for the narrative processes for all of the areas of the State of Florida that receive and disburse cash, including payroll. We have an internal control and compliance specialist on staff that will perform these tests for the State of Florida. Once HCT has documented its understanding of all key controls, we will perform a final assessment of Control Risk based on results of test work.

HCT's approach in determining laws and regulations that will be subject to audit test work involves research of applicable State and Federal Statutes, local ordinances, the Auditor General, etc. We monitor new laws and maintain up-to-date training to ensure we have timely knowledge of any changes that affect our industry or our clients. Information is obtained through examination of the law/ordinance creating the municipality. We interview the State of Florida's management and contact our associates at the Auditor General and, if necessary, Federal contacts (such as cognizant agents or grantor agencies). We also review minutes, prior to leaving the field, to ensure we have complete understanding of any new State of Florida Department Representative mandates or ordinances. We examine the entities' policies and procedures to determine compliance with applicable laws and regulations. And, finally, before leaving the field or opining on compliance, we obtain attorney confirmation letters to substantiate any contingent liabilities that may arise due to pending litigation as well as perform a search for related party transactions.

When determining which laws and regulations will be subject to analysis, we assess both the qualitative as well as the quantitative risks of non-compliance in consideration of external parties and/or public perception. For example, while we have always obtained related party confirmations from the Auditee Representatives and upper management, we have recently lowered our materiality scope to analyze all possible instances of noncompliance. Because of the current climate related to elected officials and senior management in Florida, an organization does not have to incur a material instance of related party noncompliance for the general public to have an adverse general perception. As a part of our engagement, we will evaluate the State of Florida's policies and procedures for identifying and disclosing potential related party transactions and assess the risk related to potential noncompliance.

HCT utilizes several tools when selecting samples, in addition to considering sample sizes as suggested by the PPC as tailored for each individual client. We also utilize the *AICPA Audit Guide for Audit Sampling*. HCT will utilize statistical and non-statistical sampling when performing various testwork, as appropriate.

During tests of controls, we will utilize attributes sampling to verify documented controls are in place and functioning for each major transaction cycle. The purpose of the controls testwork is to test the deviation rate of a control to support our initial assessment of control risk. Because we would like to support a low level of control risk, and therefore decrease the level of testing required in substantive (or "final" testwork), our samples will be randomly selected, with each item of the defined population having an equal chance of selection. We will verify the population is "complete" and that the sample is representative of the population, e.g., that the sample expresses the same characteristics of the population based on such factors as fund type, number of transaction types, processing methodology, etc.

Identification of Anticipated Potential Audit Problems

HCT is in the business of external auditing governmental entities. We have the knowledge and the experience to resolve any potential problems that could occur during the audit engagement. HCT believes in good communication. We have the staff as well as the expertise to meet all of the State of Florida's requirements. So long as there is open communication between management and our staff, we will be able to identify and anticipate any significant problems before they occur.

HCT does not anticipate any potential audit problems at this time. However, in the event problems do occur, our approach to resolution is described below. We do not anticipate the need for special assistance from the Organization. In addressing an issue, communication and timely resolution are critical. HCT takes pride in developing professional relationships and rapport with clients, which facilitate open and honest communication. We use the following approach to seek resolutions on accounting, reporting, and administrative issues:

- Step 1: Define and understand the issue through meetings with management**
- Step 2: Make an initial assessment of the impact of alternative resolutions**
- Step 3: Discuss with management preferred position and rationale**
- Step 4: Resolve**

HCT believes the key conflict resolution is the prevention of such issues. To this end, our experience has shown that continuous and on-going communication is critical in deterring engagement problems. There should never be a "surprise" to audit clients, and the professionals at HCT vow to ensure open communication at all levels.

REFERENCE

REFERENCE QUESTIONNAIRE (Section 15)

Reference for (Proposer's Name): HCT Certified Public Accountants & Consultants,
 Agency Giving Reference: Office of Early Learning (FOEL)
 Contact Person Name: Laura McKinley
 Address: 250 Marriott Drive Tallahassee, FL 32399
 Telephone: 850-717-8603
 E-Mail: Laura.McKinley@oel.myflorida.com

Provide a reference for the above named firm by indicating below the level of satisfaction (Satisfactory or Unsatisfactory) with services provided to your agency.

	QUESTION	Satisfactory	Unsatisfactory
1	What was your experience with the firm's ability to provide Audit Services ?	Satisfactory	
2	How would you rate the experience and professionalism of the firm's staff?	Satisfactory	
3	How would you rate the accessibility and responsiveness of the firm's staff?	Satisfactory	
4	How would you rate the firm's success at keeping you updated and informed on the progression of the audit especially when special needs or issues arose?	Satisfactory	
5	How would you rate the firm's ability to complete the scope of work in a timely manner and within budget?	Satisfactory	
6	Would your agency use this firm to provide services again? (Circle One)	Yes YES/ Satisfactory	NO/ NO/ Unsatisfactory

Additional Comments: Reference Questionnaire provided by the
Office of Early Learning in response to
RFQ-18-02-16-0-2018/qab.

Laura McKinley
 Signature

Supervisor, Fiscal Monitoring, OEL
 Title

FAILURE TO COMPLETE AND RETURN THIS FORM
 MAY DEEM YOUR PROPOSAL "NON-RESPONSIVE"

Contract Attachment D

Authorized Services List

Category 2: Financial and Performance Audits

Harvey, Covington & Thomas of South Florida, LLC has been awarded and therefore is Authorized to provide the Services listed below through State Term Contract No. 84111600-20-1 for Financial and Performance Audits, Section IV. e) Services:

- Financial Statements Audits - Audit of financial statements prepared in conformity with standards of accounting issued by SFFAS and by the American Institute of Certified Public Accountants (AICPA).
- Audits of Segments of Financial Statements - Audit of financial information (i.e., statement of revenue and expenses, statement of cash receipts and disbursements, statement of fixed assets, budget requests, and variances between estimated and actual financial performance).
- Internal Controls Audits
- Economy and Efficiency Audits
- Program Results and Program Fraud Audits

Contract Attachment E



Contractor Information Form

Contractors with an active state contract or agreement procured by the Division of State Purchasing should use this form to provide contact information for customers, which will be posted on the Department of Management Services (DMS) website. The form must be submitted to the assigned contract manager at the time of contract execution and whenever changes are requested by the contractor throughout the life of the contract.

***** PLEASE RETURN THIS FORM TO DMS IN EXCEL FORMAT ONLY *****

Contract Name:	Financial and Performance Audits
Contract Number:	84111600-20-1

Contractor Name:	HARVEY COVINGTON AND THOMAS OF SOUTH FLORIDA LLC
-------------------------	--------------------------------------------------

FEIN:	65-0984330	*** MUST MATCH ACTIVE SUNBIZ.ORG REGISTRATION ***
Website:	WWW.HCT-CPA.COM	

Customer Contact

Contact for sales information, ordering, and billing questions.

Name:	RODERICK HARVEY CPA, CVA		
Email:	RHARVEY@HCT-CPA.COM		
Phone:	954-966-4435	ext.	
Address:	3816 HOLLYWOOD BLVD SUITE 203		
City:	HOLLYWOOD		
State:	FL		
ZIP:	33021	+4:	

Contract Administrator

Contact for escalated customer needs.

Name:	RODERICK HARVEY CPA, CVA		
Email:	RHARVEY@HCT-CPA.COM		
Phone:	305-331-8768	ext.	
Address:	3816 HOLLYWOOD BOULEVARD SUITE 203		
City:	HOLLYWOOD		
State:	FL		
ZIP:	33021	+4:	

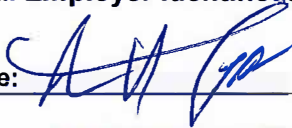
If there is additional information that you would like to make available to customers on the DMS website, please enter it in the field below. The assigned contract manager will review your request and notify you whether or not the information is approved for posting.

Contract Attachment F No Offshoring

The undersigned Respondent hereby attests that it will not perform any of the Contract services from outside of the United States, including not utilizing offshore subcontractors in the performance of a Contract award, and will remain in compliance with the subcontractor clause in the Contract.

Respondent Name: HCT Certified Public Accountants and Consultants, LLC
Respondent Federal Employer Identification Number (FEI N #): F650984330

Authorized Signature:



Print Name: Roderick Harvey, CPA, CVA

Title: Authorized Member

Date: June 5, 2020

**Contract Attachment G
Subcontracting**

Complete the information below on all subcontractors that will provide services to the Respondent to meet the requirements of the resultant contract, should the Respondent be awarded. Submission of this form does not indicate the Department's approval but provides the Department with information on proposed subcontractors for review.

Please complete a separate sheet for each subcontractor.

There will be subcontractors for this solicitation YES ____ NO ____ (place a checkbox where applicable). If not, Respondents are not required to complete the remainder of this form.

Service: _____

Company Name: _____

Contact: _____

Address: _____

Telephone: _____

Fax: _____

Current Office of Supplier Diversity certification of woman-, veteran, or minority-owned small business enterprise Yes _____ No _____

W-9 verification: Yes _____ No _____

In a job description format, describe below the responsibilities and duties of the subcontractor based on the technical specifications or statement of work outlined in this solicitation.

