



**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 **Thomas Howell Ferguson P.A.** (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.

THOMAS HOWELL FERGUSON P.A.

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

DocuSigned by:

D99528080E204F4
Jeff Barbacci
Managing Shareholder

DocuSigned by:

991459A211104A3
Tami Fillyaw
Chief of Staff

2/19/2021 | 8:27 AM PST
Date:

2/19/2021 | 1:05 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

Thomas Howell Ferguson P.A.

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	\$255.00	\$279.00
Senior Consultant	\$174.00	\$190.00
Consultant	\$150.00	\$164.00
Junior Consultant	\$126.00	\$137.00
Program and Administrative Support	\$85.00	\$110.00

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.

Proposal to Provide Audit Services to the
Florida Department of Management Services

Technical Proposal - Service Category 2: Financial and
Performance Audits

RFP No: 06-80101500-J

June 9, 2020

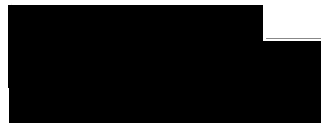
 **Thomas Howell
Ferguson P.A.**

Certified Public Accountants

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Experience - Summary

Thomas Howell Ferguson P.A. CPAs (THF) has successfully served the State of Florida as a vendor on the Florida State Term Contract (STC) for over 15 years. We have been providing financial audits, internal control services, performance audits, economy and efficiency audits, program results, program fraud and forensic audits, and many other financial services to governmental entities since our inception over 26 years ago. We recognize the important role that governments play in our society and to our economy, and we have dedicated a significant part of our practice to serving the government sector.

We have developed a team of professionals dedicated to serving state and local government agencies, and we have grown our practice to nearly \$20 million in services provided on an annual basis. Our team consists of professionals Certified in Lean Six Sigma, Certified Contract Negotiators, Project Management Professionals, Certified Public Accountants, Certified Fraud Examiners, Certified Information System Auditors, Accredited Business Valuation professionals, professionals Certified in Financial Forensics, Certified Insurance Counselors and many others that bring subject matter expertise to our governmental clients. We have the diverse knowledge and skillsets, relevant experience, depth of resources, and a firm commitment to continue to be a trusted and reliable vendor for Florida.

THF has extensive experience performing financial and performance audit services, which is demonstrated throughout our proposal. Some highlights of our experience include the following:

- ▲ THF is a regional firm based in Tallahassee, with multiple offices and over 140 team members available to serve the State.
- ▲ THF has successfully provided services to state agencies, local governments, quasi-governmental entities, universities, and not-for-profit organizations since we were founded in 1993.
- ▲ THF's services to state agencies have ranged from small projects providing as little as 50-100 hours of work, to extremely large projects requiring in excess of 150,000 hours on an annual basis.
- ▲ THF has successfully performed numerous financial related services to state agencies and their subrecipient entities in all 67 Florida counties. We have performed such services for multiple years and for multiple state agencies.
- ▲ THF is currently the only state-term auditing vendor that is headquartered in Florida. We provide jobs to over 140 taxpayers on an annual basis with over 115 of those being in our Tallahassee office.
- ▲ THF consistently receives high performance ratings from our state agency clients.
- ▲ Our professionals are not only experts in providing government services, but we are leaders in the industry as well. Our professional leadership experience includes participation in Federal Single Audit Roundtables in Washington, D.C., participation on the AICPA's Government Audit Quality Center's Executive Committee, and as speakers for the Association of Government Accountants, the Institute for Internal Auditors, the Florida Association of Counties, the Florida Institute of CPAs, and many others.
- ▲ THF has a wholly owned subsidiary specializing in disaster services that has helped the state of Florida pay out nearly \$750 million to local communities impacted by hurricanes and other natural disasters.

We are proud to be a Florida based company, and we are proud to serve the great State of Florida. For more than 15 years we have provided cost effective and high-quality services to Florida's agencies and local governments on the State Term Contract. We look forward to the opportunity to continue serve as one of the state's trusted vendors.

"Our proximity to the main administrative offices of essentially all State agencies, departments, and divisions is a significant asset when performing these services."

Experience

Who We Are

Thomas Howell Ferguson P.A. CPAs is the former Ernst & Young office in Tallahassee, Florida with additional office locations in Tampa, Florida and Bainbridge, Georgia. Since our inception, we have created a culture that focuses on providing the expertise and resources of a national firm with the client service of a local firm. This has helped us more than quadruple in size since 1993.

There is a distinct difference when working with a regional firm comprised of experienced governmental professionals. Our people and the core values that we share are the foundation upon which our reputation was built. It is the same values and people that we will bring to participating Florida agencies, local governments, universities, and state component units. THF has been recognized as the 205th largest accounting firm in the nation, as one of the 2019 Best of the Best Accounting Firms, and the 2019 Fastest Growing Firm in the Nation by *Inside Public Accounting!* In addition, THF was recognized as a 2019 Top 25 Ranked Florida Accounting Firm by the *Tampa Bay Business Journal*, and we have been recognized for our excellent client service rating with the Florida State Term Contract for financial and performance audits.

THF's focus on industry specialization (government, not-for-profit, insurance, commercial, employee benefits, and wealth management) and our concentration of technical skills along functional lines (audit, tax, technology, consulting, and disaster and emergency management services) reflect the firm's commitment to building superior service capabilities.

"We have over 115 professionals in our Tallahassee office making us the largest accounting firm in Tallahassee, where many state agencies are located."

Our Commitment and Focus on Client Service

We are often asked what makes us different than our competitors. **The answer is our people.** We are a team of leaders in our profession, in our industry, and in our community. Our interaction with state and national leaders; our participation on committees, taskforces, and boards; and our visibility through speaking engagements around the state expose us to ideas, trends, issues, and opportunities that will benefit Florida's state agencies and government organizations. We complement our leadership with our commitment to quality and superior client service.

Superior client service is the cornerstone of THF's practice. We view our relationships with our clients as a valuable asset to the engagement process, because it allows us to have open and candid conversations that are critical for a successful engagement process. Our focus on industry specialization, combined with our emphasis on superior client service, equips our clients with a well-rounded professional team attuned to industry issues from both an operational and professional services perspective.

Range of Services

We have provided or conducted a full range of services to our governmental clients that include:

- ▲ Financial and performance audits;
- ▲ Preparation of statutorily required reports;
- ▲ Annual financial and compliance audits;
- ▲ Service organization control audits;
- ▲ Economy and efficiency audits;
- ▲ Financial statement preparation;
- ▲ Program results and program audits;
- ▲ Forensic accounting and fraud audits;
- ▲ Development of cost allocation plans;
- ▲ Financial and technical training;
- ▲ Information technology and data security consulting;
- ▲ Operational reviews;
- ▲ Compensation studies;
- ▲ Internal control studies, reviews, and audits;
- ▲ Employee benefit plan administration and audits;
- ▲ Board and audit committee training;
- ▲ Strategic planning; and
- ▲ Political entity compliance services.

Experience

Professional Associations

We prioritize participation and leadership in governmental, not-for-profit, and professional associations. Several of our partners and staff are or have been members of the Florida Institute of Certified Public Accountants' (FICPA) Board of Directors, the American Institute of Certified Public Accountants' (AICPA) Government Audit Quality Executive Committee, the Committee on Relations with State and Local Governments, Governmental Finance Officers Association, Association of Government Accountants, local not-for-profit board of directors, the FICPA Educational Foundation, and others. Our participation is a way to grow and share ideas and to give back to our community and profession.

The environment for governmental entities has become very technical and additional rules and professional regulations are being issued at a dramatic pace. To ensure the quality of our service with respect to the governmental industry, the firm is an active member of the AICPA's Government Audit Quality Center (GAQC). This membership allows us to stay abreast of changes to accounting requirements, technical rules, and best practices. We are also held accountable to strict, government specific, quality control guidelines that are required for membership. Jeff Barbacci, our Managing Shareholder, is a member of the GAQC's Executive Committee. The GAQC Executive Committee is responsible for representing and training CPAs in regards to development of government accounting and auditing standards and Federal grant compliance at a national level. In addition, Jeff attends a Federal Single Audit Roundtable twice a year in Washington D.C. Our participation in those meetings provides first hand insight as to high priority compliance matters.

Our experience and participation with the FICPA's State and Local Government Section has kept us on the forefront of changes to accounting and reporting requirements applicable to government entities. *Government Auditing Standards* have experienced two complete revisions in the past decade. In addition, many new and highly technical government accounting standards have been issued at the same time. Our professionals have taken the initiative to stay abreast of these changes and have served as instructors at various FICPA continuing education seminars to present the relevant changes and the related audit impact to other CPAs in Florida.

Additionally, our experience on the FICPA's state and legislative policies committee keeps us proactively on the forefront of legislative issues that could impact local governments. Our participation allows timely notification of those issues to our clients so that we can provide real world insight and suggestions to the legislative process.

Federal & State Grant Experience

Many of our clients receive federal and state grants which are subject to single audit testing. As evidenced by our peer review, we have the approach, experience, and processes in place to provide quality single audit services that comply with professional standards.

Further, members of our engagement team worked with the Florida Auditor General and the Florida Comptroller during the development of the *Florida Single Audit Act* to educate private practitioners and public sector employees about the requirements. We have performed grant specific audits, provided assistance with cost allocation plans, evaluated controls over grant compliance, and assisted clients in organizing the structure of their general ledger to better account for grant activity. Our compliance testing includes tests of eligibility, proper cost allocation, and allowable costs in accordance with the Uniform Guidance and compliance supplements. Our professionals regularly attend continuing education courses to stay informed about techniques and changes associated with grant reporting.

"We perform compliance audit and compliance monitoring services associated with approximately \$450 million in grant funds each year."

Experience

Dedication To Quality - Quality Control Review Program

Government accounting is a highly regulated industry. THF is proud of our reputation as a firm having the highest standards and a comprehensive internal review program that delivers quality services. Control over the quality of our service is of paramount importance to us. Our various quality control procedures and policies are also important to you because they help ensure a uniformly high standard of quality service.

To ensure our standards of working excellence, we are members of the Private Companies Practice Section (PCPS) of the American Institute of Certified Public Accountants (AICPA). A participating PCPS member must obtain an independent peer review every three years of its quality control policies and procedures to assess compliance with existing auditing standards. We believe that our commitment to the program is rewarding not only to our firm, but also to our clients. The external independent peer review of the elements of our quality control policies and procedures is performed by an independent certified public accountant approved by the AICPA and/or FICPA Peer Review Program. The peer review provides you with the assurance that we conform with the standards of the profession in the conduct of our accounting and auditing practice.

Our most recent peer review, which included a quality review of our governmental, not-for-profit, and single audit engagements, was completed on November 1, 2019, with a peer review rating of pass. This rating is the most favorable possible outcome for the peer review. We pride ourselves on ensuring quality standards in all of our work. A copy of our peer review is available at https://peerreview.aicpa.org/public_file_search.html. Our firm also conducts an intensive internal quality control review of a sample of our engagements each year.

We recognize the importance of the peer review and work hard to keep our pass rating which has been in place for us since day one. This serves as our industry report card for the standards upheld by our profession and should serve as an important point to consider.

In addition, we are a member of the AICPA Government Audit Quality Center (GAQC) which requires its members to comply with increased educational and quality control expectations. **Jeff Barbacci, our Managing Shareholder, is currently one of 12 CPAs nationwide who are members of the AICPA's Executive Committee of the GAQC.** The GAQC Executive Committee is responsible for representing and training CPAs in regards to development of government accounting and auditing standards and Federal grant compliance.

We have extensive knowledge of the standards of accounting issued by the Federal Accounting Standards Advisory Board (FASAB) and can assist state of Florida customers with projects that require compliance with our detailed understanding of such standards. FASAB standards include:

<ul style="list-style-type: none"> ▲ Statements of Federal Financial Accounting Concepts ▲ Technical Bulletins 	<ul style="list-style-type: none"> ▲ Statements of Federal Financial Accounting Standards (SFFAS) ▲ Technical Releases 	<ul style="list-style-type: none"> ▲ Interpretations ▲ FASAB Staff Implementation Guidance
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The organizing members created FASAB to improve federal financial reporting via federal financial accounting standards and guidance, taking into account the needs of all users of federal financial information. Periodically, FASAB-related guidance is relevant to State customers, depending on the terms of each customers' relationship with federal grantor agencies. As a CPA firm with extensive experience testing and ensuring compliance with authoritative standards, **the requirements of the SFFAS or other FASAB guidance is a core competency of THF.**

Experience

THF has successfully conducted several large-scale projects that are similar in scope to the nature of the Department’s RFP including the following representative engagements:

Agency	Years Served	Services Provided	Service Type
██████████	2018	<p>THF provided forensic accounting audit services of a Golf Course Country Club under the ██████████ management agreement for fiscal years 2004-2018. This examination involved a factual investigation to identify and quantify any abnormal/irregular financial or non-financial activity. The purpose of the audit was to complete a comprehensive review and reconciliation of current and past fund accounting practices. This examination included evaluating compliance with terms of the contract using public General Fund.</p> <p>Hours: 225 Fees: \$ 41,352</p>	Program Results and Program Fraud Audit
██████████	2015 - Present	<p>THF conducts performance audits on an annual basis for eight health insurers in the state. The performance audits evaluate specific revenue and expense schedules included within the health insurer’s Annual Achieved Savings Rebate (ASR) Financial Report submitted to ██████████ to determine that the revenue and expense schedules are prepared in accordance with Florida Statute requirements and ASR Financial Report instructions. The performance audits are performed in accordance with <i>Government Auditing Standards</i>.</p> <p>Hours: 6,200 annually Fees: \$950,000 annually</p>	Audit of Segments of Financial Statements
██████████	2005 - 2009 2018 - Present	<p>THF performs financial and programmatic quality control reviews for over 60 C ██████████ annually. Monitoring procedures include tests of compliance with state statutes and the Florida Administrative Code, as well as Medicaid eligibility requirements associated with funds passed through a state agency.</p> <p>Hours: 1,000 annually Fees: \$140,000 annually</p>	Internal Controls Audit
██████████	2016 - Present	<p>THF provides annual audit services to the Friends of the ██████████ financial statements. The financial statement audit includes the assessment of internal controls and issuance of applicable reports under <i>Government Auditing Standards</i>.</p> <p>Hours: 170 annually Fees: \$16,000 annually</p>	Audit of Financial Statements
██████████	2018 - 2020	<p>THF provided financial risk mitigation and financial analysis services for the ██████████. Responsibilities were to determine the extent of each applicant sponsor’s financial viability, identify deficiencies in the financial portion of an applicant sponsor’s application, provide recommendations to correct the identified deficiencies, and conduct financial risk assessments in accordance with applicable laws and regulations to identify the degree of risk involved for the state agency to approve applicant sponsors to operate the program. In addition, we reviewed and determined the veracity of program records and other documentation provide to the state agency by the program sponsors, conduct follow-up examinations of sponsors’ program records, and give recommendations for corrective action by the sponsor and recommendations to an applicant sponsor to correct identified deficiencies where applicable.</p> <p>Hours: 900 Fees: \$148,000</p>	Economy and Efficiency Audit
██████████	2019 - Present	<p>THF is currently providing a statewide analysis of behavioral health billing conducted by managing entities (MEs) and their contracted service providers for SFY 2017-2018 and SFY 2018-2019 to provide an analysis of ME billing practices based on a limited sample size of data, which will be provided by the Department. THF partnered with ██████████ for this engagement. This engagement is still in process with the expected project cost to be \$396,000.</p> <p>Hours: 2,400 Fees: \$ 396,000</p>	Economy and Efficiency Audit

Agency	Years Served	Services Provided	Service Type
██████████	2017	<p>THF was contracted to provide forensic audit and analysis to complete a comprehensive review and reconciliation of current and past accounting and accounting practices of ██████████ concerning Federal funds █████ awarded to █████. This examination included evaluating compliance with applicable local, State, and Federal laws. We assisted █████ by providing the expertise necessary through financial forensic investigation services of financial activity for █████ in accordance with the scope of work, project tasks, and deliverables outlined. We rendered a full report and opinion on all activities and procedures relating to the administration of INPHI's use of Federal funds awarded by DEO. THF provided risk assessment and analysis services to provide a baseline assessment of the fiscal operations of 21 Weatherization Assistance Program (WAP) subrecipient agencies to identify the areas of highest risk. We assisted by providing the expertise necessary to determine the extent of each subrecipient agency's level of fiscal accountability and compliance, which encompassed evaluating current audits, financial records, recent monitoring reports, contracts, and other documentation necessary to complete a full fiscal evaluation. We also identified the entities deemed to have serious internal fiscal management problems and issues in accordance with the scope of work, project task, and deliverables outlined in the scope.</p> <p>Hours: 620 Fees: \$104,000</p>	<p>Audit of Segments of Financial Statements</p> <p>Program Results and Program Fraud Audit</p>
██████████	2018	<p>THF performed a Florida single audit, a financial statement audit, and a forensic audit to the █████. The purpose of the forensic audit and analysis was to complete a comprehensive review and reconciliation of the most recent and past accounting and accounting practices of funds that were awarded by █████. We performed financial and forensic audit services to evaluate the accountability and financial integrity of the disbursements and expenditures of state funds. The objectives of this review include, but are not limited to: evaluating a █████ recipient's administration and performance of the █████ funds in accordance with applicable laws, rules, contracts, and other guidelines; determining the extent to which the system of internal control prevents, detects, and deters fraud and complies with applicable laws, administrative rules and other guidelines; determining the economy, efficiency, and effectiveness of operations of the program; the reliability and accuracy of financial records and reports; the safeguarding of assets; and providing management with information and findings to assist in evaluating their systems of internal control.</p> <p>Hours: 690 Fees: \$ 99,860</p>	<p>Audit of Financial Statements</p> <p>Program Results and Program Fraud Audit</p>
██████████	2018	<p>██████████ passed ██████████ funds to a network of 21 subrecipients for the administration of the ██████████ needed to ensure that these entities spend these funds in accordance with applicable Federal and State laws, rules, and regulations. THF provided risk assessment and analysis services to provide a baseline assessment of the fiscal operations of the 21 █████ subrecipient agencies to identify the areas of high risk.</p> <p>Hours: 444 Fees: \$63,000</p>	<p>Economy and Efficiency Audit</p>
██████████	2012	<p>THF conducted an analysis of the ██████████ to evaluate key business processes including policies, procedures, rules, and documents developed as part of the administration of the program. We evaluated the adequacy of controls in place with respect to the program and reviewed the distribution of funds for fiscal years 2007/08 through 2010/11. We also provided recommendations for improvement of controls in place.</p> <p>Hours: 300 Fees: \$47,000</p>	<p>Internal Controls Audit</p> <p>Economy and Efficiency Audit</p>

Experience

Agency	Years Served	Services Provided	Service Type
[REDACTED]	2013	<p>Within [REDACTED] there are three division which administer programs that are funded with General Revenue, state trust fund revenues, and federal grant revenues: [REDACTED] THF performed an assessment of the programs administered by the three divisions and developed a detailed project timeline. This included performing a preliminary review: developing a catalog of Department programs and identifying risk areas for further review; performing the full review: reviewed and assessed internal controls, reviewed and assessed policies and procedures, and reviewed and assessed financial monitoring activities; and implement recommendations and enhancements to ensure compliance and enhanced fiscal performance: developed/ updated policies and procedures, developed contract and grant/sub-grant agreement templates, conducted contracts, conducted reviews of contractors, and delivered the final analysis report.</p> <p>Hours: 646 Fees: \$ 99,785</p>	Internal Controls Audit
[REDACTED]	2012	<p>THF conducted an analysis of the [REDACTED] to evaluate key business processes including policies, procedures, rules, and documents developed as part of the administration of the program. We evaluated the adequacy of controls in place with respect to the program, reviewed the grantee records and distribution of funds from 2009-2011, and provided recommendations for improvement.</p> <p>Hours: 225 Fees: \$36,000</p>	Internal Controls Audit Economy and Efficiency Audit
[REDACTED]	2012	<p>THF conducted an analysis of the [REDACTED] to evaluate key business processes including policies, procedures, rules, and documents developed as part of the administration of the program. We evaluated the adequacy of controls in place with respect to the program, reviewed grantee records and distribution of funds for fiscal years 2007/08 through 2010/11 fiscal years. We also provided recommendations for improvement of controls in place.</p> <p>Hours: 141 Fees: \$22,000</p>	Internal Controls Audit Economy and Efficiency Audit
[REDACTED]	2012	<p>This program was created by the Florida Legislature to stimulate investment in the Florida economy by providing loans to expanding businesses in the state. The legislature appropriated \$8.5 million for the administration and implementation of the program, to support "second stage" businesses with working capital, employee training, and salaries for newly created jobs in Florida. The program was administered by the [REDACTED] THF performed a study to evaluate the adequacy of grantee controls and [REDACTED] business processes in place with regard to the EGBLP, made suggestions to improve those controls and processes, and performed a review to determine compliance with program requirements. THF also reviewed grantee records, reports, and other documentation for compliance with program requirements.</p> <p>Hours: 100 Fees: \$ 12,956</p>	Internal Controls Audit Economy and Efficiency Audit
[REDACTED]	2005 - 2011 & 2013	<p>For fiscal years ended June 30, 2005 through 2011 and again in 2013, we performed financial monitoring procedures at the [REDACTED] throughout the state. These consulting procedures have been performed in accordance with AICPA standards and focused on the sufficiency of financial operation policies and procedures with governing regulations. Reports provided to [REDACTED] have detailed our observations, findings, and recommendations for operational compliance and improvement. This engagement involved coordination of multiple project teams in on-site visits to RWBs, maintaining working relationships with RWB personnel, meeting tight project deadlines, and creating deliverable reports in a format acceptable to [REDACTED]</p> <p>Hours: 2,600 annually Fees: \$285,000 annually</p>	Internal Controls Audit

Experience

8 Agency	Years Served	Services Provided	Service Type
[REDACTED]	2008	<p>In 2008, we also conducted an internal control study of certain [REDACTED] selected by [REDACTED]. These studies involved an indepth evaluation of key controls at the entity-wide and transaction levels. They also included detailed consideration of controls associated with IT systems. Overall, the internal control studies served as a basis for modifying existing monitoring procedures to more effectively address global control and compliance matters prevalent in today's operating environment.</p> <p>Hours: 1,400 Fees: \$200,000</p>	Internal Controls Audit
[REDACTED]	2017 - Present	<p>THF currently provides compliance consulting services and financial monitoring. Responsibilities are to conduct on-site financial monitoring of sub-recipient entities which include approximately 35 locations around the state annually. THF utilized a subcontractor for this engagement to better control costs.</p> <p>Hours: 2,600 annually Fees: \$282,000 annually</p>	Internal Controls Audit
[REDACTED]	2017	<p>THF provided audit services of the financial statements of the [REDACTED]. The audit was conducted in accordance with U.S. generally accepted auditing standards and included tests of the accounting records and other procedures. The audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. The audit also included tests of documentary evidence supporting the transactions recorded in the accounts and tests of the physical existence of inventories and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors, financial institutions, and written representations from [REDACTED] attorneys. At the conclusion, we were required to do certain written representations from [REDACTED] about the financial statements and related matters.</p> <p>Hours: 285 Fees: \$28,000</p>	Audit of Financial Statements
[REDACTED]	2013 - 2016	<p>THF provided agreed upon compliance testing procedures related to the [REDACTED].</p> <p>Hours: 165 annually Fees: \$ 17,000 annually</p>	Audit of Segments of Financial Statements
[REDACTED]	2014 - Present	<p>THF provided audit services to the [REDACTED] financial report for the [REDACTED]. This included an audit of the annual revenue and expense regional and summer schedules, an audit of the annual sub capitation regional and summary schedules, an audit of the annual related-party regional and summary schedules, and an audit of the claim lags.</p> <p>Hours: 350 Fees: \$ 60,000 annually</p>	Audit of Segments of Financial Statements
[REDACTED]	2013	<p>THF provided services which included tracking, calculating, and reporting wireless, prepaid, and non-wireless data; preparing and presenting reports at their Board meeting; compiling monthly financial data and providing adjusting entries, general ledger, and trial balance for activity; preparing a wireless service provider reimbursement report; compiling the [REDACTED] financial statement; and the prep of the annual report.</p> <p>Hours: 1,200 Fees: \$147,600</p>	Audit of Segments of Financial Statements
[REDACTED]	2008 - Present	<p>THF is the current contractor providing draw audit services to verify the accuracy of the [REDACTED] various daily drawings. Audits are conducted for two draw events each day, 365 days/year, and involve performing agreed upon procedures to ensure the integrity of each draw event. Audits are also performed for special draws, such as "second-chance" computer draws, on an as-needed basis.</p> <p>Hours: 2,200 annually Fees: \$230,000 annually</p>	Economy and Efficiency Audit

Experience

Agency	Years Served	Services Provided	Service Type
██████████	2019	<p>Performed agreed upon procedures which were agreed to by the ██████████ the other member ██████████ in the states of ██████████ which operate ██████████ solely to assist the ██████████ with respect to the evaluation of financial information associated with CASH 4 LIFE: the Florida Lottery sales and prize expense for the period April 1, 2017 through March 31, 2018 and for the period April 1, 2018 through March 31, 2019.</p> <p>Hours: 86 Fees: \$11,650</p>	Economy and Efficiency Audit
██████████	2018	<p>Performance audit of ██████████ in accordance with F.S. 212.055(1) in relation to a proposed one percent surtax for the planning, development, construction, operation and maintenance of roads and bridges and to pay principal and interest on bonds issued for the construction of roads and bridges.</p> <p>Hours: 400 Fees: \$60,000</p>	Economy and Efficiency Audit
██████████	2013 - Present	<p>THF provides an annual audit of the financial statements of the ██████████, which comprise the governmental activities and general fund. We also report on whether supplementary information is fairly stated in all material respects in relation to the financial statements as a whole. We also perform certain limited procedures on required supplementary information (RSI).</p> <p>Hours: 180 annually Fees: \$21,000 annually</p>	Audit of Financial Statements
██████████	2019 - Present	<p>THF performs audit services for paid medical and pharmaceutical claims processing and payment to a school district. Responsibilities are to verify eligibility of claimants by comparing client's eligibility to paid claims, electronically analyze 100% of medical claims paid, electronically analyze 100% of pharmacy claims paid, verify that sufficient documentation was provided to support the sampled claim payment and an adequate review was performed, identify duplicate payments, identify common errors, and determine the causes and effect of errors along with providing recommendations to correct.</p> <p>Hours: 245 Fees: \$39,000</p>	Program Results and Program Fraud Audit
██████████	Awarded in 2020	<p>Audit of the ██████████ project statement of receipts and expenditures.</p> <p>Hours: 210 Fees: \$25,710</p>	Audit of Segments of Financial Statements
██████████	Awarded in 2020	<p>Audit of the ██████████ project statement of receipts and expenditures.</p> <p>Hours: 204 Fees: \$24,950</p>	Audit of Segments of Financial Statements
██████████	2010 - Present	<p>Annual audit performed in accordance with <i>Government Auditing Standards</i>. ██████████ is a component unit of the ██████████. The audit involves an evaluation of operational controls and IT controls. Financial statements and related audit reports are presented to the audit committee and Board of Governors.</p> <p>Hours: 200 annually Fees: \$33,000 annually</p>	Audit of Financial Statements

Experience

Agency	Years Served	Services Provided	Service Type
██████████	2000 - Present	Annual audit performed in accordance with <i>Government Auditing Standards</i> . Scope of audit includes expansive internal control testing and risk assessment, audit of each constitutional officer, Florida and Federal Single Audit and various compliance reports as required by the Florida Auditor General. Comprehensive Annual Financial Report is prepared and issued. Hours: 2,600 annually Fees: \$227,000 annually	Audit of Financial Statements
██████████	2013 - 2018	Annual audit performed in accordance with <i>Government Auditing Standards</i> . Scope of audit includes expansive internal control testing and risk assessment, audit of joint venture entities, Florida and Federal single audit and various compliance reports as required by the Florida Auditor General. Comprehensive Annual Financial Report is prepared and issued. Hours: 3,300 annually Fees: \$250,000 annually	Audit of Financial Statements
██████████	2001 - 2015	██████████ is a component unit of the State of Florida. THF performed an annual financial statement audit and employee benefit plan audit. The financial statement audit was performed in accordance with <i>Government Auditing Standards</i> and Rules of the Auditor General. A Florida single audit was also performed. Hours: 275 annually Fees: \$23,500 annually	Audit of Financial Statements
██████████	2009 - Present	Annual audit performed in accordance with <i>Government Auditing Standards</i> . ██████████ is a component unit of the ██████████. The audit involves an evaluation of operational controls and IT controls. Financial statements and related audit reports are presented to the audit committee and Board of Governors. Hours: 300 - 500 annually Fees: \$64,600 annually	Audit of Financial Statements
██████████	2003 - Present	Annual audit performed in accordance with <i>Government Auditing Standards</i> . ██████████ is a component unit of the ██████████. The audit involves an evaluation of operational controls and IT controls. Financial statements and related audit reports are presented to the audit committee and Board of Governors. Hours: 200 annually Fees: \$20,000 annually	Audit of Financial Statements
██████████	2020	Annual audit performed in accordance with <i>Government Auditing Standards</i> . This organization is a component unit of the ██████████. The audit involves an evaluation of operational controls and IT controls. Financial statements and related audit reports are presented to the audit committee and Board of Governors. Hours: 200 annually Fees: \$24,000 annually	Audit of Financial Statements
██████████	2013 - 2017	Annual audit performed in accordance with <i>Government Auditing Standards</i> . The ██████████ is a component unit of the ██████████. The audit involves an evaluation of operational controls and IT controls. Financial statements and related audit reports are presented to the audit committee and Board of Governors. Hours: 335 annually Fees: \$32,250 annually	Audit of Financial Statements

Services

Proven Ability to Provide Services to Every Florida County

During our tenure as a state-term contractor for over 15 years, we have a proven track record for providing statewide services to **each of Florida's 67 counties**. We are able to provide these services economically utilizing our Tallahassee and Tampa offices, as well as our affiliated alliance offices in Jacksonville, Coral Springs, Bradenton, Boca Raton, Orlando, Miami, Coral Gables, Lake Wales, Fort Myers, and West Palm Beach. Our membership and participation in the RSM US Alliance and CPAmerica provides enhanced resources that allow us to scale up to whatever size the project may require.



How does our RSM US Alliance and CPAmerica memberships benefit the State?

- ▶ We are able to share and gain critical industry information with other member firms, which creates a constant state of improvement for all firms involved. This also allows us to stay on top of issues that will be affecting state and local government agencies.
- ▶ Member firms receive educational opportunities from the alliance, association, or other member firms which keeps us abreast of the latest industry developments and issues and best practices for addressing them. We can also use this information to educate and keep our clients up-to-date on relevant industry trends.
- ▶ Member firms build supportive relationships allowing for complex questions and scenarios to be discussed for best practices which translates to a more efficient process used to serve our clients.
- ▶ Our alliances are merely an extension of THF that provides our local team with national and global resources as needed to serve our clients.

What do these alliances mean for our State work?

Although we have the ability, capacity, and bench strength to provide the services outlined in this RFP on our own, we have been able to utilize our alliances to provide more effective, efficient, and creative solutions to many engagements. We are also able to utilize our alliances for very specific, specialized expertise. If there is ever a question that we are not able to solve on our own, we are able to call on our alliances to help find a resolution for our clients at no additional cost.

One example of utilizing other offices based on locations was for monitoring work that we started performing for the [REDACTED] in 2017. This engagement involved visiting different [REDACTED] over the state of Florida. By partnering with an alliance firm in Miami, we were able to better utilize personnel around the state leading to less travel costs which allowed us to lower our fees for the Department. Although we partnered with another firm, the client always had one point of contact and there were no additional costs associated with us partnering with an alliance firm.

Other Resources

As a firm being in business for over 26 years, we have also built relationships with many organizations and companies. Some of these organizations are professional governmental organizations where we gain access to the most recent issues and updates, while others are staff augmentation firms in the event we ever need to scale up our team.

We have also built relationships with reputable companies in different industries. An example of a time we called on one of these relationships was for an engagement for the [REDACTED]. They issued an RFQ requiring a CPA firm to perform and manage a project; however, the project did not fall under the typical accounting umbrella. They required a statewide behavioral health data analysis.

We partnered with [REDACTED], a firm who specialized in providing behavioral health data analyses among other services in that field. We were still the point of contact for the engagement, but we were able to tap into the specific expertise needed for the project, while having members of our team focused on sound financial management managing the project.

Services

Financial Statements Audits

We have been performing financial statement audits for the State of Florida since 1993. Over that time, we have built relationships with our state partners and proven our ability to effectively and efficiently provide audit services to the State.

Due to the high importance of the subject matter the auditor must perform the audits in accordance with industry standards issued by the AICPA and the Comptroller General of the United States. Our audits strictly follow these standards to ensure the reliability of financial information being provided. These standards include applying ethical principles as well as general independence and competence frameworks. Secondly, these standards include proper planning and performance of the audit in accordance with *Government Auditing Standards* (proper communication with those charged with governance, developing an understanding of the entity and its environment, assessing the risks of material misstatement, understanding an entity's internal controls, considerations of fraud and abuse, and considerations of laws and regulations in an audit of financial statements). Finally, these standards include proper reporting and other communication considerations of *Government Auditing Standards*.

"We annually perform over 150 engagements for local, state, and quasi-governmental entities."

A Sample of Relevant Experience

Please see a sample of our relevant experience providing financial statement audits below. See complete listing of services on pages 5-10. We have a team that specializes in governmental audits. Their resumes along with the rest of our team are included separately.

THF performs or has performed financial statement audit services for numerous state agencies and state component units including the following:

[REDACTED]

General Approach - Methodology

Each of our audit plans will be developed specifically for the needs and objectives of the State agency and the users of the applicable reports. We believe it is of the utmost importance to understand our client and their needs. THF performs engagements throughout the State using our proven, effective methodology.

We have a practical, top-down, and risk-oriented approach to auditing that includes a review and evaluation of objectives, risks, and internal controls. Our audit approach will incorporate the requirements of recently issued auditing standards. Our approach focuses on identifying and evaluating the adequacy of internal controls over operations, reporting, and compliance in order to identify the high-risk audit areas and focus the majority of our testing in these areas. Our methodology has four key areas: general risk analysis, specific risk analysis, audit testing, and communication of audit results.

Services

General Risk Analysis

General risk analysis is a high-level review of the operations, controls, and risks of an entity. During this phase, the audit team will gather information about the respective organization and its internal control environment for the purpose of assessing both business and audit risks. Business risks are economic and financial in nature and represent the primary challenges to management in achieving its financial goals and assuring public trust. Audit risks represent the potential for material misstatements or inaccurate disclosures in the respective organization's financial statements.

In addition to this general risk analysis, we assess risk at the financial statement account level by analyzing accounts that are most susceptible to material misstatement. The audit team performs a detailed study and evaluation of the internal systems and controls in each business cycle identified for the respective organization. The process is accomplished by identifying control techniques used to meet the specific internal control objectives we have identified as being critical to operations. Depending on the nature of the balances, the level of risk associated with them, the level of internal controls in existence, and, of course, materiality, we design our audit approach to include a variety of tests.

Specific Risk Analysis

After identifying significant audit risks, we will evaluate the respective organization's effectiveness in managing them. This includes evaluating the management control environment, assessing the overall information systems operations, and assessing the organization's ability to generate timely and meaningful financial information. At the specific financial statement account level, we evaluate detailed controls for authorizing and processing transactions, as well as the controls related to the safeguarding and reporting functions. In this process, we search for controls that are the most effective in reducing business/audit risks.

We begin the search by evaluating whether the respective organization's control techniques are adequate to achieve the specific internal control objectives. If the techniques are not adequate, further evaluation by the audit team is necessary. If mitigating controls are absent, the materiality of the potential impact must be assessed. Work programs for compliance testing are also prepared. Our emphasis goes beyond typical auditor vouching tests and deals more with the substance of the respective organization's specific control environment and risks. The result is an audit scope tailored to each specific situation and targeted specific transaction testing rather than the large samples selected by auditors who rely primarily on statistical substantive sampling.

Audit Testing

After making a careful overall assessment of business and audit risks together with an evaluation of the respective organization's internal controls, we will perform audit testing that is most efficient and effective in response to the risks and controls identified. Our audit approach consists of a combination of precise and effective analytical procedures and statistically valid sampling procedures and testing that reduce the audit risk of financial statement misstatement and noncompliance while reducing the cost of the audit to the organization.

An important part of our audit testing is our sampling approach. Sample sizes are based on a risk-based approach and the methods for determining our sample sizes depend on the audit area and its assessed risk. Our sampling approach is an integral part of our audit testing procedures. The engagement team will first identify and document the purpose of the audit procedure and the characteristics of the population from which the sample will be drawn. Audit sampling enables the auditor to obtain and evaluate audit evidence about some characteristics of the items selected in order to form or assist in forming a conclusion concerning the population from which the sample is drawn. We use a mix of statistical sampling and nonstatistical sampling. The population from which the sample will be drawn is identified, verified, and a sample is selected using various factors.

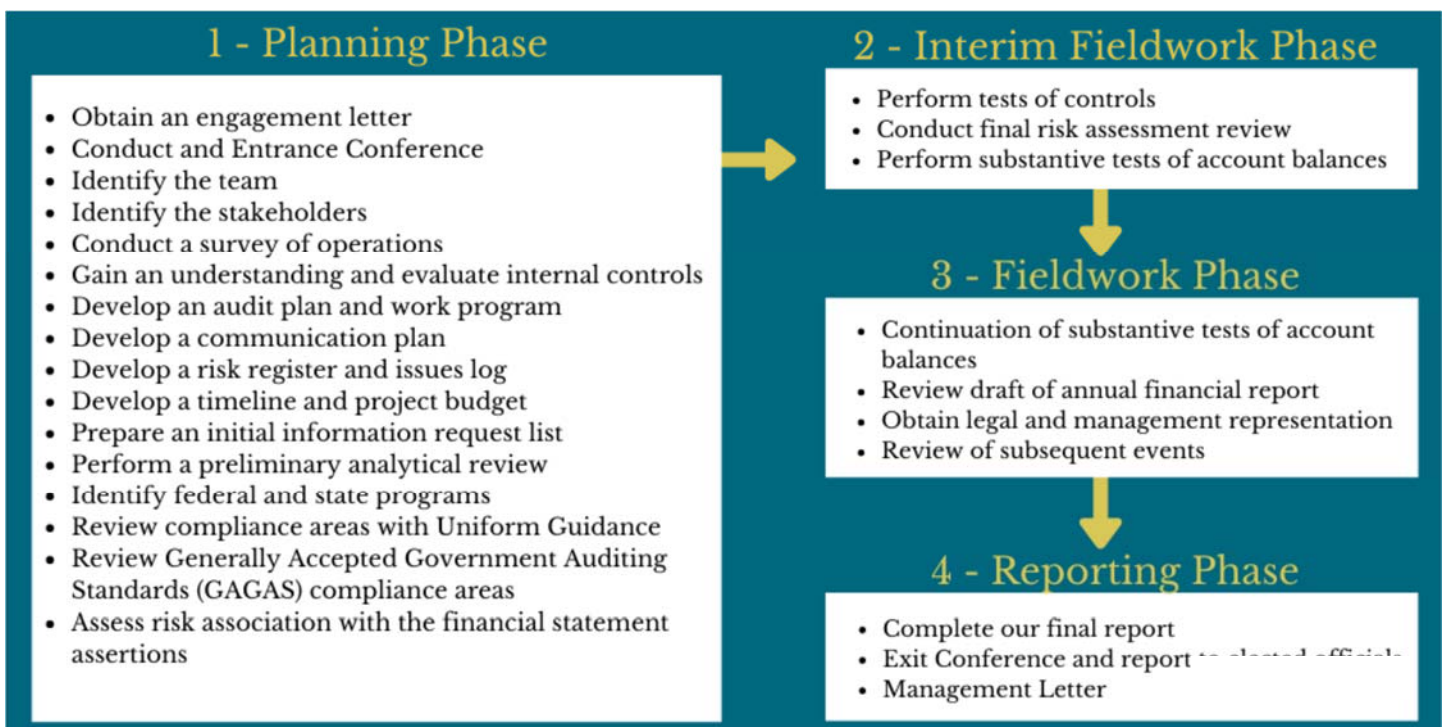
Services

Communication of Audit Results

We believe that communication of audit results goes beyond rendering our report on the financial statements. For this reason, we meet with the organization's finance team during the course of the audit and upon completion of our work. Our strong emphasis on industry expertise, information systems, risk assessment, and control evaluations allow us to make constructive comments and suggestions. Effective communication of the results of our efforts is a key factor in demonstrating our effectiveness as a trusted business advisor. Significant matters will be discussed with members of the finance team at the time they first come to our attention. Written responses from management concerning these findings, including corrective action to be taken, will be requested and included in the final memorandum. Upon completion of the audit, this report will be updated for any matters of significance which subsequently came to our attention.

Approach to Conducting Audits

We approach each audit strategically to meet the needs and objectives of the organization, those charged with governance, and the users of the applicable reports. Our engagement planning is based on effective communication with all parties to obtain an understanding of the scope and the needs of the users of financial information. We have developed a dedicated government services team. These individuals focus almost exclusively on serving governments and as such maintain a level of expertise and relevance to deliver effective and efficient results. Additionally, other members of our firm have specialization in practice areas such as information technology, grant compliance, not-for-profit organizations and reporting, fraud and forensic accounting, and insurance regulations and reporting. As necessary, we will draw upon the knowledge of our practice area experts along with our strategic nationwide alliances of RSM US Alliance and CPAmerica in providing the services needed to meet the objectives of the engagement.



“We recognize the importance of quality and work hard to keep our pass rating for our Peer Review.”

Services

Audits of Segments of Financial Statements

We routinely perform audits of segments of financial information for the State of Florida. These services are similar to those discussed in the financial statement audits section, but the opinion rendered focuses on a single financial statement or a specific element of a financial statement rather than the complete set of financial statements. These audits are performed in accordance with industry standards issued by the AICPA and the Comptroller General of the United States. Our audits strictly follow these guidelines to ensure the reliability of financial information being provided. Our commitment to these standards is evidenced by our Peer Review for which we have, since our inception, received a pass rating.

“We are currently the only STC audit firm headquartered in Florida.”

General Approach

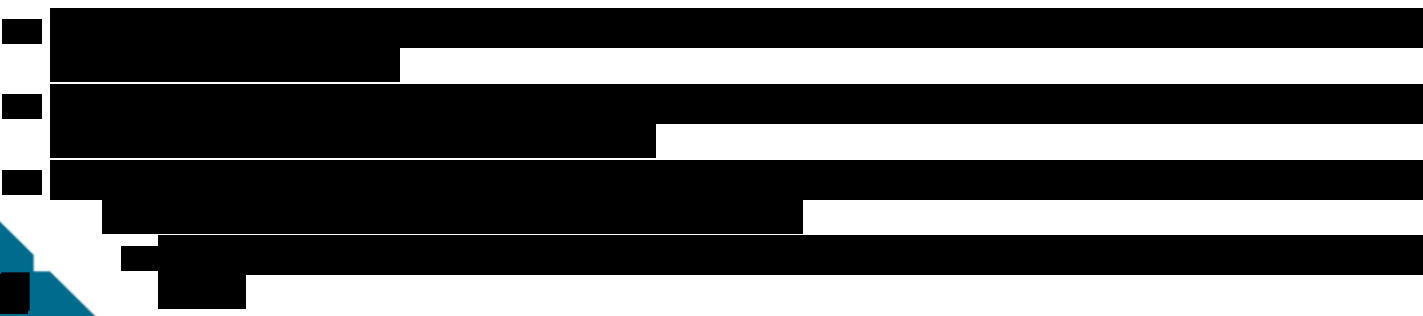
Professional standards require the auditor to comply with all Auditing Standards Generally Accepted in the United States that are relevant to the audit. In the case of an audit of a single financial statement or a specific element of a financial statement, this requirement applies irrespective of whether the auditor is also engaged to audit the entity's complete set of financial statements. Based on these requirements, the approach and methodology are similar to those discussed in the section *Financial Statement Audits (General Risk Analysis, Specific Risk Analysis, Audit Testing, and Communication of Audit Results)*.

Some of the most important or varying elements to approaching an audit of segments of financial information arise in the planning stages. If THF is not also engaged to audit the entity's complete set of financial statements, we determine whether the audit of a single financial statement or a specific element of those financial statements in accordance with Generally Accepted Auditing Standards (GAAS) is practical. We then determine whether the auditor will be able to perform procedures on interrelated items. Another important item in the planning phase includes the acceptability of the financial reporting framework. In the case of an audit of a single financial statement or a specific element of a financial statement, we first obtain an understanding of the purpose for which the single financial statement or specific element of a financial statement is prepared, the intended users, and the steps taken by management to determine that the application of the financial reporting framework is acceptable in the circumstances. An additional key item in this type of engagement is the concept of materiality. In the case of an audit of a single financial statement, we will determine materiality for the single financial statement being reported on rather than for the complete set of financial statements.

Finally, we give special attention to the reporting requirements when determining the proper method to report which has varying requirements based on the relevant circumstances of each engagement.

A Sample of Relevant Experience

Please see a sample of our relevant experience providing audits of segments of financial information below. See complete listing of services on pages 5-10. We have a team that specializes in governmental audits. Their resumes along with the rest of our team are included separately.



Services

Internal Control Audits

Internal controls are designed to provide reasonable assurances regarding the achievement of objectives in the following areas: effectiveness and efficiency of operations, the reliability of financial reporting, and compliance with applicable laws and regulations. This also includes audits 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 and audits of financial reporting and safeguarding of assets including the use of computer-based systems.

General Approach

THF has provided internal control reviews, audits, and overall testing of internal controls to many of our clients including those for the State. Our first step in an internal control audit is to understand an entity's flow of transactions. This is a critical first step in planning an effective audit. Without this understanding, the engagement teams may not identify all the current controls in place, the risks that exist, and select the appropriate controls to test in an audit. We accomplish this step by obtaining narratives from the client and perform inquiry and observations associated with the key controls and process controls identified in the narrative.

After identifying controls that are relevant to the audit, we evaluate the design effectiveness of those controls and determine whether the controls are implemented. We obtain audit evidence about the relevant controls' design and implementation by selecting samples of the significant processes and testing them. We test controls through observation of daily processes, inspection of documents, and reperformance of procedures based on audit sampling. All these procedures can provide evidence that controls were properly designed and implemented and are functioning as intended.

Finally, if we see that the client's controls are ineffective or if the controls have not been implemented properly, we will bring attention to these deficiencies in controls and provide recommendations for improving them.

A Sample of Relevant Experience

Please see a sample of our relevant experience providing internal control audits below. See complete listing of services on pages 5-10. We have a team that specializes in governmental audits. Their resumes along with the rest of our team are included separately.

- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]

Services

Economy and Efficiency Audits

Economy and efficiency audits fall under the guidance of performance audits within the 2018 *Government Auditing Standards* issued by the Comptroller General of the United States. Performance audits provide objective analysis, findings, and conclusions to assist management and those charged with governance to evaluate program performance and operations, cost management, compliance with statutes and regulations, and public accountability. These audit objectives focus on program effectiveness and results typically measure the extent to which a program is achieving its goals and objectives. These audits are performed in accordance with industry standards issued by the AICPA and the Comptroller General. Our audits strictly follow these guidelines to ensure the reliability of financial information being provided. Our commitment to these standards is evidenced by our Peer Review for which we have, since our inception, received a pass rating.

General Approach

Our approach includes three phases: planning, executing, and reporting. The first step in this phase is to define the objectives, simply what the audit is intended to accomplish. The objectives identify the audit subject matter and performance aspects to be included. We will work closely with management and those charged with governance to define the objectives, scope, methodology, timing, and planned reporting prior to the commencement of work or requesting additional information. Once those items are defined and communicated, we will prepare a written audit plan. An important aspect is obtaining an understanding of the program under audit in order to assess the risks associated with the program and the effect of the risks on the audit objectives, scope, and methodology. Our understanding may come from knowledge we already have about the program or knowledge we gain from inquiries, observations, and review of documents while planning. Other important considerations include determination if internal controls are significant to the audit objectives, identifying provisions of laws, regulations, contracts, and grant agreements that are significant in the context of the audit objective and an assessment of the risk of fraud.

The second phase is the execution of the written audit plan. We will obtain sufficient, appropriate evidence to provide a reasonable basis for addressing the audit objectives and supporting their findings and conclusions. This evidence may vary in form and how its collected. Evidence may be categorized as physical, documentary, or testimonial. Often our testing includes sampling the applicable population. We will work closely with management during this phase to ensure proper testing to meet the applicable objectives.

The reporting phase includes the issuance of audit reports that formally communicate the results of each completed audit. Our reports will include (1) the objectives, scope, and methodology of the audit; (2) the audit results, including findings, conclusions, and recommendations, as appropriate; (3) a summary of the views of responsible officials; and (4) if applicable, the nature of any confidential or sensitive information omitted.

A Sample of Relevant Experience

Please see a sample of our relevant experience providing economy and efficiency audits below. See complete listing of services on pages 5-10. We have a team that specializes in governmental audits. Their resumes along with the rest of our team are included separately.



Services

Program Results and Program Fraud Audits

Program results and program fraud audits analyze the performance of a program or department to determine if it is effectively accomplishing its goals. We also analyze to see if the program or department is in compliance with all applicable standards and regulations. If not, we provide recommendations and support for repairing the problems or inefficiencies identified. These services also include: assessing whether the objectives of a new or ongoing program are proper, suitable, or relevant; determining the extent to which a program achieves a desired level of program results; assessing the effectiveness of the program and/or individual program components; determining whether the program complements, duplicates, overlaps, or conflicts with other related programs; and assessing compliance with laws and regulations applicable to the program

We have extensive experience auditing program results. The size of our team allows us to take on projects that involve extremely large volumes of data with tight deadlines. As an example, we have assisted ██████████ in completing its Payment Error Rate Measurement for the Centers for Medicare and Medicaid Services (CMS), a project that involved evaluation of thousands of client cases in a short time period. Another example includes work performed for the ██████████ in which we visited every newly licensed check cashing store in the state over a year's time for compliance with applicable state statutes. Our visits help identify common areas of deficiencies and risk for the State.

We also have extensive experience providing forensic/fraud accounting services including several recent engagements with departments and agencies of the State of Florida. For each of our forensic/fraud engagements, our team is led by a Certified Public Accountant (CPA) who is a Certified Fraud Examiner (CFE), is Certified in Financial Forensics (CFF), and is Accredited in Business Valuation (ABV). We have extensive experience with pre-litigation disputes, program fraud audits, contract monitoring, claims auditing services, forensic accounting, and litigation services. We are experienced in financial forensic investigation, including both the broad assessment of entity structure and compliance, as well as the detailed tracking and analysis of receipts and disbursements. We also have a significant range of knowledge and experience with in-court testimony.

General Approach

We begin program results audits by clearly defining the program objectives and the relevant cognizant oversight agencies. We obtain and understand the rules, statutes, contracts, and other guidance which govern the program. If there are compliance supplements relevant to the program, those are also obtained and understood. We review prior program audits to understand findings from the prior audit period. We discuss the project with the program administrators and/or the oversight agency, as applicable, and complete our planning process. The qualified team of personnel assigned to the program results audit executes the engagement plan while staying in close contact with the requesting party throughout the process. Any exceptions or potential issues are identified and discussed with the program administrators to find the appropriate manner of reporting the exception or issue. Multiple layers of review are embedded in our engagement approach, including a quality control review by an independent senior member of our team before the program results audit is finalized and issued.

Program fraud audits follow a similar approach. However, some fraud audits are conducted covertly which significantly changes the approach. Regardless of the covertness of the audit, our preference is to coordinate our approach and our reporting with counsel to preserve privilege to the extent possible. Our team of experienced forensic accountants supervise and perform the program fraud audit together with other industry specialists on our team. By integrating industry specialists with team members specifically trained and experienced in forensic accounting, we combine the best program auditors with the best fraud auditors to achieve the best result. We have experience preparing fraud audit reports, providing testimony, and serving as expert witnesses.

A Sample of Relevant Experience

Please see a sample of our experience providing program results and program fraud audits on the following page. See complete listing of services on pages 5-10. We have a team that specializes in governmental audits. Their resumes along with the rest of our team are included separately.

Services

Due to the confidentiality aspect of these projects, the name of the organization is omitted. Each of these representative projects included an assessment of accounting policies and procedures in addition to detailed analysis and documentation of specific transactions.

- ▲ THF was retained by a department of the State of Florida to assist with programmatic oversight and risk mitigation, detailed forensic accounting, and application of [REDACTED] and contract requirements for a federally-funded food program administered by the State. This engagement included a detailed analysis of claims for reimbursement by food service providers, including analysis of food purchases, food deliveries, point-of-service documentation, and the related reimbursement invoices provided to the state. Services to this state agency are ongoing and include suggested revisions to the [REDACTED] and review of applicants who wish to be a part of this food service program. More than \$40,000,000 of federal and state funding flows through this program annually.
- ▲ A department of the State of Florida engaged THF to perform a forensic audit related to a subrecipient of federal and state funds. This engagement involved an assessment of internal controls, digital forensics, specific transaction testing, and the preparation of a detailed report of our findings for use by internal and external parties. The result of our analysis indicated an overbilling by the subrecipient of approximately 60% over a seven year period. This matter is ongoing. The subrecipient claimed more than \$20,625,000 of reimbursements under the related program.
- ▲ A direct support organization of a large state university engaged THF to analyze and document unauthorized activities within an investment account, including consideration of potential related party transactions. Our involvement included coordination with law enforcement and prosecutors. The perpetrator was arrested, confronted with the accumulated evidence, and ultimately sentenced to jail time. Insurance claims and restitution totaled nearly \$1,000,000.
- ▲ THF was engaged by a governmental authority regarding an alleged misappropriation of assets. Our involvement included coordination with law enforcement and prosecutors, as well as documentation of unauthorized transactions and insufficient accounting policies. The perpetrator served a federal prison sentence related to this nearly \$650,000 fraud.
- ▲ Related to the receivership of an insurance company, THF was engaged to provide significant forensic accounting services and expert testimony. This case included criminal, civil, and bankruptcy actions for a complex multi-tiered entity structure and a number of related parties. One executive pled guilty in the criminal case and served two years in prison in addition to paying \$5,000,000 of restitution. In the civil matter, our forensic auditing and expert testimony identified damages of \$67,856,119, which was upheld on appeal.
- ▲ Related to the sale of an integrated manufacturing and leasing company, THF was engaged to critique adherence to professional standards by an external auditing firm and provide an expert report and related testimony after a failed business acquisition. Total damages exceeded \$15,000,000, including amounts due from the auditing firm's insurance carrier and one of the sellers of the business.
- ▲ THF was retained by a government following a bid protest by an incumbent vendor. The incumbent vendor alleged business damages in excess of \$400,000 resulting from the government's handling of a bid process and their subsequent self-performance of the services previously provided by the vendor. Following the deposition of our expert witness, the case settled at a significant discount from the initial demand.
- ▲ A department of the state of Florida engaged THF to perform a forensic audit of a vendor contract following a request for additional payment of nearly \$1,000,000 being made by the vendor. Our involvement included interviewing key personnel, reviewing contract documents including a state procurement that had been subsequently extended or amended at least eight times, analyzing the vendor's allegations, and providing advice to the State's counsel about possible about next steps. The matter is ongoing.
- ▲ THF was hired by a local government to investigate an apparent theft of funds collected on behalf of Florida's first responders. Services included the detailed tracking of receipts and disbursements, an analysis of internal controls, a search for unrecorded transactions, and a reconciliation of the true transactions of the organization to the financial reports that had been provided by the accused.

Contract Attachment D

Authorized Services List

Category 2: Financial and Performance Audits

Thomas Howell Ferguson P.A. 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:	Thomas Howell Ferguson PA
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FEIN:	59-3186310	*** MUST MATCH ACTIVE SUNBIZ.ORG REGISTRATION ***
Website:	www.thf.cpa	

Customer Contact

Contact for sales information, ordering, and billing questions.

Name:	Jeff Barbacci		
Email:	jfb@thf-cpa.com		
Phone:	850-521-3146	ext.	
Address:	2615 Centennial Blvd., Suite 200		
City:	Tallahassee		
State:	FL		
ZIP:	32308	+4:	

Contract Administrator

Contact for escalated customer needs.

Name:	Jeff Barbacci		
Email:	jfb@thf-cpa.com		
Phone:	850-521-3146	ext.	
Address:	1355 Conservancy Dr. East		
City:	Tallahassee		
State:	FL		
ZIP:	32308	+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: Thomas Howell Ferguson P. A.

Respondent Federal Employer Identification Number (FEIN #) 59-3186310

Authorized Signature:  _____

Print Name: Jeffrey Barbacci

Title: Managing Shareholder

Date: 4/6/2020

**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.

