



ARLINGTON COUNTY, VIRGINIA
OFFICE OF THE PURCHASING AGENT
2100 CLARENDON BOULEVARD, SUITE 500
ARLINGTON, VIRGINIA 22201

CONTRACT AWARD COVERPAGE

TO: CliftonLarsonAllen (CLA) LLP 901 North Glebe Road, Suite 200 Arlington, VA 22203	DATE ISSUED: <u>March 13, 2023</u>
	CONTRACT NO: <u>23-DMF-RFP-455</u>
	CONTRACT TITLE: <u>External Financial Audit Services</u>

THIS IS A NOTICE OF AWARD OF CONTRACT AND NOT AN ORDER. NO WORK IS AUTHORIZED UNTIL THE VENDOR RECEIVES A VALID COUNTY PURCHASE ORDER ENCUMBERING CONTRACT FUNDS.

The contract documents consist of the terms and conditions of AGREEMENT No. 23-DMF-RFP-455 including any attachments or amendments thereto.

EFFECTIVE DATE: 3/17/2023
EXPIRES: March 31, 2024
RENEWALS: Four (4) Renewals Remaining
COMMODITY CODE(S): PROVIDE AT LEAST ONE COMMODITY CODE
LIVING WAGE: N

ATTACHMENTS:
AGREEMENT No. 23-DMF-RFP-455

EMPLOYEES NOT TO BENEFIT:
NO COUNTY EMPLOYEE SHALL RECEIVE ANY SHARE OR BENEFIT OF THIS CONTRACT NOT AVAILABLE TO THE GENERAL PUBLIC.

VENDOR CONTACT: Greg Bussink, CPA, CGFM, CGMA **VENDOR TEL. NO.:** (301) 902-8527
EMAIL ADDRESS: greg.bussink@CLAconnect.com

COUNTY CONTACT: Rahul Bhalla **COUNTY TEL. NO.:** (703) 228-3427
COUNTY CONTACT EMAIL: rbhalla1@arlingtonva.us

PURCHASING DIVISION AUTHORIZATION

DocuSigned by:
Jomeka D. Price **Title** Procurement Officer **Date** 3/17/2023

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**ARLINGTON COUNTY, VIRGINIA
OFFICE OF THE PURCHASING AGENT
SUITE 500, 2100 CLARENDON BOULEVARD
ARLINGTON, VA 22201**

AGREEMENT NO. 23-DMF-RFP-455

THIS AGREEMENT is made, on March 13, 2023, between CliftonLarsonAllen LLP, 901 North Glebe Road, Suite 200, Arlington, VA 22203 ("Contractor"), a Minnesota general partnership authorized to do business in the Commonwealth of Virginia, and the County Board of Arlington County, Virginia ("County"). The County and the Contractor, for the consideration hereinafter specified, agree as follows:

1. CONTRACT DOCUMENTS

The "Contract Documents" consist of:

- This Agreement
- Exhibit A – Scope of Work
- Exhibit B – Contract Pricing
- Exhibit C – Contractor Performance Evaluation Form

Where the terms and provisions of this Agreement vary from the terms and provisions of the other Contract Documents, the terms and provisions of this Agreement will prevail over the other Contract Documents, and the remaining Contract Documents will be complementary to each other. If there are any conflicts, the most stringent terms or provisions will prevail.

The Contract Documents set forth the entire agreement between the County and the Contractor. The County and the Contractor agree that no representative or agent of either party has made any representation or promise with respect to the parties' agreement that is not contained in the Contract Documents. The Contract Documents may be referred to below as the "Contract" or the "Agreement".

2. SCOPE OF WORK

The Contractor agrees to perform the services described in the Contract Documents (the "Work"). As detailed in the "Scope of Work" (Exhibit A), the primary purpose of the Work is to provide external financial audit services. It will be the Contractor's responsibility, at its sole cost, to provide the specific services set forth in the Contract Documents and sufficient services to fulfill the purposes of the Work. Nothing in the Contract Documents limits the Contractor's responsibility to manage the details and execution of the Work.

3. PROJECT OFFICER

The performance of the Contractor is subject to the review and approval of the County Project Officer, who will be appointed by the Director of the Arlington County department or agency requesting the Work under this Contract.

4. CONTRACT TERM

The Work will commence on 3/17/2023 and must be completed no later than March 31, 2024 ("Initial Contract Term"), subject to any modifications provided in the Contract Documents. Upon satisfactory performance by the Contractor the County may, through issuance of a bilateral Notice of Renewal, authorize continuation of the Agreement under the same contract prices for not more than four (4) additional 12-month periods, from April 1, 2024 to March 31, 2028 (each a "Subsequent Contract Term"). The Initial Contract Term and any Subsequent Contract Term(s) are together the "Contract Term".

5. CONTRACT AMOUNT

This is a fixed-price contract. The Contractor agrees that the total payment for the Work will not exceed \$248,900 regardless of the number of hours spent in the performance of the Work.

The County will not compensate the Contractor for any goods or services beyond those included in Exhibit A unless those additional goods or services are covered by a fully executed amendment to this Contract. Any additional services considered out of scope of the audit as a result of new audit standards or accounting pronouncements will be discussed before performing any additional work and agreed to as indicated above. Additional services will be billed at the rates set forth in Exhibit B unless otherwise agreed by the parties in writing.

6. CONTRACT PRICE ADJUSTMENTS

The Contract Amount/unit price(s) will remain firm until March 31, 2024 ("Price Adjustment Date"). To request a price adjustment, the Contractor or the County must submit a written request to the other party not less than 90 days before the Price Adjustment Date. Adjustments to the Contract Amount/unit price(s) will not exceed the percentage of change in the U.S. Department of Labor Consumer Price Index, All Items, Unadjusted, Urban Areas ("CPI-U") for the 12 months of statistics available at the time of the Contract's renewal.

Any Contract Amount/unit price(s) that result from this provision will become effective the day after the Price Adjustment Date and will be binding for 12 months. The new Price Adjustment Date will be 12 months after the price adjustment.

If the Contractor and the County have not agreed on a requested adjustment by 30 days before the Price Adjustment Date, the County may not renew the Contract, whether or not the County has previously elected to renew the Contract's term.

7. STANDARD OF CARE

The County is entering into this Contract in reliance on the Contractor's experience and abilities with respect to performing the services hereunder. In performing the Work, the Contractor will ensure that it and its agents and employees exercise the degree of skill and care that is normally accepted by members of the same profession currently practicing under similar conditions in the same locality ("Customary Standard of Care"). The Contractor will re-perform, without additional compensation, any services not meeting this Customary Standard of Care.

The Contractor is responsible for all costs and expenses incurred by the County when such costs and expenses are the result of any violation of this Standard of Care section. The County's review, approval or acceptance of or payment for any services required under this Contract does not release the Contractor from any liability for breach of this Standard of Care.

8. PAYMENT

The County will pay the Contractor monthly according to the provisions of this section. By the tenth day of each month, the Contractor will submit an invoice to the Project Officer or ACERS, as appropriate. The Project Officer and ACERS will either approve the invoice or require corrections. The County will pay the Contractor within 30 days after receipt of an approved invoice. All payments will be made from the County to the Contractor via ACH.

If the Contractor has already been paid 85% of the total amount allocated for any engagement and work under that engagement is not complete, the County will pay the remaining amount due for that engagement only upon completion of the engagement. Completion of the engagement shall be defined as issuance of the ACFR audit opinions. The County will not pay more than amount allocated for any engagement, regardless of the number of hours spent or the amount of expenses incurred by the Contractor to complete the engagement. The number of the County Purchase Order by which services have been performed must appear on all invoices.

9. ADJUSTMENTS FOR CHANGE IN SCOPE

The County may order additions, deletions and other revisions in the Work within the general scope of the project, to the extent allowable by professional standards. If the Contractor believes that any change is not within the scope of the project or warrants additional compensation, the Contractor must notify the Project Officer as soon as the County requests the change; and the Contractor must then provide written notice of its position to the Project Officer within ten calendar days. The Contractor's notice must detail and document the basis for the claimed amount of additional compensation. The Contractor will not receive any additional compensation pursuant to this paragraph unless the parties execute a written Contract amendment, and the County issues a purchase order consistent with the amendment.

10. REIMBURSABLE EXPENSES

The County will not reimburse the Contractor for any non-travel-related expenses under this Contract. The amount in Exhibit B includes all costs and expenses of providing the services described in this Contract.

11. REIMBURSABLE TRAVEL-RELATED EXPENSES

The County will not reimburse the Contractor for travel-related expenses for employees located within the greater Baltimore-Washington Metropolitan Area, as defined by the United States Office of Management and Budget. For employees located outside this area, the County will reimburse for pre-approved travel-related expenses, documented with receipts, as follows:

Meals: The County will reimburse at the U.S. General Services Administration's ("GSA") per diem rates for the destination, current for the date of travel, with the first and last days of travel counted at 75% of the per diem rate.

Lodging: The County will reimburse for actual lodging costs at a reasonably priced commercial facility in the immediate area of where the Work is performed, up to the GSA's daily rates for the destination, current for the date of travel. Receipts for lodging must be itemized. Only room and tax charges will be

reimbursed; no reimbursement will be made for additional expenses, including but not limited to, room service, laundry, telephone and in-room movies. If the Contractor or its employee shares a room with another person who is not connected with the performance of the Work, including a spouse, the County will reimburse for only the cost of a single room.

The applicable GSA per diem rates can be obtained at <http://www.gsa.gov/portal/content/104877>.

Transportation:

General

Reservations must be made in advance whenever possible to take advantage of all available discounts.

Ground Transportation

Use of public transportation is encouraged. The County will reimburse for the business use of personal or company vehicles, if allowed, at the GSA's mileage rates current at the time of travel. The Contractor's request for reimbursement may not include any personal use of the vehicle.

The County may approve reimbursement for rental of vehicles or use of taxicabs if the Contractor can demonstrate that to be the most economical option. Any reimbursement will cover only those rental charges, insurance and/or fuel fees allocable to work on the Contract and will not cover the purchase of liability insurance and/or collision/comprehensive insurance if the Contractor's or the employee's existing insurance coverage provides such protection.

Air Travel

The County will reimburse for air travel at the lowest available fare, typically economy. Tickets must be purchased at least seven days in advance, unless otherwise approved by the County.

Time limit: The County will not honor requests for travel reimbursement that are submitted more than 60 days after completion of the travel.

Non-reimbursable Expenses: The County will never reimburse for the following expenses:

1. Alcoholic beverages
2. Personal phone calls
3. Entertainment (e.g. pay TV, movies, night clubs, health clubs, theaters, bowling)
4. Personal expenses (e.g. laundry, valet, haircuts)
5. Personal travel insurance (e.g. life, medical, or property insurance) for airfare or rental cars
6. Auto repairs, maintenance and insurance costs for personal vehicles

12. PAYMENT OF SUBCONTRACTORS

The Contractor is obligated to take one of the two following actions within seven days after receipt of payment by the County for work performed by any subcontractor under this Contract:

- a. Pay the subcontractor for the proportionate share of the total payment received from the County attributable to the work performed by the subcontractor under this Contract; or
- b. Notify the County and the subcontractor, in writing, of the Contractor's intention to withhold all or a part of the subcontractor's payment, with the reason for nonpayment.

The Contractor is obligated to pay interest to the subcontractor on all amounts owed by the Contractor to the subcontractor that remain unpaid after seven days following receipt by the Contractor of payment from the County for work performed by the subcontractor under this Contract, except for amounts withheld as allowed in subsection b., above. Unless otherwise provided under the terms of this Contract, interest will accrue at the rate of 1% per month.

The Contractor must include in each of its subcontracts, if any are permitted, a provision requiring each subcontractor to include or otherwise be subject to the same payment and interest requirements with respect to each lower-tier subcontractor.

The Contractor's obligation to pay an interest charge to a subcontractor pursuant to this section may not be construed to be an obligation of the County. A Contract modification may not be made for the purpose of providing reimbursement for such interest charge. A cost reimbursement claim may not include any amount for reimbursement for such interest charge.

13. NON-APPROPRIATION

All payments by the County to the Contractor pursuant to this Contract are subject to the availability of an annual appropriation for this purpose by the County Board of Arlington County, Virginia ("Board"). In the event that the Board does not appropriate funds for the goods or services provided under this Contract, the County will terminate the Contract, without termination charge or other liability to the County, on the last day of the fiscal year or when the previous appropriation has been spent, whichever event occurs first.

14. ESTIMATED QUANTITIES/NON-EXCLUSIVITY OF CONTRACTOR

This Contract does not obligate the County to purchase a specific quantity of items or services during the Contract Term. Any quantities that are included in the Contract Documents are the present expectations of the County for the period of the Contract; and the County is under no obligation to buy that or any amount as a result of having provided this estimate or of having had any normal or otherwise measurable requirement in the past. The County may require more goods and/or services than the estimated annual quantities, and any such additional quantities will not give rise to any claim for compensation other than at the unit prices and/or rates in the Contract.

The County does not guarantee that the Contractor will be the exclusive provider of the goods or services covered by this Contract. The items or services covered by this Contract may be or become available under other County contract(s), and the County may determine that it is in its best interest to procure the items or services through those contract(s).

15. COUNTY PURCHASE ORDER REQUIREMENT

County purchases are authorized only if the County issues a Purchase Order in advance of the transaction, indicating that the ordering County agency has sufficient funds available to pay for the purchase. If the Contractor provides goods or services without a signed County Purchase Order, it does so at its own risk and expense. The County will not be liable for payment for any purchases made by its employees that are not authorized by the County Purchasing Agent.

16. BACKGROUND CHECK

The Contractor will be responsible for completing a criminal background check for all employees and/or subcontractors whom the Contractor assigns to work on this Contract. Upon request from the County, the

Contractor should provide the background check to the Project Officer. Any adverse findings may result in the immediate removal of the individual from the contract.

17. REPLACEMENT OF PERSONNEL AND SUBCONTRACTORS

The County has the right reasonably to reject staff or subcontractors whom the Contractor assigns to the project. The Contractor must then provide replacement staff or subcontractors satisfactory to the County in a timely manner and at no additional cost to the County. The day-to-day supervision and control of the Contractor's and its subcontractors' employees is the sole responsibility of the Contractor.

The Contractor may not replace key personnel or subcontractors identified in its proposal, including the approved Project Manager, without the County's written approval. The Contractor must submit any request to remove or replace key personnel or subcontractors to the County Project Officer at least 15 calendar days in advance of the proposed action. The request must contain a detailed justification, including identification of the proposed replacement and his or her qualifications.

If the approved Project Manager must be absent for an extended period, the Contractor must provide an interim Project Manager, subject to the County's written approval.

If the approved Project Manager resigns or is terminated by the Contractor, the Contractor will replace the Project Manager with an individual with similar qualifications and experience, subject to the County's written approval.

18. EMPLOYMENT DISCRIMINATION BY CONTRACTOR PROHIBITED

During the performance of its work pursuant to this Contract:

- A. The Contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, sexual orientation, gender identity, national origin, age, disability or on any other basis prohibited by state law. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
- B. Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation will be deemed sufficient for meeting the requirements of this section.
- C. The Contractor will state in all solicitations or advertisements for employees that it places or causes to be placed that such Contractor is an Equal Opportunity Employer.
- D. The Contractor will comply with the provisions of the Americans with Disabilities Act of 1990 ("ADA"), which prohibits discrimination against individuals with disabilities in employment and mandates that disabled individuals be provided access to publicly and privately provided services and activities.
- E. The Contractor must include the provisions of the foregoing paragraphs in every subcontract or purchase order of more than \$10,000.00 relating to this Contract so that the provisions will be binding upon each subcontractor or vendor.

19. EMPLOYMENT OF UNAUTHORIZED ALIENS PROHIBITED

In accordance with §2.2-4311.1 of the Code of Virginia, as amended, the Contractor must not during the performance of this Contract knowingly employ an unauthorized alien, as that term is defined in the federal Immigration Reform and Control Act of 1986.

20. DRUG-FREE WORKPLACE TO BE MAINTAINED BY CONTRACTOR

During the performance of this Contract, the Contractor must: (i) provide a drug-free workplace for its employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the Contractor's workplace and specifying the actions that will be taken against employees for violating such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the Contractor that the Contractor maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or purchase order of more than \$10,000.00 relating to this Contract so that the provisions will be binding upon each subcontractor or vendor.

For the purposes of this section, "workplace" means the site(s) for the performance of the work required by this Contract.

21. SEXUAL HARASSMENT POLICY

If the Contractor employs more than five employees, the Contractor shall (i) provide annual training on the Contractor's sexual harassment policy to all supervisors and employees providing services in the Commonwealth, except such supervisors or employees that are required to complete sexual harassment training provided by the Department of Human Resource Management, and (ii) post the Contractor's sexual harassment policy in (a) a conspicuous public place in each building located in the Commonwealth that the Contractor owns or leases for business purposes and (b) the Contractor's employee handbook.

22. SAFETY

The Contractor must ensure that it and its employees and subcontractors comply with all applicable local, state and federal policies, regulations and standards relating to safety and health.

23. COVID-19 VACCINATION POLICY FOR CONTRACTORS

Due to the ongoing COVID-19 pandemic, the County has taken various steps to protect the welfare, health, safety, and comfort of the workforce and public at large. As part of these steps, the County has implemented various requirements with respect to health and safety including policies with respect to social distancing, the use of face-coverings and vaccine mandates. To protect the County's workforce and the public at large, all employees and subcontractors of the Contractor who are assigned to this Contract, should be fully vaccinated against COVID-19. Any contractor employee or subcontractor who is not fully vaccinated should be following a weekly testing protocol as established by the Contractor, unless exempt pursuant to a valid reasonable accommodation under state or federal law.

24. TERMINATION

The County may terminate this Contract at any time as follows: (1) for cause, if, as determined by the County, the Contractor is in breach or default or has failed to perform the Work satisfactorily; or (2) for the convenience of the County.

Upon receipt of a notice of termination, the Contractor must not place any further orders or subcontracts for materials, services or facilities; must terminate all vendors and subcontracts, except as are necessary for the completion of any portion of the Work that the County did not terminate; and must immediately deliver all documents related to the terminated Work to the County.

Any purchases that the Contractor makes after the notice of termination will be the sole responsibility of the Contractor, unless the County has approved the purchases in writing as necessary for completion of any portion of the Work that the County did not terminate.

If any court of competent jurisdiction finds a termination for cause by the County to be improper, then the termination will be deemed a termination for convenience.

A. TERMINATION FOR CAUSE, INCLUDING BREACH AND DEFAULT; CURE

1. Termination for Unsatisfactory Performance. If the County determines that the Contractor has failed to perform satisfactorily, then the County will give the Contractor written notice of such failure(s) and the opportunity to cure them within 15 days or any other period specified by the County ("Cure Period"). If the Contractor fails to cure within the Cure Period, the County may terminate the Contract for failure to provide satisfactory performance by providing written notice with a termination date. The Contractor must submit any request for termination costs, with all supporting documentation, to the County Project Officer within 30 days after the expiration of the Cure Period. The County may accept or reject the request for termination costs, in whole or in part, and may notify the Contractor of its decision within a reasonable time.

In the event of termination by the County for failure to perform satisfactorily, the Contractor must continue to provide its services as previously scheduled through the termination date, and the County must continue to pay all fees and charges incurred through the termination date.

2. Termination for Breach or Default. If the County terminates the Contract for default or breach of any Contract provision or condition, then the termination will be immediate after notice of termination to the Contractor (unless the County provides for an opportunity to cure), and the Contractor will not be permitted to seek termination costs.

Upon any termination pursuant to this section, the Contractor will be liable to the County for costs that the County must expend to complete the Work, including costs resulting from any related delays and from unsatisfactory or non-compliant work performed by the Contractor or its subcontractors. The County will deduct such costs from any amount due to the Contractor; or if the County does not owe the Contractor, the Contractor must promptly pay the costs within 15 days of a demand by the County. This section does not limit the County's recovery of any other damages to which it is entitled by law.

Except as otherwise directed by the County, the Contractor must stop work on the date of receipt the notice of the termination.

B. TERMINATION FOR THE CONVENIENCE OF THE COUNTY

The County may terminate this Contract in whole or in part whenever the Purchasing Agent determines that termination is in the County's best interest. The County will give the Contractor at least 15 days' notice in writing. The notice must specify the extent to which the Contract is terminated and the effective termination date. The Contractor will be entitled to termination costs, plus any other reasonable amounts that the parties might negotiate; but no amount will be allowed for anticipatory profits.

Except as otherwise directed by the County, the Contractor must stop work on the date of receipt of the notice of the termination.

The Contractor may terminate this agreement with 60 days' notice to the County. In the alternative, the Contractor may suspend work if the County is 60 days overdue on an approved invoice. The Contractor will not resume work until the County's account is paid in full. If the Contractor terminates services for nonpayment, the engagement will be considered complete even if the Contractor has not issued its reports.

25. INDEMNIFICATION

The Contractor covenants for itself, its employees and its subcontractors to save, hold harmless and indemnify the County and all of its elected and appointed officials, officers, current and former employees, agents, departments, agencies, boards and commissions (collectively the "County Indemnitees") from and against any and all claims made by third parties for any and all losses, damages, injuries, fines, penalties, costs (including court costs and attorneys' fees), charges, liability, demands or exposure resulting from, arising out of or in any way connected with the Contractor's negligent acts, errors, or omissions, including the negligent acts, errors, or omissions of its employees and/or subcontractors, in performance or nonperformance of the Contract. This duty to save, hold harmless and indemnify will survive the termination of this Contract. If the Contractor fails or refuses to fulfill its obligations contained in this section, the Contractor must reimburse the County for any and all resulting payments and expenses, including reasonable attorneys' fees. The Contractor must pay such expenses upon demand by the County, and failure to do so may result in the County withholding such amounts from any payments to the Contractor under this Contract.

26. INTELLECTUAL PROPERTY INDEMNIFICATION

The Contractor warrants and guarantees that in providing services under this Contract neither the Contractor nor any subcontractor is infringing on the intellectual property rights (including, but not limited to, copyright, patent, mask and trademark) of third parties.

If the Contractor or any of its employees or subcontractors uses any design, device, work or material that is covered by patent or copyright, it is understood that the Contract Amount includes all royalties, licensing fees, and any other costs arising from such use in connection with the Work under this Contract.

The Contractor covenants for itself, its employees and its subcontractors to save, hold harmless, and indemnify the County Indemnitees, as defined above, from and against any and all claims, losses, damages, injuries, fines, penalties, costs (including court costs and attorneys' fees), charges, liability or exposure for infringement of or on account of any trademark, copyright, patented or unpatented invention, process or article manufactured or used in the performance of this Contract. This duty to save, hold harmless and indemnify will survive the termination of this Contract. If the Contractor fails or refuses

to fulfill its obligations contained in this section, the Contractor must reimburse the County for any and all resulting payments and expenses, including reasonable attorneys' fees. The Contractor must pay such expenses upon demand by the County, and failure to do so may result in the County withholding such amounts from any payments to the Contractor under this Contract.

27. OWNERSHIP OF WORK PRODUCT

The Contractor will provide copies of its reports to the County; however, the County is responsible for distribution of the reports and the financial statements. Copies of the reports are to be made available for public inspection unless doing so is restricted by law or regulation or the reports contain confidential or sensitive information.

The audit documentation for this engagement is the sole and exclusive property of the Contractor and constitutes confidential and proprietary information. However, upon request and subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available in a timely manner to Auditor of Public Accounts (APA), or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. The Contractor will notify the County of any such request. Any audit documentation will be provided under the supervision of Contractor personnel. The Contractor may provide copies or electronic versions of selected audit documentation to the aforementioned parties. These parties may distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of seven years after the report release date or for any additional period requested by the APA and GAO. If the Contractor is aware that a federal or state awarding agency, pass-through entity, or auditee is contesting an audit finding, the Contractor will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

28. CONFIDENTIAL INFORMATION

The Contractor and its employees, agents and subcontractors will hold as confidential all County information obtained under this Contract. Confidential information includes, but is not limited to, nonpublic personal information; personal health information (PHI); social security numbers; addresses; dates of birth; other contact information or medical information about a person; and information pertaining to products, operations, systems, customers, prospective customers, techniques, intentions, processes, plans and expertise. The Contractor must take reasonable measures to ensure that all of its employees, agents and subcontractors are informed of and abide by this requirement.

29. ETHICS IN PUBLIC CONTRACTING

This Contract incorporates by reference Article 9 of the Arlington County Purchasing Resolution, as well as all state and federal laws related to ethics, conflicts of interest or bribery, including the State and Local Government Conflict of Interests Act (Code of Virginia § 2.2-3100 et seq.), the Virginia Governmental Frauds Act (Code of Virginia § 18.2-498.1 et seq.) and Articles 2 and 3 of Chapter 10 of Title 18.2 of the Code of Virginia, as amended (§ 18.2-438 et seq.). The Contractor certifies that its proposal was made without collusion or fraud; that it has not offered or received any kickbacks or inducements from any other offeror, supplier, manufacturer or subcontractor; and that it has not conferred on any public employee having official responsibility for this procurement any payment, loan, subscription, advance,

deposit of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value was exchanged.

30. COUNTY EMPLOYEES

No Arlington County employee may share in any part of this Contract or receive any benefit from the Contract that is not available to the general public.

31. FORCE MAJEURE

Neither party will be held responsible for failure to perform the duties and responsibilities imposed by this Contract if such failure is due to a fire, riot, rebellion, natural disaster, war, act of terrorism or act of God that is beyond the control of the party and that makes performance impossible or illegal, unless otherwise specified in the Contract, provided that the affected party gives notice to the other party as soon as practicable after the force majeure event, including reasonable detail and the expected duration of the event's effect on the party.

32. AUTHORITY TO TRANSACT BUSINESS

The Contractor must, pursuant to Code of Virginia § 2.2-4311.2, be and remain authorized to transact business in the Commonwealth of Virginia during the entire term of this Contract. Otherwise, the Contract is voidable at the sole option of and with no expense to the County.

33. RELATION TO COUNTY

The Contractor is an independent contractor, and neither the Contractor nor its employees or subcontractors will be considered employees, servants or agents of the County. The County will not be responsible for any negligence or other wrongdoing by the Contractor or its employees, servants or agents. The County will not withhold payments to the Contractor for any federal or state unemployment taxes, federal or state income taxes or Social Security tax or for any other benefits. The County will not provide to the Contractor any insurance coverage or other benefits, including workers' compensation.

34. ANTITRUST

The Contractor conveys, sells, assigns and transfers to the County all rights, title and interest in and to all causes of action under state or federal antitrust laws that the Contractor may have relating to this Contract.

35. REPORT STANDARDS

The Contractor must submit all written reports required by this Contract for advance review in a format approved by the Project Officer. Reports must be accurate and grammatically correct and should not contain spelling errors. The Contractor will bear the cost of correcting grammatical or spelling errors and inaccurate report data and of other revisions that are required to bring the report(s) into compliance with this section.

36. AUDIT

The Contractor must retain all books, records and other documents related to this Contract for at least five years, or such period of time required by the County's funding partner(s), if any, whichever is greater, after the final payment and must allow the County or its authorized agents to examine the documents during this period and during the Contract Term. The Contractor must provide any requested documents to the County for examination within 15 days of the request, at the Contractor's expense. Should the County's examination reveal any overcharging by the Contractor, the Contractor must, within 30 days of

County's request, reimburse the County for the overcharges and for the reasonable costs of the County's examination, including, but not limited to, the services of external audit firm and attorney's fees; or the County may deduct the overcharges and examination costs from any amount that the County owes to the Contractor. If the Contractor wishes to destroy or dispose of any records related to this Contract (including confidential records to which the County does not have ready access) within five years after the final payment, or such period of time required by the County's funding partner(s), if any, whichever is greater, the Contractor must give the County at least 30 days' notice and must not dispose of the documents if the County objects.

The Purchasing Agent may require the Contractor to demonstrate that it has the necessary facilities, ability, and financial resources to comply with the Contract and furnish the service, material or goods specified herein in a satisfactory manner at any time during the term of this Contract.

37. ASSIGNMENT

The Contractor may not assign, transfer, convey or otherwise dispose of any award or any of its rights, obligations or interests under this Contract without the prior written consent of the County.

38. AMENDMENTS

This Contract may not be modified except by written amendment executed by persons duly authorized to bind the Contractor and the County.

39. ARLINGTON COUNTY PURCHASING RESOLUTION AND COUNTY POLICIES

Nothing in this Contract waives any provision of the Arlington County Purchasing Resolution, which is incorporated herein by reference, or any applicable County policy.

40. DISPUTE RESOLUTION

All disputes arising under this Agreement or concerning its interpretation, whether involving law or fact and including but not limited to claims for additional work, compensation or time, and all claims for alleged breach of contract must be submitted in writing to the Project Officer as soon as the basis for the claim arises. In accordance with the Arlington County Purchasing Resolution, claims denied by the Project Officer may be submitted to the County Manager in writing no later than 60 days after the final payment. The time limit for a final written decision by the County Manager is 30 days. Procedures concerning contractual claims, disputes, administrative appeals and protests are contained in the Arlington County Purchasing Resolution. The Contractor must continue to work as scheduled pending a decision of the Project Officer, County Manager, County Board or a court of law.

41. APPLICABLE LAW, FORUM, VENUE AND JURISDICTION

This Contract is governed in all respects by the laws of the Commonwealth of Virginia; and the jurisdiction, forum and venue for any litigation concerning the Contract or the Work is in the Circuit Court for Arlington County, Virginia, and in no other court.

42. ARBITRATION

No claim arising under or related to this Contract may be subject to arbitration.

43. NONEXCLUSIVITY OF REMEDIES

All remedies available to the County under this Contract are cumulative, and no remedy will be exclusive of any other at law or in equity.

44. NO WAIVER

The failure to exercise a right provided for in this Contract will not be a subsequent waiver of the same right or of any other right.

45. SEVERABILITY

The sections, paragraphs, clauses, sentences, and phrases of this Contract are severable; and if any section, paragraph, clause, sentence or phrase of this Contract is declared invalid by a court of competent jurisdiction, the rest of the Contract will remain in effect.

46. ATTORNEY'S FEES

In the event that the County prevails in any legal action or proceeding brought by the County to enforce any provision of this Contract, the Contractor will pay the County's reasonable attorney's fees and expenses.

47. SURVIVAL OF TERMS

In addition to any statement that a specific term or paragraph survives the expiration or termination of this Contract, the following sections also survive: INDEMNIFICATION; INTELLECTUAL PROPERTY INDEMNIFICATION; RELATION TO COUNTY; OWNERSHIP OF WORK PRODUCT; AUDIT; COPYRIGHT; DISPUTE RESOLUTION; APPLICABLE LAW AND JURISDICTION; ATTORNEY'S FEES, AND DATA SECURITY AND PROTECTION.

48. HEADINGS

The section headings in this Contract are inserted only for convenience and do not affect the substance of the Contract or limit the sections' scope.

49. AMBIGUITIES

The parties and their counsel have participated fully in the drafting of this Agreement; and any rule that ambiguities are to be resolved against the drafting party does not apply. The language in this Agreement is to be interpreted as to its plain meaning and not strictly for or against any party.

50. NOTICES

Unless otherwise provided in writing, all written notices and other communications required by this Contract are deemed to have been given when either (a) delivered in person; (b) delivered by an agent, such as a delivery service; or (c) deposited in the United States mail, postage prepaid, certified or registered and addressed as follows:

TO THE CONTRACTOR:

Gregory J. Bussink, III, CPA, CGMA, CGFM, Principal
CliftonLarsonAllen LLP (CLA)
901 North Glebe Road, Suite 200
Arlington, VA 22203
Phone: (301) 902-8527
Email: greg.bussink@CLAconnect.com

TO THE COUNTY:

Rahul Bhalla, Project Officer
Department of Management and Finance
2100 Clarendon Boulevard, Suite 500
Arlington, Virginia 22201
Phone: (703) 228-3427
Email: rbhalla1@arlingtonva.us

AND

Dr. Sharon T. Lewis, LL.M, MPS, VCO, CPPB
Purchasing Agent
Arlington County, Virginia
2100 Clarendon Boulevard, Suite 500
Arlington, Virginia 22201
Phone: (703) 228-3294
Email: slewis1@arlingtonva.us

TO COUNTY MANAGER'S OFFICE (FOR PROJECT CLAIMS):

Mark Schwartz, County Manager
Arlington County, Virginia
2100 Clarendon Boulevard, Suite 318
Arlington, Virginia 22201

51. ARLINGTON COUNTY BUSINESS LICENSES

The Contractor must comply with the provisions of Chapter 11 ("Licenses") of the Arlington County Code, if applicable. For information on the provisions of that Chapter and its applicability to this Contract, the Contractor must contact the Arlington County Business License Division, Office of the Commissioner of the Revenue, 2100 Clarendon Blvd., Suite 200, Arlington, Virginia, 22201, telephone number (703) 228-3060, or e-mail business@arlingtonva.us.

52. NON-DISCRIMINATION NOTICE

Arlington County does not discriminate against faith-based organizations.

53. INSURANCE REQUIREMENTS

Before beginning work under the Contract or any extension, the Contractor must provide to the County Purchasing Agent a Certificate of Insurance indicating that the Contractor has in force at a minimum the coverage below. The Contractor must maintain this coverage until the completion of the Contract or as otherwise stated in the Contract Documents. All required insurance coverage must be acquired from insurers that are authorized to do business in the Commonwealth of Virginia, with a rating of "A-" or better and a financial size of "Class VII" or better in the latest edition of the A.M. Best Co. Guides.

- a. Workers Compensation - Virginia statutory workers compensation (W/C) coverage, including Virginia benefits and employer's liability with limits of \$500,000/500,000/500,000. The County will not accept W/C coverage issued by the Injured Worker's Insurance Fund, Towson, MD.

- b. Commercial General Liability - \$1,000,000 per occurrence, with \$1,000,000 annual aggregate covering all premises and operations and including personal injury, completed operations, contractual liability, independent contractors, and products liability. The general aggregate limit must apply to this Contract. Evidence of contractual liability coverage must be provided with the certificate.
- c. Business Automobile Liability - \$1,000,000 combined single-limit (owned, non-owned and hired).
- d. Miscellaneous Errors and Omissions/Professional Liability - The Contractor shall carry Errors and Omissions or Professional Liability insurance which will pay for damages arising out of errors or omissions in the rendering, or failure to render services or perform Work under the contract, in the amount of \$2,000,000.
- e. Cyber Liability - \$2,000,000 per occurrence.
- f. Additional Insured – The County and its officers, elected and appointed officials, employees and agents must be listed as additional insureds on all policies except workers compensation and automotive and professional liability; and the additional insured endorsement must be provided with the certificate.
- g. Cancellation - If there is a material change or reduction in or cancellation of any of the above coverages during the Contract Term, the Contractor must notify the Purchasing Agent immediately and must, with no lapse in coverage, obtain replacement coverage that is consistent with the terms of this Contract. Not having the required insurance throughout the Contract Term is grounds for termination of the Contract.
- h. Claims-Made Coverage - Any “claims made” policy must remain in force, or the Contractor must obtain an extended reporting endorsement, until the applicable statute of limitations for any claims has expired.
- i. Contract Identification - All insurance certificates must state this Contract's number and title.

The Contractor must disclose to the County the amount of any deductible or self-insurance component of any of the required policies, if the County deems the Contractor is facing financial issues. The Contractor may satisfy its obligations under this section by self-insurance for all or any part of the insurance required, provided that the Contractor can demonstrate sufficient financial capacity. In order to do so, the Contractor must provide the County with its most recent financial statements and a copy of its self-insurance resolution.

The County may request additional information to determine if the Contractor has the financial capacity to meet its obligations under a deductible and/or self-insured retention and may require a lower self-insured retention; that funds equal to the lower self-insured retention be placed in escrow; a certificate of self-insurance; collateral; or another mechanism to guarantee the amount of the self-insurance and ensure protection for the County.

The County’s acceptance or approval of any insurance will not relieve the Contractor from any liability or obligation imposed by the Contract Documents.

The Contractor is responsible for the Work and for all materials, tools, equipment, appliances and property used in connection with the Work. The Contractor assumes all risks for direct and indirect damage or injury to the property used or persons employed in connection with the Work and for of all damage or injury to any person or property, wherever located, resulting from any action, omission, commission or operation under the Contract or in connection in any way whatsoever with the Work. The Contractor’s insurance shall be the primary non-contributory insurance for any work performed under this Contract. The Contractor is as fully responsible to the County for the acts and omissions of its subcontractors and of persons employed by them as it is for acts and omissions of persons whom the Contractor employs directly.

54. CONTRACTOR PERFORMANCE EVALUATION

Arlington County will perform written evaluations of the Contractor’s performance at various intervals throughout the term of this Contract. The evaluations will address, at a minimum, the Contractor’s work/performance, quality, cost controls, schedule, timeliness and sub-contractor management. The Project Officer shall be responsible for completing the evaluations and providing a copy to the Contractor and County Procurement Officer.

WITNESS these signatures:

THE COUNTY BOARD OF ARLINGTON
COUNTY, VIRGINIA

CONTRACTOR

AUTHORIZED DocuSigned by:
SIGNATURE: Tomeka D. Price
5950D4E0ACC0472...

NAME: Tomeka D. Price

TITLE: Procurement Officer

DATE: 3/17/2023

AUTHORIZED DocuSigned by:
SIGNATURE: Gregory J. Bussink
A7D0228FDB434C4...

NAME: Gregory J. Bussink

TITLE: Principal

DATE: 3/13/2023

EXHIBIT A
SCOPE OF SERVICES

The Contractor shall provide all necessary labor, supervision, supplies, materials, and equipment to properly perform services for audit of the financial statements of Arlington County Government (ACG), as a Reporting Entity, administered by the County Board, and financial schedules or separately issued financial statements of the County's discretely presented component units - Arlington Public Schools (APS) administered by the Arlington County Public School Board and Gates Partnership, respectively. The Contractor shall also separately audit the financial statements of the Arlington County Employees Retirement System (ACERS), administered by the Arlington County Retirement Board of Trustees. Each contract deliverable (separate audit, agreed-upon procedures or examination report) will be documented by a separate Contractor statement of work, meant to supplement this Agreement, which includes additional information required by professional standards. The Contractor shall provide the separate Contractor statement of work each year for the County's acknowledgment of understanding and acceptance of the County's responsibilities required by professional standards included therein.

1. **GENERAL REQUIREMENTS**

The Contractor shall conduct the County's audits in accordance with the following principles, guidelines, applicable laws and regulations and professional standards:

- American Institute of Certified Public Accountants (AICPA),
- compliance reviews in accordance with Section 15.2- 2510 of the Code of Virginia, according to the "Specifications for Audits of Counties, Cities, and Town", issued by the Auditor of Public Accounts (APA), Generally Accepted Auditing Standards (GAAS),
- Government Auditing Standards (GAS, GAGAS, Yellowbook, etc.), issued by the Comptroller General of the United States,
- Single Audit Act Amendments,
- OMB Circular A-87, Cost principles for State, local and Indian Tribal Governments,
- Audits of States, local governments and non-profit organizations, Title 2 U.S. Code of Federal Regulations (CFR) part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and
- U.S. General Accounting Office (GAO).

The standards, circulars, supplements, and guides require that the audits be planned and performed to ensure that the financial statements are free of material misstatements, whether caused by error, fraudulent financial reporting, or misappropriation of assets. Additionally, the audits must consider internal control over financial reporting as a basis for designing risk assessments and audit procedures in accordance with auditing standards.

2. **EXTERNAL FINANCIAL AUDIT**

The Contractor shall evaluate and perform required risk assessments and auditing procedures for all funds, activities, financial statements, and ACG, APS, and ACERS schedules.

The audit shall:

- consist, at a minimum, of an interim audit and a year-end audit and must be of sufficient scope to ensure that the audit is well executed and completed in a timely manner and as required by auditing standards.

- express an independent opinion as to whether the financial statements of ACG, APS, and ACERS. The resulting audit must render the contractor's opinion on the financial statements prepared by ACG, APS, and the Retirement Board.

The Contractor shall render its opinion in a timely manner to enable the County to meet its year-end reporting and compliance deliverables to the authoritative bodies within the established timelines. If the Contractor does not intend to render an unmodified opinion, the Contractor must proactively inform the Comptroller or the Retirement Board of the Contractor's reasons for modifying or disclaiming an opinion or rendering an adverse opinion.

As required by the Code of Virginia, the Certified Public Accountant (CPA) shall present a summary of the audit results and a detailed written report to the local governing body at a public session no later than December 31 after the audited fiscal period in person or via Microsoft Teams. Subsequently, the CPA shall also present a summary to the County's Audit Committee in person or via Microsoft Teams.

3. AUDIT OF FINANCIAL TRANSACTIONS

The audit shall include a testing of the County's financial transactions and underlying records, financial statements, schedules and required information pertaining to the functions under the jurisdiction of the Arlington County Board, including the County's constitutional officers, County's elected officials, the Board of Trustees of the Arlington County Employees Retirement System, and the Arlington County School Board. In addition, the financial statements and accompanying footnotes in the County's Annual Comprehensive Financial Report offer an overview of the overall financial activities of the County.

The audit shall include a testing of the County's key internal controls, including the County's automated financial system and other applicable integrated/interfaced systems. The core financial system is an Oracle E-Business Suite platform implemented in 2006, hosted thru Oracle in its data center in Austin, Texas. The County intends to upgrade to the Oracle iCloud version within two years. The County currently uses the following active modules and/or systems:

- Finance
 - General Ledger
 - Purchasing
 - iProcurement
 - Payables
 - Cash Management
 - Fixed Assets
 - Oracle Enterprise Planning and Budgeting Cloud Services (EPBCS) for budgeting
 - iExpense
 - iSupplier
 - Property Manager – May be replaced by another system
- Human Resources
 - Human Resources
 - Payroll
 - Oracle Time and Labor
 - Advanced Benefits
 - Manager Self Service

- Employee Self Service
- Other core systems include, but are not limited to, the following:
 - Assessment and Collection Enterprise System (ACE)
 - Customer Assessment Payment Portal (CAPP)
 - iNovah POS Cashiering system
 - Real Estate Appraisal Systems (Assessments only) – May be replaced by another system
 - Parking Ticket System
 - Business License System
 - Utilities Billing System
 - Housing Choice System
 - Department of Human Services Purchases of Services System
 - Lease Administration Software
 - ATRACK (Loan Portfolio Management System)
 - RECTRAC

The County uses several interfaces across various systems developed and/or maintained by the County's Department of Technology Services (DTS) and/or other departments.

4. SCHEDULE OF EXPENDITURES FOR FEDERAL AWARDS (SEFA)

The Contractor shall perform the required compliance audits and provide an opinion in accordance with the audit requirements for states, local governments, and sub-recipient organizations which receive federal awards as established by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Requirements, Cost Principles, and Audit Requirements for Federal Awards as specified in this solicitation. The Contractor shall also perform the required compliance reviews in accordance with Section 15.2-2510 of the Code of Virginia, according to the "Specifications for Audits of Counties, Cities and Towns" of the Offeror of Public Accounts and as specified in this contract.

5. AUDITOR OF PUBLIC ACCOUNTS (APA) TRANSMITTAL FORMS

Section 15.2-2510 of the Code of Virginia requires all counties, cities, towns with a population of 3,500 or more, and towns operating a separate school division to submit a statement of revenues, expenditures, and other required data to the Commonwealth of Virginia's Auditor of Public Accounts (APA) annually. In addition, the APA requires all localities to complete and file transmittal forms **on or before December 15** in accordance with the provisions of the Uniform Financial Reporting Manual (UFRM). The Contractor shall submit these forms' results of agreed upon procedure to the Auditor of Public Accounts. The County will prepare the APA Transmittal forms, and the Contractor will render the Auditors' Report as to whether the County's APA Transmittal Forms comply with the requirements of the UFRM within seven (7) calendar days of receipt of the APA transmittal forms from the County.

6. ADDITIONAL STATE MANDATES

Sheriff Examination Report. In accordance with Sections 15.2-1609 through 15.2-1625 of the Virginia Code, the APA has audit requirements to examine the sheriff's assertion to ensure compliance with the Virginia Sheriff's Accounting Manual issued by the APA. Chapter 3 of the 2014 Acts of Assembly requires the locality's independent auditor to submit a report to the APA annually attesting to the sheriff's assertion whether the Sheriff's Office has maintained its funds, accounts, and system of internal controls and records in accordance with the Code of Virginia. The Contractor shall provide the examination report no later than October 31 after each fiscal year.

VRS and LODA Examination Report. APA Specifications for Audits of Counties, Cities, and Towns, Chapter 3 Section 7 requires the external financial auditor to perform specific audit and attestation procedures for localities participating in the Virginia Retirement System (“VRS”). The auditor must submit a report to the APA by **October 1** (or as established by the APA) each year, reporting on the completeness and accuracy of the census data for local employees and teachers participating in VRS. The Contractor shall perform the procedures, and the report must be prepared as a part of an examination engagement performed in accordance with AT section 101, Attest Engagements (AICPA, Professional Standards).

The Contractor shall provide an attachment to the report that identifies the requirements established by the APA, such as:

- Number of control environments supporting census data reviewed during the engagement (i.e., one for the locality and one for the school board) and the responsible party for the control environment (i.e., the locality, the school board).
- For each control environment identified and required procedure performed, the Contractor will note the following information:
 - The population sizes
 - The sample sizes
 - The risks and other considerations used to determine the sample size
 - Other requirements as established by the APA

VDEQ Financial Assurance - An audit opinion from the Contractor on these forms must be submitted to the VDEQ **no later than December 31** each year. The County will prepare the forms, and the Contractor shall render its opinion to VDEQ within seven (7) calendar days of receipt of the forms from the County.

National Transit Database – The Contractor shall apply agreed upon procedures which the Federal Transit Administration (FTA) has specified as set forth in the FTA’s applicable National Transit Database (NTD) Uniform System of Accounts.

Sewage Treatment Disposal Interjurisdictional Agreement. The Contractor shall conduct an annual audit to determine whether the allocation of current expenses of the inter-jurisdictional sewage treatment disposal system conforms with the agreements between Arlington County, Alexandria Renew Enterprises, Fairfax County, and the City of Falls Church.

Department of Aging and Rehabilitation Services (DARS) Reporting. Pursuant to 22VAC30-60-470.D of the Virginia Administrative Code, the audit firm must provide an opinion on Schedules A (Status of Funds), Schedule B (Costs by Program Activity), and C (Status of Inventories) for the period ending June 30 (the County’s fiscal year) as a part of the External Financial Audit and included as supplementary information. Additionally, DARS requires a financial report and service report (13th Month Report Aging Monthly Report (AMR)) covering the Area Plan Contract Year and Schedules A (Status of Funds), Schedule B (Costs by Program Activity), and C (Status of Inventories) to be completed and electronically submitted annually. The 13th Month report includes finalized annual performance information, expenditures, and receipts for October 1 through September 30. The Contractor shall audit the report’s annual programmatic and financial information and determine whether the expenditures obligated by **June 30** of each fiscal year have been liquidated by September 30th each year and meet the carry-over requirements in accordance with DARS requirements.

7. ADDITIONAL FEDERAL MANDATE

Housing and Urban Development (Section 8) Agreed upon Procedure. Beginning in FY 2006, the U.S. Department of Housing and Urban Development's Office of Public and Indian Housing - Real Estate Assessment Center (PIH-REAC) introduced new requirements. As a result, the County's Department of Human Services- Housing Choice Program is required to provide special audited financial information within nine (9) months after fiscal year-end according to the following procedures:

- Draft Status - The Housing Choice Program creates a draft submission covering the regulatory and contractual obligations by entering the financial information (including the required attachments) into the FASS On-Line System and submits the draft to the Contractor.
- Contractor Review Status - The Contractor performs the 'agreed upon procedures' to certify that the information in the FASS On-Line System is true and correct in accordance with the Contractor's hard copy audit report. The Contractor may either agree or disagree with the PHA's submission.
- Contractor Agree/Disagree Status - Once the Housing Choice Program and the Contractor reach Agree Status, the Housing Choice Program must 'SUBMIT' the FDS to PIH-REAC to begin the review and approval process. The process will not be considered complete until the Audited FDS is submitted and received. The Contractor shall perform the agreed upon procedures required above to certify the information to (PIH-REAC) for the County.

SF-SAC Data Collection Forms. The contractor will prepare the auditor's section of Data Collection Forms as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200.512 **30 days from the report being available or nine months from the end of the fiscal year** (or as established annually by the regulation) for submission by the County to the Federal Audit Clearing House as part of the County's Reporting Package.

8. COMPLIANCE REVIEWS, AUDITS, EXAMINATIONS AND AGREED UPON PROCEDURES

The Contractor will be responsible for annual external financial audit services and related compliance reviews, examinations, agreed upon procedures, and related consulting as specified in this contract. Additional work related to but not specified in the Scope of Services may also be required during the contract term as a result of new standards, changing laws, or regulations. These services will be considered a part of the overall scope of the regular annual audit.

When additional work unrelated to the Scope of Services is needed, the County will submit the new requirements to the Contractor. The Contractor will then submit to the County a proposal based on pre-determined hourly rates established in the contract applicable to the work, hours, and staff levels needed for the proposed work. If the County approves the proposal, the County will issue a purchase order to allow the additional work to begin.

9. TIMING OF AUDIT DELIVERABLES

The Contractor, upon completion of the audit and examination and preparation of the necessary reports, will submit to the Comptroller **no later than October 25** after the fiscal year under audit: a management letter and governance communication that outlines the findings of the audit and the system of internal control and related budgeting and operating procedures. The communication will also offer suggestions for improving administrative methods, management operations, internal controls, and best practices.

The Contractor shall:

- complete all fieldwork prior **to October 15** of each fiscal year for the audits of the County, APS, and the ACERS unless the contractor advises the County of a specific reason for the delay to which the County agrees.
- disclose the rationale for all proposed adjusting entries prior **to October 15** of each fiscal year for the audit of the County, APS, and the ACERS.
- furnish a written opinion and auditors' report on the Arlington County Annual Comprehensive Financial Report (ACFR) prepared by the County no later than November 5 of each fiscal year or as agreed (in the event there are unforeseen delays) and on the Arlington County Employees' Retirement System Annual Comprehensive Financial Report prior **to October 20** of each fiscal year or as agreed.
- furnish a written opinion and provide the auditors' report on the Ballston Public Parking Garage Fund (An Enterprise Fund of Arlington County, Virginia) Financial Statements and Supplemental Schedule, the Ballston Public Parking Garage Fund (An Enterprise Fund of Arlington County, Virginia) Schedules of Net Cash Flow and MCI Area's and MCI Lease Area's Net Cash Flow, and the Ballston Skating Facility Financial Statements prior **to October 31** of each fiscal year.
- within 30 days of the auditor's report or nine (9) months after the fiscal year-end, whichever is earlier, prepare the auditor's section of the Data Collection Form as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, Uniform Requirements, Cost Principles, and Audit Requirements for Federal Awards for submission by the County to the Federal Clearinghouse as part of the Reporting Package.
- **by November 25** of each fiscal year, furnish a written opinion on the transmittal forms for the Uniform Comparative Cost Report submitted to the Auditor of Public Accounts.
- provide other compliance deliverables with due dates that are subject to change annually in a timely manner (generally a week prior to the submission due dates) to ensure the County complies with established laws or regulations.

10. CONSULTING AND OTHER SERVICES

Included in the fixed fee, the Contractor shall provide consulting services related to keeping the County abreast of new GASB pronouncements and applicable FASB pronouncements, OMB Circular updates, GAO Yellowbook, and Greenbook guidance and related changes, AICPA guidance, recommendations of GFOA best practices and other required changes that affect any part of the total reporting entity. The Contractor may offer webinars or periodic communication on upcoming requirements, as needed. If such services require a significant amount of unanticipated additional work, any additional billings sought shall be discussed and agreed to as noted above.

The County has received the GFOA "Certificate of Achievement for Excellence in Financial Reporting" for over 35 consecutive fiscal years. The Contractor shall periodically provide resources, publications, or reporting or compliance guidelines to ensure that the County is well informed of new requirements and stays in a good position to receive the GFOA Certificate. This includes assistance with the disposition of comments generated from the GFOA's review of the prior year's ACFR, compliance with annual GFOA requirements, and compliance with GFOA checklist requirements prior to the issuance of audit opinions. If the County requires advice for implementing new GASB or FASB requirements, the Contractor shall provide consulting services or guidance when requested.

The Contractor shall provide the services necessary to prepare governance drafts and issue compliance letters to various authoritative bodies, Trustees, etc., as needed during the audit.

During each fiscal year of the contract, the Contractor shall provide a minimum of eight (8) hours of continuing professional education in governmental accounting and reporting and/or related subjects to the County and APS professional accounting staff, as determined by the Project Officer. The training will be at an agreed upon location or online as determined by the Project Officer. In addition, the Contractor shall arrange for and provide the annual Virginia Ethics CPE Course at an agreed upon location or online as determined by the Project Officer.

11. AUDIT WORK SCHEDULE AND PROCEDURES

The Contractor shall schedule a pre-audit conference with the County during the first quarter of each calendar year and prior to the beginning of the interim audit for each fiscal year to include County, SEFA, IT audit, APS audit, and ACERS audit. The Contractor shall provide a detailed Provided by Client (PBC) listing detailing the standard schedules or documents required for the interim and final audit. The Contractor shall ensure the audit is well planned and schedule changes, additional or new audit requests, or requirements impacting the audit schedule are proactively discussed with the comptroller. The Contractor shall also develop a schedule and procedures with the ACERS staff for the commencement of fieldwork to publish the Arlington County Employees' Retirement System Annual Comprehensive Financial Report. Schedules established according to this section must align with the County's audit closeout timeline.

12. CONTRACTOR'S AUDIT STAFF

Subject to availability, the audit supervisor/manager assigned to the audit must have at least five (5) years of governmental auditing experience with jurisdictions similar in size and scope as ACG, and those jurisdictions must have received a Certificate of Achievement for Excellence in Financial Reporting. The audit senior(s) assigned to the audit shall have at least two (2) years of governmental audit experience. The Contractor shall maintain a listing of the County's departmental contacts who provide audit information each year to ensure a smooth audit staff.

The Contractor should make every effort to keep the same audit supervisor and/or manager each year of the engagement. The Contractor shall submit a resume of the audit staff each year of the contract, before the entrance conference. The resume' must include positions and/or classification titles, level of educational and professional backgrounds with particular emphasis on qualifications to audit a local government.

13. AUDIT CONFERENCE

The Contractor shall confer with the director of the Department of Management and Finance or his/her designee and the comptroller to review its audit findings and recommendations prior to issuing management letters, certifications, or reports. As required by the Code of Virginia and the APA, the Contractor's Key Personnel assigned for the audit will present a detailed audit report to the County Board at a regularly scheduled meeting and answer questions from County Board members if requested.

14. AUDIT PERIOD

The scope covers the following periods of performance:

- July 1, 2022 through June 30, 2023 - Fiscal Year 2023
- July 1, 2023 through June 30, 2024 - Fiscal Year 2024
- July 1, 2024 through June 30, 2025- Fiscal Year 2025

Periods covered by possible extension years

- July 1, 2025 through June 30, 2026 - Fiscal Year 2026
- July 1, 2026 through June 30, 2027 - Fiscal Year 2027

The Contractor shall furnish technical advice to the County as requested, including evaluations, risk assessment, suggestions for efficiencies through technology or process improvements, discussions and analyses of significant accounting issues that impact financial reporting, and guidance on GASB pronouncements. If the financial, accounting, and audit advisory and related services requested by the County exceed the aforementioned usual and customary practices, the County and the Contractor shall agree, prior to the provision of such services, to the cost of such additional services. Costs shall be based on the job classes and hourly rates provided in the contract pricing.

15. ARLINGTON COUNTY RESPONSIBILITIES

The County will arrange working space for the Contractor during the audit. Arlington County Government, Arlington County Public Schools, and the ACERS Staff will prepare and provide applicable audit information, including the following, as requested by the contractor for annual audit purposes in a format acceptable to both parties:

- Draft Financial Statements
- Trial balance of each fund and/or subsidiary ledger
- Schedules or supporting worksheets showing the composition or detail breakdown of the balance of the general ledger account in all funds;
- Copy of the approved County budget, the original appropriation ordinance, and all amendments;
- Schedule of insurance in force during the year and insurance expenditures for the fiscal year;
- Schedule of investment activity for the fiscal year;
- Schedule of all capital outlays during the fiscal year;
- Schedule of all capital asset dispositions during the fiscal year;
- Schedule of accounts payable at statement date;
- Copies of contracts with governmental grantor or grantee agencies;
- Copies of all other contracts of the material amount in force at statement date;
- Schedule of general fixed assets, showing beginning balance, additions, disposals, and the ending balance by major asset category;
- Schedule of budgeted versus actual revenues for all funds;
- Schedule of appropriations, expenditures, and encumbrances for all funds;
- Schedule of County's pension plan contributions;
- Other reasonable financial schedules or standard audits Prepared By Client (PBC)s as the Contractor requests;
- Bank reconciliations and supporting documents for transactions as needed for examination; and
- ACG, ACERS, and APS will also provide access to all necessary files and records of the County departments for audit and testing purposes.

Upon agreement between the County and the Contractor on final audit adjustments to be recorded, the County will prepare and provide revised copies of the following, as applicable:

- The Arlington County Annual Comprehensive Financial Report;
- The Ballston Public Parking Garage Fund (An Enterprise Fund of Arlington County, Virginia) Financial Statements and Supplemental Schedule;

- The Ballston Public Parking Garage Fund (An Enterprise Fund of Arlington County, Virginia) Schedules of Net Cash Flow and MCI Area's and MCI Lease Area's Net Cash Flow;
- The Ballston Skating Facility Project Financial Statements.

The ACERS will prepare the Arlington County Employees' Retirement System Annual Comprehensive Financial Report.

The County will prepare the required transmittal forms for the Commonwealth of Virginia's Auditor of Public Accounts. County administrative staff will be available to prepare schedules and pull or reproduce source documents for the Contractor.

**EXHIBIT B
CONTRACT PRICING**

PROFESSIONAL FEES:

Professional Services	2023	2024	2025	Opt. 2026	Opt. 2027
County and Schools audit services	\$221,300	\$225,800	\$230,300	\$235,000	\$239,700
ACERS audit services	\$27,600	\$28,150	\$28,700	\$29,300	\$29,900
Total	\$248,900	\$253,950	\$259,000	\$264,300	\$269,600

These fees include professional fees and expenses. They also include a minimum of 8 hours of CPE annually to include 2 hours of VA Ethics training.

Our fees do not anticipate unusual or unforeseen circumstances. Before the scope of our work is changed for any unanticipated circumstances or events, we will inform you of the change and related change in fee.

In any year in which the County is classified as a high risk auditee for the single audit, we will charge \$12,500 for each additional program in excess of six major programs required for testing.

HOURLY RATES:

The table below shows our standard hourly billing rates by classification:

Team Members Name	Hourly Rate
Principal	\$375 - \$450
Manager/Director	\$275 - \$325
Senior	\$175 - \$225
Associate	\$160 - \$190

EXHIBIT C
CONTRACTOR PERFORMANCE EVALUATION FORM

ARLINGTON COUNTY GOVERNMENT
Contractor Performance Evaluation Form

Contractor Name: _____ Contract No.: _____

Date: _____ Project/Contract Name: _____

Interim Evaluation ____ Final Evaluation ____

Scope of Work/Services Provided:

Contract Start Date: ____/____/____ Contract End Date: ____/____/____ Actual Completion Date: ____/____/____

Please rate the effectiveness of the Contractor’s performance on the Contract/Project across the following dimensions:

Evaluation Criteria: Unacceptable Poor Satisfactory Excellent

Written comments to explain assigned ratings are required for any performance ratings below “satisfactory” or an “excellent” in any category.

Evaluation Questions

1. Quality of Workmanship

Rate the quality of the Contractor’s workmanship. Were there quality-related or workmanship problems on the Contract? Was the Contractor responsive to remedial work required?

____ Unacceptable ____ Poor ____ Satisfactory ____ Excellent ____ N/A

2. Problem Solving and Decision Making

Rate the Contractor’s ability to provide effective and creative problem solving, coordination and fair decision making on Contract/Project.

____ Unacceptable ____ Poor ____ Satisfactory ____ Excellent ____ N/A

3. Project Schedule

Rate the Contractor's performance with regard to adhering to contract schedules. Did the Contractor meet the contract schedule, or the schedule as revised by approved change orders? If not was the delay attributable to the Contractor?

___ Unacceptable ___ Poor ___ Satisfactory ___ Excellent ___ N/A

4. Subcontractor Management

Rate the Contractor's ability, effort and success in managing and coordinating subcontractors (if no subcontractors rate the Contractor's overall project management). Was the Contractor able to effectively resolve problems?

___ Unacceptable ___ Poor ___ Satisfactory ___ Excellent ___ N/A

5. Safety

Rate the Contractor's safety procedures on this Contract/Project? Were there any OSHA violations or serious safety accidents?

___ Unacceptable ___ Poor ___ Satisfactory ___ Excellent ___ N/A

6. Environmental Compliance

Did the Contractor comply with local, state, and federal environmental standards in the performance of the Contract? Did the Contractor comply in good faith with local erosion and sedimentation control requirements and/or any Stormwater Pollution Prevention Plan?

___ Unacceptable ___ Poor ___ Satisfactory ___ Excellent ___ N/A

7. Change Orders

Did the Contractor unreasonably claim change orders or extras? Were the Contractor's prices on change orders and extra work reasonable?

___ Unacceptable ___ Poor ___ Satisfactory ___ Excellent ___ N/A

8. Paperwork Processing

Rate this Contractor's performance in completing and submitting required project paperwork (i.e. change orders, submittal, drawings, invoices, workforce reports, etc.) Did the Contractor submit the required paperwork promptly and in proper form?

___ Unacceptable ___ Poor ___ Satisfactory ___ Excellent ___ N/A

9. Supervisory Personnel

Rate the general performance of this Contractor's supervisory personnel. Did they have the knowledge, management skills and experience to run a project of this size and scope?

___ Unacceptable ___ Poor ___ Satisfactory ___ Excellent ___ N/A

10. Expertise, Knowledge and Experience

Rate this Contractor's personnel. Were they dedicated, experienced and qualified for the duration of project.

___ Unacceptable ___ Poor ___ Satisfactory ___ Excellent ___ N/A

11. Project/Contract Closeout

Rate the Contractor's performance on timeliness and quality of closeout deliverables such as As-Built Drawings, Operation and Maintenance Manuals, and training. Did the Contractor complete the tasks or Project on schedule; was the punch list completed within the allotted time?

___ Unacceptable ___ Poor ___ Satisfactory ___ Excellent ___ N/A

12. Level of Overall Performance

___ Unacceptable ___ Poor ___ Satisfactory ___ Excellent ___ N/A

Based on these comments, would you recommend this Contractor for comparable work in the future?

Yes No

Please provide any comments regarding the Contractor's performance or the quality of its work. The Contractor can also provide any comments or clarification on the evaluation in the box below.

(Project Officer or Contractor, use additional sheets, if Necessary):

Signatures and Certifications:

1. The information contained in this evaluation form represents, to the best of my knowledge, a true and accurate analysis of the Contractor’s performance record on this Contract; and,
2. The contents on the evaluation form and the ratings were not negotiated with the Contractor or its representative for any reason.

Evaluator’s Signature: _____ Date: _____

Evaluator’s (PjO) Printed Name _____ Evaluator’s Title: _____

Contractor’s signature below acknowledges receipt and the opportunity to respond:

Contractor Signature: _____ Date: _____

Contractor Printed Name: _____ Title: _____

EVALUATION RATINGS DEFINITIONS

Rating	Definition	Notes
Excellent	Performance meets contractual requirements and exceeds many to the County’s benefit. The contractual performance of the element or sub-element being evaluated was accomplished with few minor problems for which corrective actions taken by the contractor were highly effective.	To justify an Exceptional rating, identify multiple significant events and state how they were of benefit to the County. A singular benefit, however, could be of such magnitude that it alone constitutes an Exceptional rating. Also, there should have been NO significant weaknesses identified.
Satisfactory	Performance meets contractual requirements. The contractual performance of the element or sub-element contains some minor problems for which corrective actions taken by the contractor appear or were satisfactory.	To justify a Satisfactory rating, there should have been only minor problems, or major problems the contractor recovered from without impact to the contract/order. There should have been NO significant weaknesses identified. A fundamental principle of assigning ratings is that contractors will not be evaluated with a rating lower than Satisfactory solely for not performing beyond the requirements of the contract/order.
Poor	Performance does not meet some contractual requirements. The contractual performance of the element or sub-element being evaluated reflects a serious problem for which the contractor has not yet identified corrective actions. The contractor’s proposed actions appear only marginally effective or were not fully implemented.	To justify poor performance, identify a significant event in each category that the contractor had trouble overcoming and state how it impacted the County. A poor rating should be supported by referencing the management tool that notified the contractor of the contractual deficiency (e.g., management, quality, safety, or environmental deficiency report or letter).

Unacceptable	Performance does not meet most contractual requirements and recovery is not likely in a timely manner. The contractual performance of the element or sub-element contains a serious problem(s) for which the contractor's corrective actions appear or were ineffective.	To justify an Unsatisfactory rating, identify multiple significant events in each category that the contractor had trouble overcoming and state how it impacted the County. A singular problem, however, could be of such serious magnitude that it alone constitutes an unsatisfactory rating. An Unsatisfactory rating should be supported by referencing the management tools used to notify the contractor of the contractual deficiencies (e.g., management, quality, safety, or environmental deficiency reports, or letters).
Not Applicable (N/A)	N/A (not applicable) should be used if the ratings are not going to be applied to a particular area for evaluation.	

END