



# Snohomish Health District

Performance Audit Services  
RFP #2019-02



Snohomish Health District  
Administration  
3020 Rucker Ave., Ste. 306  
Everett, WA 98201

# REQUEST FOR PROPOSAL

## PERFORMANCE AUDIT SERVICES

*In this RFP, Snohomish Health District shall be referred to as "District" and the terms offeror, respondent, vendor and proposer are synonymous.*

The Snohomish Health District is seeking proposals from qualified professional audit firms or individuals with experience in conducting performance, management reviews, best business practices, and process audits in compliance with Generally Accepted Government Auditing Standards. The audit services may include financial, contract management, policy, facility or other performance audits as requested.

Proposals will be accepted at Snohomish Health District's Administrative Office in Everett, WA until 3:00 p.m. PST (our clock) Friday, May 17, 2019, and addressed to: Pamela Spence, Purchasing Administrator, Snohomish Health District, 3020 Rucker Ave., Suite 306, Everett, WA 98201-3900 or by email to [rfp@snohd.org](mailto:rfp@snohd.org).

### **Proposal Documents**

Proposal documents are available online at [www.snohd.org/bids](http://www.snohd.org/bids), or at the Snohomish Health District, 3020 Rucker Ave. Ste 306, Everett, WA 98201.

### **Pre-Proposal Meeting**

No pre-proposal meeting is scheduled for this project.

### **Receipt and Handling of Proposals**

- The offeror assumes full responsibility for the timely delivery of the proposal to the designated location. Proposals delivered to any other office or location will not be considered.
- Proposals, modifications of proposals, received at the above address after the exact hour and date specified for receipt will not be accepted.
- Should the respondent subsequently become the successful Proposer, the submitted proposal and any attachments will become part of the Contract and the property of Snohomish Health District.
- The District reserves the right to reject any or all Proposals and to waive any informality in bidding.

### **Proposer Registration**

Proposers should register by emailing [rfp@snohd.org](mailto:rfp@snohd.org). The prospective proposer will be placed on the District's notification list for any forthcoming addendum or other official communications. Failure to register as a prospective proposer may cause a proposer's Submittal Package to be rejected as non-responsive if the proposer has submitted a Submittal Package without acknowledgment of issued addenda or if the proposer fails to submit revised required documents.

### **Addenda**

If at any time, the District changes, revises, deletes, clarifies, increases, or otherwise modifies the RFP, the District will issue a written Addendum to the RFP. Proposers must register for this RFP to be notified of addendum and new documents on this RFP. It is the Proposer's responsibility to check for addenda and other new documents on-line.

### **Communications, Questions and Interpretation of the RFP**

No oral interpretations of the RFP will be made to any Proposer. All questions and any explanations must be requested in writing and directed to the Buyer no later than date specified in the schedule below or as extended per addendum. Oral explanations or instructions are not binding. Any information modifying a solicitation will be furnished to all Proposers by addendum.

A blackout period is established between the time a solicitation is issued by the District and the time the District awards the contract. After the issuance of any solicitation, all bidders, proposers, contractors, consultants or individuals acting on their behalf are hereby prohibited from contacting or lobbying any District employee, official or representative at any time during the blackout period. Communications concerning this RFP with other than the listed Buyer or Purchasing staff may cause the Proposer to be disqualified.

**Schedule**

<u>DESCRIPTION</u>	<u>TARGET DATE</u>
RFP Issued	4/25/19
Proposer’s technical questions due via email	5/10/19
Addendum to RFP issued, if required	5/13/19
Proposals due to the District	5/17/19
Contract Award	6/11/19

**Examination of Proposal and Contract Documents**

The submission of a proposal shall constitute an acknowledgement upon which the District may rely that the Proposer has thoroughly examined and is familiar with all requirements and documents pursuant with the RFP, including any addenda and has reviewed and inspected all applicable statutes, regulations, ordinances and resolutions addressing or relating to the goods or services to be provided hereunder.

The failure of a Proposer to comply with the above requirement shall in no way relieve the Proposer from any obligations with respect to its proposal or to any Contract awarded pursuant to this RFP. No claim for additional compensation shall be allowed which is based upon a lack of knowledge or misunderstanding of this RFP.

**Cost of Proposals**

The District is not liable for any costs incurred by Proposer in the preparation and evaluation of proposals submitted.

**Modifications of Proposal or Withdrawal of Proposal Prior to Proposal Due Date**

At any time before the time and date set for submittal of proposals, a Proposer may submit a modification of a proposal previously submitted to the District. All proposal modifications shall be made in writing, executed and submitted in the same form and manner as the original proposal.

Proposals may be withdrawn by written notice received prior to the exact hour and date specified for receipt of proposals. A proposal also may be withdrawn in person by a Proposer or authorized representative provided their identity is made known and they sign a receipt for the proposal, but only if the withdrawal is made prior to the exact hour and date set for receipt of proposals. All requests for modification or withdrawal of proposals, whether in person or written, shall not reveal the amount of the original proposal.

**Proposal Withdrawal After Opening**

Except for claims of error granted by the District, no Proposer may withdraw a proposal after the date and time established for submitting proposals, or before the award and execution of a Contract pursuant to this RFP, unless the award is delayed for a period exceeding the period for proposal effectiveness.

Requests to withdraw a proposal due to error must be submitted in writing along with supporting evidence for such claim for review by the District. Evidence must be delivered to the District within two (2) Days after request to withdraw. The District reserves the right to require additional records or information to evaluate the request. Any review by the District of a proposal and/or any review of such a claim of error, including supporting evidence, create no duty or liability on the District to discover any other proposal error or mistake, and the sole liability for any proposal error or mistake rests with the Proposer.

### **Error and Administrative Corrections**

The District shall not be responsible for any errors in proposals. Proposers shall only be allowed to alter proposals after the submittal deadline in response to requests for clarifications by the District.

The District reserves the rights to allow corrections or amendments to be made that are due to minor administrative errors or irregularities, such as errors in typing, transposition or similar administrative errors.

### **Proposal Content Requirements**

Proposals may be submitted via email to [rfp@snohd.org](mailto:rfp@snohd.org) or delivered to: Pamela Spence, Purchasing Administrator, Snohomish Health District, 3020 Rucker Ave., Suite 306, Everett, WA 98201-3900

### **Compliance with RFP Terms, Attachments and Addenda**

- A. The District intends to award a Contract based on the terms, conditions, attachments and addenda contained in this RFP. Proposers shall submit proposals, which respond to the requirements of the RFP.
- B. Proposers are strongly advised to not take exceptions to the terms, conditions, attachments and addenda; exceptions may result in rejection of the proposal. An exception is not a response to a proposal requirement. If an exception is taken, a 'Notice of Exception' must be submitted with the proposal. The 'Notice of Exception' must identify the specific point or points of exception and provide alternatives.
- C. The District reserves the right to reject any proposal for any reason including, but not limited to, the following;
  - Any proposal, which is incomplete, obscure, irregular or lacking necessary detail and specificity;
  - Any proposal that has any qualification, limitation, exception or provision attached to the proposal;
  - Any proposal from Proposers who (in the sole judgment of the District) lack the qualifications or responsibility necessary to perform the Work;
  - Any proposal submitted by a Proposer which is not registered or licensed as may be required by the laws of the state of Washington or local government agencies;
  - Any proposal, from Proposers who are not approved as being compliant with the requirements for equal employment opportunity; and
  - Any proposal for which a Proposer fails or neglects to complete and submit any qualifications information within the time specified by the District.
- D. The District may, at its sole discretion, determine that a proposal with a 'Notice of Exception' merits evaluation. A proposal with a 'Notice of Exception' not immediately rejected may be evaluated, but its competitive scoring shall be reduced to reflect the importance of the exception. Evaluation and negotiation shall only continue with the Proposer if the District determines that the proposal continues to be advantageous to the District.
- E. In consideration for the District's review and evaluation of its proposal, the Proposer waives and releases any claims against the District arising from any rejection of any or all proposals, including any claim for costs incurred by Proposers in the preparation and presentation of proposals submitted in response to this RFP.
- F. Proposals shall address all requirements identified in this RFP. In addition, the District may consider proposal alternatives submitted by Proposers that provide cost savings or enhancements beyond the RFP requirements. Proposal alternatives may be considered if deemed to be in the District's best interests. Proposal alternatives shall be clearly identified.

**Collusion**

If the District determines that collusion has occurred among Proposers, none of the proposals from the participants in such collusion shall be considered. The District's determination shall be final.

**Proposal Price and Effective Date**

The proposal shall remain in effect for 6 months after the proposal due date, unless extended by agreement.

**Award of Contract**

The Snohomish Health District Board of Health will make the final award of the contract.

**TABLE OF CONTENTS**

<b>SECTION I.</b>	<b>Introduction/Overview</b>	<b>PAGE</b>
	A. Purpose/Objective .....	7
	B. Term of Contract .....	7
	C. Background.....	7
	D. Statement of Work.....	8
	E. Proposer Minimum Qualifications.....	12
	F. Projected Project Schedule.....	13
	G. Procurement Contact.....	13
	H. Contract Administrator.....	13
<b>SECTION II.</b>	<b>Request for Proposal: Proposal Submission</b>	
	A. Procedures.....	15
<b>SECTION III.</b>	<b>Request for Proposal: Method of Award/Evaluation Criteria</b>	
	A. Evaluation Process .....	20
	B. Evaluation Criteria .....	20
<b>SECTION IV.</b>	<b>Request for Proposal: ATTACHMENTS</b>	<b>PAGE</b>
	A. Attachment A-Proposal Acknowledgment .....	23
	B. Attachment B-Non-Collusion Statement .....	24
	C. Attachment C-Insurance Requirements.....	25
	D. Attachment D-Sample Contract Form.....	27

# **SECTION I**

## **Introduction/Overview**

## A. Purpose/Objective

The Snohomish Health District is seeking the professional services of an experienced contractor to conduct a variety of performance audit services, on an as-needed basis, in response to requests from the Board of Health. The audit services could include financial (AP & AR), contract management, policy, facility, fund balance, overhead, budget monitoring, and budget decision making. The District desires to enter into a professional services contract with a qualified proposer who can demonstrate competency and experience in providing performance audit services for local governments. The District will assign each specific performance audit work assignment on an Engagement Task Order basis.

## B. Term of Contract

The term of the contract awarded from this RFP shall be for a period of one (1) year. If the District determines it to be advantageous, it may extend the term of the contract for up to four (4) one-year periods.

## C. Background

The Snohomish Health District is the local public health agency for Snohomish County. Our team of 134 public health professionals serves the 805,000 residents and thousands of businesses in the County. We work for safer and healthier communities through essential programs that track, respond to, and prevent costly food and water contamination, disease outbreaks, and injuries.

The Health District's annual budget for 2019 is approximately \$16.3 million. The agency was created in 1959 under Washington State Law (RCW 70.46) as the independent municipal corporation responsible for public health in Snohomish County. A 15-member Board of Health (BOH) oversees District budget and policies. The Board is made up of all five Snohomish County Council members and 10 mayors or city council members representing the 20 incorporated cities and towns in the County. Public meetings of the Board of Health are held monthly.

In addition to the executive leadership, communications, and emergency preparedness and response, the Health District has three primary divisions, each containing multiple programs. Our Environmental Health Division helps ensure the food, water and environment of Snohomish County are safe from health threats like disease, pollution, pests, and other hazards. The division issues permits, responds to complaints, and makes sure that the local Sanitary Codes are followed. The Prevention Services Division focuses on the prevention and control of communicable disease through education, monitoring, outbreak response, preparedness activities, and vaccination. The division also includes our Women, Infants and Children (WIC) and First Steps program. The Administration Division encompasses birth and death certificates, human resources, finance, public records, customer service, and assessment, data and reports. A Healthy Communities team also works to address topics such as substance use and suicide prevention.

For general information about the District and BOH, please visit the District's web site at [www.snohd.org](http://www.snohd.org) .



## **D. Statement of Work**

### **1. Scope of Work**

- a. The District is seeking the professional services of an experienced contractor to conduct a variety of performance audit services, on an as-needed basis, in response to requests from the Board of Health and/or the District Director. The audit services could include financial, compliance, operational, investigative or other performance audits.
- b. The performance audits should entail objective and systematic examination of evidence to provide an independent assessment of the performance and management of a program or function against objective criteria.
- c. The performance audits may entail a broad or narrow scope of work, apply a variety of methodologies, and involve various levels of analysis, research, or evaluation. The work will be summarized in a report with findings, conclusions, and recommendations. A presentation to the Board of Health may be requested.
- d. The performance audits could encompass a wide variety of objectives, including assessing program effectiveness and results, economy and efficiency, internal control, compliance with legal or other requirements or other analysis.
- e. The performance audits will provide information to improve program operations and facilitate decision making by parties with responsibility to oversee or initiate corrective actions, and improve public accountability.

### **2. Contractor Responsibilities**

- a. Maintain a pool of highly qualified performance auditors at all levels (Associate, Senior, Manager, Partner) assigned to provide professional services to meet the District's performance audit efforts;
- b. Notify the District in writing of any changes of staffing from those listed in the contract. The District will not compensate the contractor for hours incurred to train new staff members assigned.
- c. At the request and direction of the District, use experienced performance auditors to develop performance audit plans and engagement proposals, to be approved by the District in the form of Engagement Task Orders;
- d. Execute fully defined Engagement Task Orders that deliver the agreed performance audit services to the District's approval;
- e. Provide performance and resource management of performance audit services, including related reporting, under the direction of the District;
- f. Work with the District to remain cost conscious of task orders, remaining within the budget constraints of the District; and

- g. Maintain a set of intellectual materials (studies, white papers, opinions, recommendations, strategies, plans, approaches, policies and practices, a knowledge database, applied experience documentation, organizational technology, relationships, and professional skills, etc.) to support performance audit services and make the material available for use by the District;
- h. Conduct the work under applicable professional standards, including:
- Federal and State rules and regulations,
  - Generally Accepted Government Auditing Standards (GAGAS i.e. the “Yellow Book”),
  - Standards for the Professional Practice of Performance Auditing and Local Governmental Units,
  - The latest American Institute of Certified Public Accountants (AICPA) industry guide: Audits of State and Federal and Washington State rules and regulations,
  - Government Accounting, Auditing, Financial Reporting (GAAFR),
  - The Federal Information System Controls Manual,
  - The National Institute of Standards and Technology (NIST),
  - The Institute of Internal Auditors (IIA),
  - Information Systems Audit and Control Association (ISACA),
  - International System Security Certification Consortium,
  - Committee on Sponsoring Organizations (COSO),
  - Other applicable regulation or guidelines.

### **3. Audit Engagements**

The awarded contractor must be able to conduct a wide variety of performance audit engagements, in accordance with the following provisions. Because of critical time considerations, efficiency, or other circumstances, the District reserves the right to modify these provisions when it is in the best interest of the District.

- a. The contractor shall not commence the service for any project until a task order has been executed and a Notice to Proceed has been issued for that project.
- b. For each task or audit assigned, the contractor shall submit for approval before field work commences: an audit plan with detailed audit steps, personnel assignments, an estimate of hours, total cost and dates for completing various audit milestones and deliverables. If during an audit, the contractor reasonably determines that the hours to complete the task will exceed the originally approved estimated hours, the contractor must submit a written request to approve the additional time. The contractor’s written request must include all reasons for the additional time, as well as the new estimate of hours to complete the task.
- c. The contractor shall arrange the entrance conference that is attended by the contractor and District staff identified by the District.
- d. The contractor and designated District staff shall have periodic progress meetings during the audit. The contractor should submit a status report on a monthly basis.

- e. The contractor shall prepare a draft report based on the findings identified during fieldwork. The findings must be fully documented in the contractor's work papers. The contractor must produce audit reports and other deliverables of exceptional high quality.
- f. The contractor shall send the draft report to the designated District staff for review and comment.
- g. The contractor shall arrange an exit conference with appropriate District staff. At the exit conference, the auditee will be requested to provide a written response to the draft report within a specified time frame to the contractor, with a copy to the District. This response shall be communicated electronically and in hard copy.
- h. The contractor, in conjunction with the designated District staff, will review the auditee's response to determine if a rebuttal is warranted.
- i. If a rebuttal is warranted, the contractor shall prepare it and include it after the auditee's response.
- j. The contractor shall incorporate the auditee response into the final report.
- k. The contractor shall invoice the District when each deliverable has been accepted. Typical deliverables include the audit plan, the draft audit report and the final audit report. An itemized listing of hours spent on the project is to accompany the deliverables to the District.
- l. The contractor shall provide a hard copy and an electronic copy of the final audit report.
- m. The contractor shall perform engagement performance management and maintain related records and reports of its performance that include on-time milestones, within budget measurement, Client value indicator, lost time measurement, and client satisfaction survey results.
- n. In the event of the contractor's failure to comply with the established date of completion, the District reserves the right to make an open market purchase of the services. In addition to other remedies that are available to the District, the District may seek damages from the contractor in the amount of the difference between the costs to the District had the contractor performed the service and the actual costs incurred in order to complete the services.
- o. Any project placed prior to, but not completed by the expiration date of the contract, will be completed by the contractor with all compensation and provisions of the contract still in force and effect until completion.

#### 4. Deliverables

- a. The contractor shall prepare and submit audit plans and audit reports. Audit reports shall be tailored to the requirements of the specific audit. However, reports will include but will not be limited to these sections:
  - Executive Summary,
  - Background,
  - Objectives, Scope and Methodology,
  - Findings,
  - Recommendations, and
  - Auditee Response.
- b. Reports are to be prepared in a clear and concise manner. Detailed information is to be included in the body of the findings. When preparing the findings section in the audit report, the first sentence of each finding is to contain a synopsis of the finding, followed by detail information to fully support the finding. Recommendations are to be fully supported by and consistent with the findings.
- c. The contractor will provide to the District a hard copy, as well as an electronic copy of the final report. The contractor will provide, in certain cases, a copy of the final report cross indexed to the contractor's work papers, when requested.
- d. The District will not compensate the contractor for time spent on revisions due to incorrect and/or poorly prepared written deliverables. When assigned a project, the contractor is to report monthly the hours used on the project and agreed performance indicators. With the submission of the deliverable, the contractor is to submit an itemized listing of hours with dates and descriptions of time utilized, and with the corresponding contractor personnel names to determine the number of hours used for the project to date and related performance level indicators.
- e. Work papers are to clearly document interviews, audit steps, results of audit steps, audit findings and other documentation as relevant. The audit work papers shall be retained by the District. At the time the contractor submits their draft report, the District shall have the right to review the contractor's work papers. Should the District reject a report, the contractor will be notified in writing of such rejection giving the reason(s). The right to reject a report shall extend throughout the term of the contract, and thereafter, if applicable, until completion of the audit and acceptance by the District.
- f. Upon completion of the final report, the contractor may be requested to provide a presentation to the Board of Health and/or District Director on key findings and recommendations.

## 5. District's Responsibilities

- a. For each engagement, the District responsibilities include, but are not limited to, the following:
  - Providing the Engagement Task Orders;
  - Approving the audit plan, including objectives, scope, and methodology, as prepared by the contractor;
  - Commenting, reviewing and approving engagement letters;
  - Notifying the contractor to proceed with the assignment;
  - Conducting periodic progress meetings with the contractor, including performance level indicators;
  - Assigning additional work based on information obtained during the preliminary work;
  - Acting as a mediator between the auditee and the contractor;
  - Reviewing the contractor's draft audit report (or other engagement product) and providing comments on the draft;
  - Reviewing the final draft report and notifying the contractor to finalize the audit report;
  - Participating in performance management activities and client performance surveys as appropriate; and
  - Approving the contractor's invoice for payment.
- b. The contractor will be given access to records of the District, and reasonable access to the staff for the purpose of interviews and the verification of items, within the terms of the audits. It is expected that the contractor will organize the work in such a way as to minimize disruption of work of the District employees in the pursuit of their normal duties.

## E. Proposer Minimum Qualifications

Proposers must meet the following criteria to be considered for selection:

1. At least five (5) years of experience providing a wide range of performance audit services to state, local government, non-profit, or commercial entities, with a focus on local government performance audit experience;
2. Ability to quickly respond to expedited audit requests;
3. Ability to prepare and provide audit reports for engaged tasks in accordance with applicable standards;
4. Ability to demonstrate quality control procedures;
5. Ability to demonstrate that audit work papers and information is securely maintained and kept confidential;
6. Ability to provide a narration on the auditing process and work papers' documentation to include but not limited to the following:
  - a. Document the process for conducting interviews and establishing findings during the audit;
  - b. Provide policies and practices on entrance and exit conferences during the audit;
  - c. Describe the method of communicating internal control weaknesses.
7. Ability to demonstrate monitoring procedures for assuring the independence of

management and employees;

8. Ability to demonstrate compliance with continuing professional education standards established by generally accepted government auditing standards (GAGAS 3.46); and
9. Competent technology skills in Microsoft Office Suite and data extraction programs.

## F. Projected Project Schedule

<b>DESCRIPTION</b>	<b>TARGET DATE</b>
RFP Issued	4/25/19
Proposer's technical questions due via email	5/10/19
Addendum to RFP issued, if required	5/13/19
Proposals due to the District	5/17/19
Contract Award	6/11/19

The target dates provided are estimates and may be subject to change during the process.

## G. Procurement Contact

The sole point of contact at the District for purposes of this RFP, prior to the award of any contract is, Pam Spence, Purchasing Administrator:

Pam Spence, Purchasing Administrator  
Snohomish Health District  
3020 Rucker Ave., Ste. 308  
Everett, WA 98201  
Telephone: (425) 339-5214  
Email: [rfp@snohd.org](mailto:rfp@snohd.org)

## H. Contract Administrator

The designated contract administrator following contract award will be:

Shawn Frederick, Administration Director  
Snohomish Health District  
3020 Rucker Ave., Ste. 306  
Everett, WA 98201  
Telephone: (425) 339-8687  
Email: [sfrederick@snohd.org](mailto:sfrederick@snohd.org)

# **SECTION II**

## **Request for Proposal**

## **Proposal Submission**

## A. Procedures

One (1) electronic and/or two (2) printed copies of the sealed proposal marked “RFP #2019-02, Performance Audit Services” must be submitted to:

Pam Spence, Purchasing Administrator  
Snohomish Health District  
3020 Rucker Ave., Ste. 308  
Everett, WA 98201  
OR  
Emailed to [rfp@snohd.org](mailto:rfp@snohd.org)

To provide each proposer an equal opportunity for consideration, adherence to a standardized proposal format is required. Individual, separate and complete proposals must be submitted and must contain the following elements organized into separate tabs or sections, as deemed appropriate. Failure to adhere to this format may result in the disqualification of your proposal(s).

Each proposal shall adhere to the order presented below. Each section within the proposal submittal, following the transmittal letter and table of contents, shall be separated by tabs or sections and include, at a minimum:

1. **Transmittal Letter**: The letter should include the address of the office which would provide the services requested, telephone number, fax, e-mail address and website, if applicable. The letter should be signed by an individual who is authorized to commit the proposer to the services, pricing and requirements as stated in this RFP.
2. **Table of Contents**: A table of contents shall outline all contents contained within the proposal submittal.
3. **Tab 1 – Proposal Acknowledgment/Amendments**: This section shall include the completed proposal acknowledgement form and any amendments (addenda) to the solicitation provided as ATTACHMENT A.
4. **Tab 2 - Identifications of Confidential, Proprietary Commercial Information or Trade Secrets**: If applicable, information the proposer claims to be confidential, proprietary commercial information or trade secrets shall be identified in this section. This information, along with any claim of confidential financial information, should also be disclosed. The proposer must include an explanation for each individual claim of confidentiality.
5. **Tab 3 - Work Plan and Project Approach**: This section shall include a well-defined work plan consistent with the project objectives and scope of work, demonstrating the ability and the strategy that will be used to complete the elements as outlined within the scope of work. The proposer must provide the basic approach to performance auditing including:
  - a. How it proposes to optimize the matching of resources to assignments and the timing of a Performance Audit request and the availability of its resources to perform the service and related flexibility;



- b. The various audit services/work that would be allocated to each respective professional level (partner, manager, supervisor, senior and semi-senior member, etc.);
  - c. Average expected lead times for individual Performance Audit resource assignments;
  - d. The ongoing staff resource management approach, methods, policies and procedures;
  - e. The performance management approach, methods, policies and procedures needed for ongoing delivery and continuous improvement of Performance Audit services.
6. **Tab 4 – Personnel and Technical Qualifications:** Submit technical qualifications of the proposer and staff involved in this project.
- a. Brief history of the proposer and its structure (include organizational charts);
  - b. Describe the delivery team, including any subsidiary and/or affiliate companies that will be used to satisfy the requirements of this RFP. Describe their roles on the service team and describe their capabilities to provide the services for which they are being utilized. Include a list of all existing staff resources and staff resourcing methodologies, including sub-contracting for audit assignments and related task work;
  - c. Provide the proposer’s qualifications, requirements and selection criteria for personnel (including sub-consultants, if applicable) anticipated to be used as performance auditors that may fulfill the services requested under this contract;
  - d. Provide resumes of audit principals and key personnel (including sub-consultants, if applicable) anticipated to be used to fulfill the services requested. Resumes shall be limited to individuals who will be assigned and working on the project. Each individual resume should be limited to a maximum of one page. The resumes shall include information about pertinent expertise. If the personnel are providing services from a branch office, identify the office from which the services will be delivered and provide the appropriate contact information for this branch;
  - e. Describe proposer’s background checks on employees and any subcontractor employed;
  - f. Describe any current litigation resulting from professional services provided by the proposer; and
  - g. List of client relationships, to include public sector clients, that have been terminated in the last 12 months and the reasons each was terminated. (For proposers with multiple locations, please provide the list based on the local office to be utilized for services).

7. **Tab 5 – References:** A minimum of 5 current references with physical addresses, phone numbers, and email addresses (if available) should be provided. They should represent the most significant projects performed in the last five years that are similar to the project described in this request for proposal. The references may be both in the private or public sector, with at least two in the public sector.
  
8. **Tab 6 - Fee Proposal:** The fee proposal shall be submitted to include the following:
  - a. Proposed hourly rates by experience level of the staff person(s) assigned to complete the approved task order(s), for the first year of the contract and four additional potential contract years. If the proposer has rates that are different for its peak and non-peak season, the proposer shall provide both sets of rates. In addition, if the proposer has a weekly or monthly rate, the proposer shall include these rates.
  
  - b. Proposed prices for years 2 to 5 may not exceed the amount of the annual percentage change of the U.S. Bureau of Labor Statistics, Employment Cost Index Employment Cost Index – Private Industry, Wages and Salaries, 12-month Percent Change, Not Seasonally Adjusted – CIU202000000000A for the twelve-month period immediately prior to the date of the request.
  
  - c. The price proposal shall include, in addition to the fee structure, any additional costs that the proposer anticipates would be charged, such as administrative fees. No additional payment will be made for travel related expenses.
  
9. **Tab 7 – Subcontracting:** This section should identify any of the required services that the proposer intends to subcontract, if any, providing the following information:
  - a. Reason for subcontracting.
  
  - b. Proposed subcontractor responsibilities.
  
  - c. Identity and descriptive information of proposed subcontractors, including location, relevant personnel and experience, previous use as a subcontractor, and any other relevant supporting information.
  
10. **Tab 8 – Required Forms/Additional information:**
  - a. Submit a completed Affidavit form (ATTACHMENT B).
  
  - b. Provide a statement that Offeror, if awarded the contract, will provide a certificate of insurance in accordance the Snohomish Health District Insurance requirements (ATTACHMENT C).
  
  - c. Additional Information - Provide any additional information you wish to bring to the District’s attention with respect to the proposer’s qualifications.

**Section III**

**Request for Proposal**

**Method of  
Award/Evaluation Criteria**

## A. Evaluation Process

Award will be made to the qualified proposer obtaining the highest weighed score combining price and technical qualifications.

Accordingly, the District may hold discussions with all proposers judged reasonably susceptible of being selected for award, or potentially so. However, the District also reserves the right to make an award without holding discussions. In either case of holding discussions or not doing so, the District may determine a proposer to be not responsible and/or a proposer's proposal to be not reasonably susceptible of being selected for award, at any time after the initial closing date for receipt of proposals and the review of those proposals.

## B. Evaluation Criteria

### 1. Written Proposal Evaluation

The Evaluation Committee will evaluate the written proposal based on the following criteria.

<b>Criteria</b>	<b>Points</b>
<b>Experience:</b> Proposers will be evaluated per their current and past experience and performance with comparable projects.	30
<b>Qualifications of Proposed Personnel:</b> The professional qualifications and accessibility of the proposer's professional personnel to be assigned to manage and conduct performance audits.	20
<b>Project approach:</b> The proposal will be evaluated based on compliance with RFP requirements, technical approach in conducting performance audits and providing deliverables.	30
<b>Cost:</b> This criterion considers the price of services solicited by this RFP. Proposers will be evaluated on their pricing scheme as well as on their price in comparison to other Proposers.	20
<b>Total Points</b>	100

2. Interview Evaluation Criteria

<b>Criteria</b>	<b>Points</b>
Quality of presentation, ability to articulate relevant company experience, and ability to demonstrate overall understanding of the scope of work and District’s needs.	50
Ability to communicate project approach and technical concepts for conducting performance audits.	50
<b>Total Points</b>	100

Clarification of Offers

An evaluation committee will evaluate the proposals from information on hand and may also ask questions to clarify information from proposers as required. A composite rating will be developed which indicates the proposer’s collective ranking of the highest rated proposals in a descending order.

In order to determine if a proposal is reasonably susceptible for award, communications by the Procurement contact are permitted with a proposer to clarify uncertainties or eliminate confusion concerning the contents of a proposal. Clarifications may not result in a material or substantive change to the proposal. The evaluation by the proposal evaluation committee may be adjusted as a result of a clarification under this section.

Interviews/Discussions

The Evaluation Committee may afford one (1) or more proposers an opportunity to make oral presentations to clarify their proposals. If requested, oral presentations shall be made at no cost to the District. Key personnel listed in the proposal are required to attend the interview.

**Snohomish Health District reserves the right to reject any and all proposals and to accept the proposal the District considers most advantageous. All proposals will become the property of the District.**

# **SECTION IV**

## **Request for Proposal**

### **Attachments**

**ATTACHMENT A:**

**PROPOSAL ACKNOWLEDGMENT**

The undersigned agrees that all the terms and conditions of this solicitation and offer may, at the District’s option, be made applicable in any contract issued as a result of this solicitation.

Business Firm's Typed Name: \_\_\_\_\_

Name and Title of Person  
Authorized to Sign Proposal: \_\_\_\_\_

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

Corporate Attestation or SEAL *here*

Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
(Corporate officer other than above)

Name and Title of Person  
Attesting to Authorized Signature: \_\_\_\_\_

**NAME AND SIGNATURE REQUIREMENTS FOR PROPOSALS AND CONTRACTS**

The correct legal business name of the proposer must be used in all contracts. A trade name (i.e., a shortened or different name under which the firm does business) should not be used when the legal name is different.

Corporations must have names that comply with State Law. The proposer’s signature must conform to the following:

- Where the proposer is a corporation, a corporate seal is required.
- Where the proposer is a partnership, at least one general partner must sign.
- Where the proposer is a sole proprietor, the owner of the company must sign.

**ACKNOWLEDGMENT OF SOLICITATION AMENDMENTS**

**Please note, that it is the proposer’s responsibility to check the District’s website frequently for Addendums, which may impact pricing, this documents requirements, terms and/or conditions. Failure to sign and return an Addendum with your response may result in disqualification of proposal .**

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

<b>Amendment</b>	<b>Number/Date:</b>
<b>Amendment</b>	<b>Number/Date:</b>
<b>Amendment Number/Date:</b>	

**NOTE: THIS FORM MUST BE COMPLETED AND INCLUDED WITH THE PROPOSAL.**

**ATTACHMENT B:**

**NON-COLLUSION STATEMENT**

In order for your application to be considered, it is necessary to furnish the following information:

Has your firm ever been indicted, pled guilty, pled nolo contendere (no contest), or been convicted of any offense that has resulted in your firm being barred from being or performing work for any State, Local, or Federal Government?

Yes \_\_\_\_ No \_\_\_\_

If "Yes", attach a separate sheet(s) to this form giving the details involved, the names of the individuals, and their current employment status with your firm.

Has any officer, employee, or other member of your firm ever been indicted, pled guilty, pled nolo contendere, or been convicted of any illegal restraints of trade, including collusive bidding?

Yes \_\_\_\_ No \_\_\_\_

If "Yes", attach a separate sheet(s) to this form giving the details involved.

Has your firm or any officer, employee, or member of your firm ever been debarred for violation of various Public Constraint Acts incorporating Labor Standards Provision?

Yes \_\_\_\_ No \_\_\_\_

If "Yes", attach a separate sheet(s) to this form giving the details involved.

Is your firm under the protection of the bankruptcy court, has pending any petition in bankruptcy court, or have you made an assignment for the benefit of creditors?

Yes \_\_\_\_ No \_\_\_\_

\_\_\_\_\_  
(Printed Name of Contractor)

\_\_\_\_\_  
Address

\_\_\_\_\_  
City State Zip Code

\_\_\_\_\_  
Signature of Authorized Representative

\_\_\_\_\_  
Title Date

**NOTE: THIS FORM MUST BE COMPLETED AND INCLUDED WITH THE PROPOSAL.**



[Type here]

## **ATTACHMENT C:**

### **INSURANCE REQUIREMENTS**

Minimum Amounts of Insurance:

A. Contractor shall obtain insurance of the types described below:

1. Automobile Liability Automobile Liability insurance covering all owned, non-owned, hired and leased vehicles. Coverage shall be written on Insurance Services Office (ISO) form CA 00 01
2. Commercial General Liability Commercial General Liability insurance shall be written at least as broad on ISO occurrence form CG 00 01 and shall cover liability arising from premises, operations, independent contractors, products-completed operations, stop gap liability, personal injury and advertising injury, and liability assumed under an insured contract. The Commercial General Liability insurance shall be endorsed to provide a per project general aggregate limit using ISO form CG 25 03 05 09 or an equivalent endorsement. There shall be no exclusion for liability arising from explosion, collapse, or underground property damage. The District shall be named as an additional insured under the Consultant's Commercial General Liability insurance policy with respect to the work performed for the District using an additional insured endorsement CG 20 10 10 01 and Additional Insured-Completed Operations endorsement CG 20 37 10 01 or substitute endorsements providing at least as broad coverage.
3. Workers' Compensation coverage as required by the Industrial Insurance laws of the state of Washington.
4. Professional Liability insurance appropriate to the Contractor's profession.

B. Minimum Amounts of Insurance

Contractor shall maintain the following insurance limits:

1. Comprehensive General Liability. Insurance shall be written with limits no less than \$1,000,000 each occurrence, \$2,000,000 general aggregate and \$2,000,000 products-completed operations aggregate limit.
2. Automobile Liability. \$1,000,000 combined single limit per accident for bodily injury and property damage.
3. Workers' Compensation. Workers' compensation limits as required by the Workers' Compensation Act of Washington.
4. Professional Liability/Consultant's Errors and Omissions Liability. \$1,000,000 per claim and \$1,000,000 as an annual aggregate.

C. Other Insurance Provisions

The insurance policies are to contain, or be endorsed to contain, the following provisions for

[Type here]

Automobile Liability and Commercial General Liability insurance:

1. The Contractor's insurance coverage shall be primary insurance as respect to the District. Any Insurance, self-insurance, or insurance pool coverage maintained by the District shall be excess of the Contractor's insurance and shall not contribute with it.
2. The Contractor's insurance shall be endorsed to state that coverage shall not be cancelled by either party, except in accordance with RCW 48.18.290, or prior written notice by delivery or mail has been given to the District.

Name of Company: \_\_\_\_\_

Name of Insurance Agent: \_\_\_\_\_

Telephone, including Area Code \_\_\_\_\_

**NOTE: THIS FORM MUST BE COMPLETED AND INCLUDED WITH THE PROPOSAL.**

[Type here]

## ATTACHMENT D: SAMPLE PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT, made and entered into this \_\_\_\_\_th day of \_\_\_\_\_, 20\_\_ by and between **SNOHOMISH HEALTH DISTRICT**, a Municipal Corporation, hereinafter referred to as “the District,” and \_\_\_\_\_, **[LEGAL STATUS OF ENTITY SHOULD BE INSERTED; e.g., LLC; Sole Proprietor; LLP; Inc., P.S.; Partnership, Foreign Corporation licensed to do business in Washington State]**, hereinafter referred to as “the Contractor.”

### 1. TERMS AND CONDITIONS

All rights and obligations of the parties to this Agreement shall be subject to and governed by the terms and conditions contained in the text and exhibits of this Agreement, or as may be amended in writing by mutual agreement of the parties. The initial term of this Agreement is \_\_\_\_\_ . [This Agreement may be automatically extended in one-year increments through \_\_\_\_\_, subject to the extension or termination provisions in section 10. Any extension past \_\_\_\_\_ must be in writing signed by all parties.]

The general terms and conditions of the relationship between the District and the Contractor are specified in this Agreement.

### 2. SERVICES

Contractor shall provide **[INSERT SHORT GENERAL DESCRIPTION OF WHAT SERVICES ARE REGARDING]**. The specifications and conditions are described further in attached **Exhibit 1** entitled “Statement of Work”.

### 3. MINOR CHANGES IN SCOPE

The Contractor shall accept minor changes, amendments, or revision in the detail of the Scope of Services as may be required by the District when such changes will not have any impact on the service costs or proposed delivery schedule. Extra work, if any, involving substantial changes and/or changes in cost or schedules will be addressed as follows:

Extra Work: The District may desire to have the Contractor perform work or render services in connection with each project in addition to or other than work provided for by the expressed intent of the scope of services. Such work will be considered as extra work and will be specified in a written supplement to the scope of services, to be signed by both parties, which will set forth the nature and the scope thereof. All proposals for extra work or services shall be prepared by the Contractor at no cost to the District. Work under a supplemental agreement shall not proceed until executed in writing by the parties.

**3.1 WORK PRODUCT AND DOCUMENTS.** The work product and all documents produced under this Agreement shall be furnished by the Contractor to the District, and upon completion of the work shall become the property of the District, except that the Contractor may retain one copy of the work product and documents for its records. The Contractor will be responsible for

[Type here]

the accuracy of the work, even though the work has been accepted by the District.

In the event that the Contractor shall default on this Agreement or in the event that this Agreement shall be terminated prior to its completion as herein provided, all work product of the Contractor, along with a summary of work as of the date of default or termination, shall become the property of the District. Upon request, the Contractor shall tender the work product and summary to the District. Tender of said work product shall be a prerequisite to final payment under this Agreement. The summary of work done shall be prepared at no additional cost to the District.

Contractor will not be held liable for reuse of documents produced under this Agreement or modifications thereof for any purpose other than those authorized under this Agreement without the written authorization of Contractor.

#### **4. BILLING AND REIMBURSEMENT PROCEDURES**

- A. The Contractor shall be paid by THE DISTRICT for services rendered under this Agreement as described in the Scope of Services and as provided in this section. In no event shall the compensation paid to Contractor under this Agreement exceed \$\_\_\_\_\_ without the written agreement of the Contractor and the District. Such payment shall be full compensation for work performed and services rendered and for all labor, materials, supplies, equipment, and incidentals necessary to complete the work. In the event the District elects to expand the scope of services from that set forth in Exhibit 1, the District shall pay Contractor a mutually agreed amount.
- B. The Contractor shall submit a monthly invoice to the District for services performed in the previous calendar month in a format acceptable to the District. The Contractor shall maintain time and expense records and provide them to the District upon request.
- C. The District will pay timely submitted and approved invoices received before the 20<sup>th</sup> of each month within thirty (30) days of receipt.

#### **5. SUBCONTRACTING**

The Contractor shall not subcontract, assign, or delegate any rights or obligations under this agreement, either in whole or in part, without the prior written approval of the District.

In the event Contractor utilizes subcontractors, Contractor shall include all subcontractors as insureds under its policies, or shall furnish separate certificates of insurance and policy endorsements for each subcontractor. Insurance coverages provided by subcontractors as evidence of compliance with the insurance requirements of this Contract shall be subject to all of the requirements stated herein.

#### **6. INSURANCE**

- A. Contractor shall, at its own expense, obtain and keep in force Cyber Liability Insurance as specified in the Business Associate Agreement attached until completion of this contract. Proof of applicable insurance will be attached to this document.

[Type here]

- B. Contractor shall, at its own expense, obtain and keep in force insurance as specified in **Exhibit 2** attached until completion of this Agreement. Proof of applicable insurance is attached to this document.
- C. Where the District has provided written approval of a subcontractor, Contractor shall include all subcontractors as insured under all required insurance policies, or shall furnish separate Certificates of Insurance and endorsements for each subcontractor. Subcontractor(s) must comply fully with all insurance requirements stated herein. Failure of subcontractor(s) to comply with insurance requirements does not limit Contractor's liability or responsibility.
- D. All insurance provided in compliance with this Agreement shall be primary as to any other insurance or self-insurance programs afforded to or maintained by the District.

## **7. INDEMNIFICATION/HOLD HARMLESS**

To the maximum extent permitted by law and except to the extent caused by the sole negligence of the District, the Contractor shall indemnify and hold harmless the District, its officers, officials, agents, and employees, from and against any and all suits, claims, actions, losses, costs, penalties, and damages of whatsoever kind or nature arising out of, in connection with, or incident to the goods and/or services provided by or on behalf of the Contractor. In addition, the Contractor shall assume the defense of the District and its officers, officials, and employees in all legal or claim proceedings arising out of, in connection with, or incidental to such goods and/or services, and shall pay all defense expenses, including reasonable attorney's fees, expert fees, and costs incurred by the District on account of such litigation or claims.

This indemnification obligation shall include, but is not limited to, all claims against the District by an employee or former employee of the Contractor or its subcontractors. The Contractor, by mutual negotiation, expressly waives all immunity and limitation on liability, as respect to the District only, under any industrial insurance act, including Title 51 RCW, other Worker's Compensation act, disability benefit act, or other employee benefit act of any jurisdiction that would otherwise be applicable in the case of such claim. In the event that the District incurs any judgment, award and/or cost including attorney's fees arising from the provisions of this section, or to enforce the provisions of this section, any such judgment, award, fees, expenses and costs shall be recoverable from the Contractor. In the event of litigation between the parties to enforce the rights under this section, reasonable attorney fees shall be allowed to the substantially prevailing party.

## **8. CONFIDENTIALITY OF INFORMATION**

Contractor acknowledges that the District's activities and services to individuals may involve privileged or extremely confidential information, as well as information protected under the Health Insurance Portability and Accountability Act (HIPAA). Contractor shall maintain information secured in the course of carrying out this Agreement with due regard to the strictest confidence and safeguards of information. Contractor and its employees as well as approved subcontractors understand that any violation of confidentiality of client information, whether intentional or due to negligence, and if the same results in any claim, damages, losses, costs, and/or expenses to the District, shall be the subject to the indemnification and hold harmless provisions of this agreement. Further, certain information and in some cases disclosure of client information may be subject to other laws of confidentiality punishable as an offense and/or monetary criminal offense.

[Type here]

## **9. VENUE STIPULATION**

This Agreement shall be construed and interpreted in accordance with the laws of the state of Washington. The venue of any action brought hereunder shall be Snohomish County.

## **10. AGREEMENT ALTERATIONS AND AMENDMENTS**

All changes to the Agreement shall be through an Agreement Amendment. No oral order or conduct by the District shall constitute a change to the Agreement. If any Agreement Amendment causes an increase or decrease in the cost of, or the time required for performance of any part of the work under this Agreement, the Agreement may be modified if agreed to in writing by both parties. Agreement Amendments may require a Cost/Price Analysis to determine the reasonableness of the proposed adjustments to the Agreement.

## **11. EXTENSION OR TERMINATION**

- A. Except as otherwise provided in this Agreement, the District may extend this Agreement upon thirty (30) days written notification and acceptance of the Contractor.
- B. Termination for Convenience. The District for its convenience may terminate this Agreement, in whole or in part, at any time by written notice sent certified mail, return receipt requested, to the Contractor. After receipt of a Notice of Termination (“Notice”), and except as directed by the District, the Contractor shall immediately stop work as directed in the notice, and comply with all other requirements in the notice. The Contractor shall be paid its costs, including necessary and reasonable Agreement closeout costs and profit on that portion of the work performed and Accepted up to the date of termination as specified in the notice. The Contractor shall promptly submit its request for the termination payment, together with detailed supporting documentation. If the Contractor has any property in its possession belonging to the District, the Contractor shall account for the same and dispose of it in the manner the District directs. All termination payment requests may be subject to Cost or Price Analysis.
- C. Termination for Default. If the Contractor does not deliver work in accordance with the Agreement, or the Contractor fails to perform in the manner called for in the Agreement, or if the Contractor fails to comply with any material provisions of the Agreement, the District may terminate this Agreement, in whole or in part, for default as follows:
  - a. A “Notice to Cure” shall be served on the Contractor by certified mail (return receipt requested) or delivery service capable of providing a receipt. The Contractor shall have ten (10) days to cure the default or provide the District with a detailed written plan, which indicates the time and methods needed to bring the work into compliance and cure the default.
  - b. If the Contractor has not cured the default or the plan to cure the default is not acceptable to the District, the District may terminate the Contract. Termination shall occur by serving a Notice of Termination by certified mail (return receipt requested) or delivery service capable of providing a receipt on the Contractor setting forth the manner in which the Contractor is in default and the effective date of termination.
  - c. The Contractor shall only be paid for work delivered and accepted, less any damages to the District caused by or arising from such default. All termination payment requests are subject to Cost or Price Analysis.

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- d. The termination of this Contract shall in no way relieve the Contractor from any of its obligations under this Contract nor limit the rights and remedies of the District hereunder in any manner.
- D. Termination for Non-Appropriation. If expected or actual funding is withdrawn, reduced, or limited in any way during the Agreement term or in any Agreement Amendment hereto, the District may, upon written notice to the Contractor, terminate this Agreement in whole or in part. If the Agreement is terminated for non-appropriation:
  - a. The District shall be liable only for payment in accordance with the terms of this Agreement performed and accepted prior to the effective date of termination; and,
  - b. The Contractor shall be released from any obligation under this Agreement (including any related purchase order) to provide further work pursuant to the Agreement.

Funding under this Agreement beyond the current appropriation period is conditional upon the appropriation of sufficient funds to support the activities described in this Agreement. Should such an appropriation not be approved, the Agreement shall terminate at the close of the current appropriation period. The appropriation period ends on December 31 of each year.

- E. Prior to the District's use of the service, when and as often as the District determines that the service, furnished under the Agreement is not fully and completely in accordance with any requirement of the Agreement, it may give notice and description of such non-compliance to the Contractor. Within ten (10) business days of receiving such written notification, the Contractor shall supply the District with a detailed, written plan that indicates the time and methods needed to bring the service in compliance with the Agreement. The District may reject or accept this plan at its discretion. If the District rejects the plan the Contractor may be determined to be in material default of the Agreement. This procedure to remedy defects is not intended to limit or preclude any other remedies available to the District by law, including those available under the Uniform Commercial Code, Title 62A RCW.

## **12. SAVINGS**

In the event funding for this Agreement is withdrawn, reduced, or limited in any way after the effective date of this Agreement and prior to expiration, the District may terminate this contract immediately, subject to renegotiation under those new funding limitations and conditions.

## **13. SEVERABILITY**

If any provision of this Agreement or any provision of any document incorporated by reference shall be held invalid, such invalidity shall not affect the other provisions of this Agreement that can be given effect without the invalid provisions, and to this end the provisions of this Agreement are declared to be severable.

[Type here]

#### **14. NOTICES**

Unless otherwise directed in writing, notices, reports and payments shall be delivered to the following addresses:

SNOHOMISH HEALTH DISTRICT  
Finance Department  
3020 Rucker Avenue, Suite 308  
Everett, WA 98201-3900  
425.339.5210

[Contractor name and mailing address]

#### **15. DEBARMENT**

Contractor certifies that the Contractor has not been: (i) charged with a criminal offense in connection with obtaining, attempting to obtain, or performing of a public (federal, state, or local) contract or subcontract; (ii) listed by a federal governmental agency as debarred; (iii) proposed for debarment or suspension or otherwise excluded from federal program participation; (iv) been convicted of or had a civil judgment rendered against them regarding dishonesty or breach of trust, including but not limited to, the commission of a fraud including mail fraud or false representations, violation of a fiduciary relationship, violation of federal or state antitrust statutes, securities offenses, embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, or receiving stolen property; or (v) within a three (3) year period preceding the date of this agreement, had one or more public transactions (federal, state, or local) terminated for cause or default.

#### **16. DISCRIMINATION PROHIBITED AND COMPLIANCE WITH EQUAL OPPORTUNITY LEGISLATION**

The Contractor agrees to comply with equal opportunity employment and not to discriminate against client, employee, or applicant for employment or for services because of race, creed, color, religion, national origin, marital status, sex, sexual orientation, age, or handicap except for a bona fide occupational qualification with regard, but not limited to, the following: employment upgrading, demotion or transfer, recruitment or any recruitment advertising, layoff or terminations, rates of pay or other forms of compensation, selection for training, or rendition of services. The Contractor further agrees to maintain (as appropriate) notices, posted in conspicuous places, setting forth the provisions of this nondiscrimination clause. The Contractor understands and agrees that if it violates this nondiscrimination provision, this Agreement may be terminated by the District, and further that the Contractor will be barred from performing any services for the District now or in the future, unless a showing is made satisfactory to the District that discriminatory practices have been



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terminated and that recurrence of such action is unlikely.

### **17. UNFAIR EMPLOYMENT PRACTICES**

During the performance of this Agreement, the Contractor agrees to comply with RCW 49.60.180, prohibiting unfair employment practices.

### **18. LEGAL RELATIONS**

The Contractor shall comply with all federal, state, and local laws and ordinances applicable to work to be done under this Agreement. The Contractor represents that the firm and all employees assigned to work on any District project are in full compliance with the statutes of the state of Washington governing activities to be performed and that all personnel to be assigned to the work required under this Agreement are fully qualified and properly licensed to perform the work to which they will be assigned. This Agreement shall be interpreted and construed in accordance with the laws of Washington.

### **19. INDEPENDENT CONTRACTOR**

A. The Contractor and the District understand and expressly agree that the Contractor is an independent contractor in the performance of each and every part of this Agreement. The Contractor expressly represents, warrants, and agrees that his status as an independent contractor in the performance of the work and services required under this Agreement is consistent with and meets the six-part independent contractor test set forth in RCW 51.08.195 or as hereafter amended. The Contractor, as an independent contractor, assumes the entire responsibility for carrying out and accomplishing the services required under this Agreement. The Contractor shall make no claim of the District employment nor shall claim any related employment benefits, social security, and/or retirement benefits.

Contractor represents, unless otherwise indicated below, that all employees of Contractor that will provide any of the work under this Agreement have not ever been retired from a Washington State retirement system, including but not limited to Teacher (TRS), School District (SERS), Public Employee (PERS), Public Safety (PSERS), law enforcement and firefighters (LEOFF), Washington State Patrol (WSPRS), Judicial Retirement System (JRS), or otherwise. (Please indicate No or Yes below.)

\_\_\_\_\_ No employees supplying work have ever been retired from a Washington State retirement system.

\_\_\_\_\_ Yes; employees supplying work have been retired from a Washington State retirement system.

In the event the Contractor indicates “no,” but an employee in fact was a retiree of a Washington State retirement system, and because of the misrepresentation the District is required to defend a claim by the Washington State retirement system, or to make contributions for or on account of the employee, or reimbursement to the Washington State retirement system for benefits paid, Contractor hereby agrees to save, indemnify, defend, and

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hold the District harmless from and against all expenses and costs, including reasonable attorney's fees incurred in defending the claim of the Washington State retirement system and from all contributions paid or required to be paid, and for all reimbursement required to the Washington State retirement system. In the event Contractor affirms that an employee providing work has ever retired from a Washington State retirement system, said employee shall be identified by Contractor, and such retirees shall provide the District with all information required by the District to report the employment with Contractor to the Department of Retirement Services of the State of Washington.

- B. The Contractor shall be solely responsible for paying all taxes, deductions, and assessments, including but not limited to federal income tax, FICA, social security tax, assessments for unemployment and industrial injury, and other deductions from income that may be required by law or assessed against either party as a result of this Agreement. In the event the District is assessed a tax or assessment as a result of this Agreement, the Contractor shall pay the same before it becomes due.
- C. The District may, during the term of this Agreement, engage other independent contractors to perform the same or similar work that the Contractor performs hereunder.

## **20. CONFLICTS OF INTEREST**

The Contractor agrees to and shall notify the District of any potential conflicts of interest in Contractor's client base and shall obtain written permission from the District prior to providing services to third parties where a conflict or potential conflict of interest is apparent. If the District determines in its sole discretion that a conflict is irreconcilable, the District reserves the right to terminate this Agreement.

## **21. ALL WRITINGS CONTAINED HEREIN**

This agreement contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind any of the parties hereto.

## **22. SEVERABILITY**

- A. If a court of competent jurisdiction holds any part, term, or provision of this Agreement to be illegal or invalid, in whole or in part, the validity of the remaining provisions shall not be affected, and the parties' rights and obligations shall be construed and enforced as if the Agreement did not contain the particular provision held to be invalid.
- B. If any provision of this Agreement is in direct conflict with any statutory provision of the state of Washington, that provision that may conflict shall be deemed inoperative and null and void insofar as it may conflict, and shall be deemed modified to conform to such statutory provision.

## **23. NONWAIVER**

A waiver by either party hereto of a breach by the other party hereto of any covenant or condition of this Agreement shall not impair the right of the party not in default to avail itself of any

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subsequent breach thereof. Leniency, delay, or failure of either party to insist upon strict performance of any agreement, covenant, or condition of this Agreement, or to exercise any right herein given in any one or more instances, shall not be construed as a waiver or relinquishment of any such agreement, covenant, condition, or right.

**24. FAIR MEANING**

The terms of this Agreement shall be given their fair meaning and shall not be construed in favor of or against either party hereto because of authorship. This Agreement shall be deemed to have been drafted by both of the parties.

**25. COUNTERPARTS**

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same Agreement.

**26. AUTHORITY TO BIND PARTIES AND ENTER INTO AGREEMENT**

The undersigned represent that they have full authority to enter into this Agreement and to bind the parties for and on behalf of the legal entities set forth below.

**IN WITNESS WHEREOF**, the parties have executed this Agreement.

**SNOHOMISH HEALTH DISTRICT**

---

Administrator \_\_\_\_\_ Date \_\_\_\_\_ Date \_\_\_\_\_

[Type here]

**EXHIBIT 1**  
**STATEMENT OF WORK**

CONTRACTOR AGREES TO:

[Type here]

## **EXHIBIT 2**

### **INSURANCE**

#### **Indemnification / Hold Harmless**

Contractor shall defend, indemnify, and hold the District, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of or in connection with the performance of this Agreement, except for injuries and damages caused by the sole negligence of the District.

Should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Contractor and the District, its officers, officials, employees, and volunteers, the Contractor's liability, including the duty and cost to defend, hereunder shall be only to the extent of the Contractor's negligence.

It is further specifically and expressly understood that the indemnification provided herein constitutes the Contractor's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the parties.

#### **Public Records Requests**

In addition to the above paragraphs, when the District provides the Contractor with notice of a public records request, Contractor agrees to save, hold harmless, indemnify, and defend the District, its officers, agents, employees, and elected officials from and against all claims, lawsuits, fees, penalties and costs resulting from the Contractor's violation of the Public Records Act RCW 42.56, or Contractor's failure to produce public records as required under the Public Records Act.

The provisions of this section shall survive the expiration or termination of this agreement.

#### **Insurance**

The Contractor shall procure and maintain insurance, as required in this Section, without interruption from commencement of the Contractor's work through the term of the contract and for thirty (30) days after the physical completion date, unless otherwise indicated herein.

No Limitation. Contractor's maintenance of insurance as required by the agreement shall not be construed to limit the liability of the Contractor to the coverage provided by such insurance, or otherwise limit the District's recourse to any remedy available at law or in equity.

#### **A. Minimum Scope of Insurance**

Contractor shall obtain insurance of the types described below:

1. Automobile Liability Automobile Liability insurance covering all owned, non-owned, hired and leased vehicles. Coverage shall be written on Insurance Services Office (ISO) form CA 00 01
2. Commercial General Liability Commercial General Liability insurance shall be written at least as broad on ISO occurrence form CG 00 01 and shall cover liability arising

[Type here]

from premises, operations, independent contractors, products-completed operations, stop gap liability, personal injury and advertising injury, and liability assumed under an insured contract. The Commercial General Liability insurance shall be endorsed to provide a per project general aggregate limit using ISO form CG 25 03 05 09 or an equivalent endorsement. There shall be no exclusion for liability arising from explosion, collapse, or underground property damage. The District shall be named as an additional insured under the Consultant's Commercial General Liability insurance policy with respect to the work performed for the District using an additional insured endorsement CG 20 10 10 01 and Additional Insured-Completed Operations endorsement CG 20 37 10 01 or substitute endorsements providing at least as broad coverage.

3. Workers' Compensation coverage as required by the Industrial Insurance laws of the state of Washington.
4. Professional Liability insurance appropriate to the Contractor's profession.

#### B. Minimum Amounts of Insurance

Contractor shall maintain the following insurance limits:

1. Comprehensive General Liability. Insurance shall be written with limits no less than \$1,000,000 each occurrence, \$2,000,000 general aggregate and \$2,000,000 products-completed operations aggregate limit.
2. Automobile Liability. \$1,000,000 combined single limit per accident for bodily injury and property damage.
3. Workers' Compensation. Workers' compensation limits as required by the Workers' Compensation Act of Washington.
4. Professional Liability/Consultant's Errors and Omissions Liability. \$1,000,000 per claim and \$1,000,000 as an annual aggregate.

#### C. Other Insurance Provisions

The insurance policies are to contain, or be endorsed to contain, the following provisions for Automobile Liability and Commercial General Liability insurance:

1. The Contractor's insurance coverage shall be primary insurance as respect to the District. Any Insurance, self-insurance, or insurance pool coverage maintained by the District shall be excess of the Contractor's insurance and shall not contribute with it.
2. The Contractor's insurance shall be endorsed to state that coverage shall not be cancelled by either party, except in accordance with RCW 48.18.290, or prior written notice by delivery or mail has been given to the District.

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#### D. Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII.

#### E. Verification of Coverage

In signing this agreement, the Contractor is acknowledging and representing that required insurance is active and current. Contractor shall furnish the District with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance requirements of the Contractor before commencement of the work. Further, throughout the term of this Agreement, the Contractor shall provide the District with proof of insurance upon request by the District.

#### F. Subcontractors

The Contractor shall cause each and every subcontractor to provide insurance coverage that complies with all applicable requirements of the Contractor-provided insurance as set forth herein, except the Contractor shall have sole responsibility for determining the limits of coverage required to be obtained by subcontractors. The Contractor shall ensure that the District is an additional insured on each and every subcontractor's Commercial General Liability insurance policy using an endorsement as least as broad as ISO CG 20 10 10 01 for ongoing operations and CG 20 37 10 01 for completed operations.

#### G. Notice of Cancellation

In the event that the Contractor receives notice (written, electronic, or otherwise) that any of the above required insurance coverage is being cancelled and/or terminated, the Contractor shall immediately (within forty-eight (48) hours) provide written notification of such cancellation/termination to the District.

#### H. Insurance shall be Primary - Other Insurance Provision

The Contractor's insurance coverage shall be primary insurance as respect to the District. The Contractor's Automobile Liability and Commercial General Liability insurance policies are to contain, or be endorsed to contain, that they shall be primary insurance as respect to the District. Any Insurance, self-insurance, or self-insured pool coverage maintained by the District shall be excess of the Contractor's insurance and shall not contribute with it.

#### I. Failure to Maintain Insurance

Failure on the part of the Contractor to maintain the insurance as required shall constitute a material breach of contract, upon which the District may, after giving five business days' notice to the Contractor to correct the breach, immediately terminate the contract or, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith, with any sums so expended to be repaid to the District on demand, or at the sole discretion of the District, offset against funds due the Contractor from the District.

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#### J. Public Entity Full Availability of Contractor Limits

If the Contractor maintains higher insurance limits than the minimums shown above, the District shall be insured for the full available limits of Commercial General and Excess or Umbrella Liability maintained by the Contractor, irrespective of whether such limits maintained by the Contractor are greater than those required by this contract or whether any certificate of insurance furnished to the District evidences limits of liability lower than those maintained by the Contractor.