

**REQUEST FOR PROPOSALS  
for  
AUDIT SERVICES**



**OREGON SCHOOL BOARDS ASSOCIATION  
PROPERTY AND CASUALTY TRUST**

**Proposal Opening Date: April 6, 2012  
Proposal Opening Time: 1:00 p.m.  
Proposal Opening Room: 4th Floor Conference Room**

**Contact: Lisa M. Freiley / 503-588-2800  
Mailing Address: Oregon School Boards Association  
1201 Court Street NE, Suite 400, P.O. Box 1068, Salem, OR 97301**

**FAXED PROPOSALS WILL NOT BE ACCEPTED**

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*For more information or for clarification of any part of this RFP, including Technical Specifications, the Association point of contact is Michael Doherty, Special Districts Association of Oregon, P.O. Box 12613, Salem, OR 97309, Telephone (800) 285-5461 or FAX (503) 371-4781.*

## **PART 1**

### **STATEMENT OF WORK**

#### **1. PURPOSE OF RFP**

Oregon School Boards Association (OSBA), on behalf of Property and Casualty Insurance Trust is issuing a Request for Proposals (RFP), and invites certified municipal auditors to submit proposals to perform the annual audit of the financial statements of each organization for the year ending June 30, 2012. Our objective is to select the firm best qualified to provide:

- a. Examination of the financial statements of each organization as required by Oregon Revised Statutes, Oregon Administrative Rules and all applicable state and federal regulations, including Governmental Accounting Standards and Generally Accepted governmental Accounting Standards;
- b. Assistance to staff on various accounting and reporting issues and questions;
- c. Any additional pronouncements impacting municipal accounting and financial reporting;
- d. Written recommendations to management.

The audit firm recommended will be awarded the external audit contract for each of the organizations identified above. The contract award is contingent upon approval by the PACE Trustees. The term of the contract will be for five (5) years with the possibility of extensions if approved by the PACE Trustees.

OSBA will award a contract to the firm that they deem best meets the needs and requirements of the above organizations. Interested firms must submit proposals to provide audit services for all of the organizations listed above.

#### **2. TRUST OVERVIEW**

The Oregon School Boards Association and the Special Districts Association of Oregon formed PACE in 2006 to serve the unique needs of Oregon's public school districts, charter schools, community colleges and education service districts.

Between OSBA and SDAO the parties bring 40 years of experience to providing property and casualty insurance to local public entities.

OSBA formed the first property-casualty insurance pool for education in Oregon in 1985 and has served education entities for more than 20 years. SDAO has provided coverage for local governments since the mid-1980s and now insures more than 850 entities, adding schools in 2003 to fill a coverage left when a major insurer pulled out of the state.

The OSBA and SDAO then merged the two programs forming the largest property and liability risk pool of school entities in the state , with more than 200 education organizations. This joint

entity became PACE.

PACE's only objective is to provide reasonable rates and comprehensive coverage to participating entities. PACE's size and strength helps it negotiate the most competitive deals with reinsurers.

All activities of PACE are accounted for in a single fund and records are maintained on an accrual basis of accounting. Annual revenue for the Trust is approximately \$23 Million; total assets equaled \$30.6 Million with total net assets of \$15.3 Million as of June 30, 2011.

## **SCOPE OF AUDIT AND REPORTS REQUIRED**

### **Audit of Financial Statements for each organization listed above.**

Conduct an annual audit of the financial statements of the organization. These must conform fully with generally accepted accounting principles (GAAP) and be in full compliance with the pronouncements of the Governmental Accounting Standards Board (GASB) and/or the Financial Accounting Standards Board (FASB), and disclosures required by State regulations as appropriate.

An independent auditor's report on the examination of the general purpose financial statements is required. In addition, the audit firm shall conduct its examination of and issue its opinion on the financial statements, including auditor's comments, no later than December 1, 2012 and then on or before October 15th of each year thereafter or the date set forth in the Contract, whichever is later.

### **Client Assistance in Audit**

The OSBA and SDAO administrative department staff will prepare the annual financial reports for PACE as well as render all possible assistance to the selected auditing firm including, prompt response to all requests for information, provision of all necessary books and records for the audit engagement and other appropriate work papers. The administrative department will close and balance all accounts and submit appropriate detailed trail balances, supporting schedules, and supporting documentation to the auditor on a timely basis. These documents can be provided in hard copy as well as electronic format upon request of the auditor.

OSBA and SDAO staff will prepare all introductory data, management's discussion and analysis, notes to the basic financial statements, other financial schedules, all statistical tables, grant compliance schedules, any required federal or state reports, and any mutually agreed upon financial statements.

PACE will issue a representation letter that will include statements about unrecorded liabilities, pledged assets, loss contingencies, or other liabilities.

### **Management Letter**

The engagement should include recommendations to management, prepared by the audit firm in letter form, which include any findings, observations, opinions, comments or recommendations relating to internal control, accounting systems, data processing, compliance with laws, rules and regulations, or any other matters that come to the attention of the audit firm during the course of the examination and,

in the opinion of the audit firm, warrant the attention of management. Such recommendations shall not be construed as special or additional studies, but shall be limited to those usually associated with the study of internal control systems and procedures as a part of an examination of financial statements. The management letter and management's written responses shall be discussed with appropriate management personnel. The purpose of this meeting is to sustain effective auditor-client communication and provide a check against misunderstandings.

### **3. OTHER SERVICES**

#### **a. Other Technical Assistance**

As a part of the overall audit contract and included in the fee for these audit services, PACE expects to receive from the audit firm a variety of technical assistance throughout the fiscal year. This assistance would include, but is not limited to, answers to accounting, reporting, Internal Revenue Service or internal control questions including the comments in the Management Letter.

#### **b. Additional Services**

Proposals shall contain provisions for dealing with extraordinary circumstances discovered during the audit that may require an expansion of audit work beyond that which was originally planned.

In addition, the audit firm may be requested to perform special projects for each organization during the year. Because of variations in the demand for additional services from year to year, such work will be contracted for, provided, and billed separately to the requesting organization on an hourly or otherwise agreed upon basis.

### **5. AUDIT CONTRACTS**

#### **a. Contract Period**

The contract will cover three (3) fiscal years beginning June 30, 2012 and include a ninety (90) day cancellation provision and an available funds clause. PACE reserves the right to request proposals for audit services in future years.

### **6. MANDATORY AUDIT REQUIREMENTS**

#### **a. Audit Standards**

Each examination shall be made in accordance with generally accepted auditing standards (GAAS), promulgated by the American Institute of Certified Public Accountants; the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State in cooperation with the Oregon State Board of Accountancy; generally accepted governmental auditing standards (GAGAS), Standards for Audit of Governmental Organizations, Programs Activities and Functions (the

Yellow Book), issued by the Comptroller General, U.S. General Accounting Office; the Uniform Single Audit Act of 1984; ORB Circular A-128, Audits of State and Local Governments; Oregon and local laws and regulations; and Board policies.

**b. Reports as Public Records**

Reports covering examinations of financial statements and management letters will be a matter of public record. Copies of all management letters, together with the management response to such letters, may be forwarded to other interested parties upon request.

**c. Reporting Deadlines**

The audited financial statements for PACE are required to be completed and delivered no later than November 15<sup>th</sup> following the June 30 fiscal year end or such date as specified and agreed to in the contract, except the audit for the fiscal year ended June 30, 2012 which shall be due no later than December 1, 2012.

**d. Workpaper Retention and Availability**

Materials and sets of working papers developed during the engagement will be maintained, at the selected auditor's expense, for a minimum of three (3) years, unless notified in writing by PACE of the need to extend the retention period. Such time period shall begin from the date of the audit reports. Further, the working papers must be available for examination by authorized representatives of any federal or state audit agency and/or PACE. In addition, the firm will respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

**7. PROPOSER QUESTIONS AND REQUESTS**

**a. RFP Clarification**

Any audit firm requiring further clarification of the proposal procedures contained herein should submit specific questions in writing to:

Michael Doherty, Chief Financial Officer, **SDAO, PO Box 12613, Salem, OR 97309, e-mail at [mdoherty@sdao.com](mailto:mdoherty@sdao.com), or Fax: 503-588-2813**

A written response will be provided to those questions that are deemed appropriate. The response will be in the form of an addendum and will be sent to all organizations in receipt of this RFP.

**b. Prior-Year Financial Statements**

Previous years' published financial statements are available for inspection at SDAO. To review these documents, please contact:

Michael Doherty, Chief Financial Officer, Phone: 800-285-5461 and e-mail [mdoherty@sdao.com](mailto:mdoherty@sdao.com)

c. **Prior Auditors**

The auditing firm of Grove Mueller & Swank, PC has been the auditor for PACE since 1998.

## **PART 2**

### **PROPOSAL SUBMISSION PROCEDURES / PROPOSAL PROCESS**

#### **Proposed Timetable**

<b>Event</b>	<b>Deadline/Date</b>
Issue Request for Proposals	March 2, 2012
Proposer's written questions and requests received by	March 30, 2012
Proposals must be received by 11:00 a.m., PST	April 6, 2012
Notification of Finalists	Late April 2012
Contracts signed	End of May 2012

Proposed timetable is subject to revision.

#### **Proposal Deadline**

Sealed proposals will be accepted until 11:00 a.m., Pacific Standard Time, April 6, 2012, at the Oregon School Boards Association Office, 1201 Court Street NE Suite 400, Salem, Oregon 97301. All proposals are to be clearly labeled on the outside of the envelope "Audit Proposal". Each packet shall contain one (1) original and four (4) copies of the respective proposal.

Delivery is the sole responsibility of the proposer. The proposer accepts all risks of late delivery of mailed proposals or of misdelivery regardless of fault. All proposals received after the date indicated above will be returned unopened.

#### **Multiple Proposals**

No more than one proposal may be submitted by each proposing firm.

#### **Right to Reject Proposals**

OSBA reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this RFP unless clearly and specifically noted in the proposal submitted and confirmed in the contract between OSBA and the firm selected.

OSBA reserves the right without prejudice to reject any and all proposals.



## **Cost of Preparing a Proposal**

This RFP does not commit OSBA or any of the other organizations listed in this RFP to paying any costs incurred by any proposer in the submission or presentation of a proposal, or in making the necessary studies for the preparation thereof.

## **PROPOSAL CONTENT AND FORMAT**

To simplify and expedite the review process, proposers must prepare and submit their proposals in the standard format specified below:

### **Title Page**

Proposer should identify the RFP subject, name of the firm, local address, telephone number, fax number, name and title of contact person, date of submission, and period for which the proposal is effective (nonrescindable).

### **Table of Contents**

The table of contents should include a clear and complete identification by section and page number of the materials submitted.

### **Transmittal Letter**

The transmittal letter should not be more than two pages long and should include as a minimum the following:

1. A brief statement of the proposer's understanding of the objective of the services to be performed;
2. A positive commitment to perform the services within the time period specified;
3. The names of persons authorized to represent the proposer, their title, address and telephone number (if different from the individual who signs the transmittal letter).

**Failure of the Organization's responsible officer to properly sign the proposal will result in no consideration being given to the proposal.**

## **PROPOSER'S QUALIFICATIONS AND REPRESENTATIONS**

The proposer makes the following statements and representations as part of the proposal:

### **GENERAL INFORMATION**

1. Name of Proposer (firm or individual)
2. Address

3. Federal Employer Identification Number
4. How long have you been in business?
5. Are you a local, regional, national, or international operation?
6. What is the location of the office from which the work is to be done (hereafter referred to as the "local office")?
7. List the number of professional audit staff by staff level employed in the local office and indicate the number of staff on the Oregon Municipal Auditor Roster.
8. Provide list of government agency audits prepared in the last three (3) years. Provide in order of most recent first.
9. Describe your firm's experience in conducting audits of self-insurance or pooled insurance programs and your firm's expense with evaluating actuary reports.
10. Has the firm been the object of any disciplinary action or pending action during the past three (3) years with state regulatory bodies or professional organizations? (If yes, please provide information on the circumstances and status.)
11. Please provide any other information you feel would help in the evaluation of your firm for this engagement.

**12. Summary of Audit Firm's Qualifications**

For the firm's office that will be assigned responsibility for the engagements, provide the following information:

- a. Describe the firm's experience and qualifications relative to similar engagements contained within this RFP. Specifically, detail the firm's experience performing audits for local governments, the number of audits involving component unit reporting, and the number of audits performed.. The experience profiles should be within the last three years. Indicate the client name, scope of work, engagement start and end date, number and type of personnel, approximate hours of staff hours expended, and the name and telephone number of the principal client contact.
- b. Describe the range of activities performed by the office staffing the engagement, such as auditing, accounting, tax service, or management services. Include resources in addition to the local office available to assist with technical inquiries.
- c. Describe the firm's policy on staff rotation once assigned to audit PACE. Indicate how the quality of staff over the term of the agreement will be assured.
- d. Describe your firm's capability to audit automated financial systems, including the number and staff level of personnel with prior electronic data processing (EDP) audit experience who will work on the audit.

- e. Identify and provide the name of the partner who will be in charge of the engagements and any other partners who will be assigned review or quality control functions.
- f. Identify and provide names of the principal supervisory and management staff, including managers and other supervisors and specialists who would be assigned to the engagements, including staff from other than the local office. Provide an organizational chart.

## 12. Specific Audit Approach

Submit a work plan to accomplish the scope of work defined in Part I: Statement of Work of this RFP. The work plan should include time estimates (in hours) for each significant segment of the audit and the staff level to be assigned. Please address the approach to audit testing, sampling techniques, and analytical procedures.

For audits of the related entities and agreed-upon procedures, the work plan should be tailored to cover the work related to that specific engagement. Include time estimates (in hours) and the level and number of staff to be assigned.

Explain how the firm would approach work efforts of subsequent years.

- 13. **Time Requirements** - Provide detailed information on how the audit firm proposes to meet time lines and reporting deadlines. Audit milestones and dates should be provided.
- 14. **Identification of Anticipated Potential Audit Problems** - The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from either District.
- 15. **Late proposals will not be accepted.**
- 16. **Cost Proposal Format** - Proposals will set forth the total hours and dollar amounts, including out-of-pocket costs, for each engagement:

<i>Services Provided/Organization</i>	<i>Hours</i>	<i>Amount</i>
Audit of Property & Casualty Trust		
Hourly Fee for Additional Services		
Free Consulting Hours Provided		
Annual Estimated Fee for Audit		

### Hourly Fee for Additional Services

If it should become necessary for any organization to request the auditor to render any additional

services to either supplement the services requested in this RFP or to perform additional work as a result of the specific recommendations included in any report issued on the engagements, then such additional work shall be performed only if set forth in an addendum to the contract between the respective organization and the selected audit firm. Any such additional work agreed to between the organization and the firm shall be performed at the same rates set forth in the schedule of fees and expenses listed above.

### **Free Consulting Hours**

List the number of hours your firm will provide each year, as part of the proposal fee and at no additional cost to OSBA, for audit, accounting and miscellaneous consulting services.

## **ADDITIONAL REPRESENTATIONS**

In addition to the foregoing general information, the proposer certifies that:

17. The proposer, and each person signing on behalf of any proposer, certifies, and in the case of a joint proposal, each party thereto certifies as to its own organization, that to the best of their knowledge and belief:
  - a. The fees and rates in the proposal have been arrived at independently without collusion, consultation, communication, or agreement for the purpose of restraining competition as to any matter relating to such prices with any other proposer or with any competitor;
  - b. Unless otherwise required by law, the fees and rates that have been quoted in the proposal have not been knowingly disclosed by the proposer prior to the proposal deadline, either directly or indirectly, to any other proposer or competitor;
  - c. No attempt has been made nor will be made by the proposer to induce any other person, partnership, or corporation to submit or not to submit a proposal for the purpose of restraining trade;
  - d. No Board member, Trustee, or other officer, employee, or person, whose salary is payable in whole or in part from any of the requesting organizations, has a direct or indirect financial interest in the proposal;
  - e. Said proposer meets the independence requirements of the American Institute of Certified Public Accountants and as defined by the Government Auditing Standards (1994 Revision) issued by the U.S. General Accounting Office. Additionally, the proposer is independent of all of the components of OSBA as defined by those same standards.
18. The proposer has examined all parts of this Request for Proposal, including all requirements and contract terms and conditions thereof, and, if its proposal is accepted, the proposer shall execute a contract which incorporates the stated requirements, proposal response and terms and conditions.
19. The proposer is duly licensed by the Oregon Board's of Accountancy as a Certified Public Accountant and Municipal Auditor.

20. The proposer fully understands and submits its proposal with the specific knowledge that:

- a. The selected proposal must be approved by the PACE Trustees.
- b. In the event that the proposer's proposal is accepted and receives all necessary approvals, the proposal will be incorporated into a contract containing general terms and conditions as provided in the Request for Proposal, and the resultant contract must be approved by the PACE Trustees.

The undersigned hereby certifies to the truth and accuracy of all statements, answers, and data contained in this proposal and application, and hereby authorizes Oregon School Boards Association to make any necessary examinations or inquiries in order to make a determination as to the qualifications and responsibility of the proposer. The undersigned has examined all parts of this RFP and understands that it is completely discretionary with the Auditor Selection Committee whether to accept, reject, or negotiate its proposal submitted pursuant thereto.

Printed name of proposer: \_\_\_\_\_

Signature of proposer: \_\_\_\_\_

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

## **PART 3**

### **PROPOSAL EVALUATION PROCEDURES**

#### **1. PROPOSAL REJECTION**

OSBA reserves the right:

- a. to reject any or all proposals not in compliance with all public procedures and requirements.
- b. to reject any proposal(s) not meeting the specifications set forth herein.
- c. to waive any or all irregularities in proposals submitted.
- d. to consider the competency of proposers in making any award.
- e. to reject all proposals.
- g. to award any or all parts of any proposal.
- h. to request references and other data to determine responsiveness.

#### **2. SELECTION AND EVALUATION PROCESS**

A review committee consisting of the OSBA and SDAO staff and several Trustees will review and rate the written proposals and identify firms (if qualified firms have responded) to be interviewed. Interviews may be held at a time, date and place in Salem to be designated. Based on the number and quality of the proposals submitted, OSBA reserves the right, at their sole discretion, to make an award without interviews. In such a case, the point scores will be based solely on the 100 points allocated to the proposal process.

#### **3. EVALUATION CRITERIA**

<b><u>Criteria</u></b>	<b><u>Points</u></b>
Understanding of Engagement and	
Audit Approach as Described in Part 2: Item 12	25
Self Insured Pool Audit Experience	25
Experience of Staff Assigned to the engagement	25
Fees	<u>25</u>
SUBTOTAL	100
Interview (if necessary)	<u>50</u>
TOTAL POSSIBLE POINTS	150

#### **4. PROPOSAL VALIDITY PERIOD**

Each proposal shall be irrevocable for a period of sixty (60) days from the Proposal Opening Date.

#### **5. COMPETENCY OF VENDOR**

To enable OSBA to evaluate the competency and financial stability of a vendor, the qualifying and accepted vendor(s) shall, upon request, furnish such information as reasonably necessary.

## **6. RESERVATION IN EVALUATION**

The OSBA selection committee reserves the right to either: a) request "Best and Final Offers" from the two highest scoring vendors and award to the lowest priced or b) to re-assess the proposals and award to the vendor determined to best meet the overall needs of OSBA.

**PART 4**

**PROPOSAL CERTIFICATIONS**

**NON-DISCRIMINATION CLAUSE**

The proposer agrees not to discriminate against any client, employee or applicant for employment or for services, because of race, color, religion, sex, national origin, physical or mental handicap, sexual orientation or age unless based upon bona fide occupational qualifications with regard to, but not limited to, the following: employment upgrading; demotion or transfer; recruitment or recruitment advertising; layoffs or termination; rates of pay or other forms of compensation; selection for training; and/or rendition of services. It is further understood that any vendor who is in violation of this clause shall be barred from receiving awards of any purchase order from OSBA, unless a satisfactory showing is made that discriminatory practices have terminated and that a recurrence of such acts is unlikely.

Agreed by: \_\_\_\_\_

Firm Name: \_\_\_\_\_

Address: \_\_\_\_\_

\*\*\*\*\*

**RESIDENT CERTIFICATE**

Please Check One:

☐ Resident Vendor: Vendor has paid unemployment taxes or income taxes in this state during the last twelve calendar months immediately preceding the submission of this proposal.

or

☐ Non-Resident Vendor: Vendor does not qualify under requirements stated above.

Please specify your state of residence: \_\_\_\_\_

Officer's Signature: \_\_\_\_\_

Type or Print Officer's Name: \_\_\_\_\_



**PART 5 - SIGNATURE PAGE**

Oregon School Boards Association;  
Property and Casualty Insurance Trust;

The undersigned proposes to furnish all supplies or perform all work as listed in the Statement of Work, for the price(s) stated; and that all articles supplied under any resultant contract will conform to the specifications herein, to be fit and sufficient for the purpose manufactured, merchantable, of good material, workmanship, and free from defect.

The undersigned agrees to be bound by all applicable laws and regulations, the accompanying specifications, and by OSBA policies and regulations.

The undersigned, by submitting a proposal, represents that:

1. The Proposer has read and understands the specifications and any drawings or attachments and the proposal is made in accordance herewith.
2. The proposal is based upon the materials, equipment, and systems required by the specifications unless otherwise noted. Failure to comply with the specifications or any terms of this Request for Proposal may disqualify the vendor as being non-responsive.

The undersigned certifies that the proposal has been arrived at by the vendor independently and has been submitted without any collusion designed to limit independent competition.

The undersigned certifies that he has received and duly considered all addenda to the specifications and that all costs associated with all addenda have been included in this proposal:

Addenda: No. \_\_\_\_\_ to No. \_\_\_\_\_ inclusive.

We therefore offer and make this proposal on furnishing the requested equipment and/or services at the prices indicated herein in fulfillment of the specifications of the Oregon School Boards Association.

Name of Firm: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone Number: \_\_\_\_\_ FAX Number: \_\_\_\_\_

Federal ID Number: \_\_\_\_\_

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

(Signature of Authorized Official. If partnership, signature of one Partner.)

Typist Name: \_\_\_\_\_ Title: \_\_\_\_\_

If corporation, attest: \_\_\_\_\_

(Corporate Officer)

## **PART 6**

### **CONTRACT GENERAL TERMS AND CONDITIONS**

#### **1. GENERAL REQUIREMENTS**

All proposers are required to comply with the provisions of Oregon Attorney General's Model Public Contract Rules, and OSBA Board Policy. OSBA reserves the right to reject any and all proposals received as a result of this request for proposal, or to negotiate separately with any source whatsoever in any manner necessary to serve the best interest of OSBA. The contents of the proposal of the successful vendor(s) will become the contractual obligation, if a contract ensues. Failure of the successful vendor(s) to accept these obligations may result in cancellation of the award. The selected vendor(s) will be required to assume responsibility for all services offered in their proposal whether or not produced by them. Further, the vendor will notify OSBA of the designated person who will be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the contract.

#### **2. ORDINANCES, PERMITS, LICENSES**

The contractor shall keep fully informed of local ordinances, state and federal laws in any manner affecting the work herein specified. The proposer shall comply with said ordinances, laws, regulations, and protect and indemnify OSBA, its officers, and agents against any claim or liability arising from, or based upon, the violations of any such laws, ordinances, or regulations.

All permits, licenses, and inspection fees necessary for the manufacture and delivery of the requested items shall be secured and paid for by the proposer.

#### **3. WAIVER OF PROVISIONS**

Contractor agrees that the waiver, acceptance, or failure by OSBA to enforce any provisions, terms or conditions of this contract shall not operate or be construed as a waiver of prior or subsequent breaches or the right of OSBA to thereafter enforce such provisions.

#### **4. CANCELLATION**

This contract may be terminated by either party upon not less than ninety (90) calendar days written notice should the other party fail substantially to perform in accordance with the terms and/or conditions of this contract or any supplements thereof. This contract may also be terminated by OSBA in the event that the project is permanently abandoned.

#### **5. CONTRACT BREACH**

In the event of a breach by the proposer of any of the provisions of this contract, OSBA reserves the right to cancel and terminate this contract forthwith upon giving oral or written notice to the contractor.

#### **6. DAMAGES**

The proposer shall be liable for any damage to OSBA resulting from his refusal or failure to complete the work under this contract. Damages shall be those actually incurred and include the cost to obtain the contracted work elsewhere.

#### **7. HOLD-HARMLESS AND INDEMNIFICATION**

The proposer shall indemnify, defend, and hold OSBA, its officers, agents, and employees, harmless from any loss, claims, actions, liability, or costs, including attorney fees and other costs of defense, arising out of or in any way related to furnishing of supplies and/or services under this agreement and arising from the sole or joint negligence of the proposer, including any claim, loss or liability contributed to by OSBA's own negligence. This right of indemnification and to be held harmless shall be in addition to, and not in replacement of any other right that OSBA may have under any statute, under the common law, or under this contract.

## 8. INSURANCE

The proposer shall maintain in force for the duration of this agreement a Commercial General Liability, Automobile Liability (owned, non-owned and hired) Insurance policy(s) written on an occurrence basis with limits not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate, and a Professional Errors and Omissions Liability policy with limits not less than \$1,000,000, naming OSBA, its employees, officials and agents as an additional insured as respect to work or services performed under this agreement. This insurance will be primary to any insurance OSBA may carry on its own. If OSBA requires Professional Liability coverage, the terms, conditions, and limits must be approved by OSBA's Risk Manager.

Evidence of the above coverage issued by a company satisfactory to OSBA shall be provided to OSBA by way of a certificate of insurance before any work or services commence. A 30-day notice of cancellation or material change in coverage clause shall be included. Failure to maintain the proper insurance shall be grounds for immediate termination of this contract

**Workers' Compensation:** The proposer shall provide and maintain workers' compensation coverage for its employees, officers, agents, or partners as required by applicable workers' compensation laws. The proposer shall provide a certificate of insurance to OSBA as evidence of coverage containing a 30-day notice of cancellation clause.

**Equipment and Material:** The proposer shall be responsible for any loss, damage, or destruction of its own property, equipment, and materials used in connection with the work.

**Subcontractors:** The proposer shall require all subcontractors to provide and maintain general liability, auto liability, professional liability (as applicable), and workers' compensation insurance with coverages equivalent to those required of the general proposer in this contract. The proposer shall require certificates of insurance from all subcontractors as evidence of coverage.

**Exception or Waivers:** Any exception or waiver of these requirements shall be subject to review and approval from OSBA's Risk Manager.

## 9. LIENS, CLAIMS, OR ENCUMBRANCES

The proposer warrants and represents that all the goods and materials contained herein are free and clear of all liens, claims, or encumbrances of any kind whatsoever.

## 10. CONTRACT PAYMENTS

All payments to the proposer shall be remitted by mail. OSBA shall not honor drafts, nor accept goods on a site draft basis. Furthermore, the provisions or moneys due under this contract shall not be assignable. In the event that OSBA is entitled to a cash discount, the period of computation shall commence on the date of delivery, or receipt of correctly completed invoices, whichever is LATER. If an adjustment in payment is necessary due to damage, the cash discount period shall commence on the date final approval for payment is authorized. As a prerequisite invoices must reflect agreed upon list price and extension. All invoices shall be sent to: Eugene School District No. 4J, Attention: Accounts Payable, 200 N. Monroe, Eugene OR, 97402-4295.

#### **11. OSBA PERSONNEL**

No officer, agent, consultant, or employee of OSBA shall be permitted any interest in the contract.

#### **12. CONTRACT ALTERATIONS**

No alteration in any of the terms, conditions, time, delivery, price, quality, quantities, or specifications will be effective without the prior WRITTEN consent of Purchasing.

#### **13. ORDER OF PRECEDENT**

In the event of ambiguity, preference shall be in this order: Statement of Work, General Terms and Conditions, the solicitation document, then the proposal document. For discrepancies between this contract and the Oregon Attorney General's Model Public Contract Rules Manual, preference shall be given to Board Policy then the Rules Manual.

#### **14. NON-DISCRIMINATION CLAUSE**

The Proposer agrees not to discriminate against any client, employee or applicant for employment or for services, because of race, color, religion, sex, national origin, physical or mental handicap, sexual orientation or age unless based upon bona fide occupational qualifications with regard to, but not limited to, the following: employment up-grading, demotion or transfer; recruitment or recruitment advertising; layoffs or termination; rates of pay or other forms of compensation; selection for training; and/or rendition of services. It is further understood that any vendor who is in violation of this clause shall be barred forthwith from receiving awards of any purchase order from OSBA, unless a satisfactory showing is made that discriminatory practices have terminated and that a recurrence of such acts is unlikely.

#### **15. USE OF TOBACCO PRODUCTS**

Smoking and the other use of tobacco products is prohibited inside all school district buildings in order to eliminate the impact of secondary smoke on other persons.