



Request for Proposal 07-X-38700

For: Auditing Services: Contracted Financial Auditing Firms

Event	Date	Time
Bidder's Electronic Question Due Date (Refer to RFP Section 1.3.1 for more information.)	6/20/06	5:00 PM
Mandatory Pre-bid Conference	NA	NA
Mandatory Site Visit	NA	NA
Bid Submission Due Date (Refer to RFP Section 1.3.2 for more information.)	7/13/06	2:00 PM

Dates are subject to change. All changes will be reflected in Addenda to the RFP posted on the Division of Purchase and Property website.

<p>Small Business Set-Aside (Refer to RFP Section 4.4.2.2 for more information.)</p>	<p>Status</p> <p><input type="checkbox"/> Not Applicable</p> <p><input type="checkbox"/> Entire Contract</p> <p><input checked="" type="checkbox"/> Partial Contract</p> <p><input type="checkbox"/> Subcontracting Only</p>	<p>Category</p> <p><input checked="" type="checkbox"/> I</p> <p><input checked="" type="checkbox"/> II</p> <p><input checked="" type="checkbox"/> III</p>
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RFP Issued By

State of New Jersey
Department of the Treasury
Division of Purchase and Property
Trenton, New Jersey 08625-0230

Using Agencies

State of New Jersey, Various Agencies
Cooperative Purchasing Partners

June 2, 2006

Table of Contents

1.0 INFORMATION FOR BIDDERS	6
1.1 PURPOSE AND INTENT	6
1.2 BACKGROUND.....	6
1.2.1 ENGAGEMENT PROCESS	7
1.3 KEY EVENTS.....	7
1.3.1 ELECTRONIC QUESTION AND ANSWER PERIOD	7
1.3.2 SUBMISSION OF BID PROPOSAL	7
1.4 ADDITIONAL INFORMATION.....	8
1.4.1 ADDENDA: REVISIONS TO THIS RFP.....	8
1.4.2 BIDDER RESPONSIBILITY	8
1.4.3 COST LIABILITY	8
1.4.4 CONTENTS OF BID PROPOSAL.....	8
1.4.5 PRICE ALTERATION.....	9
1.4.6 JOINT VENTURE.....	9
2.0 DEFINITIONS	10
2.1 GENERAL DEFINITIONS.....	10
3.0 SCOPE OF WORK	12
3.1 USING AGENCY RESPONSIBILITIES	12
3.2 SPECIFIC REQUIREMENTS.....	12
3.3 WORKING SPACE.....	12
3.4 ENTRANCE CONFERENCE.....	12
3.5 FRAUD, SUSPICION OF FRAUD, OR RECORDS UNABLE TO BE AUDITED.....	12
3.6 EXIT CONFERENCE	13
3.7 AUDIT REPORTS	13
3.7.1 PRELIMINARY REPORT	13
3.7.2 PROGRESS REPORTS.....	13
3.7.3 FINAL AUDIT REPORT	13
3.8 WORKING PAPERS	13
3.9 LITIGATION SUPPORT	14
4.0 BID PROPOSAL PREPARATION AND SUBMISSION	15
4.1 GENERAL	15
4.2 BID PROPOSAL DELIVERY AND IDENTIFICATION.....	15
4.3 NUMBER OF BID PROPOSAL COPIES.....	15
4.4 BID PROPOSAL CONTENT	15
4.4.1 FORMS THAT MUST BE SUBMITTED WITH BID PROPOSAL	15
4.4.1.1 SIGNATORY PAGE.....	15
4.4.1.2 OWNERSHIP DISCLOSURE FORM.....	16
4.4.1.3 DISCLOSURE OF INVESTIGATIONS AND ACTIONS INVOLVING BIDDER.....	16
4.4.1.4 NOTICE OF INTENT TO SUBCONTRACT FORM.....	16
4.4.1.5 SUBCONTRACTOR UTILIZATION FORM.....	16
4.4.1.6 COOPERATIVE PURCHASING FORM.....	16
4.4.2 PROOF OF REGISTRATIONS THAT MUST BE SUBMITTED WITH THE BID PROPOSAL.....	16
4.4.2.1 BUSINESS REGISTRATION CERTIFICATE FROM THE DIVISION OF REVENUE	16
4.4.2.2 SMALL BUSINESS SET-ASIDE CONTRACTS.....	17
4.4.3 FORMS THAT MUST BE SUBMITTED BEFORE CONTRACT AWARD AND SHOULD BE SUBMITTED WITH THE BID PROPOSAL.....	17
4.4.3.1 MACBRIDE PRINCIPLES CERTIFICATION	17
4.4.3.2 AFFIRMATIVE ACTION.....	17
4.4.3.3 SOURCE DISCLOSURE CERTIFICATION FORM	17
4.4.4 TECHNICAL PROPOSAL	17
4.4.4.1 MANAGEMENT OVERVIEW	17
4.4.4.2 CONTRACT MANAGEMENT	17
4.4.4.3 CONTRACT SCHEDULE.....	17

4.4.4.4 MOBILIZATION AND IMPLEMENTATION PLAN.....	18
4.4.4.5 POTENTIAL PROBLEMS	18
4.4.5 ORGANIZATIONAL SUPPORT AND EXPERIENCE	18
4.4.5.1 LOCATION.....	19
4.4.5.2 ORGANIZATION CHART (CONTRACT SPECIFIC)	19
4.4.5.3 RESUMES	19
4.4.5.4 BACKUP STAFF	19
4.4.5.5 ORGANIZATION CHART (ENTIRE FIRM).....	19
4.4.5.6 EXPERIENCE OF BIDDER ON CONTRACTS OF SIMILAR SIZE AND SCOPE	19
4.4.5.7 FINANCIAL CAPABILITY OF THE BIDDER.....	19
4.4.5.8 SUBCONTRACTOR(S).....	20
4.4.6 PRICE SCHEDULE.....	20
5.0 SPECIAL CONTRACTUAL TERMS AND CONDITIONS.....	21
5.1 PRECEDENCE OF SPECIAL CONTRACTUAL TERMS AND CONDITIONS.....	21
5.2 CONTRACT TERM AND EXTENSION OPTION	21
5.3 CONTRACT TRANSITION.....	21
5.4 CONTRACT AMENDMENT	21
5.5 CONTRACTOR RESPONSIBILITIES	21
5.6 SUBSTITUTION OF STAFF	22
5.7 SUBSTITUTION OR ADDITION OF SUBCONTRACTOR(S)	22
5.8 OWNERSHIP OF MATERIAL	22
5.9 DATA CONFIDENTIALITY	23
5.10 NEWS RELEASES.....	23
5.11 ADVERTISING	23
5.12 LICENSES AND PERMITS	23
5.13 CLAIMS AND REMEDIES.....	23
5.13.1 CLAIMS	23
5.13.2 REMEDIES.....	24
5.13.3 REMEDIES FOR FAILURE TO COMPLY WITH MATERIAL CONTRACT REQUIREMENTS	24
5.14 LATE DELIVERY.....	24
5.15 RETAINAGE.....	24
5.16 STATE'S OPTION TO REDUCE SCOPE OF WORK	24
5.17 SUSPENSION OF WORK.....	24
5.18 CHANGE IN LAW.....	24
5.19 CONTRACT PRICE INCREASE (PREVAILING WAGE)	25
5.20 ADDITIONAL WORK AND/OR SPECIAL PROJECTS	25
5.21 FORM OF COMPENSATION AND PAYMENT	25
5.21.1 PAYMENT TO CONTRACTOR - OPTIONAL METHOD.....	26
5.22 MODIFICATIONS AND CHANGES TO THE NJ STANDARD TERMS AND CONDITIONS VERSION 05 09 06	26
5.22.1 PATENT AND COPYRIGHT INDEMNITY	26
5.22.2 INDEMNIFICATION	26
5.23.3 INSURANCE - PROFESSIONAL LIABILITY INSURANCE	27
6.0 PROPOSAL EVALUATION/CONTRACT AWARD	28
6.1 PROPOSAL EVALUATION COMMITTEE	28
6.2 ORAL PRESENTATION AND/OR CLARIFICATION OF BID PROPOSAL.....	28
6.3 EVALUATION CRITERIA	28
6.3.1 TECHNICAL EVALUATION CRITERION	28
6.3.2 BIDDER'S PRICE SCHEDULE	28
6.3.3 BID DISCREPANCIES.....	28
6.3.4 EVALUATION OF BID PROPOSALS	29
6.4 NEGOTIATION AND BEST AND FINAL OFFER (BAFO).....	29
7.0 CONTRACT AWARD.....	30
7.1 DOCUMENTS REQUIRED BEFORE CONTRACT AWARD	30
7.1.1 REQUIREMENTS OF N.J.S.A. 19:44A-20.13-25 (FORMERLY EXECUTIVE ORDER 134).....	30
7.1.1.1 DEFINITIONS	30
7.1.1.2 BREACH OF TERMS OF THE LEGISLATION.....	30
7.1.1.3 CERTIFICATION AND DISCLOSURE REQUIREMENTS.....	31

7.1.1.4 STATE TREASURER REVIEW	31
7.1.1.5 ADDITIONAL DISCLOSURE REQUIREMENT OF P.L. 2005, C. 271.....	31
7.1.2 SOURCE DISCLOSURE CERTIFICATION REQUIREMENTS	32
7.1.2.1 REQUIREMENTS OF N.J.S.A. 52:34-13.2.....	32
7.1.2.2 SOURCE DISCLOSURE REQUIREMENTS	32
7.1.2.3 BREACH OF CONTRACT OF EXECUTIVE ORDER 129.....	32
7.2 FINAL CONTRACT AWARD	32
7.3 INSURANCE CERTIFICATES	32
7.4 PERFORMANCE BOND	32
8.0 CONTRACT ADMINISTRATION.....	33
8.1 CONTRACT MANAGER	33
8.1.1 STATE CONTRACT MANAGER RESPONSIBILITIES.....	33
8.1.2 COORDINATION WITH THE STATE CONTRACT MANAGER	33

NOTICE TO BIDDERS

SET-ASIDE CONTRACTS N.J.S.A. 52:32-17, N.J.A.C. 17:13, 12A:10

Pursuant to the provisions of the New Jersey statute and administrative code cited above, this contract, or a portion thereof, has been designated as a set-aside contract for Small Business. As such, as indicated on page one (1) of this document, eligibility to bid is limited to bidders (or subcontractors, as applicable) that meet statutory and regulatory requirements and have had their eligibility determined by the New Jersey Commerce, Economic Growth and Tourism Commission (Commerce). The definitions of each Small Business set-aside category can be found at N.J.A.C. 17:13-1.2 or N.J.A.C. 12A:10-1.2.

"Small Business" means a business that has its principal place of business in the state of New Jersey, is independently owned and operated, and has no more than 100 full-time employees.

The program places Small Business into the following categories: (I) those with gross revenues up to \$500,000, (II) those with gross revenues of up to \$5 million, and (III) those with gross revenues that do not exceed \$12 million. While companies registered as having revenues below \$500,000 can bid on any contract, those earning more than the \$500,000 and \$5 million amounts will not be permitted to bid on contracts designated for revenue classifications below their respective levels.

Each business interested in bidding for this contract should provide, as part of its response to this solicitation, proof of its current registration as a qualifying Small Business with the New Jersey Commerce, Economic Growth and Tourism Commission. Any business that seeks to register as a Small Business is required to submit a fee along with its application to Commerce.

All necessary forms and any additional information concerning registration may be obtained by contacting Commerce's office of Small Business services, by telephone at the number below, or by mail, or in person between the hours of 9:00 AM and 5:00 PM at the address below:

**NEW JERSEY COMMERCE, ECONOMIC GROWTH AND TOURISM COMMISSION
OFFICE OF SMALL BUSINESS SERVICES
20 WEST STATE STREET - 4TH FLOOR
PO BOX 820, TRENTON, NJ 08625-0820**

TELEPHONE: (690) 292-2146

1.0 INFORMATION FOR BIDDERS

1.1 PURPOSE AND INTENT

This Request for Proposal (RFP) is issued by the Purchase Bureau, Division of Purchase and Property, Department of the Treasury on behalf of various State agencies and State cooperative purchasing partners. The purpose of this RFP is to solicit bid proposals for financial auditing firms to provide various types of audits, including but not limited to, financial, compliance, operational or performance, information systems/technology, and internal control.

The intent of this RFP is to award contracts to a maximum of ten (10) responsible bidders, whose bid proposals, conforming to this RFP, are most advantageous to the State, price and other factors considered. Forty percent (40%) of the contracts awarded is set aside for small businesses registered with the State. These bidders will subsequently be eligible for engagement under this contract in accordance with the engagement process described in Section 1.2.1. The State, however, reserves the right to separately procure individual requirements that are the subject of the contract during the contract term when deemed by the Director to be in the State's best interest.

The NJ Standard Terms & Conditions version 05 09 06 will apply to all contracts or purchase agreements made with the State of New Jersey. These terms are in addition to the terms and conditions set forth in this RFP and should be read in conjunction with them unless the RFP specifically indicates otherwise.

In addition to being used by State authorities, agencies, departments, and commissions, the State intends to extend the contracts awarded to the State's cooperative purchasing partners. These partners include quasi-state agencies, counties, municipalities, school districts, volunteer fire departments, first aid squads, independent institutions of higher learning, county colleges, and State colleges. All the entities in this paragraph shall be considered collectively as "Using Agencies".

Although the State, with the assent of the contractor(s), is making the use of any contract resulting from this RFP available to non-State agencies, the State makes no representation as to the acceptability of any State RFP terms and conditions under the Local Public Contracts Law or any other enabling statute or regulation.

1.2 BACKGROUND

The independent auditing process is fundamental in overseeing public funds, ensuring that cooperative purchasing partners are setting appropriate financial policies, ensuring that management within those partners maintain effective internal controls, and ensuring that financial statements are free from material misstatements.

Boards of directors, management, and internal auditors within the Using Agencies each have an important role in their respective financial reporting and audit processes. Directors and management are responsible for the financial reporting process and internal controls. Internal auditors are responsible for assessing whether internal controls established by management are functioning and effective.

The State does not guarantee the amount of work or the number of audits given to any contractor retained under this procurement.

Cooperative purchasing partners seeking financial audits will include but not be limited to those mandated by Executive Order 122.

For additional information bidders should refer to Executive Order 122 at the following website: <http://www.state.nj.us/infobank/circular/eom122.htm>.

1.2.1 ENGAGEMENT PROCESS

The scope of work and request for competitive price quotes for each audit shall be developed on an individual audit basis as requested from a Using Agency. The request shall be sent from the Using Agency to the contractor(s).

Each Using Agency will engage a Contracted Financial Auditing Firm in accordance with the Using Agency's needs and the following process.

If a contractor is not able to participate in a specific audit due to a conflict of interest or scheduling, it shall decline the request for a competitive quote in writing to the requesting Using Agency.

For each request, each contractor that does not have a conflict of interest or scheduling shall respond within five (5) business days with the following:

- A detailed proposal to perform the scope of work reflecting the requirements of the engagement for competitive price quotes
- A contract schedule that shall identify the associated deliverable items to be submitted as evidence of completion of each task and/or sub-task
- Person-hour and/or labor category mix: A comprehensive chart showing the person-hours proposed to meet the requirements of the request for competitive quotes. The chart shall be designed to reflect the tasks, sub-tasks, or other work elements required by the request for competitive quote. The chart shall set forth, for each task, sub-task or other work element, the total number of person-hours, by labor category, proposed to complete the contract. The hourly rates used for each labor category shall be the all-inclusive hourly rates specified in the contract.

1.3 KEY EVENTS

1.3.1 ELECTRONIC QUESTION AND ANSWER PERIOD

The Purchase Bureau will accept questions and inquiries from all potential bidders electronically. Questions may be submitted via the Current Bid Opportunities webpage or <http://ebid.nj.gov/QA.aspx>.

Questions should be directly tied to the RFP and asked in consecutive order following the organization of the RFP. Each question should begin by referencing the RFP page number and section number to which it relates.

Bidders are not to contact the Using Agencies or cooperative purchasing partners directly, in person, by telephone, or by e-mail, concerning this RFP.

The cut-off date for electronic questions and inquiries relating to this RFP is indicated on the cover sheet. Addenda to this RFP, if any, will be posted on the Purchase Bureau website after the cut-off date. See Section 1.4.1 of this RFP for further information.

1.3.2 SUBMISSION OF BID PROPOSAL

In order to be considered for award, the bid proposal must be received by the Purchase Bureau of the Division of Purchase and Property at the appropriate location by the required time. **ANY BID PROPOSAL NOT RECEIVED ON TIME AT THE LOCATION INDICATED BELOW WILL**

BE REJECTED. THE DATE AND TIME IS INDICATED ON THE COVER SHEET. THE LOCATION IS AS FOLLOWS:

**BID RECEIVING ROOM - 9TH FLOOR
PURCHASE BUREAU
DIVISION OF PURCHASE AND PROPERTY
DEPARTMENT OF THE TREASURY
33 WEST STATE STREET, P.O. BOX 230
TRENTON, NJ 08625-0230**

**Directions to the Purchase Bureau are at the following web address:
<http://www.state.nj.us/treasury/purchase/directions.shtml>.**

Note: Bidders using USPS regular or express mail services should allow additional time since USPS mail deliveries are not delivered directly to the Purchase Bureau.

1.4 ADDITIONAL INFORMATION

1.4.1 ADDENDA: REVISIONS TO THIS RFP

In the event that it becomes necessary to clarify or revise this RFP, such clarification or revision will be by addendum. Any addendum to this RFP will become part of this RFP and part of any contract awarded as a result of this RFP.

ALL RFP ADDENDA WILL BE ISSUED ON THE DIVISION OF PURCHASE AND PROPERTY WEB SITE. TO ACCESS ADDENDA, SELECT THE BID NUMBER ON THE BIDDING OPPORTUNITIES WEB PAGE AT THE FOLLOWING ADDRESS:

<HTTP://WWW.STATE.NJ.US/TREASURY/PURCHASE/BID/SUMMARY/BID.SHTML>.

There are no designated dates for release of addenda. Therefore, interested bidders should check the Purchase Bureau's "Bidding Opportunities" website on a daily basis from time of RFP issuance through bid opening.

It is the sole responsibility of the bidder to be knowledgeable of all addenda related to this procurement.

1.4.2 BIDDER RESPONSIBILITY

The bidder assumes sole responsibility for the complete effort required in submitting a bid proposal in response to this RFP. No special consideration will be given after bid proposals are opened because of a bidder's failure to be knowledgeable as to all of the requirements of this RFP.

1.4.3 COST LIABILITY

The State assumes no responsibility and bears no liability for costs incurred by a bidder in the preparation and submittal of a bid proposal in response to this RFP.

1.4.4 CONTENTS OF BID PROPOSAL

Subsequent to bid opening, all information submitted by bidders in response to the bid solicitation is considered public information except as may be exempted from public disclosure by the Open Public Records Act, N.J.S.A. 47:1A-1 et seq. and the common law. A bidder may designate specific information as not subject to disclosure when the bidder has a good faith

legal/factual basis for such assertion. The State reserves the right to make the determination and will advise the bidder accordingly. The location in the bid proposal of any such designation should be clearly stated in a cover letter. **The State will not honor any attempt by a bidder either to designate its entire bid proposal as proprietary and/or to claim copyright protection for its entire proposal.**

All bid proposals, with the exception of information determined by the State or the court to be proprietary, are available for public inspection.

Interested parties can make an appointment with the Purchase Bureau to inspect bid proposals received in response to this RFP.

1.4.5 PRICE ALTERATION

Bid prices must be typed or written in ink. Any price change, including white-outs, must be initialed. Failure to initial price changes shall preclude a contract award from being made to the bidder.

1.4.6 JOINT VENTURE

If a joint venture is submitting a bid proposal, the agreement between the parties relating to such joint venture should be submitted with the joint venture's bid proposal. Authorized signatories from each party comprising the joint venture must sign the bid proposal. A separate Ownership Disclosure Form, Disclosure of Investigations and Actions Involving Bidder, Affirmative Action Employee Information Report, MacBride Principles Certification, and Business Registration or Interim Registration must be supplied for each party to a joint venture.

2.0 DEFINITIONS

2.1 GENERAL DEFINITIONS

The following definitions will be part of any contract awarded or order placed as result of this RFP.

Addendum – Written clarification or revision to this RFP issued by the Purchase Bureau.

All-Inclusive Hourly Rate – An hourly rate comprised of all direct and indirect costs including, but not limited to: overhead, fee or profit, clerical support, travel expenses, per diem, safety equipment, materials, supplies, managerial support, and all documents, forms, and reproductions thereof. This rate also includes portal-to-portal expenses as well as per diem expenses such as food.

Amendment – A change in the scope of work to be performed by the contractor. An amendment is not effective until it is signed by the Director, Division of Purchase and Property.

Bidder – An individual or business entity submitting a bid proposal in response to this RFP.

Contract – This RFP, any addendum to this RFP, and the bidder's proposal submitted in response to this RFP, as accepted by the State.

Contractor – The bidder awarded a contract resulting from this RFP. Also referred to as the Implementation Contractor.

Director – Director, Division of Purchase and Property, Department of the Treasury. By statutory authority, the Director is the chief contracting officer for the State of New Jersey.

Division – The Division of Purchase and Property.

Evaluation Committee – A committee established by the Director to review and evaluate bid proposals submitted in response to this RFP and to recommend a contract award to the Director.

Firm Fixed Price – A price that is all-inclusive of direct cost and indirect costs, including, but not limited to, direct labor costs, overhead, fee or profit, clerical support, equipment, materials, supplies, managerial (administrative) support, all documents, reports, forms, travel, reproduction, and any other costs. No additional fees or costs shall be paid by the State unless there is a change in the scope of work.

Joint Venture – A business undertaking by two or more entities to share risk and responsibility for a specific project.

May – Denotes that which is permissible, not mandatory.

Project – The undertaking or services that are the subject of this RFP.

Request for Proposal (RFP) – This document which establishes the bidding and contract requirements and solicits bid proposals to meet the purchase needs of the Using Agencies as identified herein.

Shall or Must – Denotes that which is a mandatory requirement. Failure to meet a mandatory requirement will result in the rejection of a bid proposal as materially non-responsive.

Should – Denotes that which is recommended, not mandatory.

State Contract Manager – The individual responsible for the approval of all deliverables, i.e., tasks, sub-tasks or other work elements in the Scope of Work as set forth in Section 8.0.

Subtasks – Detailed activities that comprise the actual performance of a task.

State – State of New Jersey.

Subcontractor – An entity having an arrangement with a State contractor, whereby the State contractor uses the products and/or services of that entity to fulfill some of its obligations under its State contract, while retaining full responsibility for the performance of all of its (the contractor's) obligations under the contract, including payment to the subcontractor. The subcontractor has no legal relationship with the State, only with the contractor.

Task – A discrete unit of work to be performed.

Using Agency(ies) – The entity(ies) for which the Division has issued this RFP and will enter into a contract.

3.0 SCOPE OF WORK

3.1 USING AGENCY RESPONSIBILITIES

The Using Agency will provide the contractor with a written scope of work and type of audit being requested.

3.2 SPECIFIC REQUIREMENTS

The contractor shall audit, that is, examine the financial statements of the Using Agency in accordance with the generally accepted government auditing standards (GAGAS) issued by the Comptroller General of the United States and the Governmental Accounting Standards Board (GASB), as may be periodically revised, and in accordance with all applicable federal rules, regulations, circulars, and scope of its licensure.

The contractor shall assess whether internal controls established by management within the Using Agency are functioning and effective.

The contractor shall publicly attest to the fairness of the financial statements if appropriate.

The contractor shall make comments and recommendations for the improvement of design and operation of the internal control system through the issuance of management letters if appropriate.

3.3 WORKING SPACE

The Using Agency may arrange and provide office space for the contractor's auditors and/or investigators.

3.4 ENTRANCE CONFERENCE

An entrance conference or engagement meeting will be held between the contractor and Contract Manager and/or Using Agency to discuss in detail the scope and purpose of the audit.

3.5 FRAUD, SUSPICION OF FRAUD, OR RECORDS UNABLE TO BE AUDITED

Upon the suspicion or recognition of fraud, major accounting system deficiencies, or material misstatements of accounts, the contractor shall immediately contact the State Contract Manager and the Using Agency. No further work shall be performed relating to these items unless instructed to do so by the State Contract Manager or the Using Agency. The contractor may be required to provide a written report to the Using Agency detailing the nature of the findings in these situations.

If the contractor determines at any time during the audit that the records are not auditable or lack documentation, which may result in a material effect on the audited schedule(s) and which may lead to a disclaimer of opinion, the contractor must immediately notify the Using Agency. Within five (5) days of such oral notification, a follow-up letter is required that details the reasons why the records are not auditable or why a disclaimer of opinion is necessary. The contractor shall not perform any further work on that program until advised to do so by the Using Agency.

3.6 EXIT CONFERENCE

Upon completion of the audit and prior to submittal of the final report or at any other time so designated by the State Contract Manager or deemed necessary by the contractor, the contractor will meet with the State Contract Manager and/or Using Agency to discuss audit findings.

3.7 AUDIT REPORTS

3.7.1 PRELIMINARY REPORT

The contractor shall prepare a preliminary (draft) audit report and shall attend a formal exit conference with the Using Agency to discuss any and all parts of the preliminary report. Copies of the preliminary audit report must be provided to the Using Agency at least five (5) working days prior to the exit conference.

3.7.2 PROGRESS REPORTS

The Using Agency or State Contract Manager may require the contractor to provide periodic progress reports. These reports shall be in a format to be determined by the Using Agency.

3.7.3 FINAL AUDIT REPORT

The Using Agency or State Contract Manager shall notify the contractor of the number of final copies to be delivered. One copy shall be unbound. The distribution of these reports shall be conducted by the Using Agency.

3.8 WORKING PAPERS

As part of any normal audit, the auditor shall maintain working papers consisting of noted and written records created during the performance of the audit. The contractor shall create and maintain audit working papers while performing the work of this contract. Audit working papers are not deliverable during the performance of this contract and payments are not dependent on the presentation of working papers to the State Contract Manager or the Using Agency. Nonetheless, it is required, as part of the generally accepted auditing standards, that the contractor shall create files of working papers related to the entire audit.

The contractor shall make available to the State Contract Manager or the Using Agency for inspection or review, the working papers developed during the engagement at any given time during the course of the audit, at the conclusion thereof, and/or any time (see below) thereafter. These papers shall include:

- Facts gathered and documents obtained
- Computations and analyses performed
- Other pertinent data relating to the audit

Audit work papers shall be indexed in a logical manner and show evidence that each working paper or group of papers has been subjected to appropriate supervisory review. Working papers must show the name of the auditor who prepared the paper and be clearly titled and dated.

Audit work papers must be retained for a period of not less than three (3) years from the date of receipt of the contractor's final payment and be made available to the State and/or Using Agency when requested.

Failure to make working papers available on request shall be considered a contractual non-performance item subject to [Section 5.13.3](#) of this RFP. Working papers are exempt from the conditions noted in [Section 5.8](#) of this RFP.

The contractor shall retain ownership of working papers.

3.9 LITIGATION SUPPORT

Litigation support is not included in the bid price. The contractor shall provide expert testimony when necessary regarding any litigation resulting from audit work done as part of this contract. Expert testimony support shall be provided at the hourly rates and by the labor titles listed on the contractor's budget for litigation support.

4.0 BID PROPOSAL PREPARATION AND SUBMISSION

4.1 GENERAL

The bidder is advised to thoroughly read and follow all instructions contained in this RFP, including the instructions on the RFP's signatory page, in preparing and submitting its bid proposal.

4.2 BID PROPOSAL DELIVERY AND IDENTIFICATION

In order to be considered, a bid proposal must arrive at the Purchase Bureau in accordance with the instructions on the RFP Signatory Page found at <http://www.state.nj.us/treasury/purchase/bid/summary/07x38700.shtml>. Bidders are cautioned to allow adequate delivery time to ensure timely delivery of bid proposals. **State regulation mandates that late bid proposals are ineligible for consideration. THE EXTERIOR OF ALL BID PROPOSAL PACKAGES ARE TO BE LABELED WITH THE BID IDENTIFICATION NUMBER AND THE FINAL BID OPENING DATE OR RISK NOT BEING RECEIVED IN TIME.**

4.3 NUMBER OF BID PROPOSAL COPIES

The bidder must submit **one (1) complete ORIGINAL bid proposal**, clearly marked as the "ORIGINAL" bid proposal. The bidder should submit **four (4) full, complete and exact copies** of the original. The copies requested are necessary in the evaluation of the bid proposal. A bidder failing to provide the requested number of copies will be charged the cost incurred by the State in producing the requested number of copies. It is suggested that the bidder make and retain a copy of its bid proposal.

A bidder failing to provide the requested number of copies will be charged the cost incurred by the State in producing the requested number of copies. It is suggested that the bidder make and retain a copy of its bid proposal.

4.4 BID PROPOSAL CONTENT

The bid proposal should be submitted in one volume and that volume divided into four (4) sections with tabs (separators). The content of the material should be located behind each tab, as follows:

- Section 1 - Forms (Section 4.4.1 - 4.4.3.)
- Section 2 - Technical Proposal (Section 4.4.4)
- Section 3 - Organizational Support and Experience (Section 4.4.5)
- Section 4 – Price Schedule (Section 4.4.6)

4.4.1 FORMS THAT MUST BE SUBMITTED WITH BID PROPOSAL

4.4.1.1 SIGNATORY PAGE

The bidder shall complete and submit the Signatory Page provided on the Advertised Solicitation, Current Bid Opportunities webpage found at <http://www.state.nj.us/treasury/purchase/bid/summary/07x38700.shtml>. The Signatory Page shall be signed by an authorized representative of the bidder. If the bidder is a limited partnership, the Signatory Page must be signed by a general partner. If the bidder is a joint venture, the Signatory Page must be signed by a principal of each party to the joint venture. Failure to comply will result in rejection of the bid proposal.

4.4.1.2 OWNERSHIP DISCLOSURE FORM

In the event the bidder is a corporation, partnership or sole proprietorship, the bidder must complete the attached Ownership Disclosure Form. A current completed Ownership Disclosure Form must be received prior to or accompany the bid proposal. Failure to do so will preclude the award of a contract.

The Ownership Disclosure Form is located on the Advertised Solicitation, Current Bid Opportunities webpage: <http://www.state.nj.us/treasury/purchase/bid/summary/07x38700.shtml>.

4.4.1.3 DISCLOSURE OF INVESTIGATIONS AND ACTIONS INVOLVING BIDDER

The bidder shall provide a detailed description of any investigation, litigation, including administrative complaints, or other administrative proceedings, involving any public sector clients during the past five (5) years, including the nature and status of the investigation, and, for any litigation, the caption of the action, a brief description of the action, the date of inception, current status, and, if applicable, disposition. The bidder shall use the Disclosure of Investigations and Actions Involving Bidder Form located on the Advertised Solicitation, Current Bid Opportunities webpage: <http://www.state.nj.us/treasury/purchase/bid/summary/07x38700.shtml>.

4.4.1.4 NOTICE OF INTENT TO SUBCONTRACT FORM

All bidders shall complete the Notice of Intent to Subcontract Form found at <http://www.state.nj.us/treasury/purchase/bid/summary/07x38700.shtml> to advise the State as to whether a subcontractor will be used to provide any goods or services under the contract.

4.4.1.5 SUBCONTRACTOR UTILIZATION FORM

If the bidder intends to use a subcontractor, the Subcontractor Utilization Form found at <http://www.state.nj.us/treasury/purchase/bid/summary/07x38700.shtml> must be completed and submitted with the bid proposal.

4.4.1.6 COOPERATIVE PURCHASING FORM

The bidder is required to complete the Cooperative Purchasing Form if it intends to extend the contract to partners of Cooperative Purchasing. These partners are listed in [Section 1.1](#) of this RFP. The Cooperative Form is located on the Advertised Solicitation, Current Bid Opportunities webpage: <http://www.state.nj.us/treasury/purchase/bid/summary/07x38700.shtml>.

4.4.2 PROOF OF REGISTRATIONS THAT MUST BE SUBMITTED WITH THE BID PROPOSAL

4.4.2.1 BUSINESS REGISTRATION CERTIFICATE FROM THE DIVISION OF REVENUE

FAILURE TO SUBMIT A COPY OF THE BIDDER'S BUSINESS REGISTRATION CERTIFICATE (OR INTERIM REGISTRATION) FROM THE DIVISION OF REVENUE WITH THE BID PROPOSAL MAY BE CAUSE FOR REJECTION OF THE BID PROPOSAL.

The bidder may go to www.nj.gov/njbgs to register with the New Jersey Division of Revenue or to obtain a copy of an existing Business Registration Certificate. Refer to Section 1.1. of the NJ Standard Terms and Conditions version 05 09 06 located on the Advertised Solicitation, Current Bid Opportunities webpage: <http://www.state.nj.us/treasury/purchase/bid/summary/07x38700.shtml>.

4.4.2.2 SMALL BUSINESS SET-ASIDE CONTRACTS

This is a Set-Aside Contract for Category I, II, and III Small Businesses. The bidder should provide, with its bid proposal, evidence of current and valid registration as a small business from the New Jersey Commerce & Economic Growth Commission (Commerce).

IMPORTANT NOTE: EVEN IF YOU ARE AN INCUMBENT BIDDER AND/OR HAVE BEEN PREVIOUSLY REGISTERED OR CERTIFIED UNDER THE FORMER SBE/MBE/WBE PROGRAM, YOU WILL NEED TO BE SURE THAT YOU ARE REGISTERED ON THE DAY OF BID RECEIPT AND OPENING WITH THE COMMERCE COMMISSION UNDER THE NEW, SMALL BUSINESS PROGRAM TO BE ELIGIBLE FOR AWARD. THE TELEPHONE NUMBER TO CALL TO CHECK YOUR STATUS IS (609) 292-2146.

4.4.3 FORMS THAT MUST BE SUBMITTED BEFORE CONTRACT AWARD AND SHOULD BE SUBMITTED WITH THE BID PROPOSAL

4.4.3.1 MACBRIDE PRINCIPLES CERTIFICATION

The bidder is required to complete the MacBride Principles Certification evidencing compliance with the MacBride Principles. The requirement is a precondition to entering into a State contract. The MacBride Principles Certification Form is located on the Advertised Solicitation, Current Bid Opportunities webpage: <http://www.state.nj.us/treasury/purchase/bid/summary/07x38700.shtml>.

4.4.3.2 AFFIRMATIVE ACTION

The bidder is required to complete the Affirmative Action Employee Information Report, or, in the alternative, supply either a New Jersey Affirmative Action Certificate or evidence that the bidder is operating under a federally approved or sanctioned affirmative action program. The requirement is a precondition to entering into a State contract. The Affirmative Action Forms are located on the Advertised Solicitation, Current Bid Opportunities webpage: <http://www.state.nj.us/treasury/purchase/bid/summary/07x38700.shtml>.

4.4.3.3 SOURCE DISCLOSURE CERTIFICATION FORM

Pursuant to N.J.S.A. 52:34-13.2, the bidder is required to submit with its bid proposal a completed Source Disclosure Certification Form that can be found at <http://www.state.nj.us/treasury/purchase/bid/summary/07x38700.shtml>. Refer to [Section 7.1.2](#) of this RFP for additional information.

4.4.4 TECHNICAL PROPOSAL

Not applicable to this procurement.

4.4.4.1 MANAGEMENT OVERVIEW

Not applicable to this procurement.

4.4.4.2 CONTRACT MANAGEMENT

Not applicable to this procurement.

4.4.4.3 CONTRACT SCHEDULE

Not applicable to this procurement.

4.4.4.4 MOBILIZATION AND IMPLEMENTATION PLAN

Not applicable to this procurement.

4.4.4.5 POTENTIAL PROBLEMS

The bidder should set forth a summary of any and all problems that the bidder anticipates during the term of the contract. For each problem identified, the bidder should provide its proposed solution.

4.4.5 ORGANIZATIONAL SUPPORT AND EXPERIENCE

The bidder shall include information relating to its organization, personnel, and experience, including, but not limited to, references, together with contact names and telephone numbers, evidencing the bidder's qualifications and capabilities to perform the services required by this RFP.

Only full time permanent members of the firm shall be used during the term of this contract.

The bidder should identify staff by resume, experience, and costs in accordance with the following professional skill classifications:

a) Partner - A partner is an individual who has ownership in the firm and the person who signs the audit report. A New Jersey issued CPA certificate is required for this position. Qualification includes extensive audit experience and managerial ability. This individual is charged with the overall management of the audit and responsible for insuring that all necessary disclosures are made in the audit report.

b) Manager - This classification of staff reports directly to the partner. Qualifications include extensive audit experience and managerial ability. A CPA certificate issued by any state within the United States is required for this position. This individual is responsible for the direct management of complex issues including the technical review of audit working papers and technical research of complex accounting and auditing issues affecting presentation of audit reports.

c) Senior - This classification represents the highest level of audit field staff (in charge). The educational background required is a bachelor's degree with a major in accounting from an accredited college or university and at least three (3) years working experience with a certified public accounting firm. Individuals in this position should be either a CPA or qualified to sit for the CPA examination.

d) Staff - This field audit position requires an individual to possess a bachelor's degree with a major in accounting from an accredited college or university. The position must represent a professional title in the bidder's organization, and the individual should have a minimum of six (6) months working experience of field auditing with a certified public accounting firm. All staff individuals should be directly supervised during the field assignment by an audit senior.

The above categories a) through c) represent managerial skill level positions; category d) represents field audit staff. Each bidder shall segment its professional skill classifications into the four (4) categories. If the title differs in the bidder's organization, that title should be listed in parenthesis after the particular category. It is not necessary for a bidder's firm to possess all four (4) categories of professional skill classifications.

The bidder's firm must be registered with the New Jersey State Board of Accountancy.

All professional qualifications noted in this Section should be submitted with the bid proposal.

4.4.5.1 LOCATION

The bidder should include the address of the bidder's office where responsibility for managing the contract will take place. The bidder should also include the telephone number and name of the contact individual.

4.4.5.2 ORGANIZATION CHART (CONTRACT SPECIFIC)

The bidder should include a contract organization chart, with names showing management, supervisory, and other key personnel to be assigned to the contract. The chart should include the labor category and title of each such individual.

4.4.5.3 RESUMES

Detailed resumes should be submitted for all personnel to be assigned to the contract who fill the positions listed in Section 4.4.5 Organizational Support and Experience. Resumes should emphasize relevant qualifications and experience of these individuals in successfully completing contracts of a similar size and scope to those required by this RFP. Resumes should:

- Clearly identify the individual's previous experience in completing similar contracts.
- Record beginning and ending dates for each similar contract.
- Offer a description of the similar contract and demonstrate how the individual's work on the completed contract relates to the individual's ability to successfully contribute in providing the services required by this RFP.
- Include the name, address, and telephone number of each reference with respect to each similar contact.

4.4.5.4 BACKUP STAFF

Not applicable to this contract.

4.4.5.5 ORGANIZATION CHART (ENTIRE FIRM)

The bidder should include an organization chart showing the bidder's entire organizational structure. This chart should show the relationship of the individuals assigned to the contract to the bidder's overall organizational structure.

4.4.5.6 EXPERIENCE OF BIDDER ON CONTRACTS OF SIMILAR SIZE AND SCOPE

The bidder should provide a comprehensive listing of contracts of similar size and scope that it has successfully completed as evidence of the bidder's ability to successfully complete the services required by this RFP. Emphasis should be placed on contracts that are similar in size and scope to the work required by this RFP. A description of all such contracts should be included and should show how such contracts relate to the ability of the firm to complete the services required by this RFP. For each such contract, the bidder should provide two (2) names and telephone numbers of individuals for the other contract party. Beginning and ending dates should also be given for each contract.

4.4.5.7 FINANCIAL CAPABILITY OF THE BIDDER

In order to provide the State with the ability to judge the bidder's financial capacity and capabilities to undertake and successfully complete the contract, the bidder should submit certified financial statements to include a balance sheet, income statement, statement of cash

flow, and all applicable notes for the most recent calendar year or the bidder's most recent fiscal year. If certified financial statements are not available, the bidder should provide either a reviewed or compiled statement from an independent accountant setting forth the same information required for the certified financial statements, together with a certification from the Chief Executive Officer and the Chief Financial Officer, that the financial statements and other information included in the statements fairly present in all material respects the financial condition, results of operations and cash flows of the bidder as of, and for, the periods presented in the statements. In addition, the bidder should submit a bank reference.

If the information is not supplied with the bid proposal, the State may still require the bidder to submit it. If the bidder fails to comply with the request within seven (7) business days, the State may deem the proposal to be non-responsive.

A bidder may designate specific financial information as not subject to disclosure when the bidder has a good faith legal/factual basis for such assertion. The bidder may submit specific financial documents in a separate, sealed package clearly marked "Confidential-Financial Information" along with the bid proposal.

The State reserves the right to make the determination to accept the assertion and shall so advise the bidder.

4.4.5.8 SUBCONTRACTOR(S)

Not applicable to this procurement.

4.4.6 PRICE SCHEDULE

The price schedule is located on the Advertised Solicitation, Current Bid Opportunities webpage, <http://www.state.nj.us/treasury/purchase/bid/summary/07x38700.shtml>.

For the purpose of this bid proposal, the bidder shall assume that for each of the three (3) years the estimated hours will total 100. For each year, the bidder shall allocate these 100 hours among the four (4) or fewer classes of employees, provide their respective, firm fixed all-inclusive hourly rates, multiply the hours by the rates to determine sub-totals, and sum the sub-totals to determine the yearly bid price. Lastly, the bidder should sum the three yearly bid prices and report this sum as the total bid price.

Note that the estimated hours per year provided on the Price Schedule are estimates for bidding purposes only. There are no guaranteed minimum or maximum hours.

The bidder should also provide a budget with labor titles and hourly rates for each labor title that ties into the total budget proposed and provide the hourly rates and staff titles for litigation support.

Failure to submit all requested pricing information may result in the bidder's proposal being considered materially non-responsive. Each bidder must hold its price(s) firm through issuance of contract to permit the completion of the evaluation of bid proposals received and the contract award process.

5.0 SPECIAL CONTRACTUAL TERMS AND CONDITIONS

5.1 PRECEDENCE OF SPECIAL CONTRACTUAL TERMS AND CONDITIONS

The contract awarded as a result of this RFP shall consist of this RFP, addenda to this RFP, the contractor's bid proposal, and the Division's Notice of Award.

Unless specifically stated within this RFP, the Special Contractual Terms and Conditions of the RFP take precedence over the NJ Standard Terms and Conditions version 05 09 06 located on the Advertised Solicitation, Current Bid Opportunities webpage:

<http://www.state.nj.us/treasury/purchase/bid/summary/07x38700.shtml>.

In the event of a conflict between the provisions of this RFP, including the Special Contractual Terms and Conditions and the NJ Standard Terms and Conditions version 05 09 06, and any Addendum to this RFP, the Addendum shall govern.

In the event of a conflict between the provisions of this RFP, including any Addendum to this RFP, and the bidder's bid proposal, the RFP and/or the Addendum shall govern.

5.2 CONTRACT TERM AND EXTENSION OPTION

The term of the contract shall be for a period of three (3) years. The anticipated Contract Effective Date is provided on the Signatory Page of this RFP:

<http://www.state.nj.us/treasury/purchase/bid/summary/07x38700.shtml>. If delays in the procurement process result in a change to the anticipated Contract Effective Date, the bidder agrees to accept a contract for the full term of the contract. The contract may be extended for all or part of two (2) one (1)-year periods, by the mutual written consent of the contractor and the Director. Purchase orders may be placed against the contract up to and including the end of business on the last day of the contract for delivery no more than forty-five (45) days after contract expiration.

5.3 CONTRACT TRANSITION

In the event that a new contract has not been awarded prior to the contract expiration date, as may be extended herein, it shall be incumbent upon the contractor to continue the contract under the same terms and conditions until a new contract can be completely operational. At no time shall this transition period extend more than ninety (90) days beyond the expiration date of the contract.

5.4 CONTRACT AMENDMENT

Any changes or modifications to the terms of the contract shall be valid only when they have been reduced to writing and signed by the contractor and the Director.

5.5 CONTRACTOR RESPONSIBILITIES

The contractor shall have sole responsibility for the complete effort specified in the contract. Payment will be made only to the contractor. The contractor shall have sole responsibility for all payments due any subcontractor.

The contractor is responsible for the professional quality, technical accuracy, and timely completion and submission of all deliverables, services or commodities required to be provided under the contract. The contractor shall, without additional compensation, correct or revise any errors, omissions, or other deficiencies in its deliverables and other services. The approval of deliverables furnished under this contract shall not in any way relieve the contractor of

responsibility for the technical adequacy of its work. The review, approval, acceptance or payment for any of the services shall not be construed as a waiver of any rights that the State may have arising out of the contractor's performance of this contract.

5.6 SUBSTITUTION OF STAFF

If it becomes necessary for the contractor to substitute any management, supervisory or key personnel, the contractor shall identify the substitute personnel and the work to be performed.

The contractor must provide detailed justification documenting the necessity for the substitution. Resumes must be submitted evidencing that the individual(s) proposed as substitution(s) have qualifications and experience equal to or better than the individual(s) originally proposed or currently assigned.

The contractor shall forward a request to substitute staff to the State Contract Manager for consideration and approval. No substitute personnel are authorized to begin work until the contractor has received written approval to proceed from the State Contract Manager.

5.7 SUBSTITUTION OR ADDITION OF SUBCONTRACTOR(S)

This Subsection serves to supplement but not supersede Section 3.11 of the NJ Standard Terms and Conditions version 05 09 06 located on the Advertised Solicitation, Current Bid Opportunities webpage.

If it becomes necessary for the contractor to substitute a subcontractor, add a subcontractor, or substitute its own staff for a subcontractor, the contractor will identify the proposed new subcontractor or staff member(s) and the work to be performed. The contractor must provide detailed justification documenting the necessity for the substitution or addition.

The contractor must provide detailed resumes of its proposed replacement staff or of the proposed subcontractor's management, supervisory, and other key personnel that demonstrate knowledge, ability and experience relevant to that part of the work which the subcontractor is to undertake.

The qualifications and experience of the replacement(s) must equal or exceed those of similar personnel proposed by the contractor in its bid proposal.

The contractor shall forward a written request to substitute or add a subcontractor or to substitute its own staff for a subcontractor to the State Contract Manager for consideration. If the State Contract Manager approves the request, the State Contract Manager will forward the request to the Director for final approval.

No substituted or additional subcontractors are authorized to begin work until the contractor has received written approval from the Director.

5.8 OWNERSHIP OF MATERIAL

All data, technical information, materials gathered, originated, developed, prepared, used or obtained in the performance of the contract, including, but not limited to, all reports, surveys, plans, charts, literature, brochures, mailings, recordings (video and/or audio), pictures, drawings, analyses, graphic representations, software computer programs and accompanying documentation and print-outs, notes and memoranda, written procedures and documents, regardless of the state of completion, which are prepared for or are a result of the services required under this contract, shall be and remain the property of the State and shall be delivered to the State upon thirty (30) days notice by the State. With respect to software computer

programs and/or source codes developed for the State, the work shall be considered “work for hire”, i.e., the State, not the contractor or subcontractor, shall have full and complete ownership of all software computer programs and/or source codes developed. To the extent that any of such materials may not, by operation of the law, be a work made for hire in accordance with the terms of this Agreement, the contractor or subcontractor hereby assigns to the State all right, title and interest in and to any such material, and the State shall have the right to obtain and hold in its own name and copyrights, registrations and any other proprietary rights that may be available.

Should the bidder anticipate bringing pre-existing intellectual property into the project, the intellectual property must be identified in the bid proposal. Otherwise, the language in the first paragraph of this section prevails. If the bidder identifies such intellectual property (Background IP) in its bid proposal, then the Background IP owned by the bidder on the date of the contract, as well as any modifications or adaptations thereto, remain the property of the bidder. Upon contract award, the bidder or contractor shall grant the State a non-exclusive, perpetual royalty free license to use any of the bidder/contractor's Background IP delivered to the State for the purposes contemplated by the contract.

5.9 DATA CONFIDENTIALITY

All financial, statistical, personnel, and/or technical data supplied by the State to the contractor are confidential. The contractor is required to use reasonable care to protect the confidentiality of such data. Any use, sale or offering of this data in any form by the contractor, or any individual or entity in the contractor's charge or employ, will be considered a violation of this contract and may result in contract termination and the contractor's suspension or debarment from State contracting. In addition, such conduct may be reported to the State Attorney General for possible criminal prosecution.

5.10 NEWS RELEASES

The contractor is not permitted to issue news releases pertaining to any aspect of the services being provided under this contract without the prior written consent of the Director.

5.11 ADVERTISING

The contractor shall not use the State's name, logos, images, or any data or results arising from this contract as a part of any commercial advertising without first obtaining the prior written consent of the Director.

5.12 LICENSES AND PERMITS

The contractor shall obtain and maintain in full force and effect all required licenses, permits, and authorizations necessary to perform this contract. The contractor shall supply the State Contract Manager with evidence of all such licenses, permits, and authorizations. This evidence shall be submitted subsequent to the contract award. All costs associated with any such licenses, permits and authorizations must be considered by the bidder in its bid proposal.

5.13 CLAIMS AND REMEDIES

5.13.1 CLAIMS

All claims asserted against the State by the contractor shall be subject to the New Jersey Tort Claims Act, N.J.S.A. 59:1-1, et seq. and/or the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1, et seq.

5.13.2 REMEDIES

Nothing in the contract shall be construed to be a waiver by the State of any warranty, expressed or implied, of any remedy at law or equity, except as specifically and expressly stated in a writing executed by the Director.

5.13.3 REMEDIES FOR FAILURE TO COMPLY WITH MATERIAL CONTRACT REQUIREMENTS

In the event that the contractor fails to comply with any material contract requirements, the Director may take steps to terminate the contract in accordance with the State administrative code and/or authorize the delivery of contract items by any available means, with the difference between the price paid and the defaulting contractor's price either being deducted from any monies due the defaulting contractor or being an obligation owed the State by the defaulting contractor.

5.14 LATE DELIVERY

The contractor must immediately advise the State Contract Manager and the Using Agency of any circumstance or event that could result in late completion of any task or subtask called for to be completed on a date certain.

5.15 RETAINAGE

Not applicable to this procurement.

5.16 STATE'S OPTION TO REDUCE SCOPE OF WORK

The State or Using Agency has the option, in its sole discretion, to reduce the scope of work for any task or subtask called for under this contract. In such an event, the Director shall provide advance written notice to the contractor.

Upon receipt of such written notice, the contractor will submit, within five (5) working days to the Director and the State Contract Manager, an itemization of the work effort already completed by task or subtask. The contractor shall be compensated for such work effort according to the applicable portions of its price schedule.

5.17 SUSPENSION OF WORK

The State Contract Manager may, for valid reason, issue a stop order directing the contractor to suspend work under the contract for a specific time. The contractor shall be paid until the effective date of the stop order. The contractor shall resume work upon the date specified in the stop order or upon such other date as the State Contract Manager may thereafter direct in writing. The period of suspension shall be deemed added to the contractor's approved schedule of performance. The Director and the contractor shall negotiate an equitable adjustment, if any, to the contract price.

5.18 CHANGE IN LAW

Whenever an unforeseen change in applicable law or regulation affects the services that are the subject of this contract, the contractor shall advise the State Contract Manager and the Director in writing and include in such written transmittal any estimated increase or decrease in the cost of its performance of the services as a result of such change in law or regulation. The Director and the contractor shall negotiate an equitable adjustment, if any, to the contract price.

5.19 CONTRACT PRICE INCREASE (PREVAILING WAGE)

Not applicable to this procurement.

5.20 ADDITIONAL WORK AND/OR SPECIAL PROJECTS

The contractor shall not begin performing any additional work or special projects without first obtaining written approval from the State Contract Manager and the Director.

In the event of additional work and/or special projects, the contractor must present a written proposal to the State Contract Manager to perform the additional work. The proposal should provide justification for the necessity of the additional work. The relationship between the additional work and the base contract work must be clearly established by the contractor in its proposal.

The contractor's written proposal must provide a detailed description of the work to be performed by task and subtask. The proposal should also contain details on the level of effort, including hours, labor categories, etc., necessary to complete the additional work.

The written proposal must detail the cost necessary to complete the additional work in a manner consistent with the contract. The written price schedule must be based upon the hourly rates, unit costs, or other cost elements submitted by the contractor in the contractor's original bid proposal submitted in response to this RFP. Whenever possible, the price schedule should be a firm, fixed price to perform the required work. The firm fixed price should specifically reference and be tied directly to costs submitted by the contractor in its original bid proposal. A payment schedule, tied to successful completion of tasks and subtasks, must be included.

Upon receipt and approval of the contractor's written proposal, the State Contract Manager shall forward it to the Director for the Director's written approval. Complete documentation from the Using Agency, confirming the need for the additional work, must be submitted. Documentation forwarded by the State Contract Manager to the Director must include all other required State approvals, such as those that may be required from the State of New Jersey's Office of Management and Budget and Office of Information and Technology.

No additional work and/or special project may commence without the Director's written approval. In the event the contractor proceeds with additional work and/or special projects without the Director's written approval, it shall be at the contractor's sole risk. The State shall be under no obligation to pay for work performed without the Director's written approval.

5.21 FORM OF COMPENSATION AND PAYMENT

This Section supplements Section 4.5 of the NJ Standard Terms and Conditions version 05 09 06, located on the Advertised Solicitation, Current Bid Opportunities webpage <http://www.state.nj.us/treasury/purchase/bid/summary/07x38700.shtml>. The contractor must submit official State invoice forms to the Using Agency with supporting documentation evidencing that work for which payment is sought has been satisfactorily completed. Invoices must reference the tasks or subtasks detailed in the Scope of Work section of the RFP and must be in strict accordance with the firm fixed prices submitted for each task or subtask on the RFP pricing sheets. When applicable, invoices should reference the appropriate RFP price sheet line number from the contractor's bid proposal. All invoices must be approved by the State Contract Manager or Using Agency before payment will be authorized.

In addition, primary contractors must provide, on a monthly and cumulative basis, a breakdown in accordance with the budget submitted, of all monies paid to any small business subcontractor(s). This breakdown shall be sent to the Purchase Bureau Business Unit, Set-Aside Coordinator.

Invoices must also be submitted for any special projects, additional work, or other items properly authorized and satisfactorily completed under the contract. Invoices shall be submitted according to the payment schedule agreed upon when the work was authorized and approved. Payment can only be made for work when it has received all required written approvals and has been satisfactorily completed.

5.21.1 PAYMENT TO CONTRACTOR - OPTIONAL METHOD

Not applicable to this procurement.

5.22 MODIFICATIONS AND CHANGES TO THE NJ STANDARD TERMS AND CONDITIONS VERSION 05 09 06

NJ Standard Terms and Conditions version 05 09 06 are located on the Advertised Solicitation, Current Bid Opportunities webpage:
<http://www.state.nj.us/treasury/purchase/bid/summary/07x38700.shtml>.

5.22.1 PATENT AND COPYRIGHT INDEMNITY

Section 2.1 of the NJ Standard Terms and Conditions version 05 09 06 is deleted and replaced with the following:

2.1 Patent and Copyright Indemnity

- a. The contractor shall hold and save the State of New Jersey, its officers, agents, servants and employees, harmless from liability of any nature or kind for or on account of the use of any copyrighted or uncopyrighted composition, secret process, patented or unpatented invention, article, or appliance furnished or used in the performance of the contract.
- b. The State of New Jersey agrees: (1) to promptly notify the contractor in writing of such claim or suit, (2) that the contractor shall have control of the defense of settlement of such claim or suit, and (3) to cooperate with the contractor in the defense of such claim or suit, to the extent that the interests of the contractor and the State are consistent.
- c. In the event of such claim or suit, the contractor, at its option, may: (1) procure for the State of New Jersey the legal right to continue the use of the product, (2) replace or modify the product to provide a non-infringing product that is the functional equivalent, or (3) refund the purchase price less a reasonable allowance for use that is agreed to by both parties.

5.22.2 INDEMNIFICATION

Section 2.2 of the NJ Standard Terms and Conditions version 05 09 06, is deleted and replaced with the following:

2.2 Indemnification

The contractor's liability to the State for actual, direct damages resulting from the contractor's performance or non-performance, or in any manner related to the contract, for any and all claims, shall be limited in the aggregate to 500 % of the value of the contract, except that such limitation of liability shall not apply to the following:

1. The contractor's obligation to indemnify the State of New Jersey and its employees from and against any claim, demand, loss, damage, or expense relating to bodily injury or the death of any person or damage to real property or tangible personal property incurred from the work or materials supplied by the contractor under the contract caused by negligence or willful misconduct of the contractor,
2. The contractor's breach of its obligations of confidentiality, and
3. The contractor's liability with respect to copyright indemnification.

The contractor's indemnification obligation is not limited by but is in addition to the insurance obligations contained in Section 2.3 of the NJ Standard Terms and Conditions version 05 09 06.

The contractor shall not be liable for special, consequential, or incidental damages.

5.23.3 INSURANCE - PROFESSIONAL LIABILITY INSURANCE

Section 2.3 of the NJ Standard Terms and Conditions version 05 09 06 regarding insurance is modified with the addition of the following section regarding Professional Liability Insurance.

d) Professional Liability Insurance: The contractor shall carry Errors and Omissions, Professional Liability Insurance and/or Professional Liability Malpractice Insurance sufficient to protect the contractor from any liability arising out the professional obligations performed pursuant to the requirements of the contract. The insurance shall be in the amount of not less than \$1,000,000 and in such policy forms as shall be approved by the State. If the contractor has claims-made coverage and subsequently changes carriers during the term of the contract, it shall obtain from its new Errors and Omissions, Professional Liability Insurance and/or Professional Malpractice Insurance carrier an endorsement for retroactive coverage.

6.0 PROPOSAL EVALUATION/CONTRACT AWARD

6.1 PROPOSAL EVALUATION COMMITTEE

Bid proposals may be evaluated by an Evaluation Committee composed of members of affected departments and agencies together with representative(s) from the Purchase Bureau. Representatives from other governmental agencies may also serve on the Evaluation Committee. On occasion, the Evaluation Committee may choose to make use of the expertise of outside consultants in an advisory role.

6.2 ORAL PRESENTATION AND/OR CLARIFICATION OF BID PROPOSAL

After the submission of bid proposals, unless requested by the State, contact with the State is limited to status inquiries only and such inquiries are to be directed only to the Procurement Specialist. Any further contact or information about the proposal to the Procurement Specialist or any other State official connected with the solicitation will be considered an impermissible supplementation of the bidder's bid proposal.

A bidder may be required to give an oral presentation to the Evaluation Committee concerning its bid proposal. The Evaluation Committee may also require a bidder to submit written responses to questions regarding its bid proposal.

The purpose of such communication with a bidder, either through an oral presentation or a letter of clarification, is to provide an opportunity for the bidder to clarify or elaborate on its bid proposal. Original bid proposals submitted, however, cannot be supplemented, changed, or corrected in any way. No comments regarding other bid proposals are permitted. Bidders may not attend presentations made by their competitors.

It is within the Evaluation Committee's discretion whether to require a bidder to give an oral presentation or require a bidder to submit written responses to questions regarding its bid proposal. Action by the Evaluation Committee in this regard should not be construed to imply acceptance or rejection of a bid proposal. The Purchase Bureau Procurement Specialist is the sole point of contact regarding any request for an oral presentation or clarification.

6.3 EVALUATION CRITERIA

Bid proposals shall be evaluated based upon the following criteria:

6.3.1 TECHNICAL EVALUATION CRITERION

The bidder's firm must be registered with the State Board of Accountancy.

6.3.2 BIDDER'S PRICE SCHEDULE

For evaluation purposes, bidders will be ranked according to the total bid price located on the Price Schedule located on the Advertised Solicitation, Current Bid Opportunities webpage, <http://www.state.nj.us/treasury/purchase/bid/summary/07x38700.shtml>.

6.3.3 BID DISCREPANCIES

In evaluating bids, discrepancies between words and figures will be resolved in favor of words. Discrepancies between unit prices and totals of unit prices will be resolved in favor of unit prices. Discrepancies in the multiplication of units of work and unit prices will be resolved in favor of the unit prices. Discrepancies between the indicated total of multiplied unit prices and units of work

and the actual total will be resolved in favor of the actual total. Discrepancies between the indicated sum of any column of figures and the correct sum thereof will be resolved in favor of the corrected sum of the column of figures.

6.3.4 EVALUATION OF BID PROPOSALS

The Evaluation Committee will complete its evaluation and recommend for award to the Director the responsible bidder(s) whose bid proposal(s), conforming to this RFP, is (are) most advantageous to the State, price and other factors considered. The Evaluation Committee considers and assesses price, technical criteria, and other factors during the evaluation process.

6.4 NEGOTIATION AND BEST AND FINAL OFFER (BAFO)

Not applicable to this procurement.

7.0 CONTRACT AWARD

7.1 DOCUMENTS REQUIRED BEFORE CONTRACT AWARD

7.1.1 REQUIREMENTS OF N.J.S.A. 19:44A-20.13-25 (FORMERLY EXECUTIVE ORDER 134)

In order to safeguard the integrity of State government procurement by imposing restrictions to insulate the negotiation and award of State contracts from political contributions that pose the risk of improper influence, purchase of access, or the appearance thereof, the Legislature enacted N.J.S.A. 19:44A-20.13 - 25 (the Legislation) on March 22, 2005, retroactive to October 15, 2004, superseding the terms of Executive Order 134. Pursuant to the requirements of the Legislation, the terms and conditions set forth in this section are material terms of any contract resulting from this RFP.

7.1.1.1 DEFINITIONS

For the purpose of this section, the following shall be defined as follows:

a) **Contribution** – a contribution reportable as a recipient under “The New Jersey Campaign Contributions and Expenditures Reporting Act.” P.L. 1973, c. 83 (C.19:44A-1 et seq.) and implementing regulations set forth at N.J.A.C. 19:25-7 and N.J.A.C. 19:25-10.1 et seq. Through December 31, 2004, contributions in excess of \$400 during a reporting period were deemed "reportable" under these laws. As of January 1, 2005, that threshold was reduced to contributions in excess of \$300.

b) **Business Entity** – any natural or legal person, business corporation, professional services corporation, Limited Liability Company, partnership, limited partnership, business trust, association, or any other legal commercial entity organized under the laws of New Jersey or any other state or foreign jurisdiction. The definition of a business entity includes (i) all principals who own or control more than 10 percent of the profits or assets of a business entity or 10 percent of the stock in the case of a business entity that is a corporation for profit, as appropriate, (ii) any subsidiaries directly or indirectly controlled by the business entity, (iii) any political organization organized under Section 527 of the Internal Revenue Code that is directly or indirectly controlled by the business entity, other than a candidate committee, election fund, or political party committee, and (iv) if a business entity is a natural person, that person's spouse or child, residing in the same household.

7.1.1.2 BREACH OF TERMS OF THE LEGISLATION

It shall be a breach of the terms of the contract for the Business Entity to (i) make or solicit a contribution in violation of the Legislation, (ii) knowingly conceal or misrepresent a contribution given or received, (iii) make or solicit contributions through intermediaries for the purpose of concealing or misrepresenting the source of the contribution, (iv) make or solicit any contribution on the condition or with the agreement that it will be contributed to a campaign committee or any candidate or holder of the public office of Governor, or to any State or county party committee, (v) engage or employ a lobbyist or consultant with the intent or understanding that such lobbyist or consultant would make or solicit any contribution, which if made or solicited by the business entity itself, would subject that entity to the restrictions of the Legislation, (vi) fund contributions made by third parties, including consultants, attorneys, family members, and employees, (vii) engage in any exchange of contributions to circumvent the intent of the Legislation, or (viii) directly or indirectly through or by any other person or means, do any act which would subject that entity to the restrictions of the Legislation.

7.1.1.3 CERTIFICATION AND DISCLOSURE REQUIREMENTS

a) The State shall not enter into a contract to procure from any Business Entity services or any material, supplies or equipment, or to acquire, sell or lease any land or building, where the value of the transaction exceeds \$17,500, if that Business Entity has solicited or made any contribution of money, or pledge of contribution, including in-kind contributions to a candidate committee and/or election fund of any candidate for or holder of the public office of Governor, or to any State or county political party committee during certain specified time periods.

b) Prior to awarding any contract or agreement to any Business Entity, the Business Entity proposed as the intended awardee of the contract shall submit the Certification and Disclosure form, certifying that no contributions prohibited by the Legislation have been made by the Business Entity and reporting all contributions the Business Entity made during the preceding four years to any political organization organized under 26 U.S.C.527 of the Internal Revenue Code that also meets the definition of a “continuing political committee” within the mean of N.J.S.A. 19:44A-3(n) and N.J.A.C. 19:25-1.7. The required form and instructions, available for review on the Purchase Bureau website at <http://www.state.nj.us/treasury/purchase/forms.htm#eo134>, shall be provided to the intended awardee for completion and submission to the Purchase Bureau with the Notice of Intent to Award. Upon receipt of a Notice of Intent to Award a Contract, the intended awardee shall submit to the Division, in care of the Purchase Bureau Procurement Specialist, the Certification and Disclosure(s) within five (5) business days of the State’s request. Failure to submit the required form will preclude award of a contract under this RFP as well as future contract opportunities.

c) Further, the contractor is required, on a continuing basis, to report any contributions it makes during the term of the contract, and any extension(s) thereof, at the time any such contribution is made. The required form and instructions, available for review on the Purchase Bureau website at <http://www.state.nj.us/treasury/purchase/forms.htm#eo134>, shall be provided to the intended awardee with the Notice of Intent to Award.

7.1.1.4 STATE TREASURER REVIEW

The State Treasurer or designee shall review the Disclosures submitted pursuant to this section as well as any other pertinent information concerning the contributions or reports thereof by the intended awardee, prior to award, or during the term of the contract, by the contractor. If the State Treasurer determines that any contribution or action by the contractor constitutes a breach of contract that poses a conflict of interest in the awarding of the contract under this solicitation, the State Treasurer shall disqualify the Business Entity from award of such contract.

7.1.1.5 ADDITIONAL DISCLOSURE REQUIREMENT OF P.L. 2005, C. 271

The contractor is advised of its responsibility to file an annual disclosure statement on political contributions with the New Jersey Election Law Enforcement Commission (ELEC), pursuant to P.L. 2005, c. 271, section 3 if the contractor receives contracts in excess of \$50,000 from a public entity in a calendar year. It is the contractor’s responsibility to determine whether filing is necessary. Failure to so file can result in the imposition of financial penalties by ELEC. Additional information about this requirement is available from ELEC at 888-313-3532 or at www.elec.state.nj.us.

7.1.2 SOURCE DISCLOSURE CERTIFICATION REQUIREMENTS

7.1.2.1 REQUIREMENTS OF N.J.S.A. 52:34-13.2

Under the referenced statute, effective August 3, 2005, all contracts primarily for services awarded by the Director shall be performed within the United States except when the Director certifies in writing a finding that a required service cannot be provided by a contractor or subcontractor within the United States and the certification is approved by the State Treasurer.

7.1.2.2 SOURCE DISCLOSURE REQUIREMENTS

Pursuant to the statutory requirements, the intended awardee of a contract primarily for services with the State must disclose the location by country where services under the contract, including subcontracted services, will be performed. The Source Disclosure Certification form is located on the Advertised Solicitation, Current Bid Opportunities webpage <http://www.state.nj.us/treasury/purchase/bid/summary/07x38700.shtml>.

FAILURE TO SUBMIT SOURCING INFORMATION WHEN REQUESTED BY THE STATE SHALL PRECLUDE AWARD OF A CONTRACT TO THE BIDDER.

If any of the services cannot be performed within the United States, the bidder shall state with specificity the reasons why the services cannot be so performed. The Director shall determine whether sufficient justification has been provided by the bidder to form the basis of his certification that the services cannot be performed in the United States and whether to seek the approval of the Treasurer.

7.1.2.3 BREACH OF CONTRACT OF EXECUTIVE ORDER 129

A SHIFT TO PROVISION OF SERVICES OUTSIDE THE UNITED STATES DURING THE TERM OF THE CONTRACT SHALL BE DEEMED A BREACH OF CONTRACT.

If, during the term of the contract, the contractor or subcontractor, who had on contract award declared that services would be performed in the United States, proceeds to shift the performance of any of the services outside the United States, the contractor shall be deemed to be in breach of its contract, which contract shall be subject to termination for cause pursuant to Section 3.5b.1 of the Standard Terms and Conditions version 05 09 06 of the RFP, unless previously approved by the Director and the Treasurer.

7.2 FINAL CONTRACT AWARD

Contract award(s) shall be made with reasonable promptness by written notice to that (those) responsible bidder(s), whose bid proposal(s), conforming to this RFP, is (are) most advantageous to the State, price, and other factors considered. Any or all bid proposals may be rejected when the State Treasurer or the Director determines that it is in the public interest to do so.

7.3 INSURANCE CERTIFICATES

The contractor shall provide the State with current certificates of insurance for all coverages required by the terms of this contract, naming the State as an Additional Insured.

7.4 PERFORMANCE BOND

Not applicable to this procurement.

8.0 CONTRACT ADMINISTRATION

8.1 CONTRACT MANAGER

The State Contract Manager is the State employee responsible for the overall management and administration of the contract.

The State Contract Manager for this project will be identified at the time of execution of contract. At that time, the contractor will be provided with the State Contract Manager's name, department, division, agency, address, telephone number, fax number, and e-mail address.

8.1.1 STATE CONTRACT MANAGER RESPONSIBILITIES

For an agency contract where only one State office uses the contract, the State Contract Manager will be responsible for engaging the contractor, assuring that purchase orders are issued to the contractor, directing the contractor to perform the work of the contract, approving the deliverables and approving payment vouchers. The State Contract Manager is the person whom the contractor will contact **after the contract is executed** for answers to any questions and concerns about any aspect of the contract. The State Contract Manager is responsible for coordinating the use and resolving minor disputes between the contractor and any component part of the State Contract Manager's Department.

If the contract has multiple users, then the State Contract Manager shall be the central coordinator of the use of the contract for all Using Agencies, while employees of the Using Agencies engage and pay the contractor. All persons and agencies that use the contract must notify and coordinate the use of the contract with the State Contract Manager.

8.1.2 COORDINATION WITH THE STATE CONTRACT MANAGER

Any contract user unable to resolve disputes with a contractor shall refer those disputes to the State Contract Manager for resolution. Any questions related to performance of the work of the contract by contract users shall be directed to the State Contract Manager. The contractor may contact the State Contract Manager if the contractor can not resolve a dispute with contract users.