

**OKALOOSA COUNTY  
REQUEST FOR PROPOSALS  
FOR  
INTERNAL AUDITING SERVICES  
FOR THE OKALOOSA COUNTY BOARD OF  
COUNTY COMMISSIONERS**



**PROPOSAL #: BCC 11-13**

**PROPOSAL CLOSES: February 22, 2013 @ 4:00 P.M.**

**REQUEST FOR PROPOSALS  
TO PROVIDE  
INTERNAL AUDITING SERVICES  
FOR THE OKALOOSA COUNTY BOARD OF COUNTY COMMISSIONERS**

The Board of County Commissioners of Okaloosa County, FL announces that professional services are requested from Certified Public Accountants to provide **Internal Auditing Services for the Okaloosa County Board of County Commissioners.**

Copies of the RFP package for this project may be obtained from the Okaloosa County Purchasing Department, 602-C North Pearl St, Crestview FL 32536; Phone 850-689-5960 or they may be downloaded from our website @ [www.co.okaloosa.fl.us](http://www.co.okaloosa.fl.us) (Departments, Purchasing, Vendor Registration & Opportunities); this links you to the Florida Panhandle Purchasing Group website where our bid specifications will not be posted.

Selection will be pursuant to Chapter 287, Florida Statutes and Board policy. Firms or individuals desiring consideration should request a copy of the RFP package from the Purchasing Department and furnish all information requested in the RFP.

The County reserves the right to award the contract to the firm or individual submitting a responsive proposal with a resulting negotiated agreement which is most advantageous and in the best interest of Okaloosa County and to waive any irregularity or technicality in proposals received. Okaloosa County shall be the sole judge of the proposal and the resulting negotiating agreement that is in its best interest and its decision will be final.

CPA firms desiring consideration should provide an original and seven (7) copies of their proposal, which should include a description of the firm's organization, key personnel, experience and approach to the project.

All RFP's should be delivered to the Okaloosa County Purchasing Department at the address listed below no later than **4:00 p.m. (local time), February 22, 2013** in order to be considered.

All RFP's must be in sealed envelopes reflecting on the outside thereof the proper's name and **"RFP on Internal Auditing Services for the Okaloosa County Board of County Commissioners.**

All proposals should be addressed as follows:

Okaloosa County Purchasing Dept  
Attn: Richard L Brannon  
602-C North Pearl St  
Crestview FL 32536

//Signed// - Richard L. Brannon

Richard L Brannon  
Purchasing Director

01/23/2013

Date

BOARD OF COUNTY COMMISSIONERS  
OKALOOSA COUNTY, FLORIDA

Don Amunds  
Chairman

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## I. Nature of Services to be Provided

### A. Introduction

Okaloosa County, Florida Board of County Commissioners has many internal controls in place in each department that seek to impact the daily conduct of our business, protect our employees/customers/clients, safeguard our assets, mitigate our risks, and allow for accurate financial reporting to help ensure a viable, sustainable government that is able to serve its citizens now and in the future.

Per Florida Statutes, the Clerk of Circuit Court is charged with maintaining the books and records of the County. As such, the accounting and financial reporting functions of Okaloosa County, Florida Board of County Commissioners are centralized within the County Finance Department operated by the Clerk of the Circuit Court. However internal controls over all transaction cycles involve operations and personnel of the Board and the Clerk. Over the years, the Okaloosa County Finance Department has performed some amount of monitoring of the internal controls of the Board of County Commissioners functions. This effort has been primarily focused on cash receipting processes in place, grant sub-recipient monitoring, inventory controls and other matters as they arise and as time permits.

The Board of County Commissioners has requested that Okaloosa County begin in a greater way to review their internal controls. Given that sufficient staff time is not available for this work to be done in house, it was recommended that a request for proposal (RFP) be done to solicit bids from qualified firms to perform this work as directed by County management and approved by the Board of County Commissioners.

It is anticipated this work would begin with a review of the entity-wide controls in place to enable the auditor to better understand our governing and operating structure and also to assess the "tone at the top," since this is often the foundation for all of the other components of internal control. The review should include a formal fraud risk assessment by the auditor.

This would be followed by a control risk assessment to identify the areas of highest risk so these areas could be reviewed first. The risk assessment process would include collaboration with the Board of County Commissioners, the Clerk of the Circuit Court, the County Administrator, Finance Director, external auditors, the Clerk's internal auditor, and department heads. It is anticipated at the conclusion of the risk assessment that a one to two year audit plan would be developed. The audit plan would need to be approved by the Board of County Commissioners on an annual basis and the execution of the audit plan is dependent on the availability of monies to pay for this work.

Okaloosa County, Florida recently had an operational audit performed by the Florida Auditor General on the Oversight of the Tourist Development Department (TDD) and the use of Tourist Development taxes and funds received from British Petroleum. It is further anticipated that the control risk assessment will be heavily weighted towards activities of the TDD in the initial period due to identified findings by the Florida Auditor General. A draft of the Preliminary and Tentative Findings and the County's responses should be reviewed by the interested parties. A copy can be obtained from Richard L Brannon, Purchasing Director at [rbrannon@co.okaloosa.fl.us](mailto:rbrannon@co.okaloosa.fl.us) or by calling 850-689-5960.

The purpose of this RFP is to solicit proposals from qualified firms to provide internal auditing services for Okaloosa County, Florida Board of County Commissioners for a period of three (3) years with the possibility of a three (3) year extension if agreed to by both parties. This would be subject to the annual review and recommendation of County Administration and Clerk of the Circuit Court, the satisfactory negotiation of terms (including a price acceptable to both the County and the selected firm), the concurrence of the Board of County Commissioners and the availability of an annual appropriation.

These services are to be performed in accordance with generally accepted auditing standards issued by the American Institute of Certified Public Accountants (AICPA) and the Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors (IIA) as well as any applicable guidelines prescribed by the State of Florida Auditor General.

B. Scope of Work to be Performed

1. Perform a review of the entity-wide control environment in place at Okaloosa County including a fraud risk assessment. For the purposes of this RFP, Okaloosa County is defined as operations of the Board of County Commissioners which includes accounting activities for the Board performed by the Clerk of the Circuit Court. It excludes operations of the Clerk in its judicial and recording functions, the Tax Collector, the Sheriff, the Property Appraiser and the Supervisor of Elections.
2. In conjunction with key County staff and the Clerk of the Circuit Court, perform a risk assessment of County operations in order to prioritize the area for internal audit work to be performed. In the initial period it is anticipated the control risk assessment will be heavily weighted toward the activities of the TDD. From this prioritization, develop an annual internal audit plan. Review the risk assessment and audit plan with County management and Clerk and adjust accordingly to reflect any changes in the internal or external environment that affect the risks the County is facing. The annual audit plan is to be approved in advance by the Board of County Commissioners.
3. Perform internal audits according to the prioritized schedule. Analyze the data obtained for evidence of deficiencies in controls, fraud, lack of compliance with federal, state or local laws/regulations and rules of the Florida Auditor General, or failure to follow management policies/procedures. While not integral to the objective, observations concerning duplicative effort or unnecessary spending are welcome.
4. Assist TDD management and the Board with review and implementation of the corrective action plan set forth by the Board in its response to the Florida Auditor General.
5. Review other areas when requested by County Administration or the Board of County Commissioners.
6. Provide recommendations for strengthening internal control in order to lower identified risks to the County and improve fraud detection and prevention.
7. Submit written audit reports, with management's responses and corrective action plans, to County management, the Clerk of the Circuit Court, and the Board of

County Commissioners at regularly scheduled meetings. Monitor compliance with recommendations where necessary.

## II. Description of the Government

### A. Background Information

Okaloosa County is a non-charter County established under the Constitution and the Laws of the State of Florida. The reporting entity of the County includes the funds of the primary government, which includes funds of the Board of County Commissioners, the Clerk of the Circuit Court, the Property Appraiser, the Sheriff, the Supervisor of Elections and the Tax Collector and one component unit, The Emerald Coast Bridge Authority. However, the internal audit services in this proposal only relate to activities performed by the Board of County Commissioners as previously defined in the scope of work. The County Manager/Council form of government was instituted in 1993. The County population is 187,700 and is located in the northwestern part (the "Panhandle") of Florida. The Board of County Commissioners employs some 817 employees and has total assets of over \$375 million and revenues of over \$204 million for the year ending September 30, 2011.

The County's organizational chart can be found in *Appendix H*. Per Florida Statutes, the Clerk of Circuit Court is charged with maintaining the books and records of the County. As such, the accounting and financial reporting functions of Okaloosa County are centralized within the County Finance Department. The Okaloosa County Clerk Finance Department's organizational chart can be found in *Appendix I*. Detailed information on the government and its finances can be found in the Comprehensive Annual Financial Report and the annual Budget Document. Both are available for review on the County website at [www.co.okaloosa.fl.us/bcc\\_budgets.html](http://www.co.okaloosa.fl.us/bcc_budgets.html).

Okaloosa County provides the normal range of governmental services provided by Florida Counties, including general government, public safety, physical environment, transportation, economic environment, culture/recreation, and court-related services. In addition, there are a variety of enterprise activities, including water and sewer utility, three airports, solid waste disposal, building inspection, emergency medical and convention center operation services.

### B. Fund Structure

Okaloosa County uses the following major funds and non-major funds in its financial reporting:

#### Major Funds

General  
County Transportation Trust Special Revenue  
Tourist Development Special Revenue Fund  
Capital Outlay Construction Trust  
Water & Sewer Enterprise Fund  
Airport Enterprise Fund  
Solid Waste Enterprise Fund  
Convention Center Enterprise Fund

#### Non-Major Funds

14 - Special Revenue Funds  
1 - Debt Service Fund  
1 - Capital Outlay Fund  
2 - Enterprise Funds  
2 - Internal Service Funds

### C. Budgetary Basis of Accounting

Okaloosa County prepares its budgets on a basis consistent with generally accepted accounting principles. Formal budgetary integration is employed as the legal authority for expenditures and as a management control device during the fiscal year for all funds. Okaloosa County's Board of County Commissioners year-end budget for fiscal year 2013 was \$257 million.

D. Federal Awards and State Financial Assistance

During the fiscal year ended September 30, 2011, Okaloosa County expended \$16 million in Federal awards and \$4.4 million in State financial assistance. Major federal programs include the Recovery Act Juvenile Assistance Grant, Airport Improvement, Federal Transit Formula, Highway Planning and Construction and Formula grants for other than Urbanized Areas issued via the US Department of Transportation. Major state projects include Economic Development Transportation, Aviation Development, Public Transit Block and State Infrastructure Bank grants issued by the Executive Office of the Governor and the Florida Department of Transportation.

E. Pension Plans

Okaloosa County participates in the defined benefit plan of the State of Florida Retirement System, a cost sharing, multiple-employer public employee retirement system.

F. Magnitude of Finance Operations

The County Finance Department is headed by Gary J. Stanford, CPFO, CGFO, Finance Director, and consists of approximately 11 employees, not including the Internal Audit staff that is made up of two additional employees. The organizational chart of the Finance Department can be found in *Appendix I*.

G. Computer Systems

The County's computers are networked within the Clerk of Court and Board of County Commissioners offices throughout the County. The Board of County Commissioners fund financial records utilize *Pentamotion Open Series Financial and Human Resource* accounting software, as distributed by Sungard, Inc. to record financial activity. The system includes General Ledger, Accounts Receivable and Payable, Budgeting, Personnel, Payroll, Purchasing and Fixed Assets. All Clerk employees and most Board employees have a personal computer with Microsoft Excel and Word and other software applications along with access to the accounting system.

H. Internal Audit Function

Okaloosa County has maintained an internal audit function for the past fifteen years. The internal audit function reports to Tim Pozza, CPA, CIA, Director of Internal Audit and is staffed by one other employee responsible primarily for the collection, reporting and enforcement of Okaloosa County's self-administered tourist development taxes. The internal audit function in this RFP would work in collaboration with the Clerk of the Circuit Court's internal auditor.

**III. Proposal Format and Submittals**

A. Overall Content of Proposal

The following material is required to be included within the proposal package:

1. Cover Letter - showing the Request for Proposals subject, the legal name, address and telephone number of the proposer (company, firm, partnership, individual). The cover letter shall contain the name, address and telephone number of a contact person. The cover letter must be signed and dated by the person who has authority to bind the proposing firm to the submitted proposal.
2. Table of Contents - cross-referenced to proposal requirements.
3. Detailed Proposal – as outlined below in the Technical Proposal section. Firms not addressing the specific points may be denied further consideration.
4. References – List 3 references representative of related past experience to include, as a minimum, a contact person, company name, phone #, and a brief description of the project.
5. Litigation – Provide a list of any litigation your firm is currently engaged in.

B. Technical Proposal

The purpose of the technical proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake internal audit services for Okaloosa County in conformity with the requirements of this Request for Proposals. As such, the substance of proposals will carry more weight than their form or manner of presentation. The technical proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the Request for Proposals requirements.

The technical proposal should address all the points outlined in the Request for Proposals. The proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the Request for Proposals.

1. Mandatory Elements

a) Independence

The firm should provide an affirmative statement that it is independent of Okaloosa County as defined by generally accepted auditing standards and the U.S. General Accounting Office's Government Auditing Standards. The firm also should provide an affirmative statement that it is independent of all of the component units of Okaloosa County as defined by those same standards. The firm should also list and describe the firm's (or proposed subcontractor's) professional relationships involving Okaloosa County or any of its agencies or component units for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit. In addition, the firm shall give Okaloosa County written notice of any professional relationships entered into during the period of this agreement.

b) Licensed to Practice in Florida

An affirmative statement should be included indicating that the firm and all assigned key professional staff are properly registered/licensed to practice in Florida.

c) Continuing Professional Education Required under Government Auditing Standards

The firm should provide an affirmative statement that all professional personnel have received adequate continuing professional education, as required under Government Auditing Standards, within the preceding two (2) years.

d) Quality Control Review

The firm is required to submit a copy of the report on its most recent external quality control review, with a statement whether or not that quality control review included a review of specific government engagements. The firm shall also provide information on the results of any Federal or State desk reviews or field reviews of its audits during the past three (3) years. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations.

2. Technical Qualifications

a) Expertise and Experience

The proposal should state the size of the firm, the size of the firm's governmental internal audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis. If the proposer is a joint venture or consortium, the qualifications of each firm comprising the joint venture or consortium should be separately identified and the firm that is to serve as the principal auditor should be noted, if applicable.

For the firm's office that will be assigned responsibility for the internal audit function, list the most significant engagements (maximum of 5) performed in the last five (5) years that are similar to the engagement described in this Request for Proposals (both governmental and internal audit services for other organizations). These engagements should be ranked on the basis of total staff hours. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact. These individuals may be contacted by the County to provide references. The firm should list separately all engagements within the last five (5) years, ranked on the basis of total staff hours, for Okaloosa County by type of engagement (i.e., audit, management advisory services, other). For each engagement, the firm should indicate the scope of work, date, engagement partners, total hours, the location of the firm's office from which the engagement was performed, and the name and telephone number of the principal client contact.

The firm should identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists who would be assigned to the engagement and indicate whether each such person is registered/licensed to practice as a certified public accountant in Florida. The firm also should provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past two (2) years and membership in professional organizations relevant to the performance of this audit. The firm should provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. The firm also should indicate how the quality of staff over the term of the agreement will be assured. Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of Okaloosa County. However, in either case, Okaloosa County retains the right to approve or reject replacements. Consultants and firm specialists mentioned in response to this Request for Proposals can only be changed with the express prior written permission of Okaloosa County, which retains the right to approve or reject replacements. Other audit personnel may be changed at the discretion of the proposer provided the replacements have substantially the same or better qualifications or experience.

b) Specific Audit Approach

- i. Describe your firm's experience in providing internal auditing services to local government as well as other organizations. Describe the unique qualifications of your firm to provide internal audit services to Okaloosa County, Florida.
- ii. Describe your firm's experience in auditing Electronic Data Processing Systems (EDP) systems to include but not limited to accounting software systems, PC based software applications, local area networks, etc.
- iii. Describe how you will ensure the audit team assigned will have the necessary knowledge and experience in County government internal controls.
- iv. Describe your firm's professional and technical resources which are available to support the internal audit work.
- v. The proposal should include a pricing structure (estimated hours and blended hourly rate) for the entity wide review of internal controls and the risk assessment work to be performed. Describe how you would approach risk assessment at the County and how you would develop an internal audit plan for the periodic review of the internal controls in the County departments based on the risk assessment.
- vi. The proposal should include a pricing structure (blended hourly rate) separate from the entity wide review of internal controls and risk assessment for the internal audit work based on the work plan.

c) Reporting

- i. Document meeting availability for phone calls and face to face meetings. Presence at Board meetings may be needed from time to time.
  - ii. Provide a sample internal audit report and discuss the type(s) of reports and related audit information that is provided to the client.
- d) Additional Information
  - i. All additional information the Firm deems as pertinent to their proposal must be included in this section.
- e) Pricing
  - i. The firm should provide the pricing for the services as detailed in specific audit approach in this section.
  - ii. The pricing form included in *Appendix J* should be completed by the proposer.

#### **IV. Proposal Evaluation and Selection Criteria**

##### **A. Selection Committee**

Submitted proposals will be evaluated by a Selection Committee comprised of Okaloosa County, Florida Board of County Commissioners Management and the Clerk of the Circuit Court or his designee. A representative from the County's external auditing firm will serve the selection committee as an ex officio non-voting member.

##### **B. Evaluation Criteria**

Proposals will initially be evaluated using two sets of criteria. Firms meeting the mandatory criteria will have their proposals evaluated for technical qualifications as described in the Proposal Format and Submittals Section. The following represent the principal selection criteria, which may be considered during the evaluation process.

##### **1. Mandatory Elements**

- a) The audit firm is independent and has no conflict of interest with regard to any other work performed by the firm for Okaloosa County.
- b) The audit firm is licensed to practice in Florida.
- c) The audit firm's professional personnel have received adequate continuing professional education within the preceding two (2) years.
- d) The firm submits a copy of its most recent external quality control review report and the firm has a record of quality audit work.
- e) The firm adheres to the instructions in this Request for Proposals on preparing and submitting the proposal.

## 2. Technical Qualifications

### a) Expertise and Experience

- i. The firm's qualifications, experience, size and location.
- ii. The firm's past experience and performance on comparable internal audit engagements.
- iii. The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation.
- iv. References from persons knowledgeable of the Firm's ability to fulfill the terms of the contract.
- v. Adequacy of Audit Approach, including the specific approach to the entity wide review of internal controls and the risk assessment model.
- vi. Cost

### C. Oral Presentations

During the evaluation process, the Selection Committee may, at its discretion, request any one or all firms to make oral presentations. Such presentations will provide firms with an opportunity to answer any questions the Selection Committee may have on a firm's proposal. Not all firms may be asked to make such oral presentations.

### D. Final Selection

The Selection Committee will determine three finalists. After evaluation of the qualifications herein and the submitted schedule of professional fees and expenses, the Selection Committee will recommend the top-ranked firm for approval by the Okaloosa County Board of County Commissioners.

## V. RFP Procedures

### A. General Requirements

#### 1. Proposal Submission

Proposals must be submitted with all required submissions included. Failure to comply may preclude consideration of the proposal. Each Proposer is responsible for full and complete compliance with all laws, rules and regulations which may be applicable. Proposers desiring to provide services as described herein shall submit proposals, an original and seven (7) copies in a **sealed envelope or box labeled on the outside of the envelope or box, "Professional Internal Auditing Services," and delivered not later than 4:00 p.m., Friday, 2/22/2013, to the attention of Purchasing Department.**

HAND DELIVER OR MAIL TO:  
Okaloosa County Purchasing Department  
Attn: Richard L Brannon

602-C North Pearl St.  
Crestview, FL 32536

**Note: Crestview, Florida is “not a next day guaranteed delivery location” by delivery services.**

**LATE PROPOSALS WILL NOT BE CONSIDERED.**

Upon submission, all proposals become the property of the County which has the right to use any or all ideas presented in any proposal submitted in response to this Request for Proposals, whether or not the proposal is accepted. The cost for development of the written proposal and the oral presentation are entirely the obligation of the Proposer and shall not be chargeable in any manner to Okaloosa County.

2. Proposal Opening

Proposal Opening shall be public on the date and time specified on the proposal form. It is the firm's responsibility to assure that their proposal is delivered at the proper time and place. Offers by telegram, facsimile, or telephone are not acceptable. **Note:** Crestview is “not a next day guaranteed delivery location” by **delivery services.**

3. Right to Waive & Reject

- a) The Board, in its absolute discretion, may reject any proposal of a proposer that has failed, in the opinion of the Board, to complete or perform an Okaloosa County contracted project in a timely fashion or has failed in any other way, in the opinion of the Board, to perform a prior contract in a satisfactory manner, and has directed the Okaloosa County Purchasing Director to emphasize this condition to potential proposers.
- b) There is no obligation on the part of the County to award the proposal to the lowest proposer, and the County reserves the right to award the proposal to proposer submitting a responsive proposal with a resulting negotiated agreement which is most advantageous and in the best interest of Okaloosa county, and to reject any and all proposals or to waive any irregularity or technicality in proposals received. Okaloosa County shall be the sole judge of the proposal and the resulting negotiated agreement that is in its best interest and its decision shall be final.
- c) The Board of County Commissioners reserves the right to waive any informalities or reject any and all proposals, in whole or part, to utilize any applicable state contracts in lieu of or in addition to this proposal and to accept the proposal that in its judgment will best serve the interest of the County.
- d) The Board of County Commissioners specifically reserves the right to reject any conditional proposal and will normally reject those which made it impossible to determine the true amount of the proposal.

4. Disqualification of Proposers

Any of the following reasons may be considered as sufficient for the disqualification of a proposer and the rejection of his proposal or proposals:

- a) More than one proposal for the same work from an individual, firm or corporation under the same or different name.
- b) Evidence that the proposer has a financial interest in the firm of another proposer for the same work.
- c) Evidence of collusion among proposers. Participants in such collusion will receive no recognition as proposers for any future work of the County until such participant shall have been reinstated as a qualified proposer.
- d) Uncompleted work which in the judgment of the County might hinder or prevent the prompt completion of additional work if awarded.
- e) Failure to pay or satisfactorily settle all bills due for labor and material on former contracts in force at the time of advertisement of proposals.
- f) Default under previous contract.
- g) The Board, in its absolute discretion, may reject any proposal of a proposer that has failed, in the opinion of the Board, to complete or perform an Okaloosa County contracted project in a timely fashion or has failed in any other way, in the opinion of the Board, to perform a prior contract in a satisfactory manner, and has directed the Okaloosa County Purchasing Director to emphasize this condition to potential proposers.

5. Discrimination Clause

An entity or affiliate who has been placed on the discriminatory vendor list may not submit a bid on a contract to provide goods or services to a public entity, may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work, may not submit bids on leases of real property to a public entity, may not award or perform work as a contractor, supplier, subcontractor, or consultant under contract with any public entity, and may not transact business with any public entity.

6. Payment

Will be negotiated with the successful contractor.

7. Terms

The term of this contract will be for three (3) years with one (1) three (3) year optional renewal if in agreement by both parties.

8. Collusion

By offering a submission to this Request for Proposals, the Proposer, and in the case of a joint proposal, each Proposer certifies the Proposer has not divulged to, discussed

or compared his proposal with other Proposers and has not colluded with any other Proposer or parties to this proposal whatsoever.

9. Subcontract/Joint Proposals

If subcontracting or joint proposals are to be done, that fact, and the name of the proposed subcontracting firms, must be clearly identified in the proposal. Following the award of the audit contract, no additional subcontracting will be allowed without the express prior written consent of Okaloosa County.

10. Lobbying

Proposers, their agents and associates shall not contact or solicit any County Commissioner, County employee, or official regarding this Request for Proposals during any phase of this Request for Proposals. Failure to comply with this provision may result in disqualification of the Proposer, at the option of the County. Only that individual listed as the contact person in the specifications shall be contacted.

11. Proposal Information

For information relating to proposal, contact Richard Brannon at the Okaloosa County Purchasing Department, 602-C North Pearl St, Crestview, FL 32536; 850-689-5960.

12. Availability of Prior External Audit Reports

Interested proposers who wish to review prior years' audit reports and management letters should also contact Richard Brannon.

# INSURANCE REQUIREMENTS

## (Appendix A)

### Contractor's Insurance

- A. The **CONTRACTOR** shall not commence any work in connection with this Agreement until he has obtained all required insurance and such insurance has been approved by the Okaloosa County Risk Manager.
- B. All insurance policies shall be with insurers licensed to do business in the State of Florida, and any insuring company is required to have a minimum rating of A, Class X in the Best Key Rating Guide published A. M. Best & Co., Inc.
- C. All insurance shall include the interest of all entities names in and its respective agents, consultants, servants and employees of each and all other interests as may be reasonably required by Okaloosa County as Additional Insured. The coverage afforded the Additional Insured under this policy shall be primary insurance. If the Additional Insured have other insurance that is applicable to the loss, such other insurance shall be on an excess or contingent basis. The amount of the company's liability under this policy shall not be reduced by the existence of such other insurance.
- D. The County of Okaloosa shall be listed as Additional Insured by policy endorsement on all insurance contracts applicable to this Agreement except Workers' Compensation and Professional Liability.
- E. The County of Okaloosa shall be furnished proof of coverage by certificates of insurance (COI) and endorsements for every applicable insurance contract required by this Agreement. The COI's and policy endorsements must be delivered to the County Representative not less than ten (10) days prior to the commencement of any and all contractual agreements between the County of Okaloosa and the **CONTRACTOR**.
- F. The County shall retain the right to reject all insurance contracts that do not meet the requirement of this Agreement. Further, the County reserves the right to change these insurance requirements with 60-day notice to the **CONTRACTOR**.
- G. The insurance definition of Insured or Additional Insured shall include Subcontractor, Sub-subcontractor, and any associated or subsidiary companies of the **CONTRACTOR**, which are involved, and which is a part of the contract.
- H. The County reserves the right at any time to require the **CONTRACTOR** to provide certified copies of any insurance policies to document the insurance coverage specified in this Agreement.
- I. The designation of **CONTRACTOR** shall include any associated or subsidiary company which is involved and is a part of the contract and such, if any associated or subsidiary company involved in the project must be named in the Workers' Compensation coverage.

- J. All policies shall be written so that the County will be notified of cancellation or restrictive amendments at least thirty (30) days prior to the effective date of such cancellation or amendment. Such notice shall be given directly to the County Representative.

#### **Workers' Compensation Insurance**

- A. The **CONTRACTOR** shall secure and maintain during the life of this agreement Workers' Compensation insurance for all of his employees employed for the project or any site connected with the work, including supervision, administration or management, of this project and in case any work is sublet, with the approval of the County of Okaloosa, the **CONTRACTOR** shall require the Subcontractor similarly to provide Workers' Compensation insurance for all employees employed at the site of the project, and such evidence of insurance shall be furnished the County of Okaloosa not less than ten (10) days prior to the commencement of any and all subcontractual agreements which have been approved by the County of Okaloosa.
- B. Such insurance shall comply with the Florida Workers' Compensation Law.
- C. No class of employee, including the **CONTRACTOR** himself, shall be excluded from the Workers' Compensation insurance coverage. The Workers' Compensation insurance shall also include Employer's Liability coverage.

#### **Business Automobile and Commercial General Liability Insurance**

- A. The **CONTRACTOR** shall maintain Business Automobile Liability insurance coverage throughout the life of this Agreement. The insurance shall include Owned, Non-owned & Hired Motor Vehicle coverage.
- B. The **CONTRACTOR** shall carry other Commercial General Liability insurance against all other Bodily Injury, Property Damage and Personal and Advertising Injury exposures. The coverage shall include both On-and Off-Premises Operations, Contractual Liability, Board Form Property Damage, and Professional Liability.
- C. All liability insurance (other than Professional Liability) shall be written on an occurrence basis and shall not be written on a claim-made basis. If the insurance is issued with an aggregate limit of liability, the aggregate limit of liability shall apply only to the locations included in this Agreement. If, as the result of any claims or other reasons, the available limits of insurance reduce to less than those stated in the Limits of Liability, the **CONTRACTOR** shall notify the County representative in writing. The **CONTRACTOR** shall purchase additional liability insurance to maintain the requirements established in this Agreement. Umbrella or Excess Liability insurance can be purchased to meet the Limits of Liability specified in this Agreement.
- D. Commercial General Liability coverage shall be endorsed to include the following:

- 1.) Premises – Operation Liability
  - 2.) Occurrence Bodily Injury and Property Damage Liability
  - 3.) Independent Contractor's Liability
  - 4.) Completed Operations and Products Liability
- E. **CONTRACTOR** shall agree to keep in continuous force Commercial General Liability coverage and Professional Liability for two (2) years beyond termination of services.

**Limits of Liability**

The insurance required shall be written for not less than the following, or greater if required by law and shall include Employer's liability with limits as prescribed in this contract:

	<b><u>LIMIT</u></b>
A. Worker's Compensation	
1.) State	Statutory
2.) Employer's Liability	\$1,000,000 each accident
B. Business Automobile & Commercial General Liability Insurance	\$1,000,000 each occurrence (A combined single limit)
C. Personal and Advertising Injury	\$250,000
D. Professional Liability	\$1,000,000 each occurrence (A combined single limit)

**Notice of Claims or Litigation**

The **CONTRACTOR** agrees to report any incident or claim that results from performance of this Agreement. The County representative shall receive written notice in the form of a detailed written report describing the incident or claim within ten (10) days of the **CONTRACTOR's** knowledge. In the event such incident or claim involves injury and/or property damage to a third party, verbal notification shall be given the same day the **CONTRACTOR** becomes aware of the incident or claim followed by a written detailed report within ten (10) days of verbal notification.

**Indemnification & Hold Harmless**

To the fullest extent permitted by law, **CONTRACTOR** shall indemnify and hold harmless COUNTY, its officers and employees from liabilities, damages, losses, and costs including but not limited to reasonable attorney fees, to the extent caused by the negligence, recklessness, or intentional wrongful conduct of the **CONTRACTOR** and other persons employed or utilized by the **CONTRACTOR** in the performance of this contract.

**Certificate of Insurance**

- A. Certificates of insurance, in duplicate, indicating the job site and evidencing all required coverage must be submitted to and approved by Okaloosa County prior to the commencement of any of the work. The certificate holder(s) shall be as follows:

Okaloosa County  
602-C North Pearl Street  
Crestview, Florida 32536

- B. All policies shall expressly require 30 days written notice to Okaloosa County at the address set out above, or the cancellations of material alterations of such policies, and the Certificates of Insurance, shall so provide.
- C. All certificates shall be subject to Okaloosa County's approval of adequacy of protection and the satisfactory character of the Insurer. County reserves the right to approve or reject all deductible/SIR above \$10,000.
- D. The Certificates of Insurance shall disclose any and all deductibles or self-insured retentions (SIRs). County requests that all deductibles or SIRs be no greater than \$10,000. However, **CONTRACTORS** having insurance with higher deductibles may submit a bid without penalty reflecting the pricing for their deductible provided that **CONTRACTOR** also submits a brief company financial statement.
- E. All deductibles or SIRs, whether approved by Okaloosa County or not, shall be the **CONTRACTOR's** full responsibility. In particular, the **CONTRACTOR** shall afford full coverage as specified herein to entities listed as Additional Insured.
- F. In no way will the entities listed as Additional Insured be responsible for, pay for, be damaged by, or limited to coverage required by this schedule due to the existence of a deductible or SIR. Specific written approval from Okaloosa County will only be provided upon demonstration that the **CONTRACTOR** has the financial capability and funds necessary to cover the responsibilities incurred as a result of the deductible or SIR.
- G. In the event of failure of the **CONTRACTOR** to furnish and maintain said insurance and to furnish satisfactory evidence thereof, Okaloosa County shall have the right (but not the obligation) to take out and maintain insurance on the project. All costs for the coverage will be paid by **CONTRACTOR** upon presentation of a bill.

### **General Terms**

Any type of insurance or increase of limits of liability not described above which the **CONTRACTOR** required for its own protection or on account of statute shall be its own responsibility and at its own expense.

The carrying of the insurance described shall in no way be interpreted as relieving the **CONTRACTOR** of any responsibility under this contract.

Should the **CONTRACTOR** engage a subcontractor or sub-subcontractor, the same conditions will apply under this agreement to each subcontractor and sub-subcontractor.

The **CONTRACTOR** hereby waives all rights of subrogation against Okaloosa County and its consultants and other indemnities of the **CONTRACTOR** under all the foregoing policies of insurance.

### **Umbrella Insurance**

The **CONTRACTOR** shall have the right to meet the liability insurance requirements with the purchase of an umbrella insurance policy. In all instances, the combination of primary and umbrella liability coverage must equal or exceed the minimum liability insurance limits stated in this agreement.

## LIST OF SUBCONTRACTORS (Appendix B)

The BIDDER expressly agrees that:

1. If awarded the contract as a result of the proposal, the subcontractors used in the prosecution of the work will be those listed below.
2. The following list includes all subcontractors who will perform work on this project.
3. The subcontractors listed below are financially responsible and are qualified to do the work required.
4. Use of any of the subcontractors is subject to the approval of the County and Engineer.

CATEGORY	NAME OF SUBCONTRACTOR	ADDRESS

\_\_\_\_\_

CONTRACTOR'S NAME

\_\_\_\_\_

AUTHORIZED SIGNATURE

\_\_\_\_\_

TITLE

**COMPANY DATA**  
(Appendix C)

Physical Address & Phone #: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Proposer's Company Name: \_\_\_\_\_

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

Contact Person (Typed-Printed): \_\_\_\_\_

Phone #: \_\_\_\_\_

Cell #: \_\_\_\_\_

Federal ID or SS #: \_\_\_\_\_

Proposer's License #: \_\_\_\_\_

Fax #: \_\_\_\_\_

Emergency #'s After Hours,  
Weekends & Holidays: \_\_\_\_\_

# INDEMNIFICATION AND HOLD HARMLESS

(Appendix D)

To the fullest extent permitted by law, CONTRACTOR shall indemnify and hold harmless COUNTY, its officers and employees from liabilities, damages, losses, and costs including but not limited to reasonable attorney fees, to the extent caused by the negligence, recklessness, or intentional wrongful conduct of the CONTRACTOR and other persons employed or utilized by the CONTRACTOR in the performance of this Agreement.

\_\_\_\_\_  
Bidder's Company Name

\_\_\_\_\_  
Authorized Signature – Manual

\_\_\_\_\_  
Physical Address

\_\_\_\_\_  
Authorized Signature – Typed

\_\_\_\_\_  
Mailing Address

\_\_\_\_\_  
Title

\_\_\_\_\_  
Phone Number

\_\_\_\_\_  
FAX Number

\_\_\_\_\_  
Cellular Number

\_\_\_\_\_  
After-Hours Number(s)

\_\_\_\_\_  
**DATE**

# CONFLICT OF INTEREST DISCLOSURE FORM

(Appendix E)

For purposes of determining any possible conflict of interest, all bidders/proposers, must disclose if any Okaloosa Board of County Commissioner, employee(s), elected officials(s), or if any of its agencies is also an owner, corporate officer, agency, employee, etc., of their business.

Indicate either "yes" (a county employee, elected official, or agency is also associated with your business), or "no". If yes, give person(s) name(s) and position(s) with your business.

YES \_\_\_\_\_

NO \_\_\_\_\_

**NAME(S)**

**POSITION(S)**

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FIRM NAME: \_\_\_\_\_

BY (PRINTED): \_\_\_\_\_

BY (SIGNATURE): \_\_\_\_\_

TITLE: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

\_\_\_\_\_

PHONE NO. \_\_\_\_\_

E-MAIL \_\_\_\_\_

# DRUG-FREE WORKPLACE CERTIFICATION

(Appendix F)

THE BELOW SIGNED BIDDER CERTIFIES that it has implemented a drug-free workplace program. In order to have a drug-free workplace program, a business shall:

1. Publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and specifying the actions that will be taken against employees for violations of such prohibition.
2. Inform employees about the dangers of drug abuse in the workplace, the business's policy of maintaining a drug-free workplace, any available drug counseling, rehabilitation and employee assistance programs, and the penalties that may be imposed upon employees for drug abuse violations.
3. Give each employee engaged in providing the commodities or contractual services that are under quote a copy of the statement specified in subsection 1.
4. In the statement specified in subsection 1, notify the employees that, as a condition of working on the commodities or contractual services that are under quote, the employee will abide by the terms of the statement and will notify the employer of any conviction of, or plea of guilty or nolo contendere to, any violation of Chapter 893 or of any controlled substance law of the United States or any state, for a violation occurring in the workplace no later than five (5) days after such conviction.
5. Impose a sanction on, or require the satisfactory participation in, drug abuse assistance or rehabilitation program if such is available in employee's community, by any employee who is convicted.
6. Make a good faith effort to continue to maintain a drug-free workplace through implementation of this section.

As the person authorized to sign this statement, I certify that this firm complies fully with the above requirements.

DATE: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

COMPANY: \_\_\_\_\_

NAME: \_\_\_\_\_

(Typed or Printed)

ADDRESS: \_\_\_\_\_

TITLE: \_\_\_\_\_

\_\_\_\_\_

E-MAIL: \_\_\_\_\_

\_\_\_\_\_

PHONE NO.: \_\_\_\_\_

# LOCAL PREFERENCE DATA SHEET

(Appendix G)

Refer to Special Bid Condition

Does the state, county, municipality or political subdivision in which your firm is located offer a preference to their local bidders? (If your firm is located in Okaloosa County, you will check "NO.") If "YES," list below the extent of such preference.

YES \_\_\_\_\_

NO \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

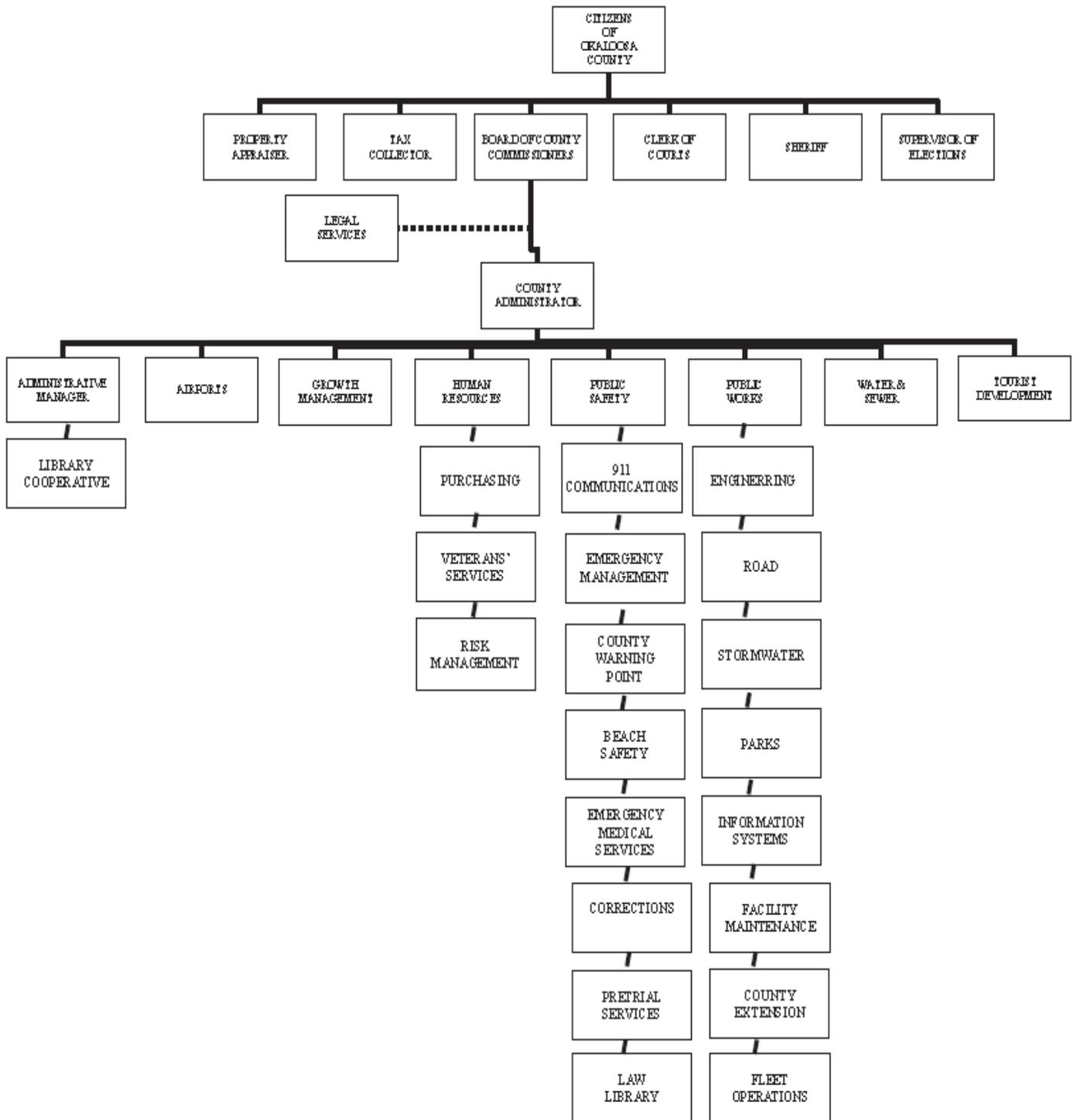
\_\_\_\_\_  
Bidder's Company Name

\_\_\_\_\_  
Authorized Signature – Manual

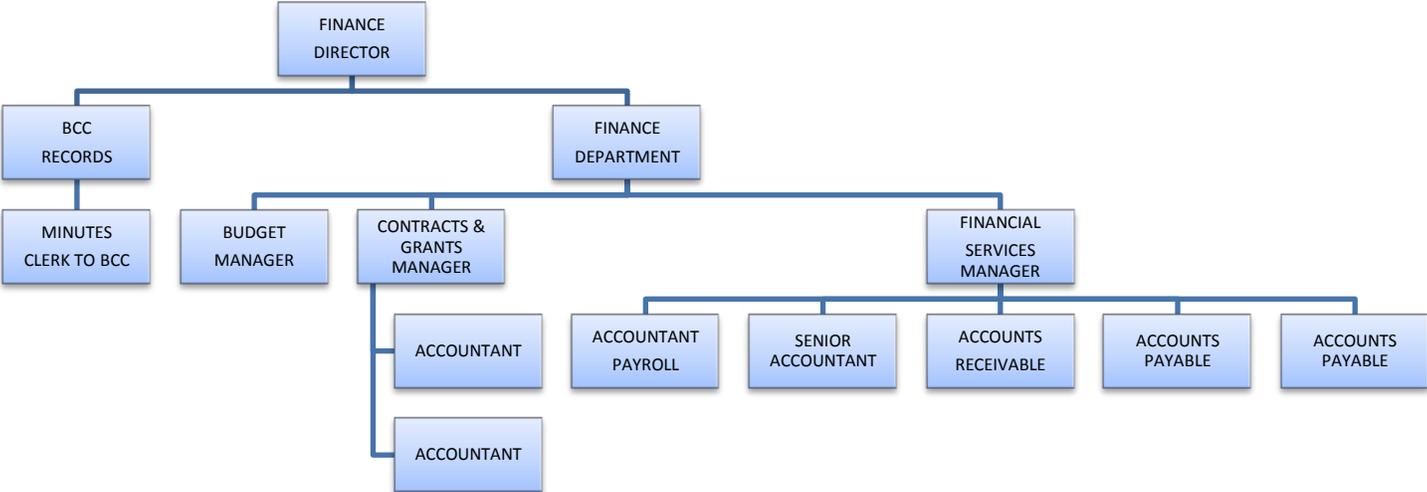
\_\_\_\_\_  
E-Mail

\_\_\_\_\_  
Authorized Signature – Typed

# Okaloosa County Government Organizational Chart (Appendix H)



# Finance Department Organizational Chart (Appendix I)



## Pricing Structure (Appendix J)

Part A – Review of entity wide internal controls, fraud risk assessment and overall risk assessment for Okaloosa County, Florida Board of County Commissioners including the presentation of an internal audit plan.

	Estimated Hours	Proposed Hourly Rates	Proposed Total
<b>Partners</b>			
<b>Managers</b>			
<b>Supervisory Staff</b>			
<b>Staff</b>			
<b>Specialists</b>			
<b>Total</b>			

Part B – Internal audit services and monitoring of corrective action plan of the TDD.

	Proposed Hourly Rate
<b>Partners</b>	
<b>Managers</b>	
<b>Supervisory Staff</b>	
<b>Staff</b>	
<b>Specialists</b>	
<b>Total</b>	

Note: It is anticipated an hours estimate for each activity to be audited or monitored by the internal audit function will be provided by the firm once the risk assessment and annual work plan is approved by the Board of County Commissioners. Service delivery and allowability of progress billings will be executed on a task order basis.

# INTERNAL AUDITING SERVICES FOR THE OKALOOSA COUNTY BOARD OF COUNTY COMMISSIONERS RANKING SHEET

(Appendix K)

<b>RANKING CRITERIA</b>							
Response to RFP Submission of required elements (15 pts)							
Staff Qualifications (15 pts)							
Experience (20 pts)							
References (10 pts)							
Approach to Audit (20 pts)							
Cost (20 pts)							
<b>TOTAL POINTS (100 POSSIBLE)</b>							

COMMITTEE MEMBER: \_\_\_\_\_

\_\_\_\_\_  
DATE

SIGNATURE: \_\_\_\_\_

**“SAMPLE” CONTRACT**  
**(Appendix L)**

This agreement, executed in Crestview, Florida this \_\_\_\_\_ day of \_\_\_\_\_ 2013 between the County of Okaloosa, Florida, the Owner, hereinafter called the Party of the First Part, and \_\_\_\_\_ or **its** successors, executors, administrators and assigns, hereinafter called the Party of the Second Part.

**WITNESSETH:**

That for and in consideration of payments, hereinafter mentioned, to be made by the Party of the First Part, the Party of the Second Part agrees to furnish all equipment, machinery, tools and labor; to furnish and deliver all materials required to be furnished and delivered in and about the improvement and to do and perform all work **related to Internal Auditing Services for the Okaloosa County, Florida Board of County Commissioners per the attached proposal** for an approximate total price of \$\_\_\_\_\_ in strict conformity with the provisions of this Contract, the Notice to Contractors, the Specifications and the Plans approved by the Owner. The said Plans, Specifications, the Notice to Contractors, and the Proposal are hereby made a part of this agreement as fully and to the same effect as if the same had been set forth at length in the body of this agreement.

The Contractor shall be prepared to begin work to be performed under the contract as he set forth in his proposal, but will not proceed until he receives official notice to begin.

**REPRESENTATIVES:** The authorized representative of the County shall be:

James D. Curry, County Administrator  
1804 Lewis Turner Blvd, #400  
Ft. Walton Beach FL 32547  
850-651-7515 / 850-651-7551 (F)  
E-Mail: [jcurry@co.okaloosa.fl.us](mailto:jcurry@co.okaloosa.fl.us)

The authorized representative for \_\_\_\_\_ shall be:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
E-Mail: \_\_\_\_\_

All notices required by this agreement shall be in writing to the representative listed above with a courtesy copy to the following:

Jack Allen  
Contracts & Leases  
Okaloosa County Purchasing Department  
602-C North Pearl Street  
Crestview, FL 32536  
850-689-5960 / 850-689-5998 (FAX)  
E-Mail: [jallen@co.okaloosa.fl.us](mailto:jallen@co.okaloosa.fl.us)

**IN WITNESS WHEREOF**, the Chairman of the Board of County Commissioners, by authority vested in him, has hereunto subscribed his name on behalf of the County of Okaloosa, Florida, the Owner, and the said \_\_\_\_\_ has hereto fixed his signature, the day and year above written.

**WITNESS:**

\_\_\_\_\_

\_\_\_\_\_

**CONTRACTOR**

**BY** \_\_\_\_\_

\_\_\_\_\_

**TITLE**

**STATE OF FLORIDA  
COUNTY OF OKALOOSA**

This contract is accepted this \_\_\_\_ day of \_\_\_\_\_ 2013 and is effective on the \_\_\_\_ day of \_\_\_\_\_ 2013.

**ATTEST:**

**COUNTY OF OKALOOSA, FLORIDA**

\_\_\_\_\_  
Gary Stanford  
Deputy Clerk of Court

**BY** \_\_\_\_\_  
Don Amunds, Chairman