

The Auditor of State is requesting proposals for:

**PROFESSIONAL SERVICES FOR A  
PERFORMANCE AUDIT OF THE OFFICE OF  
THE AUDITOR OF STATE OF OHIO'S USE OF  
ELECTRONIC TOOLS AND CAPABILITIES,  
INCLUDING DATA ANALYTICS IN THE  
FINANCIAL AUDIT DIVISION**

RFP Reference Number: AOS 2019-001

DATE ISSUED Wednesday, November 13, 2019

INQUIRY PERIOD BEGINS Wednesday, November 13, 2019

INQUIRY PERIOD ENDS Wednesday, December 4, 2019

PROPOSAL DUE DATE Wednesday, December 11, 2019

**Submission of Proposals**

Responses must be submitted electronically as a PDF document by uploading it to <https://ohioauditor.gov/Procurement/>. The responses must be received no later than 4:00 p.m. EST, on December 11, 2019.

# OHIO AUDITOR OF STATE KEITH FABER

88 East Broad Street  
Columbus, Ohio 43215

(800) 282-0370

November 13, 2019

The Auditor of State (AOS) is soliciting proposals from qualified certified public accounting firms (vendor) to conduct a performance audit of the AOS's use of electronic tools and capabilities, including data analytics in its Financial Audit Program and to advise on emerging technological trends applicable to Financial Audits. Attached please find a copy of the Request for Proposal (RFP) for this audit.

Responses must be submitted electronically as a PDF document by uploading it to <https://ohioauditor.gov/Procurement/>. The responses must be received no later than 4:00 p.m. EST, on December 11, 2019.

The anticipated project timeline is as follows:

RFP Issued:	Wednesday, November 13, 2019
Inquiry Period:	November 13 to Wednesday, December 4, 2019
Vendor Teleconference:	Wednesday, November 20, 2019
Proposal Due Date:	Wednesday, December 11, 2019
Technical Evaluation Period:	Begins Thursday, December 12, 2019
Oral Presentations:	Tuesday, January 7 and 8, 2020
Apparent Successful Vendor:	Monday, January 13, 2020 (announced)
Contract Award:	TBD
Commence Work:	Upon award of contract, subject to the approval of the State Controlling Board and on or after the date of the AOS approved purchase order
Deliverables Due Date:	120 days from approval by the State Controlling Board

(See Part One, Calendar of Events and Project Timetable for more information)

Please direct questions to [BIDQuestions@ohioauditor.gov](mailto:BIDQuestions@ohioauditor.gov).

Vendors may view all inquiries and responses by accessing the AOS Bids Management Web Page at: <https://ohioauditor.gov/Procurement/>. (See Part Three, Inquiries for more information)

Sincerely,



**KEITH FABER**  
Auditor of State

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## Part One: Executive Summary

### A. Purpose

To ensure that the Ohio Auditor of State's Office (AOS) is serving its clients and the taxpayers of Ohio in the most efficient and effective manner possible, AOS is soliciting proposals from qualified vendors to conduct a comprehensive performance audit of the AOS's use of electronic tools and capabilities, including data analytics tools. In the Financial Audit Division, AOS is requesting an analysis of emerging tools (Robotic Process Automation (RPA), Extract, Transform, Load (ETL), Artificial Intelligence (AI), and Machine Learning (ML), technologies and data analytic trends in external financial audits. This audit will focus primarily on AOS's use of audit data analytics and other computer-assisted audit techniques in performing risk assessment procedures, tests of internal controls, substantive analytical procedures, tests of details, and procedures to help form an overall conclusion related to specific audit objectives in financial audit matters to ensure the AOS optimizes the use of available resources and reflects best practices in the government auditing field.

### B. Organization Background and Overview

The Auditor of State is one of five independently elected statewide offices under Ohio's constitution. The AOS is responsible for financial audits of more than 5,900 public offices in Ohio, including all cities, townships, villages, schools, universities, counties, fire districts, cemeteries, libraries, state and county agencies and commissions, among other entities. AOS has roughly 550 auditors and other professionals among its Columbus administrative headquarters and seven regional offices.

AOS duties are set forth in Ohio Revised Code (ORC) Chapter 117. AOS issues more than 4,700 state and local government reports annually, including some not-for-profit/quasi-governmental entities. AOS follows Generally Accepted Auditing Standards as well as U.S. Generally Accepted Auditing Standards in the vast majority of the financial audits it conducts. However, under ORC §117.11(B), AOS has the authority to conduct any audit (standards or no standards) at its own initiative that it deems to be in the public interest. AOS also has the authority under ORC § 117.115 to contract some (approximately 45%) of these audits to an Independent Public Accounting firm.

Government Auditing Standards preclude auditors from auditing their own work to avoid conflicts of interest and impairments to independence. For that reason, AOS seeks the professional services of an external firm with the requisite qualifications and expertise to provide an independent review of AOS electronic tools and capabilities, including data analytics.

### C. Goals and Objectives of this RFP

AOS seeks to transition the Office to an increased use of electronic tools, including data analytics and other computer-assisted audit techniques. This will allow AOS to provide an opportunity to enhance audit quality and efficiency and respond to an environment immersed in information technology (IT), increased availability of large amounts of data, and increased use of IT-based data analytic tools and techniques on audited government entities of all types and sizes.

Goals of this audit are to assess AOS's use of audit electronic tools including data analytics in engagements in comparison to three to five appropriately identified peer states (Washington to be included), performance measures, and audit industry leading practices for the purpose of providing recommendations to improve the efficiency, effectiveness and outcomes of the AOS. We believe the National Association of State Auditors, Comptrollers and Treasurers (NASACT) is an appropriate resource for identifying peer states and key state audit organization performance measures. Consideration needs to be given to the fact that audit work conducted by AOS is carried out in accordance with Government Auditing Standards (GAO), AICPA Auditing Standards or other relevant standards. Recommendations that would impair the ability to comply with those standards should be avoided.

### D. Calendar of Events and Project Timetable

The schedule for the project is given below and is subject to change in the best interest of AOS and/or to comply with the State of Ohio regulations. AOS may change the schedule at any time. If AOS changes the schedule before the proposal due date, it will do so through an announcement on the AOS Bids Management Web Page, <https://ohioauditor.gov/Procurement/>. Any extensions of the Proposal Due Date/Time will be published on this website as a formal RFP amendment. It is each vendor's responsibility to check the website for this RFP for current information regarding this RFP and its calendar of events through the award of the contract. No contract shall be made with the AOS until the apparent successful vendor is identified, negotiations are completed, and the contract award is announced.

#### Dates

RFP Issued:	Wednesday, November 13, 2019
Inquiry Period:	November 13 to Wednesday, December 4, 2019
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Deliverables Due Date:	120 days from approval by the State Controlling Board

Responses must be submitted electronically as a PDF document by uploading it to <https://ohioauditor.gov/Procurement/>. **The responses must be received no later than 4:00 p.m. EST, on December 11, 2019.** A responding vendor bears full responsibility for the timely submission of its response at the prescribed location. **Late submissions will not be considered.**

Additional materials received after the submission deadline date may not be added to previous submissions and may not be considered. Submission of a proposal indicates acceptance by the vendor of the terms conditions contained in the RFP, unless clearly noted in the proposal submitted and confirmed by subsequent agreement between AOS and the vendor selected.

#### E. Vendor Teleconference

The AOS will hold a non-mandatory vendor teleconference on Wednesday, November 20, 2019 at 11:00 a.m. to 12:00 p.m. EST. The teleconference is open to all interested vendors. The teleconference will be conducted to discuss the requirements, terms and conditions, specifications, and any other aspect of the RFP. Conference call number and other information regarding the teleconference will be posted on the AOS Bids Management Web Page prior the start of the teleconference. It is the responsibility of the potential vendor to check for information and relevant updates.

## Part Two: Scope of Work

### A. Scope of Work to Study Current State

AOS seeks to engage a qualified vendor to study its current Information Technology (IT) environment and use of electronic tools and capabilities including audit data analytics. This study should include evaluation of the tools, people, and processes currently utilized

by AOS.

i. Tools

Selected vendor shall analyze the current use of electronic audit tools and computer-assisted audit techniques incorporated in the AOS audit process including the following:

- a. Audit Command Language (ACL)
- b. Audit Workbench, audit software written by the AOS to assist AOS and external auditors in performing audits of Uniform Accounting Network (UAN) entities.
- c. Excel

ii. People

Selected vendor shall study and analyze AOS audit staff's capabilities related to using audit tools and techniques as well as evaluating the results of the outcomes to avoid making inappropriate assumptions, overlooking unusual circumstances, and over-generalizing in drawing conclusions. This analyzation should include:

- a. Determining if financial auditors understand what audit data analytics and computer-assisted audit techniques are in the context of an audit.
- b. Determining if staff has the requisite skills and knowledge to utilize audit data analytics tools and computer-assisted audit techniques.  
Does AOS staff know the associated risk and benefit of using or not using the audit data analytics and computer-assisted audit techniques?
- c. Is the AOS Uniform Accounting Network (UAN) Audit Workbench effectively utilized in the audit process?
- d. Do AOS financial auditors engage the AOS Information System Audit (ISA) group in the audit planning and risk assessment process and for types of audits/work? Are there impediments to utilizing ISA to perform data analytics for certain audit procedures?
- e. Do AOS financial auditors understand the AICPA's clarified auditing standards governing audit risk assessments and the use of audit data analytics to meet an audit procedure/objective?
  - 1. Do financial auditors understand the data characteristics that may affect relevance and reliability of data?
  - 2. Do financial auditors know how to obtain data from AOS auditees in a format that the auditors can use, including, specifically, from cities and counties? Do financial auditors know how to search for data with specified characteristics?
  - 3. Do financial auditors know how to develop an estimate, a value, or another



- attribute?
4. Do financial auditors know how to identify data having attributes that outside of a specified range (for example, values or frequencies of occurrence that are significantly higher or lower than would normally be expected in the circumstances)?
  5. Do financial auditors know how to identify data having similar attributes when that would not normally be expected in the circumstances?
  6. Do financial auditors know how to determine whether there are relationships (for example, correlations or causal relationships) among variables?
  7. Do financial auditors understand how to address circumstances in which data analytics identifies a large variance from an expectation or a large number of items requiring further consideration in an audit? Is their audit reaction appropriate and within the auditing standards?
  8. Do financial auditors know how to develop graphic formats that are often closely linked to the nature of audit data analytics and computer-assisted audit techniques being used?
- f. Measuring consistency of the audit data analytics process across different AOS regions. Identify best practices at audit procedure level to achieve better consistency and uniformity among regions. Focus on audits of schools, cities, and counties.

### iii. Processes

Selected vendor shall study the AOS's use of audit data analytics and other computer-assisted audit techniques in performing risk assessment procedures, tests of internal controls, substantive analytical procedures, tests of details, and procedures to help form an overall conclusion related to specific audit objectives in financial audit matters to ensure AOS optimizes the use of available resources and reflects best practices in the government auditing field. The following should be considered:

- a. Are regions and other working groups, especially ISA, properly structured and supported to increase their use of audit data analytics, and computer assisted audit techniques on their engagements?
  1. Is AOS sufficiently structured to increase its ability to access large amounts of data from its auditees in a format that auditors can readily use?
  2. Is AOS prepared to provide assurances to its auditees that AOS has the ability to maintain data security and integrity?
  3. Does AOS have the correct mix of audit staff and audit management dedicated to gathering, collecting, storing, preparing data for use, and analyzing data?

4. Is ISA the right group to manage and administer an audit data analytics team to support the needs and capacity of audit data analytics in all financial audits?
5. What recommendation does the firm have for developing an integrated approach among subject matter experts, financial audit teams and data analysis teams/ISA?
- b. Is AOS currently using best practices in how we collect the data in the audit process?
- c. What is the best approach to obtain financial and non-financial data from external sources?

#### B. Scope of Work to Advise on Emerging Technological Trends in External Audits

AOS seeks to engage a qualified vendor to advise us on trends in audit related use of technology and to recommend a multi-year strategic plan to obtain and implement new technologies.

- i. Trends in auditors applying audit data analytics techniques as described by the AICPA:
  1. Which other states are using audit analytics techniques to assist in identifying risk for state and local government audits and/or artificial intelligence/machine learning/deep learning to automate the audit process?
- ii. What tools are being used?
  1. Is testing conducted on premise or is data being collected and analyzed offsite?
  2. Which audit staff positions are assigned the tools being used?
- iii. Are there tools and techniques equally applied to internal and external audit?
- iv. What legislative changes may be necessary to assist in implementing these trends? Currently, some local political jurisdictions do not have a standard chart of accounts. How does this impact implementing audit data analytic techniques and current trends?
- v. Advice on how to implement RPA, ETL, AI, ML, etc. and what does that term/concept mean or encompass in the context of an external financial audit?

1. Would there be an expected savings or return on investment to AOS and its audit clients?
2. Should we expect to gain audit efficiencies?
3. What kind of training will be necessary for financial audit and ISA staff?
4. What are reasonable expectations regarding implementation and audit outcomes at six months? One year? Three years? Five years and beyond?
5. How should AOS benchmark itself on key progress markers?
6. Would we expect to continuously update the RPA, ETL, AI, ML, etc; i.e. would we need a team assigned specifically to upgrade and feed information into the RPA, ETL, AI, ML, etc?

#### C. Additional Professional Advice

- i. Are there other emerging tools or trends of which the AOS should be aware or consider utilizing?
- ii. How will increased use audit data analytics change our contracting process, i.e. how will automating things like revenue testing affect IPA's? Will IPA's be required to reference the AOS in their opinion? How will our contracts need to be updated?
- iii. Will increased use of audit data analytics change the scope of our engagements?
- iv. Beyond the AICPA's Guide to Data Analytics, what other auditing standards, and guidance will apply data analytics/electronic audits.
- v. Is there advice to the AOS regarding how to implement emerging technology tools?

### Part Three: Inquiries

Potential vendors may ask clarifying questions regarding this RFP during the Inquiry Period as outlined in the Calendar of Events and Project Timeline. To ask a question, potential vendors must submit the question to the following e-mail address:

[BIDQuestions@ohioauditor.gov](mailto:BIDQuestions@ohioauditor.gov)

Questions are limited to those that seek clarification of this RFP. The question must reference the relevant portion of the RFP, including the Part and the number and/or Part section/subsection title, and must identify the originator of the question. AOS may as its option, disregard any questions that do not appropriately reference the RFP, that do not include identification of the originator of the question, or that do not ask a clarifying question in the AOS's opinion. AOS will not respond to any questions received after 4:00

p.m. on the date that the inquiry period closes.

Vendors submitting inquiries will receive an immediate acknowledgement that this inquiry has been received as an e-mail acknowledgement receipt. Vendors will not receive a personalized e-mail response to its question nor will they receive notification when the question has been answered. AOS will attempt to respond to all inquiries within two business days.

Vendors may view all inquiries that the AOS responded to and responses by visiting the AOS Bids Management Web Page at:

<https://ohioauditor.gov/Procurement/>

It is the responsibility of all potential vendors to check this site on a regular basis for responses to questions, as well as for any amendments or other pertinent information regarding this RFP.

After the inquiry period has concluded, all of the questions and responses on the AOS Bids Management Web Page will comprise of the final AOS Question and Answer Document for the RFP. This document will be posted to the AOS Bids Management Web Page, and when possible, an interim version may be posted. AOS strongly encourages vendors to take into account any information communicated by AOS in this document.

## Part Four: Specifications of Deliverables

Work shall begin after approval by State Controlling Board of the contract between AOS and the successful vendor, and on or after the date of the AOS approved purchase order. Work shall be completed 120 days from approval of the State Controlling Board in order for AOS to implement suggested changes beginning with the Audit Cycle January 1, 2021. Presentation of a final audit report shall be made to AOS no later than 14 days after completion. Upon approval from AOS, the report shall be provided both as a hard copy and in electronic format. The contracted deliverables must include, but are not limited to, the following:

- i. Final Report - A final audit report, including an executive summary and all report elements necessary to comply with Government Auditing Standards, or other similar standards. The Final Report shall include copies of all relevant audit documentation used to reach the conclusions contained in the final audit report.
- ii. Progress Reports - At least at the end of each month, the vendor shall produce a brief report summarizing progress, identifying impediments, if any, and

anticipating remaining steps necessary to meet the project objective and schedule.

## Part Five: Submission Requirements and Format

To be considered for this RFP, vendor's proposal (Proposal) **must** include all of the information in this Submission Requirements and Format Part. **Failure to provide each of the specific submission requirements described below will disqualify vendor from evaluation of this RFP and the Proposal will not be considered.**

### A. Response Submission Information

- i. Cover letter
- ii. Vendor must provide who the response was submitted by. Include the vendor name and desired single point of contact with name, title, phone number and e-mail address.
- iii. Vendor must provide a table of contents that explicitly identifies the corresponding section it is responding to under this part. The table of contents must include page numbers.
- iv. Vendor must submit the cost proposal at the end of the Proposal as a separate attachment to the Proposal. The Vendor should label the attachment as “Attachment – [Vendor Name], Cost Proposal”

### B. Proof of Good Standing

In order to be considered for this RFP, AOS requires that interested vendors be in good standing with the State of Ohio (or other State) Accounting Board. Proof of good standing must be provided in the Proposal.

### C. Expertise

- i. Vendor must demonstrate its ability to do performance auditing.
- ii. Vendor must discuss relevant partnerships or strategic relationships that add to its capability to deliver the requested auditing services.
- iii. Vendor must demonstrate it has a minimum of five years accounting or auditing experience with large government entities and/or Fortune 500 companies in the field of organizational operations management in the accounting/auditing field.
- iv. Vendor must identify the designated Engagement Manager and provide the following: references regarding the performance of the Engagement Manager, educational background, and related experience for the Engagement Manager that

demonstrate the technical expertise and experience to conduct an audit engagement of the scope being requested (Resume Required).

- v. Vendor must provide the role and relevant educational background and experience for each team member to be assigned to this audit engagement sufficient to document collective knowledge and experience adequate to meet engagement goals and objectives.
- vi. Vendor must provide names and contact information for at least three entities at which they have performed similar large-scale projects in the past three years and demonstrate expertise necessary to successfully accomplish this engagement in accordance with standards. If possible, provide copies (or links) of such audit reports.

#### D. Project Approach

- i. Vendor must provide a description of its approach for conducting a performance audit of the scope requested.
- ii. Vendor must describe its methodology to be used by its firm.
- iii. Vendor must provide a Gantt chart of timeline and proposed milestones.
- iv. Vendor must, based on its methodology and approach, provide a list of deliverables that would be produced for this engagement and the number of work hours assigned to each deliverable.
- v. Vendor must provide up to three relevant sample work products and deliverables in an appendix to this response.

#### E. Proposed Resources

Vendor must describe the team roles that you would propose to staff the work. Give a description of the functions each team member would perform, their experience related to those functions, and their estimated number of hours assigned to each team member to deliver the work.

#### F. Proposed Statement of Work

Vendor must provide its proposed statement of work for this project.

#### G. Proposal of Costs – Separate Attachment

- i. In an attachment to the Proposal, vendor must propose its firm, fixed, all-inclusive cost for completion of the requested performance audit. The proposed price is to represent the entire cost the vendor offers for the full and successful completion of the engagement. The proposed cost for the deliverables to be provided under

the resulting agreement will be the vendor's total cost for the successful completion of the work described in the RFP. Vendors are to use their business expertise in pricing the work described in this RFP, taking into consideration any intervening steps or activities that must be performed in order to complete the work, and offer their costs accordingly, even if AOS does not explicitly identify those intervening costs in this RFP.

- ii. The vendor's total cost for the entire project must be itemized for each deliverable, and the total must be represented as the not-to-exceed fixed price. Please note that the AOS will not be liable for any costs the vendor does not identify in its Proposal.

#### H. Forms and Certifications

- i. Vendor must complete the certification page (Attachment 1) and it must be signed by a person authorized to legally bind the vendor.
- ii. Vendor must list any current contracts the vendor has with AOS. The list must include the purpose of the contract, the amount of the contract, the time period covered by the contract, and the percent of the project completed. If this request is not applicable to the vendor, vendor should state this in its Proposal.
- iii. Submission of a Proposal indicates acceptance by the vendor of conditions contained in the RFP, **unless clearly noted in the proposal submitted** and confirmed by agreement between AOS and the vendor selected.

#### I. Presence in Ohio

Vendor must indicate if it does or does not have a physical presence in the State of Ohio.

**Reservation of Rights:** The AOS, may in its discretion, cancel, reissue or reject all responses to this RFP, in whole or in part for any reason. Such action may occur when any and all Proposals, when the service offered is not in compliance with the requirements, specifications, and terms and conditions set forth in the RFP, the pricing offered is considered to be excessive in comparison with existing market conditions or exceeds the available funds of the AOS, or it is determined that award of a contract would not be in the best interest of the state. The AOS reserves the right to reject any and all proposals where the vendor takes exception to the terms and conditions of the RFP or fails to meet the terms and conditions, including but not limited to, standards, specifications, and requirements as specified in the RFP.

## Part Six: Evaluation of Proposals

### A. Selection Committee Established

All Proposals that pass the initial review below will be evaluated by an AOS internal selection committee. The selection committee reserves the right to reject, in whole or in part, any and all proposals; and reject Proposals that are incomplete.

### B. Review of Proposals

#### i. Initial Review of Proposals by AOS

AOS may reject any Proposals submitted that were incomplete, not timely, or do not meet the formatting or specific requirements listed herein. AOS may waive minor defects that are not material when no prejudice will result to the rights of any vendor or to the public.

#### ii. Evaluation Review of Proposals by Selection Committee

Proposals that pass the initial review will be distributed to selection committee members. The selection committee will rate the Proposals submitted in response to this RFP as identified in the Criteria section below. The selection committee has a right to break the technical - proposal criteria into components and weigh any components of a criterion according to their perceived importance. The selection committee may also have the Proposals or portions of them reviewed and evaluated by independent third parties or various AOS personnel with technical or professional experience that relates to the work or to a criterion in the evaluation process. The selection committee may also seek reviews of end users of the work. In seeking such reviews, evaluations, and advice, the selection committee will first decide how to incorporate the results in the scoring of the Proposals. The selection committee may adopt or reject any recommendations it receives from such reviews and evaluations. During the selection process, AOS may request clarifications from any vendor under active consideration and may give any vendor the opportunity to correct defects in its Proposal if AOS believes doing so does not result in an unfair advantage for the vendor and it is in the State's best interests. Any clarification response that is broader in scope than what AOS has requested may result in the vendor's proposal being disqualified.

When the selection committee review has concluded, the evaluation will result in a point total being calculated for each Proposal based on the combined total points of the cost proposal and the technical proposal.



iii. Oral Presentation

The selection committee has the option to skip this step in its entirety. When the selection committee's review has concluded, all Proposals will be ranked based on the combined total points of the cost proposal and technical proposal. The selection committee may, at its discretion, decide to conduct oral presentation(s). If the selection committee decides to conduct oral presentations, no more than three selected vendors with the highest total combined points will be requested to provide an oral presentation of their Proposals to AOS representatives. The key vendor personnel assigned to this audit engagement is preferred to present and the vendor has the option to include a contracting officer, partner, senior executive or legal authority in the presentations and discussion. The presentation will not last longer than 60 minutes with no more than an additional 30 minutes (90 minutes total) for AOS representatives to ask clarifying questions about the presentation.

In the event that the selection committee holds one or more oral presentation, the selection committee shall meet again to determine the final score for each of the Proposal(s) that participated in the oral presentation. The final score shall result in a point total being calculated based on the combined total points of the cost proposal, technical proposal, and oral presentation.

### C. Criteria

Proposals will be evaluated using the following sets of criteria: technical proposals, cost proposals, and if applicable, oral presentations.

Criteria	Maximum Available Points
Proposal – Technical <ul style="list-style-type: none"> <li>• <u>Expertise</u> Max points – 24</li> <li>• <u>Project Approach</u> Max points - 24</li> <li>• <u>Proposed Resources</u> Max points – 16</li> <li>• <u>Proposed Statement of Work</u> Max points – 16</li> <li>• <u>Ohio presence</u> Yes - 5 points, No - 0 points</li> </ul>	85 Points
Proposal – Cost <ul style="list-style-type: none"> <li>• AOS will calculate the cost points using the following method:  Cost points = (lowest vendor's cost/vendor's cost) x Maximum Available Cost Points (20)</li> <li>• Note, the maximum of 20 points will be assigned to the vendor offering the lowest total all-inclusive fixed fee.</li> </ul>	20 Points
<b>Total Possible Points</b>	<b>105 Points</b>
Oral Presentation (if applicable)	10 Points
<b>Total Possible Points with Oral Presentation (if applicable)</b>	<b>115 Points</b>

#### D. Identification of Apparent Successful Vendor

Notice of the apparent successful vendor, will be made on January 13, 2020. Notice of the apparent successful vendor will be posted on AOS Bids Management Web Page and notice will be sent to the apparent successful vendor by a letter that is sent via email.

#### E. Negotiations

The AOS and the apparent successful vendor may engage in contract negotiations. Engaging in contract negotiations with apparent successful vendor does not guarantee the outcome of a final, fully executed contract; and contract negotiations may fail. The AOS may cease contract negotiations at any point and return to a prior step in the RFP process, or cancel the RFP issuance if in the best interest of the AOS.

In addition to the information provided in Part Seven (A), the AOS reserves the right to conduct negotiations with one or more vendors at any point during the RFP review process as outlined in this Part. Vendors may negotiate only the specific aspects of the RFP that the AOS, in its sole discretion, selects for negotiation. Negotiated terms may include, in the AOS's sole discretion, compensation, though compensation will not be the sole factor in determining an award. The specific deliverables expected for this RFP may be determined during Statement of Work negotiations.

#### F. Contract Award

If AOS awards a contract under this RFP, notice of the Contract Award will be posted on AOS Bids Management Web Page and notice will be sent to the awarded vendor by a letter that is sent via email.

### Part Seven: RFP Process Information and Other Contractual Requirements and Considerations

#### A. AOS Terms and Conditions and Final Contract

- i. If this RFP results in a contract award, the contract will consist of this RFP including all attachments, written addenda to this RFP, the vendor's accepted Proposal and written authorization addenda to the vendor's Proposal; in addition to any materials incorporated by reference in the above documents and any purchase orders and change orders issued under the contract. The general terms and conditions for the contract are contained in Attachment 2 of this RFP. Change orders and amendments issued after the contract is executed may expressly change the provisions of the

contract. If they do so expressly, then the most recent of them will take precedence over anything else that is part of the contract.

- ii. AOS will not be liable for any costs incurred by a prospective vendor in responding to this RFP, regardless of whether the AOS awards a contract through this process, decides to cancel this RFP for any reason, or issues another RFP if it is deemed to be in the best interest of AOS to do so.

#### B. Trade Secrets Prohibition: Public Information Disclaimer

- i. Vendors are prohibited from including any trade secret information as defined in the ORC § 1333.61 in their proposals in response to this RFP. AOS shall consider all proposals or similar responses voluntarily submitted in response to this RFP to be free of trade secrets and such proposals shall, in their entirety, be made a part of public record.
- ii. All proposals and any other documents submitted to AOS in response to this RFP shall become property of AOS. This RFP and, after the Contract Award, any proposals submitted in response to an RFP are deemed to be public records pursuant to ORC § 149.43. For purposes of this section, the term "proposal" shall mean both the technical proposal (or application or other response documentation) and the cost proposal, if opened, submitted by the selected vendor, and any attachments, addenda, appendices, or sample products.

#### C. Ethical and Conflict of Interest Requirements

- i. No vendor or individual, company or organization seeking a contract or other business agreement shall promise or give to any AOS employee anything of value that is of such character as to manifest a substantial and improper influence upon the employee with respect to his or her duties.
- ii. Any vendors acting on behalf of AOS shall refrain from activities which could result in violations of ethics and/or in conflicts of interest. Any vendor who violates the requirements and prohibitions defined here or of ORC § 102.04 of the ORC is subject to termination of the agreement or refusal by AOS to enter into one.
- iii. AOS employees and vendors who violate ORC §§ 102.03, 102.04, 2921.42 or 2921.43 of the ORC may be prosecuted for criminal violations.

#### D. Communication Restrictions and News Releases

- i. Formal communications by vendors to the AOS, which include requests for clarification and/or information concerning this RFP, must be submitted to the AOS via the email address provided in this RFP and will be published and shared with all of the vendors.

- ii. From the opening of the Proposals to the Contract Award, everyone working on behalf of the AOS to evaluate the Proposals will seek to limit access to information contained in the Proposals solely to those people with a need to know the information. They will also seek to keep this information away from other vendors, and the selection committee will not be permitted to tell one vendor about the contents of another vendor's Proposal in order to gain a negotiating advantage.
- iii. Vendor must make no news releases pertaining to the award of this RFP without prior written approval by the AOS.

## Attachments

### Attachment 1

#### **Certifications**

(Must be completed by all responding vendors)

In addition to responding to the foregoing items, this vendor certifies that:

- A. The vendor's position as provider to AOS for the scope of services will not create any conflict of interest for the firm or any of its assigned personnel and it will promptly disclose to AOS any such conflict of interest if, as and when it arises and is known to the firm.
- B. The vendor is an equal opportunity employer and does not discriminate against applicants or employees on the basis of race, creed, color, religion, sex, age, handicap, national origin, or ancestry.
- C. All of the assigned personnel by the vendor who are not United States citizens will have executed a valid I-9 form and have valid employment authorization documents.
- D. The vendor is not currently in violation of or under any investigation or review for a violation of any state or federal law or regulation that might have a material adverse impact on the vendor's ability to serve if selected.
- E. The vendor has read the RFP, understands it, and agrees to be bound to its requirements.
- F. If awarded a contract arising out of this RFP, the vendor must negotiate such contract in good faith, which contract must be in a form provided by the AOS.
- G. The vendor has familiarized itself with the ethics statutes governing state employees and appointees, including those concerning employment of former government employees, gifts, and lobbying.
- H. The firm is registered to do business in the State of Ohio with the Ohio Secretary of State.
- I. The vendor is and will be during the period of this agreement in compliance with all applicable federal, State and local laws, including but not limited to the applicable provisions of the following for which it also makes the following related certifications:
  - 1. The Federal and Ohio Drug Free Workplace Acts. 41 U.S.C 701(a); ORC § 153.03. The vendor will make good faith efforts to ensure that all of its employees will not have or be under the influence of illegal drugs or alcohol or abuse prescription drugs in any way while working on State property.
  - 2. State of Ohio Ethics, Campaign Financing, and Lobbying laws.
  - 3. The vendor is not subject to an "unresolved" finding for recovery under ORC § 9.24.
  - 4. The vendor is eligible for award of a contract by AOS pursuant to ORC §§ 125.11; 125.25; and 3517.13.

Vendor:

By:

## Attachment 2

This Attachment 2 enumerates and defines the terms and conditions that any ensuing contractual relationship that the AOS may enter into with a prospective vendor. AOS and vendor constitute the “parties” as described in this Attachment 2.

### **I. Nature of Contract between Vendor and AOS**

- A.** Vendor will act as an independent contractor, to fulfill the terms of this RFP and to act as an expert to the AOS. It is specifically understood that the nature of the services to be rendered under the RFP are of such a personal nature that the AOS is the sole judge of the adequacy of such services. The AOS thus reserves the right to cancel the agreement between the parties should he at any time be dissatisfied with vendor’s performance of its duties under this RFP.
- B.** The AOS enters into an agreement with vendor in reliance upon the representation of vendor that it has the necessary expertise and experience to perform its obligations hereunder, and vendor warrants that it does possess the necessary expertise and experience.
- C.** In the event of a cancellation of this RFP by AOS, vendor shall be paid for all services incurred up to the date of cancellation. All provisions of this RFP relating to “confidentiality” shall remain binding upon vendor in the event of cancellation.
- D.** It is fully understood and agreed that vendor is an independent contractor and is not an agent, servant or employee of the Auditor of the State of Ohio.

### **II. Termination or Suspension of Vendor’s Services**

- A.** AOS may, at any time prior to the completion of services by the vendor under this RFP, suspend or terminate this RFP with or without cause by giving written notice to vendor.
- B.** Upon receipt of written notice to vendor to suspend or terminate this RFP, vendor shall immediately cease work on the suspended or terminated activities and take all necessary steps to minimize costs; and if requested by the AOS, vendor must furnish a report describing the status of the services.
- C.** Vendor shall be paid for services rendered up to the date vendor received notice of suspension or termination, less any payments previously made, provided vendor has supported such payment with detailed factual data containing hours worked and

services performed. Vendor shall make no claim for additional compensation against the AOS by reason of any suspension or termination.

- D.** At the date Deliverables are due as specified in Part Four of this RFP, and in the event this RFP is suspended or terminated prior to its completion, vendor, upon payment as specified, shall deliver to the AOS all work products as documents which have been prepared by vendor in the course of providing services under this RFP. All such materials shall become and remain the property of the AOS, to be used in such manner and for such purpose as the AOS may choose. Upon termination of the RFP by either party, all property belonging to the AOS and in the possession of the vendor shall be returned to the AOS prior to final payment to the vendor.

### **III. Relationship of Parties**

AOS and vendor agree that, during the term of this RFP, vendor shall be engaged by the AOS solely on an independent contractor basis. Vendor will be responsible for all of its business expenses and responsibilities, including, but not limited to, computers, email and internet access, software, phone service and office space, employees' wages and salaries, insurance of every type and description, licenses, permits, and all business and personal taxes, including income and Social Security taxes and contributions for Workers' Compensation and Unemployment Compensation coverage, if any. While vendor shall be required to render services described hereunder for the AOS during the term of this RFP, nothing herein shall be construed to imply, by reason of vendor's engagement hereunder on an independent contractor basis, that the AOS shall have or may exercise any right of control over vendor with regard to the manner or method of its performance of services hereunder. Except as expressly provided herein, neither party shall have the right to bind or obligate the other party in any manner without the prior written consent of the other party. It is fully understood and agreed that neither vendor nor its personnel shall at any time, or for any purpose, be considered agents, servants, or employees of the Auditor or the State of Ohio, or public employees for the purpose of Ohio Public Employees Retirement System (OPERS) benefits. Accordingly, no contributions will be made by the Auditor to OPERS on behalf of the vendor.

### **IV. Auditing**

During the performance of services required of vendor by this RFP and for a period of three (3) years after its completion, vendor shall maintain auditable records of all charges pertaining to this RFP and shall make such records available to the AOS as the AOS may reasonably require.



## V. Vendor's Representations and Warranties

**A. Nondiscrimination of Employment.** Pursuant to ORC § 125.111, vendor agrees that vendor, any subcontractor, and any person acting on behalf of vendor or subcontractor, will not discriminate, by reason of race, creed, color, religion, sex, age, handicap, national origin, or ancestry against any citizen of this state in the employment of any person qualified and available to perform the work under this RFP. Vendor further agrees that vendor, any subcontractor, and any person acting on behalf of vendor or subcontractor shall not, in any manner, discriminate against, intimidate, or retaliate against any employee hired for the performance of work under this RFP on account of race, creed, color, religion, sex, age, handicap, national origin, or ancestry. Vendor represents that vendor has a written affirmative action program for the employment and effective utilization of disadvantaged persons and will file a description of that program and a progress report on its implementation, annually, with the Equal Employment Opportunity Office of the Ohio Department of Administrative Services.

**B. Ethics Laws.** Vendor agrees to adhere to the requirements of Ohio Ethics Laws, Chapter 102 of the Ohio Revised Code. Vendor represents, warrants and certifies that it and its employees engaged in the administration or performance of this RFP are knowledgeable of and understand the Ohio Ethics and Conflict of Interest laws. Vendor further represents, warrants, and certifies that neither vendor nor any of its employees will do any act that is inconsistent with such laws. No personnel of vendor who exercise any functions or responsibilities in connection with the review or approval of this RFP or carrying out of any of the RFP shall, prior to the completion of the services, voluntarily acquire any personal interest, direct or indirect, which is incompatible or in conflict with the discharge and fulfillment of his or her functions and responsibilities with respect to carrying out of the RFP. Any such person who acquires an incompatible or conflicting personal interest on or after the effective date of this RFP, or who voluntarily acquires any such incompatible or conflicting personal interest, shall immediately disclose his or her interest to the Auditor in writing. Thereafter, he or shall not participate in any action affecting the RFP unless the AOS shall determine in its sole discretion that, in lights of the personal interest disclosed, his or her participation in any such action would not be contrary to the public interest.

**C. Drug-Free Work Place.** Vendor shall comply with all applicable federal, state and local laws regarding smoke-free and drug-free work places and shall make a good faith effort to ensure that any of vendor's employees or permitted subcontractors engaged in the work being performed hereunder do not purchase, transfer, use or possess illegal drugs or alcohol or abuse prescription drugs in any way.

**D. Findings for Recovery.** Vendor affirmatively represents and warrants to the AOS that Vendor or persons associated therewith either individually or in the form of another

entity is not subject to a Finding for Recovery under ORC § 9.24, or that vendor and such persons have taken the appropriate remedial steps required under ORC § 9.24 or otherwise qualifies under that section. Vendor agrees that if this representation and warranty is deemed false, the RFP shall be void *ab initio* as between the parties to this RFP, and any funds paid by AOS hereunder immediately shall be repaid to the AOS, or an action for recovery immediately may be commenced by the AOS for recovery of such funds.

**E. Compliance with Laws.** Vendor, in the execution of its duties and obligations under this RFP, agrees to comply with all applicable federal, state, and local laws, rules, regulations, and ordinances.

**F. Qualifications to do Business.** Vendor affirms that it has all of the approvals, licenses, or other qualifications needed to conduct business in Ohio and that all are current. If at any time during the term of this RFP, Vendor, for any reason, becomes disqualified from conducting business in the State of Ohio, Vendor will immediately notify the AOS in writing and will immediately cease performance of work under this RFP.

**G. Campaign Contributions.** Vendor hereby certifies that neither Vendor nor any of Vendor's partners, officers, directors, or shareholders, nor the spouse of any such person, has made contributions, if applicable, to the Auditor in excess of the limitations specified in ORC § 3517.13.

**H. Debarment.** Vendor represents and warrants that it is not debarred from consideration for contract awards by the Director of the Department of Administrative Services, pursuant to either ORC §§ 153.02 or 125.25.

**I. Boycotting.** Pursuant to ORC § 9.76(B), vendor warrants that vendor is not boycotting any jurisdiction with whom the State of Ohio can enjoy open trade, including Israel, and will not do so during the term of this RFP.

## **VI. Subcontracting**

The Vendor may not enter into subcontracts for the services provided under this RFP without written approval from the AOS. All subcontract agreements must incorporate the terms and conditions of this RFP by reference.

## **IX. Confidentiality**

Vendor shall not discuss or disclose any information or material obtained pursuant to its obligations under this RFP without the prior written consent of AOS

## **X. Rights in Data and Copyright and Public Use**

The AOS shall have unrestricted authority to reproduce, distribute and use (in whole or in part) any reports, data or materials prepared by vendor pursuant to this RFP. No such documents or other materials produced (in whole or in part) with funds provided to vendor by the AOS shall be subject to copyright by vendor in the United States or in any other country. Vendor agrees that all original works created under the RFP shall be made freely available to the general public to the extent permitted or required by law until and unless specified otherwise by the AOS. Any requests for distribution received by vendor, such as requests for public records made pursuant to the Ohio Public Records Act, ORC § 149.43, et seq., shall be promptly referred to the AOS.

#### **XV. Controlling Law**

This RFP and the rights of the parties hereunder shall be governed by the laws of the State of Ohio. Jurisdiction is proper in a court of competent jurisdiction.

#### **XVII. Liability**

In no event shall either party be liable to the other party for punitive, multiple, enhanced, incidental, special, indirect or consequential damages, including loss of profits, even if any of the parties should have been aware of the possibility of such damages. Vendor shall bear all costs associated with defending the AOS and the State of Ohio against any claims. Vendor agrees to indemnify and to hold the AOS and the State of Ohio harmless and immune from any and all claims for injury or damages arising from this RFP which are attributable to vendor's own actions or omissions or those of its trustees, officers, employees, subcontractors, suppliers, their party agents or joint venturers while acting under this RFP. Such claims shall include any claims made under the Fair Labor Standards Act or under any other federal or state law involving wages, overtime or employment matters and any claims involving patents, copyrights and trademarks.

#### **XVIII. Certification of Funds**

It is expressly understood and agreed by the parties that none of the rights, duties, and obligations described in this RFP shall be binding on either party until all relevant statutory provisions of the Ohio Revised Code, including, but not limited to, ORC § 126.07, have been complied with, and until such time as all necessary funds are available or encumbered and, when required, such expenditure of funds is approved by the Controlling Board of the State of Ohio. It is also expressly agreed by the parties that none of the rights, duties and obligations herein shall be binding on either party if award of this contract would be contrary to the terms of Section 127.16, Revised Code, or Chapter 102, Revised Code.