



## Board of Directors Meeting

November 12, 2020

### Ratify Finance Committee Recommendations from October 29, 2020

Item III.D.

---

**Recommended Action:** Recommend ratification of actions taken at the August 18, 2020 Finance Committee Meeting

**Strategic Plan Alignment:** Administration

---

At the October 29, 2020 Finance Committee Meeting, the committee took the following action, and requests ratification on the items below:

**Action 1:** Approve Board Policy Revisions

Staff review all policies in coordination with legal counsel, to ensure that they are accurate, up-to-date, and relevant for current practices and procedures, that they adopt established public management best practices, and reflect organizational changes. The last revision was January 10, 2019.

The proposed changes to the current JWB Board Policies include updates for applicable Florida Statutes, definitions, clarification of policies and additions where appropriate.

Attached is a draft of the JWB Board Policies with track changes showing the original and proposed changes.

Staff recommends the JWB Finance Committee approve revisions to the JWB Board Policies.

Attachment: Draft Juvenile Welfare Board Policies (with track changes)

Staff Resource: Laura Krueger Brock

**Action 2: Approve Release of Participant Management RFP**

JWB staff are seeking approval to release the Participant Management Software Request for Proposals (RFP). The purpose of the solicitation is to provide and implement a commercial off-the-shelf (COTS) cloud-based Participant Management System for JWB and its Grantees to effectively collect, manage, analyze, and report participant, program, and Grantee level data.

JWB is seeking a well-established system that can be utilized by JWB and its Grantees to ensure participants are being served and outcomes are being collected as outlined in the program methodologies, and data can be analyzed to ensure the programs are meeting their stated objectives and other contractual obligations that are specific to each program.

For the past seven years, JWB has used a customized internet subscription software service called Grants Evaluation Management System (GEMS), developed by Mosaic, for Grantee financial and evaluation performance tracking. After much research by JWB staff, it was determined that rather than replace GEMS with one highly customized system, it would be better to replace it with two separate COTS systems: a grants management system for the financial side, and a participant management system for the evaluation side. As a result, two separate solutions are being procured. The grants management system was awarded by the Finance Committee on August 18, 2020 and approved by the Board on September 15, 2020 with SHI International Corp. as the awarded vendor. The purpose of this RFP is to select a software solution for the evaluation side.

The timeline for this RFP is as follows:

<b>Date</b>	<b>Activity</b>
11/12/2020	RFP Released
12/03/2020	Optional Pre-Proposal Conference at 1:00 PM, Zoom Webinar
12/04/2020	Deadline for Receipt of Questions by Noon EST
12/09/2020	Written Responses to Questions Released
12/18/2020	Proposal Submission Due Date by Noon EST
01/14/2021	Evaluation Committee Meeting at 1:00 PM, Juvenile Welfare Board, Edmonds Neri Conference Room
02/01/2021, 02/04/2021- 02/05/2021	Demonstrations by Top Proposers, Remotely
02/09/2021	Best and Final Offers Due
02/12/2021	Evaluation Committee Meeting at 2:00 PM, Juvenile Welfare Board, Edmonds Neri Conference Room
02/24/2021	Present Recommendations to the JWB Finance Committee at 10:30 AM, Juvenile Welfare Board, Edmonds Neri Conference Room
03/11/2021	Board Action to Award at 9:00 AM, Juvenile Welfare Board, Edmonds Neri Conference Room
03/12/2021	Announce Intent to Award
04/01/2021	Execute Agreement

The following people make-up the Evaluation Committee which will evaluate and score the proposals:

<u>Name</u>	<u>Title</u>
Jennifer Artiaga	Senior Program Consultant, JWB
JoAnn DiLernia	Senior Program Evaluator, JWB
Patrick Pidgeon	Senior Program Evaluator, JWB
Pete Shaw	Software & Data Delivery Manager, JWB
Sherrie Ried	Director of School Aged Services, R'Club Child Care, Inc.

The proposals will be scored using the following criteria and weights in order to select the Top Proposers:

<u>Evaluation Criteria</u>	<u>Weight</u>
Functional Requirements	30%
Technical & Support	25%
Price	20%
Company Background	15%
<u>Professional Services</u>	<u>10%</u>
<b>Total Potential Points</b>	<b>100%</b>

Up to an additional five points are available for Proposers who incorporate JWB's minimum terms and conditions into the Proposed Agreements and take no exceptions to JWB's special terms and conditions and also incorporate them into the Proposed Agreements. While additional or modified terms and conditions may be necessary depending on the responses to the RFP, any exceptions or conflicts must be stated explicitly. Partial points (up to two) are available, if only the minimum terms and conditions are incorporated into the Proposed Agreements.

The Top Proposers may proceed to an additional level of due diligence that will include:

- Follow-up questions and answers with the Proposers;
- Customer References with comparable agencies;
- Software demonstrations to include module/functionality demonstrations; technical demonstrations, service presentation, and other due diligence;
- Negotiations of any exceptions to JWB's minimal terms and conditions.

At the conclusion of these activities, the Top Proposers will be evaluated on all information collected to date using the following criteria and weights:

<u>Evaluation Criteria</u>	<u>Weight</u>
Functional Requirements	42%
Technical & Support	23%
Price	15%
Professional Services	10%
General Vendor Requirements	10%
<b>Total Potential Points</b>	<b>100%</b>

Again, up to an additional five points are available for Proposers who incorporate JWB's minimum terms and conditions into the Proposed Agreements and take no exceptions to JWB's special terms and conditions, and also incorporate them into the Proposed Agreements. While additional or modified terms and conditions may be necessary depending on the responses to the RFP, any exceptions or conflicts must be stated explicitly. Partial points (up to two) are available, if only the minimum terms and conditions are incorporated into the Proposed Agreements.

Proposers may also be asked for a Best and Final Offer post-demonstration; however, JWB reserves the right to award a contract without a Best and Final Offer request.

The Evaluation Committee's recommendation will be presented to the Finance Committee and the Board for approval and award.

It is anticipated that one award will be made. It is anticipated that the agreement will remain valid for a period of five years ("Initial Term"), with an option of additional successive one-year terms ("Renewals") from the date of issuance unless terminated earlier, in accordance with the agreement terms.

The draft RFP is attached for review and discussion.

Attachments: Draft Participant Management Software RFP – *Revised 11/10/2020*

Staff Resource: Judith Warren  
Laura Krueger Brock  
Diana Carro  
Nikitra King

**Action 3: Approve Audit Services Request for Proposals**

Cherry Bekaert, LLP (formerly Cherry Bekaert & Holland, LLP “CBH”) has served as the external auditor for JWB since 2006. The JWB Board approved the award for audit services to CBH for FY06–FY08 and renewed the award for an additional two years for FY09-FY10. In 2011, a Request for Proposals (RFP) was released and the contract was awarded to CBH for five years (FY11-FY15). In February 2016, the Board approved Amendment One and renewal of the audit engagement agreement with Cherry Bekaert, LLP for an initial term of one year for the audit of FY16, and an option for four additional twelve month periods. All options for renewal of this agreement expire after their completion of the FY20 audit.

On July 1, 2019, Florida legislation (SB 7014 Government Accountability) became effective, revising the auditor selection procedures in Florida Statute 218.391. The statute requires that once the contract period, including renewals, has expired, any further required audit services must be subjected to the auditor selection procedures.

The procedures require the use of an auditor selection committee to select an auditor to conduct the annual financial audit and specifies the composition of the committee. Specifically, the committee must contain at least three members, including at least one Board member who shall serve as the chair of the committee, and cannot include any staff. The Chief Executive Officer or Chief Financial Officer, however, may serve in an advisory capacity to the selection committee.

In July 2019, the Board approved a revision to JWB By-Laws Article V, Section 2(b) to add the following:

*Pursuant to s.218.391(2), Florida Statutes, the Finance Committee shall serve as the Audit Selection Committee and will follow the factors for evaluation of audit services as set forth in s.218.391 (3) and (4), Florida Statutes and all other statutory requirements.*

Per F.S. 218.391(3), the auditor selection committee shall:

- a) Establish factors to use for the evaluation of audit services to be provided by a certified public accounting firm duly licensed under chapter 473 and qualified to conduct audits in accordance with government auditing standards as adopted by the Florida Board of Accountancy. Such factors shall include, but are not limited to, ability of personnel, experience, ability to furnish the required services, and such other factors as may be determined by the committee to be applicable to its particular requirements.
- b) Publicly announce requests for proposals. Public announcements must include, at a minimum, a brief description of the audit and indicate how interested firms can apply for consideration.
- c) Provide interested firms with a request for proposal. The request for proposal shall include information on how proposals are to be evaluated and such other information the committee determines is necessary for the firm to prepare a proposal.
- d) Evaluate proposals provided by qualified firms. If compensation is one of the factors established pursuant to paragraph (a), it shall not be the sole or predominant factor used to evaluate proposals.
- e) Rank and recommend in order of preference no fewer than three firms deemed to be the most highly qualified to perform the required services after considering the factors established pursuant to paragraph (a). If fewer than three firms respond to the request for proposal, the committee shall recommend such firms as it deems to be the most highly qualified.

Below is a proposed timeline for the Audit Services Request for Proposals (RFP). The bolded activities still need to be scheduled. Staff have provided potential date ranges and times for these meetings and following discussion with the Auditor Selection Committee at this meeting, JWB staff will contact the Auditor Selection Committee members to schedule these meetings.

<b>Date</b>	<b>Activity</b>
10/29/2020	Auditor Selection Committee Establishes RFP Timeline at 2:00 PM, Zoom Webinar
12/17/2020	Auditor Selection Committee Establishes RFP Evaluation Factors, Contract Period, including Renewals, and Discusses Evaluation Procedures at 3:00 PM, JWB, Edmonds Neri Conference Room
02/24/2020	Auditor Selection Committee Approves Release of RFP at 10:30 AM, JWB, Edmonds Neri Conference Room
03/11/2021	Board Approve Release of RFP at 9:00 AM, JWB, Edmonds Neri Conference Room
03/12/2021	RFP Released
03/25/2021	Optional Pre-Proposal Conference at 11:00 AM, TBD
04/15/2021	Proposals Due by 12:00 PM
<b>05/14-05/31/2021</b>	<b>Auditor Selection Committee Evaluation Meeting at TBD, JWB, Edmonds Neri Conference Room (2 hr. meeting including time for a Finance Committee meeting)</b>
<b>06/21-06/25/2021</b>	<b>Auditor Selection Committee Interviews Top Proposers at TBD, JWB, Edmonds Neri Conference Room (Top 3 Proposers, .5 hrs. each for 1.5 hrs. total)</b>
<b>06/21-06/25/2021</b>	<b>Auditor Selection Committee Ranking and Recommendation Meeting at TBD, JWB, Edmonds Neri Conference Room (following Interviews for an additional 2 hrs., including time for a Finance Committee meeting)</b>
07/08/2021	Board Action to Award at 9:00 AM, JWB, Edmonds Neri Conference Room
07/12/2021	Announce Intent to Award
08/01/2021	Execute Agreement

In September 2020, the State of Florida Auditor General published Auditor Selection and Auditor Selection Committee Guidance (see attached) to provide nonmandatory guidance regarding composition of the audit committee, which would also apply to auditor selection committees: This guidance, along with Government Finance Officers Association (GFOA) Best Practices, recommends that:

*“the audit committee have access to the services of at least one financial expert. Such a financial expert should through both education and experience, and in a manner specifically relevant to the government sector, possess 1) an understanding of generally accepted accounting principles and financial statements; 2) experience in preparing or auditing financial statements of comparable entities; 3) experience in applying such principles in connection with the accounting for estimates, accruals, and reserves; 4) experience with internal controls; and 5) an understanding of audit committee functions.”*

JWB staff recommend that JWB's Chief Financial Officer, Laura Krueger Brock, serve in an advisory capacity as the financial expert to the Auditor Selection Committee. Ms. Brock has over forty years audit and accounting experience in public accounting. She has the designation of a Certified Public Accountant (CPA), Certified Fraud Examiner (CFE) and Certified in Financial Forensics (CFF). She has extensive experience working with government and nonprofit agencies. Ms. Brock has worked in the capacity as JWB's external auditor in the past as well.

The Auditor Selection and Auditor Selection Committee Guidance is also provided as an available reference for the Auditor Selection Committee in preparation for establishing RFP evaluation criteria at the next Auditor Selection Committee meeting on December 17, 2020.

Attachments: Auditor Selection and Auditor Selection Committee Guidance

Staff Resource: Laura Krueger Brock  
Diana Carro  
Lynn Delatorre  
Lorrayne Hayes

# Juvenile Welfare Board Policies

<b>Authority References</b>	
<b>Juvenile Welfare Board</b>	
<a href="#"><u>Juvenile Welfare Board Act of 1945 (2003-320, Laws of Florida)</u></a> <del>Juvenile Welfare</del>	Bylaws

## Florida Statutes

<a href="#"><u>F.S. 104.31 Political activities of state, county, and municipal officers and employees</u></a>	F.S.112 Public Officers and Employees
F.S.104.31 Political Activities of Public Officers	<a href="#"><u>F.S. 286 Public Business: Miscellaneous Provisions</u></a> <del>F.S.286 Open Meetings Officers</del>
F.S.119 Public Records	F.S.274 Tangible Personal Property Owned by Local Governments
F.S.163.01 Florida Interlocal Cooperation Act of 1969	F.S.435 Employment Screening
F.S.189 Uniform Special District Accountability Act	<a href="#"><u>F.S. 280 Security for Public Deposits</u></a> <del>F.S.280.02 Security for Public</del>
<a href="#"><u>F.S. 200 – Determination of Millage</u></a>	<a href="#"><u>F.S. 257.36 – Public Libraries and State Archives - Records and Information</u></a>
<a href="#"><u>F.S. 287.133 – Public entity crime; denial or revocation of</u></a>	<a href="#"><u>F.S. 287.135 – Prohibition against contracting with scrutinized companies</u></a>
<a href="#"><u>F.S. 448.095 – E-Verify</u></a>	F.S.218 Financial Matters Pertaining to Political Subdivisions

## Other Authority References

Securities and Exchange Commission (SEC) Rule 15C3-1	Federal Investment Company Act of 1940 and operate in accordance with 17C.F.R.270.2a-7
Internal Revenue Service (IRS) standard mileage rates	

<b>Legal Review Date:</b> October 25, 20 <del>18</del> <sup>18</sup>	<b>Adopted:</b> <del>November 12</del> <sup>February 14</sup> , 20 <del>08</del> <sup>08</sup>
<b>Review Schedule:</b> Annually	

<b>Review Date:</b>	<b>Revision Date:</b> March 2010
<b>Review Date:</b>	<b>Revision Date:</b> October 2010
<b>Review Date:</b>	<b>Revision Date:</b> February 2011
<b>Review Date:</b>	<b>Revision Date:</b> July 2011
<b>Review Date:</b>	<b>Revision Date:</b> September 2011
<b>Review Date:</b>	<b>Revision Date:</b> February 2012



<b>Review Date:</b>	<b>Revision Date:</b> October 2012
<b>Review Date:</b> August 2013	<b>Revision Date:</b> September 12, 2013
<b>Review Date:</b> November 2014	<b>Revision Date:</b> November 18, 2014
<b>Review Date:</b> July – August 2015	<b>Revision Date:</b> July 16, 2015
<b>Review Date:</b> December 2016 - April 2017	<b>Revision Date:</b> April 2017
<b>Review Date:</b> October – December 2018	<b>Revision Date:</b> January 10, 2019
<b><u>Review Date: October 2020</u></b>	<b><u>Revision Date: November 2020</u></b>

## Table of Contents

Definitions.....	1
Section I: General Administration .....	4
I-1. Applicable Laws, Regulations, and Policies .....	4
I-2. Conflict of Interest and Abstentions .....	4
I-3. Financial Disclosure.....	4
I-4. Political Activity .....	4
I-5. Meeting Notice and Open Meetings .....	4
I-6. Records Management.....	5
I-7. Public Records Request .....	5
I-8. Line of Authority .....	5
I-9. Attendance .....	5
Section II: General Operations.....	5
II-1. Staff Affiliation with Other Agencies .....	5
II-2. Endorsements.....	6
Section III: Program Funding .....	6
III-1. Purpose .....	6
III-2. Funding Process .....	6
III-3. Eligible Recipients .....	6
III-4. In-Eligible Expenses .....	7
III-5. Direct Administration of Programs .....	8
Section IV: JWB Funded Program Monitoring .....	8
IV-1. Program and Financial Monitoring Activities.....	8
Section V: Financial.....	9
V-1. Purpose .....	9
V-2. Long-Range Planning.....	9
V-3. Operating Budget .....	10
V-4. Budgetary Control and Adjustments .....	10
V-5. Fund Lapse .....	11
V-6. Emergency Response.....	11
V-7. Investment Policy .....	11
V-8. Record and Inventory of JWB Property .....	14
V-9. Authorized Expenditures .....	14

V-10. Revenue Forecasting .....	15
V-11. Fund Balance .....	15
Section VI: Purchasing and Contracting .....	16
VI-1. Purpose .....	16
VI-2. Purchasing .....	16
VI-3. Protest Procedure .....	17
VI-4. Approval Authority .....	18
VI-5. Types of Contracts .....	18
VI-6. Advances .....	19
VI-7. Review of Standard Contract .....	19

## Definitions

**Administrative Cost** – Expense incurred in controlling and directing an organization, but not directly identifiable with program services. Salaries of senior executives and costs of general services (such as accounting) fall under this heading. Administrative costs are related to the organization as a whole, as opposed to expenses related to individual services.

**Administrative Services Organization (ASO)** – An organization that provides fiscal services and limited benefit administration for JWB funded agencies to meet their administrative needs.

**Adopted Budget** – The financial plan for the fiscal year beginning October 1, required by law to be approved by the Board at the second of two public hearings.

**Advance** – Agreed upon payment by JWB to agency prior to the actual receipt and delivery of the contracted goods or services. Payments may be for a stated amount or for a percentage of ~~JWB's program allocation, the purchase price.~~

**Board** – [The governing body of JWB consisting of the eleven \(11\) members as set forth in Juvenile Welfare Board Act of 1945, 200-320, Laws of Florida](#)

**Compliance** – To meet or conform to the obligations stated within the JWB contract.

**Conflict of Interest** – Any situation in which an individual or corporation (either private or governmental) is in a position to exploit a professional or official capacity in some way for their personal financial benefit.

**Contingency Budget** – Funding available outside JWB's annual competitive funding cycle for Emergency/Time Sensitive Requests.

**Cooperative Purchasing** – Cooperative or “piggyback” purchasing is the combining of requirements of two or more private or political entities in order to obtain the benefits of volume purchases and/or reduction in administrative expenses.

**Corrective Action Plan** – ~~Identifies specific strategies and actions to resolve serious internal areas of non-compliance or areas that require improvement within an agency. The plan identifies the action to be taken within a specified timeframe.~~

**Direct Service** – Services provided directly to a specific participant, collateral contacts on behalf of a participant, or services negotiated from other sources for a specific participant.

**Emergency/Time Sensitive Requests** - Funding requests based upon unforeseen and exigent needs.

**Fiscal Year** – The 12-month financial period that begins October 1 and ends September 30 of

the following calendar year.

**Fixed Rate** – Payments that will remain constant over the term of a contract.

**Florida Statutes (F.S.)** – A permanent collection of state laws organized by subject area into a code made up of titles, chapters, parts, and sections. The Florida Statutes are updated annually by laws that create, amend, transfer, or repeal statutory material.

**Fund** – An accounting entity with a complete set of self-balancing accounts established to account for finances of a specific function or activity.

**Invitation to Bid (ITB)** – A written competitive solicitation used when the scope of work or specifications are precise and price is the only factor used to evaluate responsive and responsible bids. The terms and price of a bid cannot be negotiated and the lowest price bid must be selected.

**Invitation to Negotiate (ITN)** – A written competitive solicitation used to determine the best method for achieving a specific goal or solving a particular problem and identifies one or more responsive vendors who may be negotiated with in order to receive the best value. After negotiations are conducted, the contract is awarded to the responsible and responsive vendor that is determined will provide the best value to JWB, based on the selection criteria.

**Lapse** – Unspent funds remaining from a budgeted amount.

**Local Government Surplus Funds Trust Fund** – The pooled investment fund created by F.S.218.405

**Performance Improvement Plan (PIP)** - A Performance Improvement Plan (PIP) is a plan that identifies specific strategies and actions to resolve serious program and/or administrative concerns and/or areas of contract non-compliance within an agency.

**Policy** – A definite course of action adopted by the Board after a review of information and directed at the realization of goals.

**Protest** – A complaint about an action or decision by JWB regarding the bidding process that a bidder submits with the intention of obtaining remedial action. Not to be confused with “dispute”, which refers to a protest of a contract decision by JWB, not a bidding decision. Protests predominately cover decisions of JWB dealing with the procurement process, the solicitation requirements, and the award of the contract.

**Public Record** – All documents, papers, letters, maps, books, tapes, photographs, films, sound recordings, data processing software, or other material, regardless of the physical form, characteristics, or means of transmission, made or received pursuant to law or ordinance or in connection with the transaction of JWB official business (F.S.119).

**Recover Pinellas** – A group of representatives from Pinellas County funding agencies, government bodies, the school board, and health and human services agencies that may have a role in disaster recovery.

**Reimbursement** – Payment for incurred costs which are allowable and allocable under the terms of the contract and applicable laws and regulations.

**Request for Applications (RFA)** – A written competitive solicitation that provides a broad opportunity for JWB to receive need assessments and innovative solutions from the provider community that are in alignment with JWB’s Strategic **Fœeus-Results** Areas and are evaluated based on the criteria included in the RFA. An RFA does not include a detailed scope of work. All terms can be negotiated, including price prior to contract award.

**Request for Proposal (RFP)** – A written competitive solicitation used when the purposes and uses for which the commodity, group of commodities, or contractual service being sought can be specifically defined and the necessary deliverables are identified. Criteria that will be used for evaluation of proposals shall include factors other than price, such as experience and qualifications that are critical to obtain the best overall value for services specified in the scope of work. All terms can be negotiated, including price prior to contract award.

**Request for Qualifications (RFQ)** – An RFQ is a longer procurement process, as it is typically the first part of a two-part written competitive solicitation. An RFQ is a qualification-based selection, used for highly complex projects, to identify the highest qualified firm(s), according to the evaluation criteria, for a specific scope of work. Unlike a bid or RFP the level of detail provided in the scope of work is not prescriptive. Instead, it provides a set of guidelines or expectations of the firm that will ultimately perform the services.

**Reserve Fund** – An account restricted for a specific purpose, or not available for appropriation and subsequent spending.

**Resolution** – A formal written statement that is adopted by the Board. Rules specifying what number of votes the resolution must have to be adopted may differ from the number of votes required to pass a motion.

**Responsible Bidder** – A bidder that has the capability, financial capacity, and integrity to perform the contract.

**Responsive Bid** – A bid that addresses and commits the bidder to all of the material terms of the invitation to bid’s requirements.

**Special Conditions** – Specific requirements in a contract which modify or waive the General Conditions of the contract or dictate additional performance by a program other than those generally required in all contracts.

**Strategic Results Areas - Board-approved JWB Strategic Plan goals that incorporate overall desired outcome(s) and underlying outcome oriented strategic actions, programs or collaborations**

**Truth in Millage (TRIM)** – establishes the statutory requirements that all taxing authorities levying a millage must follow, including notices and budget hearing requirements.

**Vendor** – Any person or company that sells goods or services to another person or company.

## **Section I: General Administration**

### **I-1. Applicable Laws, Regulations, and Policies**

The Board will conduct its affairs in keeping with the JWB Special Act, the Bylaws, the Board's Strategic Plan, these Board Policies, and all applicable laws, rules, and regulations.

Board members are governed by Florida Statutes, including but not limited to: F.S.112 Public Officers and Employees, F.S.189 Uniform Special District Accountability, F.S. 119 Public Records, Public Business, Miscellaneous Provisions~~Open Meetings~~, F.S\_104.31 Political activities of state, county, and municipal officers and employees~~Political Activities of Public Officers~~, and all other laws applicable to the Board. Additionally, Board members must individually satisfy the annual obligation to file the Florida Commission on Ethics Form 1, the Statement of Financial Interest, with the Pinellas County Supervisor of Elections.

### **I-2. Conflict of Interest and Abstentions**

In accordance with F.S.112.3143, Board members and members of any advisory body to the Board must abstain from voting on a matter in which he or she has a conflict of interest, and he or she must disclose the nature of the conflict. Furthermore, he or she may not attempt to influence a decision of a matter in which they have a conflict of interest prior to disclosing the nature of the conflict. In either case, he or she must delineate such conflict on the Florida Commission on Ethics Form 8B, Memorandum of Voting Conflict for County, Municipal, and other Local Public Officers, which is filed with the Board Secretary and shall be incorporated in the minutes of the appropriate Board or advisory body meeting. However, provided it does not violate conflict of interest laws, a member may vote on such a funding issue if it is a part of a general appropriation addressing multiple programs. In such cases the member will announce his or her affiliation with the entity affected.

During orientation, Board members are informed that JWB's legal counsel is available to advise members on conflict of interest protocol and requirements.

### **I-3. Financial Disclosure**

In accordance with F.S.112, appointed Board members, the Chief Executive Officer and the Chief Financial Officer must annually file Form 1, the Statement of Financial Interest, and within 60 days of departure, must file Form 1F, the Final Statement of Financial Interest.

Ex-Officio Board members are required to annually file the financial disclosure form specific to their elective office and upon departure may be required to submit final financial disclosure forms.

### **I-4. Political Activity**

Board members are governed by F.S.112.313 and F.S.104.31, as amended with regard to political activity. If an appointed member intends to become a candidate for elective office, the appointed member must request and secure an interpretation by the Florida Office of the Attorney General and/or Florida Commission on Ethics as appropriate, regarding their eligibility to 1) run and serve as a Board member during the campaign; and 2) an interpretation on eligibility to remain on the JWB Board, if elected.



The interpretation will be brought to the Board, by the appointed member, at a regularly scheduled Board meeting, prior to submitting candidate qualification papers. The Board's discussion of the matter will become part of the JWB Board Minutes, and serves as notification of the appointed member's intentions.

#### **I-5. Meeting Notice and Open Meetings**

Board notice and open meetings policies comply with F.S.189 and F.S.286 which include, but are not limited to, informing the public of JWB regular Board meetings, special Board meetings, and committee meetings; holding meetings in a publicly accessible building in Pinellas County; and allowing the public to speak on any item prior to the Board taking action.

#### **I-6. Records Management**

In accordance with F.S.257.36(5), JWB maintains an organization-wide records management program that maintains, protects, retains, and disposes of records in accordance with statutory compliance, operational needs, fiscal and legal requirements, and historical or reference purposes.

#### **I-7. Public Records Request**

In accordance with F.S.119, any item that meets the definition of a Public Record will be retained in accordance with the records retention schedule required by law, and upon request, made available to the public unless the information is confidential or exempt from disclosure.

#### **I-8. Line of Authority**

There will be complete separation between the policy-making activities of the Board and the administration of the agency. The Board will adopt policies that govern the agency and hold the Chief Executive Officer responsible for all aspects of JWB operations. This authority includes the execution of contracts, agreements, and budgeted allocations for services approved through specific Board action. The Chief Executive Officer is responsible to provide the Board with adequate and timely background and supporting information regarding agenda items, the operation of the agency, and new matters that may affect the operation of the agency.

The Board will make all requests for services from staff through the Chief Executive Officer. Individual Board members should not give directions to the staff. Individual Board members who need additional information from the staff will make such requests through the Chief Executive Officer.

#### **I-9. Attendance**

In order to conduct regular Board meetings a quorum in person is required. The majority of all current Board members will constitute a quorum for the purpose of conducting regular official business. A majority vote of the members present, unless otherwise required by law or bylaws, is required for Board action. ~~In order to conduct regular Board meetings, a quorum of six members is required.~~ The JWB regular board meetings are typically held the second Thursday of each month. The Board approves the full year of meetings in September, prior to the start of the new fiscal year. If known, Board members should identify any dates that present a schedule conflict. After the regular board meeting schedule is approved, Board members should inform the JWB Chief Executive Officer, as soon as possible, if they will be unable to attend a future Board meeting.

Board members who are unable to attend a scheduled meeting, but wish to make their positions known on a specific agenda item, or have a question regarding an item, should contact the Chief Executive Officer regarding the matter and submit in advance of the meeting written statements addressing their positions on a specific agenda items.

## **Section II: General Operations**

### **II-1. Staff Affiliation with Other Agencies**

No member of the JWB staff will serve as a Board member of any agency funded by JWB. Staff may serve as non-voting consultants to such agencies with the approval of the JWB Chief Executive Officer for the purpose of providing technical assistance. Staff serving on governing bodies of agencies which make application for JWB funding will take a leave of absence from the governing body of the agency until a decision is made regarding the application. If funding is approved, the staff member concerned must resign membership of the governing authority. No staff member will accept any compensation from an agency funded by JWB.

### **II-2. Endorsements**

The JWB Chief Executive Officer or his/her designee shall have the authority to issue endorsements or letters of support to agencies or individuals that are in alignment with the focus and priorities of the Board.

## **Section III: Program Funding**

### **III-1. Purpose**

Funds shall be allocated in accordance with the intent of the Juvenile Welfare Board of Pinellas County Special Act, Chapter 23, 483, Special Act of 1945, as amended and codified as [F.S.2003- 320](#), Laws of Florida.

The Board, thereby created, has the powers and duties to provide, maintain, manage, and allocate funds to agencies providing services that are operated for the benefit of Pinellas County children and families as determined or directed by the Board in accordance with the Strategic Plan and Adopted Budget.

### **III-2. Funding Process**

JWB funds programs through its Adopted Budget, subject to the Truth in Millage (TRIM) process and adherence to JWB's funding policies. Generally, JWB awards new funding through competitive solicitations. JWB may consider out-of-cycle funding for Emergency/Time Sensitive Requests through JWB's approved Contingency Budget.

Funding may be reduced or terminated based on changes in JWB priorities, a reduction in revenues, or when program monitoring reveals a compliance infraction or poor performance.

---

### III-3. Eligible Recipients

In order to qualify as a recipient of JWB programmatic funds an agency must:

- a. provide services that align with JWB's Strategic Plan and Strategic Results ~~foeus~~ Areas
- b. serve children below the age of 18, or beyond as indicated in state and federal ...law, and their families residing in Pinellas County
- c. target programs to at-risk youth and families or to strengthen neighborhoods and communities
- d. provide for adequate protection of youth and must comply with all applicable laws and implementing regulations, including, but not limited to F.S. 435. All program staff and agency staff (including employees, independent contractors and staff of subcontractors), volunteers, and those who may have access to youth participants supported through JWB funding are required to undergo and pass a national Level 2 background screening that complies with Level 2 standards set forth in F.S. 435.04
- e. demonstrate organizational capacity and prior outcome attainment through evidence-based programs, to include emerging or promising practices
- f. meet the highest professional standards established through its specific field. Agencies are encouraged to provide certification of current accreditation by a recognized national accrediting body appropriate to the programming funded by JWB. Examples of recognized accrediting bodies include COA-Council on Accreditation, CARF-Commission on Accreditation of Rehabilitation Facilities, JCAHO-Joint Commission on Accreditation of Healthcare Organizations, NAEYC-National Association of Young Children, CQL-Council on Quality & Leadership, or FCADV-Florida Coalition Against Domestic Violence
- g. demonstrate financial and operational stability
- h. show efforts to diversify financial support
- i. dedicate fees or other revenues earned through the operation of a funded program exclusively to that program
- j. engage an audit firm which follows Government/Non-Profit Audit Standards when conducting the financial audit and shows evidence of a peer review report completed every three years
- k. if a recipient agency has an annual operating budget under \$500,000 then it is required to operate under an Administrative Services Organization (ASO) or collaborative, unless it demonstrates to JWB's satisfaction that it has the resources to properly administer the JWB funding in accordance with all requirements. Additionally, recipient agencies with annual operating budgets of \$500,000 or more may be required to operate under an Administrative Services Organization (ASO) or collaborative as determined in JWB's sole discretion to ensure the proper administration of JWB funding
- l. maintain participant records and have them available for audit inspection for five years after termination of services

~~m.~~ provide evidence of training new board members by an external trainer within twelve months of joining the board. ~~Training~~ must consist of the following topics: non-profit governance, fiduciary risks, and liabilities. Documentation of this training shall include an outline of topics covered, the Board members in attendance and who provided the training. Providers that are governmental entities, higher education institutions, and hospitals are exempt from this policy

~~n.m.~~

n) be in compliance with all applicable federal, state, ~~and local laws.~~ local laws.

F-funded agencies must NOT:

- a) operate under the exclusive jurisdiction of the public school system, pursuant to JWB's Special Act, F.S.2003-320
- b) give preference to participants who are easier to serve or less costly to serve; this includes recruitment and outreach
- c) unfairly steer or direct internal or external referrals
- d) make or accept payment or other non-monetary consideration in exchange for referrals
- e) use JWB funds to preferentially treat community partners, advisory group members, volunteers, personnel, or consultants.

#### III-4. In-Eligible Expenses

JWB will not consider funding for the following:

- a) recreation programs that do not have a clear youth development component
- b) direct medical services, unless as a catalyst for matching funds as a demonstrated project, or as an integrated element of a program that encourages positive development of children, youth and families
- c) services or programs requiring worship or religious instructional activities as a condition of participation
- d) retirement of debt (exceptions may be made for Family Services Initiative incidentals)
- e) expenses incurred in a closed JWB fiscal year
- f) contributions to or on behalf of any political party or candidate
- g) charitable contributions
- h) costs associated with a funded agency's legal settlement
- i) personal expenses of Board members, staff, or volunteers
- j) administrative costs in excess of the Board adopted percentage of the JWB program allocation as referenced in the JWB Funding Policies and Procedures for Funded Programs document
- k) expenses associated with fundraising activities
- l) costs not actually incurred or that are insufficiently documented
- m) acquisition of real property
- n) expenses not approved through the budget or budget process
- o) Florida sales tax
- p) gratuity greater than 18%
- q) ~~s~~Stipends, gift cards, or staff/volunteer incentives
- r) late fees, finance charges, and interest (exceptions may be made for Family Services

Initiative incidentals)

- s) ~~f~~Food and refreshments for events, meetings, retreats, or trainings that do not include program participants
- t) ~~d~~Depreciation
- u) ~~E~~xpenses budgeted to be paid for by other available sources of revenue
- ~~v~~) ~~s~~Salary adjustments provided without adequate supporting documentation from the board (board meeting minutes, etc.)
- ~~w~~) v\_\_\_\_\_
- ~~x~~) w\_\_\_\_\_ travel mileage that exceeds the federal rate

### III-5. Direct Administration of Programs

It is not the primary function of JWB to ~~provide Direct Service to children and families~~directly administer programs, therefore program administration or operational efforts will be limited to the following circumstances:

- a) temporary operation in order to maintain continuity of services when an agency is no longer able to do so. Transfer of program operations to an appropriate service provider will occur as soon as practical.
- b) short term demonstration projects or research efforts
- c) advocacy activities that promote efficiencies, accountability, and improvements to systems of service.

## Section IV: JWB Funded Program Monitoring

JWB conducts program and financial monitoring activities to review funded programs.

### IV-1. Program and Financial Monitoring Activities

Program and financial monitoring activities strive for excellence by monitoring the delivery of program and financial capabilities to achieve quality of services to children and families. It is designed to strengthen administrative and service delivery capabilities. JWB employs the following process to assess organizational and program effectiveness:

- a) conduct ongoing program monitoring activities that are progressive, uniquely tailored to the program's services and responsive to concerns or current service delivery challenges
- b) review documentation of general and special contract conditions
- c) review program operations for adherence to an approved program methodology
- d) review financial and personnel documents
- e) report on contracted performance measures
- f) submit a report outlining activities and progress to the Board

The JWB Chief Executive Officer may exempt in writing any agency or program from this process. Program monitoring activities may reveal a wide variety of issues at the program and/or administrative level. Significant concerns are elevated to members of the JWB Executive Team for review and various approaches are developed to address the situation. Most solutions include advanced or intensive technical assistance which can take the form of sharing information and expertise, instruction, skills training, transmission of working knowledge, and consulting services. Solutions may also include the development of a Performance Improvement Plan or

Corrective Action Plan. Both types of plans include measurable objectives and time frames to complete those objectives.

The following represents various tiers or approaches to improve the performance of funded agency program(s).

- 1) Technical assistance is provided as a normal course of business to all JWB funded programs. Advanced or intensive technical assistance may be provided for new programs, programs experiencing growth or expansion or programs undergoing temporary or new challenges. Intensive or advanced technical assistance is utilized to stabilize new or growing operations after a period of approximately six months.
- 2) When technical assistance is not having the desired outcome, has been required for more than six months or the nature of the assistance becomes less routine, a Performance Improvement Plan may be developed in consultation with the provider. Technical assistance from JWB continues to be provided as this plan is implemented, though it is expected the provider will become progressively more successful in operations. When the Performance Improvement Plan has not resulted in the desired outcome, a Corrective Action Plan may be developed in consultation with the provider. The provider is responsible to achieve the desired outcomes of the plan.

~~When the Performance Improvement Plan has not resulted in the desired outcome, a Corrective Action Plan may be developed in consultation with the provider. The provider is responsible to achieve the desired outcomes of the plan. When a Corrective Action Plan is not having the desired outcome and has been required beyond the time frame outlined in the plan, further decision making may be required regarding investment strategies in order to get the desired outcomes for children.~~

- 3) The JWB and provider board leadership would be alerted to and receive documentation of all Corrective Action Plans and progress towards completion of Corrective Action Plans. Progress, or lack thereof, on a Corrective Action Plan may lead to termination of funding with careful consideration given to the needs of the participants.

The above approaches may or may not be implemented consecutively, based on the nature of the issue(s) involved, but are intended to give the provider every opportunity to improve and to evidence a shared commitment to ensure quality programming.

~~JWB, in its sole discretion, reserves the right to implement other approaches to improve the performance of funded agency programs and/or to skip any or all of the above approaches or to proceed immediately to termination of funding in accordance with the applicable contractual terms.~~

~~The JWB and provider board would be alerted to and receive documentation of all Corrective Action Plans and progress towards completion of Corrective Action Plans. Progress, or lack thereof, on a Corrective Action Plan may lead to termination of funding with careful consideration given to the needs of the participants.~~

## **Section V: Financial**

### **V-1. Purpose**

These financial management policies have been designed to ensure the financial stability of JWB, and designed to provide guidance for the development and administration of the annual operating and capital budget. These financial policies address financial planning, revenue, and expenditures.

### **V-2. Long-Range Planning**

Staff shall develop a long-term financial planning process that forecasts operating and capital expenditures and revenue for the next five years. The forecast should be regularly monitored and periodically updated.

---



Physical assets shall be maintained at an acceptable level to minimize future maintenance and replacement costs. Staff shall inventory all physical assets, their condition, life spans, and cost and prepare a long-term replacement schedule for the next five years. The schedule should be regularly monitored and updated annually. The projected cost for asset replacement shall be reflected in the forecast

### **V-3. Operating Budget**

In accordance with F.S. 189.016(3), JWB shall adopt a budget by resolution each fiscal year. The total amount available from taxation and other sources, including balances brought forward from prior fiscal years, must equal the total of appropriations for expenditures and reserves. At a minimum, the adopted budget must show for each fund, as required by law and sound financial practices, budgeted revenues and expenditures by organizational unit which are at least at the level of detail required for the annual financial report under F.S.218.32(1).

JWB considers the budget balanced when total expenditures are equal to total revenues.

Allocations for programs are linked to Board approved [Strategic Focus-Result Areas](#).

JWB seeks to maximize the value the public receives through its spending. Accordingly, staff shall conduct reviews of prior year expenditure and revenue estimates to actuals and analyze variances. Staff shall seek expenditure reductions whenever possible through efficiencies, reorganization of services, and through the reduction or elimination of programs, policies, and practices which have outlived their usefulness. Staff shall encourage productivity improvements through training, technology, or other reasonable means.

### **V-4. Budgetary Control and Adjustments**

Budgetary control is established at the program level for Children and Family Program expenditures, and at the administration, and non-administration level for General Government expenditures.

In accordance with F.S. 189.016(6), JWB, at any time within a fiscal year or within 60 days following the end of the fiscal year, may amend a budget for that year. Budget amendments to the Adopted Budget that do not increase or decrease the total amount of appropriations in a fund require Board approval, if greater than \$50,000.

The Chief Executive Officer or his/her designee is authorized to execute budget amendments to the Adopted Budget that do not increase the total appropriations of the fund, if less than or equal to \$50,000. These amendments are reported to the Board on the monthly Board Financial and Investment Report.

A change to the Adopted Budget that increases the total amount of appropriations in a fund must be adopted by the Board in a resolution.

JWB funded agencies must submit a detailed line item budget for their Board approved program allocation for approval by designated JWB staff.

**Appropriations not expended shall lapse at the end of the fiscal year.**



### **V-5. Fund Lapse**

Following the completion of JWB's annual audit, staff will monitor lapsed program fund allocations and address subsequent funding level recommendations during the next budget preparation process.

Fund balances anticipated at the end of a fiscal year will be budgeted as the beginning fund balance for that fund for the upcoming fiscal year.

### **V-6. Emergency Response**

JWB staff who are displaced by a disaster and are unable to perform routine or special duties during a period of disaster and disaster recovery will continue to receive their normal compensation for 60 days, provided the Chief Executive Officer concurs with the circumstances contributing to the employee's inability to work. This compensation period may be extended at the discretion of the Board, upon recommendation of the Chief Executive Officer.

~~JWB participation in Recover Pinellas may include support for agencies and programs not currently funded within the Board mandate.~~ The JWB Chief Executive Officer is delegated the authority to approve contracts for emergency funding from JWB's approved Contingency Budget to meet urgent needs. The Chief Executive Officer will report use of the Contingency Budget to the Board and seek ratification as necessary during an emergency.

JWB may continue to fund previously approved programs for a period of at least 60 days after Pinellas County Emergency Management has declared a disaster, provided the program agrees to comply with requests from JWB. ~~or Recover Pinellas.~~ This period may be extended or shortened at the discretion of the Board upon recommendation of the Chief Executive Officer.

~~Following the declaration of a disaster for a 60-day period, the Chief Executive Officer is delegated the authority to allocate funding to funded programs on a fixed rate basis up to one-twelfth of the program's approved annual JWB allocation, adjusted for any normal operational costs that will not be incurred during the disaster recovery period.~~

---

## **V-7. Investment Policy**

### **A) Policy**

The policy of JWB is to invest funds in options which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the JWB and which conform to all state statutes governing the investment of public funds.

### **B) Scope**

This investment policy applies to all funds in excess of those required to meet the current expenditures of JWB. These funds are accounted for in the JWB Annual Financial Report.

### **C) Prudence**

The standard of prudence to be applied by the Investment Officer shall be the "prudent investor rule" in accordance with the Government Finance Officers Association, which states, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived." The "prudent investor rule" shall be applied in the context of managing all funds.

The Investment Officer, acting in accordance with written procedures and exercising due diligence, shall not be held personally responsible for a specific security's credit risk or market price changes, provided that these deviations are reported immediately to the Chief Executive Officer, and that appropriate action is taken to control adverse developments.

#### **D) Objectives**

The primary objectives, in priority order, of the Investment Policy are:

**Safety:** Safety of principal is the foremost objective of the investment program. Investments of JWB shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. JWB will diversify its investments by investing funds among a variety of securities offering independent returns and financial institutions.

**Liquidity:** JWB's investment portfolio will remain sufficiently liquid to enable JWB to meet all operating requirements which might be reasonably anticipated.

**Yield:** JWB's investment portfolio shall be designed with the objective of attaining a benchmark rate of return throughout budgetary and economic cycles, commensurate with JWB safety and liquidity objectives.

#### **E) Investment Authority**

The Chief Financial Officer or designee is authorized as the Investment Officer of JWB and is responsible for investment of surplus funds in accordance with F.S. 218.415. The Board is responsible for adopting and amending this investment policy. The Chief Financial Officer shall develop and maintain written administrative procedures consistent with these policies for the investment program. The investment commitment shall depend on financial and staffing considerations given the amount of revenues available.

#### **F) Ethics and Conflicts of Interest**

The Chief Financial Officer or designee and other authorized personnel shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. These investment officials shall disclose annually, in a written statement to the Chief Executive Officer, any material interests in financial institutions with which they conduct business, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the Board's investment portfolio. The Chief Financial Officer must comply with F.S. 112, Disclosure of Financial Interests by filing Florida Commission on Ethics Form 1, the Statement of Financial Interest.

#### **G) Authorized Investment Institutions & Dealers**

Contracts shall be obtained only with credit worthy institutions. Public deposits shall only be made in a qualified public depository as established by the Chief Financial Officer of the State of Florida. Approved security broker/dealers consisting of "primary" dealers or regional dealers are those that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule). A review of the financial conditions and registration of qualified financial institutions and broker/dealers will be conducted by the Chief Financial Officer or designee before a contract is created.

## H) Authorized and Suitable Investments

This investment policy is authorized by the JWB Board ~~of Directors~~. Consistent with F.S. 218.415, as amended, the following investments will be permitted by this policy:

- a) The Florida Local Government Surplus Funds Trust Fund ~~(SBA)~~—or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, as provided in F.S.163.01.
- b) U.S. Treasury Obligations. Negotiable direct obligations or obligations the principal and interest of which are unconditionally guaranteed by the U.S. Government. Such securities include, but are not limited to: Treasury bills, notes or bonds, and Treasury Strips.
- c) Interest Bearing Savings Accounts, Demand Deposit Accounts or Time Certificates of Deposit in qualified public depositories as defined in F.S. 280.02
- e)d) Money Market Funds. Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency. The ratings shall be “AAAm” or “AAAg” by Standard & Poor’s. They shall be registered under the Federal Investment Company Act of 1940 and operate in accordance with 17C.F.R.270.2a-7. The share value must equal \$1.00. Underlying securities are obligations of the U.S. Treasury, U. S. Federal Agencies, GSE’s or repurchase agreements with these underlying securities. Investments in Collateralized Mortgage Obligation (CMOs), Real Estate Mortgage Investment Conduit (REMICs) or other derivative securities are prohibited.

## I) Maturity & Liquidity Requirements

Investments of JWB will allow for the day-to-day liquidity needs. Therefore, investments will be made in accordance with anticipated cash need and cash flow requirements. JWB shall limit its maximum maturity to three years unless specific authority is given to exceed that limitation.

## J) Portfolio Composition

The investment portfolio of JWB shall be designed to attain a market-average rate of return throughout budgetary and economic cycles, taking into account the risk constraints and cash flow characteristics of JWB. For diversification purposes, the guidelines for the maximum allocation of funds are as follows: the local government surplus funds Trust Fund or any intergovernmental investment pool as described in Section V-7Ha; 75%; U.S. Treasury Obligations 75%; Interest Bearing Savings Accounts, Demand Deposit Accounts or Time Certificates of Deposit 100%; and Money Market Funds 75%.

## K) Risk & Diversification

JWB recognizes that investment risks can result from issuer defaults, market price changes or various technical complications leading to temporary illiquidity. Diversification is a way to control risk. The investment management is expected to be prudent and act in a way to minimize default risk. No single investment transaction shall be undertaken that jeopardizes the total capital position of JWB.

Diversification strategies within the established guidelines shall be reviewed and revised periodically, as deemed necessary by the appropriate management staff. The implementation of proposed changes to the strategies shall be presented to the Finance Committee for review and recommendation to the Bboard approval. The total investment portfolio will be invested with a

...minimum of three financial institutions for diversification purposes.

**L) Safekeeping and Custody**

If arrangements are made for the holding of security assets by a third party, the assets and/or collateral shall be designated as JWB funds. Securities will be held by a third-party custodian designated by JWB and evidenced by safekeeping receipts. Such assets shall not be withdrawn by anyone except an authorized JWB staff member. Such transactions between a custodian and an institution involving the sale or purchase of assets by transfer of money shall be made on a "delivery vs. payment" basis.

**M) Bid Requirement**

When purchasing or selling securities, the Chief Financial Officer shall select the security which meets the parameters of this policy, using a competitive bid process when deemed feasible and appropriate. Comparison to current market prices, as indicated by one of the market pricing resources, may also be utilized.

**N) Internal Controls**

The investment policy shall provide for a system of internal controls and operational procedures. The unit of local government's officials responsible for making investment decisions or Chief Financial Officer shall establish a system of internal controls which shall be in writing and made a part of the governmental entity's operational procedures. The investment policy shall provide for review of such controls by independent auditors as part of any financial audit periodically required of the unit of local government. The internal controls should be designed to prevent losses of funds which might arise from fraud, employee error, misrepresentation by third parties, or imprudent actions by employees of the local government.

**O) Performance Measurement**

The Investment Officer will routinely monitor the investments. The benchmark measurement for performance of investments will be the U.S. Treasury Index comparable in maturity to the average life of the portfolio.

**P) Reporting**

The Chief Financial Officer shall report banking and investment results to the Board on a monthly basis. The monthly investment reports submitted to the Board shall contain sufficient information to evaluate the monthly performance of the investment program.

The Annual Financial Report shall reflect the status of JWB's monetary assets, as required by the Governmental Accounting Standards Board and the State of Florida.

**Q) Continuing Education**

The Chief Financial Officer and appropriate staff shall annually complete eight hours of continuing education in subjects or courses of study related to investment practices and products.

**V-8. Record and Inventory of JWB Property**

The Chief Financial Officer will establish by rule, in accordance with F.S.274, the requirements for the recording of property to include equipment, fixtures, and other tangible personal property

of no consumable and nonexpendable nature. This will include the annual review of property for inventory purposes and specific guidelines for the acquisition, supervision, control and ...disposition of surplus or obsolete property, and documentation of lost or stolen property.

#### **V-9. Authorized Expenditures**

Board members receive no salary or other compensation for service, however members may receive reimbursement for travel and related expenses when the travel is in the interest of JWB, including conferences related to the goals and purpose of JWB. Reimbursement for Board approved travel for Board members is at the same basis as staff is reimbursed, as outlined by the JWB Personnel Policies and JWB Travel Regulations.

When JWB staff is authorized by their respective supervisor to use their privately owned vehicles for travel on official JWB business, they shall be reimbursed at the Internal Revenue Service (IRS) standard mileage rates for computing the deductible costs of operating an automobile for business purposes. This rate shall be benchmarked to the IRS rate and change accordingly.

The expenditure of funds is authorized as follows, provided a public purpose is served by the expenditure:

- a) non-alcoholic refreshments at JWB sponsored community functions
- b) all or a portion of the cost of meals or miscellaneous expenses in connection with JWB sponsored special meetings, strategic planning meetings, educational or training programs, recognitions or award ceremonies, and other similar special events, (not including employee staff meetings or other meetings of a similar type)
- c) reimbursement of travel, moving, and related expenses in connection with recruitment of employees at the director level or higher, or for professional or technical positions, approved by job classification in advance
- d) frames, plaques, certificates, trophies, pins, paperweights and other suitable tokens of recognition to acknowledge significant contributions by employees, volunteers, advisory board members, or other individual groups or organizations, provided the cost is below \$100.
- e) souvenirs and other tokens commemorating and or promoting programs, events and undertakings of the JWB
- ~~f) other unspecified expenditures approved in advance by the JWB Board of Directors similar in nature to the expenditures authorized herein~~
- ~~g) \_\_\_\_\_~~

#### **V-10. Revenue Forecasting**

Per F.S.200, ad valorem revenues must be budgeted at not less than 95% of the certified taxable value. JWB monitors actual ad valorem receipts annually and budgets an appropriate percentage, not less than 95%, based upon expected receipts.



## **V-11. Fund Balance**

Designation of general fund balances represents tentative plans for future use of financial resources. In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise the limitations on the funds. The fund balance is reported in five components: non- spendable, restricted, committed, assigned, and unassigned.

- a) Non-spendable includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually bound.
- b) Restricted consists of amounts that have constraints placed on them either externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law.
- c) Committed consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action.
- d) Assigned consists of amounts that are constrained by JWB's intent to use the funds for specific purposes, but are neither restricted nor committed. The authority for assigning fund balance is determined by the JWB Board or the Chief Executive Officer.
- e) Unassigned represents amounts that have not been restricted, committed, or assigned to specific purposes within the general fund.

JWB shall maintain a prudent fund balance to ensure that it has adequate capability to respond to changing or emerging community needs, unanticipated funding opportunities, the need to stabilize the budget, and natural disasters or emergency situations that threaten to disrupt the orderly delivery of services to Pinellas County children and families.

Non-spendable, restricted, committed, and assigned fund balance amounts shall be in line with their stated purposes. Unassigned funds shall be targeted at three months of operating expenses.

The three month target is comprised of two months to manage cash inflows and out-flows until ad valorem revenue is received and one month to respond to potential unforeseen expenses.

## **Section VI: Purchasing and Contracting**

### **VI-1. Purpose**

The purpose of this section is to provide for the fair and equitable treatment of all persons involved in public purchasing by JWB, to maximize the purchasing value of public funds in procurement, and to provide safeguards for maintaining a procurement system of quality and integrity.

### **VI-2. Purchasing**

The JWB shall adhere to prudent financial management practices and applicable governmental standards for purchasing.

- a) Commodities and contractual services with a total cost of less than or equal to \$5,000 (per fiscal year) may be purchased by phone or other contact between the purchaser and supplier, using buyer experience and knowledge. (Competitiveness is stressed for orders under \$5,000.)
- b) Commodities and contractual services with a cost of between \$5,001 and \$10,000 (per fiscal year) will be purchased on the basis of a minimum of three oral quotations which

shall be documented or three written quotations and are awarded by the Chief Executive Officer or through Board approval.

- e) Commodities and contractual services with a cost of between \$10,001 and \$50,000 (aggregate contract value) will be purchased on the basis of a minimum of three written quotations, an Invitation to Bid, or a Request for Proposal and are awarded by the Chief Executive Officer or through Board approval.
-

- d) Commodities and contractual services with a cost in excess of \$50,000 (aggregate contract value) require a competitive solicitation (Request for Proposal, Invitation to Bid, Request for Qualifications, Invitation to Negotiate, or Request for Applications, etc.) to be issued, and are awarded through Board approval.
- e) Sole source purchases may be used as a procurement method for purchases of products or services when it is determined that there is only one practicable and reasonable source with the ability or capability to meet the particular requirements of the solicitation. Written documentation must be provided, justifying why there is only one source for the requirements. Exercise of authority under this provision shall be reported at the following JWB Board meeting.
- f) A purchasing policy waiver may be authorized by the Chief Executive Officer in very limited circumstances, when an unusual or unique situation exists that makes the application of the Purchasing Policies contrary to the public interest. Any application of this shall be made with such competition as is practicable under the circumstances. Written documentation must be provided, clearly documenting the advantages of waiving the purchasing policies. Such advantages may be based upon, but not limited to, uniqueness, vendor qualifications, and timeliness of the purchase. In no way does this section permit the Chief Executive Officer to exceed his or her authority of \$50,000 as set forth in Section VI-4. Exercise of authority under this provision shall be reported at the following JWB Board meeting. JWB may participate in or administer a cooperative purchasing agreement for the procurement of any supplies or services with one or more public procurement units. Such cooperative purchasing may include, but is not limited to, joint or multiparty contracts between public procurement units and open-ended state or federal procurement unit contracts which are made available to local procurement units. All cooperative purchasing shall be through contracts, awarded through full and open competition. The Chief Executive Officer has authority to make award for cooperative purchases up to \$50,000 in a fiscal or calendar year. Cooperative purchases exceeding \$50,000 are awarded through Board approval.
- g) Notwithstanding any other provisions of this section, the Chief Executive Officer may make or authorize others to make emergency purchases of goods or services in the event of a disruption of essential operations, or when there exists a threat to public health, welfare, or safety provided that such emergency purchases shall be made with such competition as is practicable under the circumstances. A written determination of the basis for the emergency and for the selection of the particular contractor shall be included in the contract file. Emergency purchases in excess of \$50,000 shall be reported at the following JWB Board meeting.
- h) JWB's administrative contracts in excess of \$50,000 will be reviewed at least every five years. Recommendations for continuation funding, restructuring, and re-bidding or contract termination will be brought before the Chief Executive Officer for approval.
- i) Cancellation of a Competitive Solicitation. At any time, the Board may postpone or cancel a competitive solicitation in its entirety, and any or all responses may be rejected in whole or in part as may be specified in the solicitation, when it is in the best interest of JWB. The reasons therefor shall be recorded.

### **VI-3. Protest Procedure**

*Bid/Proposal Protests.* Any actual or prospective bidder or proposer, who is allegedly aggrieved in connection with the issuance of a bid or proposal package or pending award of a contract, may protest the decision by following the procedure below.

*Posting.* JWB shall publicly post the award on JWB's website within three full business days after the JWB Board award decision has been made. All bidders or proposer will be sent an email with the notice of award to the email address provided in the bid or proposal.

*Requirements to Protest.*

- a) A formal written protest must be filed no later than 5:00 PM, on the fifth business day after the notice of award has been posted. The formal written protest shall identify the protesting party and the solicitation involved; include a clear statement of the grounds on which the protest is based; refer to the statutes, laws, ordinances, applicable section(s) of the solicitation or Board policy, or other legal authorities which the protesting party deems applicable to such grounds; and specifically request the relief to which the protesting party deems itself entitled by Application of such authorities to such grounds.
- b) A formal written protest is considered filed when the JWB Chief Executive Officer receives it. Accordingly, a protest is not timely filed unless it is received within the time specified above. Failure to file a formal written protest within the time period specified shall constitute a waiver of the right to protest and result in relinquishment of all rights to protest by the actual or prospective Applicant.

*Sole Remedy.* These procedures shall be the sole remedy for challenging an award of bid or proposal. Bidders or proposers are prohibited from attempts to influence, persuade, or promote a protest through any other channels or means.

*Authority to Resolve.* The Chief Executive Officer shall resolve the protest in accordance with the terms of the bid or proposal and shall render a written decision to the protesting party no later than 5:00 PM on the fifth business day after the filing thereof.

*Review of Chief Executive Officer's Decision.*

- a) The protesting party may request a review of the Chief Executive Officer's decision by the Board by delivering a written request for review of the decision to the Chief Executive Officer by 5:00 PM on the fifth business day after the date of the written decision.
- b) The written notice shall include any written or physical materials, objects, statements, and arguments, which the Applicant deems relevant to the issues raised in the request for review.
- c) The Board will consider the request for review at the next regularly scheduled Board meeting after the request is received. It is within the Board's discretion whether to allow testimony or argument from the protesting party at the Board meeting. If it is determined by majority vote of Board members present at the meeting that the award is in violation of law or the regulations and internal procedures of the Budget and Business Services Division or any another applicable authority, the Board shall cancel or revise the award as deemed appropriate within three business days after the Board meeting.

- d) If it is determined by majority vote of Board members present at the meeting that the award should be upheld, the Board shall direct staff to notify the protesting party in writing of the Board decision with a copy furnished to all substantially affected persons or businesses within three business days of the Board meeting. The decision shall be final and conclusive as to JWB.

*Stay of Procurement during Protests.* The decision to stay a procurement during protests shall be at the sole discretion of the Chief Executive Officer.

#### **VI-4. Approval Authority**

The Board shall approve all lease agreements pertaining to JWB occupied or owned real estate.

The ~~JWB~~ Chief Executive Officer or his/her designee shall have the authority to do the following within the Adopted Budget:

- a) Approve and execute any and all contracts, including, but not limited to: grants, interlocal agreements, intergovernmental contracts, joint and cooperative purchasing contracts with other governmental agencies, and any amendments, extensions, renewals, or assignments thereof, including changes in price, terms and conditions, that involve the receipt or payment by JWB of an amount not to exceed \$50,000
- b) Execute all agreements approved by the Board

The Chief Financial Officer shall have the authority to do the following within the Adopted Budget:

Approve and execute contracts for routine operation, routine repair, and routine maintenance of infrastructure facilities, including, without limitation, the contracts for information technology of an amount not to exceed \$10,000.

All contracts approved and/or executed under this section shall be listed on the monthly Board Financial and Investment Report and on the agenda of the JWB Board meetings.

#### **VI-5. Types of Contracts**

JWB contracts will provide funding on a per diem, unit cost, fixed price, or cost-reimbursement basis. The specific terms of these contracts will be established by JWB at the onset of each contract period. JWB may issue memorandums of agreement or understanding in regard to initiatives and collaborative projects.

#### **VI-6. Advances**

Request for advance funds can be one-fourth of the agency's JWB program allocation with a maximum of \$100,000 total per agency and must be approved by the Board if greater than \$50,000. The Chief Executive Officer may approve amounts less than \$50,000. An agency must reconcile all advances at the end of the fiscal year in which they were provided.

#### **VI-7. Review of Standard Contract**

JWB staff will annually review the standard contract template including general conditions and as appropriate, make changes there to.



# Juvenile Welfare Board

Investing in children. Strengthening our community.

## **REQUEST FOR PROPOSALS**

for

### **Participant Management Software**

**PRE-PROPOSAL CONFERENCE** (attendance is optional)

December 3, 2020

1:00 PM, Zoom Webinar

### **SUBMISSION DUE DATE AND TIME**

December 18, 2020, Noon EST

### **DELIVERY OF PROPOSALS**

Written Proposals must be submitted via email to [RFP@jwbpinellas.org](mailto:RFP@jwbpinellas.org)

Juvenile Welfare Board of Pinellas County  
14155 58<sup>th</sup> Street North, Suite 100  
Clearwater, FL 33760  
(727) 453-5600

# Table of Contents

<b>1.0 INSTRUCTIONS.....</b>	<b>2</b>
<b>2.0 SCOPE OF WORK .....</b>	<b>12</b>
<b>3.0 PROPOSAL REQUIREMENTS.....</b>	<b>16</b>
<b>FORM 1 – PROPOSAL SIGNATURE FORM.....</b>	<b>19</b>
<b>FORM 2-CUSTOMER REFERENCES .....</b>	<b>20</b>
<b>FORM 3 – NON-COLLUSION AFFIDAVIT .....</b>	<b>22</b>
<b>FORM 4 – MINIMUM TERMS &amp; CONDITIONS COMPLIANCE CHECKLIST .....</b>	<b>23</b>
<b>FORM 5 – SPECIAL TERMS &amp; CONDITIONS COMPLIANCE CHECKLIST.....</b>	<b>24</b>
<b>FORM 6 – IRS W-9 .....</b>	<b>25</b>
<b>ATTACHMENT 1 – VENDOR FINANCIAL VIABILITY TEST .....</b>	<b>26</b>
<b>ATTACHMENT 2 – MINIMUM TERMS AND CONDITIONS.....</b>	<b>27</b>
<b>ATTACHMENT 3 – SPECIAL TERMS AND CONDITIONS.....</b>	<b>43</b>
<b>ATTACHMENT 4 – PROPOSAL CHECKLIST .....</b>	<b>48</b>
<b>EXHIBIT A – JWB CURRENT SYSTEM.....</b>	<b>50</b>

## Attached Documents

Attachment 5 – Participant Management Technical and Support Requirements.xlsx

Attachment 6 – Participant Management Functional Requirements.xlsx

Attachment 7 – Pricing Forms.xlsx

Sample Documents

- Data Quality Manual
- JWB Sample Client Milestone Report
- JWB Sample Data Export Report
- JWB Sample Demographic Report
- JWB Sample Household Report
- JWB Sample Migration Fields
- JWB Sample Percent of Days Attended Report
- JWB Sample Program Performance Measurement Profile Report
- JWB Sample Roster Grid Export Report
- JWB Sample Roster Services Monthly Details Report
- JWB Sample Survey Data Export Report
- JWB Sample Target Report

## 1.0 INSTRUCTIONS

### 1.1 **JUVENILE WELFARE BOARD OF PINELLAS COUNTY**

The Juvenile Welfare Board of Pinellas County (JWB) was established in 1946 as the nation's first countywide agency investing dedicated property tax revenues to better the lives of children and families. JWB was created by a Special Act and is an Independent Special District pursuant to F.S. Ch. 189. Guided by its mission, JWB invests in partnerships, innovation, and advocacy to strengthen Pinellas County children and families. JWB's collective initiatives and partnership efforts also strengthen neighborhoods, communities, and schools, making Pinellas County a better place for everyone to live.

JWB strategically invests in six key result areas designed to improve the lives of Pinellas children and families: Early Childhood Development, School Readiness, School Success, Prevention of Child Abuse and Neglect, Strengthening Community, and Organizational Capacity. The decision to build supports, allocate resources, and establish partnerships is further guided by a set of principles that include a commitment to quality, prioritizing early intervention and prevention resources for the most vulnerable children, investing in promising practices, maintaining public accountability, and continued flexibility in responding to emerging issues that impact Pinellas children, especially across JWB's six key result areas.

### 1.2 **SCHEDULE OF ACTIVITIES (DATES SUBJECT TO CHANGE)**

Revised dates will be published on JWB's website. Please check JWB's website regularly for any revisions to the schedule. Should JWB change any date below after Proposals are received, JWB will also email the adjusted schedule to any entity making a Proposal.

<b>Date</b>	<b>Activity</b>
11/12/2020	RFP Released
12/03/2020	Optional Pre-Proposal Conference at 1:00 PM, Zoom Webinar
12/04/2020	Deadline for Receipt of Questions by Noon EST
12/09/2020	Written Responses to Questions Released
12/18/2020	Proposal Submission Due Date by Noon EST
01/14/2021	Evaluation Committee Meeting at 1:00 PM, Juvenile Welfare Board, Edmonds Neri Conference Room
02/01/2021, 02/04/2021- 02/05/2021 <sup>1</sup>	Demonstrations by Top Proposers, Remotely
02/09/2021	Best and Final Offers Due*
02/12/2021	Evaluation Committee Meeting at 2:00 PM, Juvenile Welfare Board, Edmonds Neri Conference Room
02/24/2021	Present Recommendations to the JWB Finance Committee at 10:30 AM, Juvenile Welfare Board, Edmonds Neri Conference Room
03/11/2021	Board Action to Award at 9:00 AM, Juvenile Welfare Board, Edmonds Neri Conference Room
03/12/2021	Announce Intent to Award
04/01/2021	Execute Agreement

<sup>1</sup> JWB has scheduled three dates for demonstrations and is requesting Proposers to be



available on these dates. Pursuant to Section 286.0113(2)(b)1, Florida Statutes, vendor oral presentations are exempt from public meeting requirements and this meeting is not open to the public.

*\*JWB reserves the right to award a contract without a Best and Final Offer.*

### **1.3 COMMUNICATION WITH JWB**

All Proposer communication concerning this Request for Proposals (RFP) must be directed to the Budget and Business Services Division. The point of contact is:

Juvenile Welfare Board of Pinellas County  
Attn: Nikitra King, Sr. Contract Manager and Purchasing Agent  
14155 58<sup>TH</sup> Street North, Suite 100  
Clearwater, FL 33760  
[rfp@jwbpinellas.org](mailto:rfp@jwbpinellas.org)  
727-453-5656

### **1.4 DEMANDSTAR**

This RFP and the attached documents may be requested from JWB's website at [jwbpinellas.org](http://jwbpinellas.org). Additionally, JWB is using DemandStar to assist with distribution and communication of this RFP and any addenda. Copies of this RFP, attached documents, and any addenda may be obtained from DemandStar at [www.demandstar.com](http://www.demandstar.com).

Proposer's who obtain copies of this RFP from sources other than DemandStar risk the potential of not receiving addenda, since their names will not be included on the list of vendors interested in this RFP.

### **1.5 PRE-PROPOSAL CONFERENCE**

An optional Pre-Proposal conference will be held as a virtual public meeting at 1:00 PM EST on December 3, 2020. The virtual public meeting will be held as a Zoom Webinar. The instructions on how to access the Zoom Webinar can be found on the Public Notices page, <https://www.jwbpinellas.org/public-notice/>, Participant Management Software (RFP).

All interested parties are urged to attend. The purpose of the Pre-Proposal conference is to allow potential Proposers an opportunity to present questions to staff and obtain clarification of the RFP requirements. Oral statements, oral responses to questions, or oral instructions will not constitute an amendment to this RFP. Responses to questions may be handled as an addendum if the response would provide clarification to requirements of the Proposal. If this occurs, a written addendum will be emailed to all who requested a copy of this solicitation and posted on the JWB website. For official written question responses or if you are unable to attend, please see instructions in Section 1.6.

### **1.6 WRITTEN REQUESTS FOR INTERPRETATIONS/CLARIFICATIONS**

All questions pertaining to the terms and conditions or scope of work of this RFP must be submitted in writing to [rfp@jwbpinellas.org](mailto:rfp@jwbpinellas.org).

**The deadline for questions is December 4, 2020, by Noon EST.** Please use email subject line "Participant Management Software RFP Question". Beyond that date and time, questions

will not be answered.

**Written questions and responses will become public record and will be made available via the website ([www.jwbpinellas.org](http://www.jwbpinellas.org)) on the date identified in section 1.2.** Responses to questions may be handled as an addendum if the response provides clarification to requirements of the RFP. If this occurs, a written addendum will be posted on the same website, [www.jwbpinellas.org](http://www.jwbpinellas.org).

### **1.7 ADA REQUIREMENT FOR PUBLIC MEETINGS**

Persons with disabilities requiring reasonable accommodation to participate in public meetings must submit a request to Joan Chamo via email at: [jchamo@jwbpinellas.org](mailto:jchamo@jwbpinellas.org) or by phone 727-453-5600, at least 48 hours prior to the meeting.

### **1.8 ADDENDA ACKNOWLEDGEMENT**

Before submitting your Proposal check the website, [www.jwbpinellas.org](http://www.jwbpinellas.org), to download any addenda that may have been issued. Receipt and acceptance of an addendum, if applicable, is to be acknowledged by signing and returning the document with the Proposal.

### **1.9 REQUIREMENTS FOR SIGNING PROPOSAL**

The Proposal Signature Form must be completed. This form must be signed in blue ink by an authorized representative of the firm as defined below:

If an individual or sole proprietorship, the owner may sign.

If a partnership, a general partner may sign.

If a limited liability company, a “member” may sign or “manager” may sign if so specified by the articles of organization.

If a corporation (for profit or not-for-profit), the CEO, President, or Vice-President may sign.

If another individual is granted authority to sign for one of the types of entities above, and for all other types of entities, authority to sign must be granted by an official document from the entity authorizing him/her to sign and must be submitted with the Proposal.

### **1.10 EXPENSES INCURRED IN PREPARING PROPOSAL**

JWB accepts no responsibility for any expense incurred by the Proposer in the preparation and presentation of a Proposal. Such expenses shall be borne exclusively by the Proposer.

### **1.11 PROPOSAL SUBMISSION**

All Proposals signed by the appropriate principal of the firm, using the required format provided herein, must be received by email at [rfp@jwbpinellas.org](mailto:rfp@jwbpinellas.org) on or before the due date/time identified in section 1.2 to be considered. **Late submissions will not be considered.**

Submission emails must include “Participant Management Software RFP – [Proposer’s Name]” in the subject line, where [Proposer’s Name] represents the Proposer’s organization’s name.

The maximum email size JWB can receive is 10MB. If the submission email, including any attachments, is greater than 10MB, please send multiple separate emails which are less than the 10MB maximum.

It is the responsibility of the Proposer to ensure that the Proposal is received by JWB on time at the right location. JWB will reply to confirm receipt of all Proposals. Proposers who do not receive an email confirmation receipt should contact Nikitra King, Sr. Contract Manager and Purchasing Agent, at 727-453-5656 to verify email receipt. Proposers are encouraged to respond early. JWB is not responsible if technical difficulties are encountered during the submission process on submission due date. The following documents must be emailed to JWB as attachments with the naming and electronic file formats shown below:

1. Participant Management Software RFP – Proposal [Proposer’s Name].pdf
2. Participant Management Software RFP – Technical and Support Requirements [Proposer’s Name].xlsx
3. Participant Management Software RFP – Functional Requirements [Proposer’s Name].xlsx
4. Participant Management Software RFP – Pricing Forms [Proposer’s Name].xlsx

The Proposal must be assembled in the following order. Make sure to number each page, including attachments. All Proposers must be typed single-spaced using 12-point font.

Proposals must be assembled as listed below:

1. Signed Addenda, if issued
2. Form 1 – Proposal Signature Form (signed)
3. Narrative Response
  - attach resumes of all Vendor staff that will be assigned to the project
  - if applicable, attach audited financial information for the past two (2) completed fiscal years that includes income statements, balance sheets, and statement of cash flows or information detailing the company’s stability including a Dunn & Bradstreet report (D&B)
  - attach Statement of Work
4. Form 2 – Customer References
5. Form 3- Non-Collusion Affidavit (signed and notarized)
6. Form 4 – Minimum Terms & Conditions Compliance (signed)
7. Form 5 – Special Terms & Conditions Compliance Checklist
8. Proposed Agreements
  - attach a copy of all warranties associated with the proposed solution.
  - attach all applicable contracts, with JWB’s minimum terms and conditions incorporated, including:
    - a. SaaS License
    - b. Professional Services Agreement
    - c. Service Level Agreement (“SLA”) identifying Proposer’s: (a) response and resolution times to a Severity Level One Incident, Severity Level Two Incident, and Severity Level Three Incident as defined in the Special Terms and Conditions; (b) shortened (minimum 50% shorter) response and resolution times for the foregoing if an incident occurs during the month of October (“Critical Period”); and (c) service level credits for failure to adhere to the foregoing and the Availability requirement as defined in the Special Terms and Conditions.

**1.12 RIGHTS OF JUVENILE WELFARE BOARD IN REQUEST FOR PROPOSAL PROCESS**

In addition to all other rights of JWB under Florida law, JWB specifically reserves the following:

- a) the right to rank Proposals and negotiate with the most qualified Proposer.
- b) the right to select the Proposal that it believes will serve the best interest of JWB.
- c) the right to cancel the entire Request for Proposal.
- d) the right to reject any Proposal as nonresponsive and disqualify without scoring if it contains substantive exceptions to the terms and conditions of the RFP that cannot be rectified without affecting the price, quality, delivery, or performance of the services being procured.
- e) the right to waive any informalities or non-material irregularities of a Proposal.
- f) the right to request any necessary clarifications or Proposal data, provided that information requested does not change the price, quality, quantity, delivery, or performance time of the services/goods being procured.
- g) the right to require the Proposer to perform the services required on the basis of the original Proposals without negotiation.

**1.13 EVALUATION**

Responses to this RFP will be evaluated and ranked by a team of JWB staff and JWB funded-agency staff. JWB will use the following process to make a recommendation to the Board for award:

**Round 1 Minimum Criteria:** The following minimum criteria must be met for a Proposal to be considered for further evaluation. Failure to meet all of these criteria will automatically disqualify the Proposer’s response from further consideration:

- 1. The Proposal is received by the due date and time;
- 2. The Proposal Signature Form is signed by an authorized company officer.

**Round 2 Evaluation:** For those Proposer’s whose Proposals pass the minimum criteria, the following criteria, with the points shown for each, will be used to further evaluate and score the Proposals:

<u>Evaluation Criteria</u>	<u>Weight</u>
Functional Requirements	30%
Technical & Support	25%
Price	20%
Company Background	15%
Professional Services	10%
<b>Total Potential Points</b>	<b>100%</b>

Up to an additional 5 points are available for Proposers who incorporate JWB’s minimum terms and conditions into the Proposed Agreements and takes no exceptions to JWB’s special terms and conditions and also incorporates them into the Proposed Agreements. While additional or modified terms and conditions may be necessary depending on the responses to

the RFP, any exceptions or conflicts must be stated explicitly. Partial points (up to 2) are available, if only the minimum terms and conditions are incorporated into the Proposed Agreements.

**Round 3 Evaluation:** The Top Proposers in the Round 2 Evaluation may proceed to an additional level of due diligence that will include:

- Follow-up questions and answers with the Proposers;
- Customer References with comparable agencies;
- Software demonstrations to include module/functionality demonstrations; technical demonstrations, service presentation, and other due diligence;
- Negotiations of any exceptions to JWB’s special terms and conditions.

At the conclusion of the round three activities, the Top Proposers will be evaluated on all information collected to date against the following criteria with the total possible points shown for each:

<u>Evaluation Criteria</u>	<u>Weight</u>
Functional Requirements	42%
Technical & Support	23%
Price	15%
Company Background	10%
Professional Services	10%
<b>Total Potential Points</b>	<b>100%</b>

Up to an additional 5 points are available for Proposers who incorporate JWB’s minimum terms and conditions into the Proposed Agreements and takes no exceptions to JWB’s special terms and conditions and also incorporates them into the Proposed Agreements. While additional or modified terms and conditions may be necessary depending on the responses to the RFP, any exceptions or conflicts must be stated explicitly. Partial points (up to 2) are available, if only the minimum terms and conditions are incorporated into the Proposed Agreements.

Proposers may be asked for a Best and Final Offer post-demonstration. JWB reserves the right to award a contract without a Best and Final Offer request.

The Evaluation Committee’s recommendation will be presented to the Finance Committee and the Board for approval and award.

**1.14 AWARD AND AGREEMENT**

It is anticipated that one award will be made. JWB shall publicly post the formal award on JWB’s website no less than three full business days after the decision to award the agreement to the Proposer is made. All Proposers will be sent an email with the notice of award to the email address provided in the Proposal.

The award document will be a written agreement, incorporating, by reference, all the requirements, terms, and conditions of this RFP and the successful Proposal as negotiated. It is anticipated that the agreement will remain valid for a period of five years (“Initial Term”) with an option of additional successive one-year terms (“Renewals”) from date of issuance

unless terminated earlier in accordance with the agreement terms.

**1.15 TAX EXEMPT STATUS**

JWB is exempt from paying sales taxes. JWB's State Taxpayers Certificate of Exemption Number is 85-8012646116C-8. JWB is exempt from federal excise tax. All prices should be quoted FOB Clearwater, FL.

**1.16 PROPOSAL OFFER ACCEPTANCE PERIOD**

In order to allow for an adequate evaluation, JWB requires an offer in response to a Proposal to remain valid and irrevocable for 120 days after the Proposal opening time and date.

**1.17 PUBLIC RECORDS**

In accordance with Section 119.071(1)(b), F.S., all Proposals submitted shall become public record after thirty (30) days from opening, or earlier if JWB provides notice of an intended decision before the thirty (30) days expires. If JWB rejects all Proposals and concurrently provides notice of its intent to reissue the RFP, the rejected Proposals remain exempt from the public records requirement until such time that JWB provides notice of an intended decision concerning the reissued RFP or until JWB withdraws the reissued RFP. A Proposal is not exempt from public record disclosure for longer than twelve (12) months after the initial JWB notice rejecting all Proposals. Information that is confidential and/or exempt from public record disclosure will not be produced provided that it is legally required that it not be produced or a specific exemption from disclosure exists as determined solely by JWB. If you believe you are submitting anything that is confidential and/or exempt from disclosure you must clearly mark it as set forth in the instructions in Section 1.18 below. However, the determination of whether something is confidential and/or exempt from disclosure remains in JWB's sole discretion.

**1.18 TRADE SECRET AND CONFIDENTIAL MATERIALS**

All Proposals submitted become public records as set forth above. Unless a specific exemption exists from disclosure, all documents submitted will be released in response to a public records request. If the Proposal includes material which is deemed a trade secret, as defined by Section 812.081, F.S., the following statement should be included in the Proposal "Trade Secrets as defined by Section 812.081, F.S. are contained in this Proposal and shall not be used or disclosed by JWB except for JWB's purpose of evaluating this Proposal." However, if a contract is awarded as a result of this Proposal, JWB shall have the right to use the information designated as trade secrets to the extent subsequently agreed upon in writing between the Proposer and JWB. This does not limit JWB's right to use or disclose the information if the same information is obtained from another source. In addition, each and every page that contains information that the Proposer contends contains information that is a Trade Secret as defined by Section 812.081, F.S., must be clearly marked and cite the specific statute language that applies to/justifies the legal exclusion, as such by the Proposer prior to submission to JWB.

In addition, if a Proposer believes that a Proposal contains any information that is confidential and/or exempt from the disclosure requirements of Chapter 119, F.S., each page containing such information must be clearly marked as such by the Proposer prior to submission along with a citation to a statutory exemption or other law prohibiting the disclosure of the marked

information.

Notwithstanding anything to the contrary, nothing contained in the Proposal shall be deemed or interpreted to restrict or prevent JWB from complying with the disclosure requirements of Chapter 119, F.S., when material or information is incorrectly, as determined solely within JWB's discretion, identified as confidential and/or exempt from disclosure as a Trade Secret, other statutory exemption or otherwise by the Proposer.

Proposers are strongly discouraged from submitting any information that the Proposer feels is confidential and/or exempt from public records disclosure such as information that is a Trade Secret per 812.081 as JWB will comply with the public records law and will make the determination within its sole discretion as to whether information submitted by a Proposer that a Proposer claims is exempt from disclosure is in fact, exempt from disclosure. By submitting this Proposal, the Proposer submits all information at its own risk and covenants not to sue JWB and waives any claim against JWB in connection with or as a result of any disclosures by JWB of any information contained in the Proposal. By submitting the Proposal, the Proposer agrees that JWB may use and disclose all information submitted for any purpose JWB sees fit and that it is within JWB's sole discretion to determine if any information submitted is confidential and/or exempt from disclosure.

#### **1.19 PUBLIC ENTITY CRIMES**

The Proposer, by submitting a Proposal, attests they have not been placed on the convicted vendor list.

Per Section 287.133, Florida Statutes, a person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid, Proposal, or reply on a contract to provide any goods or services to a public entity; may not submit a bid, Proposal, or reply on a contract with a public entity for the construction or repair of a public building or public work; may not submit bids, Proposals, or replies on leases of real property to a public entity; may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity; and may not transact business with any public entity in excess of the threshold amount provided in s. 287.017 for CATEGORY TWO for a period of 36 months following the date of being placed on the convicted vendor list.

#### **1.20 CERTIFICATION OF ELIGIBILITY TO SUBMIT BID/PROPOSAL**

The Proposer, by submitting Proposal, attests they are eligible to contract with JWB.

In compliance with F.S. 287.135(a), a firm is ineligible to and may not enter into a contract with JWB if the firm is on the Scrutinized Companies that Boycott Israel List, created pursuant to s. 215.4725 or, is engaged in a boycott of Israel. In compliance with F.S. 287.135(b), for contracts of \$1 million or more, a firm is ineligible to and may not enter into a contract with JWB if the firm is (1) is on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Section List, created pursuant to s. 215.473 or, (2) is engaged in business operations in Cuba or Syria. By entering into this Agreement, you are certifying that you are eligible to contract with JWB and are not participating in a boycott of Israel, are not on the Scrutinized Companies with Activities in Sudan List, are not on the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List and that you do not have business operations in Cuba or Syria. In addition, this

Agreement may be terminated if firm (1) has found to have submitted a false certification, (2) has been placed on the Scrutinized Companies that Boycott Israel List, or is engaged in a boycott of Israel, (3) has been placed on the Scrutinized Companies with Activities In Sudan List or the Scrutinized Companies with Activities in The Iran Petroleum Energy Sector List; or, (4) has been engaged in business operations in Cuba or Syria.

## **1.21 CONFLICT OF INTEREST**

The Proposer represents that it presently has no interest and shall acquire no interest, either direct or indirect, which would conflict in any manner with the performance or services required hereunder. The Proposer further represents that no person having any such interest shall be employed by him/her during the agreement term and any extensions.

The Proposer shall promptly notify the JWB point of contact, in writing, of all potential conflicts of interest for any prospective business association, interest, or other circumstance, which may influence or appear to influence the Proposer's judgment or quality of services being provided hereunder. Such written notification shall identify the prospective business association, interest or circumstance, the nature of work that the Proposer may undertake and request an opinion of JWB as to whether the association, interest or circumstance would, in the opinion of JWB, constitute a conflict of interest if entered into by the Proposer. JWB agrees to notify the Proposer of its opinion, within thirty days of receipt of notification by the Proposer.

## **1.22 PROTEST PROCEDURE**

*Bid/Proposal Protests.* Any actual or prospective bidder or Proposer, who is allegedly aggrieved in connection with the issuance of a bid or Proposal package or pending award of a contract, may protest the decision by following the procedure below.

*Posting.* JWB shall publicly post the award on JWB's website within three full business days after the JWB Board award decision has been made. All bidders or Proposer will be sent an email with the notice of award to the email address provided in the bid or Proposal.

*Requirements to Protest.*

a) A formal written protest must be filed no later than 5:00 PM, on the fifth business day after the notice of award has been posted. The formal written protest shall identify the protesting party and the solicitation involved; include a clear statement of the grounds on which the protest is based; refer to the statutes, laws, ordinances, applicable section(s) of the solicitation or Board policy, or other legal authorities which the protesting party deems applicable to such grounds; and specifically request the relief to which the protesting party deems itself entitled by Proposal of such authorities to such grounds.

b) A formal written protest is considered filed when the JWB Chief Executive Officer receives it. Accordingly, a protest is not timely filed unless it is received within the time specified above. Failure to file a formal written protest within the time period specified shall constitute a waiver of the right to protest and result in relinquishment of all rights to protest by the actual or prospective Proposer.



*Sole Remedy.* These procedures shall be the sole remedy for challenging an award of bid or Proposal. Bidders or Proposers are prohibited from attempts to influence, persuade, or promote a protest through any other channels or means.

*Authority to Resolve.* The Chief Executive Officer shall resolve the protest in accordance with the terms of the bid or Proposal and shall render a written decision to the protesting party no later than 5:00 PM on the fifth business day after the filing thereof.

*Review of Chief Executive Officer's Decision.*

- a) The protesting party may request a review of the Chief Executive Officer's decision by the Board by delivering a written request for review of the decision to the Chief Executive Officer by 5:00 PM on the fifth business day after the date of the written decision. The written notice shall include any written or physical materials, objects, statements, and arguments, which the Proposer deems relevant to the issues raised in the request for review.
- b) The Board will consider the request for review at the next regularly scheduled Board meeting after the request is received. It is within the Board's discretion whether to allow testimony or argument from the protesting party at the Board meeting. If it is determined by majority vote of Board members present at the meeting that the award is in violation of law or the regulations and internal procedures of the Budget and Business Services Division or any another applicable authority, the Board shall cancel or revise the award as deemed appropriate within three business days after the Board meeting.
- c) If it is determined by majority vote of Board members present at the meeting that the award should be upheld, the Board shall direct staff to notify the protesting party in writing of the Board decision with a copy furnished to all substantially affected persons or businesses within three business days of the Board meeting. The decision shall be final and conclusive as to JWB.

*Stay of Procurement during Protests.* The decision to stay a procurement during protests shall be at the sole discretion of the Chief Executive Officer.

## 2.0 SCOPE OF WORK

### 2.1 **OBJECTIVE**

The Juvenile Welfare Board of Pinellas County (JWB) is seeking proposals from qualified software vendors to provide and implement a cloud-based Participant Management System. This solution must provide JWB and its Grantees the capability to effectively collect, manage, analyze, and report participant, program, and Grantee level data. This includes general demographic, services, attendance, and outcome data on the participant level and some services at the program level.

JWB is seeking a well-established system that can be utilized by JWB and its Grantees to ensure participants are being served and outcomes are being collected as outlined in the program methodologies, and data can be analyzed to ensure the programs are meeting their stated objectives and other contractual obligations that are specific to each program.

The system must be a web-based commercial off-the-shelf (COTS) system that is hosted and maintained by the vendor and is easily configurable with little to no custom code required.

### 2.2 **DEFINITIONS**

**Assessment:** Common methods, tools, or questions that are specifically designed to monitor a participant's progress and to guide and improve programming. It is clearly reflective of their intended purpose and target population. Assessments should be valid and reliable evidence-based instruments. Exceptions to this can be made when appropriate.

**Grantee:** 501(c)3 organization, governmental entity, or institute for higher learning that utilizes funding from JWB to deliver services to participants.

**Grantee Training Resources:** Resources that are available to Grantees which provide instructions on access, data entry and reporting.

**Household:** A household includes all the people who occupy a housing unit.

**JWB Data Warehouse:** A central database repository, populated from multiple sources for the purposes of integration, reporting, and analysis.

**JWB Fiscal Year:** October 1 – September 30.

**Outcome:** Measures a program's results and determines whether the intended outcomes were achieved.

**Participants:** A participant is a recipient of program services in a JWB funded program who resides in Pinellas County and to whom one of the following applies:

- a. the participant is under the age of 18 or,
- b. the participant is eighteen or older and receives services in a JWB funded school-based program, or
- c. the participant is eighteen or older and is the parent or guardian of a child under the age of eighteen or,

d. regardless of age, the participant is an expectant parent.

**Program:** A service or group of services delivered to children and/or families with a set of outputs and outcomes to determine the volume and effectiveness of services.

**Service:** A program-specific predefined activity that can be selected at either the individual level or the program level.

**Site:** The site reflects where the participant currently receives services within a program.

**Subprogram:** A program delivered by an agency contracted by a Grantee that aligns with the Grantee's respective contract.

**Survey:** Program-specific questions that can be setup on the individual or program-wide level. A survey can contain multiple questions and can be Pre- and Post-Test data or multiple survey administration points.

**System Documentation:** Resources that are available to JWB staff to administer, set-up and support the system.

**User:** Person who has a log-in account to the vendor's software.

## 2.3 **BACKGROUND AND CURRENT ENVIRONMENT**

JWB is a high-performing, data-driven organization established by a Special Act of the Florida Legislature to strengthen the lives of children and families in Pinellas County. As a countywide special taxing district, JWB responsibly directs dedicated property tax revenue to Grantees by establishing performance measurements to evaluate and improve the effectiveness of the services delivered to participants by the Grantees.

For the last seven (7) years, JWB has utilized Mosaic's GEMS system for Grantee financial and evaluation performance tracking. *Exhibit A: JWB Current System* details the current systems and processes used at JWB. JWB determined that rather than replace GEMS with one highly customized system that it could be replaced with two separate COTS systems: a grants management system for the financial side, and a participant management system for the evaluation side. In October, 2020, selected StreamLink Software, DBA Amplifund for its grants management system. The purpose of this RFP is to select a software solution for the evaluation side.

The current environment is as follows:

Grantees	40
Programs	65
Sites within programs where participants are served	205
Sites within programs where attendance data is collected	145

Number of sites within programs where services with just start and end dates are collected	70
Number of unique site addresses where participants are served ( <i>note: participants that are served at the same physical address but are in different programs must NOT be seen in the system by the other program or counted in program reports</i> )	150
Number of unique site addresses where participants are served and where attendance data is collected	118
Number of unique site addresses where participants are served and where service with just start and end dates are collected (no attendance)	60
JWB users	20
Grantee users	125
Total Individual Participants (since January, 2013)	93,950
Total Participants Served in FY19	30,637

## 2.4 **SCOPE OF WORK**

Vendors are required to propose a cloud-based Participant Management software solution including in-scope software modules, technical specifications, maintenance and support, and professional services to support the successful implementation of the Participant Management software.

- 1. Software Solution and Maintenance and Support.** The functional requirements for the software solution are provided in the attached Excel workbook named *Attachment 6 - Participant Management Functional Requirements.xlsx*. The Participant Management software must support the following functions:

Administration	Grantee/Program System Setup	Demographics	Attendance
Services	Outcomes	Reporting Dashboard (canned and custom)	

The administrative functionality and maintenance and support requirements for this RFP are provided in the attached Excel workbook named *Attachment 5 - Participant Management Technical and Support Requirements.xlsx*. The proposed solution will include HIPAA related data and therefore must comply with all security regulations.

- 2. Professional Services.** The following (“Services”) must be provided related to the implementation of the Participant Management solution. JWB requires these services to be delivered remotely.

Implementation-Configuration and set-up of a complete functional system meeting JWB’s requirements	Data Migration – Vendor must perform a one-time import of demographic data of active participants from JWB’s legacy system prior to go live date. This does not include historic services and/or outcome
--	--

	data. (See Sample Migration Field Report for fields that will need to be migrated.) JWB has a dedicated Database Administrator and full access to the legacy system in order to pull the data in any format required.
Train-the-Trainer training for JWB staff to train the grantees, to include all Grantee Training Resources	Administration and Report Training to JWB staff, to include System Documentation (during implementation)

**2.5 ANTICIPATED PROJECT TIMEFRAME**

JWBs fiscal year ends on 9/30/2021. Grantees will continue to enter prior year participant information into the current system until 10/15/2021 in order to finish the year. Prior year participant data will need to be migrated to the new system before “go live” on 11/1/2021. Vendors are required to submit a project timeline for implementation and the estimated dates and milestones for implementation are subject to review with the selected vendor.

**2.6 MINIMUM TERMS AND CONDITIONS**

The contractual terms and conditions provided in Attachment 2 must be included in any contract with the vendor selected by JWB. Proposer is advised that exceptions to any of the special terms contained in Attachment 3 must be identified in its response to the RFP. Absence of Proposer’s exceptions to the special contractual terms or any portion thereof shall be deemed an acceptance of the same to with Proposer shall not object to including in the Agreement. Proposer’s desire to take exception to a non-negotiable term will not disqualify it from consideration for award. Exceptions may be considered in the selection process, and may be included in the final contract between JWB and the Proposer.

**2.7 INSURANCE**

The Proposer must provide a certificate of insurance in accordance with the insurance requirements listed in Attachment 2 – Minimum Terms and Conditions prior to entering into a formal contract. Failure to provide the required insurance within a ten (10) day period following the award may result in JWB vacating the original determination or recommendation and proceeding with recommendation to the second responsive, responsible Proposal.

### 3.0 PROPOSAL REQUIREMENTS

This section includes the following forms which must be submitted in the Proposal in the order and as directed in section 1.11, Proposal Submission, of this RFP. *Attachment 5 – Participant Management Technical and Support Requirements.xlsx*, *Attachment 6 – Participant Management Functional Requirements.xlsx*, and *Attachment 7 – Pricing Forms.xlsx* are provided as separate documents from this RFP document.

#### 3.1 **FORM 1 – PROPOSAL SIGNATURE FORM**

#### 3.2 **NARRATIVE RESPONSE**

Answer the questions below following the provided format, using 8 1/2” x 11” white paper, typed single-spaced 12-point font, 1/2-inch margins. Please restate each question and make sure each question is answered separately even if questions appear repetitious. All pages should be appropriately numbered and identified by the complete company name in the header and/or footer.

##### **A. Section 1 - Executive Summary**

The Executive Summary must be limited to a brief narrative, not to exceed one (1) page, describing the Vendor implementing the software, the Participant Management Software, and the proposed Services. The summary should contain as little technical jargon as possible and should be oriented toward non-technical personnel.

##### **B. Section 2 – Functional Requirements**

Proposers must complete and submit in the original, unaltered format the system requirements form that is provided in *Attachment 6 – Participant Management Functional Requirements.xlsx*.

##### **C. Section 3 - Technical and Support Requirements**

Proposers must complete and submit in the original, unaltered format the system requirements form that is provided in *Attachment 5 – Participant Management Technical and Support Requirements.xlsx*.

##### **D. Section 4 – Professional Services**

###### **Implementation Plan:**

1. Provide an implementation plan in narrative format supported by an activity-level project plan. It is expected that the Vendor will lead the efforts in each unless stated otherwise. Please clearly state the assumptions for the estimated length of the implementation plan.
2. Describe the project management and communication tools that will be used to support the implementation and the frequency of regularly scheduled meetings.
3. What is the recommended process for initially adding all Grantees and program information and setting up and assigning users? What System Documentation will be provided to support this process?
4. Being that each program will have a custom configuration of services and outcomes, what is JWBs role in setting this up? What System Documentation will be provided to support this process? How will JWB staff be trained?
5. What is the process for preparing JWB for the Train-the-Trainer model prior to the “go live” date, in order for JWB to effectively train users in the system?
6. Describe the approach towards change orders requested by JWB?
7. How are issues identified during implementation documented, prioritized and resolved?

Project Staff Assignments:

1. Describe the roles of all staff that will be assigned to this project (e.g., number of staff, position title, level/skills of staff and number of implementations with the recommended product).
2. Provide resumes for all professional staff that will be assigned to the project.
3. How will delays in the project plan be handled?

Testing:

1. Describe your recommended approach to the following types of testing and resolution that are anticipated to be performed and the type of assistance the Vendor will provide to JWB to support such testing:
  - System testing
  - User acceptance testing (UAT)

Statement of Work:

Attach a separate proposed Statement of Work (Proposer's Statement of Work) that enumerates and defines the work/services that Proposer will provide to JWB to complete the Services in this RFP, including each task, deliverable, milestone, and/or goods or products comprising the services Proposer will provide, as well as a proposed completion schedule for each task or deliverable. The Proposer's Statement of Work shall be in a form that can be incorporated into the resulting Agreement as an Exhibit at JWB's option.

**E. Section 5 - Company Background**

Proposers must provide the following background information of the companies involved with this project so that JWB can evaluate the company's stability and ability to support the commitments set forth in response to the RFP:

1. The company's background including a brief description such as length of time in business, present status, future plans, and company size.
2. Provide the number of implementations the implementing company has completed for the software that is being recommended over the last 24 months. How many unique nonprofit or governmental organizations are actively using the proposed software?
3. Attach audited financial information for the past two (2) completed fiscal years that includes income statements, balance sheets, and statement of cash flows or information detailing the company's stability including a Dunn & Bradstreet report (D&B). *Attachment 1 – Financial Viability Test* will be utilized by the Evaluation Committee to evaluate the company's financial health. Please provide any comments that gives context to the financial health of the company and adequacy of financial capacity to undertake this Agreement.

**F. Section 6 - Pricing**

Proposers must complete and submit in the original, unaltered format the pricing forms that are provided in *Attachment 7 – Pricing Forms.xlsx*.

JWB will not consider time and materials pricing. Proposers must provide firm and fixed pricing, **including travel and lodging expenses**, if applicable.

Further, in this section, Proposer must also:

Explain all factors that could affect subscription fees, including any assumptions used for increases/decreases;

1. Confirm the type of license that is offered for each price (named user, etc.);
2. Indicate which product versions, platform(s), service levels are included for each price;
3. Describe any services that are included in the license fees, at no additional cost.
4. Provide a Payment Schedule that is aligned with the proposed Milestones as defined in the Proposer's Statement of Work and JWB's Payment Terms as defined in Attachment 2 – Minimum Terms and Conditions

### **3.3 FORM 2 – CUSTOMER REFERENCES**

Provide at least three references of customers that are similar in size and complexity to JWB using Form 2.

### **3.4 FORM 3 – NON-COLLUSION AFFIDAVIT**

### **3.5 FORM 4 – MINIMUM TERMS & CONDITIONS COMPLIANCE**

Proposers must complete and submit in the original, unaltered format the Minimum Terms & Conditions Compliance form, provided as Form 4.

### **3.6 FORM 5 – SPECIAL TERMS & CONDITIONS COMPLIANCE CHECKLIST**

### **3.7 PROPOSED AGREEMENTS**

Proposer must:

1. Attach a copy of all warranties associated with the proposed solution.
2. Attach all applicable contracts, with JWB's minimum terms and conditions incorporated, including:
  - SaaS License
  - Professional Services Agreement
  - Service Level Agreement (“SLA”) identifying Proposer's: (a) response and resolution times to a Severity Level One Incident, Severity Level Two Incident, and Severity Level Three Incident as defined in the Special Terms and Conditions; (b) shortened (minimum 50% shorter) response and resolution times for the foregoing if an incident occurs during the month of October (“Critical Period”); and (c) service level credits for failure to adhere to the foregoing and the Availability requirement as defined in the Special Terms and Conditions.

### **3.8 FORM 6 – IRS W-9**





**FORM 2-CUSTOMER REFERENCES**

**Company Name:** \_\_\_\_\_

Provide at least three references of clients that are similar in size and complexity to JWB. In addition, JWB requests a listing of all public sector clients. All references will be contacted by a JWB designee via email or phone to obtain answers to questions, as applicable before an evaluation decision is made.

**Reference 1:**

Organization's Name	
Project Description	
Date Completed Project	
City, State	
Contact Person	
Contact Title	
Contact Phone	
Contact Email	

**Reference 2:**

Organization's Name	
Project Description	
Date Completed Project	
City, State	
Contact Person	
Contact Title	
Contact Phone	
Contact Email	

**Reference 3:**

Organization's Name	
Project Description	
Date Completed Project	
City, State	
Contact Person	
Contact Title	
Contact Phone	
Contact Email	

**Reference 4:**

Organization's Name	
Project Description	
Date Completed Project	
City, State	
Contact Person	
Contact Title	
Contact Phone	
Contact Email	

**Reference 5:**

Organization's Name	
Project Description	
Date Completed Project	
City, State	
Contact Person	
Contact Title	
Contact Phone	
Contact Email	

**FORM 3 – NON-COLLUSION AFFIDAVIT**

**This Affidavit set forth below must be executed on behalf of the Proposer and furnished with every Proposal.**

\_\_\_\_\_, being dully sworn, deposes he/she is the \_\_\_\_\_ of \_\_\_\_\_, a Proposer that has submitted to JWB a Proposal for a/an \_\_\_\_\_, as fully set forth in said Proposal and that, except as specified below, the aforementioned Proposer constitutes the only person, firm, or corporation having any interest in said Proposal or in any contract, benefit, or profit which may, might or could accrue as a result of said Proposal, said exceptions being as follows:

\_\_\_\_\_.

Proposer further states that said Proposal is, in all respects, fair and is submitted without collusion or fraud; and that no member of JWB is directly or indirectly interested in said Proposal.

Proposer certifies that to the best of their knowledge and belief: 1) the prices in the Proposal have been arrived at independently without collusion, consultation, communication, or agreement, for the purpose of restricting competition, as to any matter relating to such prices with any other competitor; and 2) no attempt has been made or will be made by the Proposer to induce any other person, partnership or corporation to submit or not to submit a Proposal for the purpose of restricting competition.

\_\_\_\_\_  
(Affiant)

SWORN TO and subscribed before me, a Notary Public, in and for the below named State and City this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
(Notary Public)

\_\_\_\_\_  
City

\_\_\_\_\_  
State

## FORM 4 – MINIMUM TERMS & CONDITIONS COMPLIANCE CHECKLIST

Proposers must accept all of the following minimum terms and conditions. Additionally, JWB objects to and shall not be bound by any additional or modified terms and conditions that are in conflict with the non-negotiable minimum terms and conditions listed in Attachment 2.

#	Title
1	Scope of Agreement
2	Incorporation by Reference
3	Project Schedule and Acceptance
4	Pricing
5	Right to Withhold Payment
6	Change Orders
7	Term and Termination
8	Non-Performance Escalation Procedures
9	Warranty
10	Intellectual Property
11	Indemnification
12	Indemnification Procedures
13	Insurance
14	Confidential Information
15	Conflict of Interest
16	Compliance with all applicable laws
17	Entire Agreement Clause
18	Applicable and Governing Law Clause
19	Waiver of Jury Trial
20	Notices Clause
21	Force Majeure Clause
22	Force Majeure Requisites
23	120 Day Maximum
24	Right of Cancellation
25	Assignments and Subcontracts
26	Changes in Agreement
27	Survival Clause
28	Vendor as Independent Contractor
29	Approval and Replacement of Personnel
30	Advertisement
31	Public Records
32	Public Entity Crimes
33	Certification that Vendor is legally able to contract with JWB
34	Compliance with Fla. Stat. § 448.095

The undersigned, as authorized Proposal responder, declares that all minimum terms and conditions are accepted.

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

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

**PRINT NAME/TITLE:** \_\_\_\_\_

## FORM 5 – SPECIAL TERMS & CONDITIONS COMPLIANCE CHECKLIST

In addition to being subject to the minimum terms and conditions in this RFP, Proposers are subject to these special terms and conditions. Additional or modified terms and conditions may be necessary depending on the responses to the RFP, including any exceptions stated by the Proposer. Proposers must mark the Comply or Exception column for each Special Term and Condition in Attachment 3. *Comply* indicates the Proposer understands and agrees to comply fully. *Exceptions* must be fully explained below.

#	Title	Comply	Exception
1	Liquidated Damages		
2	Data Security		
3	Service Levels, Support and Maintenance		
4	Future Releases/Upgrades		

For all items marked as “Exception”, Proposer must list the Exception by number and title and fully explain the exception that is being requested below:



## Attachment 1 - Juvenile Welfare Board FINANCIAL VIABILITY TEST

Proposal/Contract: \_\_\_\_\_  
 Vendor Name: \_\_\_\_\_  
 Financial Statement Date \_\_\_\_\_

YES (1)      NO (0)

**I. Other Financial Information:**

1. The Organization received an Unqualified opinion.
2. There is no "Going Concern" comment.
3. The Notes to the Financial Statements are complete and explanatory.
4. There are no significant "Related Party" transactions that materially affect the Financial Statements.

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
**0**                  **0**

**Total Points - Other Financial Information**

**II. Financial Ratios:**

From the Financial Statements, calculate and enter the total dollar amount for each of the following items:

Current Assets		Current Liabilities	
Total Assets		Total Liabilities	
Equity		Property Plant & Equipment (PPE)	
PPE Debt		Annual Expenses	

**Points:**

			(0)	(1)	(2)	(3)	(4)
Ratio	Formula	Result	Poor	Provisional	Conditional	Acceptable	Excellent
<b>Current Ratio</b>	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$		Under 89%	Between 89% - 90%	Between 91% - 100%	Between 101% - 149%	Greater than 150%
<b>Months of Liquid Net Assets</b>	$\frac{\text{Equity} - (\text{PPE} - \text{PPE Debt})}{\text{Average Monthly Expenses}}$		Less than 0.1	0.1 to 0.4	0.5 to 0.9	1 to 1.9	Greater than 2
<b>Current Liabilities as a Percentage of Annual Expenses</b>	$\frac{\text{Current Liabilities}}{\text{Annual Expenses}}$		Greater than 14%	Between 12.1% to 14%	Between 10.1% to 12%	Between 8.1% to 10%	Less than 8%
<b>Debt Ratio</b>	$\frac{\text{Total Liabilities}}{\text{Total Assets}}$		Greater than 75.1%	Between 50.1% to 75%	Between 30.1% to 50%	Between 15.1% to 30%	Less than 15%

    0     **Total Points - Financial Ratios**

    0     **Total Points - All Sections**

**General Comments:**

\_\_\_\_\_  
 \_\_\_\_\_

**III. Action: If the total Points fall within the following ranges**

- Under 6    Poor
- 6-9        Provisional
- 10-13     Conditional
- 14-17     Acceptable
- Over 17    Excellent

**Preparer:** \_\_\_\_\_ **Reviewer:** \_\_\_\_\_



## ATTACHMENT 2 –MINIMUM TERMS AND CONDITIONS

### 1. **Scope of Agreement**

Vendor shall provide to JWB access and use of the software solution and its documentation (“Software”) and shall provide the services identified in the Statement of Work detailed in Exhibit <##> (collectively “Services”). Vendor shall license Software and provide Services, subject to the terms and conditions stated in this Agreement including all Exhibits. Payment for such Services shall be per Exhibit <##> and shall not exceed the total amount included in Exhibit <##> without the prior written consent of JWB. JWB, without prior and mutual written agreement, will incur no other fees or costs. The fees and costs in Exhibit <##> are inclusive of all Services described in the Statement of Work included as Exhibit <##>.

### 2. **Incorporation by Reference**

Vendor shall supply Software and Services adequate to accomplish the requirements as set forth in this Agreement, the Request for Proposal (Exhibit <##>), and the Vendor’s response to the Request for Proposal (Exhibit <##>), respectively (“Contract Documents”). Where there is a conflict between terms of this Agreement and the information presented in the Contract Documents, the order of preference is as follows: this Agreement, the Request for Proposal, and the Vendor’s Response to the Request for Proposal.

### 3. **Project Schedule and Acceptance**

Vendor shall work with JWB to develop a detailed project schedule that details both Vendor and JWB’s responsibilities, timeline for project activities, phases, milestones, and deliverables (“Project Schedule”) in connection with Vendor’s performance of the Services. The Project Schedule must be in sufficient detail to specify the deliverables, training, testing, acceptance, configuration, modification, integration, and live operation activities. The Project Schedule will be submitted to JWB for its approval within thirty (30) days of the date the Agreement is signed by both parties (“Effective Date”). In the event Vendor is unable to provide the Project Schedule within thirty (30) days or JWB at its sole option rejects the Project Schedule, JWB may immediately terminate this Agreement and Vendor shall return all fees received from JWB. The Project Schedule will also include the criteria by which the software will be tested and accepted by JWB.

### 4. **Pricing**

All prices for Vendor’s Software and Services hereunder are firm for the term of the Agreement. JWB shall pay Vendor for satisfactory performance of the Software and Services specified in this Agreement, the sums in accordance with Vendor’s response to JWB’s RFP, this Agreement and any related addenda.

### **Payment Terms**

It is expected that certain payments will be made to Vendor by JWB upon delivery of the Software

with additional payments made for Software and Services based on specific project milestones as defined in the Project Schedule.

Vendor shall invoice JWB for the Total Amount on Exhibits <##> and <##> according to the following payment schedules:

#### **Annual Subscription Fee**

- 20% upon Contract Execution
- 20% upon Acceptance
- 60% upon Go-Live
- Fixed Annual Subscription Fee on the anniversary date of Effective Date
- Fees under Any Renewals after Initial Term will not exceed a 3% annual increase.

#### **Services**

- 80% Due in installments based on JWB's Conditional Acceptance of the Services (meaning acceptance of the Services delivered pursuant to the Milestone, but shall not waive JWB's rights with respect to Final Acceptance) delivered according to the Milestones as defined in the Statement of Work
- 20% Due upon Final Acceptance

Vendor shall submit to JWB an invoice in a form agreeable to JWB. The invoice shall be accompanied by such supporting documentation as required by JWB. JWB shall pay Vendor within forty-five (45) days of receipt of Vendor's proper invoice, as provided in Florida Statutes Chapter 218 Part VII.

To be deemed proper, all invoices must contain: (a) name and address of the Vendor; (b) invoice date; (b) an accurate description of goods and/or services delivered; (d) the correct quantity, unit price, and total cost of services delivered; (e) purchase order number and any discounts, when applicable; and (f) address to which payment should be mailed.

#### **5. Right to Withhold Payment**

If Vendor breaches any provision of this Agreement, JWB shall have a right to withhold all payments, in whole or part, due to the Vendor until such breach has been fully cured. JWB's good faith exercise of its rights under this provision shall not result in JWB's breach or default under this Agreement.

#### **6. Change Orders**

The Project Managers appointed pursuant to this Agreement will meet periodically to review the Project Schedule. Changes to the scope of the project including additional Software and Services may be proposed by either party, and if accepted by the parties, the proposed changes shall be reduced to a written document, inclusive of any applicable pricing changes ("Change Order"). Written approval signed by a duly authorized representative of each of the parties of such Change Order must be obtained prior to the provision of any products or services related to such Change Order.

Vendor shall provide to JWB a written quotation for any changes in this Agreement, including Software, Services, Customizations, etc. Each Change Order shall be reviewed and approved by JWB,

and shall be subject to the requirements in the section.

## 7. **Term and Termination**

The initial term of this Agreement commences as of the Effective Date and will continue in effect until five year[s] from such date unless terminated earlier pursuant to any of its express provisions (the “Initial Term”). Unless this Agreement is terminated earlier pursuant to any of its express provisions, JWB may renew this Agreement for additional successive one-year terms by providing Vendor with written notice of its intent to renew at least thirty (30) days prior to the end of the then-current term (each a “Renewal Term” and, collectively, together with the Initial Term, the “Term”).

### **Termination of Agreement**

- a. Termination Without Cause.** This Agreement may be terminated without cause, in whole or part, as follows: (i) in the event funds to finance this Agreement become unavailable, which will be determined in JWB’s sole discretion, JWB may terminate the Agreement upon no less than twenty-four (24) hours’ notice to the Vendor as set forth in the Notices Clause without incurring any obligation, liability or penalty; (ii) JWB may terminate this Agreement for any reason whatsoever upon thirty (30) days’ notice to Vendor as set forth in the Notices Clause without incurring any obligation, liability or penalty; and (iii) Vendor may terminate this Agreement upon one (1) year written notice to JWB as set forth in the Notices Clause. Subject to the terms of this Agreement, upon termination without cause, Vendor will only be compensated for work completed, and accepted by JWB prior to the termination date.
- b. Termination for Cause.** Upon a material breach of this Agreement, the non-breaching party may terminate this Agreement for cause, in whole or part, if the breaching party fails to cure the breach within thirty (30) days of receipt of written notice from the non-breaching party describing the breach. JWB shall be entitled to immediately terminate this Agreement for cause in the event of any Incident.
- c. Insolvency.** JWB may terminate this Agreement, effective immediately, if Vendor: (i) is dissolved or liquidated or takes any corporate action for such purpose; (ii) becomes insolvent or is generally unable to pay, or fails to pay, its debts as they become due; (iii) files or has filed against it a petition for voluntary or involuntary bankruptcy or otherwise becomes subject, voluntarily or involuntarily, to any proceeding under any domestic or foreign bankruptcy or insolvency law; (iv) makes or seeks to make a general assignment for the benefit of creditors; or (v) applies for or has appointed a receiver, trustee, custodian or similar agent appointed by order of any court of competent jurisdiction to take charge of or sell any material portion of its property or business.
- d. Effect of Expiration or Termination.** JWB’s termination of this Agreement under this section shall not limit JWB’s right to remedies at law or to damages. Upon expiration or termination the following shall occur: (i) Within thirty (30) days after termination, Vendor shall return to JWB all Protected Data (as defined below) in a format selected by JWB, and provide JWB with written notice certifying that all of Protected Data has been returned and destroyed; (ii) excluding the Solution, Vendor shall provide JWB with all work, either in whole or part, developed by Vendor for JWB up to the date of termination or expiration; (iii) Vendor shall provide reasonable assistance to JWB in transitioning to a new vendor to eliminate or minimize any downtime to JWB; and (iv) Vendor shall refund all unearned pre-paid fees paid by JWB

- e. **Remedies for Breach.** It is understood and agreed that all rights and remedies set forth in this Agreement shall be in addition to all remedies or actions otherwise authorized or permitted by law, that JWB may exercise, in its discretion, concurrently or consecutively, including, but not limited to:
- i. **Withhold Payment:** In any case where a question of non-performance or deficient performance by the Vendor arises, payment may be withheld, in whole or in part, at the discretion of JWB
  - ii. **Reimbursement of Costs Incurred:** JWB shall have the right to award a new contract to complete the Services as described by the RFP, and the Vendor shall be responsible for damages and for all additional costs incurred associated with the new contract.
  - iii. **Deduction/Credit:** Sums due as a result of these remedies may be deducted or offset by JWB from payments due, or to become due, to the Vendor on the same or another transaction. JWB reserves the right to determine the disposition of any rebates, settlements, restitution, liquidated damages, etc., which arise from the administration of the Agreement.
  - iv. **Damages:** JWB will be entitled to recover from Vendor all damages caused by Vendor's breach of this Agreement, including, but not limited to consequential damages.

## **8. Non-Performance Escalation Procedures**

In the event that JWB determines that Vendor is not performing in a manner consistent with the intent and spirit of this Agreement or in a manner consistent with commonly accepted business practices, then JWB shall have the right to, in the sequence shown: (a) formally notify Vendor of non-performance, (b) reserve the right to withhold any and all payments pending, including support and maintenance fees, until the non-performance is corrected, (c) request a joint meeting of Vendor and JWB decision makers to attempt to resolve the non-performance, (d) require a Vendor employee to be on-site at JWB's location, at no cost to JWB, until the non-performance is resolved, or (e) invoke the Termination clause herein.

## **9. Warranty**

Notwithstanding the acceptance of the Software or any Services, or the payment of any invoice for the same, Vendor warrants and represents that all Software and Services provided by Vendor under this Agreement shall: (a) be free from defects and shall function and perform in accordance with the Software's documentation, applicable specifications, this Agreement and all Contract Documents, and be performed in a professional and workmanlike manner in accordance with generally recognized industry standards using experienced and qualified personnel; (b) be free from any harmful or malicious code, including without limitation viruses, malware, spyware, ransomware, or other similar function designed to interfere with or damage the normal operation of the Software, Services or JWB's operating environment; (c) not infringe upon any third-party's intellectual property rights; and (d) shall comply with all applicable laws. Subsections (b), (c), and (d) shall survive the expiration or termination of this Agreement.

Vendor also warrants and represents that: (a) its personnel have the necessary training and experience

to comply with the Confidential Information Section of this Agreement; (b) it has the right to grant the licenses set forth under this Agreement for the Software and Services; (c) it has good and marketable title to the Software and Services licensed hereunder free and clear from all liens, encumbrances, and claims of infringement of patent, copyright, trade secret or other proprietary rights of third parties; (d) it is duly organized, validly existing and in good standing as a corporation or other entity under the laws of the jurisdiction of its incorporation or other organization; and (e) the execution of this Agreement by Vendor's representative whose signature is set forth at the end of this Agreement has been duly authorized by all necessary corporate or organizational action of such party.

## **10. Intellectual Property**

The Software and Services will access, process and store JWB's and its Affiliate's data ("Protected Data"). Excluding the right to use Protected Data to fulfill its obligations under this Agreement, Vendor shall not obtain any rights, including ownership rights, in or to Protected Data, all of which are expressly reserved by JWB and its Affiliates.

## **11. Indemnification**

Vendor shall indemnify, hold harmless, and defend JWB, and its officers, directors, employees, agents, affiliates, successors and permitted assigns against any and all losses, damages, liabilities, deficiencies, claims, actions, judgments, settlements, interest, awards, penalties, fines, costs, or expenses of whatever kind, including attorneys' fees, (collectively, "Losses"), arising out of any third-party claim against JWB arising from or relating to: (a) Vendor's breach of this Agreement; (b) Vendor's, its employees, subcontractors, and agents negligent or more culpable act or omission (including any reckless or willful misconduct) in connection with the performance of its obligations under this Agreement; (c) any bodily injury, death of any person or damage to real or tangible personal property caused by the negligent or more culpable acts or omissions of Vendor, its employees, subcontractors, and agents (including any reckless or willful misconduct); (d) any failure by Vendor to materially comply with any applicable federal, state or local laws, regulations or codes in the performance of its obligations under this Agreement; (e) any claims for unpaid wages or amounts owed by employees or contractors performing work for Vendor pursuant to this Agreement; (f) any claims for infringement or misappropriation of any intellectual property rights, including patent, copyright, trademark, and trade secrets arising from or relating to any information, data, Software, and Services provided by Vendor to JWB, and (g) any and all claims brought against JWB arising from the action(s) or inaction(s) of Vendor.

## **12. Indemnification Procedures**

**Notice of Third-party Claims.** JWB shall give Vendor prompt written notice (a "Claim Notice") of any Losses or discovery of facts on which JWB intends to base a request for indemnification. JWB's failure to provide a Claim Notice to Vendor does not relieve Vendor of any liability that Vendor may have to JWB, but in no event shall Vendor be liable for any Losses that result directly from a delay in providing a Claim Notice, which delay materially prejudices the defense of the related third-party claim. Each Claim Notice must contain a description of the third-party claim and the nature and amount of the related Losses (to the extent that the nature and amount of the Losses are known at the

time). JWB shall furnish promptly to Vendor copies of all papers and official documents received in respect of any Losses. Vendor's duty to defend applies immediately, regardless of whether JWB has paid any sums or incurred any detriment arising out of or relating, directly or indirectly, to any third-party claim.

**Vendor's Control of Defense.** Vendor shall assume control of the defense, appeal or settlement of any third-party claim that is reasonably likely to give rise to an indemnification claim (an "Indemnified Claim") by sending written notice of the assumption to JWB on or before ten (10) calendar days after receipt of a Claim Notice to acknowledge responsibility for the defense of such Indemnified Claim and undertake, conduct, and control, through reputable independent counsel of its own choosing (which JWB shall find reasonably satisfactory) and at Vendor's sole cost and expense, the settlement or defense thereof.

**JWB's Control of Defense.** Notwithstanding anything to the contrary in this Section, JWB may defend an Indemnified Claim with counsel of its own choosing and without the Vendor's participation wherein Vendor will be responsible for payment of the monthly costs incurred by JWB, such as attorneys' fees and costs, if: (a) the Indemnified Claim is one for which JWB properly gave Vendor a Claim Notice and Vendor fails to assume the defense or refuses to defend the Indemnified Claim under this Section; (b) the Indemnified Claim seeks only an injunction or other equitable relief against JWB; (d) JWB reasonably believes: (i) that there are one or more legal or equitable defenses available to it that are different from or in addition to those available to Vendor; (e) counsel for Vendor could not adequately represent the interest of JWB, because such interest could be in conflict with those of Vendor; or (f) such action or proceeding involves, or could have a material effect on, any material matter beyond the scope of the indemnification or defense obligations of Vendor.

**Settlement of Indemnified Claims by Vendor.** Vendor shall give prompt written notice to JWB of any proposed settlement of an Indemnified Claim. Vendor may not, without JWB's prior written consent, settle or compromise any claim or consent to the entry of any judgment regarding which indemnification is being sought hereunder unless such settlement, compromise or consent: (a) includes an unconditional release of JWB from all liability arising out of such claim; (b) does not contain any admission or statement suggesting any wrongdoing or liability on behalf of JWB; and (c) does not contain any equitable order, judgment or term (other than the fact of payment or the amount of such payment) that in any manner affects, restrains or interferes with the business of JWB or any of its affiliates.

**Third Party Infringement Claims.** Should a court order be issued against JWB restricting JWB's use of any portion of the Software or Services related to a third-party infringement claim at JWB's sole option the Vendor shall provide, at the Vendor's sole expense, the following:

- a. Purchase for JWB the rights to continue using the contested Software product(s), Services or portions thereof which may include purchase of a third-party software product, or
- b. Provide substitute software products and services to JWB which are, in JWB's sole opinion, of equal or greater quality, or

- c. Refund all monies paid to the Vendor for the Software and Documentation and the Vendor shall also pay to JWB all reasonable losses related to the Solution and all reasonable expenses related to the installation, implementation and conversion to the new Solution.

**13. Insurance**

Vendor will procure, pay for, and maintain, throughout the period of this Agreement, on behalf of the Vendor and JWB, the following MINIMUM limits of insurance coverage with responsible companies, eligible to do business in the State of Florida, which maintain a rating of A-(IX) or higher with A.M. Best.

**a. Worker’s Compensation**

Part One:	“Statutory”
Part Two: Each Accident	\$500,000
Disease - Policy Limit	\$500,000
Disease - Each Employee	\$500,000

Such insurance shall be no more restrictive than that provided by the latest edition of the standard Workers’ Compensation Policy, as filed for use in Florida by the National Council on Compensation Insurance (NCCI), without any restrictive endorsements other than any endorsements required by NCCI or the State of Florida. In addition to coverage for the Florida Workers’ Compensation Act, where appropriate, coverage is to be included for the Federal Employer’s Liability Act and any other applicable Federal or State law.

**b. Commercial General Liability**

General Aggregate	\$1,000,000
Products/Completed Operations Aggregate	\$1,000,000
Personal and Advertising Injury	\$1,000,000
Each occurrence	\$1,000,000

Such insurance shall be no more restrictive than that provided by the latest edition of the standard Commercial General Liability Form (Form CG 00 01) as filed for use in the State of Florida by the Insurance Services Office (ISO), without any restrictive endorsements other than any endorsements specifically required by ISO or the State of Florida.

JWB and its officials, officers and employees shall be included as an “Additional Insured” on the Commercial General Liability coverage a form no more restrictive than ISO form CG 20 10 (Additional Insured – Owners, Lessees, or Contractor).

**c. Professional Liability**

Each Claim	\$1,000,000
Annual Aggregate	\$1,000,000
Deductible or Self-Insured Retention	\$25,000 Maximum per claim

Such insurance shall be on a form acceptable to JWB and shall cover Contractor for those sources of liability arising out of the rendering or failure to render professional services in the performance of the services required in the Agreement including any hold harmless and/or indemnification agreement.

If, the Professional Liability is provided on a Claims Made Form, the retroactive date must be no later than the first date of this Agreement and such claims-made coverage must respond to all claims reported within three years following the period for which coverage is required.

**d. Cyber and Privacy Liability**

Each Claim	\$3,000,000
Annual Aggregate	\$3,000,000
Event Management Expenses	\$1,500,000
Deductible or Self-Insured Retention	\$25,000 Maximum per occurrence

The Cyber Liability insurance shall be on a form acceptable to JWB and shall cover Security & Privacy Liability and Breach Response Coverage, including Notification Expenses.

If, the Cyber Liability is provided on a Claims Made Form, the retroactive date must be no later than the first date of this Agreement and such claims-made coverage must respond to all claims reported within three years following the period for which coverage is required.

The required Cyber Liability coverage may be included as part of the Professional Liability coverage and limit required above.

**Excess or Umbrella Insurance:** All required limits of insurance may be satisfied by the use of any combination of primary and excess/umbrella liability insurance coverages. All Certificates of Insurance for umbrella and excess liability policies should clearly indicate which underlying policies such excess or umbrella liability policies are applicable to on an excess basis.

**Evidence of Insurance:** Contractor shall not commence work until the required insurance is in force and evidence of insurance meeting all of the requirements set forth herein has been provided to JWB.

JWB at all times reserves the right to request such additional documentation and evidence of insurance as in its sole discretion it may require and the Contractor hereby agrees to provide same. An appropriate Certificate of Insurance signed by an authorized representative of the insurer shall be satisfactory evidence of insurance. With respect to the Commercial General Liability, an appropriate Certificate of Insurance signed by an authorized representative of the insurer, and copies of the actual additional insured endorsement(s) as issued on the policy(ies), shall be satisfactory evidence of such insurance.

The evidence of insurance provided by Contractor must include a disclosure of the amount(s) of all deductibles or self-insured retentions applicable to any policy of insurance requiring a maximum deductible or self-insured retention under this section.

Until such insurance is no longer required by this Agreement, Contractor shall provide JWB with renewal or replacement evidence of insurance at least fifteen (15) days prior to the expiration or termination of such insurance.

Notwithstanding the prior submission of a Certificate of Insurance, copies of endorsements, or other evidence initially acceptable to JWB, if requested by JWB, Contractor shall, within thirty (30) days after receipt of a written request from JWB, provide JWB with a certified copy(ies) of the policy(ies) providing the coverage required herein. Contractor may redact or omit, or cause to be redacted or omitted, those provisions of the policy or policies which are not relevant to the insurance required herein.



**Notice of Cancellation:** All required policies must be endorsed to provide JWB with 30 days prior notice of cancellation.

**Primary and Non-Contributory:** The insurance provided by the Contractor shall apply on a primary basis to and shall not require contribution from, any insurance maintained by JWB. Any insurance or self-insurance maintained by JWB shall be in excess of, and shall not contribute with, the insurance provided by Contractor.

**Deductibles/Self-Insured Retentions:** Except as otherwise specifically authorized in this Agreement, no deductible or self-insured retention for any insurance required of Contractor pursuant to this Agreement will be allowed. To the extent any required insurance is subject to any deductible or self-insured retention (whether with or without prior approval of JWB), Contractor shall be solely responsible for paying any such deductible or self-insured retention.

**Non-Waiver/Remedies:** Compliance with these insurance requirements shall not limit the liability of Contractor, its subcontractors, sub-subcontractors, employees or agents. Any remedy provided to JWB or JWB's officials, officers or employees by the insurance provided by Contractor shall be in addition to and not in lieu of any other remedy (including, but not limited to, as an indemnitee of Contractor) available to JWB under this Agreement or otherwise.

Neither approval nor failure to disapprove insurance furnished by Contractor shall relieve Contractor from the responsibility to provide insurance as required by this Agreement.

#### **14. Confidential Information**

Vendor shall keep confidential, all Protected Records (meaning all records containing Protected Data), unless the Protected Records are public records subject to disclosure under applicable federal disclosure laws or Section 36 of this Agreement. Vendor shall not, without prior written approval of JWB, use, publish, copy, disclose to any third party, or permit the use by any third party of any State Records, except as otherwise stated in this Agreement, permitted by law, or approved in writing by JWB. Vendor shall provide for the security of all Protected Confidential Information (as defined below) in accordance with Section 18 and all applicable laws, rules, policies, publications, and guidelines. If Vendor will or may receive or have access to the following types of data, Vendor shall provide for the security of such data. Vendor shall immediately forward any request or demand for Protected Records to JWB.

##### **i. Other Entity Access and Nondisclosure Agreements**

Vendor may provide Protected Records to its agents, employees, assigns, and subcontractors as necessary to perform the Work, but shall restrict access to Protected Confidential Information to those agents, employees, assigns, and subcontractors who require access to perform their obligations under this Agreement. Vendor shall ensure all such agents, employees, assigns, and subcontractors sign agreements containing nondisclosure provisions at least as protective as those in this Agreement, and that the nondisclosure provisions are in force at all times the agent, employee, assign, or subcontractor has access to any Protected Confidential Information. Vendor shall provide copies of those signed nondisclosure provisions to JWB upon execution of the nondisclosure provisions if requested by the JWB.

##### **ii. Use, Security, and Retention**

Vendor shall use, hold, and maintain Protected Confidential Information in compliance with the Data Security section of this Agreement and shall comply with any and all applicable laws and regulations only in facilities located within the United States, and shall maintain a secure environment that ensures confidentiality of all Protected Confidential Information. Vendor shall

provide JWB with access, subject to Vendor's reasonable security requirements, for purposes of inspecting and monitoring access and use of Protected Confidential Information and evaluating security control effectiveness. Upon the expiration or termination of this Agreement, Vendor shall return Protected Records or destroy such Protected Records and certify to JWB that it has done so, as directed by the JWB. If Vendor is prevented by law or regulation from returning or destroying Protected Confidential Information, Vendor warrants it will guarantee the confidentiality of, and cease to use, such Protected Confidential Information.

**iii. Incident Notice and Remediation**

If Vendor becomes aware of any Incident, Vendor shall notify JWB within two (2) days of discovery of the Incident and cooperate with JWB regarding recovery, remediation, and the necessity to involve law enforcement, as determined by the JWB. Incident means any accidental or deliberate event that results in or constitutes an imminent threat of the unauthorized access, loss, disclosure, modification, disruption, or destruction of any Protected Data, Protected Records or Protected Confidential Information. Incidents include, without limitation, (i) successful attempts to gain unauthorized access to a JWB system or Protected Records regardless of where such information is located; or (ii) the unauthorized disclosure of Protected Data, Protected Records, or Protected Confidential Information.

Vendor shall be responsible for the cost of notifying each person who may have been impacted by the Incident. After an Incident, Vendor shall take steps to reduce the risk of incurring a similar type of Incident in the future as directed by JWB, which may include, but is not limited to, developing and implementing a remediation plan that is approved by JWB at no additional cost to JWB. JWB may adjust or direct modifications to this plan in its sole discretion, and Vendor shall make all modifications as directed by JWB. If Vendor cannot produce its analysis and plan within the allotted time dictated by JWB (which shall not be less than seven (7) days), JWB, in its sole discretion, may perform such analysis and produce a remediation plan, and Vendor shall reimburse JWB for the actual costs thereof. JWB may, in its sole discretion and at Vendor's sole expense, require Vendor to engage the services of an independent, qualified, JWB-approved third party to conduct a security audit. Vendor shall provide JWB with the results of such audit and evidence of Vendor's planned remediation in response to any negative findings.

Vendor shall defend, indemnify and hold harmless JWB from any and all damages, costs and expenses, arising from or relating to an Incident, including all costs and expenses incurred by JWB to remedying such Incident. caused by an Incident, including but not limited to personally identifiable information (PII) and protected health information (PHI) as required under HIPAA, HITECH and FIPA regulations or other information that is confidential and/or exempt from disclosure per F.S. 119. JWB owns all data created as a result of this contract and has full discretion as to the use of the data. This provision shall survive the termination of this Agreement.

**iv. Data Protection and Handling**

Vendor shall ensure that all Protected Data in the possession of Vendor or any subcontractors are protected and handled in accordance with the requirements of this Agreement, including the Data Security section of this Agreement.

**v. Safeguarding PII**

If Vendor receives any PII (meaning personally identifiable information including, without limitation, any information maintained by JWB about an individual that can be used to distinguish or trace an individual's identity, such as name, social security number, date and place of birth, mother's maiden name, or biometric records) under this Agreement, Vendor shall comply with all applicable laws governing the security of such PII, including use of appropriate technology,

security practices, computer access security, data access security, data storage encryption, data transmission encryption, security inspections, and audits.

**vi. Safeguarding PHI**

Vendor must follow all laws regarding confidentiality, security and privacy obligations imposed by any federal, state, or local statute or regulation regarding Protected Health Information, including, but not limited to, HIPAA. Vendor shall not use or disclose any information which specifically identifies a subject, respondent, or any individual providing confidential information for this project under this Agreement and for any purpose not in conformity with federal, state, or local law and related regulations.

- vii.** “Protected Confidential Information” means any and all Protected Records and Protected Data including, but not limited to, PII and PHI, but shall not include information or data that is subject to disclosure pursuant to federal or Florida public records laws, including records that are subject to disclosure under the Public Records section of this Agreement.

**15. Conflict of Interest**

Vendor represents that it presently has no interest and shall acquire no interest, either direct or indirect, which would conflict in any manner with the performance or services required hereunder. The Vendor further represents that no person having any such interest shall be employed by the Vendor during the agreement term and any extensions.

Vendor shall promptly notify the JWB point of contact, in writing, of all potential conflicts of interest for any prospective business association, interest, or other circumstance, which may influence or appear to influence the Vendor’s judgment or quality of services being provided hereunder. Such written notification shall identify the prospective business association, interest or circumstance, the nature of work that the Vendor may undertake and request an opinion of JWB as to whether the association, interest or circumstance would, in the opinion of JWB, constitute a conflict of interest if entered into by the Vendor. JWB agrees to notify the Vendor of its opinion, within thirty (30) days of receipt of notification by the Vendor.

**16. Compliance with all applicable laws**

Vendor (and its employees and contractors) represents that all actions taken by Vendor will be in conformity with all local, state and federal, laws, rules, regulations, directives and orders.

**17. Entire Agreement Clause**

This Agreement, including appendices and referenced attachments, constitutes the entire Agreement between JWB and Vendor and supersedes all proposals, presentations, representations, and communications, whether oral or in writing, between the parties on this subject.

**18. Applicable and Governing Law Clause**

This Agreement and all related documents including all exhibits attached hereto, and all matters arising out of or relating to this Agreement, are governed by, and construed in accordance with, the laws of the State of Florida and applicable Federal Law, without regard to the conflict of law’s provisions thereof, to the extent such principles or rules would require or permit the application of the laws of any jurisdiction other than those of the State of Florida.

Each party irrevocably and unconditionally agrees that it will not commence any action, litigation, or proceeding of any kind whatsoever against any other party in any way arising from or relating to this Agreement and all contemplated transactions, including, but not limited to, contract, equity, tort, fraud, and statutory claims, in any forum other than the courts of the State of Florida sitting in Pinellas County, Florida and any appellate court from any thereof. Each party irrevocably and unconditionally submits to the exclusive jurisdiction of such court and agrees to bring any such action, litigation, or proceeding only in the courts of the State of Florida sitting in Pinellas County Florida. Each party agrees that a final judgment in any such action, litigation, or proceeding is conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

#### **19. Waiver of Jury Trial**

In any action or proceeding relating to or involving enforcement of any terms of this agreement, and any counterclaim, crossclaim or other litigation which may be asserted or brought the parties hereby expressly waive any and all right to a trial by jury with respect to such action, proceeding or other litigation resulting from or involving the enforcement of the terms of this Agreement.

#### **20. Notices Clause**

- a. Consultant shall direct all communication and work products to name, title, address, phone number, and email address.
- b. Invoice Submission: If submitted electronically, please email to contact name and Finance ([FinanceInvoices@jwbpinellas.org](mailto:FinanceInvoices@jwbpinellas.org)). If mailed, please send to Attn: contact name.
- c. JWB will direct all communication to name, title, address, phone number, and email address.
- d. Either party may change its address or other contact information by giving the other party prior written notice of the new address or other contact information and date upon which such change will become effective.

#### **21. Force Majeure Clause**

Timely performance is essential to the successful initial implementation and ongoing operation of the network described herein. However, neither party will be liable for delays in performing its obligations under this Agreement to the extent that the delay is caused by force majeure.

#### **22. Force Majeure Requisites**

Force majeure shall not be allowed unless:

- a. Within five (5) calendar days of the occurrence of force majeure, the party whose performance is delayed thereby shall provide the other party or parties with written notice explaining the cause and extent thereof, as well as a request for a time extension equal to the estimated duration of the force majeure events.
- b. Within five (5) calendar days after the cessation of the force majeure event, the party whose performance was delayed shall provide the other party written notice of the time at which force majeure ceased and a complete explanation of all pertinent events pertaining to the entire force majeure situation.

### **23. 120 Day Maximum**

Under no circumstances shall delays caused by a force majeure extend beyond one hundred-twenty (120) days from the scheduled delivery or completion date of a task, unless by prior to the end of the one hundred-twenty (120) day period written approval is received from the other party. Failure to secure this written prior permission, even in the case of force majeure, shall constitute default by the party failing to meet the requirement.

### **24. Right of Cancellation**

Either party shall have the right to cancel the Agreement if force majeure suspends performance of scheduled tasks by one or more parties for a period of one hundred-twenty (120) or more days from the scheduled date of the task.

### **25. Assignments and Subcontracts**

Vendor shall not assign this Agreement or delegate any of its duties and obligations hereunder to another party, and is prohibited from subcontracting for any of the work contemplated under this Agreement without prior written approval of JWB. No such approval by JWB of any assignment or subcontract shall cause JWB to incur any additional financial obligations with respect to the Software or Services, beyond the total dollar amount stated in this Agreement. All such assignments or subcontracts shall be subject to the conditions of this Agreement and to any conditions of approval that JWB shall deem necessary. In the event that the Vendor is merged or acquired, the acquiring entity shall honor all of the terms of the existing Agreement.

### **26. Changes in Agreement**

This Agreement and its attachments constitute the contractual relationship between the Vendor and JWB. No amendment to this Agreement or its attachments may be made without the prior written approval of JWB and Vendor.

### **27. Survival Clause**

All duties and responsibilities of any party that, either expressly or by their nature, extend into the future, shall extend beyond and survive the end of the contract term or cancellation of this Agreement.

### **28. Vendor as Independent Contractor**

Vendor shall be an independent contractor pursuant to this Agreement. Nothing contained in this Agreement shall be construed as creating any agency, partnership, joint venture or other form of joint enterprise, employment or fiduciary relationship between the parties. Neither party, by virtue of this Agreement, will have any right, power nor authority to act or create an obligation, express or implied, on behalf of the other party. JWB will not be responsible for withholding or paying any income, payroll, Social Security or other federal, state or local taxes, making any insurance contributions, including unemployment or disability, or obtaining worker's compensation insurance on Vendor's behalf. Vendor shall be responsible for, and shall indemnify JWB against, all such taxes or contributions, including penalties and interest.

### **29. Approval and Replacement of Key Personnel**

JWB shall have the right to approve key Vendor personnel assigned to provide the Services, which approval shall not be unreasonably withheld. Prior to commencing the Services, Vendor shall provide at least ten (10) days written notice of the names and qualifications of the Vendor personnel assigned to perform Services pursuant to the Agreement. Thereafter, during the term of this Agreement, Vendor shall promptly and as required by JWB provide written notice of the names and qualifications of any additional Vendor personnel assigned to perform Services. JWB, on a reasonable basis, shall have the right to require the removal and replacement of any of the Vendor personnel performing Services, at any time during the term of the Agreement. JWB will notify Vendor in writing in the event JWB requires such action. Vendor shall accomplish any such removal within forty-eight (48) hours after receipt of notice from JWB and shall promptly replace such person with another person, acceptable to JWB, with sufficient knowledge and expertise to perform the Services assigned to such individual in accordance with this Agreement. JWB shall have the right to terminate the agreement immediately for cause in accordance with Section 7b. Termination for Cause if Vendor does not replace the personnel assigned to JWB's satisfaction within the time frame herein.

### **30. Advertisement**

Vendor shall not use, in its external advertising, marketing programs, or other promotional efforts, any data, pictures, or other representation of JWB unless Vendor receives specific written authorization in advance from JWB's Chief Executive Officer. Vendor will limit and direct any of its advertising on JWB's premises and shall coordinate for such advertising through the Chief Executive Officer. Vendor shall not install any signs or other displays within or outside of the JWB's premises unless in each instance the prior written approval of the JWB's Chief Officer has been obtained. However, nothing in this clause shall preclude Vendor from listing JWB on its routine client list for matters of reference.

### **31. Public Records**

JWB is a public entity subject to Florida's Public Records Law, which includes provisions relating to records retention, production and confidentiality.

**IF THE VENDOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE VENDOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT:**

**Juvenile Welfare Board of Pinellas County**

**14155 58th St. No., Ste. 100**

**Clearwater, FL 33760**

**(727) 453-5600**

**[communications@jwbpinellas.org](mailto:communications@jwbpinellas.org)**

Vendors acting on behalf of JWB must comply with 119.0701 and must:

1. Keep and maintain public records required by JWB to perform the service.
2. Upon request from JWB's custodian of public records, provide JWB with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in F.S. 119 or as otherwise provided by law.
3. Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and following completion of the contract if the vendor does not transfer the records to the public agency.
4. Upon completion of the contract, transfer, at no cost, to JWB all public records in possession of Vendor or keep and maintain public records required by JWB to perform the service. If the Vendor transfers all public records to JWB upon completion of the contract, Vendor shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If Vendor keeps and maintains public records upon completion of the contract, the Vendor shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to JWB, upon request from JWB's custodian of public records, in a format that is compatible with the information technology systems of JWB.

In addition, Vendors should be aware that social security numbers are confidential and exempt from disclosure (119.071(5)) and personal identifying information of a child or the parent or guardian of the child held by JWB or service provider under contract with JWB is exempt from disclosure (125.901(11)). There are many other exemptions in the law that Vendor should be cognizant exist. However, for all Vendors, any and all contracts between JWB and Vendor, program methodology, budgets, requests for reimbursements, emails, other written correspondence and any other documents exchanged between the Vendor and JWB are generally public records and will be disclosed in the sole discretion of JWB and must be retained in accordance with Florida's record retention policy. Vendors should not provide any documents to JWB containing Trade Secrets, as defined by F.S. 812.08, or exempt or confidential and exempt information to JWB without specifically marking such document. By submitting any documents or information whatsoever to JWB, Vendor agrees that JWB may use and disclose all information and documents submitted for any purpose JWB sees fit and that it is within JWB's sole discretion to determine if any information submitted is exempt from disclosure.

Any Vendor who receives a Public Records request for records pertaining to JWB or services funded by JWB, must advise JWB within two (2) business days of the records request and JWB and Vendor will work together to respond to any such request. This provision shall survive termination of this Agreement.

### **32. Public Entity Crimes**

Per Section 287.133, Florida Statutes, a person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid on a contract to provide any 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 be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with a public entity, and may not transact business with a public entity in excess of the threshold amount provided in Section 287.017, for CATEGORY TWO for a period of 36 months from the date of being placed on the convicted vendor list.

### **33. Certification that Vendor is Legally Able to Contract with JWB**

In compliance with F.S. 287.135(a), a Vendor is ineligible to and may not enter into a contract with JWB if the Vendor is on the Scrutinized Companies that Boycott Israel List, created pursuant to s. 215.4725 or, is engaged in a boycott of Israel. In compliance with F.S. 287.135(b), for contracts of \$1 million or more, a Vendor is ineligible to and may not enter into a contract a contract with JWB if the Vendor is (1) is on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Section List, created pursuant to s. 215.473 or, (2) is engaged in business operations in Cuba or Syria. By entering into this Agreement, you are certifying that you are eligible to contract with JWB and are not participating in a boycott of Israel, are not on the Scrutinized Companies with Activities in Sudan List, are not on the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List and that you do not have business operations in Cuba or Syria. In addition, this Agreement may be terminated if Vendor (1) has found to have submitted a false certification, (2) has been placed on the Scrutinized Companies that Boycott Israel List, or is engaged in a boycott of Israel, (3) has been placed on the Scrutinized Companies with Activities In Sudan List or the Scrutinized Companies with Activities in The Iran Petroleum Energy Sector List; or, (4) has been engaged in business operations in Cuba or Syria.

### **34. Compliance with Fla. Stat. § 448.095**

- a. Vendor agrees to comply with all applicable portions of Fla. Stat. § 448.095. Vendor must use the U.S. Department of Homeland Security's E-Verify system, <https://e-verify.uscis.gov/emp>, to verify the employment eligibility of all employees hired on or after January 1, 2021 during the term of this Agreement.
- b. Subcontractors (i) Vendor shall also require all subcontractors performing work under this Agreement to use the E-Verify system for any employees they may hire during the term of this Agreement. (ii) Subcontractors shall provide Vendor with an affidavit stating the subcontractor does not employ, contract with, or subcontract with an unauthorized alien, as defined by Fla. Stat. § 448.095. (iii) Vendor shall provide a copy of such affidavit to JWB upon receipt and shall maintain a copy for the duration of the Agreement.
- c. Vendor must provide evidence of compliance with Fla. Stat. § 448.095 by January 1, 2021. Evidence may consist of, but is not limited to, providing notice of Vendor's E-Verify number.
- d. Failure to comply with this provision is a material breach of the Agreement, and JWB may choose to terminate the Agreement at its sole discretion. Vendor may be liable for all costs associated with JWB securing the same services, inclusive, but not limited to, higher costs for the same services and rebidding costs (if necessary). Any challenge to termination under this provision must be filed in the Circuit Court no later than 20 calendar days after the date of termination. If this contract is terminated for a violation of the statute by the Vendor, the Vendor may not be awarded a public contract for a period of 1 year after the date of termination.



## ATTACHMENT 3 – SPECIAL TERMS AND CONDITIONS

### 1. Liquidated Damages

Failure on the part of Vendor to complete critical project milestones as established in the Project Schedule that are not caused by JWB's inaction or delay, may result in liquidated damages being imposed on the Vendor by JWB for breach of contract and for non-compliance. The milestones will be defined in the Project Schedule and extent of damages will be \$1,000 per day for each day the project Go Live date as defined in the Project Schedule is extended. JWB may also demand liquidated damage provision tied to Vendor's breach of certain performance requirements in Vendor's service level agreement that will be incorporated into this Agreement. The parties intend that the liquidated damages constitute compensation, and not a penalty. The parties acknowledge and agree that JWB's harm caused by Vendor's failure to complete critical project milestones according to the Project Schedule would be impossible or very difficult to accurately estimate and that the liquidated damages for such breach are a reasonable estimate of the anticipated or actual harm that might arise from such breach. Vendor's payment of the liquidated damages is in addition to JWB's rights and remedies afforded under this Agreement.

### 2. Data Security

#### a. **DataSec Program**

Vendor shall maintain, implement, and comply with a written data security program (the "DataSec Program") that requires commercially reasonable policies and procedures to ensure compliance with this Section. The DataSec Program's policies and procedures shall contain administrative, technical, and physical safeguards, including without limitation: (i) guidelines on the proper disposal of Protected Data after it is no longer needed to carry out the purposes of the Agreement; (ii) access controls on electronic systems used to maintain, access, or transmit Protected Data; (iii) access restrictions at physical locations containing Protected Data; (iv) encryption of electronic Protected Data; (v) dual control procedures; (vi) testing and monitoring of electronic systems; and (vii) procedures to detect actual and attempted attacks on or intrusions into the systems containing or accessing Protected Data. Vendor shall review the DataSec Program and all other Protected Data security precautions regularly, but no less than annually, and update and maintain them to comply with applicable laws, regulations, technology changes, and best practices.

#### b. **Security Audits & Testing**

- i. Vendor shall retain a certified public accounting firm to perform an annual audit of the Services' data protection features and to provide a SOC 2 Type II report, pursuant to the standards of the American Institute of Certified Public Accountants (the "AICPA"). The most current report shall be due to JWB within thirty (30) business days of the Effective Date and thereafter annually within thirty (30) business days of Vendor's receipt from the audit firm. If the AICPA revises its relevant reporting standards, Vendor shall provide the report that then most closely resembles a SOC 2 Type II report. In addition, Vendor shall annually conduct its own internal security audit and address security gaps in compliance with its security policies and procedures, including without limitation the DataSec Program.

- ii. If requested by JWB, Vendor shall, on a quarterly basis permit security reviews (e.g., intrusion detection, firewalls, routers) by JWB on systems storing or processing Protected Data and on Vendor policies and procedures relating to the foregoing.
- iii. Any report or other result generated through the audits required by this Subsection b will be Vendor's Confidential Information pursuant to the Confidential Information section of this Agreement. If any audit or test referenced above uncovers deficiencies or identifies suggested changes in Vendor's performance of the Services, Vendor shall exercise reasonable efforts promptly to address such identified deficiencies and suggested changes, including without limitation by revising the DataSec Program.

### **3. Service Levels, Support and Maintenance**

Vendor shall provide hosting, maintenance, and support services (collectively, "Support Services") for the Software in accordance with the provisions of this Section.

#### **a. Service Levels**

- i. Availability. During each calendar month of the Term ("Service Period"), the Software and Services shall be available without interruption or a decrease in functionality ("Available") at least 99.98% of the time of each Service Period, excluding only Scheduled Downtime ("Availability Requirement").
- ii. Scheduled Downtime. Vendor shall notify JWB at least 24 hours in advance of all scheduled outages of the Software and Services in whole or in part ("Scheduled Downtime"). All such Scheduled Downtime shall: (a) not occur during regular business hours (Monday – Friday, 8:00 am – 5:00 pm EST) and preferably between 1 a.m. and 5 a.m. EST; and (b) occur no more frequently than twice per month.
- iii. Service Availability Reports. Within five (5) days, upon request, Vendor shall provide to JWB a report describing the uptime and other performance of the Software and Services for the requested period as compared to the Availability Requirement. The report shall be in writing and shall include, at a minimum: (a) the actual Availability of the Software and Services relative to the Availability Requirements; and (b) if the Software's or Service's performance has failed in any respect to meet or exceed the Availability Requirement during the requested period, a description in sufficient detail to inform JWB of the cause of such failure and the corrective actions the Vendor has taken and will take to ensure that the Availability Requirement is fully met.
- iv. Remedies for Service Availability Failures.
  - i. If during the requested period, the Software's or Services' uptime is less than the Availability Requirement, such failure shall constitute a Service Error (meaning any failure of the Software or Services to be Available or otherwise perform in accordance with this Agreement) for which Vendor shall issue to JWB the corresponding service credits as set forth in Schedule A ("Service Availability Credits") in accordance with this Section and the Schedule below.

- ii. If the Availability of the Software or Services is less than the Availability Requirement in any two consecutive requested periods, then, in addition to all other remedies available to JWB, JWB may terminate this Agreement on written notice to Vendor with no liability, obligation, or penalty to JWB by reason of such termination.
  - iii. Any Service Availability Credits due under this **Error! Bookmark not defined.** will be applied as set forth in Schedule below.
- b. **Support Service Responsibilities.** Vendor shall: (a) Respond (meaning Vendor's initial communication with JWB, whether by telephone, email or otherwise, acknowledging JWB's request for services in connection with an error) to and Resolve (meaning Vendor's provision of services to correct an error or create a work-around acceptable to JWB) all Incidents (meaning a support request that begin when JWB contacts Vendor to report an error and ends with Vendor Resolve's the error) pursuant to the times lines identified in Schedule identified below; (b) provide unlimited telephone support during Normal Business Hours (meaning 8 a.m. to 5 p.m. EST, Monday through Friday, excluding federally recognized holidays); and (c) provide after-hour support for Severity Level 1 and 2 Incidents (as defined below).
- c. **Service Monitoring and Management.** Vendor shall continuously monitor and manage the Software and Services to optimize Availability that meets or exceeds the Availability Requirement. Such monitoring and management shall include:
  - i. proactively monitoring on a 24-hour by seven-day basis all Software and Services functions, servers, firewall, and other components of Software and Services security;
  - ii. if such monitoring identifies, or Vendor otherwise becomes aware of, any circumstance that is reasonably likely to threaten the Software and Services Availability, then Vendor shall take all necessary and reasonable remedial measures to promptly eliminate such threat and ensure compliance with the Availability Requirements;
  - iii. if Vendor receives knowledge that the Software and Services or any function or component is not Available (including by written notice from JWB) the Vendor shall:
    - i. confirm the presence or absence of the outage by a direct check of the Vendor's equipment and facilities; associated facility or facilities;
    - ii. if Vendor's facility and equipment check in accordance with clause (1) above confirms a Software and Services outage in whole or in part: (A) Vendor shall notify JWB in writing that an outage has occurred, provide such details as may be available, including a Vendor trouble ticket number, if appropriate, and time of outage; and (B) Vendor shall work all problems causing and caused by the outage until they are Resolved or, if determined to be an internet provider problem, open a trouble ticket with the internet provider; and
    - iii. notifying JWB that Vendor has fully corrected the outage and any related problems, along with any pertinent findings or action taken to close the trouble ticket.
- iv. **Service Maintenance.** Vendor shall continuously maintain the Software and Services to optimize Availability that meets or exceeds the Availability Requirement. Such maintenance services shall include providing to JWB and its customers:

- a. all updates, bug fixes, enhancements, new releases, new versions, and other improvements to the Software and Services, and
  - b. all such services and repairs as are required to maintain the Software and Services or are ancillary, necessary, or otherwise related to JWB's use of the Software and Services, so that the Software and Services operate properly in accordance with this Agreement.
- v. **Support Service Level Requirements.** Vendor shall Respond to and Resolve all Incidents and Errors in accordance with the required times and other terms and conditions set forth in the Schedule below ("Support Service Level Requirements"), and this Agreement.
- a. Incidents. JWB shall classify Incidents as Severity Level 1, Severity Level 2, and Severity Level 3. Each severity level is defined as follows:
    1. "Severity Level One Incident" means an Error that causes the Software or Services not to operate and has a critical impact on its operations.
    2. "Severity Level Two Incident" means an Error that results in a lack of functionality in the Software or Services and materially degrades significant aspects of JWB's business operations.
    3. "Severity Level Three Incident" means an Error that impairs the performance of the Software or Service but does not substantially affect JWB's business operations.
  - b. Response and Resolution Time Service Levels. Response and Resolution times will be measured from the time Vendor receives notice of the Incident until Vendor has (i) responded to, in the case of Response time and (ii) Resolved such Incident, in the case of Resolution time. Vendor shall Respond to and Resolve all Incidents within the times provided in the below Schedule based on the severity of the Incident.
- vi. **Support Service Level Credits.** Failure to achieve any of the Support Service Level Requirements will constitute a Service Level Failure for which Vendor shall issue to JWB the corresponding service credits set forth in this Section and the Schedule below ("Service Level Credits").
- vii. **Availability and Support Service Level Credits.** The parties acknowledge and agree that each of the Service Availability Credits and Service Level Credits assessed pursuant to this Section respectively: (a) is a reasonable estimate for the anticipated or actual harm that may arise from the corresponding Error or Service Level Failure, which would be impossible or very difficult to accurately estimate (b) is not intended as, and should not be deemed to be, a penalty or forfeiture; and (c) may, at JWB's option, be credited or set off against any Fees or other charges payable to Vendor under this Agreement or be payable to JWB upon demand.
- viii. **Corrective Action Plan.** If two or more Severity Level 1 Incidents occur in any thirty (30) day period during the Term, Vendor shall promptly investigate the root causes of these Errors and provide to JWB within five (5) Business Days of its receipt of notice of the second Severity Level 1 Incident an analysis of such root causes and a proposed written corrective action plan for JWB's review, comment, and acceptance, which, subject to and upon JWB's written acceptance, shall be a part of, and by this reference is incorporated in, this Agreement as the parties' corrective action plan (the "Corrective Action Plan"). The Corrective Action Plan shall include, at a minimum: (x) Vendor's commitment to JWB to devote the appropriate time, skilled personnel, systems support, equipment, and other resources necessary to Resolve and prevent any further occurrences of the

Errors giving rise to such Incidents; (y) a strategy for developing any programming, software updates, fixes, patches, etc. necessary to remedy and prevent any further occurrences of such Errors; and (z) time frames for implementing the Corrective Action Plan. There will be no additional charge for Vendor's preparation or implementation of the Corrective Action Plan in the time frames and manner set forth therein.

#### **4. Future Releases/Upgrades**

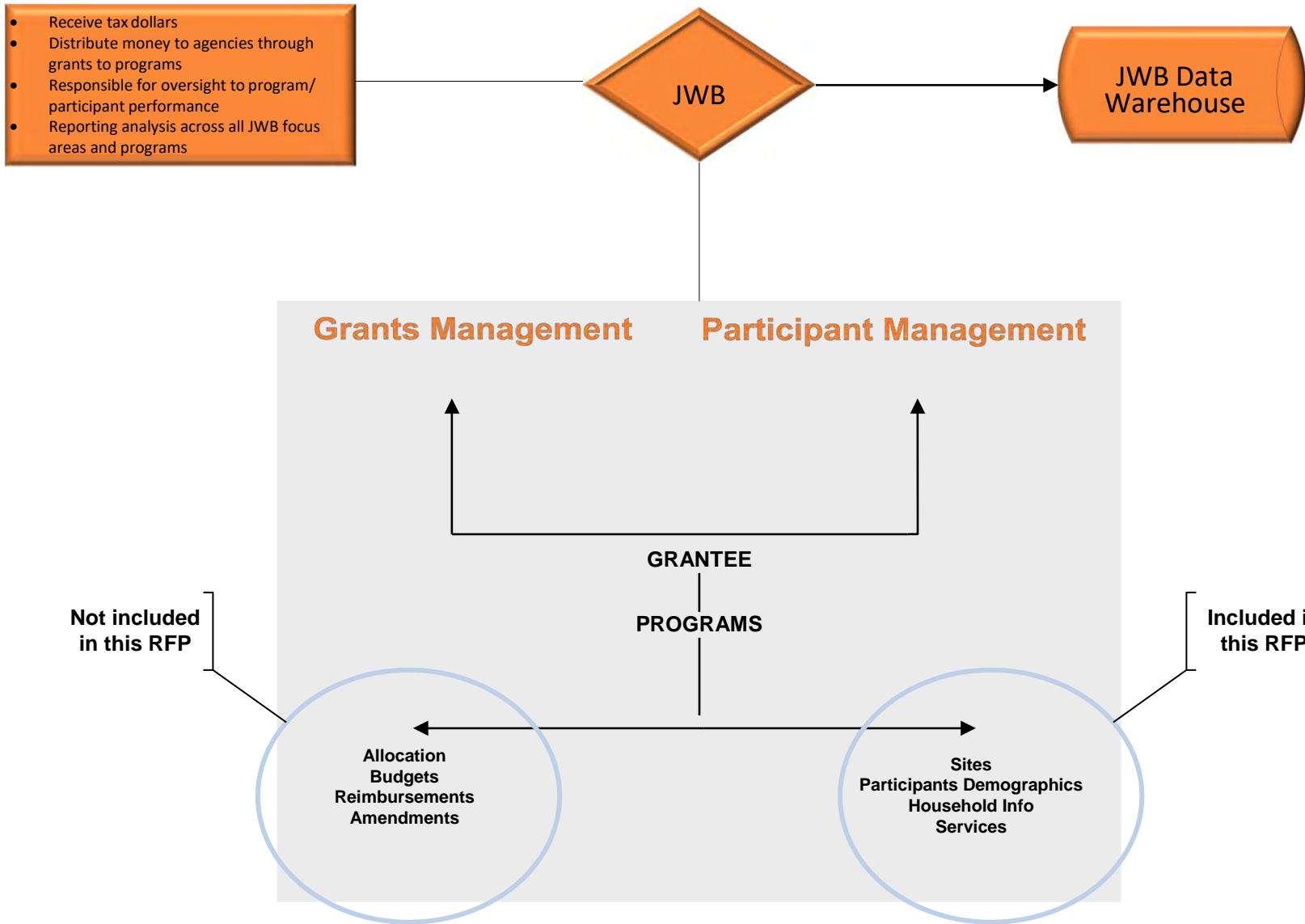
JWB shall be entitled to future releases and upgrades, whether of a “minor” or major” nature, of Vendor Software for no additional cost beyond the annual maintenance and support fees delineated in Exhibit <##>.

## ATTACHMENT 4 – PROPOSAL CHECKLIST

<b>RFP Title:</b> Participant Management Software		<b>Proposal due date and time:</b> 12/18/2020 by Noon EST		
<b>Proposals to be submitted to:</b> Written Proposals must be submitted via email to RFP@jwbpinellas.org				
#	<b>Proposal submission to include</b> ( <i>Checklist is for Proposers use only, not to be submitted with Application</i> )	Yes	No	NA
1	Signed Addenda, if issued			
2	Form 1 – Proposal Signature Form (signed by an authorized company officer)			
3	Narrative Response -attach resumes of all Vendor staff that will be assigned to the project -attach audited financial information for the past two (2) completed fiscal years that includes income statements, balance sheets, and statement of cash flows or information detailing the company’s stability including a Dunn & Bradstreet report (D&B) -attach Statement of Work that enumerates and defines the work/services that will be provided			
4	Form 2 - Customer References (minimum of 3)			
5	Form 3- Non-Collusion Affidavit (signed and notarized)			
6	Form 4 – Minimum Terms & Conditions Compliance Checklist (signed and dated)			
7	Form 5 – Special Terms & Conditions Compliance Checklist (Vendor must mark “Comply” or “Exception”) Exceptions must be identified by number and title and fully explained.			
8	Form 6 - IRS W-9 (signed)			
9	Proposed Agreements: -attach a copy of all warranties associated with the proposed solution -attach all applicable contracts, with JWB’s minimum terms and conditions incorporated, including: <ul style="list-style-type: none"> <li>• SaaS License</li> <li>• Professional Services Agreement</li> <li>• Service Level Agreement (SLA)</li> </ul>			
10	Attachment 5 – Technical Requirements (excel) -attach training plan with response			

11	Attachment 6 – Functional Requirements (excel)			
12	Attachment 7 – Pricing Forms (excel)			

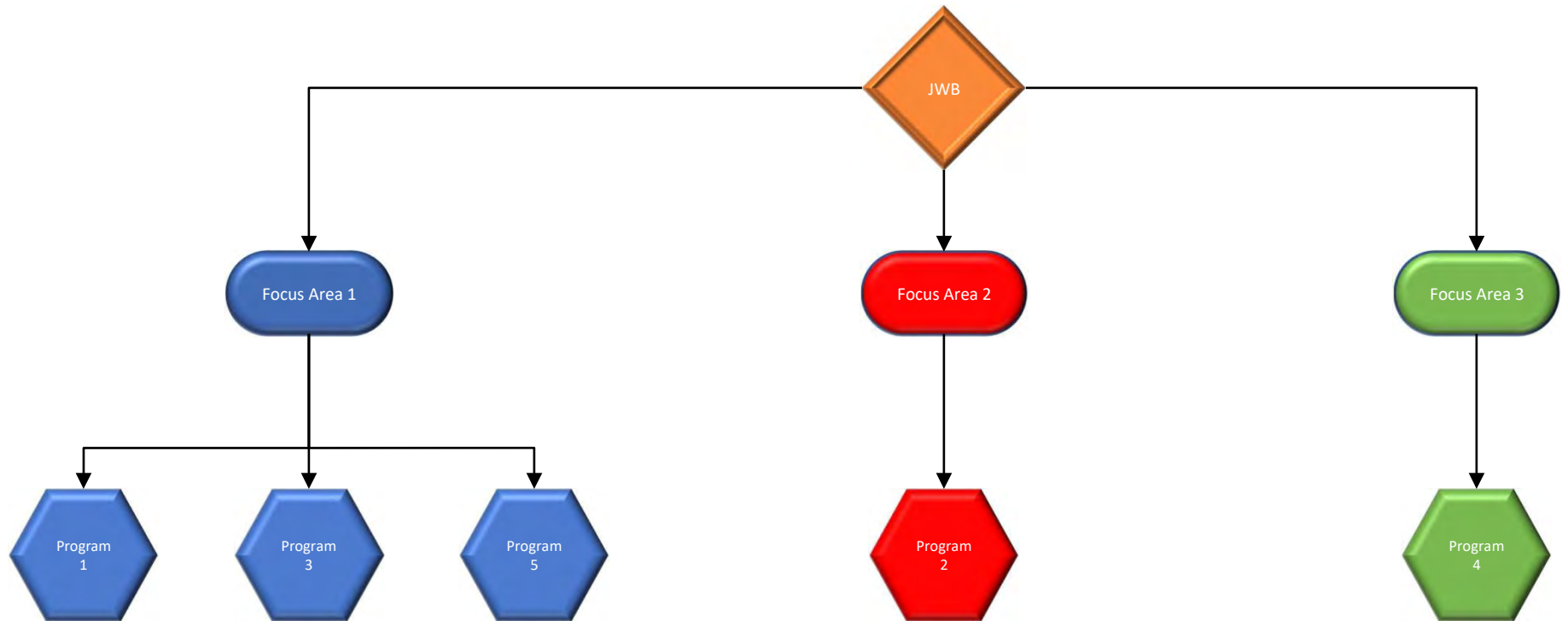
# EXHIBIT A JWB Current System





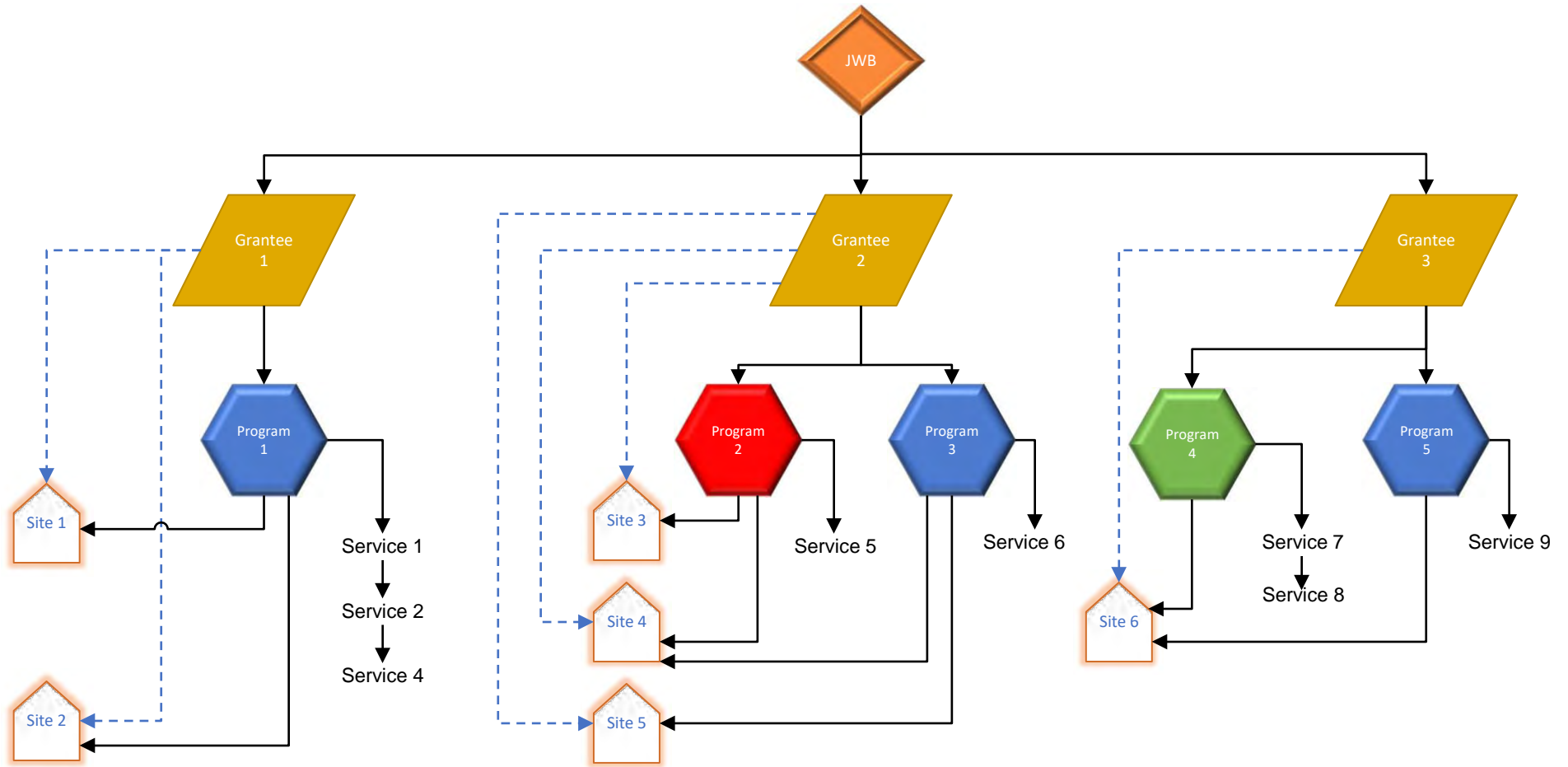
# Strategic Focus Area Setup

Configured by JWB Staff



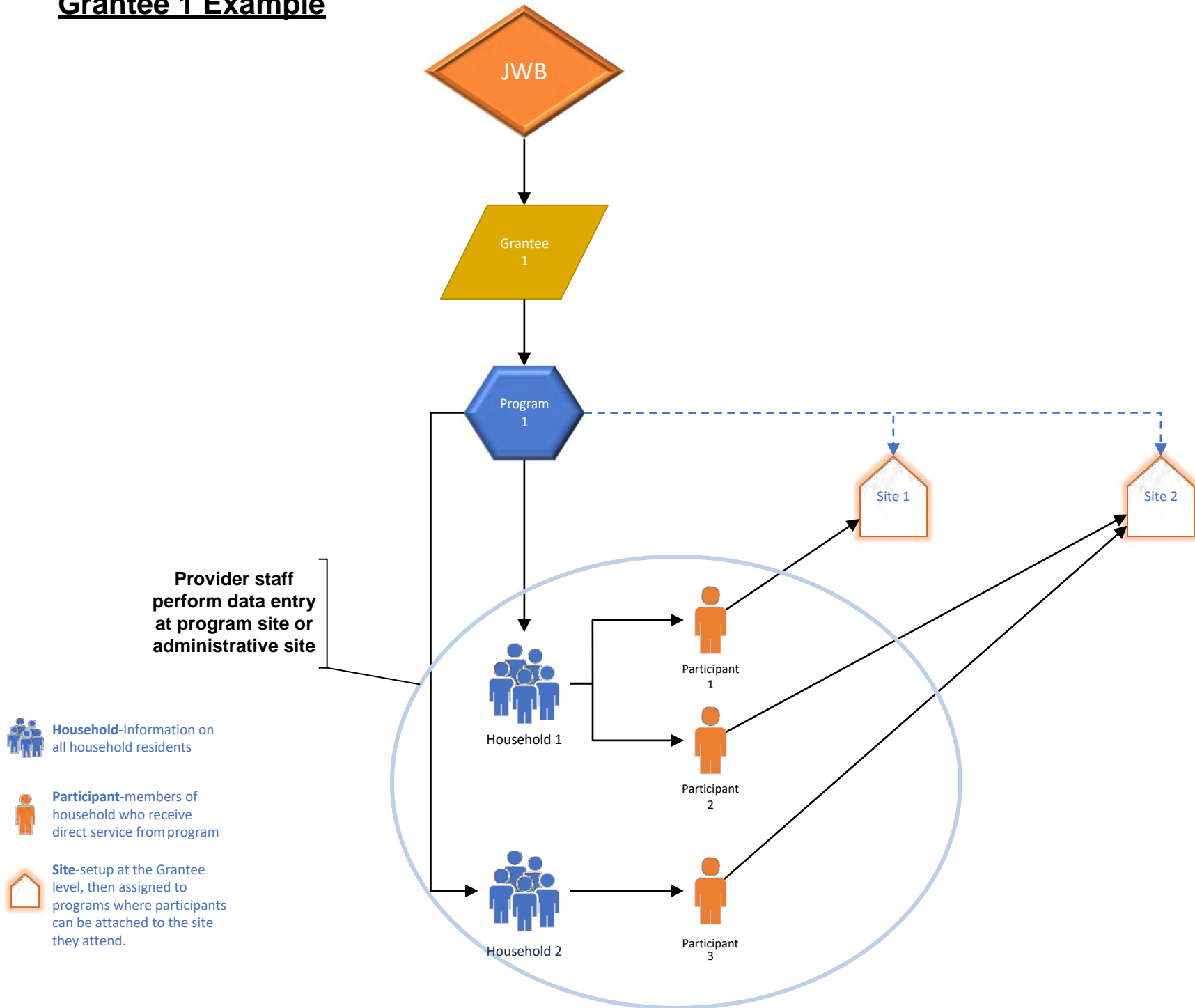
# Agency Program Site Setup

Configured by JWB Staff

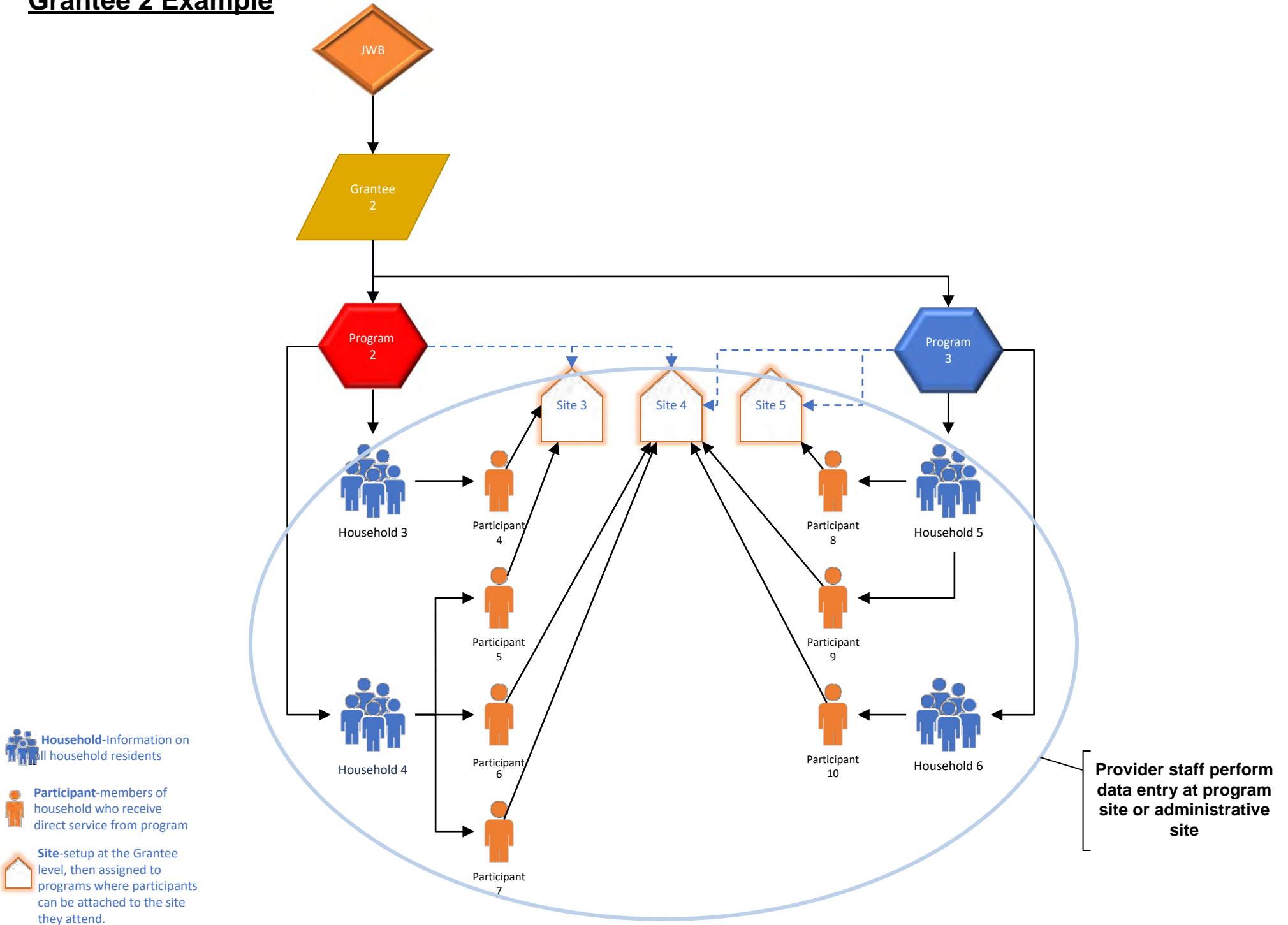


Sites are setup at the Grantee Level, and assigned to Programs

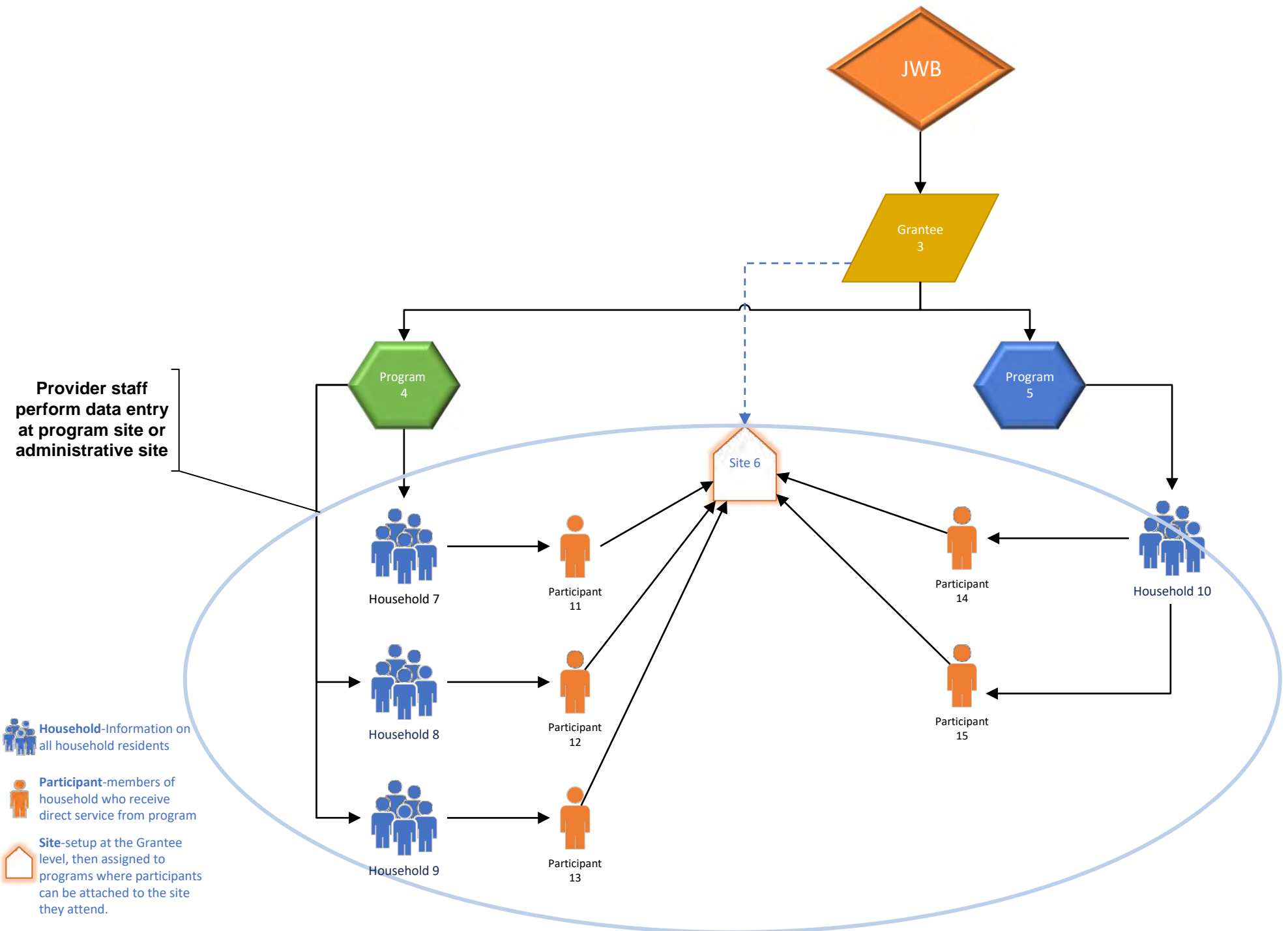
# Grantee 1 Example



# Grantee 2 Example



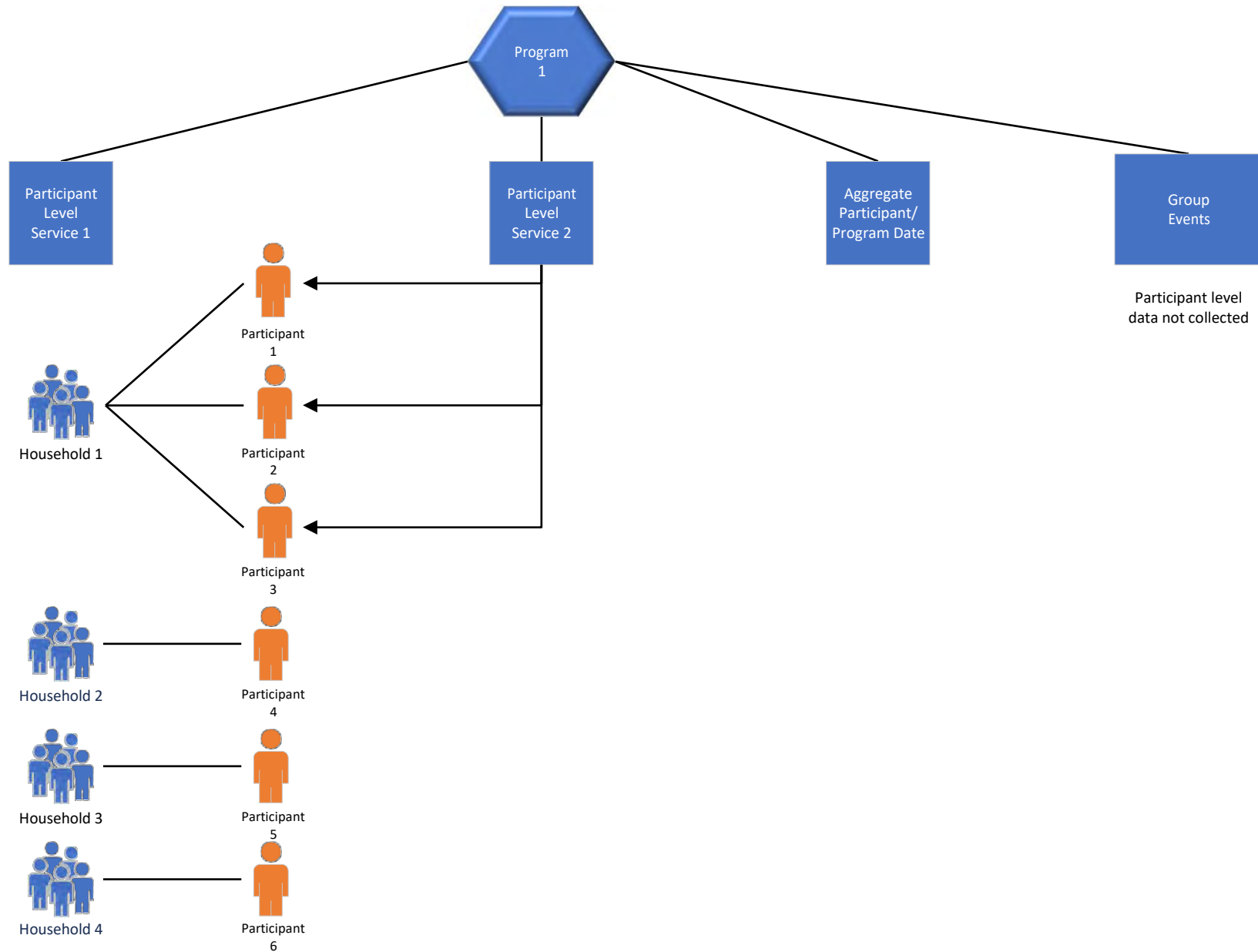
# Grantee 3 Example



Provider staff perform data entry at program site or administrative site

-  Household-Information on all household residents
-  Participant-members of household who receive direct service from program
-  Site-setup at the Grantee level, then assigned to programs where participants can be attached to the site they attend.

# Service Examples



There are multiple types of Services; Services are defined in the Participant Management Functional Requirements document

## **System Reporting**

Most reports are grouped by one or more of the following areas; typically by date range:

- Strategic Focus Area
- Program
- Participant
- Specific Demographics on Households or Participants
- Sites
- Services

See sample reports  
attached to the RFP

**Participant Management Software (RFP)**

Enter Respondent Name Here

Support			
Item #	Requirements	Questions	Responses
19	JWB prefers to be the centralized help desk for the grantors and the grantees. Vendor support must be readily available to the JWB administrator.	Does the JWB Administrator have the ability to perform general administrative functions in the system such as setting up new provider/programs, creating new users, resetting passwords and creating new field requirements, etc.	
		How will the JWB Administrator access vendor support?	
		What are the days and hours that vendor support is available?	
20	Vendor's Service Level Agreement includes (a) response and resolution times to a Severity Level One Incident, Severity Level Two Incident, and Severity Level Three Incident as defined in the Special Terms and Conditions; (b) shortened (minimum 50% shorter) response and resolution times for the foregoing if an incident occurs during the month of October ("Critical Period"); and (c) service level credits for failure to adhere to the foregoing and the Availability requirement as defined in the Special Terms and Conditions, and (d) meets or exceeds JWB's Special Condition for Service Level, Support & Maintenance.	Is there a consistently updated, section of the software where support information is available? For example, a stable and consistent knowledge base (KB) section.	
		Can JWB specify the priority of issues at the time of support notification?	
		Evaluation Committee: Does the Proposer's Service Level Agreement, provided as one of the Proposed Agreements, include all required information and does it meet or exceed all of JWB's Service Level, Support & Maintenance contractual requirements.	NA
21	NA	Are there any additional features for the technology portion within this section that you think would benefit JWB that we did not include in our requirements?	



## Participant Management Software (RFP)

Enter Respondent Name Here

### REPORTING DASHBOARDS

Item #	Requirements	Rating	Questions	Responses
16	Reporting Module		Does the software have the ability to have agency or program level dashboards? If yes, can they be customized at various levels? How easy can dashboard objects be added?	
			Does the system have canned reports? Based upon sample reports provided, can you explain the top reports that will be used?	
			Does the system allow for custom reporting? If yes, how easy is it to create reports?	
			Can custom reports be saved in a central location for all users?	
			Can the software report on custom fields?	
			What skill level is required to create custom dashboards and reports?	
			Is any 3rd party software required for reporting needs? If so, what software (i.e. Crystal Reports, SSRS).	
			Can reports be exported to Word, Excel, PDF, etc.?	
17	NA	NA	Is there any additional functionality within this section that you think would benefit JWB that we did not include in our requirements?	

Enter Proposer Name

*Summary*

<b>Product Name</b>	<b>Annual Price</b>	<b>Initial 5-Year Term</b>	<b>Annual Renewal Pricing Notes</b>
Annual Subscription Fee	\$0.00	\$0.00	
Professional Services (one time cost)	\$0.00	\$0.00	
<b>TOTAL</b>	<b>\$0.00</b>	<b>\$0.00</b>	

**STATE OF FLORIDA  
AUDITOR GENERAL**



**AUDITOR SELECTION  
AND  
AUDITOR SELECTION COMMITTEE  
GUIDANCE**

**EFFECTIVE FOR AUDITS FOR FISCAL YEARS ENDED  
SEPTEMBER 30, 2020, AND THEREAFTER**

**SEPTEMBER 2020**



## Table of Contents

<b>Auditor Selection Law .....</b>	<b>1</b>
<b>Auditor Selection Committee Composition and Size .....</b>	<b>1</b>
Legal Requirements .....	1
Nonmandatory Guidance.....	2
Small Government Considerations .....	3
<b>Auditor Selection Committee Responsibilities.....</b>	<b>3</b>
Legal Requirements .....	3
Nonmandatory Guidance .....	3
• Establishment of the Auditor Selection Committee .....	3
• Auditor Selection Committee Responsibilities .....	4
• Communications with the Auditor Selection Committee .....	6
Small Government Considerations .....	6
<b>Audit Proposal Evaluation Factors .....</b>	<b>6</b>
Legal Requirements .....	6
Nonmandatory Guidance .....	6
• Audit Firm Qualifications .....	6
• Technical Qualifications .....	7
<b>Use and Elements of Request for Proposal .....</b>	<b>7</b>
Legal Requirements. ....	7
Nonmandatory Guidance .....	7
• Public Announcement for Audit Services .....	8
• Elements of the Request for Proposal.....	8
<b>Use and Elements of Audit Services Contract .....</b>	<b>14</b>
Legal Requirements .....	14
Nonmandatory Guidance .....	14
• Engagement Letter.....	14
• Required Contract Elements .....	14
• Additional Contract Elements .....	15
<b>Appendices</b>	
Appendix A – Auditor Selection Law (Section 218.391, Florida Statutes) .....	17
Appendix B – Questions and Answers .....	19
Appendix C – Auditor Selection and Auditor Selection Committee Resources .....	24



## **Auditor Selection Law**

Section 218.391, Florida Statutes,<sup>1</sup> the auditor selection law, establishes required procedures for the selection of auditors to perform the financial audits required by Section 218.39, Florida Statutes, for counties, municipalities, special districts, district school boards, charter schools, and charter career technical centers. These procedures help ensure selection of a qualified auditor and satisfactory audit effort. Section 218.391, Florida Statutes, is included as Appendix A to this document.

The established auditor selection process requires a request for proposal (RFP) for the solicitation of the necessary audit services, and a selection and negotiation process in which fees cannot be the sole or predominant reason for selecting a particular audit firm.

The auditor selection law requires that the governing body of each county, municipality, special district, district school board, charter school, and charter technical career center establish an auditor selection committee. Section 218.391(2)(d), Florida Statutes, provides that while the primary purpose of the auditor selection committee is to assist the governing body in selecting an auditor to conduct the financial audit, the auditor selection committee may serve other audit oversight purposes as determined by the entity's governing body.

The purpose of this document, which was initially prepared by an Auditor Selection Task Force<sup>2</sup> established by the Auditor General, is to provide additional nonmandatory guidance regarding the auditor selection committee and the selection of auditors for performing the financial audit required by Section 218.39, Florida Statutes. Specifically, this document provides guidance in the following areas:

- Composition of auditor selection committees.
- Responsibilities of auditor selection committees.
- Audit proposal evaluation factors.
- Use and elements of an RFP for audit services.
- Use and elements of audit services contracts.

Additional auditor selection topics are included in Appendix B - Questions and Answers. A listing of resources used to prepare this guidance is included in Appendix C.

This document includes numerous references to guidance from the Government Finance Officers Association (GFOA) for audit committees because such guidance is relevant to auditor selection committees assigned audit oversight responsibilities.

## **Auditor Selection Committee Composition and Size**

### **Legal Requirements**

Section 218.391, Florida Statutes, provides that the auditor selection committee for a county must, at a minimum, include each of the county officers elected pursuant to the county charter or Article VIII, Section 1(d) of the State Constitution, or their respective designees, and one member of the board of county commissioners or its designee. The auditor selection committee for a municipality, special district, district school board, charter school, or charter technical career center must consist of at least three

---

<sup>1</sup> All statutory references in this guidance are to the 2019 Florida Statutes.

<sup>2</sup> The Task Force included representatives of the Florida Association of Counties, Florida Association of Court Clerks and Controller, Florida Association of Public Purchasing Officers, Florida Association of Special Districts, Florida Government Finance Officers Association, Florida Institute of Certified Public Accountants, Florida League of Cities, and Florida School Finance Officers Association. Also included were representatives of the Auditor General's Office, the Legislative Auditing Committee, and the former Legislative Committee on Intergovernmental Relations.

members, one of which must be a member of the governing body and who must serve as the committee chair.

No employee of the county, municipality, special district, district school board, charter school, or charter technical career center may serve as a member of the auditor selection committee; however, an employee of the county, municipality, special district, district school board, charter school, or charter technical career center may serve in an advisory capacity.

### Nonmandatory Guidance

The effectiveness of an auditor selection committee in performing its assigned duties is dependent on the qualifications and skills of its members and the relationship of the members to the governing body.

GFOA Best Practices<sup>3</sup> recommend the following regarding the composition of audit committees, which would also apply to auditor selection committees:

- *Ideally, all members of the committee should possess or obtain a basic understanding of governmental financial reporting and auditing. The audit committee also should have access to the services of at least one financial expert, either a committee member or an outside party engaged by the committee for this purpose. Such a financial expert should through both education and experience, and in a manner specifically relevant to the government sector, possess 1) an understanding of generally accepted accounting principles and financial statements; 2) experience in preparing or auditing financial statements of comparable entities; 3) experience in applying such principles in connection with the accounting for estimates, accruals, and reserves; 4) experience with internal controls; and 5) an understanding of audit committee functions.*

For governmental entities experiencing difficulty in acquiring financial expertise on the audit committee, alternative means of acquiring such expertise include, but are not limited to, obtaining assistance from another governmental entity's chief financial officer, engaging an independent financial professional, or providing a training program for audit committee members to develop the necessary financial knowledge.

- *To ensure the committee's independence and effectiveness, no governing body member who exercises managerial responsibilities that fall within the scope of the audit should serve as a member of the audit committee.*

GFOA Best Practices<sup>4</sup> suggest that the actual audit committee membership be composed of the governing body or a subset of the governing body. Under this approach, it is likely that the entity will need to engage an outside party to obtain the needed experience in governmental financial reporting and auditing. The audit committee members should be provided an orientation on the duties and responsibilities of the committee, including such topics as objectives of internal control, accounting, auditing, and financial reporting to assist in making sound judgments.

- *An audit committee should have sufficient members for meaningful discussion and deliberation, but not so many as to impede its efficient operation. As a general rule, the minimum membership of the committee should be no fewer than three.*

Another factor that could affect the size of the audit committee, particularly in smaller communities, is the availability of individuals who possess both the skills desired of an audit committee member and the willingness to make the commitment to perform effectively as a member. It is important that the entity not compromise these factors, as well as independence considerations, in establishing the size of the audit committee.

---

<sup>3</sup> GFOA's Best Practice: *Audit Committees* (October 2008).

<sup>4</sup> GFOA's Best Practice: *Audit Committees* (October 2008).



- *Members of the audit committee should be educated regarding both the role of the audit committee and their personal responsibility as members, including their duty to exercise an appropriate degree of professional skepticism.*

GFOA Best Practices<sup>5</sup> suggest that audit committee members be provided training regarding the audit committee function. This is particularly critical where the committee members are governing body members who may not possess the needed experience in governmental financial reporting and auditing. At a minimum, such training might include making members familiar with this guidance and the publications referenced herein.

### Small Government Considerations

Smaller entities may experience difficulty in obtaining the necessary experience in governmental financial reporting and auditing from a source that is independent from financial management of the entity. Qualified persons willing to provide such experience may simply not be available within the community. In such instances, the small entity might consider consulting with larger entities in the area to identify employees or consultants of those entities who might be willing to work with their auditor selection committee. A smaller entity may also opt to include members of the auditor selection committee of the larger entity on its auditor selection committee. Regardless of the method used to provide an auditor selection committee function, ultimate responsibility for the selection of the auditor rests with the governing body.

## **Auditor Selection Committee Responsibilities**

### Legal Requirements

The primary purpose of the auditor selection committee, as contemplated in Section 218.391, Florida Statutes, is to assist in the selection of an auditor to conduct the financial audit required by Section 218.39, Florida Statutes.

Section 218.391(3), Florida Statutes, establishes the duties of the auditor selection committee to include:

- Establishment of factors to be used for the evaluation of audit services to be provided by an audit firm.
- Public announcement of an RFP.
- Provision of interested firms with the RFP.
- Evaluation of proposals provided by qualified firms.
- Ranking and recommendation in order of preference of no fewer than three firms deemed to be the most highly qualified to perform the required services. If fewer than three firms respond to the RFP, the committee shall recommend such firms as it deems to be the most highly qualified.

The auditor selection committee may also serve other audit oversight purposes as determined by the entity's governing body.

### Nonmandatory Guidance

- Establishment of the Auditor Selection Committee. GFOA Best Practices<sup>6</sup> advise that the audit committee be formally established by charter, enabling resolution, or other appropriate legal means. Likewise, Florida local governmental entity auditor selection committees should be formally established by charter, ordinance, resolution, or written policies and procedures adopted by the governing body. In addition to addressing the composition of the auditor selection committee (see the previous section, Auditor Selection Committee Composition and Size), the formal means by which the auditor selection committee is established should define the

---

<sup>5</sup> GFOA's Best Practice: *Audit Committees* (October 2008).

<sup>6</sup> GFOA's Best Practice: *Audit Committees* (October 2008).

committee's responsibilities and prescribe committee member qualifications consistent with GFOA recommendations.

GFOA Best Practices<sup>7</sup> recommend that the audit committee be established in such a manner that the auditors engaged to conduct the financial audit report directly to the audit committee. If the auditor selection committee is assigned oversight responsibilities with respect to the independent audit and the establishment of internal controls and adequate management processes, the GFOA's Best Practice: *Audit Committees* (October 2008) should be consulted for additional guidance.

- Auditor Selection Committee Responsibilities. GFOA Best Practices<sup>8</sup> indicate that an audit committee is a practical means for a governing body to provide much needed independent review and oversight of the government's financial reporting processes, internal controls, and independent auditors. GFOA Best Practices further indicate that, by effectively carrying out its functions and responsibilities, an audit committee helps to ensure that management properly develops and adheres to a sound system of internal controls, that procedures are in place to objectively assess management's practices, and that the independent auditors, through their own review, objectively assess the entity's financial reporting practices.

The GFOA's publication, *Governmental Accounting, Auditing, and Financial Reporting* (2012), also known as the GFOA Blue Book,<sup>9</sup> indicates that governing bodies are responsible for ensuring that management fulfills its obligations in regard to internal control and financial reporting. The GFOA Blue Book<sup>10</sup> also indicates that governing bodies typically establish audit committees for this purpose and audit committee responsibilities, in addition to audit oversight, include selecting the auditors. Accordingly, although State law assigns this task to the auditor selection committee, consideration should be given to using the auditor selection committee as an audit committee as contemplated by the GFOA.

The GFOA Blue Book<sup>11</sup> further indicates that:

- The auditors should report directly to the audit committee.
- The audit committee should have access to the reports of any internal auditors, as well as access to any annual internal audit work plans.
- The audit committee should publish the results of its work in an annual written report to the governing body.

Should the auditor selection committee be assigned audit oversight responsibilities that are in addition to the statutorily mandated auditor selection committee responsibilities (i.e., used as an audit committee as contemplated by the GFOA), consideration should be given to GFOA guidance regarding audit committee responsibilities. For example, the GFOA's *Audit Management Handbook* (GFOA Handbook) recommends that, in addition to auditor selection, the audit committee perform the following functions:

- Monitoring the Audit
  - Monitoring Activity During the Audit. The GFOA Handbook<sup>12</sup> indicates that concerns of interest to the audit committee during the audit would include whether the audit is progressing on schedule and whether potential problems are identified and immediately corrected, if appropriate. Potential problems might include difficulties in gathering information or contacting key personnel, discovery of instances or indications of fraud,

---

<sup>7</sup> GFOA's Best Practice: *Audit Committees* (October 2008).

<sup>8</sup> GFOA's Best Practice: *Audit Committees* (October 2008).

<sup>9</sup> GFOA Blue Book, Chapter 44, page 761.

<sup>10</sup> GFOA Blue Book, Chapter 44, pages 761 and 762.

<sup>11</sup> GFOA Blue Book, Chapter 44, pages 762 through 764.

<sup>12</sup> GFOA Handbook, Chapter 6, pages 87 and 88.

waste, or abuse that require immediate attention, and circumstances that could result in a modified opinion. Monitoring can be accomplished through periodic progress reports or meetings.

- Review of Final Audit Reports. The GFOA Handbook<sup>13</sup> recommends that the audit committee review each of the auditor's reports to gain a thorough understanding of problems identified by the auditor to provide the background needed to address resolution of the problems. In view of the emphasis placed on management letters in Florida law and the Rules of the Auditor General,<sup>14</sup> an auditor selection committee assigned audit oversight responsibilities should review the management letters required to be submitted as a part of the audit report. For the committee to effectively review the results of the audit, the results must be communicated in a manner that assures a thorough understanding by the committee members. In lieu of relying solely on the delivery of a written audit report, this might be accomplished at a public meeting<sup>15</sup> in which committee members have an opportunity to ask questions of the auditors. This could be done either in addition to, or in conjunction with, a public meeting of the entity's governing body at which governing body members would also have an opportunity to question the auditors. If the findings are presented at a governing body meeting, consideration should be given to a meeting convened solely or predominantly for this purpose to assure that the findings are adequately communicated.

- Audit Resolution

The GFOA Handbook<sup>16</sup> points out that while it is management's responsibility to implement corrective action related to audit findings, the audit committee should be responsible for monitoring management's implementation. The GFOA Handbook suggests that governing bodies may want to require management to answer to the governing body for any failure to implement corrective action plans in a timely manner to the satisfaction of the audit committee.

Specified entities are required by Auditor General Rule 10.558(1) to provide the Auditor General with responses to all audit findings included in their financial audit reports. The responses are required to include corrective action designed to prevent recurrence of any findings included in the audit report.

- Auditor Evaluation

The GFOA Handbook<sup>17</sup> views auditor evaluation as the first step of the subsequent year's audit procurement or, if audit procurement is not scheduled for the subsequent year, a process for identifying and recommending needed improvements in the auditor's performance. The GFOA Handbook recommends that the audit committee meet with management to discuss matters pertaining to the auditor's performance including: ability to meet deadlines; compliance with other provisions of the audit contract; competence and cooperativeness of the audit staff; and thoroughness and reasonableness of audit adjustments, findings, and recommendations.

In assessing the overall effectiveness of the audit, the auditor selection committee may determine a need for audit procedures that are in addition to the minimum procedures

---

<sup>13</sup> GFOA Handbook, Chapter 6, pages 88 through 91.

<sup>14</sup> All references in this guidance to Rules of the Auditor General rules are to *Chapter 10.500, Rules of the Auditor General* effective for fiscal years ending September 30, 2019, and thereafter.

<sup>15</sup> Auditor selection committee meetings are subject to the Sunshine Law (Section 286.011, Florida Statutes) as discussed in question 11 of Appendix B - Questions and Answers.

<sup>16</sup> GFOA Handbook, Chapter 6, page 92.

<sup>17</sup> GFOA Handbook, Chapter 6, page 92.

necessary to issue an opinion on financial statements. Such information would be useful in preparing future requests for proposals.

- **Communications with the Auditor Selection Committee.** If the auditor selection committee is assigned audit oversight responsibilities (i.e., is acting as an audit committee), effective communication between the auditors and the auditor selection committee is necessary. Financial audits conducted pursuant to Section 218.39, Florida Statutes, must be conducted in accordance with auditing standards generally accepted in the United States<sup>18</sup> and government auditing standards.<sup>19</sup> Auditing standards generally accepted in the United States require that auditors communicate certain matters with the audit committee or other subgroup of those charged with governance<sup>20</sup> and communicate with the audit committee regarding internal control-related matters<sup>21</sup> and identified or suspected noncompliance with laws and regulations.<sup>22</sup>

### Small Government Considerations

While smaller entities may lack the resources to expand the use of the auditor selection committee to accommodate all or many of the nonmandatory audit oversight functions described above, all entities, regardless of size, are required to use the committee for auditor selection. The entities are encouraged to use the auditor selection committees for the other functions to the extent available in their particular circumstances. Additional discussion regarding the establishment of auditor selection committees by small governments is included in the Auditor Selection Committee Composition and Size section.

## **Audit Proposal Evaluation Factors**

### Legal Requirements

Section 218.391(3)(a), Florida Statutes, requires that the auditor selection committee establish factors to be used for the evaluation of audit services to be provided and that such factors include, but not be limited to, ability of personnel, experience, ability to furnish the requested services, and such other factors as may be determined by the committee to be applicable to the particular requirements. Section 218.391(3)(d), Florida Statutes, prohibits the use of compensation as the sole or predominant factor for evaluating proposals.

### Nonmandatory Guidance

Consistent with Florida law, GFOA Best Practices<sup>23</sup> state “The audit procurement process should be structured so that the principal factor in the selection of an independent auditor is the auditor’s ability to perform a quality audit. Price should not be allowed to serve as the sole criterion for selection of an independent auditor.”

- **Audit Firm Qualifications.** While Florida law prescribes minimal audit firm qualifications that must be considered in selecting an auditor, the *GFOA Handbook*<sup>24</sup> describes an evaluation process to be used in selecting the auditor that includes certain mandatory criteria that must be met by the auditor to qualify for further consideration. The criteria listed by the *GFOA Handbook* include:

---

<sup>18</sup> These standards are promulgated by the AICPA in its publication *AICPA Professional Standards*. All references in this guidance to *AICPA Professional Standards* are to such standards codified as of July 1, 2019.

<sup>19</sup> These standards are promulgated by the Comptroller General of the United States in the publication *Government Auditing Standards*.

<sup>20</sup> *AICPA Professional Standards*, AU-C Sections 260.08 -.14.

<sup>21</sup> *AICPA Professional Standards*, AU-C Sections 265.11 -.15.

<sup>22</sup> *AICPA Professional Standards*, AU-C Sections 250.21 -.23.

<sup>23</sup> GFOA’s Best Practice: *Audit Procurement* (March 2009).

<sup>24</sup> GFOA Handbook, Chapter 5, page 79.

- Meets applicable independence requirements.
- License to practice as a CPA in the State.
- Receipt of adequate continuing professional education by key personnel.
- Completion of a quality control review within the past 3 years.
- A history of performing quality audits.
- **Technical Qualifications.** The GFOA Handbook<sup>25</sup> indicates that if a point system is used to evaluate proposals, the total points should be divided between two categories for technical qualifications of proposers: (1) expertise and experience and (2) audit approach. Expertise and experience qualifications could include, for example:
  - Past experience and performance on comparable government engagements.
  - Quality of the firm’s professional personnel to be assigned to the engagement and quality of the firm’s management support personnel to be available for technical consultation.
  - Experience with specific State and Federal grant programs.
  - Information technology expertise.

Audit approach qualifications include, for example:

- Adequacy of proposed staffing plan (hours and level) for the various segments of the engagement.
- Adequacy of sampling techniques.
- Adequacy of analytical procedures.

The GFOA Handbook<sup>26</sup> points out that technical qualifications should be tailored to meet each government’s unique environment and specific audit requirements and cites as an example a government that sponsors its own pension plan for employees, which might require actuarial expertise. The GFOA Handbook also recommends assignment of point value ranges to each criterion to aid in the evaluation of the technical qualifications of proposers, which allows the entity to reflect the relative importance of the qualifications for that government and engagement (i.e., allows the entity the flexibility to reflect qualitative differences in the qualifications presented in the proposals).

## **Use and Elements of Request for Proposal**

### **Legal Requirements**

Pursuant to Section 218.391(3)(c), Florida Statutes, the auditor selection committee must provide interested audit firms with an RFP. The RFP is required to include information on how proposals are to be evaluated and such other information as the committee determines is necessary for the firm to prepare a proposal.

### **Nonmandatory Guidance**

The GFOA Blue Book<sup>27</sup> states that an effective RFP serves two purposes: 1) provides enough information about the entity to allow potential auditors to assess whether their particular experience and resources would be a “good match” for the engagement, and 2) elicit enough information from responding audit firms to assess their ability to perform a high quality government audit.

---

<sup>25</sup> GFOA Handbook, Chapter 5, page 80 and 81.

<sup>26</sup> GFOA Handbook, Chapter 5, page 81.

<sup>27</sup> GFOA Blue Book, Chapter 44, page 771.

- Public Announcement for Audit Services. Section 218.391(3), Florida Statutes, provides that the auditor selection committee shall publicly announce an RFP and provide interested firms with the RFP. To achieve the benefits of a competitive selection process, it is critical that there be sufficient responses by qualified audit firms to the RFP. The GFOA Handbook<sup>28</sup> states that a well-planned solicitation effort is needed to identify a sufficient number of qualified audit firms. This can be accomplished in a variety of ways and the law does not mandate any specific method. The method selected should provide sufficient time for the potential responders to prepare an appropriate response. The NIGP: Institute for Public Procurement,<sup>29</sup> in its publication *Public Procurement Guide for Elected and Senior Government Officials*,<sup>30</sup> indicates that potential service providers should be given a minimum of 14 to 30 days to prepare bids or proposals.

To promote competition, the method of noticing the RFP should be designed to reach as many potential providers of audit services as possible. The GFOA Handbook<sup>31</sup> identifies several methods for identifying and of reaching qualified audit firms from which proposals can be solicited, including advertisement in local newspapers, notice in a publication of the state society of certified public accountants, inquiries of other entities in the same region, and direct mailing to audit firms. In Florida, the Auditor General maintains a database of local government audit reports received, including the names of the audit firms that conducted the audits, thereby providing another source that entities may find useful for identifying and reaching potential audit firms. If the entity opts to advertise in a newspaper, the newspaper selected should have adequate coverage to assure an opportunity for a sufficient number of responses.

- Elements of the Request for Proposal. The GFOA Handbook<sup>32</sup> includes a list of 24 information elements that should be considered in designing an RFP for audit services. These elements generally either provide information to the prospective proposers regarding the RFP evaluation process or assure that adequate information is provided by the proposers to allow for an informed decision by the entity. It may not be necessary to include all of these elements in the RFP, but each element should be considered, and those elements considered to be appropriate for the given circumstances should be incorporated. The elements listed in the GFOA Handbook consist of:

1. *How proposals will be evaluated.*

The RFP should clearly state the factors upon which the selection will be based and could provide:

- a. The relative weights of the evaluation factors, particularly with respect to qualifications and price, when price is considered as one of the evaluation factors.
- b. A statement that price will not be the sole or predominant factor to assure that highly qualified firms will receive appropriate consideration and to discourage the submission of proposals with unrealistically low prices by less qualified firms.
- c. Auditor qualifications that are mandatory for all proposers.
- d. Particular qualifications that will be considered more favorably (e.g., experience with particular grant programs).

---

<sup>28</sup> GFOA Handbook, Chapter 4, page 27.

<sup>29</sup> NIGP: Institute for Public Procurement is a membership-based, nonprofit organization composed of members representing Federal, state, provincial and local government levels throughout the United States and Canada and provides support to professionals in the public sector procurement profession.

<sup>30</sup> NIGP *Public Procurement Guide for Elected and Senior Government Officials* (2016), page 17.

<sup>31</sup> GFOA Handbook, Chapter 4, pages 27 and 28.

<sup>32</sup> GFOA Handbook, Chapter 4, pages 29 through 45.

2. *Procedures to be followed in the proposal process.*

The prospective proposers who will be incurring the cost of preparing and presenting a proposal will need specific information as to how to respond to the RFP. Such information might include:

- a. The appropriate format to use in making the proposal.
- b. Identification of a contact person.
- c. Whether there will be a pre-proposal conference.
- d. Information regarding the submission of proposed prices (i.e., audit fees), such as the form or timing of submission of the proposed audit fee or the level of detail required to support the proposed audit fee (e.g., number of hours x level of staff at set rate per hour).<sup>33</sup>
- e. Other aspects of the proposal process, including submission deadlines, consideration of late proposals, and notification of evaluation and auditor selection results.

3. *Brief description of the entity and its accounting systems and financial reporting structures.*

Prospective proposers require information that will provide a basis for determining the type and amount of resources that will be needed to perform the audit. This information might include:

- a. General description of the entity, including:
  - i. The entity's fiscal year.
  - ii. Services the entity provides its citizens.
  - iii. Organizational chart and key personnel.
  - iv. Size of the entity (e.g., geographic area, number of employees, total budget or payroll).
  - v. The entity's documented policies and procedures.
- b. Fund structure and basis of accounting.
- c. Involvement in Federal awards programs and State financial assistance projects.
- d. Description of pension plans.
- e. Information regarding component units and joint ventures.
- f. Magnitude of financial operations.
- g. Scope of information systems, including networking, software vendors, and major applications.
- h. Existence, size, and scope of the internal audit function.
- i. Contact person for access to prior audit information.

4. *Known weaknesses in the entity's internal control structure.*

Prospective proposers will want to be made aware of significant known internal control deficiencies. This could be accomplished by providing the proposers with a copy of the prior year external audit report (including financial statements, auditor's reports, and management letters), prior year adjusting entries, and the status of prior audit report findings (corrected or uncorrected). It may also be useful to provide proposers recent relevant internal audit reports.

---

<sup>33</sup> Section 218.391, Florida Statutes, permits consideration of compensation in selecting the auditor; however, Section 218.391(3)(d), Florida Statutes, prohibits the use of compensation as the sole or predominant factor for evaluating proposals. Additionally, Section 218.391(5), Florida Statutes, provides that the method used by the entity to select, and negotiate a contract with, an auditor must ensure that the agreed-upon compensation is reasonable to satisfy the requirements of Section 218.39, Florida Statutes, and the entity's needs.

5. *Anticipated implementation problems arising from new authoritative pronouncements.*

An entity's readiness to implement new pronouncements, laws, or regulations having a significant impact on the entity's financial operations and reporting could impact the auditor's consideration of the resources needed to perform the audit.

6. *Principal contacts inside and outside the entity.*

Examples of contacts that proposers might want to be aware of as individuals with whom they will be expected to interact during the engagement include:

- a. Chief executive officer.
- b. Chief financial officer.
- c. Auditor selection or audit committee members.
- d. Director of internal audit.
- e. Grants management personnel.
- f. Legal counsel.

7. *Level of assurance to be required of the auditor for each type of information contained within the report.*

The auditor will need to be made aware of circumstances that might impact the scope of the audit. Such circumstances might include the audit of the financial statements of a component unit by another audit firm or a determination of compliance with specific legal requirements that will require an auditor's report based on an examination conducted in accordance with *AICPA Professional Standards*<sup>34</sup> pursuant to Auditor General Rule 10.556(10).

8. *Auditing standards required for the engagement.*

Pursuant to Florida law<sup>35</sup> and Auditor General Rule 10.551(4), all required financial audits of entities in Florida are to be performed in accordance with *Government Auditing Standards* promulgated by the Comptroller General of the United States. The RFP might include a statement to this effect to avoid any misunderstanding.

9. *The auditor's specific reporting responsibilities.*

Although the auditor's reporting responsibilities are described in the auditing standards and the Rules of the Auditor General, the GFOA Handbook recommends listing the reporting responsibilities in the RFP. This could be most easily accomplished by reference to the Rules of the Auditor General, Chapter 10.550 (*Local Governmental Entity Audits*), Chapter 10.800 (*Audits of District School Boards*), or Chapter 10.850 (*Audits of Charter Schools and Similar Entities*), as appropriate. For Florida local governmental entity financial audits, the scope of the work to be performed by the auditor could include:

- a. Expression of opinion in conjunction with a full-scope audit of a comprehensive annual financial report (CAFR) (optional under Florida law and Rules of the Auditor General) or a report on basic financial statements only (minimum requirement for all local government audits).
- b. Federal or state single audit reports (required if certain thresholds are met).
- c. Management letter (required for all local government audits).

---

<sup>34</sup> *AICPA Professional Standards*, AT-C Section 315.

<sup>35</sup> Financial audits required by Section 218.39, Florida Statutes, and defined by Section 218.31(17), Florida Statutes, must be conducted in accordance with *Government Auditing Standards*.



- d. An auditor's report prepared in accordance *AICPA Professional Standards*<sup>36</sup> pursuant to Auditor General Rule 10.556(10).

Expected deliverables should also include any requirement for separate opinions for any debt issues or to meet any other reporting requirements.

10. *The type and amount of assistance available from the entity.*

Entities can sometimes reduce the cost of their audits by providing certain assistance to the auditor. To formulate the type and amount of resources to be applied to the audit, the auditor needs information as to the type and extent of assistance that will be available from the entity. The GFOA Handbook refers to various types of assistance including internal audit support, clerical support, and preparation of schedules. A statement might be included acknowledging that the entity is responsible for preparing draft financial statements. Any anticipated concerns regarding the ability of the entity to do so should be disclosed.

11. *Required audit timetable and deliverables.*

The GFOA Handbook recommends that the RFP include the latest acceptable dates for the following:

- a. Entrance conference.
- b. Completion of interim audit work.
- c. Completion of year-end field work.
- d. Submission of audit adjustments and draft findings.
- e. Exit conference.
- f. Issuance of reports.

12. *Additional services to be required of the auditor.*

Auditors often provide additional services beyond audit services; however, the ability of auditors to provide nonaudit services to an audit client has been severely limited by *Government Auditing Standards*. Careful consideration should be given to the restrictions on such services prior to including them in the RFP. *Government Auditing Standards*<sup>37</sup> suggest that auditors performing nonaudit services obtain agreement from the entity's management that management will perform the following functions regarding nonaudit services:

- a. Assume all management responsibilities.
- b. Oversee the services using an individual with suitable skill, knowledge, or experience.
- c. Evaluate the adequacy and results of the services.
- d. Accept responsibility for the results of the services.

13. *Information on auditor workspace and access to telephones, copiers, FAX machines, and computers.*

The GFOA Handbook suggests that the RFP include information on the location and type of workspace that will be made available to the auditor, as well as availability of telephones, Internet access, copy machines, FAX machines, and computer hardware and software.

---

<sup>36</sup> *AICPA Professional Standards*, AT-C Section 315.

<sup>37</sup> *Government Auditing Standards* (2018 Revision) paragraph 3.76.

14. *Procedures to be followed to determine if additional audit work is necessary and the fee basis applicable to such work.*

Circumstances sometimes arise in which the scope of the audit may need to be expanded beyond what was anticipated in the RFP. For example, an entity might request the auditor to perform additional work in an area where the auditor discovered certain control weaknesses. The GFOA Handbook recommends that the RFP indicate that the scope of the audit may only be broadened with the entity's consent and request that proposers indicate how the fee for additional work related to a scope expansion would be determined.

15. *Information needed from proposers to evaluate their qualifications.*

A primary purpose of the RFP is to provide the entity with information needed to assess the professional skill and experience of the auditors who will perform the engagement. The GFOA Handbook recommends that the RFP ask for the following information from the proposer:

- a. Overall size of the audit firm.
- b. Location and number of professional staff who will perform the engagement.
- c. Identification and qualifications of personnel to be assigned to the engagement, including:
  - i. Names and government audit experience of the partner in charge of the audit and other partners who will be assigned review or quality control functions.
  - ii. Names of the manager and other supervisory personnel who will be assigned to the engagement, including information about their government audit experience.
  - iii. Information on certification, licensure, and CPE training of each of the above.
  - iv. Information on membership in professional societies (e.g., AICPA, FICPA, FGFOA, GFOA, AGA) of each of the above.
  - v. Background and qualifications, including experience, of all other professional audit or other staff assigned to the engagement.

The GFOA Handbook also recommends that the RFP clearly set forth: (1) the circumstances in which the audit staff may be changed; (2) the need for new staff to meet the same level of qualifications; and (3) the entity's right to reject or approve replacements.

16. *Requirement for auditors to furnish a statement that they meet the appropriate criteria for independence.*

Auditors are required to maintain independence, both in fact and appearance, regarding audit clients. The GFOA Handbook suggests that the RFP require a formal statement from the proposers that they meet the guidelines for independence as set forth in applicable auditing standards.

17. *Request for references from other entity clients.*

The GFOA Handbook suggests that the RFP ask proposers to furnish the names of governments (preferably of similar type and size) for which they have recently performed similar audits, and contact information for those governments.

18. *Request for information on the results of peer reviews.*

*Government Auditing Standards*<sup>38</sup> require that auditors performing audits in accordance with those standards (in Florida, this includes local governmental entity financial audits conducted pursuant to Section 218.39, Florida Statutes) undergo external peer review at least once every 3 years. The GFOA Handbook recommends that the RFP ask proposers to provide the entity with a report on their most recent peer review, and whether it included

---

<sup>38</sup> *Government Auditing Standards* (2018 Revision) paragraph 5.84.

a review of the quality of specific government audits. The RFP could also ask for the results of desk or field reviews of their audits by Federal or state agencies.

19. *Request for information on the status of any disciplinary actions undertaken against the firm.*

The GFOA Handbook recommends that the RFP request information on whether any disciplinary action has been taken against the firm at the Federal or state level and, if such action has been undertaken, the current status of the action. In Florida, certified public accountants may be subject to punishment for a misdemeanor committed pursuant to Section 473.322(2), Florida Statutes, or to disciplinary action by the Florida State Board of Accountancy pursuant to Section 473.323(3), Florida Statutes.

20. *Request for detailed information on the proposer's anticipated audit approach.*

The GFOA Handbook points out that, in addition to information regarding the proposer's qualifications, the proposer's audit approach should be evaluated to determine that the proposer has a sound understanding of the scope of the engagement and the entity's environment. Additionally, the entity needs assurance that the proposer will apply the appropriate level of effort needed to perform the engagement satisfactorily. The GFOA Handbook recommends that the RFP ask for the following types of information:

- a. The extent to which the firm proposes to employ statistical sampling techniques.
- b. The extent to which the firm proposes to employ analytical procedures.
- c. The manner in which the firm intends to segment the engagement.
- d. The hours of staff time at each level that will be devoted to each segment.
- e. The approach proposed for gaining and documenting the auditor's understanding of the entity's internal controls.
- f. The approach proposed for determining which laws and regulations should be tested for compliance.
- g. The method of drawing samples for tests of compliance.

21. *Requirements applicable to working papers and cooperation with other auditors.*

The GFOA Handbook recommends that the RFP clearly establish the period for retention of the auditors working papers by the auditor and parties who are allowed access to the working papers. In establishing the retention period, the entity should consider that *AICPA Professional Standards*<sup>39</sup> require financial statement auditors to retain "audit documentation of any nature" (this would include audit working papers) for at least 5 years after release of the audit report. This should be considered a minimum retention period in drafting an audit services contract. The GFOA Handbook also recommends that the RFP include provisions requiring accessibility to the working papers by Federal cognizant agencies; principal auditors, where component units are audited by other auditors; parties designated by the entity as part of an audit quality control review; and successor auditors for matters relating to continuing accounting significance.

22. *Policy toward joint proposals or the use of subcontracting.*

The use of subcontracting or joint ventures on the part of auditors can be a means for encouraging participation by smaller firms. The GFOA Handbook recommends that any subcontracting after the audit contract is awarded be subject to the entity's right to approve or reject subcontracting firms. Further, if joint proposals or subcontracting is allowed, the RFP should request proposers to identify the firm that will serve as the principal auditor.

---

<sup>39</sup> *AICPA Professional Standards*, AU-C Section 230.17.

23. *Right to reject proposals, demand additional information, and use unsuccessful proposals.*

The GFOA Handbook recommends that the RFP indicate that the entity:

- a. Retains the right to reject any or all proposals.
- b. Retains the right to request additional information from proposers and failure to provide the information could result in rejection of a proposal.
- c. Reserves the right to retain proposals and use ideas from them.
- d. Is not obligated in any manner to reimburse firms for costs incurred in connection with responding to the RFP.

24. *Any additional language to meet the requirements of applicable laws and regulations.*

The GFOA Handbook suggests that the entity be aware of and include any specific language required by law or regulation.

## **Use and Elements of Audit Services Contract**

### **Legal Requirements**

Section 218.391(7), Florida Statutes, requires that every procurement of audit services be evidenced by a written contract embodying all provisions and conditions of the procurement of such services. An engagement letter signed and executed by both parties constitutes a written contract. The written contract shall include, at a minimum, the following:

- A provision specifying the services to be provided and fees or other compensation for such services.
- A provision requiring that invoices for fees and other compensation be submitted in sufficient detail to demonstrate compliance with the terms of the contract.
- A provision specifying the contract period, including renewals, and conditions under which the contract may be terminated or renewed. Section 218.391(8), Florida Statutes, provides that written contracts may be renewed (pursuant to renewal periods specified in the contract) without the use of auditor selection procedures and that such renewals shall be in writing.

### **Nonmandatory Guidance**

The audit services contract is a legally binding agreement that should be prepared and reviewed with the advice of legal counsel. The GFOA Handbook<sup>40</sup> suggests that the written agreement incorporate by reference the terms of the RFP and specific language regarding the understanding between the entity and the auditors. The entity should also be careful to ensure that the written agreement terms are consistent with the terms of the successful proposal.

- **Engagement Letter.** While Section 218.391(7), Florida Statutes, authorizes the use of an engagement letter as an audit services contract, if it is signed by both parties, the use of an engagement letter does not relieve the need to include all provisions that would constitute a good contract and protect both the entity and the auditor.
- **Required Contract Elements.** As indicated above, there are certain legally required elements that must be included in the audit services contract. Additional guidance for each of these elements follows:
  - *Services to be provided and fees or other compensation (Section 218.391(7)(a), Florida Statutes).* AICPA Professional Standards<sup>41</sup> indicate that agreed upon terms of the audit engagement should include, among other things, the objective and scope of the audit, the responsibilities of the auditor, and the responsibilities of entity management. AICPA

---

<sup>40</sup> GFOA Handbook, Chapter 6, page 85.

<sup>41</sup> AICPA Professional Standards, AU-C Section 210.10.

*Professional Standards*<sup>42</sup> also suggest elaborating on the scope of the audit, to include reference to applicable legislation, regulations, generally accepted auditing standards, and ethical and other pronouncements of professional bodies to which the auditor adheres. Florida law and the Rules of the Auditor General include several requirements that impact the scope of the audit in addition to the required auditor's reports on the financial statements and State and Federal programs. Specifically addressing these requirements in the contract helps to preclude any subsequent misunderstandings regarding the auditor's responsibilities.

- Invoices for fees and other compensation in sufficient detail to demonstrate compliance with the contract (Section 218.391(7)(b), Florida Statutes). *AICPA Professional Standards*<sup>43</sup> suggest that the basis on which fees are computed and any billing arrangements be included in the engagement letter (contract). The basis for payment may vary from a lump sum arrangement to specific rates to be paid for the services of specific employees or categories of employees of the audit firm and reimbursement for specific costs, such as travel, incurred in connection with the engagement. The level of detail on the invoice sufficient to demonstrate compliance with the terms of the contract will vary according to the basis for payment. In the case of a fixed fee contract, the basis for payment should be clearly defined within the audit services contract. If the contract identifies certain employees for which the firm will be paid at specified hourly rates, the contract should require invoices that indicate the numbers of hours worked by each employee and application of the appropriate rates. If the contract provides for reimbursement for certain actual costs, the contract should require invoices that demonstrate the costs actually incurred by the firm in the form of receipts or similar documentation.
- *Contract period, renewals, and termination (Section 218.391(7)(c), Florida Statutes)*. The contract must specify the number of years for which it will be in effect, including any options for renewal on the part of the entity. The law does not prescribe a maximum term for an audit services contract or a maximum number of renewal periods. Once the contract period, including renewals, has expired, any further required audit services must be subjected to the auditor selection law as required by Section 218.391, Florida Statutes.

The GFOA's Best Practice: *Audit Procurement* (March 2019) recommends that governmental entities enter into multiyear agreements of at least 5 years in duration when obtaining the services of an independent auditor. The GFOA points out that such agreements allow for greater continuity and help to minimize the potential for disruption in connection with the independent audit and can also help reduce audit costs by allowing auditors to recover certain "start-up" costs over several years, rather than a single year. The appropriate length for the audit services contract is left to the judgment of the entity. However, as the auditor selection process established by law is intended to ensure selection of a qualified auditor and satisfactory audit effort, entities should avoid establishing excessive contract periods.

- Additional Contract Elements. Additional elements that are recommended by the GFOA Handbook<sup>44</sup> to be made a part of the audit services contract include:
  - An independence assertion by the auditor.
  - Language describing the actions to be taken in the event of a disagreement as to whether certain procedures are within the scope of the contract.
  - Provisions to assure the availability of the auditor's services to aid the entity in the defense of claims that may arise as the result of audit work.

---

<sup>42</sup> *AICPA Professional Standards*, AU-C Section 210.A23.

<sup>43</sup> *AICPA Professional Standards*, AU-C Section 210.A23.

<sup>44</sup> GFOA Handbook, Chapter 6, pages 85 through 87.

- Language concerning opportunities for socially and economically disadvantaged individuals (such language may be required by law or regulation).
- Clarification of the auditor's duty to maintain the confidentiality of certain sensitive information.
- Provisions establishing the entity's rights to terminate the contract and the procedures for doing so.
- Stipulation as to how the value of the auditor's work is to be determined if the engagement is terminated prior to completion.
- Language establishing the auditor's sole liability for claims arising from the auditor's performance of the engagement.
- Language requiring both the entity and the auditor to attempt to resolve disputes amicably.
- Language requiring formal notification to the other party in the event of a disagreement (e.g., a disagreement over the scope of the audit) and indicating what is to be considered notification in such instance (e.g., registered mail).
- Language specifying how the terms of the contract can be waived or modified.
- Language clarifying that the contract's separate provisions are to stand alone, so that a failure to meet one provision does not nullify the entire contract.
- A requirement for the auditor to obtain insurance coverage.
- A prohibition against the auditor's delegating or subcontracting audit work without the entity's permission.

In developing audit contracts, entities should consider an article<sup>45</sup> titled *Contract Issues for Governmental Audits* that was jointly developed by the AICPA and GFOA to educate governments and their auditors about clauses in contracts and engagement letters in the governmental environment that may not meet *AICPA Professional Standards* and that may create uncertainty about the auditor's independence.

As shown above, different professional organizations have placed varying emphasis on the contents of the contract for audit services. Entity management must determine the most appropriate provisions for a contract in a given set of circumstances. The specific elements and language to be included within a contract will ultimately be a matter of agreement between the entity and the audit firm.

---

<sup>45</sup> A link to this article is provided in the GFOA Best Practice: *Audit Procurement* (March 2009).

## Appendix A - Auditor Selection Law

### **218.391 Auditor selection procedures.**

(1) Each local governmental entity, district school board, charter school, or charter technical career center, prior to entering into a written contract pursuant to subsection (7), except as provided in subsection (8), shall use auditor selection procedures when selecting an auditor to conduct the annual financial audit required in s. 218.39.

(2) The governing body of a county, municipality, special district, district school board, charter school, or charter technical career center shall establish an auditor selection committee.

(a) The auditor selection committee for a county must, at a minimum, consist of each of the county officers elected pursuant to the county charter or s. 1(d), Art. VIII of the State Constitution their respective designees, and one member of the board of county commissioners or its designee.

(b) The auditor selection committee for a municipality, special district, district school board, charter school, or charter technical career center must consist of at least three members. One member of the auditor selection committee must be a member of the governing body of an entity specified in this paragraph, who shall serve as the chair of the committee.

(c) An employee, a chief executive officer, or a chief financial officer of the county, municipality, special district, district school board, charter school, or charter technical career center may not serve as a member of an auditor selection committee established under this subsection; however, an employee, a chief executive officer, or a chief financial officer of the county, municipality, special district, district school board, charter school, or charter technical career center may serve in an advisory capacity.

(d) The primary purpose of the auditor selection committee is to assist the governing body in selecting an auditor to conduct the annual financial audit required in s. 218.39; however, the committee may serve other audit oversight purposes as determined by the entity's governing body. The public may not be excluded from the proceedings under this section.

(3) The auditor selection committee shall:

(a) Establish factors to use for the evaluation of audit services to be provided by a certified public accounting firm duly licensed under chapter 473 and qualified to conduct audits in accordance with government auditing standards as adopted by the Florida Board of Accountancy. Such factors shall include, but are not limited to, ability of personnel, experience, ability to furnish the required services, and such other factors as may be determined by the committee to be applicable to its particular requirements.

(b) Publicly announce requests for proposals. Public announcements must include, at a minimum, a brief description of the audit and indicate how interested firms can apply for consideration.

(c) Provide interested firms with a request for proposal. The request for proposal shall include information on how proposals are to be evaluated and such other information the committee determines is necessary for the firm to prepare a proposal.

(d) Evaluate proposals provided by qualified firms. If compensation is one of the factors established pursuant to paragraph (a), it shall not be the sole or predominant factor used to evaluate proposals.

(e) Rank and recommend in order of preference no fewer than three firms deemed to be the most highly qualified to perform the required services after considering the factors established pursuant to paragraph (a). If fewer than three firms respond to the request for proposal, the committee shall recommend such firms as it deems to be the most highly qualified.

(4) The governing body shall inquire of qualified firms as to the basis of compensation, select one of the firms recommended by the auditor selection committee, and negotiate a contract, using one of the following methods:

- (a) If compensation is not one of the factors established pursuant to paragraph (3)(a) and not used to evaluate firms pursuant to paragraph (3)(e), the governing body shall negotiate a contract with the firm ranked first. If the governing body is unable to negotiate a satisfactory contract with that firm, negotiations with that firm shall be formally terminated, and the governing body shall then undertake negotiations with the second-ranked firm. Failing accord with the second-ranked firm, negotiations shall then be terminated with that firm and undertaken with the third-ranked firm. Negotiations with the other ranked firms shall be undertaken in the same manner. The governing body, in negotiating with firms, may reopen formal negotiations with any one of the three top-ranked firms, but it may not negotiate with more than one firm at a time.
- (b) If compensation is one of the factors established pursuant to paragraph (3)(a) and used in the evaluation of proposals pursuant to paragraph (3)(d), the governing body shall select the highest-ranked qualified firm or must document in its public records the reason for not selecting the highest-ranked qualified firm.
- (c) The governing body may select a firm recommended by the audit committee and negotiate a contract with one of the recommended firms using an appropriate alternative negotiation method for which compensation is not the sole or predominant factor used to select the firm.
- (d) In negotiations with firms under this section, the governing body may allow a designee to conduct negotiations on its behalf.
- (5) The method used by the governing body to select a firm recommended by the audit committee and negotiate a contract with such firm must ensure that the agreed-upon compensation is reasonable to satisfy the requirements of s. 218.39 and the needs of the governing body.
- (6) If the governing body is unable to negotiate a satisfactory contract with any of the recommended firms, the committee shall recommend additional firms, and negotiations shall continue in accordance with this section until an agreement is reached.
- (7) Every procurement of audit services shall be evidenced by a written contract embodying all provisions and conditions of the procurement of such services. For purposes of this section, an engagement letter signed and executed by both parties shall constitute a written contract. The written contract shall, at a minimum, include the following:
- (a) A provision specifying the services to be provided and fees or other compensation for such services.
- (b) A provision requiring that invoices for fees or other compensation be submitted in sufficient detail to demonstrate compliance with the terms of the contract.
- (c) A provision specifying the contract period, including renewals, and conditions under which the contract may be terminated or renewed.
- (8) Written contracts entered into pursuant to subsection (7) may be renewed. Such renewals may be done without the use of the auditor selection procedures provided in this section. Renewal of a contract shall be in writing.
- (9) If the entity fails to select the auditor in accordance with the requirements of subsections (3)-(6), the entity must again perform the auditor selection process in accordance with this section to select an auditor to conduct audits for subsequent fiscal years.

**History.**--s. 65, ch. 2001-266; s. 1, ch. 2005-32; s. 15, ch. 2019-15.



## **Appendix B - Questions and Answers**

### General

1. **Question:** Are the auditor selection requirements of Section 218.391, Florida Statutes, to be applied whenever a local governmental entity (entity) contracts with a CPA firm for any audit services?

**Answer:** No. Section 218.391, Florida Statutes, applies only to contracting for the financial audit required by Section 218.39, Florida Statutes. However, the use of selection procedures provided for in Section 218.391, Florida Statutes, and other Federal, State, or local laws is advisable when contracting for any audit services.

2. **Question:** Is there a legal requirement or recommendation for mandatory rotation of auditors after a specified number of years or at the end of an audit services contract?

**Answer:** No. Unless the entity has established its own mandatory auditor rotation requirement, there is no legal requirement for the mandatory rotation of auditors. The current auditor may be included in the auditor selection process at the end of the current audit services contract.

The GFOA's Best Practice: *Audit Procurement* (March 2019) provides "While there is some belief that auditor independence is enhanced by a policy requiring that the independent auditor be replaced at the end of the audit contract ... the frequent lack of competition among audit firms fully qualified to perform public-sector audits could make a policy of mandatory auditor rotation counterproductive. In such cases, it is recommended that a governmental entity actively seek the participation of all qualified firms, including the current auditors, assuming that the past performance of the current auditors has proven satisfactory."

3. **Question:** If an entity is satisfied with the existing auditor and can negotiate acceptable fees, can the contract for financial audit services be renewed without going through the auditor selection procedures required by Section 218.391, Florida Statutes?

**Answer:** A contract for financial audit services can be renewed only as provided in the contract, which is required to include a provision specifying the contract period, including renewals.

4. **Question:** Are the auditor selection procedures required to be used only when an entity decides to change auditors or initiate a request for proposals process?

**Answer:** No. The revised auditor selection procedures are required to be followed when an audit contract period expires. The audit contract is required to include a provision specifying the contract period, including renewals.

5. **Question:** Chapter 2019-15, Laws of Florida, effective July 1, 2019, amended Section 218.391(2), Florida Statutes, to revise the requirements for establishing the auditor selection committee and appointing committee members. Does this impact an audit services contract that was in effect at July 1, 2019?

**Answer:** No. An audit services contract that was in effect at July 1, 2019, can remain in effect through the end of the original contract term, including renewals. Entities are required to comply with the new auditor selection committee requirements for auditor selection procedures initiated after July 1, 2019.

6. **Question:** Are audit services contracts required to include renewal option provisions?

**Answer:** No. The contract is not required to include a renewal provision; however, a contract cannot be renewed in the absence of such a provision.

7. **Question:** Is there a minimum or maximum number of years that an audit contract must cover?
- Answer:** No. The audit services contract must specify a contract period including renewals, but the law does not specify a minimum or maximum number of years that an audit services contract must cover. This is left to the discretion of the entity and is a matter of agreement between the entity and the audit firm. The entity should use prudent business practices in establishing the contract period.
8. **Question:** Section 218.391(4)(c), Florida Statutes, provides that a governing body may select a firm recommended by the auditor selection committee and negotiate a contract with one of the recommended firms using an appropriate alternative negotiation method. Which specific provisions of the law may be considered nonmandatory under this provision by the application of an alternative methodology?
- Answer:** Regardless of the negotiation method used, an entity's governing body must establish an auditor selection committee pursuant to Section 218.391(2), Florida Statutes, and the auditor selection committee must perform its functions in accordance with the requirements of Section 218.391(3), Florida Statutes. Regardless of the method used to select the audit firm, compensation may not be the sole or predominant factor used to select the firm (Section 218.391(3)(d) and (4)(c), Florida Statutes).
9. **Question:** Can an auditor selection committee ratify, after the fact, a request for proposal previously developed and issued by City personnel without the auditor selection committee's involvement?
- Answer:** No. An auditor selection committee's statutorily prescribed function to exercise its discretion to create (and provide interested firms with) a request for proposals may not be delegated to a subordinate or other entity absent statutory authorization (see Attorney General Opinion 2012-31).
10. **Question:** Can an entity select an auditor to conduct a financial audit pursuant to Section 218.39, Florida Statutes, by piggybacking off of another entity's audit contract?
- Answer:** No. Pursuant to Section 218.391(2), Florida Statutes, an entity seeking such audit services must establish an auditor selection committee and the committee must apply the auditor selection procedures prescribed by Section 218.391(3), Florida Statutes. This law does not include a provision that would allow for piggybacking, and an auditor selection committee's statutorily prescribed function may not be delegated to a subordinate or other entity absent statutory authorization (see Attorney General Opinion 2012-31).
11. **Question:** Are auditor selection committee meetings subject to the Sunshine Law (Section 286.011, Florida Statutes)?
- Answer:** Yes. Auditor selection committee meetings are subject to the Sunshine Law (i.e., noticing meetings and keeping minutes for all meetings) because the committee is not just fact-finding in nature but also makes decisions in ranking proposals and recommending to the governing body firms deemed to be the most highly qualified to perform the auditing services. See discussion regarding application of the Sunshine law to advisory boards in Part I, Section B.1, of the Attorney General's Government-in-the-Sunshine Manual.

#### Auditor Selection Committee

12. **Question:** Section 218.391(2)(a), Florida Statutes, provides that the auditor selection committee for a county must, at a minimum, consist of each of the county officers elected pursuant to the county charter or Article VIII, Section 1(d) of the State Constitution or their respective designees and one member of the board of county commissioners or its designee. May a county officer (i.e., clerk of the court, sheriff, property appraiser, tax collector, supervisor of elections, or any other such officer in whom any portion of the fiscal duties of the such officers are under law separately placed) designate an employee of the county officer to serve in place of the county officer on the county's auditor selection committee?

**Answer:** Pursuant to Section 218.391(2)(c), Florida Statutes, an employee of a county cannot serve on the county auditor selection committee. The term “employee” is not explicitly defined for purposes of applying this law; however, the term “county” as used in Section 218.391(2)(a), Florida Statutes, encompasses county officers and the board of county commissioners, indicating that the legislature intended the restriction imposed by Section 218.391(2)(c), Florida Statutes, to apply to employees of a county officer or of the board of county commissioners. Accordingly, a county officer may not designate an employee of a county officer to serve in place of the county officer on the county auditor selection committee. However, the employee may serve in an advisory capacity for the auditor selection committee.

13. **Question:** Section 218.391(2)(b), Florida Statutes, provides that the auditor selection committee for a municipality, special district, district school board, charter school, or charter technical career center must consist of at least three members, and one member must be a member of the governing body who must serve as the committee chair. Does this mean that only one member of the governing body may serve on the committee?

**Answer:** No. The committee can have as many members of the governing body as desired, but at least one member must be a member of the governing body who must be the committee chair.

#### Dependent Special Districts

14. **Question:** A dependent special district exceeds the audit threshold established by Section 218.39, Florida Statutes, and must provide for a financial audit requirement. Although the district is audited as part of a county or municipality pursuant to Section 218.39(3)(a), Florida Statutes, the district opts to also provide for a separate financial audit. Does the district have to select the auditor for the separate financial audit in accordance with Section 218.391, Florida Statutes?

**Answer:** No. As the district is not required to provide for a separate financial audit pursuant to Section 218.39, Florida Statutes, it is not required to follow the auditor selection procedures prescribed by Section 218.391, Florida Statutes. However, the use of such selection procedures is advisable to help ensure selection of a qualified auditor and satisfactory audit effort.

15. **Question:** A dependent special district exceeds the audit threshold established by Section 218.39, Florida Statutes, and must provide for a financial audit requirement. The district opts not to be audited as part of a county or municipality pursuant to Section 218.39(3)(a), Florida Statutes, but instead opts to provide for its own financial audit. Does the district have to select the auditor in accordance with Section 218.391, Florida Statutes?

**Answer:** Yes. As the district is required to provide for a financial audit pursuant to Section 218.39, Florida Statutes, it is required in this situation to follow the auditor selection procedures prescribed by Section 218.391, Florida Statutes.

16. **Question:** A dependent special district does not exceed the audit threshold established by Section 218.39, Florida Statutes; however, the district opts to provide for a financial audit. Does the district have to select the auditor in accordance with Section 218.391, Florida Statutes?

**Answer:** No. As the district is not required to provide for a financial audit pursuant to Section 218.39, Florida Statutes, it is not required to follow the auditor selection procedures prescribed by Section 218.391, Florida Statutes. However, the use of such selection procedures is advisable to help ensure selection of a qualified auditor and satisfactory audit effort.

#### Community Redevelopment Agencies

17. **Question:** A community redevelopment agency (CRA) exceeds the audit threshold established by Section 163.387(8), Florida Statutes, and must provide for its own financial audit. Does the CRA have to select the auditor in accordance with Section 218.391, Florida Statutes?

**Answer:** No. Section 218.391, Florida Statutes, applies only to audits required by Section 218.39, Florida Statutes. Section 163.387(8), Florida Statutes, does not specify how the CRA is to select an

auditor to conduct an audit required by that law. However, the use of the auditor selection process prescribed in Section 218.391, Florida Statutes, is advisable to help ensure selection of a qualified auditor and satisfactory audit effort.

18. **Question:** A CRA provides for an audit required by Section 218.39, Florida Statutes, by being included in a county or municipality audit pursuant to Section 218.39(3)(a), Florida Statutes; however, the CRA is also required to provide for its own separate financial audit pursuant to Section 163.387(8), Florida Statutes. Can the auditor who conducted the county or municipality financial audit also conduct the separate CRA financial audit?

**Answer:** Yes. Section 163.387(8), Florida Statutes, does not specify how the CRA is to select an auditor to conduct the required audit and does not include any restrictions on the CRA's selection of an auditor. However, in deciding whether to use the auditor who conducts the CRA's parent entity (county or municipality) financial audit, the CRA should consider whether it would benefit from applying its own auditor selection procedures because, while the parent entity's auditor selection process was designed to find an auditor to conduct a financial audit of a county or municipality, the CRA's selection process should be designed to find an auditor to conduct a financial audit of the CRA. As CRAs are a unique type of local governmental entity, an auditor with the knowledge and experience needed to conduct an audit of a county or municipality may not necessarily have sufficient knowledge and experience needed to conduct an audit of a CRA.

#### Use of Compensation as Evaluation or Ranking Factor

19. **Question:** If compensation is used as one of the factors to evaluate firms and the governing body of an entity chooses to select a firm other than the auditor selection committee's highest-recommended firm and documents the reason for not selecting the highest-ranked firm pursuant to Section 218.391(4)(b), Florida Statutes, does the next ranked firm become the highest-ranked firm, requiring documentation as to the reason for nonselection, before a firm ranked lower than that firm can be selected?

**Answer:** The law does not specifically address this circumstance; however, it would be reasonable to conclude that justification is necessary and should be documented for the selection of any firm over a higher ranked firm.

20. **Question:** If compensation is used as one of the factors to evaluate firms and the governing body of an entity chooses to select a firm other than the auditor selection committee's highest-recommended firm pursuant to Section 218.391(4)(b), Florida Statutes, what documentation is required to justify selection of a firm other than the highest-ranked firm?

**Answer:** Required documentation as to the reason for not selecting the highest-ranked firm under Section 218.391(4)(b), Florida Statutes, is not described in the law. Such documentation could include a statement made by the governing body, possibly in the form of a resolution and included in the minutes of the governing body, describing the factors that caused the governing body to decide that selection of the next ranked firm was in the entity's best interest. Those factors might include inability to negotiate a satisfactory contract with the highest-ranked firm or information provided to the governing body subsequent to the ranking process. However, as specified in Section 218.391(4)(c), Florida Statutes, the decision to select a firm cannot be based on compensation as the sole or predominant factor.

21. **Question:** If compensation is used as a ranking factor, may the governing body also use the alternative method prescribed by Section 218.391(4)(c), Florida Statutes, to select the audit firm or must they use the method prescribed by Section 218.391(4)(b), Florida Statutes?

**Answer:** The alternative methodology referred to in Section 218.391(4)(c), Florida Statutes, may include the use of compensation as a ranking factor as long as compensation is not the sole or predominant factor used to rank proposals and select the firm.

22. **Question:** If compensation is 20 percent of the ranking criteria and all other factors are each less than 20 percent, is compensation then the predominant factor, or must it be predominant of all factors combined, i.e., greater than 50 percent of all combined?

**Answer:** “Predominant” is not defined in the law with respect to auditor selection. Certainly, weighting compensation at greater than 50 percent of all combined factors, would constitute “predominant.” Black’s Law Dictionary defines “predominant” as “Something greater or superior in power and influence to others, with which it is connected or compared.”

#### Noncompliance with Auditor Selection Law

23. **Question:** Pursuant to Section 218.391(9), Florida Statutes, if an entity fails to select the auditor in accordance with Section 218.391(3)-(6), Florida Statutes, the entity must again perform the auditor selection process in accordance with this section to select an auditor to conduct audits for subsequent fiscal years. Does Section 218.391(9), Florida Statutes, apply to a situation where an entity selects an auditor to conduct a financial audit required by Section 218.39, Florida Statutes, without use of an auditor selection committee appointed by the entity’s governing body?

**Answer:** Yes. An entity cannot comply with Section 218.391(3), Florida Statutes, unless the entity’s governing body has established an auditor selection committee to carry out the responsibilities prescribed by Section 218.391(3), Florida Statutes.

24. **Question:** An entity is notified that its auditor engaged to conduct a financial audit required by Section 218.39, Florida Statutes, was not selected in accordance with the requirements of Section 218.391(3)-(6), Florida Statutes. What should the entity do?

**Answer:** The entity should carefully review its auditor selection process to ensure compliance with Section 218.391(3)-(6), Florida Statutes. In doing so, the entity may want to consult with its legal counsel. If it is determined that the entity did not select the auditor in accordance with Section 218.391(3)-(6), Florida Statutes, the entity, at a minimum, must perform the auditor selection in accordance with Section 218.391, Florida Statutes, for the subsequent fiscal year audit as required by Section 218.391(9), Florida Statutes. However, if possible (e.g., an audit contract for the current fiscal year has not been executed, or if executed, can be legally terminated without significant financial costs, and there is sufficient time to reselect the auditor and comply with the audit report submittal deadline), the entity should reperform the auditor selection process for the current fiscal year audit.

25. **Question:** An auditor becomes concerned (e.g., through the process of responding to a request for proposal for audit services) that an entity may not be selecting an auditor to conduct a financial audit required by Section 218.39, Florida Statutes, in accordance with the requirements of Section 218.391(3)-(6), Florida Statutes. What should the auditor do?

**Answer:** The auditor should notify the entity’s governing body of the concern. The entity may not be aware of the Section 218.391, Florida Statutes, auditor selection requirements or that its auditor selection process is not in accordance with that law. At a minimum, the auditor’s notification should help ensure the entity’s future compliance with Section 218.391, Florida Statutes. Also, depending on the timing of the auditor’s notification, the entity may decide to reperform the auditor selection process. Auditors should also consider refraining from responding to a request for proposal for audit services from entities they know to be in violation of Section 218.391, Florida Statutes.

## **Appendix C - Auditor Selection and Auditor Selection Committee Resources**

AICPA Audit Committee Effectiveness Center  
([www.aicpa.org/forthepublic/auditcommitteeeffectiveness](http://www.aicpa.org/forthepublic/auditcommitteeeffectiveness))

*AICPA Professional Standards* promulgated by the American Institute of Certified Public Accountants as of July 1, 2019.

*Audit Management Handbook*, Stephen J. Gauthier, Government Finance Officers Association (1989) (Note: Publication of this *Handbook* was discontinued several years ago as a result of 1996 changes to the Federal Single Audit Act and changes in GFOA policy; however, the references to the *Handbook* in this guidance are consistent with current GFOA policy.)

*Choosing an External Auditor: A Guide to Making a Sound Decision*, Mid-America Intergovernmental Audit Forum (August 2007)

([www.nj.gov/humanservices/olra/ocpm/resources/tips/Mark\\_ExtAuditor2.pdf](http://www.nj.gov/humanservices/olra/ocpm/resources/tips/Mark_ExtAuditor2.pdf))

GFOA's Best Practice: *Audit Procurement* (March 2019), Government Finance Officers Association ([www.gfoa.org/best-practices/internal-controls](http://www.gfoa.org/best-practices/internal-controls))

GFOA's Best Practice: *Audit Committees* (October 2008), Government Finance Officers Association ([www.gfoa.org/best-practices/internal-controls](http://www.gfoa.org/best-practices/internal-controls))

*Government Accounting, Auditing, and Financial Reporting* (2012), Government Finance Officers Association

*Government Auditing Standards* issued by the Comptroller General of the United States ([www.gao.gov/yellowbook](http://www.gao.gov/yellowbook))

*How to Avoid a Substandard Audit: Suggestions for Procuring an Audit* (May 1988), National Intergovernmental Audit Forum ([www.gao.gov/products/137493](http://www.gao.gov/products/137493))

*Public Procurement Guide for Elected and Senior Government Officials* promulgated by the NIGP: Institute for Public Procurement (2016) ([www.nigp.org/home/find-procurement-resources/elected-officials-procurement-guide](http://www.nigp.org/home/find-procurement-resources/elected-officials-procurement-guide))