

STATE OF NEVADA
LEGISLATIVE COUNSEL BUREAU

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REQUEST FOR PROPOSALS
NEVADA LEGISLATIVE COUNSEL BUREAU

AUDIT OF THE NEVADA LEGISLATIVE COUNSEL BUREAU
FOR FISCAL YEARS ENDING ON JUNE 30, 2021, 2022, AND 2023

CARSON CITY, NEVADA
April 21, 2021

Any questions or request for clarification shall be submitted via electronic mail by **not later than 5:00 p.m. (Pacific Time) on May 7, 2021.** Please submit any such questions to:

Daniel E. Rushin, CPA
Chief Financial Officer
Legislative Counsel Bureau:
401 S. Carson Street;
Carson City, NV 89701-4747;
dan.rushin@lcb.state.nv.us

DUE DATE: MAY 14, 2021

REQUEST FOR PROPOSALS
NEVADA LEGISLATIVE COUNSEL BUREAU

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DUE DATE: MAY 14, 2021

Nevada Legislative Counsel Bureau

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I. Executive Summary

The Director's Office of the Nevada Legislative Counsel Bureau (LCB) is seeking to enter into an Agreement with a licensed public accounting firm to conduct the financial audit for the LCB for the fiscal years ending on June 30, 2021, 2022 and 2023. The LCB is a nonpartisan agency which provides professional, technical and administrative support to the Nevada Legislature. The Director of the LCB is the executive head of the agency. The financial audit sought is an audit of the financial statements of the LCB which is conducted in accordance with all applicable auditing standards. The LCB will prepare the financial statements, note disclosures and provide required supplementary information. The financial statements of the LCB are also included in the State of Nevada Comprehensive Annual Financial Report.

The accounting system of the LCB is managed and controlled by the Accounting Unit of the Administrative Division of the LCB. The LCB's accounting system records the accounting transactions for the Legislative Branch of State Government. This currently includes two special revenue governmental funds referred to as the Legislative Fund and the Contingency Fund, and one proprietary fund referred to as the State Printing Office Fund.

This Request for Proposal (RFP) outlines the requirements for the financial audit of the financial statements of the LCB. Firms are requested to provide detailed proposals for the audit services they will offer to provide. Firms must submit their proposals on or before 5:00 p.m. on May 14, 2021. Responses will be evaluated by the Chief Financial Officer of the LCB and presented to the Director of the LCB who will award the contract on or before May 21, 2021.

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II. General Information

- A.** *Purpose* – The LCB is seeking a 3-year contract for the performance of an annual financial audit of the LCB’s financial statements. This document is a Request for Proposals (RFP) from qualified firms to conduct the requested scope of work for fiscal years 2021, 2022, and 2023, and will be used as the basis for selecting the firm to perform the work.

The successful firm is expected to perform the audit in accordance with Government Auditing Standards issued by the U.S. General Accounting Office, OMB Uniform Guidance and all other applicable audit guides and standards.

- B.** *Authority* – NRS 218F.110 authorizes the Director of the Legislative Counsel Bureau to contract with a qualified accounting firm to perform the audit.
- C.** *Issuing Office* – This RFP is issued by the Director of the Legislative Counsel Bureau. The Chief Financial Officer who works within the Office of the Director is the sole point of contact for purposes of this RFP. Inquiries regarding this RFP must be directed to:

Daniel E. Rushin, CPA – Chief Financial Officer
Legislative Counsel Bureau
401 South Carson Street
Carson City, Nevada 89701-4747
(775) 684-6809
Fax: (775) 684-6600
dan.rushin@lcb.state.nv.us

- D.** *Submission of Proposals* – Proposals must be prepared in accordance with the instructions set forth in this RFP. Proposals must be submitted electronically to Daniel E. Rushin, CPA, Chief Financial Officer of the LCB. The deadline for submission of proposals is 5:00 p.m. on May 14, 2021. Any late proposals may be rejected. Contact information must be clearly identified with name, title, address and phone number of the person authorized to answer questions concerning the proposal and included on the cover letter submitted with the proposal. The proposal must be signed by a principal or partner of the firm who is authorized to contractually bind the firm. The LCB is not responsible for any cost incurred by firms before the contract is awarded.
- E.** *Withdrawals and Disposition of Proposals* – Proposals may be withdrawn before the contract is awarded by submitting a written request to withdraw which is signed by a principal or partner of the firm to the Chief Financial Officer of the LCB. Proposals become the property of the Legislative Counsel Bureau.

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- F.** *RFP Amendments* – The LCB reserves the right to alter, amend or modify any provision of the RFP, or to withdraw the RFP at any time before awarding the contract.
- G.** *Schedule of Events* – The LCB intends to select a firm and execute the contract in accordance with the following schedule:

April 21, 2021	Issuance of RFP
May 14, 2021	Deadline for Submission of Proposals
On or Before May 21, 2021	Selection of Firm

The LCB reserves the right to interview firms upon receipt of proposals before the final selection. Any such interview will be conducted by phone or other electronic means.

- H.** *Proposal Format and Content* – To be considered for selection, firms must submit a proposal which includes a complete response to this RFP. All conditions printed in the RFP are hereby made a part of the conditions under which the proposal is submitted and will be incorporated in any contract entered into for this audit. Failure of the firm to accept these conditions may result in a cancellation of the selection. The information requested in Section III of this RFP must be included in the proposal and the proposal must be in the prescribed format. Failure to do so may lead to disqualification. Proposals should be simple and economical, providing a straightforward, concise description of the firm's qualifications and ability to meet the requirements of this RFP. Merely repeating terms and conditions of the RFP without additional explanation will not be considered sufficiently responsive.
- I.** *Submission of Proposals* – Proposals must be submitted electronically to the Chief Financial Officer at the email address listed in Section II(C) of this RFP by not later than 5:00 p.m. on May 14, 2021. Faxed responses, late responses and hard copies will not be accepted.
- J.** *Payment* – The selected firm may submit progress billings with its progress reports to the Contract Administrator for the LCB, who will monitor firm performance and be the point of contact for the LCB throughout the audit. Upon submittal of the final report for each fiscal year, the selected firm shall submit a final billing for services rendered up to the contracted totals. The LCB will process and pay amounts approved by the Contract Administrator for the LCB. The amount billed during any fiscal year may not exceed one-third of the total amount authorized for the contract, unless otherwise approved by the Director. The LCB will pay 90 percent of each bill during a fiscal year upon approval, and the remaining 10 percent will be paid upon completion of the audit for that fiscal year, including approval of all deliverables.
- K.** *Contract Administrator* – After execution of the contract, the firm shall direct all questions regarding the contract to the Contract Administrator of the LCB

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designated in the contract. Assistance will be provided to ensure reasonable and timely resolutions to questions of policy or procedure as they may affect the firm's efforts.

- L. *Other Pertinent Information* – The Director of the LCB is the issuer of this RFP. All payments will be made by the Legislative Counsel Bureau. Any cost associated with preparing and submitting any periodic monitoring reports to the LCB is solely the responsibility of the firm and is not payable by the Legislative Counsel Bureau.
- M. *Background Information/Description of Entity* – The LCB's accounting system is managed and controlled by the Accounting Unit of the Administrative Division of the LCB. The LCB will prepare the financial statements of the LCB, which will also be included in the State's Comprehensive Annual Financial Report. The financial position, results of operations, and cash flows of the proprietary fund type, within the reporting entity of the LCB will be included in the financial statements.

III. Proposal Format

- A. *Introduction* – Proposals must be organized as outlined in this section. Proposals must be concise, clear, and complete. Failure to include all required information may result in disqualification or a lower evaluation ranking. Each page of the proposal must be numbered and the proposal must include an organized, paginated table of contents corresponding to the sections and pages of the proposal.

The firm's proposal must describe in detail the scope of the audit and must include a detailed work plan setting forth the methodologies to be used.

Responses to this RFP will be the primary source of information to evaluate the proposals. Therefore, applicants are requested and advised to make the proposal as complete and thorough as possible. The LCB may:

1. Contact any applicant to clarify any portion of the proposal.
 2. Contact prior clients of an applicant as a reference.
 3. Solicit information from any available source concerning any aspect of the proposal.
 4. Seek and review any other information deemed pertinent to the evaluation process.
 5. Conduct interviews by phone or through other electronic means before making a final selection.
- B. *Transmittal Letter* – The proposal must include a transmittal letter that identifies the entity submitting the proposal and provides a commitment by that entity to offer the services required by the LCB. The transmittal letter must state that the proposal is valid for at least 90 days from the date on which proposals are due. A

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person legally authorized to bind the firm to the representations in the proposal must sign the transmittal letter. Failure to include each of these items may result in disqualification of the proposal.

- C. *Table of Contents* – The proposal must include a table of contents that clearly identifies the location of information required by this RFP.
- D. *Project Staffing and Organization* – Staff of the firm that will be assigned to manage and perform the audit must have the appropriate level of experience. Thus, the professional qualifications and prior work experience of each member of the firm’s team will be significant factors in the selection process.
1. Staffing – The program requires that concerted effort be given to this project by the firm. The proposal must clearly identify:
 - a. The number of personnel by skill and qualification who will be devoted to the work;
 - b. The total number of hours each type of employee will be involved in performing work under the contract;
 - c. A statement as to your firm's ability to meet the required deadlines; and
 - d. The name of the person who will be designated as the project manager.
 2. Notices of changes to anticipated staffing – The key personnel who are designated to work on this audit are considered essential to the services to be provided. No substitutions of key personnel following the contract award may be made by the firm without prior written consent from the LCB.
- E. *Firm Services Overview/Objectives* – The objectives of the examination for each fiscal year are to determine and report whether:
- The financial statements of the Legislative Counsel Bureau are presented fairly in conformity with generally accepted accounting principles.
 - The assessment of the internal control structure made as a part of the examination of the financial statements disclosed any material weaknesses in the accounting system of the LCB.
 - The LCB has complied with laws and regulations that may have a material effect on the financial statements.
- F. *Requirements of Audit/Deliverables* – The work will include an audit of the financial statements of the LCB sufficient to meet the objectives stated in Section III(E). The audit for each fiscal year must be completed and each year's final audit reports submitted to the Director of the LCB in accordance with the following schedule:

<u>Fiscal Year</u>	<u>Opinion on the LCB’s Financial Statements</u> <u>No Later Than</u>
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2021	October 31, 2021
2022	October 31, 2022
2023	October 31, 2023

1. The work must be performed in accordance with the standards for financial audits contained in the most current revisions of Government Auditing Standards, applicable OMB Uniform Guidance, and all other applicable audit guides and standards.
2. The required audit reports must be prepared in accordance with the AICPA Audit Guide for Audits of State and Local Governments.
3. All audit reports must be addressed to the Director of LCB.
4. One copy of a progress report must be delivered to the Contract Administrator of the LCB each month from the date on which the Agreement is entered until each final audit report has been delivered to and accepted by the Director. The progress report must include a statement of the work completed to date, what remains to be done, hours incurred in the reporting period to date and whether the examination is proceeding on schedule for a timely completion.
6. The audit report on the Legislative Counsel Bureau's financial statements and a letter addressing those internal controls over financial statements must be delivered electronically to the Contract Administrator of the LCB and addressed to the Director of the LCB by the dates specified in III(F). A DRAFT copy of the opinion must be delivered by October 15, 2021, for fiscal year 2021; by October 15, 2022, for fiscal year 2022; and by October 15, 2023, for fiscal year 2023.

G. *Executive Summary* – The proposal must include an executive summary that asserts that the proposal meets all of the requirements of this RFP. The executive summary should not exceed five pages, must represent a full and concise summary of the contents of the proposal, and must be cross-referenced to the page numbers of the proposal's contents. Failure to include this information may result in disqualification of the proposal.

H. *Firm's Identifying Information*

1. Name and Address.
2. Type of Entity (Corporation/Partnership).
3. Length of time in existence.
4. Name and location of all offices and other facilities of the firm.
5. Name, address, telephone number and fax number of the firm's principal contact.
6. Firm's Federal Employer Identification Number.

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7. Statement regarding the financial stability of the firm, including the ability of the firm to perform the requisite services.
 - I. *Conflict of Interest* – The firm must disclose in the proposal any contractual relationship that exists or has existed between the firm (or a predecessor organization of the firm, or a subcontractor included in the firm’s proposal) and any entity of the State of Nevada, the Nevada Legislature or the Legislative Counsel Bureau. Not every prior or existing contractual relationship will constitute a conflict of interest. However, each such relationship must be disclosed. The firm represents that, if awarded the contract, the audit will not put the firm in a position of having to review and/or evaluate its own work from a past consulting or business engagement with the State of Nevada, the Nevada Legislature or the Legislative Counsel Bureau. Failure to disclose any such prior or existing contractual or personal relationship as described in this section may result in disqualification of the proposal. The LCB will make the final determination regarding the existence of a conflict of interest.
 - J. *Technical Information* – The objective of the technical portion of the firm’s proposal is to demonstrate the firm’s expertise, the expertise of personnel who will render the requested services, the firm’s ability to logically plan and complete the audit and the firm’s ability to successfully deliver the final audit reports.
 - K. *Corporate Capabilities* – This portion of the proposal must describe the firm’s experience with performing similar governmental audits and the firm’s understanding of the requirements for such work, by providing the information detailed below:
 1. *Business Organization* – State the full name and address of the organization. Include the name, title, address, and the telephone number of the person in the organization who has primary responsibility for this proposal and to whom questions may be addressed.
 2. *Peer Review* – Include a copy of the firm’s most recent peer review opinion.
 3. *Independence* – Include a statement as to whether the firm is independent with regard to the LCB and that the firm meets the independence requirements of Government Auditing Standards.
 - L. *Cost Proposal* – It is the policy of the LCB to obtain the highest quality proposal for services at the lowest possible cost. Cost will be evaluated separately from the qualification of the firm and the services proposed in response to this RFP.

The total cost for performing an audit of the LCB for the 3-year period must be included in the body of the proposal and must include all deliverables including draft audit reports, status reports, site visits, fieldwork, presentations and expenses associated with deliverables.

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The cost proposal must also include all the cost of travel and accommodation expenses associated with travel, and any other out-of-pocket expenses required to perform the work. Further, the proposal must include all costs and expenses associated with the firm's attendance at, and participation in, any meetings held following the submission of the firm's final audit reports, to present, explain, and/or discuss the audit reports.

IV. Statement of Work

- A.** *Introduction* – The proposal must be divided into numbered sections and contain the information as described in this section. After the firm has been selected, but before entering into an Agreement, the LCB may require modifications of the proposal to ensure the objectives of this request are satisfied.
- B.** *Scope of Work*
1. The firm must perform the audit of the LCB's financial statements. The firm is expected to perform the audit in accordance with Government Auditing Standards issued by the U.S. General Accounting Office, applicable OMB Uniform Guidance and all other applicable audit guides and standards. The audit will include the requirements and deliverables described in Section III(F).
 2. Confidentiality – The firm must maintain confidentiality of all information, records and data obtained for the purpose of the audit. All information obtained during the audit may only be used for the purpose of conducting the audit and may not be used for any other purpose. Additionally, the firm shall require employees and other persons enlisted by the firm to assist with the audit to be bound by all confidentiality requirements.
- C.** *Work Plan and Methodology*
1. Work Plan – The objective of the work plan is to describe the work the firm will perform to audit the LCB's Financial Statements. The work plan must also include the projected dates for each deliverable as required by this RFP.
 2. Methodology – The work plan must clearly present the firm's methodology for conducting the audit for the 3 years. Conclusions and recommendations based on unreliable or inaccurate data are not useful to the LCB and will be considered unacceptable to include in the audit reports. Therefore, the firm's methodology must describe the verifying process it will use to ensure that audit report data is accurate and reliable.
- D.** *Deliverables*

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1. Progress Reports – The Contract Administrator for the LCB is responsible for monitoring firm performance. The firm will provide periodic reports on the progress of completing the audit to the Contract Administrator.
 2. Audit report on the LCB’s financial statements – (See Section III(F)(6)).
 3. Presentation – The firm may be required to attend meetings called by the Director of the LCB to discuss the final audit reports. The firm must designate a person to be present at these meetings and available for discussion of the audit reports. The costs associated with meetings are solely the responsibility of the firm and are not payable by the Legislative Counsel Bureau, except as otherwise specified in the Agreement.
- E.** *Product Expectations* – The audit report for each fiscal year will provide information about the LCB’s financial status. Therefore, information presented and conclusions made must be accurate and reliable.
- F.** *Anticipated Project Calendar* – The project should proceed no later than the dates outlined in Section III(F).
- G.** *Working Papers*
1. All working papers from the audit are confidential. The firm shall not release working papers except when subpoenaed by a court or when requested by the LCB, and may make working papers available for inspection by an authorized representative of any other governmental entity for a matter officially before him. The final audit reports are not public documents until they are presented to and accepted by the Director of the LCB. Until such time as the final audit reports are released, the audit reports must not be provided to any person or entity who is not authorized by the Agreement.
 2. The firm may destroy working papers 3 years after the final written reports are issued, payment for those years have been made, and all other pending matters are closed.
- H.** *Progress Reports* – The firm must keep the LCB apprised of its progress and activities through regular monthly progress reports. The progress reports must include a statement of the work completed, the work remaining, a brief description of any findings, any concerns or problems encountered, and whether the audit is proceeding on schedule for a timely completion. The LCB reserves the right to request additional written progress reports and to request a meeting with the firm, if needed to clarify any information in the progress reports. The firm may submit a bill in conjunction with its progress reports. Ninety percent of each bill will be paid upon approval of the progress report and the remaining 10 percent will be paid upon completion of and acceptance of the final audit report for that fiscal year by the Director of the LCB.

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I. *Firm's Responsibilities*

1. The selected firm must designate a project manager who will maintain contact with the LCB. The project manager must have experience performing audits as described in Government Auditing Standards.
2. The selected firm is responsible for personnel, supplies and equipment.
3. The selected firm must accept responsibility for all services offered in the proposal.
4. The selected firm is responsible for any material errors or omissions in performance of the contract.
5. The selected firm is responsible for obtaining any private legal advice concerning the work as it deems necessary.
6. The selected firm must report, in writing, immediately to the Director of the LCB whenever it appears, in the opinion of the project manager of the firm, that any crime has been committed; any instance of misfeasance, malfeasance or nonfeasance by a state officer or employee; or any shortage in the accounts of any official or employee of the LCB.
7. The selected firm must deliver the draft and final audit reports in accordance with Section III(F).
8. The selected firm will hold exit conferences and obtain the LCB's responses for any findings resulting from the examination of the financial statements. The selected firm will comment upon any recommendation that is not accepted by the LCB.
9. The selected firm must submit a monthly progress report that includes a statement of the work completed to date, the work that remains to be done, the hours carried out during the current reporting period and to date, any concerns or problems encountered, and whether the audit is proceeding on schedule for a timely completion.
10. The selected firm must provide an annual accounting of the hours expended on the financial statement by each year.

J. *The LCB's Responsibilities*

1. The LCB will provide the selected firm with access to books, accounts, records, files, correspondence, or other documents as needed.

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2. The LCB will prepare the financial statements, note disclosures and required supplementary information. The financial statements of the LCB will also be included in the State of Nevada Comprehensive Annual Financial Report.
 3. The LCB will follow up and take corrective action on audit findings, if any, including preparing a summary schedule of any prior audit findings, identifying prior findings status, if any, and the corrective action plan for audit findings included in the current year's report, if any.
 4. The selected firm must notify the Director of the LCB of any delays in receipt of information.
- K.** *Responsibilities of the Contract Administrator for the LCB*– The Chief Financial Officer for the LCB is responsible for oversight of this RFP, including reviewing all proposals and determining the most qualified candidates to forward to the Director of the LCB. Additionally, the Chief Financial Officer will be designated as the Contract Administrator to be responsible for monitoring the performance of the firm selected and for authorizing payments upon verification of work performed. The Contract Administrator will provide prior audit reports to the selected firm and will review and provide written acceptance of each fiscal year's audit report. The Contract Administrator will attend all entrance and exit conferences held with the auditors.

V. Proposal Evaluation and Selection Process

- A.** *Introduction and Overview* – The LCB will evaluate proposals received and the Director of the LCB will make the final selection. Before the final selection, the Director may request qualified firms to present their proposals or may require firms to be interviewed via telephone or other means.

Following the final selection by the Director, the selected firm will be notified and the LCB will prepare an Agreement for review and signature. Other firms will be notified of the selection. If the Agreement is not signed by the selected firm within the designated time, the Director may select another firm.

If all proposals are rejected, all firms will be promptly notified.

- B.** *Selection* – The Chief Financial Officer for the LCB will provide a list of firms that submitted proposals to the Director of the LCB by no later than May 14, 2021. The Director will make the final determination from the list provided on or before May 21, 2021. The Chief Financial Officer will evaluate the proposals using the criteria set forth in Appendix B.
- C.** *Rejection of Proposals* – The Director of the LCB reserves the right to reject any or all proposals, or to award the contract in whole or in part if deemed to be in the best interest of the LCB. The Director may award the contract to any firm meeting

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the specifications and conditions. Selection of the firms may be made by the Director without discussion after proposals are received.

VI. Provisions to be Included in Agreement

A. *Subcontractors* –The firm shall not subcontract, sell, transfer, assign, delegate or otherwise dispose of its rights, obligations or duties under the Agreement or any portion thereof without the prior written consent of the LCB. If the LCB provides any such consent, the firm agrees to remain primarily responsible for the work. The firm shall not seek approval to subcontract work to any subcontractor who has been suspended by the State of Nevada. No person or entity may in any case relieve the firm of its liability under the Agreement and any person engaged in the performance of work covered by the Agreement shall be considered an employee of the firm.

B. *Amendments to Agreement*

1. Either party to the Agreement may request a change in the Agreement by submitting a request for a change order. Such a request must include a description of the provision(s) to be modified, the rationale for requesting the change and an assurance that the final product will be equal to or better than the specifications set forth in the Agreement.
2. If the firm submits a request for a change order, the LCB will approve or deny the request within 5 business days after receipt of the request. The LCB agrees that it will not unreasonably withhold such approval.
3. If the LCB requests additional work or a modification to the work covered under the Agreement, the firm must, within 5 business days, provide the LCB with a written estimate of the cost, which must be approved by the LCB before the firm begins any such work.
4. Any change in the work processes or services provided by the firm without a signed change order from the LCB shall be at the firm's own risk. The cost and expense will be the responsibility of the firm, and the firm may not submit a claim for compensation for work, materials or equipment in connection with such changes.

C. *Termination by LCB*

1. The LCB may at any time, for its convenience and without cause, terminate all or part of the Agreement. To terminate the Agreement pursuant to the paragraph, the LCB must deliver to the firm a notice of termination without cause. Termination of the Agreement pursuant to this paragraph shall be within the sole discretion of the LCB and shall become effective upon receipt by the firm of the notice of termination without cause. The LCB's liability to the firm with respect to termination without cause is limited to

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the reasonable costs incurred by the firm for work performed before the effective date of the termination. If requested, the firm shall substantiate any cost submitted for payment with proof satisfactory to the LCB. This paragraph does not apply to termination for cause.

2. The firm is in default of the Agreement and the LCB may terminate the Agreement for cause if the LCB determines that:
 - a. The quality of the work performed by the firm is unacceptable;
 - b. The firm fails to comply with the terms of the Agreement to the satisfaction of the LCB;
 - c. The project is more than 30 days behind schedule;
 - d. The firm has breached the Agreement in any other respect; or
 - e. The firm has sought, or been forced to seek, protection under the Federal Bankruptcy Act.
3. The LCB is in default of the Agreement if, at any time, the LCB materially breaches any term of the Agreement.
4. To terminate this Agreement for cause, the non-defaulting party shall send to the defaulting party a notice of default. Termination shall become effective 5 days after the defaulting party receives the notice of default unless during those 5 days the defaulting party cures the default.
5. If the LCB terminates the Agreement for cause, the LCB is not liable for any cost incurred by the firm and the LCB may procure the services from other sources and hold the firm liable for any excess cost occasioned thereby.
6. If the Agreement is terminated, all finished documents, data, studies, and reports prepared for the LCB under the contract shall, at the option of the LCB designee, become its property upon payment for services rendered through the termination of the contract.
7. Upon notice by the LCB to the firm 60 days prior to either June 30 of 2021, 2022 or 2023, that money is not available to pay for the cost of the audit for fiscal years 2021, 2022 or 2023 respectively, the Agreement will be terminated at no expense to the LCB.

D. *Additional Contract Terms*

1. The LCB will not pay more than one-third of the total amount of the total proposed fee for the audit report for each fiscal year. Payment will be made upon completion and verification of all duties.
2. The firm shall hold harmless, indemnify and defend the State of Nevada, the Nevada Legislature, the Legislative Counsel Bureau and its officers, employees and authorized agents against any claim, action, loss, damage,

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injury, liability, cost and expense of any kind or nature arising from the performance of the Agreement which is not due or caused by the negligence of the State of Nevada, the Nevada Legislature, the Legislative Counsel Bureau or one of its officers, employees or authorized agents.

In any claim against the State of Nevada, the Nevada Legislature, the Legislative Counsel Bureau or one of its officers, employees or authorized agents by any employee, any subcontractor of the firm or any person directly or indirectly employed by any of them, or any person for whose acts any of them may be liable, this indemnification shall not be limited in any way by any limitation on the amount of type of damages, compensation, or benefits payable by or for the firm or any subcontractor under workers' compensation acts, disability benefit acts or other employee benefit acts.

The indemnification conferred by this section is not intended to waive the limitation on the award of tort damages otherwise applicable to the acts of omissions to which the indemnification applies.

The remedy provided by this indemnification is in addition to, and not in lieu of, any other remedy. This indemnification must not be diminished in any way to the total limits of insurance that may be available to the firm.

3. The laws and regulations of the State of Nevada shall govern the Agreement. Each and every provision of law and clause required by law to be inserted in the Agreement shall be deemed to be inserted herein and the Agreement shall be read and enforced as though it were included herein. If any of the provisions of the Agreement shall be determined to be invalid or unenforceable, the remaining provisions shall remain in full force and effect.
4. The parties agree that the firm is an independent contractor, not a state employee, and that there shall be:
 - a. No withholding of income taxes by the State of Nevada;
 - b. No industrial insurance coverage provided by the State;
 - c. No participation in group insurance plans which may be available to employees of the State;
 - d. No participation or contribution by either the independent contractor or the State to the Public Employees' Retirement System;
 - e. No accumulation of vacation leave or sick leave; and
 - f. No unemployment compensation coverage provided by the State.
5. The audit report, including the opinions and findings of the auditor contained therein, may be disseminated by the LCB or included as a part of any document disseminated by or on behalf of the LCB, including without limitation and without additional cost, by including in:

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- a. Any official statement or other offering document for bonds or other securities;
 - b. Any filings made pursuant to any laws of the State or regulations of any agency thereof;
 - c. Any filings made pursuant to any rules of the Securities and Exchange Commission; or
 - d. The website of the LCB or the Legislature on the Internet without obtaining the consent of the firm.
7. During the term of the Agreement, the firm shall maintain comprehensive public liability insurance of not less than \$2,000,000 in a form and with an insurer or insurers acceptable to the LCB. The firm shall agree to name the State of Nevada, the Legislature of the State of Nevada, the Legislative Counsel Bureau, their officers, employees and agents as additional insureds on the policy. Evidence of the policy or policies required must be furnished to the LCB at the time of the signing of the contract and thereafter from time to time as the LCB deems necessary. Such evidence must show that the policy or policies shall not be modified or terminated without at least 30 days prior notice, in writing, to the LCB.
8. The firm shall not use any data, pictures or other representations of the State of Nevada, the Nevada Legislature or the Legislative Counsel Bureau, in its external advertising, marketing programs or other promotional efforts, unless it obtains the specific advance written authorization of the LCB, except that the firm may use any product that is developed pursuant to the Agreement as a sample for the purpose of obtaining future employment without the consent of the LCB. The LCB agrees not to unreasonably deny authorization to use the LCB as a reference.
- E.** *Partial Performance* – Should the firm fail to comply with the provisions of the Agreement to the satisfaction of the LCB, payment may be withheld until such time as the firm has complied with the provisions. This condition does not waive and is in addition to any administrative, contractual, or legal remedies where it appears that the firm has violated, breached or defaulted on the terms of the Agreement.
- F.** *Compliance with Laws* – The firm shall comply with all applicable federal, state, county and local laws, ordinances, regulations and codes in the performance of its duties under the contract.
- G.** *Review of Deliverables*
1. The firm agrees to notify the LCB upon completion of each deliverable. Upon receipt of such notification, the LCB agrees to inspect the deliverable and notify the firm whether the deliverable is approved or rejected. The firm acknowledges that acceptance is within the sole discretion of the LCB. The LCB agrees that it will not exercise its discretion in an arbitrary or

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capricious manner. The LCB designee further agrees that if it rejects a deliverable, the LCB will provide to the firm with the notice of rejection a list of the specifications, terms, conditions or other items that the firm must rework, revise, change or complete for the LCB to accept the deliverable.

2. If the LCB notifies the firm that a deliverable has been rejected, the firm shall rework, revise, change or complete the deliverable, as appropriate. Any corrections considered necessary by the LCB designee shall be corrected by the firm, unless such corrections will, in the firm's opinion, violate professional standards. Any such correction of a deliverable shall be at the expense of the firm. After the firm has reworked, revised, changed or completed the deliverable, the firm agrees to notify the LCB and the process set forth in paragraph (1) for review of deliverables will apply.
3. Final payment shall be withheld until all deliverables have been accepted by the LCB for each fiscal year.

Appendix A

COST PROPOSAL

The Firm must state its proposed costs using the format described in the following table. The firm's charges must include the entire cost of providing the services identified in this RFP.

The cost proposal submitted must itemize the following for each category of personnel with a different billing rate: Employees categorized in the following manner: partners, supervisors, seniors, staff, number of hours on program, billing rate per hour (including fringe benefits), and total cost for each type of auditor.

The cost proposal must also itemize all out-of-pocket costs, such as printing, telephone, travel, clerical, or other specific costs. The total cost estimate for each of these categories should be itemized.

Additional Cost Information

Billable hours: For each employee's title listed, state briefly the function and responsibility of that title.

Out-of-pockets Costs: Include separate costs for each category listed, if applicable.

Travel: These expenditures include mileage, subsistence, lodging, and transportation expenses. Show transportation costs and per diem separately.

Other (Specify): Itemize any other costs that may not fall into categories previously listed.

Total Costs: The sum of billable hours and out-of-pocket costs.

Appendix A

COST PROPOSAL
(continued)

Name of Firm: _____

Name of Subcontractor(s): _____

Signature and Title of Firm or Subcontractor(s): _____

	TOTAL REVIEW COST		
	Hours	Billable Rate	Total
Billable Hours			
Staff			
Supervisors			
Senior Staff			
Partners			
Total Billable Hours			
Out-of-Pocket Costs			
Printing			
Telephone			
Travel			
Clerical			
Other (specify)			
Total Other Expenses			
TOTALS			

Appendix B

PROPOSAL EVALUATION FORM

Firm's Name:

I. PRIORITY ITEMS

	<u>Yes</u>	<u>No</u>
A. Does the firm have a permit to engage in the practice of public accounting in Nevada?	_____	_____
B. Does the firm meet the independence standards of <u>Government Auditing Standards</u> ?	_____	_____
C. Has the firm been disciplined by the Nevada State Board of Accountancy for substandard work?	_____	_____

Note: A no answer to questions A and B will make the firm ineligible. A yes answer to Question C may make the firm ineligible.

II. WEIGHTED ITEMS

	<u>Score (Based on Scale of 0-5)</u>	<u>Weight</u>	<u>Weighted Score</u>
A. Qualifications			
1. Firm	_____	.10	_____
2. Staff	_____	.25	_____
3. Governmental Auditing	_____	.15	_____
B. Technical Presentation	_____	.20	_____
C. Fee	_____	.30	_____
Total		<u>1.00</u>	_____